

**RESOLUTION NO.23-4700**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MURRIETA TO PREPARE A DEVELOPMENT IMPACT FEE (DIF) DEFERRAL LOAN AGREEMENT IN SUPPORT OF PACIFIC WEST COMMUNITIES PROJECT TO DEVELOP A 126 UNIT MULTI-FAMILY AFFORDABLE APARTMENTS AT WASHINGTON AVENUE (APN 906-780-004)**

**WHEREAS**, Pacific West Communities, Inc. (“Applicant”) is proposing to develop the Kensington Affordable Apartments, a 126-unit affordable multi-family housing development (the “Project”) on APN 906-780-004; and

**WHEREAS**, the Applicant is requesting a deferral of all City DIF in the amount of \$1,769,773 (or as may be adjusted by the City) in support of the Project; and

**WHEREAS**, the proposed development of 126 affordable housing units will provide needed housing opportunities for Lower-income residents in the City of Murrieta; and

**WHEREAS**, the City finds the deferral of DIFs would provide assistance to the Project, assist the Applicant’s tax-credit application, serve a public purpose, and provide public benefit to the City of Murrieta; and

**WHEREAS**, the proposed units will satisfy a portion of the City’s Regional Housing Needs Assessment (RHNA) State-imposed requirements to provide affordable housing to low-income residents as defined by the State Department of Housing and Community Development; and

**WHEREAS**, the DIF Deferral Loan is consistent with the City’s Housing Element, specifically Policy Action 1-1 Affordable Housing Opportunities and Policy Action 3-3 Development of Housing for Extremely Low and Lower-Income Housing as it provides support and assistance with the funding for affordable housing in the City; and

**WHEREAS**, if the Applicant secures the necessary financing from non-City funding sources, such as State tax credit programs, to make the Project feasible, then a City DIF Deferral Loan Agreement will be prepared and executed with the minimum terms that the DIF Fee Deferral Loan (“Loan”) shall be for a 55 year period commencing on the issuance of the first Certificate of Occupancy for the Project; the Loan shall bear simple interest at an annual rate of 3%; the Loan shall be paid from the Project’s residual cash flow; the Loan shall be secured by a Deed of Trust and Promissory Note; the Loan Agreement shall include the terms of a leasing-priority program that prioritizes current Murrieta residents in a manner that is consistent with fair housing laws; and

**WHEREAS**, the Applicant has agreed to join a Community Facilities District in order to provide additional funding to the City for needed community services should all funding for the Project be secured at the cost of \$250 per unit per year, with no escalator; and

**WHEREAS**, the City Council has considered and by this Resolution desires to authorize the City Manager and City Attorney to execute all necessary documents for the DIF Deferral Loan Agreement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MURRIETA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** That the City Council finds and determines that the foregoing recitals are true and correct.

**Section 2.** That the City Council approves deferring the City DIF (Exhibit A) in an amount not to exceed one million seven hundred thousand dollars (\$1,769,773) for the Kensington Affordable Apartments project to be repaid via a residual cash receipts loan to be issued to the Applicant for purposes of financing the developing of the Project.

**Section 3.** The City Manager and City Attorney are authorized to prepare and execute the necessary documents to provide the DIF Deferral Loan, including but not limited to, preparing a Loan Agreement, Promissory Note, Deed of Trust, and all other necessary documents to effectuate the purposes of this Resolution, in a form approved by the City Attorney.

**Section 4.** The City Manager is authorized to establish procedures, policies, and regulations that provide leasing priority to Murrieta residents in a manner as described in Exhibit B and consistent with fair housing laws to ensure that this local investment in the Project by the City actually benefits the residents of the City and assists in meeting the City's housing needs and objectives.

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of August, 2023.

\_\_\_\_\_  
Lisa DeForest, Mayor

ATTEST:

\_\_\_\_\_  
Cristal McDonald, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Tiffany Israel, City Attorney

STATE OF CALIFORNIA    )  
COUNTY OF RIVERSIDE   )§  
CITY OF MURRIETA        )

I, Cristal McDonald, City Clerk of the City of Murrieta, California, do hereby certify that the foregoing Resolution No. 23-4700 was duly passed and adopted by the City Council of the City of Murrieta at the regular meeting thereof, held on the 15th day of August, 2023, and was signed by the Mayor of the said City, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Cristal McDonald, City Clerk

# Exhibit A

## Attachment 18A - Local Development Impact Fees

Project Name: Kensington Apartments

**Itemize all local impact fees to be paid. The total must correspond with the total local impact fees line item shown in the development budget of the application.**

Pursuant to Regulation Section 10302(bb), Local development impact fees are defined as: The amount of impact fees, mitigation fees, or capital facilities fees imposed by municipalities, county agencies, or other jurisdictions such as public utility districts, school districts, water agencies, resource conservation districts, etc.

**NOTE: Permit processing fees, building permit fees, and plan check fees are NOT considered local development impact fees.**

Type of Fees to be Paid	Amount of Fee
Community Development Fees	\$ -
Drainage Facilities	\$ 54,720
Facilities Assessment	\$ -
Fire Facilities	\$ 79,920
General Facilities	\$ 30,240
Governmental/Environmental	\$ -
Law Enforcement Facilities	\$ 75,060
Library Facilities	\$ 48,600
Parks & Recreation	\$ 548,820
Public Facilities	\$ -
Schools	\$ -
Streets & Signals	\$ 131,400
Traffic Fees	\$ -
Waste Water Collection	\$ -
Waste Water Treatment	\$ -
Water Facilities	\$ -
Other: Streets & Bridges	\$ 685,620
Other: Community Center	\$ 95,940
Other: Kangaroo Rat Habitat	\$ 2,350
Other: Area Drainage	\$ 19,453
Other: MSHCP	\$ 196,920
<b>Total Local Development Impact Fees</b>	<b>\$ 1,969,043</b>

Agency/Jurisdiction Name: City of Murrieta  
Name of Signatory: Jarrett Ramaiya  
Title of Signatory: Cit Planner/Deputy Director

Phone: (951) 461-6069  
Email: jramaiya@murrietaca.gov  
Date: 01/12/23

Signature: 