

ORDINANCE NO. _____

An ordinance adding Section 11.27.41 to Article 6.3, Chapter 1, Division 11 of the Los Angeles Administrative Code to establish fees for the processing, issuance, and administration of bonds for affordable, multifamily residential housing.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. A new Section 11.27.41 is added to Article 6.3, Chapter 1, Division 11 of the Los Angeles Administrative Code to read as follows:

Sec. 11.27.41. Fees.

(a) For multifamily residential housing bonds (including notes or other evidences of indebtedness) issued through the City of Los Angeles by and through the Los Angeles Housing Department ("Department"), formerly known as the Los Angeles Housing and Community Investment Department, the following fees shall be charged and collected from the applicant, borrower, or other designated responsible party:

(1) **Application Processing Fee.** A non-refundable fee of \$4,447 shall accompany each application to the Department.

(2) **TEFRA Hearing Fee.** The applicant shall pay \$3,902 per project to the Department to pay for the costs related to the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") hearing.

(3) **Costs of Issuance Fees.** All costs of issuance shall be borne by the applicant, including the fees of bond counsel and underwriter, trustee (or fiscal agent), and financial advisor fees. No greater than 2 percent of the proceeds of a tax-exempt bond issue may be used to pay the costs of issuance. Costs in excess of 2 percent must be paid from other sources secured by the applicant.

(4) **Initial Issuer Fee.** At bond closing, the applicant shall pay an initial issuer fee of 25 basis points (0.25 percent) of the issued bond amount to the Department.

(5) **Annual Issuer Fee.** During construction of the affordable housing development, the borrower shall pay an annual issuer fee in arrears of 12.5 basis points (0.125 percent) of the original principal amount of the bonds. When construction is complete and financing converts to permanent financing, the borrower shall pay in arrears an issuer fee that is the greater of 12.5 basis points (0.125 percent) of the permanent principal amount of the bonds as of the conversion date or \$3,000 annually, whichever is greater. The annual issuer fee

must be paid to the Department so long as the bonds or bond regulatory agreements remain outstanding.

(6) **Consent, Approval, Transfer, Amendment, and Waiver Fee.**

For any consent, approval, transfer, amendment, or waiver requested of the City of Los Angeles, the Department shall charge and collect a processing fee equal to the greater of \$5,000 or 0.125 percent of the permanent principal amount of the relevant bond issue.

(b) For multifamily housing in the City of Los Angeles using outside issuer bonds, the Department shall charge and collect the following fees from the applicant, borrower, or other designated responsible party:

(1) **Application Processing Fee.** A non-refundable fee of \$4,111 shall accompany each application to the Department.

(2) **TEFRA Hearing Fee.** The applicant shall pay \$624 per project to the Department for costs relating to the TEFRA hearing.

(3) **Outside Issuer Accessibility Compliance Monitoring Fee.** The borrower shall pay \$65,754 for costs relating to monitoring compliance with the City of Los Angeles's accessible housing program.

(c) Fees collected under this section shall be deposited into the Municipal Housing Finance Fund.

(d) The Department may collect any outstanding fees through an action in any court of competent jurisdiction.

(e) The Department may make such rules and regulations as may be necessary to implement the provisions of this section.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting it for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By



ELAINE ZHONG
Deputy City Attorney

Date

9/15/21

File No. 13-0413

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The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____