

## MOTION

Los Angeles-based AIDS Healthcare Foundation (AHF) is a global organization that provides cutting-edge medicine and advocacy to more than 200,000 patients in approximately 28 countries. The largest provider of HIV/AIDS medical care in the United States, AHF's operating capital comes from its self-created social enterprises. AHF pharmacies, thrift stores, healthcare contracts and other strategic partnerships generate funding that help AHF provide medical and advocacy services across the globe. AHF has requested that the Public Financing Authority ("PFA") issue one or more series of its revenue bonds in an aggregate principal amount not to exceed \$16,400,000 (the "Bonds") for the following purposes:

(a) financing, refinancing or reimbursing the Borrower for the costs of acquiring, constructing, renovating and equipping:

(i) a 2-story office building located at 2146 West Adams Boulevard, Los Angeles, California,

(ii) a parking lot and office building located at 1725 El Cerrito Place, Los Angeles, California and 1710 North La Brea Avenue, Los Angeles, California,

(iii) a residential condominium located at 6735 Yucca #411, Los Angeles, California;

(iv) a 2-story office building with attached parking structure located at 1001 North Martel Avenue, Los Angeles, California, and

(v) a commercial building to initially be used as a pharmacy and thrift store located at 6500 West Sunset Boulevard, Los Angeles, California (collectively, the "Facilities"),

(b) provide one or more debt service reserve funds for the benefit of all or a portion of the Bonds, if deemed necessary or desirable;

(c) pay a portion of the interest to accrue on the Bonds, if deemed necessary or desirable;

(d) pay certain working capital expenditures, if deemed necessary or desirable; and

(e) pay certain costs of issuance of the Bonds.

All of the Facilities are used by AHF in its social and charitable mission. PFA is a political subdivision of the State of Wisconsin created for the purpose of issuing tax-exempt and taxable conduit bonds for public and private entities nationwide. PFA will be simultaneously issuing additional bonds to finance and refinance other projects for AHF in Florida and Ohio. This process will allow AHF to create a single financing and reduce its transaction costs.



In accordance with the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") and as part of the issuance of the Bonds, AHF has requested that the City conduct the required public hearing (the "TEFRA Hearing") and approve the issuance of the Bonds by PFA.

The Bonds will be purchased by Wells Fargo Bank, National Association and are payable solely from revenues or other funds provided by AHF. No City funds are or will be pledged to support in any way the Bonds and the City in no way is or will be obligated to make any payments whatsoever on the Bonds or to foreclose on or make any appropriation for AHF or any organization in the event of a default on the Bonds. The City is required by federal law to review and approve the issuance of bonds for projects within its jurisdiction and conduct a public hearing.

I THERFORE MOVE that the City Council:

1. Instruct the City Clerk to schedule a TEFRA Hearing on the agenda for the City Council Meeting to be held on Wednesday, March 4, 2015 at 10:00am located at 200 N. Spring Street, Room 340, Los Angeles, CA 90012.
2. Instruct the City Clerk to place on the agenda for the City Council meeting to be held on Wednesday, March 4, 2015 consideration of the TEFRA Hearing results and adoption of the attached TEFRA hearing Resolution following the TEFRA Hearing.

PRESENTED BY:



MITCH O'FARRELL  
Councilmember, 13th District

SECONDED BY:



ORIGINAL

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF LOS ANGELES**

**APPROVING THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY  
OF NOT TO EXCEED \$16,400,000 AGGREGATE PRINCIPAL AMOUNT  
OF THE PUBLIC FINANCING AUTHORITY'S REVENUE BONDS FOR  
THE PURPOSE OF FINANCING, REFINANCING OR REIMBURSING  
THE COST OF ACQUIRING, CONSTRUCTING, INSTALLING,  
RENOVATING AND EQUIPPING OF FACILITIES FOR THE BENEFIT OF  
AIDS HEALTHCARE FOUNDATION AND OTHER MATTERS RELATING  
THERE TO HEREIN SPECIFIED**

**WHEREAS**, AIDS Healthcare Foundation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), has submitted and the Public Finance Authority (the "Authority") has accepted, an application requesting the Authority to issue, from time to time, pursuant to a plan of finance, its tax-exempt revenue bonds in an aggregate principal amount not to exceed \$16,400,000 (the "Bonds") for the benefit of the Corporation, the proceeds of which will be used in part to (a) finance, refinance or reimburse the costs of acquiring, constructing, renovating and equipping certain facilities listed at the locations set forth in Exhibit A hereto (collectively, the "Facilities"), (b) provide one or more debt service reserve funds for the benefit of all or a portion of the Bonds, if deemed necessary or desirable; (c) pay a portion of the interest to accrue on the Bonds, if deemed necessary or desirable; (d) pay certain working capital expenditures, if deemed necessary or desirable; and (e) pay certain costs of issuance of the Bonds; and

**WHEREAS**, the issuance of the Bonds must be approved by the governmental unit on behalf of which the Bonds are issued and a governmental unit having jurisdiction over the territorial limits in which the Facilities located pursuant to the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

**WHEREAS**, the Facilities are located within the territorial limits of City of Los Angeles (the "City") and the City Council of the City (the "City Council") is the elected legislative body of the City; and

**WHEREAS**, the Facilities provide significant benefits to the residents of the City through the healthcare services provided by the Corporation and the Facilities will also create and retain employment opportunities for residents of the City; and

**WHEREAS**, the Authority and the Corporation have requested that the City Council approve the issuance of the Bonds by the Authority and the financing or refinancing of the Facilities with the proceeds of the Bonds pursuant to Section 147(f) of the Code; and

**WHEREAS**, the Authority's issuance of the Bonds will result in a more economical and efficient issuance process because of the Authority's expertise in the issuance of conduit revenue Bonds; and

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

**WHEREAS**, pursuant to section 147(f) of the Code, the City Council of the City has, following notice duly given, held a public hearing regarding the issuance of the Bonds at which all those interested in speaking with respect to the financing of the Facilities were heard, and the City Council now desires to approve the issuance of the Bonds by the Authority.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the City Council of the City as follows:

**Section 1.** The City Council hereby finds and determines that all of the recitals are true and correct. The City Council hereby approves the issuance of the Bonds by the Authority in an amount not to exceed \$16,400,000 to finance and refinance the cost of the Facilities. This resolution shall constitute "host" approval of the issuance of the Bonds within the meaning of Section 147(f) of the Code; *provided, however*, that this Resolution shall not constitute an approval by the City Council of the Facilities for any other purpose. The City shall not bear any responsibility for the tax-exempt status of the Bonds, the repayment of the Bonds or any other matter related to the Bonds.

**Section 2.** All actions heretofore taken by the officers, employees and agents of the City with respect to the approval of the Bonds are hereby approved, confirmed and ratified, and the officers and employees of the City and their authorized deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to consummate the Bonds and otherwise to effectuate the purposes of this Resolution.

**Section 3.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2015 at Los Angeles, California.

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on \_\_\_\_\_, 2015.

By \_\_\_\_\_

Title \_\_\_\_\_

**Exhibit A**

<b>Address</b>	<b>Facility</b>	<b>Maximum Bond Proceeds</b>
2146 W. Adams Blvd, Los Angeles, CA	2-story office building utilized as a hospice medical facility	\$2,850,000
1725 El Cerrito Place, Los Angeles, CA and 1710 N. La Brea Ave., Los Angeles, CA	Office building and parking lot	\$4,250,000
6735 Yucca #411, Los Angeles, CA	Residential condominium consisting of a 3 bed/3bath unit on the 4th floor	\$600,000
1001 North Martel Ave., Los Angeles, CA	2 story office building with attached parking structure with 25 bed AID's Hospice facility	\$2,500,000
6500 West Sunset Blvd. Los Angeles, CA	Single story commercial building to be used as a pharmacy and thrift store	\$6,200,000