

RESOLUTION NO. 2025-05

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF HUNTINGTON BEACH APPROVING, AUTHORIZING AND DIRECTING
EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT RELATING TO
THE CALIFORNIA PUBLIC FINANCE AUTHORITY AND APPROVING THE
ISSUANCE BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY OF REVENUE
BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$325,000,000.00 TO BENEFIT MARISOL HB, LLC 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 Public Finance Authority, dated as of May 12, 2015 (the "Agreement") in order to form the California Public 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 Huntington Beach, California (the "City") has determined that it is in the public interest and for the public benefit that the City become a Member of the Authority solely to facilitate the financing of the hereinafter described Project by the Authority, which Project the City has determined will promote economic, cultural and community development activities in the City; and

WHEREAS, there is now before this City Council of the City (the "City Council") the form of the Agreement; and

WHEREAS, the Agreement has been filed with the City, and the members of the City Council, with the assistance of its staff, have reviewed said document; and

WHEREAS, Marisol HB, LLC (the "Borrower"), the sole member of which is The Bluhm Family Foundation, an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested that the California Public Finance Authority (the "Authority") provide for the issuance of qualified 501(c)(3) bonds as defined in Section 145 of the Code, in one or more series, taxable or tax-exempt, senior or subordinate, issued from time to time, including any bonds issued to refund such bonds, in an amount not to exceed \$325,000,000 (the "Bonds"), to (1) finance, refinance or reimburse the costs of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of a rental senior living community senior living community and parking facilities to be owned and operated by the Borrower and to be located at 2120 Main Street, Huntington Beach, CA, 92648; (2) pay capitalized interest on the Bonds; (3) fund one or more debt service reserves if deemed necessary; (4) fund related working capital costs; and (5) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the "Project"); and

WHEREAS, the Project is located within the City, and the Project will benefit the City by providing needed housing options (and related support services) for seniors and by promoting the health, safety and general welfare of its residents; and

WHEREAS, pursuant to Section 147(f) of 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 is the elected legislative body of the City and is the applicable elected representative under Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing (on February 4, 2025 and February 18, 2025) regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority; and

WHEREAS, the City Council understands that the Borrower intends to apply for an exemption from property taxes under California Revenue & Taxation Code Section 214 and, if available, from other taxes; and

WHEREAS, in the event that the Borrower is granted such exemptions in whole or part, the Borrower agrees to make payments to the City in lieu of property and other taxes in an amount equal to the property and other tax revenues that the City would have received had such exemptions not been granted; and

WHEREAS, in order to memorialize the Borrower's agreement as set forth in the previous recital, the Borrower and the City desire to enter into a Payment in Lieu of Tax Agreement (the "PILOT"); and

WHEREAS, the City Council understands that its actions in holding the public hearing and in approving this Resolution do not obligate the City in any manner for payment of the principal, interest, fees or any other costs associated with the issuance of the Bonds, and said City Council expressly conditions its approval of this Resolution on that understanding.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Huntington Beach as follows:

SECTION 1. The City Council hereby approves the Agreement solely for purposes of facilitating the financing of the Project by the Authority, and the Mayor or the designee thereof is hereby authorized and directed to execute said document, and the City Clerk or such Clerk's designee is hereby authorized and directed to attest thereto. In accordance with Section 12 of the Agreement, in the event that this Resolution is adopted, this Resolution shall be filed with the Authority together with a request that the City be added as an "Additional Member" of the Authority solely for purposes of facilitating the financing of the Project by the Authority.

SECTION 2. The City Council hereby approves the issuance of the Bonds by the Authority for the purposes of financing the Project. 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 purpose 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 and (b) Section 12 of the Agreement.

SECTION 3. The officers of the City Council are hereby authorized and directed, jointly and severally, to do any and all things and execute and deliver any and all documents, certificates and other instruments 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. Any actions heretofore taken by such officers are hereby ratified and approved.

SECTION 4. The City Council expressly conditions its approval of this Resolution on its understanding that the City shall have no obligation whatsoever to pay any principal, interest, fees or any other costs associated with the Authority's issuance of the Bonds for the financing of the Project. This Resolution is not intended to nor shall it constitute an approval by the City Council of the Project for any other purposes except as set forth in Section 2, including, but not limited to, compliance with the California Environmental Quality Act (California Public Resources Code, Section 21100, *et seq.*). The adoption of this Resolution shall not obligate the City or any department thereof to (a) provide any financing with respect to 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 with respect to the Project, (c) make any contribution or advance any funds whatsoever to the Authority or the Borrower or (d) take any further action with respect to the Authority or its membership therein.

SECTION 5. The form of PILOT presented at this meeting is hereby approved, and the Mayor, the Mayor Pro Tem, the Acting City Manager and the Interim Chief Financial Officer are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the PILOT in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same, Kutak Rock LLP, as special counsel to the City, or the City Attorney may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. This Resolution shall take effect from and after its passage and approval.


PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the ____th day of February, 2025.

Mayor

REVIEWED AND APPROVED:

City Manager

APPROVED AS TO FORM:



City Attorney

INITIATED AND APPROVED:



Chief Financial Officer