

**CITY COUNCIL RESOLUTION NO. 2025-087
FONTANA HOUSING AUTHORITY RESOLUTION NO. 2025-003**

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, AND THE HOUSING AUTHORITY OF THE CITY OF FONTANA, APPROVING, PURSUANT TO A PREVIOUSLY ADOPTED MITIGATED NEGATIVE DECLARATION AND MITIGATION, MONITORING, AND REPORTING PROGRAM, A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE FONTANA HOUSING AUTHORITY, CITY OF FONTANA, AND FONTANA COURTPLACE I HOUSING PARTNERS, L.P.; AND DIRECTING STAFF TO FILE A NOTICE OF DETERMINATION

WHEREAS, the City of Fontana (“City”) owns certain real property consisting of 1.94 acres of unimproved land located on Sierra Avenue, between Santa Ana Avenue to the north and Jurupa Avenue to the south (“Property”); and

WHEREAS, the City has no use for the Property and desires to sell it to Fontana Courtplace I Housing Partners, L.P., a California limited partnership (“Purchaser”) for the construction of a 50 unit affordable family-apartment housing project (“Project”); and

WHEREAS, Purchaser, the City, and the Fontana Housing Authority (“Authority”) negotiated a disposition and development agreement (“DDA”) under which the City agreed, subject to the terms and conditions provided therein, to convey the Property to Purchaser for the construction of the Project; and

WHEREAS, on October 24, 2023, the City Council: (1) determined that the Property qualified as “exempt surplus land” under the Surplus Land Act pursuant to Government Code section 54221(f)(1)(A); (2) declared the City’s intent to sell the Property to Purchaser in accordance with the DDA; and (3) set a public hearing for November 14, 2023, to consider any protests to the City’s conveyance of the Property. Following a public hearing held on November 14, 2023, the City Council and the Authority’s Board of Directors (“Authority Board”) approved the DDA and authorized the City Manager and the Authority’s Executive Director to execute the same. Collectively, the foregoing satisfied the City’s Surplus Land Act and Government Code section 37420 *et seq.* obligations in connection with its disposition of the Property for the Project; and

WHEREAS, the DDA contemplates that the Project’s financing will come from multiple funding sources, including equity raised by the sale of federal (and, if applicable, state) low income tax credits (“Tax Credits”), a senior loan issued from a reputable intuitional lender, a loan from the City to Partnership consisting of \$6,037,692.16 in gap financing and \$2,800,000.00 in acquisition financing (“City Subordinate Loan”), and a loan from the Authority to Partnership consisting of \$5,262,307.84 in gap financing (“Authority Subordinate Loan”); and

WHEREAS, under the DDA, the City’s obligations to convey the Property to Partnership and fund the City Subordinate Loan, and the Authority’s obligation to fund the Authority Subordinate Loan, are subject to numerous conditions precedent, including the Project receiving a Tax Credit allocation from the California Tax Credit Allocation Committee (“CTCAC”); and

WHEREAS, affordable housing projects throughout California compete for a limited amount of Tax Credits. Obtaining a Tax Credit allocation from CTCAC is competitive and projects are often unsuccessful; and

WHEREAS, when the DDA was approved, Purchaser maintains that the Project was competitive based on previous projects that received Tax Credit allocations from CTCAC. Competition has since increased, and the Project did not receive a Tax Credit allocation in CTCAC's most recent funding round (2024 Round 2); and

WHEREAS, Purchaser, the City, and the Authority desired to increase the Project's competitiveness for a Tax Credit allocation from CTCAC. Among the ways to do so was increasing the amount of financial assistance provided to the Project; and

WHEREAS, with the above in mind, the City agreed to increase the City Subordinate Loan's gap financing amount by \$2,000,000.00, for a new gap financing loan amount consisting of \$8,037,692.16; and

WHEREAS, on February 1, 2025, the Authority, the City, and Purchaser negotiated the first amendment to the DDA to memorialize the terms and conditions governing the increased City Subordinate Loan amount and clarified the deadline by which Purchaser must obtain a Tax Credit allocation from CTCAC; and

WHEREAS, the Authority, the City, and Purchaser have negotiated a second amendment to the DDA ("Second DDA Amendment") which, among other things, increases the amount of the City Subordinate Loan to \$10,837,692.16 in gap financing and \$ 2,800,000 in acquisition financing; provides for the right to apply for additional rounds of tax credits; amends the unit mix; and grants the City Manager the authority to approve future changes to the unit mix; and

WHEREAS, pursuant to the California Environmental Quality Act (Pub. Res. Code §§ 21000 et seq.) ("CEQA"), and the State CEQA Guidelines (14 Cal. Code Regs. §§ 15000 et seq.) the City determined that a Mitigated Negative Declaration ("MND") be prepared in order to analyze all potential adverse environmental impacts of proposed multi-level residential affordable apartment buildings with associated green space, community gathering areas, vehicle parking, landscaping, and security fencing on the approximately 4.8-acres of land ("Courtplace Project"); and

WHEREAS, the City prepared and adopted the Courtplace Project MND for the Courtplace Project on November 1, 2022 (SCH #: 2022100111) and approved a Mitigation Monitoring and Reporting Program for the Project. Under the MND, the Property and the Project are Phase I of the Courtplace Project; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an MND has been adopted, the lead agency is required to review any changed circumstances to determine whether any of the circumstances under Public Resources Code section 21166 and State CEQA Guidelines section 15162 require additional environmental review; and

WHEREAS, staff evaluated this Resolution approving the Second DDA Amendment in light of the standards for subsequent environmental review outlined in Public Resources Code section 21166, State CEQA Guidelines section 15162 and City of Fontana's 2019 Local Guidelines for Implementing CEQA; and

WHEREAS, in connection with this Resolution approving the Second DDA Amendment and the City Council's and the Authority Board's review of the Courtplace Project MND, the City

Council and the Authority Board have independently reviewed all the prior environmental documentation prepared for the Courtplace Project, and have exercised their independent judgment in making the determination that the Courtplace Project MND fully analyzed and mitigated, all potentially significant environmental impacts, if any, that would result from the Resolution approving the Second DDA Amendment, and therefore, no subsequent EIR or mitigated negative declaration is required; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, AND THE HOUSING AUTHORITY OF THE CITY FONTANA DO HEREBY RESOLVE AS FOLLOWS:

Section 1. **Incorporation of Recitals.** The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Resolution.

Section 2. **CEQA Findings.** The City Council and the Authority Board have reviewed and considered the Courtplace Project MND and the Mitigation, Monitoring, and Reporting Program, pursuant State CEQA Guidelines Sections 15162 and 15164 along with the City of Fontana's 2019 Local Guidelines for Implementing CEQA, and have independently determined that the Courtplace Project MND fully analyzed and with the adoption of the Mitigation and Monitoring Reporting Program, mitigated all potentially significant environmental impacts, if any, that would result from this Resolution approving the Second DDA Amendment, and therefore, no subsequent EIR or mitigated negative declaration is required.

Section 3. **Approval.** The City Council and the Authority Board hereby approve the Second DDA Amendment attached hereto as Exhibit "A" and incorporated herein by reference. The City Council and the Authority Board authorize the City Manager and the Executive Director, respectively, in consultation with the City Attorney, to take all necessary actions to effectuate the execution of the Second DDA Amendment, and make any minor revisions to the documents necessary to effectuate the intent of the parties.

Section 4. **Notice of Exemption.** Staff is hereby directed to prepare, execute and file with the San Bernardino County Clerk a Notice of Determination within five working days of the approval of this Resolution.

Section 5. **Custodian of Documents.** The custodian of documents constituting the record of proceedings for this matter is the City Clerk. The documents constituting the record of proceedings are located at City Hall at 8353 Sierra Avenue, Fontana, CA 92335.

Section 6. **Severability.** If any provision of this Resolution is held invalid by a court of competent jurisdiction, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

Section 7. **Effective Date.** This Resolution is effective immediately upon adoption. The Second DDA Amendment takes effect as provided therein.

The City Clerk of the City of Fontana shall certify as to the adoption of this Resolution.

APPROVED AND ADOPTED this 3rd day of September 2025.

READ AND APPROVED AS TO LEGAL FORM:

City Attorney
Authority Special Counsel

I, Germaine Key, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council and Secretary of the Fontana Housing Authority, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City Council and Fontana Housing Authority at a regular meeting on the 3rd day of September 2025, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk of the City of Fontana
Secretary of the Fontana Housing Authority

Mayor of the City of Fontana

Chairperson of the Fontana Housing Authority

ATTEST:

City Clerk
Secretary of the Fontana Housing Authority

EXHIBIT "A"

SECOND DDA AMENDMENT