

RESOLUTION NO. NS-29,962

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ APPROVING THE ISSUANCE BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY OF REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$28,000,000 FOR THE PURPOSE OF FINANCING TWO AFFORDABLE MULTIFAMILY RENTAL HOUSING FACILITIES FOR THE BENEFIT OF MERCY HOUSING CALIFORNIA 72, L.P. AND/OR MERCY HOUSING CALIFORNIA (OR AN AFFILIATE OF EITHER), AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, Mercy Housing California 72, L.P., a California limited partnership, or another entity to be established by Mercy Housing California or an affiliate thereof (collectively, the "Borrower"), has requested that California Municipal Finance Authority (the "Authority") issue one or more series of revenue bonds in an aggregate principal amount not to exceed \$28,000,000 (the "Bonds") for the acquisition, rehabilitation, improvement and equipping of two separate affordable multifamily rental housing facilities located in the City of Santa Cruz, California (the "City"), including (i) a 60-unit rental facility providing housing to large-family households at 125 Sycamore Street, for which Bonds in an amount not to exceed \$24,640,000 will be allocated, and (ii) an eight-unit rental facility providing housing to low-income families at 216 Leibrandt Avenue, for which Bonds in an amount not to exceed \$3,360,000 will be allocated, both to be owned and/or operated by the Borrower (the "Project"); and

WHEREAS, the City of Santa Cruz is a member of the Authority; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the City because the Project is located within the territorial limits 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, 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; and

WHEREAS, the City Council understands that its actions in holding this public hearing and in approving this Resolution do not obligate the City in any manner for payment of the

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principal, interest, fees or any other costs associated with the issuance of the Bonds, and said City Council expressly conditions its approval of this Resolution on that understanding.

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

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority in an amount not to exceed \$28,000,000, to be allocated among the Project sites as provided above. 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 officers of the City Council are hereby authorized and directed, jointly and severally, to do any and all things and execute and deliver any and all documents, certificates and other instruments 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. Any actions heretofore taken by such officers are hereby ratified and approved.

Section 4. The City Council expressly conditions its approval of this Resolution on its understanding that the City shall have no obligation whatsoever to pay any principal, interest, fees or any other costs associated with the Authority's issuance of the Loan for the financing of the Project.

Section 5. The City Clerk shall forward a certified copy of this Resolution to the Authority in care of its counsel:

Ronald E. Lee, Esq.  
Jones Hall, APLC  
475 Sansome Street. Suite 1700  
San Francisco, CA 94111

Section 6. This Resolution shall take effect from and after its passage and approval.

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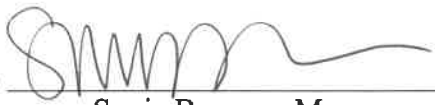
PASSED AND ADOPTED this 12<sup>th</sup> day of April, 2022, by the following vote:

AYES: Councilmembers Kalantari-Johnson, Cummings, Brown, Meyers; Vice Mayor Watkins; Mayor Brunner.

NOES: None.

ABSENT: Councilmember Golder.

DISQUALIFIED: None.

APPROVED:   
Sonja Brunner, Mayor

ATTEST:   
Bonnie Bush, City Clerk Administrator