

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE  
CODE OF 1986 THE ISSUANCE OF SENIOR HOUSING REVENUE BONDS BY THE  
GOLDEN STATE FINANCE AUTHORITY TO FINANCE THE ACQUISITION,  
REHABILITATION AND EQUIPPING OF A SENIOR RENTAL HOUSING PROJECT  
LOCATED WITHIN THE CITY OF GARDEN GROVE

WHEREAS, City of Garden Grove (the "City") is an associate member of the Golden State Finance Authority, a joint powers authority organized and existing under the laws of the State of California (the "Authority");

WHEREAS, the Authority is authorized, pursuant to the provisions of California Government Code Section 6500 *et seq.* and the terms of the Amended and Restated Joint Exercise of Powers Agreement, originally dated as of July 1, 1993, and as thereafter from time to time amended and restated, among certain local agencies throughout the State of California (the "Agreement"), including the City, to issue its revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of California Health and Safety Code for the purpose of providing financing for the acquisition, rehabilitation and equipping of multifamily rental housing for persons and families of low or moderate income;

WHEREAS, Sungrove Garden Grove AR, L.P., a California limited partnership (the "Borrower"), has requested that the Authority issue one or more series of revenue bonds in an aggregate principal amount not to exceed \$11,000,000 (the "Bonds") and lend the proceeds of the Bonds to the Borrower or related entities for the purpose of financing the costs of acquisition, rehabilitation and equipping of an 82-unit senior rental housing project located at 12811 Garden Grove Boulevard, Garden Grove, California 92843, Orange County, generally known as Sungrove Senior Apartments (the "Project");

WHEREAS, the Project is located wholly within the City;

WHEREAS, the interest on the Bonds may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code"), only if the Bonds are approved in accordance with Section 147(f) of the Code;

WHEREAS, the issuance of the Bonds by the Authority must be approved by the City because the Project is located within the territorial limits of the City;

WHEREAS, the City Council of the City is the elected legislative body of the City and is an "applicable elected representative" with respect to the approval of the issuance of the Bonds under Section 147(f) of the Code;

WHEREAS, the Authority has requested that the City Council approve the issuance of Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code;

WHEREAS, pursuant to Section 147(f) of the Code, the Authority caused a notice to appear in the Orange County News (OCN), which is a newspaper of general circulation in the City, on August 24, 2018, to the effect that a Public Hearing would be held with respect to the Project on September 11, 2018, regarding the issuance of the Bonds; and

WHEREAS, the City Council held said Public Hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the Bonds.

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

1. The recitals hereinabove set forth are true and correct, and this City Council so finds.

2. Pursuant to and solely for purposes of Section 147(f) of the Code, the City Council hereby approves the issuance of the Bonds by the Authority in one or more series to: (i) finance the Project, and (ii) reimburse the Borrower, solely from the proceeds of the Bonds, for certain costs of the Project incurred no more than 60 days prior to the date of the adoption of this Resolution. It is intended that this Resolution constitute approval of the Bonds by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located in accordance with: (i) said Section 147(f) of the Code; and (ii) Section 6 of the Agreement.

3. The payment of the principal, prepayment premium, if any, and purchase price of and interest on the Bonds shall be solely the responsibility of the Borrower. The Bonds shall not constitute a debt or obligation of the City.

4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or rehabilitate 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 rehabilitation or operating 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.

5. The Mayor and other 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.

6. The City Clerk is hereby directed to forward a certified copy of this Resolution to the Bond Counsel for the Bonds, addressed as follows:

Kathryn P. Peters, Esq.  
Kutak Rock LLP  
2300 Main St., Suite 800  
Kansas City, MO 64108

7. This Resolution shall take effect immediately upon its passage and adoption.

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