

RESOLUTION NO. 4267-2020

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING THE
ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE
CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE OF
FINANCING THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY
RENTAL HOUSING FACILITY KNOWN AS WALNUT APARTMENTS**

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, effective on January 1, 2004 (the "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 Fort Bragg (the "City") is a member of the Authority; and

WHEREAS, there is now before this City Council (the "City Council") the form of the Agreement; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the acquisition, construction and rehabilitation of multifamily rental housing projects; and

WHEREAS, DFA Development LLC, a California limited liability company ("DFA") has requested that the Authority issue or incur one or more series of debt obligations (which may be in the form of a loan evidenced by a note or tax-exempt revenue bonds, and referred to in this Resolution as the "Bonds") in an aggregate principal amount not to exceed \$8,000,000, and lend the proceeds of the Bonds to a California limited partnership (the "Borrower") to be formed by DFA or an affiliate of DFA for the purpose of financing the costs of the acquisition and rehabilitation of a 56 unit multifamily residential rental facility located at 311 Walnut Street in the City known as Walnut Apartments (the "Project"), to be owned by the Borrower; and

WHEREAS, in order for the interest on Bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that the "applicable elected representative" with respect to the Project approve the issuance of the Bonds and the financing of the Project; and

WHEREAS, the Authority has determined that the City Council is an "applicable elected representative" for purposes of holding such hearing; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority following the conduct of the public hearing, in order to satisfy the

public approval requirements of Section 147(f) of the Code and the requirements of Section 4 of the Agreement; and

WHEREAS, notice of such public hearing has been duly given as required by the Code, and the City Council of the City has heretofore held such public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the location, financing and nature of the Project and the Authority's incurrence of the Bonds therefor; and

WHEREAS, it is in the public interest and for the public benefit that the City Council of the City approve the issuance of the Bonds by the Authority for the aforesaid purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council of the City of Fort Bragg does hereby approve the issuance of the Bonds by the Authority for the purpose of providing funds to make a loan to the Borrower to enable the Borrower to finance costs of the Project. It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Bonds by the Authority 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 Agreement.

Section 3. The issuance of the Bonds shall be subject to approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to repayment or administration of the Bonds.

Section 4. The adoption of this Resolution shall not obligate the City or any department thereof to (1) provide any financing to acquire or rehabilitate the Project; (2) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (3) make any contribution or advance any funds whatsoever to the Authority; or (4) take any further action with respect to the Authority or its membership therein.

Section 5. The Mayor, the City Manager, the City Clerk and all other officers and officials of the City are hereby authorized and directed to do any and all things and to execute and deliver any and all agreements, documents and certificates which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby.

Section 6. The City Clerk shall forward a certified copy of this Resolution to the bond counsel for the Bonds, addressed as follows

Paul J. Thimmig, Esq.
Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726

Section 7. This resolution shall take effect immediately upon its passage.

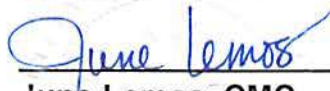
The above and foregoing Resolution was introduced by Councilmember Albin-Smith, seconded by Councilmember Peters, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 8th day of June, 2020, by the following vote:

AYES: Councilmembers Albin-Smith, Morsell-Haye, Norvell, Peters and Mayor Lee.
NOES: None.
ABSENT: None.
ABSTAIN: None.
RECUSED: None.



WILLIAM V. LEE
Mayor

ATTEST:



June Lemos, CMC
City Clerk

