

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBank)
CONDUIT 501 (c)(3) REVENUE BOND FINANCING**

STAFF REPORT

EXECUTIVE SUMMARY	
Applicant:	Planned Parenthood Pasadena and San Gabriel Valley, Inc. ("Planned Parenthood" or "Borrower")
Par Amount Requested:	\$5,200,000
Applicant Description:	Founded in 1933 as a California 501 (c)(3) nonprofit public benefit corporation providing health care and education concerning comprehensive sexual and reproductive care.
Type of Financing:	Conduit Tax-Exempt and/or Taxable Variable Rate Obligations ("Obligations")
Project Description:	The Borrower is requesting that IBank issue Obligations for the purpose of: (1) financing, refinancing, and/or reimbursing the Borrower for all or a portion of the costs of the acquisition, construction, improvement, furnishing and equipping of the Borrower's health care and administrative facilities, located at 620 North Lake Avenue, Pasadena, California 91101 (the "Facilities") and (2) paying certain costs of issuance related to the execution and delivery of the Obligations (the "2025 Project").
Potential Project Sites:	<u>Los Angeles County</u> 620 North Lake Avenue, Pasadena, CA 91101
Plan of Finance:	IBank will lend the proceeds of the Obligations to the Borrower to finance, refinance, and/or reimburse the Borrower for all or a portion of the costs of the 2025 Project.
Type of Issue:	Private Placement
Tax Status:	Tax Exempt and/or Taxable
Expected Maturity Date:	July 1, 2030
Credit Enhancement:	None
Credit Rating:	None
IBank Fees:	Application Fee \$5,000; Issuance Fee \$15,000; Initial Annual Fee \$1,500

SOURCES AND USES			
Estimated Sources Funds:		Estimated Uses Funds:	
Tax-Exempt and/or Taxable Obligations Proceeds	\$5,200,000	Renovation/Retrofit	\$12,000,000
Borrower Funds	\$6,853,000	Costs of Issuance	\$53,000
TOTAL SOURCES	\$12,053,000	TOTAL USES	\$12,053,000

FINANCING TEAM	
Bond Counsel:	Kutak Rock LLP
Private Placement Lender:	CN Financing, Inc. ("Lender")
IBank Outside Counsel:	Law Offices of Leslie M. Lava
Public Benefits:	<p>Planned Parenthood provides comprehensive reproductive and sexual health services, including selected cancer screening, contraception, STI testing and treatment, HIV prevention and abortion care for over 60,000 patients per year.</p> <p>The Project will allow the Borrower to complete the necessary renovations to access larger laboratory and administration operations spaces in order to expand the public health and education services and activities.</p> <p>The Project is expected to create up to 15 construction jobs and 12 full time jobs.</p>
Date of Board Meeting:	4/23/2025
Resolution Number:	25 -10
Prepared by:	Dalibor Zivkovic
Date Prepared:	4/14/2025
Staff Recommendation:	Staff recommends approval of Resolution No. 25-10 authorizing the issuance of conduit Tax-exempt and/or Taxable Variable Rate Obligations in an amount not to exceed \$5,200,000 for the benefit of Planned Parenthood Pasadena and San Gabriel Valley, Inc.

BACKGROUND AND HISTORY

Founded in 1933, the Borrower is among the oldest of the affiliates in the Planned Parenthood Federation of America, serving Pasadena, San Gabriel Valley, and Northeast Los Angeles communities.

Planned Parenthood is a health care provider and educator focused on sexual and reproductive care and is an advocate for all people to live healthy and authentic lives. At its five health centers, Planned Parenthood provides comprehensive health services, including selected cancer screening, contraception, STI¹ testing and treatment, HIV² prevention and abortion care through over 60,000 patients per year. Planned Parenthood's reach also extends outside of its health centers through the provision of competent and inclusive sex and relationship education to young people, their families and teachers in local schools and residential treatment facilities—and widespread outreach to the general public with medically accurate information on sexual and reproductive health. To ensure health equity, reproductive rights and comprehensive sex education for all, Planned Parenthood partners with state and national advocacy networks and with legislators and policymakers at all levels of government.

The Borrower is listed in Good Standing with the California Secretary of State, as of April 14, 2025.

Current leadership is listed in Appendix A.

PROJECT DESCRIPTION

The Borrower is requesting that IBank issue Obligations in an amount not to exceed \$5,200,000 for the purpose of financing, refinancing, and/or reimbursing the Borrower for all or a portion of the costs of the acquisition, construction, improvement, furnishing and equipping of the Facilities, and paying certain costs of the 2025 Project.

In 2023, IBank issued the Series A Loan in the aggregate principal amount of \$3,925,000 and the Series B Loan in the aggregate principal amount of \$2,300,000 pursuant to a loan agreement, dated as of October 1, 2023 (the "Original Loan Agreement"), among IBank, the Lender and the Borrower. In 2023, the issuance of the Series C Loan in the aggregate principal amount of \$3,775,000 was subject to certain conditions and was not issued at that time. The Borrower now plans to issue the Series C Loan in the aggregate principal amount of \$5,200,000 pursuant to the Original Loan Agreement, as amended by a first amendment to loan agreement, dated as of May 1, 2025 (the "Amendment" and, together with the Original Loan Agreement, the "Loan Agreement"), among IBank, the Lender and the Borrower.

The Project would cover the following areas:

Renovation of Existing Facility:

The proceeds of the financing will be applied to renovate and improve the property located at 620 North Lake Avenue, Pasadena, California. The property consists of a 21,764 square foot building on approximately .88 acres of land. The building is currently identified as a medical office building (used as a therapeutic center for children with developmental disabilities). The Borrower intends to use the property to establish a "flagship headquarters" by combining its currently disbursed Pasadena health center operations, administrative offices (previously located in Altadena) and in-house laboratory facilities (now located in Baldwin Park) at a prominent site with room for expansion of services and convenient to public transit alternatives.

¹ STI: Sexually Transmitted Infection

² HIV: Human Immunodeficiency Virus

Project	Construction Start Date	Expected Construction Completion Date	Estimated Project Cost	Construction Company
Existing Property Renovations	May 2025	April 2026	\$12,000,000	Hitt Construction

The Borrower's Current Outstanding Prior Debts ("Prior Debts")

The Prior Debts will not be refunded in relation to the issuance of the Obligations.

Outstanding Prior Debt	Debt Type	Issue Date	Issue Par Amount	Final Maturity	Current Outstanding Amount
CNB Mortgage Loan – Pasadena Ridder House	Taxable	12/18/2014	\$740,000	12/1/2026	\$128,852
CNB Financing Inc. – IBank Series A&B 2023	Tax-Exempt	10/17/2023	\$6,225,000	11/01/2038	\$6,225,000
		Total	\$6,965,000		\$6,353,852

(See Appendix B--Project Photos)

FINANCING STRUCTURE

IBank Term Sheet
Planned Parenthood Pasadena and San Gabriel Valley, Inc.
Board Meeting Date: 4/23/2025

Par Amount:	Not to exceed \$5,200,000; Tax-Exempt and/or Taxable Loan Obligations.
Type of Offering:	Private Placement.
Lender:	CN Financing, Inc., a California corporation, and/or a related or successor entity.
Credit Enhancement:	None.
Expected Credit Rating:	Unrated.
Interest Rate:	Variable interest rates, expected to be SOFR or a percentage of SOFR plus a spread and subject to adjustment as set forth in the Loan Agreement.
Maturity*:	July 1, 2030.
Collateral:	First lien deed of trust, security agreement, assignment of leases and rents, and fixture filing on certain real property of the Borrower that secure the Lender.
Expected Closing Date*:	May 8, 2025.
Conduit Transaction:	The Obligations are special, limited obligations of IBank payable solely from payments made by the Borrower under the Loan Agreement, and IBank shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of IBank for all or any portion of payments to be made pursuant to the Obligations.

*Please note that Maturity and Expected Closing Date are estimates and subject to change.

Financing Structure

The Obligations will be directly purchased by CN Financing, Inc. and loaned to the Borrower pursuant to the Loan Agreement. Transfer of the Obligations will be limited to affiliates and qualified institutional buyers (“QIBs”) within the meaning of S.E.C. Rule 144A promulgated under the Securities Act of 1933 and they may only be transferred in whole.

The Obligations will be issued pursuant to Section 145 of the Internal Revenue Code of 1986, as amended (Code), will have a variable rate based on the secured overnight financing rate (SOFR), and repayments are expected to be monthly principal and interest payments based on the terms stated in the Loan Agreement, with monthly principal payments commencing on July 1, 2027 and monthly interest payments commencing on June 1, 2025. It is expected that the Obligations will be issued as the Series C Loan. The Series A Loan and the Series B Loan proceeds were used to finance a portion of the costs of the acquisition, construction, improvement, furnishing and equipping of the Borrower’s health care and social services facilities and costs of issuance and other related costs (the “2023 Project”). Series C Loan proceeds are expected to be used to fund additional renovation costs in relation to the 2023 Project. Under the Amendment, the Series C Loan amount will increase up to \$5,200,000 and the Series C Loan will not be revolving. The proceeds of the Series C Loan will be available to the Borrower either through reimbursement at closing or Draw Request(s).

The Borrower will pledge and grant a first priority lien and security interest within the meaning of the California Uniform Commercial Code (“UCC”) and to the extent permitted by law, in all of its right, title, and interest, in the Project Fund (the “Project Fund Collateral”).

Limited Obligations of IBank

The Obligations are payable solely from and secured solely by the pledge of the Borrower’s payments under the Loan Agreement. Neither IBank; nor any of the members of its Board of Directors; nor any of its officers or employees; nor any person executing the transaction documents on behalf of IBank shall be personally liable for the Obligations or subject to any personal liability or accountability by reason of the execution thereof. The Obligations are limited obligations of IBank and are not a pledge of the faith and credit of IBank or the State of California or any of its political subdivisions.

PUBLIC BENEFITS

Acquisition and renovation of the subject facility will provide Planned Parenthood with the necessary physical space to further expand the amount and scope of its public health and education services, with increased efficiencies from having its largest health center, laboratory, and administrative operations all at the same location.

Planned Parenthood currently employs 113 full-time and 20 part-time employees. The 2025 Project is expected to allow the organization to hire 12 new full time employees and to create up to 15 construction jobs.

OTHER PROJECT DATA

PERMITS AND APPROVAL	
Required? Yes	If Yes, Describe: Borrower will secure building permit from the City of Pasadena to complete the renovation of the building. Additionally, borrower will transfer its existing routine licenses and permits for the operation of its health centers.
TEFRA	
Date of TEFRA Publication: 4/14/2025	Publications: IBank Website, https://ibank.ca.gov/wp-content/uploads/2025/04/4-11-25-TEFRA-Notice-PPPSGV-2025_DZ.pdf
Date of TEFRA Hearing: 4/21/2025	Oral/Written Comment: No, If yes explain: None
ELIGIBILITY REVIEW	
Applicant meets all the IBank eligibility criteria? Yes or No Yes	<ol style="list-style-type: none"> 1. Project is in the State of California 2. The Borrower is capable of meeting the obligations incurred under relevant agreements. 3. Payments to be made by the Borrower to IBank under the proposed financing agreements are adequate to pay the current expenses of IBank in connection with the financing and to make all the scheduled payments. 4. The proposed financing is appropriate for the Project.
INDUCEMENT CERTIFICATE	
Completed? N/A	Certificate Number: _____ Date: _____

RECOMMENDATION

Staff recommends approval of Resolution No. 25-10 authorizing the issuance of conduit Tax-exempt and/or Taxable Variable Rate Obligations in an amount not to exceed \$5,200,000 for the benefit of Planned Parenthood Pasadena and San Gabriel Valley, Inc.

APPENDIX A: GOVERNANCE AND MANAGEMENT

BOARD MEMBERS	
Annie Brose	Former Attorney Pasadena, CA
Frances Teng, Board Chair	Obstetrician/Gynecologist Optum Medical Group Pasadena, CA
Claire Gibbs, Treasurer	SVP Financial and Regulatory Reporting City National Bank Pasadena, CA
Ashley Michelle Zavala, Secretary	Associate Attorney Hahn & Hahn, LLP Pasadena, CA
David Estrada, Member	Program and Policy Advisor LAUSD Eagle Rock, CA
Cheryl Bode, Member	Retired Pasadena, CA
Marisa Callahan, Member	Retired Pasadena, CA
Nohelia Canales, Member	Dept. Chair & Professor, Lives Sciences Dept. East Los Angeles College Monterey Park, CA
Connie Chen, Member	Obstetrician/Gynecologist Self-Employed Altadena, CA
Isabel Chen, Member	Assistant Professor, Health Systems Science Dept Kaiser Permanente Bernard J. Tyson School of Medicine Pasadena, CA
Rosalina Cardenas, Member	President Cardenas Strategy Group South Pasadena, CA
Sally DeWitt, Member	Retired San Marino, CA
Tim Hartley, Member	Realtor; Episcopal Pastor TPH Properties, Self Employes Pasadena, CA
Ellen Ligons, Member	Retired Pasadena, CA
Jennie Morales, Member	Attorney State Compensation Insurance Fund Pasadena, CA
Virginia Mosqueda Villa, Member	Initiative Director The James Irvine Foundation Pasadena, CA
Lupe Perez, Member	Owner Green Splendor Landscaping Pasadena, CA

Dave Quast, Member	Sr. Vice President, Crisis Communications; Adjunct Professor Red Banyan; USC Annenberg School for Communication and Journalism Los Angeles, CA
Archana Sahgal, Member	President Hyphen Partnerships South Pasadena, CA
Gretchen B. Seager Member	Realtor Sotheby's International Altadena, CA
Laura Sirott, Member	Obstetrician/Gynecologist Private Practice South Pasadena, CA
Megan Torrey-Payne, Member	Therapist Private Practice Pasadena, CA

OFFICERS	
Sheri Bonner	President and Chief Executive Officer
Bethany Eshleman	Chief Financial Officer
Grace Lin	Chief Operating Officer and Corporate Secretary

Conflict of Interest Disclosure

Ms. Claire Gibbs, Treasurer of the Borrower, is currently employed by City National Bank. The lender for the proposed transaction, CN Financing, Inc. is a wholly owned subsidiary of City National Bank. Ms. Gibbs will not be participating in the approval of the financing when such financing is before the Planned Parenthood's Board of Directors.

APPENDIX B: PROJECT PHOTOS



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