

**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 issues Letters of Commitment for Round 1 of the 2012 Affordable Housing Trust Fund (AHTF), and other actions related to the AHTF.

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 in the amounts identified in Tables 1 through 3 from the Affordable Housing Trust Fund, 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 HOMELESS HOUSING PROJECTS

	<u>Project Name</u>	<u>Type</u>	<u>Units</u>	<u>C.D.</u>	<u>AHTF Amount</u>	<u>PBVs Awarded</u>
1	Day Street Apartments	Special Needs	46	2	\$1,745,082	21
2	New Pershing Apartments	Special Needs	69	9	\$3,500,000	52
3	Rosslyn Hotel	Special Needs	<u>264</u>	9	<u>\$8,138,435</u>	<u>93</u>
	Total:		379		\$13,383,517	166

TABLE 2 - RECOMMENDED AT-RISK HOUSING PROJECTS

	<u>Project Name</u>	<u>Type</u>	<u>Units</u>	<u>CD</u>	<u>AHTF Amount</u>
1	Banning Villa	At-Risk	90	15	\$1,500,000

TABLE 3 - RECOMMENDED AFFORDABLE HOUSING PROJECTS

	<u>Project Name</u>	<u>Type</u>	<u>Units</u>	<u>CD</u>	<u>AHTF Amount</u>
1	Rio Vista	Family	87	1	\$2,542,354
2	Riverwalk at Reseda	Family	77	3	\$301,059
3	Sage Park	Family	<u>90</u>	15	<u>\$3,473,070</u>
	Total:		254		\$6,316,483

TABLE 4 - COMBINED TOTAL - ALL PROJECTS

<u>Projects</u>	<u>Units</u>	<u>AHTF Amount</u>	<u>PBV Amount</u>
7	723	\$21,200,000	166

- b. Negotiate and execute an acquisition/predevelopment /construction/permanent loan agreement for each project identified in Tables 1 through 3 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, this transmittal, and the LAHD's Letter of Commitment; subject to approval by the City Attorney as to form.
- c. Execute subordination agreements for each of the aforementioned projects wherein the City loan and regulatory agreements 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. Participate as a co-grantee with McCormack Baron Salazar (MBS) of State of California Housing and Community Development (HCD) Infill Infrastructure Grant (IIG) funds awarded June 30, 2009.
- f. Enter into negotiations with HCD, if necessary, in order to finalize the IIG budget, proposed accomplishments, or other related details for the grant agreement.
- g. Execute a grant agreement, any amendments thereto, and any other documents necessary between HCD and the City of Los Angeles for the disbursement of the IIG funds.
- h. Negotiate and execute IIG pre-development/construction/permanent loan agreements, separately or as part of the AHTF loan agreements, with MBS for each of the five phases of the Taylor Yard Transit Village development, including the Taylor Yard Apartments (Phase I) and the Rio Vista Apartments (Phase II), subject to approval of the City Attorney as to form.
- i. Accept the grant and receive deposits and/or reimbursements from the IIG Program up to \$15,094,990, and deposit the funds into the fund and account identified in Recommendation 2C below.
- j. Amend the AHTF Loan Agreements for the Las Margaritas, Normandie Terrace, and Vendome Palms projects, to include funds committed by the Los Angeles Department of Water and Power (LADWP) in the amount of \$200,000 per project.
- k. Amend the AHTF commitment for the Tobias Terrace project to include funds committed by the LADWP in the amount of \$200,000.
- l. Prepare Controller's 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.

- m. 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 this report.

2. AUTHORIZE the Controller to:

- a. Allocate and expend funds from the following funds and accounts for the following 2012 Round 1 projects:

<u>Project</u>	<u>Fund</u>	<u>Acct</u>	<u>Name</u>	<u>Amount</u>
Banning Villa Apts.	561	43H212	AHTF	\$1,500,000.00
Day Street Apts.	561	43H212	AHTF	\$1,745,082.00
New Pershing Apts.	561	43H212	AHTF	\$3,500,000.00
Rio Vista Apts.	561	43H212	AHTF	\$2,542,354.00
Riverwalk at Reseda	561	43H212	AHTF	\$301,059.00
Rosslyn Hotel	561	43H212	AHTF	\$8,138,435.00
Sage Park	561	43H212	AHTF	<u>\$3,473,070.00</u>
Total:				\$21,200,000.00

- b. Establish a new interest bearing fund entitled State HCD-IIG Program for the receipts and disbursements of the IIG in the amount of \$15,094,990.00.

- c. Appropriate funds within the new Fund No. XXX (number to be assigned by the City Controller upon Mayor and Council approval of this recommendation), Department 43, for fiscal year 2011-2012 as follows:

<u>Fund</u>	<u>Acct</u>	<u>Name</u>	<u>Amount</u>
XXX	43H854	HCD IIG-Taylor Yard	\$15,094,990.00

- d. Expend funds in an amount not to exceed \$15,094,990.00, from the above Fund and Account, Department 43, upon proper written demand from the General Manager, LAHD, or designee.

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

<u>Project</u>	<u>Fund</u>	<u>Acct</u>	<u>Name</u>	<u>Amount</u>
Las Margaritas	44G	43T215	LADWP	\$200,000.00
Normandie Terrace	44G	43T215	LADWP	\$200,000.00
Tobias Terrace	44G	43G215	LADWP	\$200,000.00
Vendome Palms	44G	43T215	LADWP	<u>\$200,000.00</u>
Total:				\$800,000.00

Fiscal Impact Statement: The LAHD reports that the proposed actions will allocate a total of \$21,200,000 in HOME funds for the development of seven 2012 Round 1 projects consisting of 723 affordable housing units. The seven projects will create approximately 1,420 jobs. There is no impact on the General Fund.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on March 7, 2012, the Housing, Community and Economic Development Committee (HCED) considered a LAHD report dated February 21, 2012 relative to authorization to issue letters of commitment for Round 1 of the 2012 Affordable Housing Trust Fund and various actions related to the AHTF.

After providing an opportunity for public comment, the Committee approved the LAHD report, instructed the HCED Committee Clerk to schedule this item for March 20, 2012, and instructed the CAO to provide a written report on this matter to the Council on that date. 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>
CARDENAS:	YES
REYES:	YES
WESSON:	YES
ALARCON:	YES
PERRY:	YES

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