

Resolution No. 2023-XXX N.C.S.  
of the City of Petaluma, California

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PETALUMA APPROVING A PLAN OF FINANCING FOR THE ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 TO FINANCE AND REFINANCE AN AFFORDABLE RENTAL HOUSING FACILITY FOR THE BENEFIT OF DOWNTOWN RIVER TWO, L.P., AND CERTAIN OTHER MATTERS RELATING THERETO, AND FINDING THAT THIS ITEM IS NOT A "PROJECT" PURSUANT TO CEQA GUIDELINES**

**WHEREAS**, Downtown River Two LLC, a California limited liability company (the “General Partner”), an affiliate of Eden Housing Inc. (the “Sponsor”), on behalf of Downtown River Two, L.P., a California limited partnership, or another ownership entity to be created by the General Partner (such limited partnership or other ownership entity being referred to herein as the “Borrower”), has requested that the California Municipal Finance Authority (the “Authority”) undertake a plan of finance for the issuance from time to time of one or more series of revenue bonds in an aggregate principal amount not to exceed \$35,000,000 (the “Bonds”) to finance and refinance the acquisition, rehabilitation and improvement of an existing 81-unit affordable rental housing facility for low-income households, which when complete will consist of 87 residential units (the “Project”), located at 35 E. Washington Street in the City of Petaluma, California (the “City”), and to be owned and/or operated by the Borrower; and

**WHEREAS**, an “applicable elected representative” of the jurisdiction in which the Project is located is required to approve the plan of finance for the Project, including the issuance of the Bonds, under Section 147(f) of the Code; and

**WHEREAS**, the City Council of the City (the “City Council”) is the elected legislative body of the City and is an “applicable elected representative” for purposes of Section 147(f) of the Code; and

**WHEREAS**, the Authority has requested that the City Council approve the plan of finance for the Project, including 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 plan of finance for the Project, including the issuance of the Bonds by the Authority; and

**WHEREAS**, a resolution by the City Council approving the issuance of multi-family revenue bonds by the Authority does not commit, approve, or constitute any other action or funding for the project by the City; and

**WHEREAS**, the City supports the production and preservation of affordable housing for its lower income and vulnerable populations; and

**WHEREAS**, the Petaluma General Plan 2025 includes policies to provide essential housing to all Petalumens and including Policy 6.1 to support efforts to prevent homelessness, and Policy 9.1 to promote the integration of affordable and special needs housing projects on existing neighborhoods; and

**WHEREAS**, the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, as the action does not meet CEQA's definition of a "project," because approving financing by the Authority is not a project as it does not commit the City to a definite course of action (See *City of Irvine v. County of Orange* (2013) 221 Cal 4th 846, 865) and because approving a loan extension is not a project because this action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment pursuant to CEQA Guidelines Section 15378; and

**WHEREAS**, environmental compliance was already completed when the initial loan was approved. Moreover, the project would be exempt pursuant to CEQA Guidelines Section 15301 (Existing Facilities).

**WHEREAS**, Eden Housing plans to continue operation of the Project in accordance with all requirements of the two Affordability Restrictions Agreement pertaining to 35 East Washington Street entered into by the City of Petaluma and Eden Housing on 10-20-2003 and recorded with the Sonoma County Recorder as record number 2003-218628 and 2003-218635218628; and

**WHEREAS**, this item was agenized in compliance with state and local laws.

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

1. Declares the above recitals to be true and correct and are incorporated herein by reference.
2. Finds that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, as the action does not meet CEQA's definition of a "project," because approving a loan extension is not a project because this action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment pursuant to CEQA Guidelines Section Furthermore, environmental compliance was already completed when the initial loan was approved.
3. Approves the plan of financing for the issuance of the Bonds by the Authority to finance or refinance the Project. It is the purpose and intent of the City Council that this resolution constitute approval for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of a 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.
4. This resolution shall take effect immediately upon its adoption.

Under the power and authority conferred upon this Council by the Charter of said City.

**REFERENCE:**

I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the DD day of Month YYYY, by the following vote:

Approved as to  
form:

\_\_\_\_\_  
City Attorney

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor