

TO CITY CLERK FOR PLACEMENT ON NEXT
BUSINESS COUNCIL MEETING TO BE POSTED

#52

MOTION

The LA78 Portfolio (LA78), LP (Borrower), a California Limited Partnership, has requested that the California Statewide Communities Development Authority ("CSCDA") issue one or more series of revenue bonds or notes in an aggregate principal amount not to exceed twenty-five million dollars (\$25,000,000) for the purpose of financing the acquisition and rehabilitation of the LA 78 Apartments composed of 78 units at scattered sites located at 1951 West 22nd Street in Council District 8; 831 Lucille Avenue, 4131 West Normal Avenue, 4215 Burns Avenue, and 135 South Reno Avenue in Council District 13; as well as 825 Forest Avenue in Council District 14 ("Project").

LA 78 Apartments is comprised of six different properties with 74 of the 78 units covered under long term project based Section 8 Housing Assistance Payments (HAP) agreements. The properties are well located within desirable, dense, urban infill neighborhoods. The buildings will benefit from rehabilitation, including roofs, windows, unit interiors, and updates to building systems.

The Borrower has entered into a regulatory agreement ("Regulatory Agreement") with the City of Los Angeles to ensure that the Project complies with requirements of Title II of the Americans with Disabilities Act (ADA) through City monitoring. Although the City would have no legal liability to the federal government on ensuring compliance with ADA as it is not providing the project funding such as HOME funds, the Borrower is committed to ensuring that the Project is in full compliance with the ADA requirements that already exist.

The Project will be funded primarily through 4% Federal Low Income Housing Tax Credits and tax-exempt bonds or notes. No City funds will be directed to this Project.

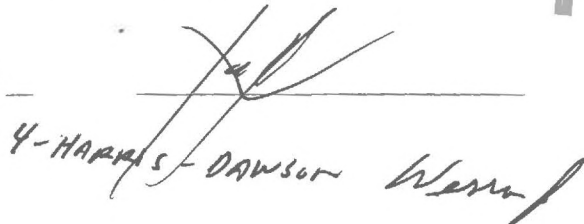
I THEREFORE MOVE that the Council waive the City of Los Angeles Multifamily Bond policy to allow the California Statewide Communities Development Authority ("CSCDA") to issue bonds not to exceed \$25,000,000 to provide financing for the Project, located at 1951 West 22nd Street in Council District 8, 831 Lucille Avenue, 4131 West Normal Avenue, 4215 Burns Avenue, and 135 South Reno Avenue in Council District 13, as well as 825 Forest Avenue in Council District 14; instruct the Los Angeles Housing and Community Investment Department (HCID) to execute and enforce the terms of the Regulatory Agreement with Borrower; and instruct the City Clerk to schedule a TEFRA Hearing and consideration of the attached TEFRA Resolution for the City Council Meeting to be held on Tuesday, December 12, 2017 at 10:00a.m., located at 200 North Spring Street, Room 340, Los Angeles, California 90012.

PRESENTED BY:



MITCHELL O'FARRELL
Councilmember, 13th District

SECONDED BY:


Y-HARRIS DAWSON

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE LA 78 APARTMENTS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Los Angeles (the "City"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, LA 78, L.P., a California Limited Partnership or a partnership created by Community Development Partners (the "Developer"), consisting at least of the Developer or a related person to the Developer and one or more limited partners, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "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, and at no time to exceed \$25,000,000 in outstanding aggregate principal amount, to finance the acquisition and rehabilitation of a 78-unit multifamily rental housing project located at 831 Lucile Avenue, 4131 West Normal Avenue, 4215 Burns Avenue, 135 S. Reno Ave, 1951 W. 22nd Street and 825 Forest Avenue, Los Angeles, California, generally known as LA 78 Apartments (the "Project") and operated by Solari Enterprises, Inc.; and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this City Council (this "City Council") are the applicable elected representatives of the City of Los Angeles (the "City"); and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the Authority is also requesting that the City Council approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Project (the "Refunding Bonds"), but only in such cases where federal tax laws would not require additional consideration or approval by the City Council; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. 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 that 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 approved hereby.

Section 4. This resolution shall take effect immediately upon its adoption.