

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING A SUBORDINATION AGREEMENT BETWEEN THE CITY OF STOCKTON, THE SAN FRANCISCO HOUSING ACCELERATOR FUND, AND FAIRVIEW TERRACE STOCKTON LP FOR THE PROPERTY LOCATED AT 2222 SOUTH AIRPORT WAY

On May 10, 2018, the City of Stockton executed an Option Agreement with Stocktonians Taking Action to Neutralize Drugs (STAND) for the properties located at 2222 and 2224 South Airport Way; and

The Option Agreement, Section 18, included provisions allowing the City to repurchase the subject properties under certain conditions if the buyer failed to obtain a building permit to construct a development project within five (5) years of conveyance of title or failed to commence construction within six (6) months of permit issuance; and

The Option Agreement was originally set to expire on May 10, 2020, but was extended via Council Resolution No. 2020-03-24-1105, and an Extension of Option to Purchase Agreement was executed on April 2, 2020, which extended the term through May 10, 2023; and

On May 4, 2023, the properties located at 2222 & 2224 South Airport Way were sold and conveyed to STAND via Grant Deed; and

Fairview Terrace Stockton, LP, a California limited partnership composed of Mutual Housing California and STAND, has proposed developing the Fairview Terrace Apartments, a 76-unit affordable housing project located at 2222 South Airport Way; and

On November 19, 2024, the Fairview Terrace Apartments project was awarded a \$7,037,865 affordable housing loan from the City of Stockton through a Notice of Funding Availability (NOFA) process to support this development; and

In order to secure additional financing for the project, Fairview Terrace Stockton LP secured a \$2,500,000 loan from The San Francisco Accelerator Fund (Lender). The project Lender has requested that the City execute a Subordination Agreement for the City to subordinate its repurchase rights under the existing Option Agreement to the Lender's Deed of Trust; and

The Subordination Agreement is necessary to facilitate the financing and development of the affordable housing project and is consistent with the City's goals to expand affordable housing opportunities; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Council authorizes the execution of a Subordination Agreement between the City of Stockton, The San Francisco Housing Accelerator Fund, and Fairview Terrace Stockton LP for the property located at 2222 South Airport Way for the Fairview Terrace affordable housing project, as shown in Exhibit 1, attached hereto and incorporated by this reference.

2. The City Manager, or designee, is hereby authorized to take all necessary and appropriate actions to carry out the purpose and intent of this resolution.

PASSED, APPROVED, AND ADOPTED October 14, 2025.

CHRISTINA FUGAZI
Mayor of the City of Stockton

ATTEST:

KATHERINE ROLAND, CMC, CPMC
City Clerk of the City of Stockton