

MOTION

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

#51

Watts Athens Village, L.P., a California limited partnership is an affiliate of Valued Housing II, LLC, a California limited liability company and multi-family real estate investment and management firm which specializes in acquisition, rehabilitation, and preservation of affordable housing. Watts Athens Village, L.P and Valued Housing II, LLC, or entities related thereto (Collectively, the "Borrower") are requesting that the California Municipal Finance Authority (CMFA) issue one or more series of revenue bonds in an aggregate principal not to exceed sixteen million dollars (\$16,000,000) for the purpose of financing the acquisition, rehabilitation, and improvement of a scattered sites multi-family affordable housing project collectively called *Watts-Athens Village* ("Project"). The Project is comprised of 17 sites with a total of 100 units and each is located throughout South Los Angeles in Council Districts 8, 9, and 10.

Each of Watts-Athens Village's sites is located within walking distance to several Metro bus stops so tenants have direct access to transportation throughout the City. Additionally, each site is located just about minutes away from the 10 and 110 Freeways which lead to major areas and employment centers, such as Santa Monica and Downtown Los Angeles, throughout the City. Common amenities of each site include common laundry areas, off-street parking, and security patrols.

The Project is comprised of 100% affordable housing 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 to unit interiors which would include new floor coverings, new kitchens and baths, energy star appliances, and new fixtures and hardware. The Project will also undergo improvements to the exteriors including landscape upgrades, new energy-efficient dual pane windows, new roofing, and new paint to the building exteriors of each site. Tenants will continue to pay 30% of their income upon acquisition as well as during and after the Project's rehabilitation.

The City of Los Angeles is currently suffering a well-documented housing crisis in which there is a lack of decent, safe, and modern affordable housing throughout the City. Without this financing, the Project will not have access to capital needed to complete vital repairs and as a result, the families and residents who currently reside in the Project would be forced to move out. Considering these factors along with the lack of quality affordable housing in the area, preserving the Project is absolutely vital.

The Project will be funded primarily through 4% Federal Low Income Housing Tax Credits and state bonds. No City funds will be directed to this project.

I **THEREFORE MOVE** that the Council:

1. Waive the City's Multifamily Bond Policy to allow the California Municipal Finance Authority (CMF A) to issue the bonds on behalf of the Watts Athens project, located in Council District 10, Council District 9, and Council District 8.
2. Instruct the City Clerk to schedule a TEFRA Hearing on the agenda for the City Council Meeting to be held on Wednesday, October 28, 2015 at 10:00am located at 200 N. Spring Street, Room 300, Los Angeles, CA 90012.
3. Instruct the City Clerk to place on the Agenda for the City Council meeting to be held on Wednesday, October 28, 2015 consideration of the TEFRA hearing results and adoption of the attached TEFRA hearing Resolution following the TEFRA hearing.


OCT 13 2015

PRESENTED BY: 
GILBERT A. CEDILLO
Councilman, 1st District

SECONDED BY: 

ORIGINAL

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Los Angeles (the "City") will hold a public hearing on Wednesday, October 28, 2015 with respect to the issuance and delivery by the California Municipal Finance Authority (the "Authority") of multifamily housing revenue bonds in one or more series 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 Sixteen Million Dollars (\$16,000,000) (the "Bonds") to assist in the acquisition, rehabilitation and development of the following multifamily rental housing facilities located within the City: (i) Chariton; 18-Units; 2010 Chariton Street; (ii) Hidden Haven; 5-Units; 623 W. 92nd Street; (iii) Normandie V; 5-Units; 1371 W. Vernon Avenue; (iv) Oakview; 5-Units; 503 W. 70th Street; (v) Pleasant Oaks I; 5-Units; 538 W. 81st Street; (vi) Pleasant Oaks II; 5-Units; 602 W. 81st Street; (vii) Pleasant Oaks III; 5-Units; 717 W. 81st Street; (viii) Terre One; 15-Units; 5270 South Avalon Boulevard; (ix) Villa Broadway I; 4-Units; 10201 S. Broadway; (x) Villa Broadway II; 4-Units; 10207 S. Broadway; (xi) Villa Broadway III; 4-Units; 10213 S. Broadway; (xii) Villa Broadway IV; 4-Units; 10217 S. Broadway; (xiii) Villa Broadway V; 4-Units; 10223 S. Broadway; (xiv) Woodside I; 4-Units; 10202 S. Broadway; (xv) Woodside II; 4-Units; 10206 S. Broadway; (xvi) Woodside III; 4-Units; 10210 S. Broadway; and (xvii) Woodside IV; 5-Units; 310 W. 103rd Street.

The facilities are to be owned by Watts Athens Village, LP (the "Owner") or related entities, operated by Barker Management, and are generally known as Watts-Athens Village (the "Project").

The Bonds will not be deemed to constitute a debt or liability of the City of Los Angeles (the "City"), the State of California (the "State") or any political subdivision thereof, other than the Authority, but will be payable solely from the funds provided therefore. The Authority will not be obligated to pay the principal of the Bonds, or the redemption premium, if any, or interest thereon, except from funds provided from loan repayments by the Owner. Neither the faith and credit nor taxing power of the City, the State or any political subdivision thereof, including the Authority, will be pledged to the payment of the principal or redemption premium, if any, or interest on the Bonds. The issuance of the Bonds will not directly, indirectly or contingently obligate the City, the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment. The Authority has no taxing power.

All those interested in matters related to the issuance of the Bonds and the refinancing of the acquisition, construction and development of the Project are invited to attend and be heard at the hearing which will commence at 10:00 a.m. Pacific Time and will be held at 200 N. Spring Street, Room 340, Los Angeles, CA 90012. If you have any questions regarding this matter, please call Ben Barker of the California Municipal Finance Authority, at (760) 930-1266.

The above-noticed public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. At the time and place set for the public hearing, residents, taxpayers and other interested persons will be given the opportunity to express their views for or against the proposed plan for refinancing the Project and issuance of the Bonds. The Owner will be in attendance at the above-noticed public hearing to answer questions. Written comments may be submitted to the City of Los Angeles, 200 N. Spring Street, Room 300, Los Angeles, CA 90012, Attention: City Clerk, fax number 213-978-1027.

City Clerk
City of Los Angeles

Dated: October 14, 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 \$16,000,000 FOR THE
PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION,
REHABILITATION, IMPROVEMENT AND EQUIPPING OF WATTS-ATHENS
VILLAGE AND CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, Watts Athens Village, 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 \$16,000,000 (the “Bonds”) for the acquisition, rehabilitation, improvement and equipping of the following multifamily rental housing developments located within the City of Los Angeles, California (the “City”): (i) Chariton; 18-Units; 2010 Chariton Street; (ii) Hidden Haven; 5-Units; 623 W. 92nd Street; (iii) Normandie V; 5-Units; 1371 W. Vernon Avenue; (iv) Oakview; 5-Units; 503 W. 70th Street; (v) Pleasant Oaks I; 5-Units; 538 W. 81st Street; (vi) Pleasant Oaks II; 5-Units; 602 W. 81st Street; (vii) Pleasant Oaks III; 5-Units; 717 W. 81st Street; (viii) Terre One; 15-Units; 5270 South Avalon Boulevard; (ix) Villa Broadway I; 4-Units; 10201 S. Broadway; (x) Villa Broadway II; 4-Units; 10207 S. Broadway; (xi) Villa Broadway III; 4-Units; 10213 S. Broadway; (xii) Villa Broadway IV; 4-Units; 10217 S. Broadway; (xiii) Villa Broadway V; 4-Units; 10223 S. Broadway; (xiv) Woodside I; 4-Units; 10202 S. Broadway; (xv) Woodside II; 4-Units; 10206 S. Broadway; (xvi) Woodside III; 4-Units; 10210 S. Broadway; and (xvii) Woodside IV; 5-Units; 310 W. 103rd Street.

The facilities are generally known as Watts-Athens Village (the “Project”) and operated by Barker Management; 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”) 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 28th day of October, 2015.

AYES:
NOES:
ABSTAIN:
ABSENT:

[SEAL]

Attest:

By: _____
City Clerk