

**RECEIVED**

By Anjanette Allen at 9:42 am, Jul 31, 2024



*Live Well. Health Matters.*

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

74 October 8, 2024

*Edward Yen*  
EDWARD YEN  
EXECUTIVE OFFICER

RESOLUTION NO. 596

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEACH CITIES HEALTH DISTRICT REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO PERMIT THE REGISTRAR-RECORDER/COUNTY CLERK TO RENDER ELECTION SERVICES FOR AN ELECTION OF SAID HEALTH DISTRICT TO BE HELD ON NOVEMBER 5, 2024

WHEREAS, the California Elections Code permits special districts electing governing board members to call an election;

WHEREAS, an election in the Beach Cities Health District is to be held on Tuesday, November 5, 2024, for the purpose of electing three members of the Board of Directors of said Health District; and

WHEREAS, the Board of Directors believes that it is desirable that said election be conducted with the General District Elections to be held on the same date and that within said Health District the precincts, polling places and election officers of the election be the same, and that the Registrar-Recorder/County Clerk of the County of Los Angeles canvass the returns of the election and that said Health District election, be held in all respects as if there were only one election.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF BEACH CITIES HEALTH DISTRICT HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

1. That an election is hereby called by the Board of Directors of the Beach Cities Health District to be held on November 5, 2024 for the purpose of electing three members to the Board of Directors.
2. That pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to conduct and consolidate the Beach Cities Health District election with the Tuesday, November 5, 2024, statewide General Elections for the purpose of electing members to the Board of Directors of said District.
3. The Beach Cities Health District acknowledges that the consolidated election will be held and conducted in the matter prescribed in elections code 10418

4. Said Registrar-Recorder/County Clerk is hereby authorized to canvass the returns of the Beach Cities Health District election.
5. Said Board of Supervisors is hereby requested to issue instructions to the Registrar-Recorder/County Clerk to take any and all steps necessary for the holding of said election.
6. Beach Cities Health District shall pay in full its pro rata share of expense for the conduct of the election.
7. Beach Cities Health District shall require each candidate to pay in advance his or her pro rata share of the printing, handling, and mailing costs of his/her candidate statement as a condition to having it included in the voter's sample ballot pamphlet.
8. The word limit for candidate's statements shall be two hundred (200) words.
9. That the CEO is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the Registrar-Recorder/County Clerk of the County of Los Angeles.

PASSED, APPROVED, AND ADOPTED THIS 24<sup>TH</sup> DAY OF JULY 2024.



\_\_\_\_\_  
Dr. Martha Koo, President  
Board of Directors  
Beach Cities Health District

ATTEST:



\_\_\_\_\_  
Jane Diehl, Secretary-Treasurer  
Board of Directors  
Beach Cities Health District

**RECEIVED**

*By Anjanette Allen at 9:54 am, Jul 31, 2024*

**RESOLUTION NO. 597**

**BOARD OF DIRECTORS OF  
BEACH CITIES HEALTH DISTRICT**

**RESOLUTION ORDERING AN ELECTION TO AUTHORIZE THE  
ISSUANCE OF GENERAL OBLIGATION BONDS IN AN AMOUNT NOT  
TO EXCEED \$30,000,000, SETTING FORTH THE SPECIFICATIONS  
THEREOF, REQUESTING CONSOLIDATION AND CERTAIN  
RELATED MATTERS**

WHEREAS, in the judgment of the Board of Directors (the “Board”) of Beach Cities Health District (the “District”), located within the County of Los Angeles (the “County”), in the State of California (the “State”), it is advisable to call an election to submit to the electors of the District the question whether general obligation bonds of the District shall be issued and sold for the purpose of raising money for the acquiring, maintaining, constructing, or altering of work;

WHEREAS, Article XIII A, Section 1(b), of the California Constitution (“Article XIII A”) provides an exception to the limit on *ad valorem* property taxes for bonded indebtedness for the acquisition or improvement of real property approved by two-thirds (2/3) of the votes cast by the voters voting on the proposition;

WHEREAS, the Board is specifically authorized to pursue the authorization and issuance of general obligation bonds by a two-thirds (2/3) vote of the electorate on the question of whether general obligation bonds of the District shall be issued and sold for specified purposes, pursuant to Section 32300 *et seq.* of the California Health and Safety Code (The Local Health Care District Law) (the “Law”);

WHEREAS, the Board considers special assessments inadvisable for the purposes set forth herein, and the expenses of such operations will be in excess of an amount which can reasonably be raised by the regular annual assessment for the running expenses of the District;

WHEREAS, pursuant to Section 10403 *et seq.* of the California Elections Code, it is appropriate for the Board to request the Los Angeles County Registrar of Voters to perform required election services for the District;

WHEREAS, Section 53410 *et seq.* of the California Government Code requires that a local agency submitting a bond measure to the voters provide specific accountability measures;

WHEREAS, it is the intent of the Board to set forth by this Resolution the specified accountability measures with respect to the proceeds of the bonds to be authorized by the election called pursuant to this Resolution;

WHEREAS, Assembly Constitutional Amendment No. 1 (“ACA 1”) has been approved by the State Legislature to be submitted to the voters of the State on November 5, 2024, which, if

approved, would amend and add to the provisions of Articles XIII A, XIII C, XIII D and XVI of the California Constitution, including authorizing districts such as the District to authorize incur bonded indebtedness for purpose, among others, of financing the construction, reconstruction, rehabilitation, or replacement of public infrastructure;

WHEREAS, Assembly Constitutional Amendment No. 10 (“ACA 10”) has been enacted, and would amend ACA 1, if approved by the voters, and further amend and add to the provisions of Articles XIII A and XVI of the California Constitution;

WHEREAS, ACA 1 and ACA 10 have been approved for submission to the voters collectively, as Proposition 5 (“Proposition 5”);

WHEREAS, Proposition 5 provides that it applies to any proposition for the issuance of general obligations bonds that is submitted at the same election as Proposition 5 and as a result, if Proposition is approved by the voters of the State, the Board would be specifically authorized to pursue the authorization and issuance of bonds by a fifty-five percent (55%) vote of the electorate on the question of whether bonds of the District shall be issued and sold for specified purposes, pursuant to Section 32300 *et seq.* of the Law;

WHEREAS, Assembly Bill No. 2813 (“AB 2813”) has been enacted, will become operative only if Proposition 5 is approved by the voters of the State and would amend the California Government Code to require additional accountability measures for bond measures approved pursuant to Proposition 5;

WHEREAS, it is the intent of the Board to set forth by this Resolution the specified additional accountability measures, which may be required upon the approval by the voters of Proposition 5, and subject to AB 2813, with respect to the bonds to be authorized and the action of the Board and the District to be taken in respect of the election called pursuant to this Resolution;

WHEREAS, the District hereby finds that the bonded indebtedness proposed herein, together with all outstanding bonded indebtedness of the District, shall not exceed 2.5% of the assessed value of all taxable property in the District, as shown by the last equalized assessment roll of the County in accordance with Section 32308 of the Law;

WHEREAS, Section 9400 *et seq.* of the California Elections Code requires that a tax rate statement be contained in all official materials, including any voter information guide prepared, sponsored or distributed by the District, relating to the election;

WHEREAS, the Board now desires to authorize the filing of a ballot argument in favor of the bond measure to be submitted to the voters at the election;

WHEREAS, the District expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with the authorized projects described in the bond measure (the “Authorized Projects”) prior to financing the costs associated with such projects on a long-term basis;

WHEREAS, the District reasonably expects that certain of the proceeds of the bonds proposed to be issued under the bond measure, if approved by voters, will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the District to declare its reasonable official intent to reimburse prior expenditures for the Authorized Projects with proceeds of a subsequent borrowing;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF BEACH CITIES HEALTH DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

1. Recitals. All of the above recitals are true and correct, and the Board so finds.

2. Specifications of Election Order. Pursuant to the Law, and subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution, a general election shall be held within the boundaries of the District on November 5, 2024, for the purpose of submitting to the registered voters of the District the bond measure contained in Exhibit A attached hereto and incorporated herein.

3. Conduct of Election. (a) *Request to County Officers*. Pursuant to Section 10400 *et seq.* of the California Elections Code, the Registrar of Voters of the County (the “Registrar of Voters”) is required to, and is hereby requested to, take all steps to hold the election in accordance with law and these specifications.

(b) *Abbreviation of Measure*. Pursuant to Section 13247 of the California Elections Code and the Law, the Board hereby directs the Registrar of Voters to use the following statement of the bond measure on the ballot:

“BEACH CITIES HEALTH DISTRICT COMMUNITY HEALTH AND WELLNESS MEASURE: To complete construction of the allcove youth mental health center; install water/energy conservation systems; and remove outdated facilities to create approximately 2 acres of public outdoor space for youth/older adult community wellness programs, shall Beach Cities Health District’s measure authorizing \$30,000,000 in bonds, at legal rates, levying approximately \$3.00 per \$100,000 of assessed property valuation, generating approximately \$1,700,000 annually while bonds are outstanding, with financial accountability requirements, be adopted?”

[74 words]

(c) *Voter Pamphlet*. The Registrar of Voters is hereby requested to reprint the full text of the bond measure as set forth in Exhibit A in its entirety in the voter information guide to be distributed to voters, except to the extent that the Registrar of Voters has adopted procedures allowing for a portion of the bond measure to be omitted from the voter information guide to be distributed to voters.

(d) *Consolidation Requirement.* The election shall be consolidated with the statewide general election on November 5, 2024, and pursuant to Part 3 (commencing with Section 10400) of Division 10 of the California Elections Code, the Registrar of Voters and the Board of Supervisors of the County are hereby requested to order consolidation of the election with such other elections as may be held on the same day in the same territory or in territory that is in part the same. The District hereby acknowledges that the consolidated election will be held and conducted in the manner prescribed by Section 10418 of the California Elections Code.

(e) *Canvass of Results.* The Board of Supervisors of the County is authorized and requested to canvass the returns of the election, pursuant to Section 10411 of the California Elections Code.

(f) *Required Vote.* Pursuant to Section 18 of Article XVI and Section 1 of Article XIII A of the California Constitution, the bond measure shall become effective upon the affirmative vote of required percentage of voters voting on the measure, as required by such provisions as they may be amended by Proposition 5.

(g) *Election Costs.* The District hereby agrees to reimburse the County for actual costs incurred by it for the District's election, as set forth in the current election cost allocation procedures of the County.

Section 4. Terms of the Bonds upon Approval by the Electorate. In the event two-thirds (2/3), if Proposition 5 is not approved by the voters of the State, or fifty-five percent (55%), if Proposition 5 is approved by the voters of the State, of the voters voting in the District approve the issuance of the Bonds, the Board shall cause the Bonds to be issued in one or more series in an aggregate principal amount not to exceed \$30,000,000; provided that such aggregate maximum amount shall be equal to the par amount of the Bonds, which shall not include any premium at which the Bonds or any series thereof may be issued. The Bonds shall bear interest payable at a rate not exceeding the legal limit (presently twelve percent (12%) per annum), and any series of which shall have a maturity date no later than forty (40) years following the date of issuance of such series. The Board shall apply the bond proceeds only to the specific purposes stated in the bond measure, shall cause the continuation or creation of funds and accounts into which bond proceeds shall be deposited; and shall cause compliance with the accountability measures set forth in the bond measure.

Section 5. Accountability Provisions.

(a) *Specified Purpose.* The Board shall direct that the bond measure includes a statement indicating the specific purposes of the bonds and a requirement that the proceeds from the bond may only be used for the acquiring, maintaining, constructing, or altering of work, and, to the extent authorized pursuant to the passage of Proposition 5, the construction, reconstruction, rehabilitation, or replacement of public infrastructure, as specified under the "Authorized Projects" heading in the full text of the bond measure, and the cost of the issuance of the bonds. To the extent that Proposition 5 is approved by the voters of the State, the proceeds from the sale of the bonds shall only be spent on projects and programs that serve the jurisdiction of the District.

(b) *No Money For Employees' Salaries or Operating Expenses.* To the extent that Proposition 5 is approved by the voters of the State, the Board shall direct that proceeds from the sale of the bonds authorized by the measure shall be used only for the construction, reconstruction, rehabilitation, or replacement of public infrastructure, as specified under the "Authorized Projects" heading in the full text of the bond measure and the cost of the issuance of the bonds, and not for any other purpose, including employee salaries or other operating expenses, and the administrative cost of the District executing the projects and programs of the measure shall not exceed five percent (5%) of the proceeds from the sale of the bonds.

(c) *Special Bond Proceeds Account; Report to Board.* The Board shall direct that a separate account be established for deposit of proceeds of the sale of the bonds authorized by the bond measure if the measure is approved by the District voters. For so long as any proceeds of bonds authorized by the measure remain unexpended, the chief financial officer of the District (the "Chief Financial Officer") shall cause a report to be filed with the Board no later than five months after the end of each fiscal year, commencing with the first fiscal year during which any proceeds of bonds authorized by this measure shall have been received. The report shall state (1) the amount of bond proceeds collected and expended in such fiscal year and (2) the status of any projects required or authorized to be funded from the proceeds of bonds authorized to be issued by this measure. The report may be incorporated into or filed with the audit or other appropriate routine report provided to the Board. Audited financial statements of the District will continue to be made available in accordance with applicable requirements.

(d) *Legal Authority.* The Board shall ensure that the bonds are issued in conformity with the provisions of the Law, as amended by Proposition 5, if applicable, and, to the extent that Proposition 5 is approved by the voters of the State, the District hereby certifies that it has evaluated alternative funding sources.

(e) *Annual Performance Audits.* To the extent that Proposition 5 is approved by the voters of the State, the Board shall ensure compliance with the requirements of Article XIII A, Section 1(b)(4)(A)(iv) of the California Constitution, by conducting an annual, independent performance audit to ensure that the proceeds from the sale of bonds authorized by the bond measure have been expended pursuant to the bond measure. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for performance audits. The results of these audits shall be made publicly available and shall be submitted to the California State Auditor and, pursuant to AB 2813, the citizens' oversight committee described herein.

(f) *Annual Financial Audits.* To the extent that Proposition 5 is approved by the voters of the State, the Board shall ensure compliance with the requirements of Article XIII A, Section 1(b)(4)(A)(v) of the California Constitution, by conducting an annual, independent financial audit of the proceeds from the sale of bonds authorized by the bond measure until all of those proceeds have been spent for the public infrastructure projects set forth in the full text of the bond measure. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for financial audits. The results of these audits shall be made publicly available and shall be submitted to the California State Auditor and, pursuant to AB 2813, the citizens' oversight committee.

(g) *Independent Citizens' Oversight Committee.* To the extent that Proposition 5 is approved by the voters of the State, and subject to AB 2813, the Board shall direct the establishment of an independent Citizens' Oversight Committee to ensure that bond proceeds are expended only for the purposes described in the measure approved by voters within ninety (90) days of the date the Board enters the results of the election and shall provide that the members of the independent Citizens' Oversight Committee receive educational training about bonds and fiscal oversight.

The independent Citizens' Oversight Committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms and shall additionally: (i) actively review and report on the proper expenditure of taxpayers' money for the construction, reconstruction, rehabilitation, or replacement of public infrastructure, as set forth in the full text of this bond measure; (ii) advise the public as to whether the District is in compliance with the requirements of Section 1(b)(4) of Article XIII A of the California Constitution; and (iii) convene to provide oversight for, but not be limited to, all of the following: (A) ensuring that revenues derived from the bonds are expended only for the purposes described in Section 1(b)(4) of Article XIII A of the California Constitution, (B) ensuring that funds are not used for employee salaries or other operating expenses, and (C) ensuring that the administrative costs of the District executing the projects and programs do not exceed 5 percent of the proceeds derived from the bonds. The independent Citizens' Oversight Committee shall in all other ways conform to the requirements of Section 53738.7 *et seq.* of the California Government Code. If this measure is approved, the Board shall establish by one or more resolutions such additional provisions and procedures as shall be necessary to provide for the formation and operation of the Citizens' Oversight Committee.

(h) *Bidding Limitations.* To the extent that Proposition 5 is approved by the voters of the State, an entity owned or controlled by any member of the Board that votes on whether to put this proposition on the ballot will be prohibited from bidding on any work funded by such proposition.

(i) *Future Bond Measures.* To the extent that Proposition 5 is approved by the voters of the State, notwithstanding any other law, if the voters of the District have previously approved a measure pursuant to Article XIII A, Section 1(b)(4) or Article XIII C, Section 2.5, the District shall not place a proposition on the ballot pursuant to such Articles until all funds from this bond measure are committed to programs and projects provided for pursuant to the Law and as listed in the full text of the bond measure.

6. Delivery of Order of Election to County Officers. The Clerk of the Board is hereby directed to cause to be filed as soon as practicable, and in any event no later than August 9, 2024 (which date is not fewer than 88 days prior to the date set for the election), one copy of this Resolution to the Registrar of Voters, including the tax information statement attached hereto as Exhibit B, containing the information required by Section 9400 *et seq.* of the California Elections Code, completed and signed by the Chief Executive Officer of the District, with such technical corrections or additions as deemed necessary by the Chief Executive Officer of the District, and shall file a copy of this Resolution with the Clerk of the Board of Supervisors of the County. With respect to the tax information statement attached hereto as Exhibit B, the Board hereby adopts the procedures set forth in Section 9405 of the California Elections Code.



7. Ballot Arguments. The Chief Executive Officer of the District, or any member or members of the Board or the District as the President shall designate, are hereby authorized, but not directed, to prepare and file with the Registrar of Voters a ballot argument in favor of the bond measure and a rebuttal argument to the argument against the bond measure, if any, within the time established by the Registrar of Voters, which shall be considered the official ballot argument of the Board as sponsor of the bond measure.

8. Declaration of Official Intent to Reimburse. The District hereby declares its official intent to use proceeds of the bonds proposed to be issued under the bond measure to reimburse itself for Reimbursement Expenditures. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the District to make any expenditure, incur any indebtedness, or proceed with the projects listed in the bond measure.

9. Further Authorization. The members of this Board, the Chief Executive Officer of the District, and all other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this resolution in accordance with the terms hereof and of applicable provisions of law.

10. Effective Date; Required Vote. This Resolution shall take effect upon its adoption by a two-thirds vote of the Board.

This Resolution was adopted at a Regular Meeting of the Board of Directors of the District on July 24, 2024, by the following vote:

AYES: 5

NOES: 0

ABSTAIN: 0

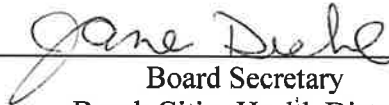
ABSENT: 0



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Board President  
Beach Cities Health District

ATTEST:



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Board Secretary  
Beach Cities Health District

**EXHIBIT A**

**FULL TEXT OF THE BOND MEASURE**

FULL TEXT BOND MEASURE  
OF THE BEACH CITIES HEALTH DISTRICT  
ELECTION NOVEMBER 5, 2024

This Measure may be known and referred to as the “Beach Cities Health District Community Health and Wellness Measure” or as “Measure \_\_\_\_”. *[letter designation to be assigned by County Registrar of Voters]*

**BALLOT QUESTION**

BEACH CITIES HEALTH DISTRICT COMMUNITY HEALTH AND WELLNESS MEASURE: To complete construction of the allcove youth mental health center; install water/energy conservation systems; and remove outdated facilities to create approximately 2 acres of public outdoor space for youth/older adult community wellness programs, shall Beach Cities Health District’s measure authorizing \$30,000,000 in bonds, at legal rates, levying approximately \$3.00 per \$100,000 of assessed property valuation, generating approximately \$1,700,000 annually while bonds are outstanding, with financial accountability requirements, be adopted?

**BOND AUTHORIZATION**

The bonds authorized hereby, in an aggregate principal amount not exceeding \$30,000,000, shall be issued upon the order of the Board of Directors (the “Board”) of Beach Cities Health District (the “District”), located within the County of Los Angeles (the “County”), in the State of California (the “State”), in one or more series and at one or more times as may be necessary and most advantageous to raise money for the purposes set forth herein.

The bonds shall bear interest payable at a rate not exceeding the legal limit (at the current time twelve percent (12%) per annum).

The bonds, or any series thereof, shall have a maturity date no later than forty (40) years following the date of issuance of such series (pursuant to the provisions of Section 53508 of the California Government Code or any law applicable at the time of issuance of such series).

Specified Purpose. The bonds shall only be used for the specific purposes set forth in this bond measure, and it is required that proceeds from this bond may only be used for the acquiring, maintaining, constructing, or altering of work, and, to the extent authorized pursuant to the passage of Proposition 5 (“Proposition 5”), submitted to the voters of the State for consideration on November 5, 2024, the construction, reconstruction, rehabilitation, or replacement of public infrastructure, as specified under the “Authorized Projects” heading below, and the cost of the

issuance of the bonds. To the extent that Proposition 5 is approved by the voters of the State, the proceeds from the sale of the bonds shall only be spent on projects and programs that serve the jurisdiction of the District.

Authorized Projects. The projects authorized to be financed pursuant to the measure shall include without limitation the following. This list is intended to be illustrative only and shall not limit the scope of projects authorized by the measure.

- Remove the outdated South Bay Hospital building that was built in the late 1950s and does not meet current seismic construction standards.
- Replace the building with approximately two acres of open space and support amenities, limited to health and wellness program uses.
- Complete construction of the allcove Beach Cities youth mental health center that will expand youth mental health services, serve as a safe gathering space for other community groups supporting young people, and provide employment training programs. The all-electric facility will include environmental and sustainability practices, including solar panels, electric vehicle and bicycle charging stations and high-efficiency HVAC systems.
- Create a connection between allcove Beach Cities and the open space and support amenities, including a pedestrian walkway, parking and site circulation improvements.

#### ACCOUNTABILITY MEASURES

No Money for Employees' Salaries or Operating Expenses. To the extent that Proposition 5 is approved by the voters of the State, proceeds from the sale of the bonds authorized by this measure shall be used only for the construction, reconstruction, rehabilitation, or replacement of public infrastructure, as specified under the "Authorized Projects" heading in the full text of this bond measure, and the cost of the issuance of the bonds, and not for any other purpose, including employee salaries or other operating expenses, and the administrative cost of the District executing the projects and programs of the measure shall not exceed five percent (5%) of the proceeds from the sale of the bonds.

Special Bond Proceeds Account; Report to the Board. The Board hereby directs that a separate account shall be established for deposit of proceeds of the sale of the bonds authorized by this measure if this measure is approved by the District voters.

For so long as any proceeds of bonds authorized by this measure remain unexpended, the chief financial officer of the District (the "Chief Financial Officer") shall cause a report to be filed with the Board no later than five months after the end of each fiscal year, commencing with the first fiscal year during which any proceeds of bonds authorized by this measure shall have been received. The report shall state (1) the amount of bond proceeds collected and expended in such fiscal year and (2) the status of any projects required or authorized to be funded from the proceeds of bonds authorized to be issued by this measure. The report may be incorporated into or filed with the audit or other appropriate routine report provided to the Board. Audited financial statements of the District will continue to be made available in accordance with applicable requirements.

Legal Authority. The Board shall ensure that the bonds are issued in conformity with the provisions of the Law, as amended by Proposition 5, if applicable, and, to the extent that Proposition 5 is approved by the voters of the State, the District hereby certifies that it has evaluated alternative funding sources.

Annual Performance Audits. To the extent that Proposition 5 is approved by the voters of the State, the Board shall ensure compliance with the requirements of Article XIII A, Section 1(b)(4)(A)(iv) of the California Constitution, by conducting an annual, independent performance audit to ensure that the proceeds from the sale of bonds authorized by this measure have been expended pursuant to this bond measure. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for performance audits. The results of these audits shall be made publicly available and shall be submitted to the California State Auditor and, pursuant to Assembly Bill No. 2813 (“AB 2813”), the citizens’ oversight committee described below.

Annual Financial Audits. To the extent that Proposition 5 is approved by the voters of the State, the Board shall ensure compliance with the requirements of Article XIII A, Section 1(b)(4)(A)(v) of the California Constitution, by conducting an annual, independent financial audit of the proceeds from the sale of bonds authorized by this measure until all of those proceeds have been spent for the public infrastructure projects set forth in this bond measure. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for financial audits. The results of these audits shall be made publicly available and shall be submitted to the California State Auditor and, pursuant to AB 2813, the citizens’ oversight committee.

Independent Citizens’ Oversight Committee. To the extent that Proposition 5 is approved by the voters of the State, and subject to AB 2813, the Board shall establish an independent Citizens’ Oversight Committee to ensure that bond proceeds are expended only for the purposes described in the measure approved by voters within ninety (90) days of the date the Board enters the results of the election and shall provide that the members of the independent Citizens’ Oversight Committee receive educational training about bonds and fiscal oversight.

The independent Citizens’ Oversight Committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms and shall additionally: (i) actively review and report on the proper expenditure of taxpayers’ money for the construction, reconstruction, rehabilitation, or replacement of public infrastructure, as set forth in the full text of this bond measure; (ii) advise the public as to whether the District is in compliance with the requirements of Section 1(b)(4) of Article XIII A of the California Constitution; and (iii) convene to provide oversight for, but not be limited to, all of the following: (A) ensuring that revenues derived from the bonds are expended only for the purposes described in Section 1(b)(4) of Article XIII A of the California Constitution, (B) ensuring that funds are not used for employee salaries or other operating expenses, and (C) ensuring that the administrative costs of the District executing the projects and programs do not exceed 5 percent of the proceeds derived from the bonds. The independent Citizens’ Oversight Committee shall in all other ways conform to the requirements of Section 53738.7 *et seq.* of the California Government Code. If this measure is approved, the Board shall

establish by one or more resolutions such additional provisions and procedures as shall be necessary to provide for the formation and operation of the Citizens' Oversight Committee.

Bidding Limitations. To the extent that Proposition 5 is approved by the voters of the State, an entity owned or controlled by any member of the Board that votes on whether to put this proposition on the ballot will be prohibited from bidding on any work funded by such proposition.

Future Bond Measures. To the extent that Proposition 5 is approved by the voters of the State, notwithstanding any other law, if the voters of the District have previously approved a measure pursuant to Article XIII A, Section 1(b)(4) or Article XIII C, Section 2.5, the District shall not place a proposition on the ballot pursuant to such Articles until all funds from this bond measure are committed to programs and projects provided for pursuant to the Law and as listed in the full text of this bond measure.

#### GENERAL PROVISIONS

Estimated Ballot Information. The Board hereby declares, and the voters by approving this bond measure concur, that the information included in the statement of this bond measure to be voted on pursuant to Section 13119 of the California Elections Code is based upon the District's projections and estimates only and is not binding upon the District. The amount of money to be raised annually and the rate and duration of the tax to be levied for the bonds may vary from those presently estimated due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for project funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the Los Angeles County Assessor in the annual assessment and the equalization process.

Severability. The Board and the voters hereby declare that every portion, section, subdivision, paragraph, clause, sentence, phrase, word, application and individual project (individually referred to as "Part" and collectively as "Parts"), of this bond measure has independent value, and the Board and the voters would have adopted each Part hereof regardless of whether any other Part of this bond measure would be subsequently declared invalid. Upon approval of this bond measure by the voters, should any Part of this bond measure be found by a court of competent jurisdiction to be invalid for any reason, all remaining Parts hereof shall remain in full force and effect to the fullest extent allowed by law, and to this end the Parts of this bond measure are severable.

**EXHIBIT B**

**TAX RATE STATEMENT**

An election will be held in the Beach Cities Health District (the “District”) on November 5, 2024, to authorize the sale of up to \$30 million in aggregate principal amount of bonds of the District to finance capital projects as described in the measure. If the bond measure is approved by the requisite number of voters of the District voting on the bond measure, the District expects to issue the bonds in multiple series over time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400 through 9405 of the California Elections Code.

1. The best estimate of the average annual tax rate that would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of filing of this statement, is \$3.00 per \$100,000 of assessed valuation. The final fiscal year in which the tax to be levied to fund this bond issue is anticipated to be collected is fiscal year 2054-55.

2. The best estimate of the highest tax rate that would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$4.00 per \$100,000 of assessed valuation in fiscal year 2054-55.

3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all of the bonds are issued and sold is approximately \$52,000,000.

Voters should note that estimated tax rates are based on the ASSESSED VALUE of taxable property on the County’s official tax rolls, not on the property’s market value, which could be more or less than the assessed value, and that such estimated tax rates are in addition to taxes levied to pay bonds authorized under other measures and other taxes imposed by or on behalf of the District. In addition, taxpayers eligible for a property tax exemption, such as the homeowner’s exemption, will be taxed at a lower effective tax rate than described above. Certain taxpayers may also be eligible to postpone payment of taxes. Property owners should consult their own property tax bills and tax advisors to determine their property’s assessed value and any applicable tax exemptions. The estimated rates presented above apply only to the taxes levied to pay bonds authorized by this measure. Additional taxes will be levied to pay bonds issued pursuant to previous, concurrent, and future authorizations by the District and/or any other local agency with an overlapping tax base.

Attention of all voters is directed to the fact that the foregoing information is based upon the District’s projections and estimates only, which are not binding upon the District. The average annual tax rate, the highest tax rate, the final fiscal year in which the tax is anticipated to be collected and the year or years in which they will apply, and the actual total debt service, may vary from those presently estimated for a variety of reasons, including, without limitation, due to variations in the timing of bond sales, the amount or amortization of bonds sold, market conditions at the time of each sale, and actual assessed valuations over the term of repayment of

the bonds. The dates of sale and the amount or amortization of bonds sold at any given time will be determined by the District based on need for project funds and other factors, including the legal limitations on bonds approved by a 2/3 affirmative vote or a 55% affirmative vote, as applicable. Market conditions, including, without limitation, interest rates, are affected by economic and other factors beyond the control of the District and will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process. The growth or decline in assessed valuation is the result of a number of economic and other factors outside the control of the District.

Dated: July 24, 2024.



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Chief Executive Officer  
Beach Cities Health District



**SECRETARY'S CERTIFICATE**

I, JANE DIEHL, Secretary of the Board of Directors of the Beach Cities Health District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of the District held at the regular meeting place thereof on July 24, 2024, and entered in the minutes thereof, of which meeting all of the members of the Board of Directors had due notice and at which a quorum thereof was present. The resolution was adopted by the following vote:

AYES: 5

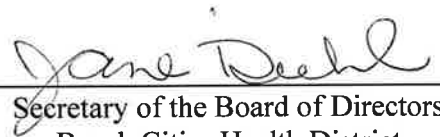
NOES: 0

ABSTAIN: 0

ABSENT: 0

An agenda of the meeting was posted at least 72 hours beforehand at 514 N. Prospect Avenue, Redondo Beach, a location freely accessible to members of the public, and on the District's website in accordance with all applicable laws, and a brief description of the adopted resolution appeared on the agenda. A copy of the agenda is attached hereto. The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 24 day of JULY, 2024.

  
Secretary of the Board of Directors  
Beach Cities Health District