


AIDS Healthcare Foundation (Foundation), a 501(c)(3) California nonprofit corporation, has requested that the Arizona Industrial Development Authority (AZIDA) issue one or more series of revenue obligations in an aggregate principal amount not to exceed \$26,000,000 (Obligations) for the purpose of financing and/or refinancing the costs of acquisition, design, renovation, construction, improvement, equipping, and furnishing of a residential rental facility located at 501 S. Los Angeles Street (Facilities) in Council District 14. The Facilities will provide approximately 204 low and very low income units. The Facilities will be owned and operated by the Foundation in its charitable mission.

The Obligations would also be used for the reimbursing of previously incurred costs and expenses related to the Facilities, providing one or more debt service reserve funds for the benefit of all or a portion of the Obligations, paying a portion of the interest to accrue on the Obligations, paying certain working capital expenditures, and paying certain costs of issuance of the Obligations.

AZIDA is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona, incorporated with the approval of the Arizona Finance Authority pursuant to the provisions of the constitution and laws of the State and the Industrial Development Financing Act, Title 35, Chapter 5 of the Arizona Revised Statutes, as amended. AZIDA is able to provide tax-exempt loans, leases, notes or other obligations for qualified projects located throughout the United States of America and its territories.

In accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and as part of the issuance of the Obligations, the City is required to review and approve the issuance of bonds or revenue obligations for projects within its jurisdiction and conduct a public hearing (TEFRA Hearing). The School has requested that the City conduct the required public hearing and approve the issuance of the Obligations by AZIDA, with the understanding that the City shall not bear any responsibility for the repayment of the obligations or any other matter related to the obligations.

I THEREFORE MOVE that City Council waive the City's Multi-Family Bond Policy to allow the Arizona Industrial Development Authority to issue obligations in an amount not to exceed \$26,000,000 for the financing and/or refinancing of acquisition, design, renovation, construction, improvement, equipping, and furnishing a residential rental facility located at 501 S. Los Angeles Street in Council District 14 and other costs related to the Facilities; and instruct the City Clerk to schedule a TEFRA Hearing and consideration of the attached Resolution on the agenda for the City Council Meeting to be held on December 12, 2018 at 10:00 a.m., located at 200 North Spring Street, Room 340, Los Angeles, California 90012.

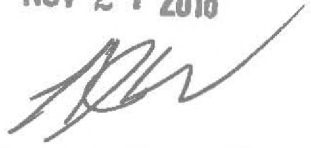
PRESENTED BY: 
JOSÉ HUIZAR
Councilmember, 14th District

SECONDED BY: 

ORIGINAL

NOV 27 2018

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

APPROVING THE ISSUANCE BY THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY OF NOT TO EXCEED \$26,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY'S REVENUE OBLIGATIONS FOR THE PURPOSE OF FINANCING, REFINANCING OR REIMBURSING THE COST OF ACQUIRING, DESIGNING, DEVELOPING, CONSTRUCTING, INSTALLING, EQUIPPING AND FURNISHING OF FACILITIES FOR THE BENEFIT OF AIDS HEALTHCARE FOUNDATION AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, AIDS Healthcare Foundation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Foundation"), has submitted and the Arizona Industrial Development 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 \$26,000,000 (the "Obligations") for the benefit of the Foundation pursuant to Title 35, Chapter 5 of the Arizona Revised Statutes, as amended (the "Act"); and

WHEREAS, the proceeds of the Obligations which will be used for the purpose of (a) financing or refinancing, as applicable, the costs of acquisition, designing, renovating, constructing, installing, improving, equipping and furnishing an approximately 60,979 square foot residential rental facility consisting of approximately 204 low and very low income units, and related and ancillary facilities, located at 501 S. Los Angeles Street, Los Angeles, California 90013 (the "Facilities"); (b) reimbursing the Foundation for certain previously incurred costs and expenses related to the Facilities; (c) providing one or more debt service reserve funds for the benefit of all or a portion of the Obligations, if deemed necessary or desirable; (d) paying a portion of the interest to accrue on the Obligations, if deemed necessary or desirable; (e) paying certain working capital expenditures, if deemed necessary or desirable; and (f) 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 are 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 the 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 Foundation have requested that the City Council approve the issuance of the Obligations by the Authority and the financing or refinancing 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 through the provision of low-income and very-low-income housing unit by the Foundation to the City's residents and the Facilities, will also create and retain employment opportunities for 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 Foundation has agreed that (a) the 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 Foundation 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 Foundation 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 \$26,000,000 to finance and refinance the cost of the Facilities. 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. 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.