

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000 FOR THE PURPOSE OF FINANCING A PROJECT FOR LINCOLN GLEN MANOR FOR SENIOR CITIZENS, AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), certain public agencies (the “Members”) have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “Agreement”), in order to form the California Municipal Finance Authority (the “Authority”), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the City of San José (the “City”) is a Member of the Authority; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction of capital projects; and

WHEREAS, the Authority has informed the City that Lincoln Glen Manor for Senior Citizens, a nonprofit, public benefit corporation (the “Borrower”), has requested that the Authority adopt a plan of financing providing for the issuance of a series of revenue bonds (the “Bonds”), and the aggregate principal amount not to exceed \$7,000,000; and

WHEREAS, proceeds of the Bonds will be used to finance (1) the conversion of twelve (12) independent living units to seventeen (17) memory care units and to make certain other capital improvements to be owned and operated by the Borrower and to be located in the City at 2671 Plummer Avenue in San Jose, California, and (2) certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Project”); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the “Code”), 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; and

WHEREAS, the City Council of the City (the “City Council”) is the elected legislative body of the City and is one of the “applicable elected representatives” required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve 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 Agreement; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given in a newspaper of general circulation on [October 1, 2018], held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority with respect to the Project; and

WHEREAS, it is intended that this Resolution shall comply with the public approval requirements of Section 147(f) of the Code and State law related to the issuance of the Bonds; provided, however, that this Resolution is neither intended to nor shall it constitute an approval by the City Council of the Project for any other purpose;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

Section 1. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the 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; provided, however, that this Resolution shall not constitute an approval by the City Council of the Project for any other purposes, including without limitation, approval of any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project, nor does it constitute an approval of the underlying credit or financial structure of the Bonds.

Section 2. The City Manager, the Finance Director, the City Clerk and all other proper officers and officials 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 upon consultation with the City Attorney 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 3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

Section 4. The adoption of this Resolution shall not obligate the City or any department thereof to (a) provide any financing to acquire or construct the Project; (b) approve any application or request for or take any other action in connection with any

planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (c) make any contribution or advance any funds whatsoever to the Authority; or (d) take any further action with respect to the Authority or its membership therein.

Section 5. This Resolution shall take effect immediately upon its adoption.

ADOPTED this ____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk