

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

---

---

Date: December 4, 2020

CAO File No. 0220-00540-1509

Council File No. 18-0542-S1

Council District: 13

To: The Mayor  
The Council

From: *Yolanda Chavez*  
for Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated November 4, 2020; Received by the City Administrative Officer on November 18, 2020, Additional Information Received through December 2, 2020

Subject: **REQUEST FOR AUTHORITY TO ISSUE TAX-EXEMPT MULTIFAMILY CONDUIT REVENUE BONDS IN AN AMOUNT UP TO \$24,440,000 FOR THE PATH VILLAS HOLLYWOOD, A SUPPORTIVE HOUSING PROJECT**

---

---

### RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Note and file the Housing and Community Investment Department (HCID) transmittal dated November 4, 2020 (Report) relative to the issuance of tax-exempt multifamily conduit revenue bonds for the Path Villas Hollywood project;
2. Adopt the Resolution attached to the HCID Report, authorizing the issuance of up to \$24,440,000 in tax-exempt multifamily conduit revenue bonds for Path Villas Hollywood; and,
3. Authorize the General Manager of the HCID, or designee, to negotiate and execute the relevant bond documents for Path Villas Hollywood, subject to the approval of the City Attorney as to form.

### SUMMARY

The Housing and Community Investment Department (HCID) requests authority to issue tax-exempt multifamily housing conduit revenue bonds in an amount not to exceed \$24,440,000 to finance the construction of the affordable housing development known as the Path Villas Hollywood (Project). The Project will consist of the new construction of 59 units of supportive housing for homeless and chronically homeless seniors, and one unrestricted manager unit. The subject site is located at 5627 W. Fernwood Avenue, Los Angeles, CA 90028 in Council District 13. The

California Debt Limit Allocation Committee (CDLAC) awarded the tax-exempt bond allocation for the Project to the City on July 17, 2019 in an amount not to exceed \$24,440,000 and designated a January 13, 2020 issuance deadline. CDLAC granted multiple extensions and designated January 12, 2021 as the new issuance deadline.

The City's involvement in the issuance of tax-exempt, multifamily housing conduit revenue bonds is considered true conduit financing, in which the obligation for repayment of the bonds is the responsibility of PVH LA, L.P. and the City bears no financial responsibility for repayment as the issuer. There will be no impact to the General Fund. The financing is consistent with City policies regarding conduit financing.

The Council adopted a Responsible Banking Ordinance (RBO) in May 2012 (C.F. 09-0234 and C.F. 09-0234-S1). The purpose of the RBO is to create a social investment policy that reflects the community's priorities and acts as a tool when seeking financial services. Zions Bancorporation, N.A. dba California Bank & Trust (California Bank) is currently in compliance with the reporting requirements of the RBO and HCID will ensure that California Bank will continue to adhere to the RBO. The City acts only as a conduit issuer, not the borrower, in this bond transaction and has no financial interest in this transaction.

### **FISCAL IMPACT STATEMENT**

There will be no impact to the General Fund as a result of the issuance of these tax-exempt multifamily conduit revenue bonds (bonds) for the Path Villas Hollywood (Project). The City is a conduit issuer and does not incur liability for the repayment of the bonds, which are a limited obligation payable solely from the revenues of the Project, and the City will in no way be obligated to make payments on the bonds.

### **FINANCIAL POLICIES STATEMENT**

The recommendations in this report comply with the City's Financial Policies.

### **DEBT IMPACT STATEMENT**

There is no debt impact as these bonds are a conduit issuance debt and not a debt of the City.

*RHL:EIC:02210077c*