COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012
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MARK J. SALADINO
TREASURER AND TAX COLLECTOR

September 27, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL OF THE FINANCING BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO BENEFIT CHABAD OF CALIFORNIA (SECOND DISTRICT) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt a Resolution approving the financing by the California Statewide Communities Development Authority on behalf of Chabad of California.

2. Ratify a Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The California Statewide Communities Development Authority (CSCDA) has requested our assistance to facilitate a tax exempt financing not to exceed $17,000,000 on behalf of Chabad of California (Applicant). In order for the CSCDA to complete their financing, the County must hold a TEFRA hearing and the Board must approve the financing to meet certain legal requirements

The Applicant, a nonprofit public benefit organization, will use the proceeds of the bonds to refinance an existing short term loan and to pay for the acquisition, improvement, furnishing and equipping of certain educational facilities, including a recently completed state of the art school facility. The project, Chabad of California Schneerson Square, is located at 9051-9075 West Pico Blvd. in the City of Los Angeles.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County or CSCDA. Repayment of the bonds will be the obligation of the Applicant.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The CSCDA is the conduit issuer for this financing on behalf of the Applicant. The County became a member of the CSCDA through a Joint Exercise of Powers Agreement in July 1997. The County's participation in this financing is limited to Board action required to meet certain approval and public hearing requirements.

Pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the Code), this financing and the execution and delivery of the Purchase Agreement by the CSCDA must be approved by the governing board of the local agency in which the facilities are located. Public approval of the financing is required by the Code and Section 9 of the Amended and Restated Joint Exercise of Powers Agreement Relating to California Statewide Communities Development Authority dated as of June 1, 1988, among certain local agencies, including the County. In addition, the Code requires a TEFRA hearing be held within the boundaries of and ratified by the local agency. This hearing was duly noticed and will be held on October 5, 2004 in the Treasurer and Tax Collector's Office.

Consistent with Board policies regarding conduit financings, we secured appropriate clearances for this financing from applicable governing agencies and have confirmed that there is no County obligation for debt repayment. Because the Applicant's facilities are located within the boundaries of the City of Los Angeles (City), we also secured the consent of the City for the County to approve this financing and conduct the public hearing.

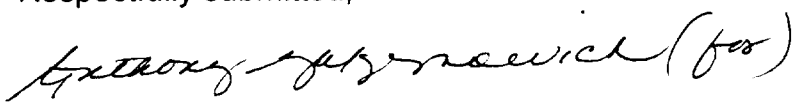
IMPACT ON CURRENT SERVICES (OR PROJECTS)

None

CONCLUSION

Upon adoption, the Department will need two (2) original executed copies of the adopted Resolution.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:BLC
pb/brdltr:chabad of california

Attachments

c: Chief Administrative Officer
County Counsel
Auditor-Controller

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES APPROVING THE ISSUANCE OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY REVENUE BONDS IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $17,000,000 FOR THE PURPOSES OF FINANCING AND REFINANCING THE COSTS OF ACQUISITION, CONSTRUCTION, IMPROVEMENT, FURNISHING AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the County of Los Angeles (the "County"), to issue revenue bonds and other forms of indebtedness to promote economic development within the State of California; and

WHEREAS, Chabad of California (the "Corporation"), an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, has requested that the Authority issue revenue bonds in a maximum aggregate principal amount of $17,000,000 (the "Bonds") to finance and refinance the costs of acquisition, construction, improvement, furnishing and equipping of certain educational facilities including but not limited to classrooms, conference rooms, administrative offices, a library, dining facilities, parking facilities and related infrastructure improvements (the "Project"), which are owned and operated by the Corporation and located in the County; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), prior to their issuance, the Bonds are required to be approved by the "applicable elected representative" of the governmental unit on whose behalf the Bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by the Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the facilities to be financed and refinanced are located in Los Angeles County; and

WHEREAS, the members of the Board of Supervisors are the applicable elected representatives of the County; and

WHEREAS, the Board of Supervisors has been requested to approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and Section 9 of the Agreement; and

WHEREAS, the County shall not incur any pecuniary liability in connection with the issuance of the Bonds; and

WHEREAS, there has been published, at least 14 days prior to the date thereof, in a newspaper of general circulation within the County of Los Angeles, a notice that a public hearing regarding the Bonds would be held on October 5, 2004; and

WHEREAS, such public hearing was conducted on this date by the Treasurer and Tax Collector of the County, 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 the approval of the issuance of the Bonds and the Project required by Section 147(f) of the Code and Section 9 of the Agreement, as applicable;

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Los Angeles as follows:

1. The above recitals are true and correct.

2. The Board of Supervisors hereby approves the issuance of the Bonds by the Authority and the Project to be financed and refinanced thereby. It is the purpose and intent of the Board of Supervisors that this resolution constitute approval of the Bonds for the purposes of Section 147(f) of the Code and the approval of the Project, including the issuance of the Bonds for purposes of Section 9 of the Agreement.

3. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents 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.

4. This resolution shall take effect immediately upon its adoption.

The foregoing resolution was on the _____ day of _____, 2004, duly adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

Violet Varona-Lukens
Executive Office,
Clerk of the Board of Supervisors

By:_____

Approved as to form:

County Counsel

By:_____
Principal Deputy County Counsel

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on October 5, 2004, a public hearing as required by Section 147(f) of the Internal Revenue Code (the "Code") will be held with respect to the proposed issuance by the California Statewide Communities Development Authority (the "Authority") of its revenue bonds in one or more series in a maximum aggregate principal amount of not to exceed $17,000,000 (the "Bonds"). The proceeds of the Bonds will be used for the purpose of financing and refinancing the acquisition, construction, improvement, furnishing and equipping of certain educational facilities including but not limited to classrooms, conference rooms, administrative offices, a library, dining facilities, parking facilities and related infrastructure improvements located at 9051-9075 West Pico Boulevard, Los Angeles, California 90035 and known as "Schneerson Square." The facilities are owned and operated by Chabad of California, Inc., an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

The hearing will commence at 9:00 a.m. local time, or as soon thereafter as the matter can be heard and will be held in the Office of the Treasurer and Tax Collector, being room 437 of the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012. Additional information concerning the above matter may be obtained from Alan Liker, 741 Gayley Avenue, Los Angeles, California, 90024. Interested persons wishing to express their views on the issuance of the Bonds or on the nature or location of the facilities proposed to be financed or refinanced may attend the public hearing or, prior to the time of the hearing, submit written comments to Glenn Byers, Acting Director of Public Finance, Office of the Treasurer and Tax Collector of Los Angeles County, Kenneth Hahn Hall of Administration, 500 West Temple Street, Room 432, Los Angeles, California 90012.

Neither the faith and credit nor any taxing power of Los Angeles County (the "County"), the Authority, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of or premium, if any, or interest on the Bonds, nor shall the County, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of or premium, if any, or interest on the Bonds.

September 21, 2004

By /s/ Glenn Byers
Acting Director of Public Finance