

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED #54

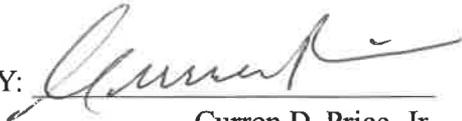
MOTION

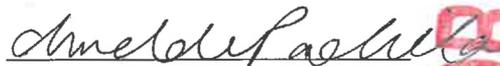
The City of Los Angeles (the “City”) has previously issued its Multifamily Housing Revenue Bond (Broadway Apartments) Series 2019G (the “Bond”), pursuant to Section 248, as amended, of the City Charter and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended for the purposes of alleviating the serious shortage of decent, safe and sanitary owner-occupied and rental housing which is affordable to many persons in the City. The City issued the Bond pursuant to an Indenture of Trust dated as of June 1, 2019 (the “Indenture”) between the City and U.S. Bank National Association (succeeded in interest by U.S. Bank Trust Company, National Association) as trustee. The City loaned the proceeds of the Bond to Broadway Apartments Preservation, LP (the “Borrower”) to finance the acquisition, construction, rehabilitation and equipping of that 35 unit multifamily rental housing project located at 301 West 49th Street, Los Angeles, California, located in Council District 9 (the “Project”). The City is a conduit issuer and the Bond debt is payable solely from revenues or other funds provided by the Borrower. The City does not have any liability for repayment of the Bond.

The Indenture contains several rating requirements for trust certificates representing interests in the Bond and requires delivery of an “investor letter” in connection with transfer of the Bond in specified circumstances. These restrictions and requirements are in conformance with the City’s Affordable Housing Bond Policies & Procedures, August 2019 (the “Policies”). The current owner of the Bond has requested a waiver of the Policies to permit a transfer of the Bond to a corporate securitization trustee. The requested waiver and subsequent Bond transfer will provide increased liquidity for the Bond and lower the overall cost of financing for the Borrower and the Project, thus furthering the provision of safe, sanitary and affordable housing to the residents of the City.

I THEREFORE MOVE that the City Council:

1. Adopt the attached Resolution waiving the City’s Policies in connection with the transfer of the Bond as described in said Resolution;
2. Authorize and direct Los Angeles Housing Department (“LAHD”) to work with the Office of the City Attorney in any organizational and legal matters, including amendment of the Indenture and other documents delivered in connection with the issuance of the Bond, relating to the waiver described in the Resolution; and
3. Authorize LAHD to take any other steps necessary to accomplish the aforementioned actions.

PRESENTED BY: 
Curren D. Price, Jr.
Councilmember, 9th District

SECONDED BY: 


DEC 09 2019

ORIGINAL

RESOLUTION

CITY OF LOS ANGELES

A RESOLUTION WAIVING CERTAIN PROVISIONS OF THE AFFORDABLE HOUSING BOND POLICIES & PROCEDURES, AUGUST 2019 OF THE CITY OF LOS ANGELES IN CONNECTION WITH THE TRANSFER OF THE CITY OF LOS ANGELES MULTIFAMILY HOUSING REVENUE BOND (BROADWAY APARTMENTS) SERIES 2019G (THE "BOND"), THE AMENDMENT OF THAT INDENTURE OF TRUST DELIVERED IN CONNECTION WITH THE ISSUANCE OF THE BOND AND THE TAKING OF RELATED ACTIONS INCLUDING THE EXECUTION OF ADDITIONAL AMENDATORY DOCUMENTS.

WHEREAS, the City of Los Angeles (the "City") is authorized, pursuant to the provisions of Section 248, as amended, of the City Charter (the "Charter") of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (the "Law"), to issue its revenue bonds, notes or other evidences of indebtedness for the purposes of providing financing for the acquisition, construction, rehabilitation and development of multifamily rental housing for persons and families of low or moderate income (the "Program") which will satisfy the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"); and

WHEREAS, the City has, pursuant to the Law and in accordance with the Act, issued its Multifamily Housing Revenue Bond (Broadway Apartments) Series 2019G (the "Bond") to provide financing for the acquisition, construction, rehabilitation and equipping of that 35 unit multifamily rental housing project located at 301 West 49th Street, Los Angeles, California, (the "Project") pursuant to an Indenture of Trust dated as of June 1, 2019 (the "Indenture") between the City and U.S. Bank National Association, as trustee (succeeded in interest by U.S. Bank Trust Company, National Association) and loaned the proceeds thereof to Broadway Apartments Preservation, LP (the "Borrower") to finance a portion of the acquisition, construction, rehabilitation and equipping of the Project; and

WHEREAS, the Indenture contains restrictions upon the terms of the Bonds and the transfer thereof, including rating requirements for trust certificates representing interests in the Bond and delivery of an investor letter by certain transferees of the Bond in accordance with the City's Affordable Housing Bond Policies & Procedures, August 2019 (the "Policies"); and

WHEREAS, the current owner of the Bond desires to transfer the Bond to Wilmington Trust, N.A., as custodian ("Wilmington") to deposit in a trust established by the owner of the bond (a "Securitization Trust") which will issue custody receipts representing interests in the Bond ("Custody Receipts") for the benefit of National Finance Authority which do not satisfy the relevant rating requirements of the Indenture and Policies and Wilmington, in its role as custodian, will not deliver an Investor Letter as required by the Indenture;

WHEREAS, it is in the public interest and for the public benefit that the City waive the Policies to the extent necessary to permit issuance of Custody Receipts representing interests in the Bond which is rated in the “BBB“ category or higher and eliminate the requirement for delivery of an Investor Letter in connection with the transfer of the Bond to Wilmington on behalf of the Securitization Trust, and it is within the powers of the City to do so;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Angeles, as follows:

1. The recitals hereinabove set forth are true and correct, and this City Council so finds. This resolution is being adopted pursuant to the Law.
2. The City hereby waives to the extent necessary the provisions of the Policies and the terms of the Indenture to permit a transfer of the Bond to Wilmington, as custodian of a Securitization Trust: (i) which will issue Custody Receipts rated in the “BBB” category or higher; and (ii) without delivery of an Investor Letter, as otherwise required by the Indenture.
3. The City hereby directs Los Angeles Housing Department, in coordination with the City Attorney’s Office, to prepare all documentation, including amendments to documents delivered in connection with the issuance of the Bond, to effect the transfer of Bond authorized by this resolution.
4. Any official of the City, including any official of the Los Angeles Housing Department, as shall be authorized in writing by the Mayor of the City, is hereby authorized for and on behalf of the City to execute and deliver any of the agreements, certificates and other documents authorized by this resolution.
5. All properly authorized officials of the City, including those as specifically authorized under this resolution are hereby authorized, directed and empowered on behalf of the City and this Council to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the City Attorney as to form, or to do and to cause to be done any and all other acts and things as they may deem necessary or appropriate to carry out the purpose of the foregoing authorizations and this resolution and to address any issues arising with respect to the Bond or the agreements relating thereto subsequent to their issuance.
6. This resolution shall take effect immediately upon its passage and adoption.

[Remainder of Page Intentionally Left Blank]

I certify that the foregoing resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 2025.

By _____

Name _____

Title _____