

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

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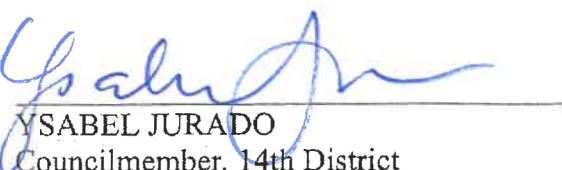
CFP3 Hope Street, LLC (Borrower), a Minnesota limited liability company, the sole member of which is Community Facility Public Private Partnerships, a Minnesota nonprofit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, has requested that the California Public Finance Authority (CPFA) issue qualified 501(c)(3) bonds, in an aggregate principal amount not to exceed \$85,000,000 (Obligations) for: (i) the acquisition, construction, development, equipping, and operation of an 11-story hotel, containing approximately 112 hotel rooms with ground-floor retail space, underground parking and related amenities (Hotel), located at 1130 South Hope Street in Council District 14; (ii) fund a reserve fund for the Bonds; (iii) fund required operating reserves for the Hotel; (iii) fund capitalized interest on the Bonds; and (iv) pay certain costs of issuance of the Bonds (collectively, the Project).

In accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and as part of the bond issuance process, the CPFA conducted the required public hearing on November 24, 2025. Notice of the public hearing was published on November 17, 2025. CPFA is required to provide proof to the California Debt Limit Allocation Committee (CDLAC) that a TEFRA hearing has been conducted as part of the application process.

The City is a conduit issuer and is required by federal law to review and approve all projects within its jurisdiction. No City funds are or will be pledged to support this project. The bond debt is payable solely from revenues or other funds provided by the Borrower. The City does not incur liability for repayment of the bonds. To allow the bonds to be issued in accordance with CDLAC requirements, the Council should consider the minutes of the hearing and adopt the required Resolution (attached).

I THEREFORE MOVE that City Council consider the attached results of the TEFRA public hearing held on November 24, 2025 for the Hope Street hotel project; and adopt the attached Resolution to allow the California Public Finance Authority to issue bonds in an amount not to exceed \$85,000,000 to provide financing, refinancing, and/or reimbursement for the acquisition, construction, development, equipping, and operation of an 11-story hotel located at 1130 South Hope Street in Council District 14.

PRESENTED BY:


ISABEL JURADO
Councilmember, 14th District

SECONDED BY:



ORIGINAL


JAN 28 2026

RESOLUTION

APPROVAL OF THE ISSUANCE OF AN AMOUNT NOT TO EXCEED \$85,000,000 PRINCIPAL AMOUNT OF TAX-EXEMPT REVENUE BONDS ISSUED BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY FOR CFP3 HOPE STREET, LLC AND DECLARING THAT THE PROJECT TO BE FINANCED WITH THE PROCEEDS OF SUCH BONDS WILL LESSEN THE BURDENS OF THE CITY

WHEREAS, CFP3 Hope Street, LLC, a Minnesota nonprofit limited liability company (the "Borrower"), the sole member of which is Community Facility Public Private Partnerships, a Minnesota nonprofit corporation (the "Member") and an organization described under 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"), a California Joint Powers Authority, issue qualified 501(c)(3) bonds, as defined in Section 145 of the Internal Revenue Code of 1986 (the "Code"), in an aggregate principal amount not to exceed \$85,000,000 (the "Bonds") under a plan of financing in one or more series issued from time to time, and loan the proceeds thereof to the Borrower in order to (i) pay the costs of acquiring, constructing, developing, equipping and operating of an 11-story hotel, containing approximately 112 hotel rooms with ground-floor retail space, underground parking and related amenities (the "Hotel"), located in the City of Los Angeles, California (the "City") at 1130 S Hope Street, Los Angeles, CA 90015 and to be owned by the Borrower; (ii) fund a reserve fund for the Bonds; (iii) fund required operating reserves for the Hotel; (iii) fund capitalized interest on the Bonds; and (iv) pay certain costs of issuance of the Bonds (collectively, the "Project"); and

WHEREAS, the Member was organized and is operated in order to develop, manage and/or operate buildings, monuments or works for governmental agencies (such as municipal, county, state, university and other public entities or political subdivisions) and nonprofit organizations and, in doing so, lessen the burdens of such governmental agencies and exempt organizations as described under Section 501(c)(3) of the Code; and

WHEREAS, the Borrower is organized exclusively to further the stated charitable purposes of the Member, which specifically includes, among other purposes, the purpose of lessening the government burdens by developing, financing and maintaining buildings, including, without limitation, hotels; and

WHEREAS, the City of Los Angeles (the "City") has embarked on a \$2.6 billion expansion and modernization of the City's Convention Center located at 1202 South Figueroa Street, Los Angeles, California 90015 (the "Convention Center"), which expansion is anticipated to include 190,000 square feet of new exhibit hall space, 40,000 square feet of meeting rooms, and a 95,000-square-foot multi-service room (the "Convention Center Expansion"); and

WHEREAS, the Convention Center Expansion is anticipated to create over 15,000 jobs and generate significant tax revenues for the City; and

WHEREAS, the City has recently approved the issuance of bonds to finance the cost of the Convention Center Expansion; and

WHEREAS, the Convention Center is leading venue for conventions, trade shows and exhibitions and is a vital part of the City's economic development engine that employs hundreds of residents and generates employment for thousands of other individuals living in and around the City; and

WHEREAS, the Convention Center Expansion is anticipated to generate a significant increase in tourism for the City, particularly in light of the upcoming 2028 Olympics to be held in the City; and

WHEREAS, the City believes there is inadequate lodging to accommodate the near and long-term needs of the City, its residents and its visitors, and pursuant to its City Charter would be authorized to construct, own and operate a facility like the Project in furtherance of its economic development and generation of tourism; and

WHEREAS, the City is authorized pursuant to Chapter 11 of the City Administrative Code to own, operate, manage, maintain and control the Convention Center and facilities in connection therewith, such as the Hotel, and to construct additions or improvements thereto; and

WHEREAS, the Project is intended to lessen the burdens of the City by enhancing the ability of the City to attract conventions and other large events thereby increasing the overall tourism and commercial activity in the City, promoting the health, welfare and prosperity of the City's residents and the economic development and diversification of the City's economy, and operating, managing, maintaining and controlling the Convention Center and facilities in connection therewith, as well as constructing additions and improvements thereto (collectively, the "Expressed Government Burdens"), and the Borrower requests that the City Council find the Expressed Government Burdens to be burdens of the City and that the Project will lessen the Expressed Government Burdens; and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the “applicable elected representative” of the governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the City Council (this “City Council”) is the applicable elected representative of the City; and

WHEREAS, there has been published, at least seven days prior to the date hereof, in a newspaper of general circulation within the City or on the City’s or the Authority’s website, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, it is intended that this Resolution shall constitute approval by the City Council of the City as the “applicable elected representative” as defined in Section 147(f) of the Code with respect to the Bonds; 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 Bonds 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. In order to satisfy the requirements of Section 147(f) of the Code, the City Council hereby approves the issuance of the Bonds by the Authority in the aggregate principal amount not to exceed \$85,000,000.00 for the purpose 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 and the financing of the Project for the purposes of 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) of the Code.

SECTION 2. The City finds that it is itself empowered to undertake the Expressed Government Burdens of the City, and the development, construction and operation of the Hotel undertaken by the Borrower will actually lessen the Expressed Government Burdens of the City.

SECTION 3. The Bonds, including the principal of (premium, if any) and interest thereon, do not constitute a debt or a loan of credit or a pledge of the full faith and credit or taxing power of the Authority or the City. The Bonds shall not constitute, directly or indirectly, or contingently obligate or otherwise constitute a general obligation of or a charge against the general credit of the Authority or the City but shall be special limited obligations of the Authority payable solely from the revenues from the Project and certain proceeds of the Bonds. The City shall have no responsibility for or obligation in connection with the Bonds of the Project, nor shall the City be obligated to take any further action with respect to the Bonds or the Project.

SECTION 4. 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 special counsel may deem necessary or advisable in order to consummate the Bonds and otherwise to effectuate the purposes of this Resolution.

SECTION 5. This Resolution shall take effect from and after its adoption.

**REPORT TO CITY OF LOS ANGELES REGARDING PUBLIC HEARING FOR CALIFORNIA
PUBLIC FINANCE AUTHORITY REVENUE BONDS TO BE ISSUED TO FINANCE HOPE
STREET HOTEL PROJECT**

Charles Cardall, a partner in the law firm Orrick, Herrington & Sutcliffe LLC, as bond counsel to the California Public Finance Authority, held a public hearing at 9:00 A.M., on Monday, November 24, 2025. This report describes the comments made by the public at the hearing and certain other matters.

Background. The public hearing was required by and held in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). Notice for the public hearing was published in the Metropolitan News-Enterprise on Monday, November 17, 2025. Attendance at the hearing was via a tollfree dial in conference line. Attached hereto is the proof of publication provided by the Metropolitan News-Enterprise and showing a copy of the notice.

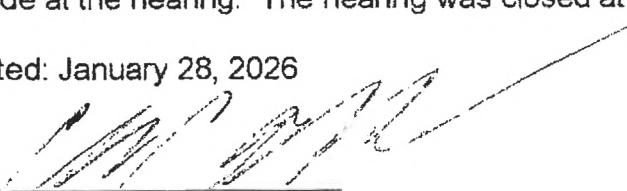
The Tax and Equity Fiscal Responsibility Act of 1982 ("TEFRA") added what is now Section 147(f) of the Code. The City Council of the City of Los Angeles is being asked to adopt a resolution that would approve the issuance of the bonds to be issued by the California Public Finance Authority ("CalPFA") in an aggregate principal amount not to exceed \$85,000,000 (the "Bonds"). CalPFA will loan the proceeds of the Bonds to CFP3 Hope Street, LLC (the "Borrower") to finance the construction, furnishing and equipping of an eight-story hotel facility to be located at 1130 S Hope Street, Los Angeles, California (the "Project"). The Borrower will be a limited liability company whose sole member is Community Facility Public Private Partnerships, a nonprofit corporation described in Section 501(c)(3) of the Code.

The Bonds will not be a debt of the City of Los Angeles, nor will they obligate the City of Los Angeles in any way. The role of the City Council is limited to approving the issuance of the Bonds solely for purposes of Section 147(f) of the Code and making certain findings relating to the Project.

Hearing Report. The hearing was opened at 9:02 A.M. on Monday, November 24, 2025, with a short description of the purpose of the hearing. In attendance were members of the financing team for the Bond transaction. No members of the public attended the hearing and therefore no comments were made at the hearing. The hearing was closed at 9:04 A.M. on Monday, November 24, 2025.

Dated: January 28, 2026

By:


Charles Cardall

Partner

Orrick, Herrington & Sutcliffe LLP