

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING THE ISSUANCE BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF THE SYCAMORE COURT APARTMENTS PROJECT AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the City of Garden Grove is a California municipal corporation and general law city ("City");

WHEREAS, 10632 Bolsa Avenue, LP, a California limited partnership ("Borrower"), has requested that the California Public Finance Authority ("CalPFA") adopt a plan of financing providing for the issuance of one or more series of revenue bonds issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, in an aggregate principal amount not to exceed \$15,000,000 ("Housing Bonds") for the acquisition, rehabilitation, improvement and equipping of a 78-unit multifamily rental housing project located at 10632 Bolsa Avenue, Garden Grove, California, generally known as the Sycamore Court Apartments Project ("Project") and operated by QRM Corp.;

WHEREAS, the federal Tax Equity and Fiscal Responsibility Act ("TEFRA"), Section 147(f) of the Internal Revenue Code of 1986, as amended ("IRS Code"), requires that a TEFRA hearing be duly noticed and held in connection with approval of the subject Housing Bonds and in order for the interest on such bonds be tax-exempt;

WHEREAS, a TEFRA hearing is to be conducted by the "applicable elected representative" of the governmental unit in the geographic jurisdiction where the Project is located that is to be financed with the proceeds of the Housing Bonds, and CalPFA has determined that this City Council is the "applicable elected representative" for purposes of holding the TEFRA hearing;

WHEREAS, the CalPFA has requested that the City Council approve the issuance of the Housing Bonds by the CalPFA in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 12 of the Joint Exercise of Powers Agreement Relating to the California Public Finance Authority, dated as of May 12, 2015 ("JPA Agreement"), among certain local agencies, including the City;

WHEREAS, legal notice of such TEFRA Public Hearing has been duly given as required by the IRS Code, and this City Council has held the TEFRA hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing or refinancing of the Project, including testimony or information in favor, against or neutral, and the CalPFA's issuance of the Housing Bonds; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approves the issuance of the Housing Bonds by the CalPFA for such public purposes.

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

Section 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The City Council approves the issuance of the Housing Bonds by the CalPFA. It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Housing Bonds (a) by the "applicable elected representative" of the governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the IRS Code and (b) by the City Council in accordance with Section 12 of the JPA Agreement.

Section 3. The issuance of the Housing Bonds shall be subject to the approval of the CalPFA of all financing documents relating thereto to which the CalPFA is a party. The City of Garden Grove shall have no responsibility or liability, financially, legally, ethically or otherwise, whatsoever with respect to the Housing Bonds. The City does not warrant the creditworthiness of the Housing Bonds or guarantee, in any way, the payment of the Housing Bonds. No moneys of the City will be pledged or applied to the repayment of the Housing Bonds.

Section 4. The adoption of this Resolution shall not obligate the City, or any department of the City, or any other governmental entity formed or governed by the City, including without limitation the Garden Grove Housing Authority, to: (i) provide any financing to acquire, rehabilitate or complete the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any land use or planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds or in kind consideration whatsoever to the CalPFA; or (iv) take any further action with respect to the CalPFA or its membership therein.

Section 5. The Mayor, City Clerk and other officials and officers of the City, in particular the City Manager and his authorized representatives, are hereby authorized and directed, jointly and severally, to do and take any and all actions necessary 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 and the City Clerk shall certify to its adoption.