

RESOLUTION NO. 16-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY TO FINANCE OR REFINANCE THE ACQUISITION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF ANTELOPE VALLEY APARTMENTS AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the California Municipal Finance Authority (the "Authority") is authorized pursuant to Title 1, Division 7, Chapter 5 of the California Government Code and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Lancaster, California (the "City"), to issue revenue bonds and other forms of indebtedness to promote economic development within the State of California; and

WHEREAS, Antelope Valley Apartment Associates, L.P. (the "Borrower") or a partnership created by DeSola Development Associates, LLC (the "Developer"), consisting at least of the Developer or a related person to the Developer and one or more limited partners, has requested that the Authority participate in the issuance of one or more series of revenue bonds issued from time to time, in an aggregate principal amount not to exceed \$14,000,000 (the "Bonds") for the acquisition, rehabilitation, improvement and equipping of a 121-unit multifamily rental housing project located at 43460 32nd Street West, Lancaster, California, generally known as Antelope Valley Apartments (the "Project") and operated by Sage Apartment Communities; 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 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 12 of the Agreement; and

WHEREAS, the Borrower has requested the issuance of the Bonds in order to effect savings in interest rate and/or issuance costs to effect significant public benefits pursuant to the Act; and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, prior to issuance, the Bonds must be approved by the “applicable elected representative” of the governmental unit on whose behalf the Bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by the Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, pursuant to Section 147(f) of the Code, reasonable public notice must include a description of all of the purposes of the Bonds, including the use of proceeds outside the jurisdiction of the City, and the resolution evidencing approval of the “applicable elected representative” must also describe all the purposes of the Bonds, but the approval of the City shall not constitute approval on behalf of any other jurisdiction with respect to the Bonds, who will consider the issuance of the Bonds independently of the City; and

WHEREAS, the members of the City Council are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City of Lancaster, a notice that a public hearing regarding the Bonds would be held on the date hereof; and

WHEREAS, such public hearing was conducted on this date by the City Council, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, it is intended that this Resolution shall constitute the approval of the issuance of the Bonds and the Project required by Section 147(f) of the Code, as applicable.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER AS FOLLOWS:

Section 1. The foregoing resolutions are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority and the Project to be financed thereby. It is the purpose and intent of the City Council that this resolution constitute approval, by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, of the issuance of the Bonds by the Authority for purposes of Section 147(f) of the Code and Section 12 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 do any of the following: (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. The City shall not have any liability or responsibility for the issuance of the Bonds or payment of principal or interest on the Bonds, the Bonds shall not constitute an obligation or indebtedness of the City and the assets and revenues of the City are not being pledged as security for the payment of principal or interest on the Bonds.

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.

PASSED, APPROVED, and ADOPTED this 24<sup>th</sup> day of May, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

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BRITT AVRIT, CMC  
City Clerk  
City of Lancaster

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R. REX PARRIS  
Mayor  
City of Lancaster

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) ss  
CITY OF LANCASTER )

CERTIFICATION OF RESOLUTION  
CITY COUNCIL

I, \_\_\_\_\_,  
City of Lancaster, California, do hereby certify that this is a true and correct copy of the original  
Resolution No. 16-28, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this \_\_\_\_\_  
day of \_\_\_\_\_, \_\_\_\_\_.

(seal)

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