

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA, ACTING IN ITS CAPACITY AS THE HOUSING SUCCESSOR TO THE FORMER TEMECULA REDEVELOPMENT AGENCY (AND, WITH RESPECT TO A LOAN OF CITY FEES, ALSO IN ITS CAPACITY AS THE CITY) APPROVING A LOAN AGREEMENT WITH LAS HACIENDAS HOUSING ASSOCIATES, L.P. FOR THE “LAS HACIENDAS” 77 UNIT LOW INCOME AFFORDABLE MULTI-FAMILY (APARTMENT) PROJECT AT 28715 LAS HACIENDAS STREET AND 28772 CALLE CORTEZ, AND THE TAKING OF RELATED ACTIONS, AND MAKING A FINDING OF EXEMPTION UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT SECTION 15182

THE CITY COUNCIL OF THE CITY OF TEMECULA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. **Recitals.** The City Council of the City of Temecula (the “City”) hereby finds, determines and declares that:

(a) The Redevelopment Agency of the City of Temecula (the “Former Agency”) was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law (the “Redevelopment Law”) set forth in Section 33000 et seq. of the Health and Safety Code (“HSC”) of the State of California (the “State”).

(b) Under the Redevelopment Law, the Former Agency was authorized, among other things, to provide assistance to the development of affordable housing projects.

(c) Pursuant to AB X1 26 (which became effective in June 2011), and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012, and the Successor Agency to the Temecula Redevelopment Agency (the “Successor Agency”) was constituted as the successor entity to the Former Agency.

(d) Pursuant to HSC Section 34175(b), all assets of the Former Agency, including so-called low income housing set aside funds, transferred to the Successor Agency by operation of law; provided, that pursuant to HSC Section 34176 and Resolution No. 12-11, adopted by the City Council on January 24, 2012, the City elected to assume the housing functions of the Former Agency (in such capacity, the “Housing Successor”).

(e) **Las Haciendas Housing Associates, L.P.**, a California limited partnership (“Developer”) desires to obtain a construction loan from the City of low income set aside funds in the amount of \$8,910,698 and a loan/deferment of \$718,445 of development fees in order to facilitate construction of a 77-unit multifamily apartment complex to be known as “Las Haciendas” (the “Project”).

(f) Developer desires to enter into a Loan Agreement with the City (“**Loan Agreement**”) to provide for the terms and conditions of the City loans. The form of the Loan Agreement negotiated by staff is attached hereto as Attachment A and includes the forms of a promissory note, a subordinate deed of trust, and a regulatory agreement restricting 49% of the units to affordable low income housing for 55 years (with the other units, except for a manager’s unit, to be restricted by a regulatory agreement required in conjunction with the tax credits);

(g) Developer will be seeking an allocation of low-income housing tax credits and is also contemplating a financing transaction from a third party lender to help finance the construction of the Project.

Section 2. Approval of Agreement. The Loan Agreement, in the form set forth in Attachment A, is hereby approved. The Mayor (or in the Mayor’s absence, the Mayor Pro Tem) and the City Manager (each, an “**Authorized Officer**”), acting individually, are hereby authorized to execute and deliver the Loan Agreement, for the City as the Housing Successor and the City as a city, in substantially such form, with changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 3. Other Acts. The Authorized Officers and all other officers of the City are hereby authorized, jointly and severally, to do all things, including the execution and delivery of documents and instruments, which they may deem necessary or proper to effectuate the purposes of this Resolution, the Loan Agreement, and all documents contemplated or required by the Loan Agreement. The City Clerk is authorized to attest to the City officers’ signatures to any such document or instrument.

Section 4. CEQA Exemption Findings. This Loan Agreement was analyzed in accordance with the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines, and the City’s local CEQA Guidelines. Staff has determined that the proposed Loan Agreement is exempt from the requirements of CEQA pursuant to State CEQA Guidelines 15162 and 15182. On November 17, 2015, an Environmental Impact Report (EIR) (SCH#2013061012) was certified in connection with the approval of the Uptown Temecula Specific Plan. The Uptown Temecula Specific Plan is divided into six planning districts, all of which allow residential uses. The Uptown Temecula Specific Plan does not contain maximum or minimum density requirements, although residential development is anticipated at a range of 20 to 60 dwelling units per acre. For planning purposes, the Uptown Temecula Specific Plan assumes a residential density of 45 dwelling units per acre in all zoning districts. The proposed project that is the subject matter of the Loan Agreement proposes to construct 77 units on 2.5 acres, which is under the 45 dwelling units per acre analyzed by the EIR. As such, the environmental impacts for the project have been evaluated by the previously adopted EIR for the Uptown Temecula Specific Plan, and no further environmental review is necessary. None of the circumstances in CEQA Guidelines Section 15162 exist to require any additional environmental review and no further documentation is necessary. In addition, staff has determined that the project is exempt from CEQA pursuant to CEQA Guidelines Section 15182 as the proposed residential development is in conformity with the Uptown Temecula Specific Plan. The City Council has reviewed staff’s determination of exemption and, based on its own independent judgment, concurs in staff’s determination that the proposed Loan Agreement is exempt from CEQA pursuant to State CEQA Guidelines Sections

15182 and that no further environmental review is needed pursuant to CEQA Guidelines Section 15162. Staff is directed to prepare a Notice of Exemption.

Section 5. **Certification.** The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Temecula this 26th day of May, 2020.

James Stewart, Mayor

ATTEST:

Randi Johl, City Clerk

[SEAL]

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF TEMECULA)

I, Randi Johl, City Clerk of the City of Temecula, do hereby certify that the foregoing Resolution No. 2020- was duly and regularly adopted by the City Council of the City of Temecula at a meeting thereof held on the 26th day of May, 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Randi Johl, City Clerk

ATTACHMENT A

Form of Loan Agreement

(Attached.)