

BB

TO CITY CLERK FOR PLACEMENT ON NEXT  
REGULAR COUNCIL AGENDA TO BE POSTED

#51

### MOTION

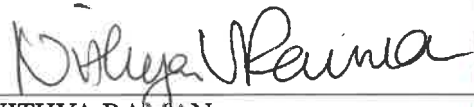
Elysian Housing, LLC (Borrower), on behalf of 5435 Balboa, LP, a California limited partnership or other ownership entity to be created by an affiliate of Elysian Housing, LLC for the purpose of owning the project described herein, has requested that the California Municipal Finance Authority (CMFA) issue one or more series of revenue bonds or notes in a principal amount not to exceed \$65,000,000 for the acquisition, development, construction, and equipping of a 116-unit multifamily housing project known as Oaks on Balboa (Project) located at 5435-5445 Balboa Boulevard in Council District 4.

As a condition to the City's approval of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) Resolution for the Project, the Owner of the property shall enter into a regulatory agreement (ADA Regulatory Agreement) with the City, which ADA Regulatory Agreement shall be recorded, to affirm that (a) the Project will comply with the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq. and the 2010 ADA Standards, Chapter 11A of Title 24 of the California Code of Regulations, Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act of 1968 and the California Building Codes, (b) the Owner 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 Owner will provide reasonable accommodation upon request to ensure equal access and effective communication to its programs, services, and activities.

As provided in the Outside Issuer Guidelines of the Los Angeles Housing Department's (LAHD's) Affordable Housing Bond Policies & Procedures (Bond Policies), the City generally requires that all Qualified Residential Rental Projects in the City issue bonds through LAHD. The Bond Policies allow outside issuers to issue tax-exempt multifamily bonds for projects located in the City subject to conditions including execution of a Regulatory Agreement. The outside issuer and Borrower must agree to comply with all requirements of the City's Bond Policies.

**I THEREFORE MOVE** that the Council hold a Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) Hearing at the City Council Meeting to be held on Friday, May 9, 2025 and adopt the attached TEFRA Resolution to allow the California Municipal Finance Authority to issue bonds in an amount not to exceed \$65,000,000 to provide financing for the acquisition, development, construction, and equipping of a 116-unit multifamily housing project located at 5435-5445 Balboa Boulevard in Council District 4.

PRESENTED BY:

  
NITHYA RAMAN  
Councilmember, 4<sup>th</sup> District

SECONDED BY:



ORIGINAL

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APR 29 2025

## RESOLUTION

**A RESOLUTION APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 A PLAN OF FINANCE FOR THE ISSUANCE OF NOT TO EXCEED \$65,000,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY TO FINANCE AND/OR REFINANCE THE ACQUISITION, CONSTRUCTION AND REHABILITATION OF A QUALIFIED RESIDENTIAL RENTAL PROJECT FOR THE BENEFIT OF 5435 BALBOA, LP, AND OTHER MATTERS RELATED THERETO.**

WHEREAS, the City of Los Angeles (the "City") is a charter city and political subdivision of the State of California and the City Council is the elected legislative body of the City; and

WHEREAS, the California Municipal Finance Authority (the "Authority") is a joint powers authority created pursuant to the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California; and

WHEREAS, the Authority intends to undertake a plan of finance for the issuance of certain bonds in one or more series from time to time (the "Bonds") the proceeds of which will be used to finance and/or refinance the acquisition, construction and rehabilitation of a qualified residential rental project described in paragraph 3 hereof (the "Project") and in Section 142(a)(7) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the City is a member of the Authority in accordance with that Joint Exercise of Powers Agreement (the "Agreement") dated as of January 1, 2004, and, as such, is a governmental unit on behalf of which the Authority issues tax-exempt bonds; and

WHEREAS, the Project is located wholly within the City; and

WHEREAS, the owner of the Project will be 5435 Balboa, LP, a California limited partnership, or another ownership entity to be created by Elysian Housing, LLC, and Capstone Equities, LLC, or respective affiliates thereof (such limited partnership or other ownership entity, the "Borrower"); and

WHEREAS, the Authority and the Borrower have requested that the City Council approve the plan of finance for the issuance of the Bonds by the Authority and the financing and/or refinancing of the Project with the proceeds of the Bonds pursuant to Section 147(f) of the Code; and

WHEREAS, the Borrower has represented that the financing and/or refinancing of the Project on a tax-exempt basis through the Authority will result in demonstrable economic benefits; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize the financing and/or refinancing of the Project for purposes of the below-defined Code; and

WHEREAS, the interest on the Bonds may qualify for federal income tax exemption under Sections 103 and 145 of the Code only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, a plan of finance for the issuance of tax-exempt bonds and other debt obligations are required to be approved following a public hearing, by an elected representative of the governmental unit having jurisdiction over the area in which the Project is located and on whose behalf the bonds or other debt obligations are issued; and

WHEREAS, this City Council is the elected legislative body of the City and, accordingly, is the applicable elected representative required to approve the plan of finance for the issuance of the Bonds within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the plan of finance for the Project, including the issuance of the Bonds by the Authority;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Angeles, as follows:

1. The recitals hereinabove set forth are true and correct, and this City Council so finds.

2. Pursuant to and solely for purposes of Section 147(f) of the Code and Section 4 of the Agreement, the City Council hereby approves the plan of finance for the issuance of the Bonds by the Authority in one or more series from time to time, up to the maximum amount below and a like amount of refunding bonds, to finance and/or refinance the Project. It is intended that this Resolution constitute approval of the Bonds by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located and, as a member of the Authority, which is the issuer of the Bonds, the governmental unit on whose behalf the Bonds are being issued, each in accordance with said Section 147(f); provided, however, that this Resolution does not constitute approval by the City Council of the Project for any other purpose. The City shall not bear any responsibility for the tax-exempt status of the Bonds, the repayment of the Bonds or any other matter related to the Bonds.

3. The "Project" referred to hereof is as follows:

Project Name:	Address:	Project Sponsor:	Maximum Amount:
Oaks on Balboa	5435-5445 Balboa Boulevard, Los Angeles, California	Elysian Housing; Capstone Equities	\$65,000,000

4. This Resolution shall take effect immediately upon its passage and adoption.

5. All actions heretofore taken by the officers, employees and agents of the City with respect to the approval of the Bonds 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 Bonds and otherwise to effectuate the purposes of this Resolution.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2025 at Los Angeles, California.

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on \_\_\_\_\_, 2025.

By: \_\_\_\_\_

Title: \_\_\_\_\_