

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED #51

MOTION

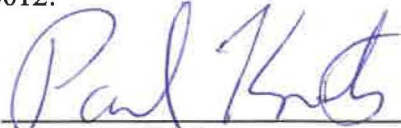
Cornerstone Housing For Adults With Disabilities and/or Tikvah - Etta and Lazear Israel Center for the Developmentally Disabled (Borrowers), California nonprofit public benefit corporations, have requested that the California Enterprise Development Authority (CEDA) issue one or more series of its revenue bonds or other obligations, in an aggregate principal amount not to exceed \$50,000,000 (Obligations) for the purpose of financing, refinancing, and/or reimbursing the Borrower for the acquisition, development, construction, installation, equipping, and furnishing of the facilities located at 1410 Glenville Drive (Facilities) in Council District 5. The bond proceeds will also be used to pay certain costs of issuance. The Facilities will be owned, leased, and/or operated by the Borrower and will be used in its mission to serve as a home, resource, and potential learning center for adults with disabilities who will be able to live independently and integrate into the wider community with a unique scaffolding of services and programs that support the residents' diverse needs.

No City funds are or will be pledged to support this project. The Obligations are payable solely from revenues or other funds provided by the Borrower. The City does not incur liability for repayment of the Obligations. The City is required by federal law to review and approve the issuance of bonds or revenue obligations for projects within its jurisdiction and conduct a public hearing.

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

I THEREFORE MOVE that City Council allow CEDA to issue bonds in an amount not to exceed \$50,000,000 to provide financing, refinancing, and/or reimbursement for the acquisition, improvement, construction, installation, equipping, and furnishing of the facilities located at 1410 Glenville Drive in Council District 5; and hold a TEFRA Hearing and adopt the attached TEFRA Resolution at the City Council Meeting to be held on December 9, 2022 at 10:00 a.m., located at 200 North Spring Street, Room 340, Los Angeles, California 90012.

PRESENTED BY


PAUL KORETZ

Councilmember, 5th District

SECONDED BY



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RESOLUTION

APPROVING THE ISSUANCE OF REVENUE BONDS OR OTHER OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000 FOR THE PURPOSE OF FINANCING, REFINANCING AND/OR REIMBURSING THE COST OF ACQUISITION, DEVELOPMENT, CONSTRUCTION, INSTALLATION, EQUIPPING AND FURNISHING OF FACILITIES FOR THE BENEFIT OF CORNERSTONE HOUSING FOR ADULTS WITH DISABILITIES AND TIKVAH - ETTA AND LAZEAR ISRAEL CENTER FOR THE DEVELOPMENTALLY DISABLED AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, Cornerstone Housing For Adults With Disabilities, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and/or Tikvah - Etta and Lazear Israel Center for the Developmentally Disabled, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code (collectively, the "Borrower"), have requested the California Enterprise Development Authority (the "Authority") to issue, from time to time, pursuant to a plan of finance, its tax-exempt revenue bonds or other obligations in an aggregate principal amount not to exceed \$50,000,000 (the "Obligations") for the benefit of the Borrower pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500) (the "Act"); and

WHEREAS, the proceeds of the Obligations will be used for the purpose of (a) financing, refinancing and/or reimbursing the Borrower for the cost of the acquisition, development, construction, installation, equipping and furnishing a 64-unit complex providing independent housing and communal programming to adults with recognized disabilities to be located in close proximity to retail services, local transportation, houses of worship and available cultural activities, located at 1410 Glenville Drive, Los Angeles, California 90035 and 9224 W. Pico Boulevard, Los Angeles, California 90035 (the "Facilities"), and (b) funding one or more debt service reserve funds, funding working capital, paying a portion of the interest to accrue on the Obligations, and paying certain costs of issuance of the Obligations; and

WHEREAS, the issuance of the Obligations must be approved by the governmental unit on behalf of which the Obligations 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 Authority and the Borrower have requested that the City Council approve the issuance of the Obligations by the Authority and the financing, refinancing or reimbursing of the Borrower for the cost of the Facilities with the proceeds of the Obligations pursuant to Section 147(f) of the Code; and

WHEREAS, the Facilities will provide significant benefits to the City's residents by providing a home, resource and potential learning center for adults with disabilities who will be able to live independently and integrate into the wider community with a unique scaffolding of services and programs that support the residents' diverse needs; and

WHEREAS, the Authority's issuance of the Obligations will result in a more economical and efficient issuance process because of the Authority's expertise in the issuance of conduit revenue obligations; 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, following notice duly given, held a public hearing regarding the issuance of the Obligations and now desires to approve the issuance of the Obligations by the Authority; and

WHEREAS, in recognition of the City's objective of addressing the needs of residents with disabilities, the Borrower has agreed that (a) any Facilities to be constructed with the proceeds of the Obligations will comply with the Americans with Disabilities Act, 42 U.S.C. Section 12101 *et seq.* and the 2010 ADA Standards, Chapter 11 of Title 24 of the California Code of Regulations, (b) the Borrower will not discriminate in its programs, services or activities on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability and (c) the Borrower will provide reasonable accommodation upon request to ensure equal access and effective communication to its programs, services and activities.

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 finds that the Facilities will provide the significant benefits set forth in the recitals above. The City Council hereby approves the issuance of the Obligations by the Authority, which Obligations may be tax-exempt and/or taxable as approved by the Authority in its resolution, in an amount not to exceed \$50,000,000 to finance, refinance and/or reimburse the Borrower for the cost of the Facilities and to fund one or more debt service reserve funds, fund working capital, pay a portion of the interest to accrue on the Obligations, and pay certain costs of issuance of the Obligations. This resolution shall constitute approval of the issuance of the Obligations within the meaning of Section 147(f) of the Code and shall constitute the approval of the issuance of the Obligations within the meaning of the Act; *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 Obligations, the repayment of the Obligations or any other matter related to the Obligations.

Section 2. The City's Affordable Housing Bond Policies and Procedures are hereby waived in their entirety and shall not apply to the Facilities or the issuance of the Obligations.

Section 3. All actions heretofore taken by the officers, employees and agents of the City with respect to the approval of the Obligations 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 special counsel may deem necessary or advisable in order to consummate the Obligations and otherwise to effectuate the purposes of this Resolution.

Section 4. This Resolution shall take effect from and after its adoption.