

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

HOLLY L. WOLCOTT
Interim City Clerk

Office of the
CITY CLERK

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SHANNON HOPPES
Council and Public Services
Division

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When making inquiries relative to
this matter, please refer to the
Council File No.

September 20, 2013

To All Interested Parties:

City Attorney (w/blue sheet)

The City Council adopted the action(s), as attached, under Council
File No. 11-0054-S2, at its meeting held September 13, 2013.



City Clerk
OS

Mayor's Time Stamp
OFFICE OF THE
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2013 SEP 13 PM 4:10
CITY OF LOS ANGELES

FORTHWITH

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CITY CLERK'S OFFICE
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CITY CLERK
BY _____
DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 11-0054-S2

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE SEPTEMBER 13, 2013

RE: AUTHORIZATION TO ISSUE UP TO \$7,479,629 IN TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS FOR THE BROADWAY VILLAS PROJECT, LOCATED AT 9413 SOUTH SPRING STREET, LOS ANGELES

SEP 23 2013

LAST DAY FOR MAYOR TO ACT _____
(10 Day Charter requirement as per Charter Section 341)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

APPROVED
✓

*DISAPPROVED

*Transmit objections in writing
pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL 9/12/13

E. G. [Signature]
MAYOR

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DEPUTY

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COMMUNICATION FROM VICE CHAIR, HOUSING COMMITTEE and RESOLUTION relative to authorization to issue up to \$7,479,629 in tax exempt Multi-Family Housing Revenue Bonds for the Broadway Villas Project, located at 9413-9425 South Spring Street, Los Angeles.

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

1. RECEIVE and FILE the Los Angeles Housing Department report and Resolution dated February 15, 2012, and revised Resolution submitted on March 8, 2012.
2. ADOPT the RESOLUTION attached to the Los Angeles Housing and Community Investment Department (HCIDLA) transmittal dated July 15, 2013 (attached to Council file [C.F.] No. 11-0054-S2) authorizing the issuance of up to \$7,479,629 in tax-exempt multi-family housing revenue bonds for the Broadway Villas Project, and APPROVE the related bond documents, subject to the approval of the City Attorney as to form.
3. AUTHORIZE the General Manager, HCIDLA, or designee, to:
 - a. Negotiate and execute the related bond documents, subject to the approval of the City Attorney as to form.
 - b. Increase the Affordable Housing Trust Fund loan for the Broadway Villas Project using HOME Investment Partnership Program funds in an amount not to exceed \$500,000.
 - c. Execute a Lease Agreement with the proposed limited partnership in the amount of one dollar (\$1.00) per year, for the Broadway Villas Project.
 - d. Prepare Controller instructions and any necessary technical adjustment(s), consistent with Mayor and Council actions, subject to the approval of the City Administrative Officer (CAO), and authorize the Controller to implement the instructions.
 - e. Request the Controller to allocate and expend HOME Investment Partnership funds from the following Fund and Account for the Broadway Villas Project:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Broadway Villas	561/43	43J007	AHTF	\$500,000

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. Funding authority for the tax-exempt multi-family housing revenue bonds is provided by the California Debt Limit Allocation Committee. The borrower, AMCAL Broadway Fund, L.P, will pay all costs associated with the issuance of the bonds, and the City bears no financial responsibility for repayment. Approval of the recommendations will provide the Broadway Villas Project with funding to construct affordable housing for seniors. The recommendations are in accordance with the City's Debt Management Policy in that no City funds are being used to issue the bonds, and the proposed use of Affordable Housing Trust Fund/HOME Investment Partnerships Program loan financing has a public benefit to residents of the City that is sufficient to merit the City's participation in the financing.

Community Impact Statement: None submitted.

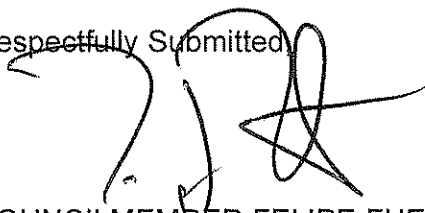
SUMMARY

At a regular meeting held on September 11, 2013, the Vice Chair of the Housing Committee considered: a transmittal and Resolution from the Los Angeles Housing Department (now known as the Los Angeles Housing and Community Investment Department [HCIDLA]) dated February 15, 2012, a revised Resolution submitted on March 8, 2012, a report from the HCIDLA dated August 5, 2013, and a report from the CAO dated September 10, 2013, relative to the issuance of up to \$7,479,629 in tax-exempt multi-family housing revenue bonds for the Broadway Villas Project located at 9413-9425 South Spring Street in Council District Eight, and a request for authorization to increase the Affordable Housing Trust Fund loan by \$500,000 for the project.

Representatives of the CAO and the HCIDLA provided a brief overview of the matter and responded to related questions from the Committee Vice Chair. The HCIDLA reported that the proposed Broadway Villas Project is a 49-unit senior building with space for a grocery store, and that it is a legacy project from the former Community Redevelopment Agency of Los Angeles. The project has been delayed since 2010, and due to cost increases since that time, the HCIDLA recommends increasing the HCIDLA loan by \$500,000 to cover the cost increases as well as executing a long-term lease with the developer, in addition to the issuance of the bonds. The CAO supports the recommendations by the HCIDLA.

After providing an opportunity for public comment, the Committee recommended that Council approve the recommendations in the CAO report and the Resolution attached to the HCIDLA report dated July 15, 2013, and receive and file the LAHD report and Resolution dated February 15, 2012 and the revised Resolution submitted on March 8, 2012. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,



COUNCILMEMBER FELIPE FUENTES, VICE CHAIR
HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	ABSENT
FUENTES:	YES
WESSON:	ABSENT
BUSCAINO:	ABSENT
PRICE:	ABSENT

ADOPTED

SEP 13 2013

LOS ANGELES CITY COUNCIL

TO THE MAYOR FORTHWITH

-NOT OFFICIAL UNTIL COUNCIL ACTS-

MAYOR WITH FILE

RESOLUTION

CITY OF LOS ANGELES

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A BOND BY THE CITY OF LOS ANGELES DESIGNATED MULTIFAMILY HOUSING REVENUE BOND (BROADWAY VILLAS SENIORS APARTMENTS) SERIES 2013B COMPRISED OF MULTIPLE SUB-SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,479,629 TO PROVIDE PERMANENT FINANCING FOR THE CONSTRUCTION OF THE MULTIFAMILY HOUSING PROJECT SPECIFIED IN PARAGRAPH 16 HERETO AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND AGREEMENTS AND THE TAKING OF RELATED ACTIONS.

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

WHEREAS, the City now desires to issue pursuant to the Law and in accordance with the Act its revenue bond to provide permanent financing for the construction of the multifamily rental housing project described in paragraph 16 hereof (the "Project"); and

WHEREAS, the Project is located wholly within the City; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize the financing of the Project, and it is within the powers of the City to provide for such a financing and the issuance of such bond; and

WHEREAS, the City proposes to issue, pursuant to the Law and in accordance with the Act, its Multifamily Housing Revenue Bond (Broadway Villas Seniors Apartments) Series 2013B comprised of multiple sub-series (the "Bond") in a principal amount not to exceed \$7,479,629; and

WHEREAS, the City proposes to use the proceeds of the Bond to finance a portion of the construction of the Project; and

WHEREAS, U.S. Bank National Association, or a subsidiary or affiliate thereof (the "Purchaser") has expressed its intention to purchase (or to cause a subsidiary or affiliate to

purchase) the Bond authorized hereby in whole, and this Council (the "City Council") finds that the public interest and necessity require that the City at this time make arrangements for the sale of such Bond; and

WHEREAS, the interest on the Bond may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code") only if the Bond is approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, the Bond is required to be approved, following a public hearing, by an elected representative of the issuer of the Bond and an elected representative of the governmental unit having jurisdiction over the area in which the Project is located; and

WHEREAS, this City Council is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the Bond within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City, on December 13, 2010, to the effect that a public hearing would be held on December 27, 2010 regarding the issuance of the Bond; and

WHEREAS, the Los Angeles Housing Department held the said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the Bond; and

WHEREAS, the minutes of such public hearing, and any written comments received with respect thereto, have been presented to this City Council;

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. Pursuant to the Law and in accordance with the Act and the Indenture (as hereinafter defined) a revenue bond of the City, to be designated as "City of Los Angeles Multifamily Housing Revenue Bond (Broadway Villas Seniors Apartments) Series 2013B" comprised of multiple sub-series in a principal amount not to exceed \$7,479,629, is hereby authorized to be issued. The amount of the Bond to be issued shall be determined by a Designated Officer (as defined below) in accordance with this Resolution.

3. The proposed form of Indenture of Trust (the "Indenture"), by and among the City, the Purchaser as Bondowner Representative and Wells Fargo Bank National Association (the "Trustee"), in substantially the form attached hereto, is hereby approved. Each of the Mayor of the City, the General Manager, any Assistant General Manager or any Interim General Manager, Interim Assistant General Manager, Executive Officer or

Director-Major Projects Division of the Los Angeles Housing Department (each hereinafter referred to as a "Designated Officer") is hereby authorized and directed, for and in the name and on behalf of the City, to execute the Indenture, with such additions, changes or corrections as the Designated Officer may approve upon consultation with the City Attorney and Bond Counsel and approval by the City Attorney, such approval to be conclusively evidenced by the execution of the Indenture with such additions, changes or corrections.

4. The proposed form of Loan Agreement (the "Loan Agreement"), by and among the City, the Purchaser as Bondowner Representative and the Project owner (as set forth in paragraph 16 hereof, the "Owner"), in substantially the form attached hereto, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute the Loan Agreement, with such additions, changes or corrections as the Designated Officer may approve upon consultation with the City Attorney and Bond Counsel and approval by the City Attorney, such approval to be conclusively evidenced by the execution of the Loan Agreement with such additions, changes or corrections.

5. The proposed form of the Bond, as set forth in the Indenture, is hereby approved, and the Mayor and City Treasurer, Interim City Treasurer or Assistant City Treasurer of the City are hereby authorized and directed to execute, by manual or facsimile signatures of such officers under the seal of the City, the Bond in substantially such form, and the Designated Officers are hereby authorized and directed to deliver the Bond to the Trustee in accordance with the Indenture. The date, maturity dates, interest rate or rates (which may be either fixed or variable), interest payment dates, denominations, form of registration privileges, manner of execution, place of payment, terms of redemption, use of proceeds, series designations and other terms of the Bond shall be as provided in the Indenture as finally executed; provided, however, that the aggregate principal amount of the Bond shall not exceed \$7,479,629, the interest rate on the Bond shall not exceed 12% per annum, and the final maturity of the Bond shall be no later than June 1, 2053. The Bond may, if so provided in the Indenture, be issued as a "draw-down" bond to be funded over time as provided in the Indenture. Such Bond may be delivered in temporary form pursuant to the Indenture if, in the judgment of the City Attorney, delivery in such form is necessary or appropriate until the Bond in definitive form can be prepared.

6. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into by and among the City, the Trustee and the Owner, substantially in the form attached hereto, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Regulatory Agreement, with such additions, changes and corrections as the Designated Officer may approve upon consultation with the City Attorney and Bond Counsel and approval of the City Attorney, such approval to be conclusively evidenced by the execution of said Regulatory Agreements with such additions, changes or corrections. Any Designated Officer is hereby authorized and directed for and in the name and on behalf of the City to execute amendments to the Regulatory Agreement in order that interest on the Bond remains tax-exempt.

7. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Bond are hereby approved, confirmed and ratified, and each Designated Officer of the City, the City Clerk and other properly authorized officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the Indenture, those documents granting a leasehold interest to the Owner in the real property upon which the Project will be constructed, and the other documents herein approved, and including, if deemed desirable by any Designated Officer, a letter or letters of representation to The Depository Trust Company, if the Bond is to be issued in book-entry form only, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bond and the implementation of the Program in accordance with the Act and the Law and this Resolution and resolutions heretofore adopted by the City.

8. The City Clerk of the City or any deputy thereof is hereby authorized to countersign or to attest the signature of any Designated Officer and to affix and attest the seal of the City as may be appropriate in connection with the execution and delivery of any of the documents authorized by this resolution, provided that the due execution and delivery of said documents or any of them shall not depend on such signature of the City Clerk or any deputy thereof or affixing of such seal. Any of such documents may be executed in multiple counterparts.

9. In addition to the Designated Officers, 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, except the Bond, authorized by this Resolution.

10. In accordance with procedures established by the City Charter, the City Council, by adoption and approval of this Resolution and with the concurrence of the Mayor, does hereby direct that the proceeds of the Bond be delivered directly to the Trustee, instead of the City Treasurer, to be deposited into the funds and accounts established under the Indenture.

11. Pursuant to Section 147(f) of the Code, the City Council hereby approves the issuance of the Bond to finance the Project. It is intended that this Resolution constitute approval of the Bond by the applicable elected representative of the issuer of the Bond and the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f).

12. Pursuant to the City Charter all agreements to which the City is a party shall be subject to approval by the City Attorney as to form.

13. Each Designated Officer and other properly authorized officials of the City 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 to address any issues arising with respect to the Bond or the agreements relating thereto subsequent to their issuance.

14. The Bond shall contain a recital that it is issued pursuant to the Law and in accordance with the Act.

15. This Resolution shall take effect immediately upon its passage and adoption.

16. The "Project" and "Owner" referred to herein are as follows:

Project Name	# of Units	Address	Owner
Broadway Villas Seniors Apartments	48, plus one manager unit	9425 South Spring Street, Los Angeles, CA 90003	AMCAL Broadway Fund, L.P.

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on Sept. 13, 2013.

By _____

Title _____

Deputy

