

MOTION

Standard BP Venture, L.P., a California limited partnership is an affiliate of Standard Property Company Inc., a multi-family real estate investment and management firm that specializes in acquisition, repositioning and preservation of affordable housing. Standard BP Venture, L.P. and Standard Property Company Inc., or entities related thereto (Collectively, the "Borrower") has requested that the California Municipal Finance Authority (CMFA) issue one or more series of revenue bonds in an aggregate principal not to exceed eighteen million dollars (\$18,000,000) for the purpose of financing the acquisition, rehabilitation, improvement, and the of a 49-unit senior multifamily rental affordable housing project called *Beth Am Manor* ("Project"), located at 1071 South La Cienega Boulevard in the City of Los Angeles, Council District 5. The Project will be owned by the Borrower and managed by Apartment Management Consultants, LLC. The Project will be renamed *Beverly Park Senior Apartments*.

The Project is comprised of 49 one-bedroom units of affordable housing that caters to low-income seniors and is currently subsidized by a HUD Project Based Section 8 HAP contract in which tenants pay 30% of their income towards rent and HUD pays the difference between the contract rent and the tenant-paid portion. Upon acquisition, the Project will undergo an extensive rehabilitation, including renovations to unit interiors, common areas, building exterior, elevator modernization, and landscaping. Tenants will continue to pay 30% of their income upon acquisition as well as during and after the Project's rehabilitation.

Beth Am Manor is located within walking distance to several Metro stops so tenants have access to direct transportation. Common amenities include common laundry, a community room with library, TV viewing area, and a fitness center to be completed as part of the Project's rehabilitation. Unit amenities include refrigerators, ovens/stoves, garbage disposals, carpeting, window coverings, air conditioning, and balconies. Located just southeast of Beverly Hills, affordable housing in the area, especially for seniors, is few and far between. Beth Am Manor provides a home for seniors who cannot afford the high price for housing in this area.

The Project will be funded primarily through 4% Federal Low Income Housing Tax Credits. Therefore, there will be no City funds directed to this project. Prior to closing, HUD will provide a new 20-year Section 8 contract. Without this new contract, the Project could lose its affordability status and be converted to a market rate project. As a result, the seniors who currently reside in the Project would be forced to move out. Considering these factors along with the lack of affordable housing in the area, preserving the Project's affordability is absolutely vital.

Additionally, the use of Federal Low Income Housing Tax Credits requires that rent levels will remain at or below 60% of area median income for a period of at least 30 years regardless of whether the Section 8 contract is extended beyond its 20-year term. As such, the Project's affordability will be guaranteed well over another 20 years.

I THEREFORE MOVE that the Council:

1. Waive all City of Los Angeles bond policies to allow the California Municipal Finance Authority (CMFA) to issue the bonds on behalf of the project.
2. Instruct the City Clerk to schedule a TEFRA Hearing on the agenda for the City Council Meeting to be held on Wednesday, May 13, 2015 at 10:00am located at 200 N. Spring Street, Room 340, Los Angeles, CA 90012.



3. Instruct the City Clerk to place on the Agenda for the City Council Meeting to be held on Wednesday, May 13, 2015 consideration of the TEFRA hearing results and adoption of the attached TEFRA hearing Resolution to follow the conduct of the public hearing.

PRESENTED BY: 
PAUL KORETZ
Councilmember, 5th District

SECONDED BY: 

ORIGINAL

APR 29 2015

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$18,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF BETH AM MANOR AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, Standard BP Venture LP, a California Limited Partnership (the “Borrower”), has requested that the California Municipal Finance Authority (the “Authority”) participate in the issuance of one or more series of revenue bonds issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, in an aggregate principal amount not to exceed \$18,000,000 (the “Bonds”) for the acquisition, rehabilitation, improvement and equipping of a 49-unit senior multifamily rental housing project located at 1071 South La Cienega Blvd., Los Angeles, California, generally known as Beth Am Manor (the “Project”) and operated by Apartment Management Consultants, LLC; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the “Code”), the issuance of the Bonds by the Authority must be approved by the City of Los Angeles (the “City”) because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the “City Council”) is the elected legislative body of the City and is one of the “applicable elected representatives” required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “Agreement”), among certain local agencies, including the City; 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 issuance of the Bonds by the Authority;

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

Section 1. The foregoing resolutions are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.

Section 3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

Section 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation, installation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

Section 5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 6. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Los Angeles this ___ day of _____, 2015.

AYES:
NOES:
ABSTAIN:
ABSENT:

[SEAL]

Attest:

By: _____
Deputy City Clerk