

RESOLUTION NO. 2021-249

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND EQUIPPING OF THE GARDENS AT QUAIL RUN II AND CERTAIN OTHER MATTERS RELATING THERETO (CEQA EXEMPT)

WHEREAS, the California Municipal Finance Authority (the “Authority”) is authorized pursuant to the provisions of California Government Code Section 6500, et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, among certain local agencies throughout the State of California, including the City of Elk Grove (the “City”), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multi-family rental housing projects; and

WHEREAS, Elk Grove Pacific Associates V, a California Limited Partnership (the “Borrower”), a partnership of which Pacific West Communities, Inc. (the “Developer”) or a related person or entity to the Developer is the general partner, has requested that the Authority adopt a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the “Code”) in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$35,000,000 in aggregate principal amount (the “Bonds”), to finance or refinance the acquisition, construction, improvement, and equipping of a multifamily rental housing project located at the southwest corner of Quail Run Lane and Bruceville Road (APN 132-1780-048), Elk Grove, California (the “Project”); and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by the City because the Project is to be located within the jurisdiction of the City; and

WHEREAS, the City Council of the City (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

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “Agreement”), among certain local agencies, including the City; and

WHEREAS, this approval of the issuance of bonds by the Authority in an amount not to exceed \$35,000,00 supersedes the original approval granted by resolution on May 26, 2021, for the issuance of no more than \$25,000,000 in bonds by the Authority for this Project; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Elk Grove as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. California Environmental Quality Act (CEQA) Finding

Finding: The activity does not constitute the approval of a project under the California Environmental Quality Act (“CEQA”), and it is exempt from CEQA. (CEQA §15061(b)(3)).

Evidence: The California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereafter CEQA) requires analysis of agency approvals of discretionary “projects.” A “project,” under CEQA, is defined as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” CEQA Guidelines §15061(b)(3) describes the Common Sense Rule that CEQA only applies to projects which “have the potential for causing a significant effect on the environment; where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” The action being taken by the City Council is to adopt a resolution approving the issuance of revenue bonds by the Authority to provide for the financing or refinancing of acquisition, construction, improvement, and equipping of a 108-unit multifamily affordable rental housing project. Such adoption is solely for the purposes of satisfying the requirements of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), the Code, and the California Government Code Section 6500 (and following). The 108-unit multifamily affordable rental housing project was previously approved and environmental impacts associated with that project were analyzed under a separate CEQA document. This City Council action does not involve the approval of any physical development or activity that would have the potential for causing a significant effect on the environment. Therefore, approval of this resolution does not constitute the approval of a project under CEQA, is exempt from CEQA, and is not subject to further environmental review.

Section 3. The City Council hereby approves the issuance of the Bonds by the Authority. 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 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 4. The issuance of the Bonds shall be subject to the 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 the Bonds.

Section 5. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) 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, construction, rehabilitation, installation, or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

Section 6. 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.

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

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 25th day of August 2021




BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:


JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:


JONATHAN P. HOBBS,
CITY ATTORNEY

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2021-249

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)


I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on August 25, 2021 by the following vote:

AYES: **COUNCILMEMBERS:** *Singh-Allen, Nguyen, Hume, Spease, Suen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN: **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



Jason Lindgren, City Clerk
City of Elk Grove, California