

COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

FILE NO. 10-0914-S1

**FROM: COUNCILMEMBER HERB WESSON, CHAIR
COUNCILMEMBER RICHARD ALARCON, MEMBER
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**

COMMUNICATION FROM CHAIR AND MEMBER, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE and RESOLUTION relative to the issuance of tax-exempt multi-family mortgage revenue notes for the Vendome Palms Apartment Project.

Recommendations for Council action:

1. FIND that it is beneficial to the City to issue up to \$6.3 million in tax-exempt multi-family housing revenue notes for the Vendome Palms Apartments Project to provide 35 units of affordable housing for chronically homeless and mentally ill individuals, which involves entering into a funding loan agreement with Citibank, N.A.
2. ADOPT the accompanying RESOLUTION (attached to the Los Angeles Housing Department (LAHD) report dated June 9, 2010) authorizing the issuance of up to \$6.3 million in tax-exempt Multifamily Housing Revenue Notes - Series 2010B (Notes) for the Vendome Palms Apartments Project (Project) located at 975 North Vendome Street, Los Angeles CA 90026 in Council District 13.
3. APPROVE the related construction loan documents on this matter in substantial conformance with the draft documents contained in Council file No. 10-0914-S1, subject to the approval of the City Attorney as to form.
4. AUTHORIZE the General Manager, LAHD, or designee, to:
 - a. Negotiate and execute the construction loan documents, subject to the approval of the City Attorney as to form.
 - b. Report back to the Council within two years or sooner, upon completion of the Project's construction but prior to the execution of the permanent financing agreements, with a status report to include the following information: progress of the project, identification of all financing sources (if any have changed), additional revenues to be generated, information relative to the marketing plan, project timeline, anticipated rental rates and plan for moving tenants into the Project site.

Fiscal Impact Statement: The City Administrative Officer reports that there is no impact to the General Fund. Funding authority for the Notes will be provided from the California Debt Limit Allocation Committee. No City funds would be requested at this time. The borrower will pay all costs associated with the issuance of the Notes. Approval will also enable the developer of the Vendome Palms Apartments Project to secure funding from the Notes to provide 35 units of affordable housing for chronically homeless and mentally ill individuals. The City's Debt Management Policy is not applicable as there are no City funds being used to issue the Notes.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on July 21, 2010, the Housing, Community and Economic Development Committee considered the issuance of tax-exempt multi-family mortgage revenue notes for the Vendome Palms Apartment Project. An opportunity for public comment was held. After a brief discussion, the Committee recommended Council approve the recommendations contained in the City Administrative Officer report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

HERB WESSON, CHAIR
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

RICHARD ALARCON, MEMBER
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

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

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