

COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

FILE NO. 09-2841

**FROM: COUNCILMEMBER HERB WESSON, CHAIR
COUNCILMEMBER ED P. REYES, MEMBER
HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE**

COMMUNICATION FROM CHAIR AND MEMBER, HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE relative to the issuance of letters of commitment for Round Two of the 2010 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA).

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. Issue Affordable Housing Trust Fund Letters of Commitment in the amounts identified in Attachment A of the joint City Administrative Officer (CAO)/Chief Legislative Analyst (CLA) report for the projects detailed in Attachments One and Two of the LAHD transmittal dated June 16, 2010 (Transmittal), subject to the condition that the project sponsors apply to the identified leveraging source, including the California Housing and Community Development Department's (State HCD) Multifamily Housing Program (MHP), in the next available funding round and receive the full amount requested therein.
 - b. Negotiate and execute acquisition, predevelopment, construction and permanent loan agreements for each project identified in Attachment A of the joint CAO/CLA report and detailed in the Transmittal Attachments One and Two that receives an award of California Tax Credit Allocation Committee (TCAC) or MHP financing from the State HCD, subject to the satisfaction of all conditions and criteria stated in the AHTF application, the joint CAO/CLA report, and LAHD's Letter of Commitment, and subject to approval by the City Attorney as to form and compliance with the City's contracting requirements.
 - c. Execute subordination agreements wherein the City loan and regulatory agreements on all projects recommended are subordinated to their respective conventional construction and permanent loans.
 - d. Execute agreements allowing the transfer to and/or execution of the City loans by a limited partnership to enable admittance of tax credit investors.
 - e. Use uncommitted funds from prior year accounts within Fund No. 561, HOME Investment Partnership Program (HOME), prior to using current year funds and accounts, as needed, to close out old accounts for projects related to AHTF and Permanent Supportive Housing Program (PSHP) Programs.
 - f. Execute amendments to the loan agreements for the projects identified below by adding \$200,000 each to reflect funding awards subsequently approved by the

Los Angeles Department of Water and Power (LADWP) through the Sustainable Design and Economic Development Guidelines Program:

<u>Project Name</u>	<u>Contract No.</u>	<u>Award</u>
Miramar Village Project	C-114785	\$200,000
Montecito Terrace Project	C-116756	200,000
Mosaic Apartments	Contract Pending, Council file No. 09-0143	200,000

- g. Retroactively extend the term of the funding commitment awarded to the P H & D Apartments Project under the 2008 AHTF NOFA - Round Two (Council file No. 07-3466), from March 20, 2010 to expire on September 2, 2011.
 - h. Reallocate \$1,600,000 in HOME funds from the Rosa Parks Villas project to the MacArthur Park Metro Apartments Phase A project.
2. AUTHORIZE the Community Redevelopment Agency (CRA) to transfer \$1,600,000 in 20 percent set-aside funds from the MacArthur Park Metro Apartments Phase A project to the Rosa Parks Villas project.
3. AUTHORIZE the Controller to:
- a. Allocate and expend funds from the following funds and accounts for the 2010 Round Two projects:

<u>Project</u>	<u>Fund/Dept No.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
28th Street YMCA Residences	561/43	F212	AHTF	3,098,431
	561/43	G212	AHTF	181,503
Caroline Severance Manor	561/43	G212	AHTF	6,545,887
Menlo Family Hsg	561/43	G212	AHTF	2,425,965
North Hollywood Sr. Villas	561/43	G212	AHTF	390,596
	44G/43	F214	CRA TI 09-10	705,000
Osborne Place Apartments	561/43	G212	AHTF	757,795
	44G/43	F214	CRA TI 09-10	567,000
Willis Avenue Apartments	561/43	G212	AHTF	3,574,850
5555 Hollywood	44G/43	E214	CRA TI 08-09	900,920
	44G/43	F214	CRA TI 09-10	1,304,000
Broadway Villas	561/43	G212	AHTF	1,502,729
Del Rey Sr. II	561/43	G212	AHTF	3,290,703
La Coruna	561/43	G212	AHTF	1,556,930
	44G/43	F214	CRA TI 09-10	567,000

PWC	561/43	G212	AHTF	2,313,381
Sherman Village	561/43	G212	AHTF	2,295,346
Valerio Woods	561/43	G212	AHTF	3,600,000

- b. Reallocate funds for the MacArthur Park Metro Apartments Phase A and Rosa Parks Villas projects as follows:

	<u>Project Name</u>	<u>Fund No.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	MacArthur Park Metro Apartments, Phase A	44G/43	F914	CRA TI 20% - Rosa Parks	\$1,600,000
To:	Rosa Parks Villas	44G/43	F914	CRA TI 20% - Rosa Parks	1,600,000
From:	Rosa Parks Villas	561/43	A211	Housing Development	\$1,600,000
To:	MacArthur Park Metro Apartments, Phase A	561/43	A211	Housing Development	1,600,000

- c. Allocate and expend funds from the following funds and accounts for the LADWP approved projects, upon proper written demand from the LAHD General Manager, or designee:

<u>Project Name</u>	<u>Fund No.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
Miramar Village	44G/43	A215	LADWP	\$50,000
	44G/43	C215	LADWP	150,000
Montecito Terraces	44G/43	F215	LADWP	200,000
Mosaic Apartments	44G/43	F215	LADWP	200,000

4. AUTHORIZE the LAHD General Manager, or designee, to:

- a. Use uncommitted funds from prior years' accounts within Fund No. 561 first, before current year funds and accounts, as needed, to close out old accounts for projects related to the joint CAO/CLA report.
- b. Prepare Controller instructions, and/or make any technical adjustments that may be required and are consistent with these actions, subject to the approval of the CAO and authorize the Controller to implement these instructions.
- c. Report to the Council at least 30 days prior to the release of the AHTF NOFA - Round Three with information relative to proposed funding priorities, other recommended policy changes and an overall AHTF project status summary.

Fiscal Impact Statement: The CAO and CLA report that there is no impact to the General Fund. Approval of these recommendations will result in the issuance of Letters of Commitment as part of the 2010 AHTF NOFA Round Two totaling approximately \$35,578,036 consisting of previously approved HOME funds (\$31,534,116) and Community Redevelopment CRA Five Percent Set-Aside Funds (\$4,043,920). Additional recommendations will authorize the LAHD to

execute amendments to loan agreements to recognize \$600,000 in LADWP funds issued through the Sustainable Design and Economic Development Guidelines Program. These recommendations comply with City Financial Policies as dedicated special funding sources will fully fund commitments to projects.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on June 30, 2010, the Housing, Community and Economic Development Committee considered the issuance of letters of commitment for Round Two of the 2010 Affordable Housing Trust Fund Notice of Funding Availability. Representatives from the CAO and the Los Angeles Housing Department gave the Committee background information on the matter. An opportunity for public comment was held. After a brief discussion, the Committee recommended Council approve the recommendations contained in the joint CAO / CLA report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

HERB WESSON, CHAIR
HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

ED P. REYES, MEMBER
HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
REYES:	YES
ALARCON:	ABSENT
CARDENAS:	ABSENT
PERRY:	ABSENT

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6/30/10
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