



Willows City Council Special Meeting
Public Hearing-Sycamore Ridge
Apartments

October 24, 2019
Willows City Hall
3:00 p.m.

City Council
Gary Hansen, Mayor
Kerri Warren, Vice Mayor
Lawrence Mello, Council Member
Joe Flesher, Council Member
Larry Domenighini, Council Member

Interim City Manager
Wayne Peabody

City Clerk
Tara Rustenhoven

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

Agenda

1. **CALL TO ORDER- 3:00 p.m.**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **PUBLIC COMMENT/WRITTEN COMMUNICATIONS**

Public Comments:

This agenda has been prepared and posted at least 24 hours prior to the special meeting of the City Council. In accordance with the Ralph M. Brown Act public comment is limited to only those items appearing on the agenda. The public may be heard on an item before or during the consideration of any agenda item to be considered by the Council, subject to reasonable time limitations for each speaker. Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order.

Please note that public comment regarding the topic of this evening's meeting will be accepted during Item No. 5 of the agenda.

5. PUBLIC HEARING

- a. Conduct a Public Hearing under the requirement of the Tax and Equity Fiscal Responsibility Act ("TEFRA") and the Internal Revenue Code of 1986, as amended (the "Code") in connection with the proposed issuance of revenue bonds by the California Municipal Finance Authority ("CMFA") and consider adoption of the attached resolution;
 - i. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF SYCAMORE RIDGE FAMILY APARTMENTS AND CERTAIN OTHER MATTERS RELATING THERETO.**

6. ADJOURNMENT

This agenda was posted on October 23, 2019

Tara Rustenhoven, City Clerk

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall or the Willows Public Library at 201 North Lassen Street in Willows or on the City's website at www.cityofwillows.org.

In compliance with the Americans with Disabilities Act, the City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

The City of Willows is an Equal Opportunity Provider

AGENDA ITEM

October 24, 2019

TO: Mayor Hansen and Members of City Council

FROM: Karen Mantele, Principal Planner

SUBJECT: Approving conduit financing for the Sycamore Ridge Family Apartments Affordable Housing Project

RECOMMENDATION

Staff recommends that (1) the City Council conduct a public hearing under the requirement of the Tax and Equity Fiscal Responsibility Act (“TEFRA”) and the Internal Revenue Code of 1986, as amended (the “Code”) in connection with the proposed issuance of revenue bonds by the California Municipal Finance Authority (“CMFA”) and (2) adopt the attached Resolution:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF SYCAMORE RIDGE FAMILY APARTMENTS AND CERTAIN OTHER MATTERS RELATING THERETO

SUMMARY/BACKGROUND

Willows Family Associates, a California Limited Partnership (the “Borrower”) a partnership of which Pacific West Communities, Inc. (the “Developer”) or a related person to the Developer is the general partner requested that the CMFA serve as the municipal issuer of the Bonds in an aggregate principal amount not to exceed \$8,000,000 of tax-exempt revenue bonds.(the “Bonds”). Proceeds of the Bonds will be used to finance or refinance the acquisition, construction, improvement and equipping of a 24-unit multifamily rental housing project located at 1245 West Sycamore Street, Willows, California (the “Project”).

In order for all or a portion of the Bonds to qualify as tax-exempt bonds, the City of Willows must conduct a public hearing (the “TEFRA Hearing”) providing for the members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. Following the close of the TEFRA Hearing, an “applicable elected representative” of the governmental unit hosting the Project must provide its approval of the issuance of the Bonds for the financing of the Project.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY:

The CMFA was created on January 1, 2004 pursuant to a joint exercise of powers agreement to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 300 municipalities, including the City of Willows, have become members of CMFA.

The CMFA was formed to assist local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA’s representatives and its Board of Directors have considerable experience in bond financings.

FINANCIAL CONSIDERATIONS -

The Bonds to be issued by the CMFA for the Project will be the sole responsibility of the Borrower, and the City will have no financial, legal, moral obligation, liability or responsibility for the Project or the repayment of the Bonds for the financing of the Project. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not obligations of the City or the State of California but are to be paid for solely from funds provided by the Borrower.

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation (the “Foundation”), acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities. With respect to the City of Willows, it is expected that that a portion of the issuance fee attributable to the City will be granted by the CMFA to the general fund of the City. Such grant may be used for any lawful purpose of the City.

NOTIFICATION

Cameron Johnson, of Pacific West Communities, Inc project developer.

RECOMMENDATION

Staff recommends that the City Council (1) Conduct the public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (the “Code”) and (2) Adopt the resolution approving the issuance of the Bonds by the CMFA for the benefit of Willows Family Associates, a California Limited Partnership (the “Borrower”); to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following).

Respectfully submitted,



Karen Mantele
Principal Planner

Approved by:



Wayne Peabody
Interim City Manager

Attachments:

1. Draft Resolution approving bonds issuance

DRAFT RESOLUTION

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPROVING
THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED \$8,000,000 FOR THE PURPOSE OF FINANCING OR
REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND
EQUIPPING OF SYCAMORE RIDGE FAMILY APARTMENTS AND CERTAIN OTHER
MATTERS RELATING THERETO**

WHEREAS, Willows Family Associates, a California Limited Partnership (the “Borrower”) a partnership of which Pacific West Communities, Inc. (the “Developer”) or a related person to the Developer is the general partner, has requested that the California Municipal Finance Authority (the “Authority”) adopt a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the “Code”) in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed \$8,000,000 in aggregate principal amount (the “Bonds”), to finance or refinance the acquisition, construction, improvement and equipping of a 24-unit multifamily rental housing project located at 1245 West Sycamore Street, Willows, California (the “Project”); 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 Willows (the “City”) because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City of Willows (the “City”) 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 (the “City”) 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;

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

Section 1. The foregoing resolution is true and correct.

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.

PASSED, APPROVED AND ADOPTED at a special meeting of the City Council on this 24th day of October, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Gary Hansen, Mayor

Tara Rustenhoven, City Clerk