RESOLUTION NO. 75634

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY TAX-EXEMPT REVENUE BONDS (LINCOLN GLEN MANOR FOR SENIOR CITIZENS), SERIES 2011, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $14,000,000, FOR THE PURPOSE OF FINANCING AND REFINANCING FACILITIES 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 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, Lincoln Glen Manor for Senior Citizens, a nonprofit, public benefit corporation organized and existing under the laws of the State of California and an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 (the "Corporation"), has requested the Authority to issue one or more series of revenue bonds in an aggregate principal amount not to exceed $14,000,000 (the "Bonds") to (a) refund, on a current basis, all outstanding ABAG Finance Corporation for Nonprofit Corporations Insured Certificates of Participation (Lincoln Glen Manor for Senior Citizens), Series 2000, executed and delivered to (i) refinance certain existing indebtedness of the Corporation, (ii) finance the renovation of existing buildings, and (iii) finance the costs of construction of a 31 unit assisted living facility; (b) finance the conversion of 8 independent living units (from a 20 unit building) into 11 memory care beds for patients suffering from Alzheimer's disease and dementia; and (c) finance the expansion, remodeling and updating of the Corporation's Central Manor, all located at the Corporation's multi-level facility for the elderly at 2671 Plummer Avenue in the City (collectively, the "Project"), to be owned and operated by the Corporation and located within the City; and

WHEREAS, in order for the interest on the Bonds to be tax-exempt, section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that an "applicable elected representative" of the governmental unit, the geographic jurisdiction of which contains the site of facilities to be financed with the proceeds of the Bonds, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds following such hearing; and

WHEREAS, the Authority has determined that the Council is an "applicable elected representative" for purposes of holding such hearing; and

WHEREAS, the Authority has requested that the 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, notice of such public hearing has been duly given as required by the Code, and the Council has heretofore held such public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing of the Project and the Authority's issuance of the Bonds therefor; and

WHEREAS, it is in the public interest and for the public benefit that the Council approve the issuance of the Bonds by the Authority for the aforesaid purposes;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of San José, as follows:

Section 1. The Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Council that this resolution constitute approval of the issuance of the Bonds (a) by the "applicable elected representative" of the governmental unit having jurisdiction over the area in which the Project is to be located in accordance with section 147(f) of the Code, and (b) by the Council in accordance with section 4 of the Agreement.

Section 2. 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 3. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct 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 acquisition, rehabilitation or operation 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.

Section 4. The City Manager, the Finance Director, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

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

ADOPTED this 16th day of November, 2010, by the following vote:

AYES:	CAMPOS, CHIRCO, CHU, CONSTANT, KALRA, LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.
NOES:	NONE.
ABSENT:	HERRERA.
DISQUALIFIED:	NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk