

RESOLUTION NO. \_\_\_\_\_(CM)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE (1) APPROVING THE FINANCING LOAN DOCUMENTS FOR THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM (PLHA) FINANCING FOR TABASA GARDENS AFFORDABLE HOUSING PROJECT LOCATED AT 1482 FREEDOM BOULEVARD (APN: 019-226-41) WATSONVILLE, CALIFORNIA; (2) APPROPRIATING \$1,000,000 IN GRANT MONEY AWARDED FOR THE PROJECT; (3) AUTHORIZING AND DIRECTING THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE LOAN DOCUMENTS AND SUBORDINATION AGREEMENTS WHICH WILL CONTAIN TERMS OF THE USE OF THE LOAN FOR THE PROJECT; AND (4) AUTHORIZING A BUDGET APPROPRIATION OF \$1,000,000 FROM THE CITY'S PLHA SPECIAL REVENUE FUND**

**WHEREAS**, in 2017, Governor Newsom signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs, which included the Building Homes and Jobs Act (SB 2), which established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California; and

**WHEREAS**, SB 2 directs the California Department of Housing and Community Development (State HCD) to use seventy percent (70%) of the annual revenue collected for locally administered affordable housing programs beginning in calendar year 2019, which establishes the Permanent Local Housing Allocation Program (PLHA); and

**WHEREAS**, on October 11, 2022, the City Council of the City of Watsonville adopted its PLHA Guidelines and Five-Year Plan (Resolution No. 209-22 (CM)); and

**WHEREAS**, Tabasa Gardens, a 53-unit multi-family affordable housing development by Eden Freedom Investors, L.P. located at 1482 Freedom Blvd., satisfies the PLHA guidelines requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

1. This action does not meet CEQA's definition of a "project", because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

2. That the City Council hereby approves the PLHA financing loan documents for the Permanent Local Housing Allocation Program (PLHA) financing for Tabasa Gardens affordable housing project and a funding commitment in the amount of \$1,000,000 000 in grant money awarded for the project from the California Department of Housing and Community Development (HCD) to Eden Freedom Investors, L.P., in which they will participate, for the development of Tabasa Gardens, a 53-unit multi-family affordable housing development, located at 1482 Freedom Boulevard (APN: 019-226-41) Watsonville, California.

3. That the Council authorizes and directs the City Manager to negotiate and execute the loan documents and subordination agreements and to subordinate the City loans to the construction lender and to HCD, and all related documents necessary for the implementation of the PLHA Program for and on behalf of the City of Watsonville, subject to legal approval.

4. That the budget appropriation of \$1,000,000 from the City's PLHA Special Revenue Fund is hereby authorized.

5. That the City hereby directs the City Clerk to incorporate the loan documents to this resolution.

\*\*\*\*\*