

**RESOLUTION NO. 4421-2021**

**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**, 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 one or more series of bonds (the "Bonds") in an aggregate principal amount not to exceed \$5,700,000, and lend the proceeds of the Bonds to DFA Walnut Associates LP, a California limited partnership (the "Borrower") 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**, the City Council held a public hearing regarding the issuance of the Bonds and the financing of the Project on June 8, 2020, and following the public hearing the City Council adopted Resolution No. 4267-2020 approving the issuance of the Bonds by the Authority; and

**WHEREAS**, applicable United States Treasury Regulations require that the City Council's approval of the Bonds occur within one year of their issuance by the Authority, and because it is expected that the Authority will issue the Bonds more than one year after the City Council's

June 8, 2020 approval of their issuance, DFA has requested that the City Council hold another public hearing regarding the Project and the Bonds and again approve the issuance of the Bonds by the Authority following the new public hearing; and

**WHEREAS**, notice of the new public hearing has been duly given as required by the Code, and the City Council of the City has heretofore held the new 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 issuance of the Bonds therefor; and

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

**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 Morsell-Haye, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 12th day of July, 2021, by the following vote:

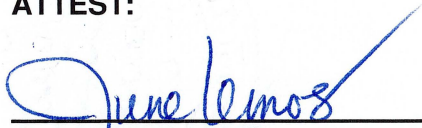
**AYES:** Councilmembers Albin-Smith, Morsell-Haye, Rafanan, Peters and Mayor Norvell.  
**NOES:** None.  
**ABSENT:** None.  
**ABSTAIN:** None.  
**RECUSED:** None.



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**Bernie Norvell**  
Mayor

**ATTEST:**



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**June Lemos, CMC**  
City Clerk

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4/26/21