

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING THE ISSUANCE OF QUALIFIED RESIDENTIAL RENTAL PROJECT BONDS IN AN AMOUNT NOT TO EXCEED \$20 MILLION BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN ACCORDANCE WITH SECTION 147(f) OF THE INTERNAL REVENUE CODE AND THE JOINT EXERCISE OF POWERS AGREEMENT RELATING TO SAID AUTHORITY

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), certain public agencies (the “Members”), have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “CMFA Agreement”) in order to form the California Municipal Finance Authority (the “Authority”), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the City of Santa Rosa (the “City”) is a Member of the Authority; and

WHEREAS, the Authority is authorized by Title 1, Division 7, Chapter 5 of the California Government Code (the “JPA Act”) and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Act” and together with the JPA Act, the “Law”) to issue and sell revenue bonds for the purpose of financing the acquisition, construction and development of multifamily rental housing facilities to be occupied in part by low and very low income tenants; and

WHEREAS, Danco Communities (the “Sponsor”), on behalf of Santa Rosa Boyd, LP, a limited partnership, or another entity to be created by the Sponsor or by an affiliate of the Sponsor (such limited partnership or other entity so created being referred to as the “Borrower”), has requested the Authority to issue tax-exempt revenue bonds (the “Bonds”) for the purpose of lending the proceeds thereof to the Borrower to finance the acquisition, construction, improvement and equipping of a 46-unit multifamily rental housing facility located at 811 Boyd Street, Santa Rosa, California, to be known as the Boyd Street Family Apartments and to be owned and operated by the Borrower (the “Project”); and

WHEREAS, Section 4 of the CMFA Agreement requires the City, as the Member in whose jurisdiction the Project is situated, to approve the issuance of the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986 requires the Council of the City (the “City Council”), as the elected representative of the City, the host jurisdiction of the Project, to approve the issuance of the Bonds after a public hearing has been held following reasonable notice; and

WHEREAS, this action is exempt from the California Environmental Quality Act (“CEQA”) because the Project is consistent with the development density established by existing zoning, community plan or general plan policies for which an Environmental Impact Report was

certified, pursuant to CEQA Guideline Section 15183, and because the Project is an infill development project, pursuant to CEQA Guideline Section 15332; and

WHEREAS, CMFA shares 25% of the Bond issuance fee that it receives with the Member in whose jurisdiction the Project is located (the “Shared Fee”).

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Santa Rosa, as follows:

Section 1. The City hereby approves the issuance of the Bonds by the Authority for the Project in an aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000). It is the purpose and intent of the City Council that this resolution constitutes approval of the issuance of the Bonds by the Authority for the Project for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f) and (b) Section 4 of the CMFA Agreement.

Section 2. The foregoing approval is consistent with the budgetary and financial circumstances of the City in that there are no funds of the City that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the City, or any public entity controlled by the City, for the acquisition, construction, improvement, equipping or operation of the Project, or for the repayment of the Bonds. The Project is to be paid for entirely from funding sources other than the City; the Housing Authority of the City of Santa Rosa contributed funds to the Project. The City shall not be responsible in any manner for the acquisition, construction, improvement, equipping or operation of the Project, or for the repayment of the Bonds or any other funding source for the Project.

Section 3. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Bonds, including, but not limited to, any fees and expenses incurred by the Authority for the issuance of the Bonds, the Authority’s financing fee with respect to the issuance of the Bonds, the Authority’s annual administration fee with respect to administering the provisions of a regulatory agreement with respect to the Project, the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Bonds. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Bonds shall be solely the responsibility of the Borrower. The Bonds shall not constitute a debt or obligation of the City.

Section 4. The adoption of this Resolution is solely for the purpose of meeting the requirements of the Code, applicable United States Treasury Regulations and the CMFA Agreement, and shall not be construed in any other manner. Neither the City nor its staff has fully reviewed or considered the financial feasibility of the Project or the expected operation of the Project with regards to any State of California statutory requirements, and the adoption of this Resolution shall not obligate the City or any department of the City, without further formal action to be taken by this City Council, including, but not limited to, the approval of any financing documents, (i) to provide financing to the Borrower for the acquisition, construction, improvement or equipping of the Project or to issue bonds for purposes of such financing; or (ii)

to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, construction, improvement, equipping or operation of the Project.

BE IT FURTHER RESOLVED that the Council hereby authorizes the Chief Financial Officer to accept and appropriate the Shared Fee into Fund 2295 – Housing Compliance Fund to be used for affordable housing purposes.

IN COUNCIL DULY PASSED this 14th day of January, 2020.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_ APPROVED: \_\_\_\_\_  
Acting City Clerk Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney