

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE: (A) REAFFIRMING THE PREVIOUSLY ADOPTED COUNCIL POLICY NUMBER 1-16 ENTITLED: "ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS"; (B) APPROVING POST-ISSUANCE COMPLIANCE POLICIES FOR TAX EXEMPT MULTIFAMILY BONDS IN ORDER TO COMPLY WITH THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE ("CDLAC") REGULATION 5031(c); AND (C) AUTHORIZING THE DIRECTOR OF HOUSING AND DIRECTOR OF FINANCE, OR THEIR RESPECTIVE DESIGNEES, TO TAKE ANY AND ALL NECESSARY ACTIONS TO EXECUTE, AMEND (INCLUDING ADMINISTRATIVE PROCEDURES AS NEEDED FROM TIME TO TIME), AND DELIVER ALL DOCUMENTS RELATING TO THE ISSUANCE, REPORTING, AND COMPLIANCE MONITORING OF NEW AND EXISTING MULTIFAMILY HOUSING REVENUE BONDS ISSUED BY THE CITY OF SAN JOSE, TO REMAIN IN COMPLIANCE WITH CDLAC OR OTHER APPROPRIATE REGULATORY AGENCIES

WHEREAS, since 1987, the City of San José ("City") has issued Multifamily Revenue Bonds to facilitate the development, rehabilitation, and preservation of affordable housing; and

WHEREAS, Federal law limits how much tax-exempt debt a state can issue in a calendar year for private projects that have a qualified public benefit, including bonds to finance affordable housing projects; and

WHEREAS, the California Debt Limit Allocation Committee ("CDLAC") was created to set and allocate California's annual debt ceiling and administer the State's tax-exempt bond program to issue the debt; and

WHEREAS, on February 8, 2017 CDLAC issued a memo advising all issuers of bonds that finance qualified projects to submit to CDLAC for each State Ceiling Pool from which an allocation is requested, policies setting forth bond issuance procedures and post-issuance compliance procedures pursuant to Section 5031(c) of its regulations (Division 9.5 of Title 4 of the California Code of Regulations); and

WHEREAS, in January 2018, the City Housing staff received instructions from CDLAC requiring that in order for the City to be in compliance with Section 5031(c), the City Council would need to re-affirm the City's existing bond policies and procedures in order to date refresh its documents and to conform to CDLAC policy which requires re-approval every ten (10) years of Bond Issuer Policies and Post Issuance policies; and

WHEREAS, City Council Policy 1-16 entitled: "Policy for the Issuance of Multifamily Housing Revenue Bonds", adopted December 6, 2005, describes primary issuance practices of the City specifically as they relate to Qualified Residential Rental Projects ("QRRP"s), as defined by CDLAC; and

WHEREAS, City has established practices for ensuring Post Issuance Compliance with CDLAC's QRRP requirements, as described in the memorandum to Council dated March 5, 2018, which includes reporting the compliance of QRRP projects to CDLAC prior to March 1 of each year using CDLAC's online reporting system and including the CDLAC Resolution in its Bond Regulatory Agreements;

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

1. Reaffirms the previously adopted Council Policy Number 1-16 entitled: "Issuance of Multifamily Housing Revenue Bonds";

2. Approves Post-Issuance Compliance Policies for Tax Exempt Multifamily Bonds in order to comply with the California Debt Limit Allocation Committee Regulation 5031(c) and authorizes the Directors of Housing and Finance to submit updates to the Guidelines to CDLAC without additional Council action; and
3. Authorizes the Director of Housing and Director of Finance, or their respective designees, to take any and all necessary actions to execute, amend (including administrative procedures as needed from time to time), and deliver all documents relating to the issuance, reporting, and compliance monitoring of new and existing Multifamily Housing Revenue Bonds issued by the City of San José, to remain in compliance with CDLAC or other appropriate regulatory agencies.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk