

RESOLUTION NO. 2024-119 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A DEVELOPMENT IMPACT FEE DEFERRAL AGREEMENT OF APPROXIMATELY \$3,000,000 FOR A 100% AFFORDABLE HOUSING PROJECT ON BEHALF OF THE CITY FOR THE MAIN & HOLT HOUSING PROJECT

WHEREAS, Holt & Main, LP, a California limited partnership (the “**Developer**”) is a project specific affiliate of the Meta Housing Corporation, and has submitted a proposal for the development of a 158-unit affordable housing complex in the City of Pomona, California (the “**Project**”); and

WHEREAS, the Project will consist of 100% affordable units for low and very-low income households with two unrestricted management units; and

WHEREAS, on August 2, 2021, by Resolution No. 2021-89, the City Council of the City of Pomona (the “**City**”) adopted a Development Impact Fee Update Study by Willdan Financial Services and established certain development impact fees; and

WHEREAS, pursuant to Section 70-75 of Ordinance No. 4309, the City Council is empowered to grant a waiver of fees for units constructed as part of an inclusionary housing project complying with the City’s Inclusionary Housing Ordinance; and

WHEREAS, in addition, the City Council may establish a program to defer fees for rental housing projects that include 100% affordable units for low and very low income households, and such deferral shall require the execution of an agreement acceptable to the City that contains terms to guarantee the final payment of the fees deferred; and

WHEREAS, in order to assure that the Project is financially feasible and that the Developer is able to deliver the needed affordable housing and supportive services, the Developer has requested that the City development impact fees that are charged in connection with the Project be deferred; and

WHEREAS, the City is willing to defer the payment of City development impact fees pursuant to Section 70-75 of Ordinance No. 2021-89, in furtherance of the substantial public benefits that will be provided by the Project; and

WHEREAS, the estimated total cost of the total impact fees to be deferred is approximately \$2,996,260.00 million dollars, with the actual amount to be determined when all the financing for the Project has been obtained and building permits issue, but in no case will exceed \$3.0 million; and

WHEREAS, the deferral of City impact fees would be evidenced by a development impact fee deferral agreement, with a 55-year note in the principal amount of the deferred City Fees, bearing simple interest of three percent (3.0%) annually, with a lump sum due no later than the expiration of the affordability restrictions and secured by a deed of trust to be recorded against the Project; and

NOW THEREFORE, the City Council of the City of Pomona does hereby resolve, find, determine, and order as follows:

SECTION 1. The recitals set forth above are true and correct and are hereby incorporated into this Resolution by this reference.

SECTION 2. Based on the information provided in the staff report, the City Council approves of a fee deferral of development impact fees levied against the Project in an amount not to exceed \$3,000,000 (current estimate is \$2,996,260.00) , pursuant to Section 70-75 of Ordinance No. 4309, adopted by the City Council on August 2, 2021, on the following terms:

A. This fee deferral shall only apply to development impact fees levied by the City. It shall not apply to any other fees levied by the City, nor shall it apply to fees levied by the County, School District or any other public entity.

B. The fees deferred by the City shall accrue interest at a rate of three percent (3%) simple interest annually.

C. The fees are to be repaid no later than the expiration of affordability restrictions on the Project and the Developer shall execute a promissory note and deed of trust in favor of the City to secure payment. The deed of trust may be subordinated to senior lenders.

D. The fees may be repaid annually from a percentage of residual receipts generated by the Project. The amount will be due in full upon the refinancing of any senior debt financing for the Project.

SECTION 3. The City Council further authorizes the City Manager to execute documentation (see Exhibit A), including a Commitment Letter, evidencing the City's approval of a fee deferral, and to enter into a development impact fee deferral agreement on behalf of the City, with the terms as set forth in this Resolution, and to execute any other documents and carry out any other such actions as are necessary or appropriate to carry out the City Council's direction as set forth herein.

SECTION 4. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City declares that the City would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 5. This Resolution shall become effective immediately upon its adoption.

SECTION 6. The City Clerk shall certify adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 18th day of November 2024.

ATTEST:

CITY OF POMONA:

ROSALIA A. BUTLER, MMC
City Clerk, MMC

Tim Sandoval
Mayor

APPROVED AS TO FORM:

Sonia Carvalho
City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES))
CITY OF POMONA)

I, HEREBY CERTIFY that the foregoing resolution was duly adopted by the City Council of the City of Pomona at a regular meeting thereof held on November 18, 2024 by the following vote of the Council:

AYES:
NOES:
ABSTAIN:
ABSENT:

Exhibit A- Development Impact Fee Deferral Agreement

Rosalia A. Butler, MMC
City Clerk