

**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 approval to issue Letters of Commitment for Round 3 of the 2012 Affordable Housing Trust Fund (AHTF), and various actions.

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

1. AUTHORIZE the General Manager, Los Angeles Housing Department (LAHD), or designee, to:
 - a. Issue Letters of Commitment from the Affordable Housing Trust Fund (AHTF) for the projects listed below, in the amounts identified, subject to the following conditions: that the project sponsors, except those whose projects are otherwise fully funded, apply to the proposed leveraging source in the next available funding round; and that disbursement take place after sponsors receive the full amount requested therein:

Table 1 – Recommended Affordable Housing Projects

<u>Project Name</u>	<u>Type</u>	<u>Units</u>	<u>Council District</u>	<u>AHTF Amount</u>	<u>CityTax Credits</u>	<u>Project Based Vouchers Awarded</u>
Blossom Plaza	Family	53	1	\$5,300,000	\$2,346,646	N/A
Linda Vista Apts Phase II	Senior	97	14	\$8,850,000	\$986,429	N/A
Subtotal:		150		\$14,150,000	\$3,333,075	

Table 2 – Recommended Homeless Housing Project

<u>Project Name</u>	<u>Type</u>	<u>Units</u>	<u>Council District</u>	<u>AHTF Amount</u>	<u>CityTax Credits</u>	<u>Project Based Vouchers Awarded</u>
Navy Village	Family	73	15	\$2,673,764	N/A	50

Table 3 – Total Recommended Projects

<u>Units</u>	<u>AHTF Amount</u>	<u>CityTax Credits</u>	<u>Project Based Vouchers Awarded</u>
223	\$16,823,764	\$3,333,075	50

- b. Negotiate and execute an acquisition/predevelopment/construction/permanent loan agreement for each project identified in Recommendation 1a above that receives a funding award from its respective leveraging source, if applicable, subject to the satisfaction of all conditions and criteria stated in the AHTF application, the LAHD transmittal dated February 21, 2013 attached to Council

File (C.F.) No. 11-1920 and the LAHD's Letter of Commitment, subject to approval by the City Attorney as to form.

- c. Negotiate and execute a lease option agreement, authorize execution of a Development and Disposition Agreement (DDA), and negotiate a ground lease and other associated documents for the Blossom Plaza project, subject to approval by the City Attorney as to form.
- d. Execute subordination agreements for the projects identified in Recommendation 1a above wherein the City loan and regulatory agreements are subordinated to their respective conventional construction and permanent loans, subject to approval by the City Attorney as to form.
- e. Execute agreements allowing the transfer to and/or execution of the City loans by a limited partnership to enable admittance of tax credit investors, subject to approval by the City Attorney as to form.
- f. Report back to the Mayor and Council with proposed policies and procedures to manage the new City of Los Angeles Geographic Apportionment created by the California Tax Credit Allocation Committee (TCAC), and include in the proposed policies and procedures how LAHD will ensure that future NOFAs are open and competitive.
- g. Issue "Oppose" determinations to TCAC for projects that have not been approved by the Mayor and Council for AHTF commitments for projects competing in Round 1 of TCAC's 2013 City of Los Angeles Geographic Apportionment.
- h. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions on these matters, subject to the approval of the City Administrative Officer (CAO), and authorize the Controller to implement these instructions.

2. AUTHORIZE the Controller to allocate and expend funds from the following funds and accounts for the 2012 AHTF Round 3 NOFA projects:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Blossom Plaza	561	43G212	AHTF	\$192,561.00
	561	43H212	AHTF	\$1,211, 584.09
	561	43J007	AHTF	<u>\$3,895,854.91</u>
			Subtotal:	\$5,300,000.00

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Linda Vista Phase II	561	43J007	AHTF	\$3,045,138.09
	561	43K007	AHTF	<u>\$5,804,861.91</u>
			Subtotal:	\$8,850,000.00

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Navy Village	561	43K007	AHTF	\$2,673,764.00

Total: \$16,823,764.00

3. APPROVE and AUTHORIZE the General Manager, Los Angeles Department of Transportation, and General Manager, LAHD, to execute a Disposition Development Agreement (DDA), between the City of Los Angeles and Forest City Blossom LLC, substantially in the form attached to the Chief Legislative Analyst (CLA) Report dated February 26, 2013 (attached to C.F. 11-1920), for the Blossom Plaza project.

Fiscal Impact Statement: The CAO and the CLA report that there is no impact to the General Fund. The CAO further reports that approval of the recommendations in this report authorizes the LAHD to issue Letters of Commitment totaling \$16,823,764 to projects selected through the 2012 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA) Round 3. Funding is available and provided from approved Home Investment Partnerships Program (HOME) funds. The recommendations in this report comply with City Financial Policies in that dedicated funding sources will fully fund any resulting commitments to projects selected under the NOFA.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on February 27, 2013, the Housing, Community and Economic Development Committee considered an LAHD report dated February 21, 2013, a CAO report dated February 27, 2013, and a CLA report dated February 26, 2013, relative to approval to issue Letters of Commitment for Round 3 of the 2012 Affordable Housing Trust Fund (AHTF) for the Blossom Plaza, Linda Vista Apartments Phase II, and Navy Village Projects and authorization for the LAHD to enter into a Disposition and Development Agreement regarding the Blossom Plaza Project located at 900 N. Broadway in Council District One, and various actions related to the AHTF.

Representatives of the CAO, the CLA, and the LAHD provided an overview relative to the AHTF Round 3 Letters of Commitment and responded to related questions from the Committee. Additionally, the CLA reported that technical issues were identified after release of its report relative to the Blossom Plaza Project. Based on a recommendation by the CLA, the Committee instructed the City negotiating to work with the developer to resolve the technical issues and instructed the CLA to report on those issues to Council at the time this matter is considered.

After providing an opportunity for public comment, the Committee recommended approval of the recommendations in the CAO report and in the CLA report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

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

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