

MOTION

Ivy Academia Entrepreneurial Charter School and Alternative Schools Foundation (Borrower), each a California 501(c)(3) nonprofit corporation, have requested that the California Enterprise Development Authority (CEDA) issue one or more series of revenue bonds or other obligations in an aggregate principal amount not to exceed \$25,000,000 for the purpose of financing the acquisition, renovation, improvement, furnishing, and equipping of educational facilities located at 5975 Shoup Avenue (Project) in Council District 3. The Bonds will also be used to pay for certain costs of issuance. The Facilities are owned or will be owned by the Borrower and used by the Borrower in its educational mission.

Ivy Academia was founded 2004 to operate an independent charter school for students in the West San Fernando Valley. In the 2018-2019 school year, Ivy Academia served approximately 665 students in transitional kindergarten through 12th grade. Ivy Academia seeks to provide students a college preparatory education that ensures college readiness, coupled with the entrepreneurial dispositions necessary for successful careers. Alternative Schools Foundation was founded in 2005 as a support organization to Ivy Academia to provide financial and technical assistance to schools and school management organizations.

In accordance with the Tax Equity and Financial Responsibility Act of 1982 a public hearing is required to move forward with bond issuance. The Borrower has requested that the City conduct the required public hearing (TEFRA Hearing) and approve the issuance of the Obligations by CEDA. The City does not incur liability for repayment of the bond. Nothing in this Motion precludes any approval otherwise required by the City. The obligations will be purchased by qualified institutional buyers and are payable solely from revenues or other funds provided by the Borrower. Following the public hearing, adoption of the attached Resolution (TEFRA Resolution) is required.

I THEREFORE MOVE that the Council designate the California Enterprise Development Authority (CEDA) to issue bonds not to exceed \$25,000,000 for the purpose of financing the acquisition, renovation, improvement, furnishing, and equipping of educational facilities located at 5975 Shoup Avenue in Council District 3; and hold a TEFRA Hearing and adopt the attached TEFRA Resolution at the City Council Meeting to be held on June 18, 2019 at 10:00 a.m., located at 200 North Spring Street, Room 340, Los Angeles, California 90012.

PRESENTED BY



BOB BLUMENFIELD
Councilmember, 3rd District

SECONDED BY



JUN 05 2019

ORIGINAL

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RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF LOS ANGELES

APPROVING THE ISSUANCE BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF NOT TO EXCEED \$25,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY'S REVENUE OBLIGATIONS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF ACQUIRING, RENOVATION, IMPROVEMENT, FURNISHING AND EQUIPPING OF FACILITIES FOR THE BENEFIT OF ALTERNATIVE SCHOOLS, INC., D/B/A IVY ACADEMIA ENTREPRENEURIAL CHARTER SCHOOL AND ALTERNATIVE SCHOOLS FOUNDATION, AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, Alternative Schools, Inc., d/b/a Ivy Academia Entrepreneurial Charter School, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California ("Ivy Academia"), and Alternative Schools Foundation, a California nonprofit public benefit corporation and a supporting organization controlled by Ivy Academia, or a related or successor entity (the "Foundation" and, together with Ivy Academia, the "Borrower"), have submitted and the California Enterprise 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 or other obligations in an aggregate principal amount not to exceed \$25,000,000 (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 and refinancing the acquisition, renovation, improvement, furnishing and equipping of certain charter school educational facilities located at 5975 Shoup Avenue, Woodland Hills, California 91367, consisting of 12 buildings aggregating approximately 56,311 square feet located on an approximately 8.56 acre parcel including, classrooms, administrative space, an auditorium/gymnasium, two swimming pools, play fields and athletic fields, parking, and various ancillary facilities (the "Facilities"); (b) funding reserve fund for the Obligations, a repair and replacement fund, and capitalized interest with respect to the Obligations, if necessary; and (c) paying certain expenses incurred in connection with the issuance of the Obligations, including any applicable credit enhancement costs for the Obligations (collectively, the "Project"); 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

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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 or refinancing of the Facilities with the proceeds of the Obligations pursuant to Section 147(f) of the Code; and

WHEREAS, the Facilities provide significant benefits to the City's residents through the educational services provided by the Borrower 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 Borrower 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 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 \$25,000,000 to finance the Project. This resolution shall constitute "host" approval and "issuer" 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.