

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JOSE APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY QUALIFIED 501(C)(3) BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF A 168-UNIT MULTIFAMILY RENTAL HOUSING FACILITY AT 787 THE ALAMEDA AND TO PAY CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS

WHEREAS, Catalyst Impact Fund, a California Nonprofit Public Benefit Corporation (“Catalyst”) has represented it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) has requested that the California Municipal Finance Authority (the “Authority”) adopt a plan of financing providing for the issuance of qualified 501(c)(3) bonds as defined in Section 145 of the Code in one or more series issued from time to time, including bonds issued to refund such qualified 501(c)(3) bonds in one or more series from time to time, and at no time to exceed \$100,000,000 in aggregate principal amount (the “Bonds”), to finance or refinance the acquisition, rehabilitation, improvement and equipping of a 168-unit multifamily rental housing project located at 787 The Alameda, San José, California (the “Project”); and

WHEREAS, the Project will be owned by Catalyst through a special purpose entity (together, the “Borrower”); and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by the City of San José (the “City”) because the Project is located within the territorial limits of the City; and

WHEREAS, the 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, on November 3, 2023, a notice appeared in the San Jose Post-Record, which is a newspaper of general circulation in the City of San José, stating that a public hearing with respect to the issuance of the Bonds would be held by the City Council on November 14, 2023; 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 on November 14, 2023, and now desires to approve the issuance of the Bonds by the Authority; and

WHEREAS, it is intended that this Resolution shall comply with the public approval requirements of Section 147(f) of the Code; provided, however, that this Resolution is neither intended to nor shall it constitute an approval by the City Council for any other purpose, including, but not limited to, compliance with the California Environmental Quality Act (California Public Resources Code, Section 21100, et seq.) (“CEQA”); and

WHEREAS, given the novel nature of this issuance and the proposed project there were concerns regarding the ongoing affordability and building health and safety maintenance for the Project; and

WHEREAS, in order to address those concerns, the Borrower and CMFA have agreed to ensure that the bond regulatory agreement, reasonably acceptable to the City to be recorded will be substantially in the form of that recorded in connection with regulatory agreements recorded for conventional multifamily tax exempt bond issuances, with a term of 75 years and the City shall be named as an administrator with ongoing annual affordability and periodic health and safety monitoring in accordance with its standard practice, and entitled to charge the monitoring fee provided in the City’s schedule of fees and charges; and

WHEREAS, the City lacks a sufficient amount of affordable housing to meet residents’ needs. The City’s Regional Housing Needs Allocation for the 2023-2031 (sixth cycle) Housing Element has a goal of 34,210 affordable units (i.e., for extremely low, very low, low, and moderate income households) (“RHNA Affordable Housing Goals”); and

WHEREAS, amongst its burdens, the City has recognized that one of its governmental burdens is to assist in the provision of affordable extremely low, very low, low and moderate income housing for its residents the supply of which is insufficient for the needs of the community (the “Housing Burden”);

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF SAN JOSÉ THAT:

Section 1. The City Council hereby finds and determines that all of the foregoing recitals are true and correct and that the issuance of the Bonds to finance the Project and the regulation of the Project as described in the recitals will help meet the of the City's RHNA Affordable Housing Goals and will lessen the Housing Burden of the City by increasing the supply of affordable very low income and moderate income housing available to the residents of the City.

Section 2. 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 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 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 4. 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 5. 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 6. This resolution shall take effect immediately upon its adoption.

ADOPTED this ___ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk