

RESOLUTION NO. 20-182

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON AUTHORIZING THE CITY TO BECOME AN ADDITIONAL MEMBER OF THE CALIFORNIA COMMUNITY HOUSING AGENCY (“CALCHA”) BY AUTHORIZING EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT, SUPPORTING CALCHA’S ISSUANCE OF TAX-EXEMPT BONDS FOR THE PRODUCTION, PRESERVATION AND PROTECTION OF ESSENTIAL MIDDLE-INCOME RENTAL HOUSING, AND APPROVING THE FORM OF PURCHASE OPTION AGREEMENTS WITH CALCHA FOR ESSENTIAL MIDDLE-INCOME RENTAL HOUSING CREATED WITHIN CITY LIMITS AND AUTHORIZING EXECUTION THEREOF

WHEREAS, one of the primary goals of the City of Carson, a California Charter City (the “City”), is to meet the growing housing needs of its residents by actively supporting the production, preservation and protection of market-rate and affordable rental housing for all; and

WHEREAS, no existing Federal, State or local subsidies, programs or motivations currently exist to meaningfully address the growing shortfall of protected middle-income rental housing; and

WHEREAS, CalCHA is a Joint Powers Authority created specifically to produce, preserve and protect quality affordable rental housing made available to California’s essential middle-income workforce; and

WHEREAS, CalCHA intends to acquire existing rental properties within City limits and restrict future occupancy to middle-income households earning no more than 120% of area median income; and

WHEREAS, CalCHA will avoid the displacement of existing residents, implement regulatory agreements restricting the incomes and rents of future residents, and impose caps on the annual rent increases of qualified middle-income households; and

WHEREAS, CalCHA will finance its acquisitions through the issuance of tax-exempt bonds, and in order for CalCHA to issue tax-exempt bonds in the City of Carson, the City must be an Additional Member of CalCHA, as defined in and pursuant to, Section 12 of the Joint Exercise of Powers Agreement Relating to the California Community Housing Agency, dated January 29, 2019 (“JPA Agreement”), an executed copy of which is attached hereto and incorporated herein by this reference as Exhibit A; and

WHEREAS, the City proposes to become an Additional Member of CalCHA pursuant to Section 12 of the JPA Agreement; and

WHEREAS, subsequent to becoming an Additional Member of CalCHA, any existing

rental housing within City limits which CalCHA intends to acquire and finance with tax-exempt bonds must receive support and approval from the City; and

WHEREAS, the City proposes to support and approve CalCHA's issuance of tax-exempt bonds for the acquisition of existing rental properties as a means towards the preservation and protection of essential middle-income rental housing within City limits; and

WHEREAS, CalCHA's issuance of tax-exempt bonds will provide public benefit through the production, preservation and protection of below-market-rate rental housing, as well as the granting of all surplus project revenues to the City; and

WHEREAS, pursuant to one or more purchase option agreements (the "Purchase Option Agreements"), between CalCHA and the City, the form of which is attached hereto and incorporated herein by this reference as Exhibit B, CalCHA will grant the City the option, but never the obligation, to purchase each essential middle-income rental housing property acquired with bond proceeds commencing on the date fifteen (15) years after CalCHA's issuance of tax-exempt bonds ("Option Commencement Date"); and

WHEREAS, the Purchase Option Agreements will additionally provide the City with all surplus project revenues from each essential middle-income rental housing property; and

WHEREAS, the City will maintain the option to purchase each essential middle-income rental housing property commencing on the Option Commencement Date and continuing thereafter for a period of fourteen (14) years for each essential middle-income rental housing property; and

WHEREAS, the City proposes to authorize the City Manager to enter into Purchase Option Agreements with CalCHA for all essential middle-income rental housing created within City limits.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by reference.

SECTION 2. The City Council of the City of Carson hereby authorizes the City to become an Additional Member of CalCHA pursuant to Section 12 of the JPA Agreement and authorizes the Mayor to execute the JPA Agreement, subject to approval as to form by the City Attorney. The City's status as an Additional Member of CalCHA is expressly limited to what is necessary or appropriate to facilitate the financing or refinancing of any applicable project.

SECTION 3. The City Council hereby supports and approves CalCHA's issuance of tax-exempt bonds as a means towards the production, preservation and protection of essential middle-income rental housing within City limits.

SECTION 4. The City Council hereby authorizes the City Manager to enter into

Purchase Option Agreements with CalCHA for all essential middle-income rental housing created within City limits, with such changes therein as such officer executing the same may require or approve, subject to approval as to form by the City Attorney.

SECTION 5. The issuance of any bonds shall be subject to the approval of CalCHA of all financing documents relating thereto to which CalCHA is a party. The City shall have no responsibility or liability whatsoever with respect to the bonds.

SECTION 6. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct any project or any refinancing of any project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation or operation of any project; (iii) make any contribution or advance any funds whatsoever to CalCHA; or (iv) except as provided in this Resolution, take any further action with respect to CalCHA or its membership therein.

SECTION 7. The executing officers(s), the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

SECTION 8. The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original Resolutions, and shall forward a certified copy of this Resolution and an originally executed JPA Agreement to CalCHA, as follows:

California Community Housing Authority
1400 W. Lacey Blvd., Building 1
Hanford, California 93230
Attention: Michael LaPierre

SECTION 9. This Resolution shall take effect immediately upon its passage.

SECTION 10. The City Council declares that, should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

PASSED, APPROVED AND ADOPTED this 1st day of December, 2020.

Albert Robles, Mayor

ATTEST:

Donesia Gause-Aldana, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CARSON)

I, Donesia Gause-Aldana, City Clerk of the City of Carson, do hereby certify that the foregoing Resolution, being Resolution No. 20-182 was passed and approved by the City Council of the City of Carson, at a regular meeting of said Council held on December 1, 2020 and that said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donesia Gause-Aldana, City Clerk

EXHIBIT “A”
JOINT EXERCISE OF POWERS AGREEMENT
SEE ATTACHED

EXHIBIT “B”
PURCHASE OPTION AGREEMENT
SEE ATTACHED