

RESOLUTION NO. 2015-_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN MARCOS APPROVING THE ISSUANCE OF BONDS
BY THE INDEPENDENT CITIES FINANCE AUTHORITY
WITH RESPECT TO THE PALOMAR ESTATES EAST
AND PALOMAR ESTATES WEST MANUFACTURED
HOME COMMUNITIES**

WHEREAS, certain cities of the State of California (collectively, the “Members”) have entered into a Joint Powers Agreement (the “Joint Powers Agreement”) establishing the Independent Cities Finance Authority (the “Authority”) and prescribing its purposes and powers, and providing, among other things, for associate members of the Authority (an “Associate Member”); and

WHEREAS, the Authority has been formed for the purpose, among others, of assisting its Members and Associate Members in the raising of capital to finance the capital improvement needs of Local Agencies (as defined in the Joint Powers Agreement), to provide for home mortgage financing with respect to those Members or Associate Members that are either a city or a county of the State of California, to provide financing in connection with the improvement, construction, acquisition, creation, rehabilitation and preservation of affordable housing within the boundaries of the Members and Associate Members, and to provide financing in accordance with the provisions of applicable law in connection with other projects and programs that are in the public interest and which benefit Members and Associate Members including making loans to tax-exempt organizations from the proceeds of mortgage revenue bonds to finance the acquisition of multifamily rental housing, including mobile home parks, under the provisions of Chapter 8 of Part 5 of Division 31 (commencing with Section 52100) of the Health and Safety Code; and

WHEREAS, the City of San Marcos (the “City”) is an Associate Member of the Authority; and

WHEREAS, the Authority proposes to issue its Mobile Home Park Revenue Refunding Bonds (Palomar Estates East and West) in one or more series (the “Bonds”); and

WHEREAS, Millennium Housing Corporation, a California nonprofit public benefit corporation (the “Owner”), has requested that the Authority issue and sell the Bonds in an aggregate principal amount of not to exceed \$38,500,000 to (i) refund certain revenue bonds previously issued by the California Mobilehome Park Financing Authority, the proceeds of which were loaned to the Owner in order to finance the acquisition and renovation of two adjoining mobilehome parks with 846 total spaces known as Palomar Estates East and Palomar Estates West located at 650 South Rancho Santa Fe Road and 1930 West San Marcos Boulevard, respectively, in the city of San Marcos, California (the “Project”), (ii) finance additional renovations to be made to the Project and (iii) finance certain costs of issuing the Bonds (subsections (i), (ii) and (iii) set forth in this paragraph may collectively be referred to hereafter be referred to as “Bond Purposes”); and

WHEREAS, the City Council of the City has determined that the operation of the Project by the Owner in accordance with the laws and ordinances of the City and in accordance with a proposed regulatory agreement to be recorded on the Project shall help the City satisfy its affordable housing obligations and will lessen the burden of the City to provide affordable housing for low and very low income residents of the City; and

WHEREAS, the Bonds will be qualified “private activity bonds” for purposes of the Internal Revenue Code of 1986 (the “Code”); and

WHEREAS, pursuant to Section 147(f) of the Code, the proposed issuance of private activity bonds is required to be approved by the “applicable elected representative” of the governmental unit having jurisdiction over the area in which the Project is to be located, after a public hearing held after reasonable public notice; and

WHEREAS, the members 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, a notice that a public hearing regarding the proposed issuance of the Bonds would be held on the date hereof; and

WHEREAS, such public hearing was conducted on the date hereof by the City Council at which time an opportunity was provided to interested parties to be heard with respect to the proposed issuance of the Bonds and financing of the Project; and

WHEREAS, it is intended that this resolution shall constitute the approval of the proposed issuance of the Bonds required by Section 147(f) of the Code.

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

Section 1. Conditioned on the Owner agreeing that the proceeds of the Bonds loaned to the Owner shall be used for Bond Purposes, the City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of this City Council that this resolution constitutes approval of issuance of the Bonds for the purposes of Section 147(f) of the Code.

Section 2. 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 or the Project.

Section 3. 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 to provide 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 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 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of San Marcos,
this 24th day of February, 2015, by the following roll call votes:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

James M. Desmond, Mayor
City of San Marcos

ATTEST:

Phil Scollick, City Clerk
City of San Marcos