

RESOLUTION NO. 2022-107

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
APPROVING THE ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA
MUNICIPAL FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT
TO EXCEED \$50,000,000 TO FINANCE A QUALIFIED RESIDENTIAL RENTAL
PROJECT FOR THE BENEFIT OF POPPY GROVE I, LP, 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 multifamily rental housing projects; and

WHEREAS, UrbanCore Development, LLC, a California limited liability company (the “Sponsor”), on behalf of Poppy Grove I, LP, a California limited partnership, or another entity to be created by the Sponsor or by an affiliate of the Sponsor for the purpose of owning the project described herein (such limited partnership or other entity, the “Borrower”), has requested that the Authority issue one or more series of revenue bonds in an aggregate principal amount not to exceed \$50,000,000 (the “Bonds”), including but not limited to revenue bonds issued as part of a plan to finance the acquisition, construction, development and equipping of a 147-unit qualified residential rental project (the “Project”) to be located in the City at 10149 Bruceville Road (APN 132-0050-161), and to be owned and operated by the Borrower; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue 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 Internal Revenue 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 Internal Revenue 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 Internal Revenue 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 Exemption 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, development, and equipping of a 147-unit qualified residential rental 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 147-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 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 constitutes approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Internal Revenue 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. 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

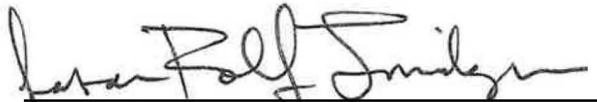
Section 7. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 11th day of May 2022



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. 2022-107

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 May 11, 2022 by the following vote:

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

NOES: COUNCILMEMBERS: None

ABSTAIN: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None



Jason Lindgren, City Clerk
City of Elk Grove, California