

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF GLENDALE
VESTING THE LEGISLATIVE BODY WITH THE APPROVAL AUTHORITY OF
PURCHASE OPTION AGREEMENTS WITH THE CALIFORNIA COMMUNITY
HOUSING AGENCY AND PUBLIC BENEFIT AGREEMENTS WITH THE CSCDA
COMMUNITY IMPROVEMENT AUTHORITY FOR THE PURPOSE OF
CONSIDERATION AND APPROVAL OF FUTURE WORKFORCE HOUSING
PROPERTY ACQUISITIONS BY SAID ENTITIES**

WHEREAS, on February 11, 2020, the Housing Authority of the City of Glendale (“Housing Authority”) adopted Resolution No. H-501 authorizing the Housing Authority to become a member of the California Community Housing Agency (“CalCHA”), a joint powers agency, for the purpose of financing the acquisition, construction, rehabilitation, ownership, operation, maintenance, and/or financing of multifamily housing for low-income, moderate-income and middle-income families and individuals; and

WHEREAS, on January 19, 2021, the Housing Authority adopted Resolution No. H-512 authorizing the City to become a member of the CSCDA Community Improvement Authority (“CSCDA”) for the purpose of promoting economic, culture and community development in the City; and

WHEREAS, CalCHA and CSCDA issue tax-exempt bonds to acquire market rate apartment projects located within member cities’ jurisdictions, usually Class A market rate projects valued at \$100 million or more, and convert these complexes to income and rent-restricted units for low and moderate income households; and

WHEREAS, in Glendale, CalCHA’s and CSCDA’s program generally address households with incomes ranging from \$63,120 (1-person household at 80% AMI) to \$146,040 (5-person household at 120% AMI); and

WHEREAS, as market-rate units within CalCHA and CSCDA projects become vacated over time, they will be re-leased to low and moderate income households with income and rent restrictions for the life of the bonds with the restricted rents capped at no more than 35% of the applicable percentage of AMI (i.e. 60%, 80%, 100% and 120%); and

WHEREAS, in addition, annual rent increases would be capped at no more than 4% which is less than the rent increases under AB1482, the recently adopted State tenant protection legislation; and

WHEREAS, when CalCHA or CSCDA acquires a property in Glendale, the City or Housing Authority would execute a Purchase Option Agreement (CalCHA) or Public Benefit Agreement (CSCDA) under which, the City or Housing Authority, at its sole discretion, may force a sale of the property between Year 15 and Year 30 (the end of the life) of the bonds, and the City would receive a portion of the net sale proceeds; and

WHEREAS, alternatively, the City or Housing Authority could direct CalCHA or CSCDA to continue to manage their respective properties and turnover any surplus revenue to the City until the projects are debt free, at which point the City would control the asset at no cost and could partner with a non-profit housing developer to continue ownership and management of the property or sell the assets; and

WHEREAS, when approving the Housing Authority's entry into CalCHA and CSCDA, the Housing Authority authorized the Executive Director to execute the requisite Purchase Option Agreement or Public Benefit Agreement with CalCHA or CSCDA, respectively; and

WHEREAS, there are four market rate rental housing projects in Glendale that have been acquired by the two JPAs in 2021, comprising 1,349 units of market rate housing that will be converted over time to Very Low Income units (70 units), Lower Income units (70 units) and 1,197 units of Workforce Moderate Income units; and

WHEREAS, it is estimated the City of Glendale will forego approximately \$751,000 in future property tax revenue per year due to the tax-exempt status of the four projects (approximately \$30.4 million in property tax over the life of the tax-exempt bonds used to purchase the projects); and

WHEREAS, the Housing Authority legislative body desires to review and consider the approval of the requisite Purchase Option Agreements and/or Public Benefit Agreements necessary for future Workforce Housing acquisitions by CalCHA and CSCDA.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE AS FOLLOWS:

SECTION 1. The recitals as set forth herein above are true and correct and are incorporated herein by this reference.

SECTION 2. Notwithstanding Housing Authority Resolutions H-501 and H-512, the Housing Authority hereby vests in the legislative body of the Housing Authority the Housing Authority's approval authority of Purchase Option Agreements with CalCHA and Public Benefit Agreements with CSCDA for the purpose of consideration and approval of Workforce Housing property acquisitions by said entities.

Adopted this _____ day of _____, 2021.

Chair

ATTEST:

Clerk

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) SS

I, ARAM ADJEMIAN, Clerk of the Housing Authority City of Glendale, certify that the foregoing Resolution was adopted by the Housing Authority of the City of Glendale, California, at a joint meeting with the City Council held on the _____ day of _____, 2021, and that same was adopted by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Clerk