

MOTION

Ararat Home of Los Angeles, Inc. (Borrower), a California nonprofit public benefit corporation, has requested that the California Municipal Finance Authority (CMFA) issue one or more series of its revenue bonds or other obligations, in an aggregate principal amount not to exceed \$12,000,000 (Obligations) for the acquisition, construction, improvement, furnishing, and equipping of an assisted living facility and nursing facility known as Ararat Assisted Living Facility and Ararat Nursing Facility, respectively, located at 15105 Mission Hills Road, 15099 Mission Hills Road, and 15155 Mission Hills Road in Council District 7.

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 CMFA.

I THEREFORE MOVE that City Council allow the California Municipal Finance Authority to issue bonds in an amount not to exceed \$12,000,000 to provide financing, refinancing, and/or reimbursement for the acquisition, construction, improvement, furnishing, and equipping of the facilities located at 15105 Mission Hills Road, 15099 Mission Hills Road, and 15155 Mission Hills Road in Council District 7; and hold a TEFRA public hearing and adopt the attached TEFRA Resolution at the City Council Meeting to be held on September 6, 2023 at 10:00 a.m., located at 200 North Spring Street, Room 340, Los Angeles, California 90012.

PRESENTED BY

MONICA RODRIGUEZ
Councilmember, 7th District

SECONDED BY

Paul Zukowski

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AUG 23 2023

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RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES APPROVING THE ISSUANCE OF BONDS PURSUANT TO A PLAN OF FINANCE BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000, FOR THE PURPOSE OF FINANCING OR REFINANCING COSTS OF ACQUISITION AND/OR CONSTRUCTION, IMPROVEMENT, FURNISHING AND EQUIPPING OF FACILITIES FOR ARARAT HOME OF LOS ANGELES, INC. AND CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, Ararat Home of Los Angeles, Inc. (the "Borrower"), a California nonprofit public benefit corporation, has requested that the California Municipal Finance Authority (the "Issuer") provide for the issuance of one or more series of revenue bonds from time to time pursuant to a plan of finance in an aggregate principal amount not to exceed \$12,000,000 (the "Bonds"); and

WHEREAS, the proceeds of the Bonds will be used, among other things, to finance all or a portion of the costs of, or reimbursing prior expenditures related to, (i) the acquisition of and/or construction, improvement, furnishing and equipping of capital projects at the Borrower's continuing care retirement community known as Ararat Gardens, located generally at and in the vicinity of 1230 E. Windsor Road, Glendale, California, in an aggregate principal amount not to exceed \$7,500,000 (the "Glendale Project"); and (ii) the acquisition of and/or construction, improvement, furnishing and equipping of capital projects at the Borrower's assisted living facility and nursing facility known as Ararat Assisted Living Facility and Ararat Nursing Facility, respectively, located generally at and in the vicinity of: 15105 Mission Hills Road, Mission Hills, California, in an aggregate principal amount not to exceed \$3,000,000; 15099 Mission Hills Road, Mission Hills, California, in an aggregate principal amount not to exceed \$3,000,000; and 15155 Mission Hills Road, Mission Hills, California, in an aggregate principal amount not to exceed \$2,000,000 (together, the "Mission Hills Project" and, collectively with the Glendale Project, the "Projects"), which are all owned and operated by the Borrower; and

WHEREAS, the Mission Hills Project is located within the City of Los Angeles (the "City"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the issuance of the Bonds by the Issuer must be approved by the City because the Mission Hills Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the "City Council") is the elected legislative body of the City and is one of the "applicable elected representatives" required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Issuer has requested that the City Council approve the issuance of the Bonds by the Issuer in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), among certain local agencies, including the City; and

WHEREAS, the Issuer is also requesting that the City Council approve the issuance of any refunding bonds hereafter issued by the Issuer for the purpose of refinancing the Bonds which financed and/or refinanced the Project (the "Refunding Bonds"), but only in such cases where federal tax laws would not require additional consideration or approval by the City Council; and

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

WHEREAS, the City Council understands that its actions in holding this 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 or Refunding Bonds, and said City Council expressly conditions its approval of this Resolution on that understanding; and

WHEREAS, it is intended that this Resolution shall comply with the public approval requirements of Section 147(f) of the Code and Section 4 of the Agreement; provided, however, that this Resolution is neither intended to nor shall it constitute an approval by the City Council of the Project for any other purpose, including, but not limited to, compliance with the California Environmental Quality Act (California Public Resources Code, Section 21100, et seq.) ("CEQA").

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Los Angeles, as follows:

Section 1. The City Council hereby approves the issuance by the Issuer of the Bonds and the Refunding Bonds for the purposes of financing and/or refinancing the Mission Hills Project. It is the purpose and intent of the City Council that this Resolution shall constitute approval of (a) the issuance of the Bonds by the Issuer 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 Mission Hills Project is located, and (b) the issuance of the Bonds and Refunding Bonds for the purposes of Section 4 of the Agreement.

Section 2. The officers of the City 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 3. 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 Issuer's issuance of the Bonds or Refunding Bonds for the financing and/or refinancing of the Project.

Neither the faith and credit nor taxing power of the City, the State or any political subdivision thereof, will be pledged to the payment of the principal or redemption premium, if any, or interest on the Bonds. The issuance of the Bonds will not directly, indirectly or contingently obligate the City, the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment.

Section 4. The Bonds shall be a limited obligation of the Issuer, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower. The Bonds shall not constitute a debt or obligation of the City.

Section 5. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or take any action with respect to the Projects; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the Projects; (iii) make any contribution or advance any funds whatsoever to the Issuer; or (iv) take any further action with respect to the Issuer or its membership therein.

Section 6. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Los Angeles held on this ____ day of _____, 2023, by the following vote:

AYES:
NOES:
ABSENT:

MAYOR

ATTEST:

CLERK