REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 4, 2021

CAO File No. 0220-00540-1518
Council File No. 20-0114
Council District: 6

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated January 14, 2021; Received by the City Administrative Officer on January 22, 2021, Additional Information Received through February 3, 2021

Subject: **REQUEST FOR AUTHORITY TO ISSUE TAX-EXEMPT MULTIFAMILY CONDUIT REVENUE BONDS OR NOTES IN AN AMOUNT UP TO $17,013,196 FOR TALISA APARTMENTS, 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 January 14, 2021 (Report) relative to the issuance of tax-exempt multifamily conduit revenue bonds or notes for the Talisa Apartments project;

2. Adopt the Resolution attached to the HCID Report, authorizing the issuance of up to $17,013,196 in tax-exempt multifamily conduit revenue bonds or notes for the Talisa Apartments; and,

3. Authorize the General Manager of the HCID, or designee, to negotiate and execute the relevant bond or note documents for the Talisa Apartments, 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 or notes in an amount not to exceed $17,013,196 to finance the construction of the affordable housing development known as the Talisa Apartments (Project). The Project will consist of the new construction of 48 units of supportive housing for homeless families, individuals with mental illness, victims of domestic violence and sex trafficking, and one unrestricted manager unit. The subject site is located at 9502 North Van Nuys Boulevard, Los Angeles, CA 91402 in Council District Six. The California Debt Limit Allocation

Committee (CDLAC) awarded the tax-exempt bond allocation for the Project to the City on September 16, 2020 in an amount not to exceed $17,013,196 and designated a March 15, 2021 issuance deadline.

The City's involvement in the issuance of tax-exempt, multifamily housing conduit revenue bonds or notes is considered true conduit financing, in which the obligation for repayment of the bonds or notes is the responsibility of 9502 Van Nuys, 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. Citibank, N.A. (Citi) is currently in compliance with the reporting requirements of the RBO and HCID will ensure that Citi 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 or notes (bonds/notes) for the Talisa Apartments project (Project). The City is a conduit issuer and does not incur liability for the repayment of the 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.

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 or notes are a conduit issuance debt and not a debt of the City.

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