

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 2 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 for the five projects detailed below that were selected through Round 2 of the 2012 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA), subject to the condition that the project sponsors (except those projects which are otherwise fully funded) apply to the proposed leveraging source in the next available funding round and receive the full amount requested therein:

<u>Project Name</u>	<u>Category</u>	<u>Units</u>	<u>Council District</u>	<u>AHTF Amount</u>
Beswick Senior Apartments	Special Needs	33	14	\$2,374,632
Eagle Vista	Special Needs	56	14	\$1,773,961
Knob Hill Apartments	Special Needs	39	1	\$1,100,000
Michael's Village	Special Needs	32	4	\$1,301,307
Moonlight Villas	Special Needs	<u>27</u>	7	<u>\$2,044,211</u>
Total Permanent Supportive Housing Units:		187		\$8,594,111
Total Projects: 5		187		\$8,594,111

- b. Negotiate and execute an acquisition/predevelopment/construction/permanent loan agreement for each project identified in Recommendation No. 1a above that receives a funding award from their respective leverage source (if applicable), subject to the satisfaction of all conditions and criteria stated in the AHTF application, the LAHD transmittal dated June 6, 2012 contained in Council File (CF) 11-1920 and the LAHD's Letters of Commitment, subject to approval by the City Attorney as for form.
 - c. Execute subordination agreements for the projects identified in Recommendation No. 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.

- 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, subject to approval by the City Attorney as to form.
- e. Amend the loan agreement for the Gateway Apartments, Cuatro Vientos, Toberman Village, and Young Burlington projects, to replace funding from the former Community Redevelopment Agency of Los Angeles (CRA/LA) with Home Investment Partnerships Program (HOME) and/or Housing Opportunities for Persons with HIV/AIDS (HOPWA) funds as detailed in Recommendation No. 2b below.
- f. Amend the AHTF commitment of HOME funds (\$4 million) for Taylor Yard Apartments (CF 11-1190) to the Neighborhood Stabilization Program 2 (NSP2) funds (\$4 million), subject to approval by the U.S. Department of Housing and Urban Development (HUD).
- g. Amend the AHTF commitment for the Broadway Villas project (CF 10-1869) to replace NSP2 funds (\$3.86 million) with HOME funds (\$3.86 million), subject to approval by HUD, and extend the term to December 31, 2012.
- h. Negotiate and execute a Disposition and Development Agreement (DDA) between the LAHD and Amcal Multi-Housing, Inc. for the Broadway Villas Mixed-Use Development, subject to approval by the City Attorney as to form. Execution of the DDA is contingent on the Oversight Board of the CRA/LA, a Designated Local Authority (Successor to the CRA/LA), determining that the CRA/LA legally conveyed the Broadway Villas property to the City.
- i. Execute subordination agreements for the Broadway Villas project wherein the DDA is subordinated to private construction and permanent loans.
- j. Execute agreements allowing the transfer to and/or execution of the Broadway Villas DDA by a limited partnership, to enable admittance of tax credit investors.

2. AUTHORIZE the Controller to:

- a. Allocate and expend funds from the following funds and accounts for the 2012 Round 2 AHTF NOFA projects:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Beswick Senior Apartments	561	43J212	AHTF	\$2,374,632
Eagle Vista	561	43J212	AHTF	\$1,773,961
Knob Hill Apartments	561	43J212	AHTF	\$1,100,000
Michael's Village	561	43J212	AHTF	\$1,301,307
Moonlight Villas	561	43J212	AHTF	\$2,044,211
Total All 2012 Round 2 Projects:				\$8,594,111

- b. Allocate and expend funds for the following previously approved projects, using HOME and HOPWA funds to fill the gap created by the loss or delay in receiving CRA/LA funding, as follows:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Cuatro Vientos	561	43J212	AHTF	\$313,790
Gateway Apartments	561	43J212	AHFT	\$193,960
	569	43J440	HOPWA PSHP	<u>\$1,00,000</u>
			Gateway Subtotal:	\$1,193,960
Toberman Village	561	43J212	AHTF	\$135,401
Young Burlington	561	43J212	AHTF	<u>\$1,476,000</u>
Total All Previously Approved Projects Requiring Gap Funding:				\$3,119,151

- c. Reallocate and expend funds for previously approved projects as follows:

<u>Project</u>	<u>To / From</u>	<u>Fund</u>	<u>Fund Name</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Broadway Villas (CF 09-2841)	From:	52J	NSP	43F868	NSP2/ARRA Program Operation	\$4,000,000
	To:	561	AHTF	43G212	AHTF	\$4,000,000
Taylor Yard (CF 10-1869)	From:	561	AHTF	43G212	AHTF	\$3,860,064
	To:	52J	NSP	43F868	NSP2/ARRA Program Operation	\$3,860,064

- d. Use uncommitted funds from prior years' accounts within HOME fund 561 first, before current year funds and accounts, as needed, to close out old accounts for project related to the AHTF.
3. AUTHORIZE the General Manager, LAHD, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with Mayor and Council actions on these matters, subject to the approval of the City Administrative Officer (CAO), and AUTHORIZE the Controller to implement the instructions.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. Approval of these recommendations will authorize the LAHD to issues Letters of Commitment (LOCs) totaling \$8.6 million to projects selected through the 2012 AHTF NOFA – Round 2. The source of funds for the LOC's are approved HOME Investment Partnership Program funds (\$8.6 million). The recommendations will also allow the LAHD to: backfill funding from the former CRA/LA due to the dissolution of the CRA/LA; exchange its AHTF funding commitments to the Broadway Villas and Taylor Yards Projects; approve a Disposition and Development Agreement for the Broadway Villas Project; and amend the LAHD's AHTF commitment to the Broadway Villas Project. These recommendations comply with the City's Financial Policies as dedicated special funding sources will fully fund commitments to projects.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on June 27, 2012, the Housing, Community and Economic Development Committee considered an LAHD report dated June 6, 2012 and a CAO report dated June 26, 2012 relative to approval to issue Letters of Commitment for Round 2 of the 2012 Affordable Housing Trust Fund (AHTF); allocation of HOME and HOPWA funds to backfill CRA/LA funding for Cuatro Vientos, Gateway Apartments, Toberman Village and Young Burlington projects; reallocation of funding for Broadway Villas and Taylor Yard projects; authorization for the LAHD to enter into a Disposition and Development Agreement regarding the Broadway Villas project, and various actions related to the AHTF.

After providing an opportunity for public comment, the Committee recommended approval of the recommendations in the CAO 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>
CARDENAS:	YES
REYES:	ABSENT
WESSON:	YES
ALARCON:	ABSENT
PERRY:	YES

REW
6/27/12
[11-1920_rpt_hced_6-27-12](#)

Not Official Until Council Acts