

1) MOTION FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED

#52


The developer 11681 Foothill LP (Sponsor), a California limited partnership, has requested that the City of Los Angeles (City) through the Housing and Community Investment Department (HCID) issue Multifamily Housing Revenue Bonds, in an amount not to exceed \$22,920,000 to finance the new construction of a 49-unit multifamily housing project known as Summit View Apartments (Project) located at 11681 Foothill Boulevard in Council District Seven. The Project will provide 48 units of affordable housing (30% and 50% of Area Median Income) and one manager unit.

In accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and as part of the bond issuance process, HCID conducted the required public hearing (TEFRA public hearing) on March 20, 2019. Notice of the public hearing was published on March 6, 2019. HCID is required to provide proof to the California Debt Limit Allocation Committee (CDLAC) that a TEFRA hearing has been conducted as part of the application process.

The City is a conduit issuer and is required by federal law to review and approve all projects within its jurisdiction and conduct a public hearing. The bond debt is payable solely from revenues or other funds provided by the Sponsor. The City does not incur liability for repayment of the bonds. To allow the bonds to be issued in accordance with CDLAC requirements, the Council should approve the minutes of the hearing and adopt the required Resolution (attached). The Sponsor has pledged to comply with all City and HCID bond policies related to the work described herein, including but not limited to payment of prevailing wages for labor and project monitoring with HCID.

I THEREFORE MOVE that the City Council consider the results of the TEFRA public hearing held on March 20, 2019 for the Summit View Apartments and adopt the attached TEFRA Resolution and Minutes approving the issuance of bonds in an amount not to exceed \$22,920,000, to finance the new construction of a 49-unit multifamily housing project located at 11681 Foothill Boulevard in Council District Seven.

PRESENTED BY:


MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY:



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RESOLUTION
CITY OF LOS ANGELES

A RESOLUTION APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 THE ISSUANCE OF BONDS OR NOTES BY THE CITY OF LOS ANGELES TO FINANCE THE ACQUISITION, REHABILITATION, CONSTRUCTION OR EQUIPPING OF MULTIFAMILY RESIDENTIAL RENTAL PROJECTS LOCATED WITHIN THE CITY OF LOS ANGELES.

WHEREAS, the City of Los Angeles (the "City") is authorized, pursuant to Section 248, as amended, of the City Charter of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (collectively, the "Law"), and in accordance with Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California (the "Act"), to issue its revenue bonds or notes for the purpose of providing financing for the acquisition, construction, rehabilitation and equipping of multifamily rental housing for persons and families of low or moderate income; and

WHEREAS, the City intends to issue for federal income tax purposes certain bonds or notes (the "Bonds") the proceeds of which will be used to finance the acquisition, construction, rehabilitation and equipping of multifamily rental housing projects described in paragraph 6 hereof (the "Projects"); and

WHEREAS, the Projects are located wholly within the City; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize the financing of the Projects, and it is within the powers of the City to provide for such financing and the issuance of the Bonds; and

WHEREAS, the interest on the Bonds may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code"), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, Bonds are required to be approved, following a public hearing, by an elected representative of the issuer of the Bonds (or of the governmental unit on behalf of which the Bonds are issued) and an elected representative of the governmental unit having jurisdiction over the area in which the relevant Project is located; and

WHEREAS, this City Council is the elected legislative body of the City and is the applicable elected representative required to approve 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 caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City, on March 6, 2019, to the effect that a public hearing would be held with respect to the Projects on March 20, 2019 regarding the issuance of the Bonds; and

WHEREAS, the Los Angeles Housing and Community Investment Department held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the minutes of said hearing have been presented to this City Council;

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. This Resolution is being adopted pursuant to the Law and the Act.

2. Pursuant to and solely for purposes of Section 147(f) of the Code, the City Council hereby approves the issuance of the Bonds by the City in one or more series up to the maximum amounts specified in paragraph 6 below and a like amount of refunding bonds, pursuant to a plan of financing, to finance or refinance the Projects. It is intended that this Resolution constitute approval of the Bonds: (a) by the applicable elected representative of the issuer of the Bonds; and (b) by the applicable elected representative of the governmental unit having jurisdiction over the area in which the relevant Project is located, in accordance with said Section 147(f).

3. Pursuant to the Law and in accordance with the Act, the City hereby authorizes the Los Angeles Housing and Community Investment Department to proceed with a mortgage revenue bond program designed to provide housing within the City of Los Angeles for low- and moderate-income persons through the issuance of the Bonds for the Projects, in one or more series, pursuant to a plan of finance and in amounts not to exceed those specified in paragraph 6 hereof.

4. Notwithstanding anything to the contrary hereof, the City shall be under no obligation to issue any portion of the Bonds described in paragraph 6 hereof to be issued by the City for the Projects prior to review and approval by the City and the City Attorney of the documents, terms and conditions relating to such Bonds.

5. [Reserved].

6. The "Projects" referred to hereof is as follows:

| Project Name: | Address | #Units: | Project Sponsor | Maximum Amount: |
|------------------------|---|-------------------------------|---------------------------|-----------------|
| Summit View Apartments | 11681 Foothill Boulevard, Los Angeles, CA 91342 | 49 (including 1 manager unit) | 11681 Foothill, L.P. | \$22,920,000 |
| Isla de Los Angeles | 283 W. Imperial Hwy., Los Angeles, CA 90061 | 54 (including 1 manager unit) | Isla de Los Angeles, L.P. | \$15,000,000 |
| Emerson Apartments | 4760 and 4766 Melrose Avenue, Los Angeles, CA 90029 | 39 (including 1 manager unit) | Melrose PSH, L.P. | \$15,500,000 |

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

PASSED AND ADOPTED this ____ day of _____, 2019 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 _____, 2019.

By _____
Title _____

TEFRA PUBLIC HEARING MEETING MINUTES
WEDNESDAY – MARCH 20, 2019
9:00 AM
THE LOS ANGELES
HOUSING + COMMUNITY INVESTMENT DEPARTMENT
1200 W 7TH STREET, ROOM 833
MAGDALINA ZAKARYAN, CHAIR

This meeting is to conduct the required Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) Public Hearing for the Emerson Apartments, Summit View, and Isla de Los Angeles Projects.

This meeting is called to order on Wednesday, March 20, 2019 at 9:00 a.m. in Room 833 of the Los Angeles Housing + Community Investment Department.

A notice of this hearing was published in the Los Angeles Times on March 6, 2019. The purpose of this meeting is to hear public comments regarding the subject Multifamily Revenue Bonds.

The City of Los Angeles Housing + Community Investment Department representatives present were Magdalina Zakaryan, Carmen Velazquez, Jeremy Johnson, and Conny Griffith.

The time is now 9:30 a.m. and seeing no other representatives from the public are present, this meeting is now adjourned.

I declare under penalty of perjury that this is a true and exact copy of the TEFRA hearing held for the above referenced projects on March 20, 2019 at Los Angeles, California.

CITY OF LOS ANGELES
Los Angeles Housing + Community Investment Department
RUSHMORE D. CERVANTES, General Manager

A handwritten signature in black ink, appearing to read 'M. Zakaryan', written over a horizontal line.

Magdalina Zakaryan, Supervisor
Affordable Housing Bond Program