

FRESNO JOINT POWERS FINANCING AUTHORITY

RESOLUTION NO. JPFA _____

A RESOLUTION OF THE FRESNO JOINT POWERS FINANCING AUTHORITY AUTHORIZING THE ASSIGNMENT OF THE PROMISSORY NOTES FROM THE CITY OF FRESNO CULTURAL ARTS PROPERTIES CORPORATION TO THE CITY OF FRESNO AS REPAYMENT FOR CITY OF FRESNO'S LOAN IN THE AMOUNT OF \$12,690,500 AND DIRECTING THE EXECUTION OF ALL NECESSARY DOCUMENTS AND TAKING ALL ACTIONS NECESSARY TO ACCOMPLISH ASSIGNMENT

WHEREAS, the City of Fresno (City) and the Fresno Joint Powers Financing Authority (JPFA) participated in a New Market Tax Credit (NMTC) transaction in which the City provided the JPFA with Twelve Million Six Hundred Ninety Thousand Five Hundred Dollars (\$12,690,500) to enable the JPFA to make a loan to FBB Investment Fund, LLC (the Investment Fund) and investment fund created for the NMTC transaction; and

WHEREAS, the Investment Fund used the JPFA loan proceeds, along with equity raised by an investor to make an equity contribution in the Clearinghouse NMTC (Sub 18), LLC, a community development entity created to facilitate the investment in low-income communities through the use of New Market Tax Credits (the CDE); and

WHEREAS, the CDE utilized the Investment Fund investment in the CDE to make a loan to the City of Fresno Cultural Arts Properties Corporation, a California nonprofit public benefit corporation (the COFCAP) in the approximate amount of Sixteen Million Six Hundred Sixty Thousand Dollars (\$16,660,000) (the CDE Loan); and

WHEREAS, the CDE Loan is evidenced by two promissory notes executed by COFCAP in favor of the CDE, which are secured by a deed of trust recorded against COFCAP's Property, commonly referred to as the Fresno Bee Building; and

WHEREAS after the NMTC compliance period terminated, the CDE Loan was assigned to the Investment Fund to redeem its interest in the CDE; and the CDE in turn, assigned the CDE Loan to the JPFA as repayment of the loan made to the Investment Fund by the JPFA; and

WHEREAS, the JPFA now wishes to fully repay the loan made by the City to the JPFA assigning the CDE Loan to the City in lieu of paying the City loan in cash; and

WHEREAS, the JPFA desires to assign its rights, interests, duties and obligations under the COFCAP promissory notes and deed of trust to the City and the City desires to accept and assume such rights, interests, duties and obligations as more fully set forth herein; and

NOW, THEREFORE, BE IT RESOLVED by the Fresno Joint Powers Financing Authority that:

1. The Fresno Joint Powers Financing Authority authorizes the assignment of the COFCAP promissory notes and the COFCAP deed of trust as repayment of the City of Fresno's loan to the JPFA; and
2. The Fresno Joint Powers Financing Authority authorizes the execution of any and all documents and assignments necessary for the consummation of any and all other activities contemplated in this Resolution.

SECRETARY'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, _____, Secretary of the Fresno Joint Powers Financing Authority (the "Authority") certify that the foregoing resolution was adopted by the Board of the Authority at a special meeting held on the ____ day of _____, 2017.

AYES:
NOES:
ABSENT:
ABSTAIN:

Secretary

By _____
Deputy

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By: _____
Raj Singh Badhesha Date
Deputy