File No. 20-0097

HOUSING COMMITTE REPORT and RESOLUTION relative to authority to issue tax-exempt multifamily conduit revenue bonds or notes, renewing the HOME Investment Partnerships Program (HOME) award letter, negotiating and executing a HOME loan, and updating the Joint Disposition and Development Agreement (JDDA) for the Hollywood Arts Collective (Project) an affordable housing project.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT Recommendations II. A through F and H of the Los Angeles Housing and Community Investment Department (HCIDLA) transmittal dated August 5, 2020 (Report) relative to: 1) the issuance of tax-exempt multifamily conduit revenue bonds or notes; 2) the renewal of a HOME Investment Partnerships Program (HOME) award letter; 3) the execution of HOME loan agreements; and, 4) the revision of the JDDA for the Hollywood Arts Collective located at 1637 Wilcox Avenue, Los Angeles, CA 90028.

    a. Adopt the accompanying RESOLUTION, provided as Attachment A to the HCIDLA report dated August 5, 2020, authorizing the issuance of up to $44,000,000 in tax-exempt multifamily conduit revenue bonds or notes for the Hollywood Arts Collective.

    b. Authorize the General Manager, HCIDLA, or designee, to negotiate and execute the relevant bond or note documents for the Project, subject to the approval of the City Attorney as to form.

    c. Authorize the General Manager, HCIDLA, or designee, to renew a HOME funds funding award letter for twelve months in the amount up to $5,850,460 with the legal owner of Hollywood Arts Collective.

    d. Authorize the General Manager, HCIDLA, or designee, subject to the review and approval of the City Attorney as to form, to negotiate and execute an acquisition/pre development/construction/permanent loan agreement (City Loan Agreement) in the amount of up to $5,850,460 in HOME funds with the legal owner of Hollywood Arts Collective, subject to the satisfaction of all conditions and criteria contained in the HCIDLA's applicable Affordable Housing Managed Pipeline guidelines, this transmittal, and the HOME funds funding award letter (if applicable).

    e. Authorize the General Manager, HCIDLA, or designee, to execute a subordination agreement wherein the City Loan Agreement, including its Regulatory Agreement, is subordinated to its respective conventional or municipally funded construction and permanent loans, as required.

    f. Authorize the General Manager, HCIDLA, or designee, to allow the transfer of the City HOME funds funding award to Hollywood Arts Collective LP or other legal entity formed solely for the purpose of owning and operating the Project in accordance with City and Federal requirements.

    g. Authorize the General Manager, HCIDLA, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and

Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

2. AUTHORIZE the General Manager, HCIDLA, or designee, and the Los Angeles Department of Transportation (LADOT), or designee, to modify the terms of the JDDA via an implementation Agreement and execute all necessary documents to reflect the modifications, subject to the approval of the City Attorney as to form.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there will be no impact to the General Fund as a result of the issuance of these tax-exempt multifamily conduit revenue bonds or notes (bonds/notes) for the Project. The City is a conduit issuer and does not incur liability for the repayment of bonds/notes, 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/notes. The $5,850,460 loan commitment is fully funded by the HOME Investment Partnerships Program Fund.

There is a potential impact to the General Fund as a result of the proposed replacement parking for the Project. The Special Parking Revenue Fund (SPRF), which collects parking revenue from LADOT-owned parking facilities and lots, transfers its annual surplus to the General Fund. If the Project has 141 replacement parking spaces, the SPRF may experience an annual potential revenue loss of up to $59,040. If the Project has 129 replacement parking spaces, the SPRF may experience an annual potential revenue loss of up to $147,600. It should be noted that the potential revenue loss was calculated by LADOT at pre-COVID conditions.

Financial Policies Statement: The CAO reports that recommendations in this report comply with the City's Financial Policies.

Debt Impact Statement: The CAO reports that there is no debt impact as these bonds or notes are a conduit issuance debt and not a debt of the City.

Community Impact Statement: None submitted.

SUMMARY:

At a regular meeting held on October 14, 2020 the Housing Committee telephonically considered CAO and HCIDLA reports relative to authority to issue tax-exempt multifamily conduit revenue bonds or notes, renewing the HOME Investment Partnerships Program (HOME) award letter, negotiating and executing a HOME loan, and updating the Joint Disposition and Development Agreement (JDDA) for the Hollywood Arts Collective (Project) an affordable housing project. After providing an opportunity for public comment the Committee approved the recommendations in the CAO report dated October 5, 2020 and the Resolution attached to the HCIDLA report dated August 5, 2020, as detailed above. This matter is now transmitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

MEMBER	**VOTE**
CEDILLO:	YES
KREKORIAN:	YES
HARRIS-DAWSON:	YES

KK 10/14/20

-NOT OFFICIAL UNTIL COUNCIL ACTS-