



Legislation Text

File #: 12-168, **Version:** 1

Resolution Approving and Authorizing the City Manager to Execute a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority (CMFA) and Approving the Issuance of Revenue Bonds by the CMFA to Finance the Acquisition and Rehabilitation of a Multifamily Rental Housing Development to Be Owned by a Limited Partnership to Be Established by Christian Church Homes or Its Affiliate

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Act), certain public agencies (Members) have entered into a Joint Exercise of Powers Agreement Relating to the CMFA, dated as of January 1, 2004 (Agreement) in order to form the CMFA, 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 San Leandro, California (City), has determined that it is in the public interest and for the public benefit that the City become a Member of the CMFA in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing of projects therefor by the CMFA; and

WHEREAS, the CMFA is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction of capital projects; and

WHEREAS, Christian Church Homes, a California non-profit corporation (Applicant) has requested that the CMFA issue and sell revenue bonds in the maximum principal amount of \$16,000,000 (Bonds) for the purpose of making a loan to a limited partnership to be established by the Applicant or a related or affiliated entity (Borrower), to enable the Borrower to finance the costs of the acquisition and rehabilitation of a 75-unit apartment complex (currently known as Fargo Senior Center) located at 868 Fargo Avenue, San Leandro (Project); and

WHEREAS, all or a portion of the units in the Project will be occupied by persons or families of lower or very low income; and

WHEREAS, in order for the interest on the Bonds to be tax exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended (Code), requires that an "applicable elected representative" of the governmental unit, the geographic jurisdiction of which contains the site of facilities to be financed with the proceeds of the Bonds, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds following such hearing; and

WHEREAS, the City Council is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147 (f) of the Code and the requirements of Section 4 of the Agreement; and

WHEREAS, the CMFA has requested that the City Council approve the issuance of the Bonds by the CMFA in order to satisfy the public approval requirement 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 this City Council has heretofore held such public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing of the Project and the CMFA's issuance of the Bonds therefor; and

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

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

WHEREAS, the City Council is familiar with the contents thereof; and

WHEREAS, the City Manager has recommended approval of said Agreement.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

1. That the City Council hereby finds and determines that the foregoing recitals are true and correct.
2. That said Agreement substantially in the form presented is hereby approved and execution by the City Manager is hereby authorized, and the City Clerk is hereby authorized and directed to attest thereto; and
3. That the City Council hereby approves the issuance of the Bonds with respect to the Project by the CMFA in the not to exceed amount set forth above. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the CMFA only for the purposes of (i) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project will be located, in accordance with said Section 147(f), and (ii) Section 4 of the Agreement.
4. That the issuance and delivery of the Bonds shall be subject to the approval of and execution by the CMFA of all financing documents relating thereto to which the CMFA is a party and subject to the sale of the Bonds by the CMFA.
5. That the payment of the principal, prepayment 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.
6. That the officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents 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.

7. That the Clerk shall forward a certified copy of this Resolution and an originally executed

Agreement to the CMFA in care of its counsel:

Harriet M. Welch, Esq.
Squire, Sanders & Dempsey LLP.
555 South Flower St., Suite 3100
Los Angeles, CA 90071-2300

8. That an original executed Agreement shall be attached to and made a part of this resolution.

9. That this Resolution shall take effect from and after the date of its passage and adoption.