

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your **HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT** Committee

reports as follows:

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to amendments to the 2010 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA) – Round Two results and other related actions.

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

1. Authorize the Los Angeles Housing Department (LAHD) General Manager, or designee, to:
 - a. Apply funding from 2010 AHTF - Round Two returned commitments identified in Table Two of the LAHD report dated October 22, 2010 in order to convert the financing structures for the projects identified in Attachment A of the City Administrative Officer (CAO) report dated November 23, 2010 (reports contained in the Council file) into Four Percent Tax Credit tax-exempt bond deals, and issue Amended and Restated Letters of Commitment from the AHTF in the amounts identified therein, subject to the condition that the project sponsors apply to the California Debt Limit Allocation Committee in the next available funding round and receive the full amount requested therein.
 - b. Relative to the Sherman Village Project, a recipient of \$2,295,346 in HOME Investment Partnerships Program (HOME) funds awarded in 2010 Round Two: a) Reallocate and expend \$1,733,480 in Neighborhood Stabilization Program Two (NSP2) funds on behalf of this project. The NSP2 funds will be derived from the \$35 million that was set aside for the 2010 AHTF Round Three NOFA; and b) Reallocate \$1,733,480 in HOME funds from this project to increase funding to the AHTF Round Two projects identified above.
 - c. Negotiate and execute an acquisition / predevelopment / construction / permanent loan agreement for each project identified in Column A in Attachment A of the CAO report that receives a funding award from the leveraging source, subject to the satisfaction of all conditions and criteria stated above, in the AHTF application and LAHD's Letter of Commitment and subject to approval by the City Attorney as to form and legality and compliance with the City's contracting requirements.
 - d. Execute subordination agreements wherein the City loan and regulatory agreements on all projects recommended are subordinated to their respective conventional construction and permanent loans.
 - e. Execute agreements for the projects identified in bold in Attachment A of the CAO report allowing the transfer to and/or execution of the City loans by a limited partnership, to enable admittance of tax credit investors.

- f. Amend the previously approved, but not yet executed, Loan Agreement for the Yale Street Family Housing (Yale Street) Project (received \$4.9 million in 2010 Round One) to add \$200,000 to reflect an award of Los Angeles Department of Water and Power (LADWP) Sustainable Design and Economic Development Guidelines (SD/EG) Program funds.
- g. Extend the term of the funding commitment awarded to the Canby Woods Senior Housing Project under the 2010 AHTF NOFA - Round One to expire on December 1, 2011, to allow the project sponsor to secure alternative financing.
- h. Use uncommitted funds from prior year accounts within Fund No. 561, HOME, prior to using current year funds and accounts, as needed, to close out old accounts for projects related to the CAO report.
- i. Prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with the approved actions taken on these matters, subject to the approval of the CAO and authorize the Controller to implement the instructions.

2. AUTHORIZE the Controller to:

- a. Establish Account No. G212, AHTF, within the Fund No. 52J/43, American Recovery and Reinvestment Act (ARRA) / NSP2.
- b. Transfer \$1,733,480 appropriations within Fund No. 52J/43, ARRA/NSP2 from Account No. F818, NSP2/ARRA Program Operation to Account No. G212, AHTF.
- c. Reallocate and expend funds from the following funds and accounts for the Sherman Village and 28th Street YMCA Residences Projects:

From:

<u>Project Name</u>	<u>Fund No.</u>	<u>Fund Name</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
Sherman Village Project	561/43	HOME	G212	AHTF	2,295,346

To:

<u>Project Name</u>	<u>Fund No.</u>	<u>Fund Name</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
Sherman Village	52J/43	ARRA/NSP2	G212	AHTF	1,733,480
Sherman Village	561/43	HOME	G212	AHTF	561,866

From:

<u>Project Name</u>	<u>Fund No.</u>	<u>Fund Name</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
28th Street YMCA Res	561/43	HOME	F212	AHTF	3,098,431
28th Street YMCA Res	561/43	HOME	G212	AHTF	181,503

To:

<u>Project Name</u>	<u>Fund No.</u>	<u>Fund Name</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
28th Street YMCA Res	561/43	HOME	F212	AHTF	1,890,424
28th Street YMCA Res	561/43	HOME	G212	AHTF	1,389,510

- d. Allocate and expend additional funds from Fund No. 561/43, HOME, from Account No. G212, AHTF, for the following 2010 Round Two projects:

<u>Project Name</u>	<u>Amount</u>
5555 Hollywood	2,700,000
Del Rey Sr. II	3,081,536
Menlo Family Hsg.	3,883,922
N. Hwd. Sr. Villas	4,238,907

- e. Allocate and expend \$200,000 from Fund No. 44G, AHTF, Account No. F215, LADWP, for the Yale Street Project to reflect an award of LADWP SD/EG Program funds, upon proper written demand from the LAHD General Manager, or designee.
- f. Establish Account No. G215, LADWP within Fund No. 44G/43, AHTF.
- g. Transfer \$1 million appropriations within Fund No. 44G/43, AHTF from Account No. T215, LADWP, to Account No. G215, LADWP.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. Approval of the recommendations will result in amendments to awards that were issued as part of the 2010 AHTF NOFA Round Two involving previously approved HOME funds, Community Redevelopment CRA Five Percent Set-Aside Funds and NSP2 funds. Additional recommendations will authorize the LAHD to execute a loan agreement which recognizes \$200,000 in LADWP funds issued through the Sustainable Design and Economic Development Guidelines Program. The recommendations comply with City Financial Policies as dedicated special funding sources will fully fund commitments to the projects.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on November 24, 2010, the Housing, Community and Economic Development Committee considered amendments to the 2010 AHTF NOFA – Round Two

results and other related actions. After an opportunity for public comment was held, the Committee recommended Council approve the recommendations contained in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

MEMBER	VOTE
WESSON:	YES
REYES:	ABSENT
ALARCON:	ABSENT
CARDENAS:	YES
PERRY:	YES

SG
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Not Official Until Council Acts