

BB

**MOTION**

TO CITY CLERK FOR PLACEMENT ON NEXT  
ITEM TO BE DISCUSSED

#50

Benevolence Industries Incorporated, a California nonprofit public benefit corporation, d/b/a Benevolence Health Centers, or a related or successor entity (Borrower), has requested that California Enterprise Development Authority (CEDA) issue conduit revenue bonds in the principal amount of \$37,000,000 (Obligations) for the purpose of financing the acquisition, construction, renovation, equipping and furnishing by the Borrower of healthcare facilities (Facilities) located in California, including at 3631 Crenshaw Boulevard, Suite 109, Los Angeles, CA 90016 in Council District 10 in the principal amount of \$6,500,000 and at 12610 Glenoaks Boulevard, Sylmar, CA 91342 in Council District 7 in the principal amount of \$7,000,000.

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 the California Enterprise Development Authority to issue bonds in an amount not to exceed \$37,000,000 to provide the financing of the Obligations, proceeds of which will be applied to financing the acquisition, construction, renovation, equipping and furnishing by the Borrower of healthcare facilities, including facilities located at 3631 Crenshaw Boulevard, Suite 109, Los Angeles, CA 90016 in Council District 10 in an amount not to exceed \$6,500,000 and at 12610 Glenoaks Boulevard, Sylmar, CA 91342 in Council District 7 in an amount not to exceed \$7,000,000; and hold a TEFRA Hearing and adopt the attached TEFRA Resolution at the City Council Meeting to be held on November 19, 2024 at 10:00 a.m. located at 200 North Spring Street, Room 340, Los Angeles, California 90012.

PRESENTED BY:

  
MONICA RODRIGUEZ  
Councilmember, 7th District

  
HEATHER HUTT  
Councilmember, 10th District

SECONDED BY:



ORIGINAL

## RESOLUTION

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES APPROVING THE ISSUANCE OF BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$37,000,000 BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY FOR THE PURPOSE OF FINANCING THE COST OF ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND FURNISHING OF CERTAIN HEALTHCARE FACILITIES FOR THE BENEFIT OF BENEVOLENCE INDUSTRIES INCORPORATED AND/OR A RELATED OR SUCCESSOR ENTITY, AND, OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**WHEREAS**, Benevolence Industries Incorporated, a nonprofit public benefit corporation duly 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, as amended (the "Code"), d/b/a Benevolence Health Centers, and/or a related entity (the "Borrower"), has submitted and the California Enterprise Development Authority (the "Authority") has accepted, an application requesting the Authority to issue revenue bonds in the aggregate principal amount of \$37,000,000 (the "Obligations") pursuant to Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California; and

**WHEREAS**, a portion of the proceeds of the Obligations will be loan to the Borrower and applied for the purpose of (a) financing and/or refinancing the cost of acquisition, construction, renovation, equipping and furnishing of certain healthcare and ancillary facilities located at (i) 3631 Crenshaw Boulevard, Suite 109, Los Angeles, California 90016, consisting of approximately 15,000 square feet, in an amount not to exceed \$6,500,000 (the "Crenshaw Facility"), (ii) 12610 Glenoaks Boulevard (also known as 14040 Hubbard Street), Sylmar, California 91342 consisting of approximately 9,786 square feet, in an amount not to exceed \$7,000,000 (the "Glenoaks Facility" and together with the Crenshaw Facility, the "Los Angeles Facilities"), (iii) 1010 Crenshaw Boulevard, Suite 100, Torrance, California 9050, consisting of approximately 15,106 square feet, in an amount not to exceed \$8,500,000, (iv) 303 North East Street, Anaheim, California 92805, consisting of approximately 2,365 square feet, in an amount not to exceed \$2,500,000, (v) 1126 East South Street, Long Beach, California 90805, consisting of approximately 4,330 square feet, in an amount not to exceed \$3,000,000, and (vi) 505-515 North Arrowhead Avenue, San Bernardino, California 92401, consisting of approximately 58,160 square feet, in an amount not to exceed \$9,500,000, (collectively with the Los Angeles Facilities, the "Facilities"), (b) funding a debt service reserve fund, working capital and capitalized interest with respect to the Obligations; and (c) paying certain costs of issuance and other related costs in connection with the 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 Code; and

**WHEREAS**, the Los Angeles 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 will be owned and operated by the Borrower in connection with its mission of providing quality health care and excellent educational programs to the under-served and uninsured in Southern California; and

**WHEREAS**, the Authority and the Borrower have requested that the City Council approve the issuance of the Obligations by the Authority and financing the Los Angeles Facilities with the proceeds of the Obligations pursuant to Section 147(f) of the Code; and

**WHEREAS**, the Los Angeles Facilities provide significant benefits to the City's residents through the educational services provided by the Borrower to the City's residents and the Los Angeles Facilities will also create and retain employment opportunities for the City's residents; 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;

**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 have agreed that (a) any Los Angeles 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 Los Angeles 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 \$37,000,000 to finance the cost of the Facilities and to pay financing and costs of issuance of the Obligations. This resolution shall constitute "host" approval of the issuance of the Obligations 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 Los Angeles 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.** 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 3.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the City Council of the City of Los Angeles, California this \_\_\_\_ day of [\_\_\_\_], 2024.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

[SEAL]

Attest:

By: \_\_\_\_\_

[Deputy] City Clerk, City of Los Angeles, California