

RESOLUTION # _____

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 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000 BY THE GOLDEN STATE FINANCE AUTHORITY TO FINANCE THE ACQUISITION, REHABILITATION AND EQUIPPING OF THE SUNGROVE SENIOR HOUSING RENTAL PROJECT LOCATED WITHIN THE CITY OF GARDEN GROVE; AND MAKING CERTAIN OTHER FINDINGS.

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

WHEREAS, 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 (“GSFA”); and

WHEREAS, GSFA 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 (“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, including seniors, of low to moderate income; and

WHEREAS, Sungrove Garden Grove AR, L.P., a California limited partnership (“Borrower” or “Developer”), has requested that GSFA issue one or more series of revenue bonds in an aggregate principal amount not to exceed \$12,000,000 (“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 (“Project”); and

WHEREAS, the Project is located wholly within the City; and

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 (“Code”), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

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

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; and

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

WHEREAS, pursuant to Section 147(f) of the Code, GSFA (through the City Clerk) caused a notice to appear in the Orange County News (OCN), which is a newspaper of general circulation in the City, on Wednesday, August 7, 2019 to the effect that the City Council of the City of Garden Grove (“City Council”) would hold a public hearing with respect to the Project and the matter of the issuance of the Bonds on Tuesday, August 27, 2019 at 6:30 p.m. or as soon thereafter as the matter can be heard in the City Council Chambers at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California; and

WHEREAS, the City Council held said public hearing on such date, at which time an opportunity was provided to present arguments both for, against or neutral to 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, a substantive part of this Resolution, 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 GSFA 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 issuance of the Bonds shall be subject to the approval of the GSFA of all financing documents relating thereto to which the GSFA is a party. The City of Garden Grove shall have no responsibility or liability, financially, legally, ethically or otherwise, whatsoever with respect to the Bonds. The City does not warrant the creditworthiness of the Bonds or guarantee, in any way, the payment of the Bonds. No moneys of the City will be pledged or applied to the repayment of the Bonds.

5. 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, equip, 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 GSFA; or (iv) take any further action with respect to the GSFA or its membership therein.

6. 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.

7. 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

8. This Resolution shall take effect immediately upon its adoption; and the City Clerk shall certify to its adoption.

PASSED and **ADOPTED** by the City Council of the City of Garden Grove at a regular meeting of the City Council held on the 27th day of August 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven R. Jones, Mayor

ATTEST:

Teresa Pomeroy, CMC, City Clerk