

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date:

CAO File No. [Click and type #]
Council File No. 13-0152-S1
Council District: 2, 6

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Housing and Community Investment Department date October 23, 2013; received by the City Administrative Officer on November 12, 2013

Subject: **REQUEST FOR AUTHORIZATION TO ISSUE UP TO \$10,381,000 IN TAX-EXEMPT MULTI-FAMILY CONDUIT BONDS FOR THE HAZELTINE AND WYANDOTTE APARTMENTS PROJECT**

SUMMARY

The Los Angeles Housing and Community Investment Department (HCID) requests authority to issue tax-exempt, multi-family housing conduit revenue bonds in an amount not to exceed \$10,381,000 to finance the acquisition and rehabilitation of an affordable housing development known as the Hazeltine and Wyandotte Apartments (Project). The California Debt Limit Allocation Committee (CDLAC) awarded the bond allocation for the Project to the City on September 18, 2013, with February 11, 2014 as the anticipated allocation expiration date. However, the project is financed by the Federal Housing Administration (FHA), and the U.S Department of Housing and Urban Development (HUD) deadline is December 11, 2013. Therefore, HCID requests that the transaction close by the end of November 2013 to ensure that the FHA insured mortgage is issued in a timely fashion. This Office concurs with the HCID request to issue the bonds for the Project.

The proposed Project consists of two sites located at 7250 Hazeltine Avenue and 14630 Wyandotte Street, Los Angeles, California in Council Districts 2 and 6 respectively. The Project consists of a total of 108 units (35 units at Hazeltine and 73 units at Wyandotte) in the two buildings. The Project will continue to provide affordable housing for families. The renovation of the buildings consists of new roofs, common area flooring and decking, common area lighting, and landscaping. The Project amenities include two community rooms, a central laundry facility, afterschool programs, education classes for tenants, and 181 parking spaces.

The HCID also requests Council to adopt the related Resolution authorizing the bond issuance. The Resolution is included in the attached Transmittal from HCID. The Project funding will be provided through tax-exempt bonds and General Partner and Developer equity. The City's involvement in these transactions is considered true conduit financing, in which the obligation for repayment of the bonds is the Borrower's responsibility and the City bears no financial responsibility for the repayment.

HOUSING

NOV 21 2013

There will be no impact to the General Fund. The City's Debt Management Policy is not applicable as no City funds will be used to issue the bonds.

BACKGROUND

The Project Development Team is comprised of the following groups:

- Project Sponsor and Borrower: Hazeltine and Wyandotte, L.P., Woodland Hills, CA.
- Managing General Partner and Developer: Housing Corporation of America (HCA), Salt Lake City, UT. Co-General Partner: InSite Development, LLC (ISD), Woodland Hills, CA.
- Attorney: Hobson, Bernardino & Davis, LLP, Los Angeles, CA.
- General Contractor: Atkinson & Associates, Inc., Lancaster, CA.
- Property Manager: Ironwood Management, Woodland Hills, CA.
- Equity Investor: PNC Bank, Portland, OR.

On December 12, 2012, HCID induced the Project thereby enabling the Sponsor to apply for a tax-exempt bond allocation (C.F. 04-2646). On January 10, 2013, HCID conducted a public hearing in accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). The HCID was authorized to apply on behalf of the Sponsor for an allocation of up to \$12,600,000 in tax-exempt bonds from CDLAC. On June 7, 2013, HCID, on behalf of the Developer, submitted the CDLAC application, and on November 13, 2013, CDLAC awarded \$10,381,000 in tax-exempt bonds for the Project. The HCID anticipates that the HUD closing deadline will be December 11, 2013.

The HCID states that the Borrower and Developer are in compliance with the HCID Business Policy and that labor costs are subject to the State of California's Prevailing Wage requirements and/or Federal Davis Bacon wages, if applicable.

Financial Structure

The bonds will be privately placed and purchased by PNC Bank. The Borrower will use the proceeds from the construction loan to provide affordable housing within the City in compliance with federal, state and local laws, and with the policies and procedures of the City. The construction loan term will be 24 months with a variable interest rate of 2.50 percent. Permanent financing for the Project will take the form on a FHA-insured conventional mortgage loan, also with PNC Bank. The currently underwritten permanent interest is 4.70 percent. The Developer has received 4 percent Low Income Housing Tax Credits (LIHTC) and has at least \$5,224,709 in tax credit equity. Additional permanent financing include an General Partner Equity/Loan and deferred Developer fees. The two properties have a project-based HUC Section 8 Housing Assistance Payments (HAP) contract providing subsidies to all of the units.

The Council adopted a Responsible Banking Ordinance (RBO) in May 2012 (C.F. 09-0234 and 09-0234-S1). The purpose of the RBO is to create a social investment policy that reflects the community's priorities and acts as a tool when seeking financial services. The City does not have business relations with PNC Bank, and since the City acts only as a conduit issuer in these bond transactions and has no financial interest, the selection of this bank does not constitute City business.

For this bond financing, the City only acts as a conduit issuer. The bonds are not general obligations of the City because the conduit Borrower, Hazeltine and Wyandotte, L.P., is solely responsible for paying the debt. In addition, the bonds are usually based on the credit of the conduit Borrower. Furthermore, HCID must ensure that the Funding Loan Agreement states that the City is fully indemnified by Hazeltine and Wyandotte, L.P.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Adopt the Resolution included in the attached Transmittal from the Los Angeles Housing and Community Investment Department (HCID) dated October 23, 2013, authorizing the issuance of up to \$10,381,000 in tax-exempt multi-family mortgage conduit revenue bonds for the acquisition and rehabilitation of the Hazeltine and Wyandotte Apartments Project;
2. Approve the related loan documents, subject to the approval of the City Attorney as to form; and,
3. Authorize the General Manager, HCID, or designee, to negotiate and execute the relevant loan documents, subject to the approval of the City Attorney as to form.

FISCAL IMPACT STATEMENT

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, Hazeltine and Wyandotte, 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 Hazeltine and Wyandotte Apartments Project (Project) with funding to acquire and rehabilitate the Project to provide affordable housing for the community. The City's Debt Management Policy is not applicable as there are no City funds being used to issue the bonds.

MAS:MMR:02140049C

Attachment



Los Angeles
HOUSING+COMMUNITY
 Investment Department
Finance & Development Division
 1200 West 7th Street, 8th Floor, Los Angeles, CA 90017
 tel 213.808.8901 | fax 213.808.8918
 hcidla.lacity.org



Eric Garcetti, Mayor
 Mercedes M. Márquez, General Manager

2013 NOV 12 PM 2:27
 ADMINISTRATIVE OFFICER

October 23, 2013

Council File: NEW
 Council District: 2, 6
Contact Persons:
 Rochelle Cox (213) 808-8960
 Yaneli Ruiz (213) 808-8951
 Manuel Bernal (213) 808-8901
 Helmi Hisserich (213) 808-8662

Honorable Eric Garcetti
 Mayor, City of Los Angeles
 Room 303, City Hall
 200 N. Spring Street
 Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COMMITTEE TRANSMITTAL: REQUESTING THAT MAYOR AND CITY COUNCIL AUTHORIZE THE ISSUANCE OF UP TO \$10,381,000 IN TAX-EXEMPT MULTI-FAMILY CONDUIT REVENUE BONDS FOR THE HAZELTINE AND WYANDOTTE APARTMENTS PROJECT.

SUMMARY

- The Los Angeles Housing and Community Investment Department (HCIDLA) formerly known as the Los Angeles Housing Department (LAHD), respectfully requests authority to issue its tax-exempt multi-family housing conduit revenue bonds in the amount of \$10,381,000 to finance the development of an affordable housing development known as the Hazeltine and Wyandotte Apartments (“Project”). While it is anticipated that the California Debt Limit Allocation Committee (CDLAC) will designate February 11, 2014 as the allocation expiration date, the project is FHA financed and the HUD closing deadline is December 11, 2013. Therefore, HCIDLA requests that this transaction close by the end of November. This will ensure that the FHA insured mortgage is issued in a timely fashion.
- The proposed project consists of two scattered sites located at 7250 Hazeltine Avenue and 14630 Wyandotte Street, Los Angeles, California in the 2nd and 6th Council Districts, respectively. The proposal entails the acquisition and rehabilitation of two existing

buildings consisting of a total of 108 units (35 units at Hazeltine and 73 at Wyandotte). The Project will continue to provide affordable housing for families. Rehabilitation includes new roofs, common area flooring and decking, as well as, common area lighting and landscaping. Amenities include two community rooms, a central laundry facility, and afterschool programs and education classes for tenants. The Project contains 181 parking spaces.

RECOMMENDATIONS

The General Manager, HCIDLA, respectfully requests the following:

1. That your office schedule this transmittal for consideration at the next available meeting(s) of the appropriate Committee(s) of the City Council and forward it to the City Council for review and approval immediately thereafter;
2. That the City Council:
 - a. Adopt the attached Resolution authorizing the issuance of up to \$10,381,000 in tax-exempt multi-family mortgage conduit revenue bonds ("Bond") for the development of the Hazeltine and Wyandotte Apartments Project;
 - b. Approve the related loan documents, subject to the approval of the City Attorney as to form;
 - c. Authorize the General Manager, HCIDLA, or designee, to negotiate and execute the relevant loan documents, subject to the approval of the City Attorney as to form.
3. That the Mayor concur with the action of the City Council.

BACKGROUND/PROJECT DETAIL

Financing History

Timeline

Inducement	December 21, 2012 (CF# 04-2646)
TEFRA Hearing	January 10, 2013
TEFRA Approved by Council	February 19, 2013
CDLAC Application Submitted	June 7, 2013
CDLAC Allocation Award	September 18, 2013
CDLAC Allocation Expiration Date	February 11, 2014

On December 12, 2012, HCIDLA induced the project (CF#04-2646), thereby enabling the sponsor to apply for a tax-exempt bond allocation. On January 10, 2013, HCIDLA conducted a

public hearing in accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). On February 19, 2013, the TEFRA Resolution and Minutes were adopted by the City Council (CF#11-0358). HCIDLA was authorized to apply on behalf of the sponsor for an allocation of up to \$12,600,000 in tax-exempt bonds from CDLAC. On June 7, 2013, HCIDLA, on behalf of the developer, submitted the CDLAC application for an allocation of tax-exempt bonds. It is expected the project will be awarded an allocation on November 13, 2013 for \$10,381,000 in bonds from CDLAC. While it is anticipated that CDLAC will designate February 11, 2014 as the allocation expiration date, the project is FHA financed and the HUD closing deadline is December 11, 2013. Therefore, HCIDLA requests that this transaction close by the end of November. This will ensure that the FHA insured mortgage is issued in a timely fashion

Affordability Restrictions

UNIT TYPE	50% AMI	60% AMI	Manager	TOTAL
2 bedroom	28	25	2	55
3 bedroom	9	19		28
4 bedroom	8	17		25
TOTAL	45	61	2	108

Pursuant to the Bond Regulatory Agreement to be executed in connection with the issuance of the tax-exempt bonds, the above referenced restrictions will have a term of not less than the longer of: (i) 15 years after 50% of the units are first occupied, (ii) the date such bond is paid in full, or (iii) the date on which any Section 8 assistance terminates, if applicable. In addition, CDLAC's resolution and rental income restrictions will be in place for at least 55 years. Also, because the Project will receive 4% Low Income Housing Tax Credits the subject units will also be restricted, via separate agreement, for a minimum of 55 years.

Development Team

The Project Sponsor is Hazeltine and Wyandotte, L.P. The Managing General Partner and developer is the Housing Corporation of America (HCA), a Utah-based non-profit corporation. The Co-General Partner is InSite Development, LLC (ISD), a California limited corporation. The tax credit equity investor is PNC Bank. The principal of ISD is Steven Eglash, President. The principal of HCA is Carol Cromar, Chairman of the Board and Vice-President.

The developer has over 21 years of experience in the development of multi-family rental housing and has developed over 74 projects in California resulting in a total of approximately 7,070 housing units.

Developer: Housing Corporation of America
2022 South 2100 East #101
Salt Lake City, Utah 84101
Phone : (801) 819-7989
Fax : (801) 819-7888
Contact : Carol Cromar

The borrower and developer are in compliance with LAHD's Business Policy.
The additional development team members are:

Attorney: Hobson, Bernardino & Davis LLP
725 South Figueroa Street, Suite 3230
Los Angeles, CA 90017
Phone: (213) 235-9191
Fax: (310) 948-9977
Contact: Jason Hobson

General Contractor: Atkinson & Associates, Inc.
233 East Avenue K6
Lancaster, CA 93535
Phone: (661) 723-5141
Fax: (661) 723-3728
Contact: George Atkinson

Property Manager: Ironwood Management
6265 Variel Avenue
Woodland Hills, CA 91367
Phone : (818) 789-5550
Fax : (818) 827-1719
Contact : Scott Williams

Equity Investor: PNC Bank
121 SW Morrison, Suite 1300
Portland, OR 97204
Phone: (503) 808-1349
Fax: (855) 324-7765
Contact: Matthew Harrington

Financial Structure

The bonds will be privately placed and purchased by PNC Bank. The Borrower will use the proceeds from the construction loan to provide affordable housing within the City in compliance with federal, state and local laws, as well as the policies and procedures of the City. The construction loan term will be 24 months. The construction phase loan will bear interest at a variable rate of 2.50%. Permanent financing for the project will take the form of an FHA-insured conventional mortgage loan, also with PNC Bank. The currently underwritten permanent interest rate is 4.70%. The developer has received 4% Low Income Housing Tax Credits (LIHTCs) and has at least \$5,224,709 in tax credit equity. Additional permanent financing includes a GP Equity/Loan and deferred developer fees. The property has a project-based HUD Section 8 Housing Assistance Payments (HAP) contract providing subsidies to 100% of the units.

Sources and Uses:

Construction	Total Sources	Per Unit	% Total
Tax-Exempt Bonds (PNC)	\$10,381,000	\$96,120	56%
Deferred Developer Fee	\$ 2,073,615	\$19,200	11%
GP Equity/ Loan	\$973,600	\$9,015	5%
Tax Credit Equity	\$5,224,709	\$48,377	28%
TOTAL	\$18,652,924	\$172,712	100%

Permanent	Total Sources	Per Unit	% Total
Tax-Exempt Bonds (PNC)	\$10,381,000	\$96,120	56%
Deferred Developer Fee	\$2,073,615	\$19,200	11%
GP Equity/ Loan	\$973,600	\$9,015	5%
Tax Credit Equity	\$5,224,709	\$48,377	28%
TOTAL	\$18,652,924	\$172,712	100%

Uses of Funds	Total Uses	Cost/Unit
Acquisition Costs	\$12,213,015	\$113,084
Construction Costs	\$2,190,392	\$20,281
Arch., Survey & Eng.	\$50,000	\$463
Financing Costs	\$582,401	\$5,393
Reserves	\$887,267	\$8,215
Other Soft Costs	\$656,234	\$6,076
Developer Fee	\$2,073,615	\$19,200
TOTAL	\$18,652,924	\$172,712

The HCIDLA Bond Team for the financing of the Hazeltine and Wyandotte Apartments Project is as follows:

Bond Issuer Financial Advisor
CSG Advisors, Inc.
315 West 5th Street, Suite 302
Los Angeles, CA 90013

Bond Counsel
Kutak Rock, LLP
601 S. Figueroa Street, Suite 4200
Los Angeles, CA 90017

Bond Issuer Counsel
Los Angeles City Attorney
200 N. Main Street, 9th Floor
Los Angeles, CA 90012

Labor Costs

Labor costs are subject to the State of California's Prevailing Wage requirements and/or Federal Davis Bacon wages, if applicable.

Timeline – Bond Closing Date

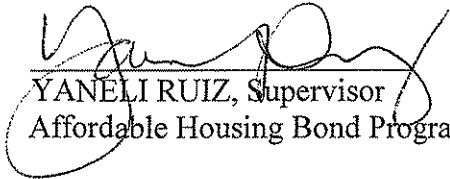
While it is anticipated that CDLAC will designate February 11, 2014 as the allocation expiration date, the project is FHA financed and the HUD closing deadline is December 11, 2013. Therefore, HCIDLA requests that this transaction close by the end of November. This will ensure that the FHA insured mortgage is issued in a timely fashion.

FISCAL IMPACT STATEMENT

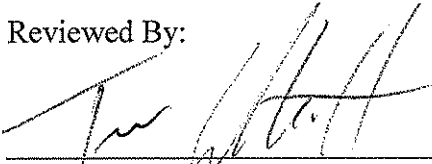
There will be no fiscal impact on the General Fund as a result of the issuance of the bonds. The City is a conduit issuer and does not incur liability for repayment of the bonds.


Prepared By:


ROCHELLE COX
Finance Development Officer


YANELI RUIZ, Supervisor
Affordable Housing Bond Program

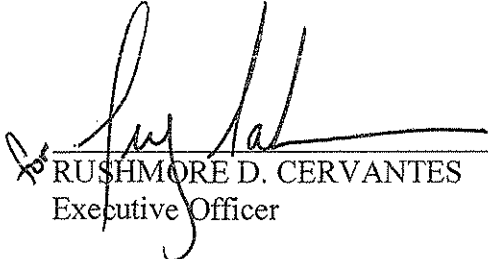
Reviewed By:

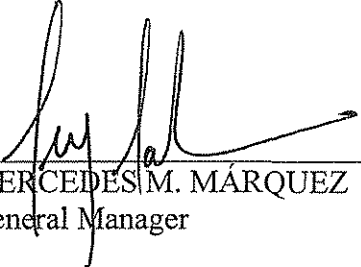

TIM ELLIOTT
Manager of Multi-Family Housing Finance


MANUEL BERNAL
Director of Housing

Approved By:


HELMI HISSERICH
Assistant General Manager


RUSHMORE D. CERVANTES
Executive Officer


MERCEDÉS M. MARQUEZ
General Manager

RESOLUTION
CITY OF LOS ANGELES

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A BOND BY THE CITY OF LOS ANGELES DESIGNATED AS ITS MULTIFAMILY HOUSING REVENUE BOND (HAZELTINE & WYANDOTTE APARTMENTS) SERIES 2013K IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,381,000 TO PROVIDE PERMANENT FINANCING FOR THE ACQUISITION, REHABILITATION AND EQUIPPING OF THE MULTIFAMILY HOUSING PROJECTS SPECIFIED IN PARAGRAPH 17 HEREOF AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, A REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS, A PURCHASE CONTRACT, A LOAN AGREEMENT AND RELATED DOCUMENTS AND AGREEMENTS AND THE TAKING OF RELATED ACTIONS, INCLUDING THE EXECUTION OF AMENDATORY DOCUMENTS THERETO.

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

WHEREAS, the City desires to issue pursuant to the Law and in accordance with the Act, its revenue bond to provide permanent financing for the acquisition, rehabilitation and equipping of those two certain multifamily rental housing projects described in paragraph 17 below (together, the "Project"); and

WHEREAS, the Project will be located wholly within the City; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize financing for 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 (Hazeltine & Wyandotte Apartments) Series 2013K in an aggregate principal amount not to exceed \$10,381,000 (the "Bond"); and

WHEREAS, the City proposes to use the proceeds of the Bond to cause the financing of the Project and, if applicable, to pay certain costs of issuance in connection with the issuance of the Bond; and

WHEREAS, PNC Bank, N.A., a national banking association (the "Purchaser"), has expressed the intention of the Purchaser to purchase the Bond authorized hereby or to cause such Bond to be purchased by its affiliate, in whole pursuant to that Purchase Contract (the "Purchase Contract") among the City, the Purchaser and the Owner identified in paragraph 17, 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, as amended (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 27, 2012 to the effect that a public hearing would be held on January 10, 2013 regarding the issuance of the Bond; and

WHEREAS, the Los Angeles Housing Department held 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, together with any written comments received in connection therewith, have been presented to the 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 (Hazeltine & Wyandotte Apartments) Series 2013K," in an aggregate principal amount not to exceed \$10,381,000 is hereby authorized to be issued. The principal 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 an Trust Indenture (the "Indenture") by and between the City and such party as shall be designated by the City in the final form of

Indenture, as trustee (the "Trustee"), substantially in the form attached hereto, is hereby approved along with any additions or supplements which may, in the determination of a Designated Officer, be necessary to document the issuance of the Bond authorized hereunder. The Mayor of the City, the General Manager, the Interim General Manager or any Assistant 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") are hereby authorized and directed to execute and deliver, for and in the name and on behalf of the City, said Indenture with such additions, changes or corrections as the Designated Officer executing the same may approve upon consultation with the City Attorney and Bond Counsel to the City and approval of the City Attorney, provided that such additions or changes shall not authorize an aggregate principal amount of the Bond in excess of the amount stated above, such approval by the City Attorney to be conclusively evidenced by the execution and delivery of the Indenture with such additions, changes or corrections.

Any Designated Officer shall be authorized to approve the appointment of the Trustee.

4. The proposed form of the Bond, as set forth in the Indenture, is hereby approved, and the Mayor and City Treasurer, the Interim City Treasurer or Deputy 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, and the Trustee or an authenticating agent is hereby authorized and directed to authenticate, by manual signatures of one or more authorized officers of the Trustee or an authenticating agent, the Bond in substantially such form, and the Trustee is hereby authorized and directed to sell and deliver such Bond to the Purchaser in accordance with the Indenture and the Loan Agreement (hereinafter defined). The date, maturity date, interest rate (which may be either fixed or variable), interest payment dates, denomination, form of registration privileges, manner of execution, place of payment, terms of redemption, use of proceeds, and other terms of the Bond shall be as provided in the Indenture as finally executed; provided, however, that the principal amount of the Bond shall not exceed \$10,381,000, the interest rate on the Bond shall not exceed 12% per annum and the final maturity of the Bond shall be no later than August 1, 2053. The initial purchase price of the Bond shall be 100% of the par amount thereof as advances are made with respect to the Bond by the Purchaser. 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.

5. 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 of the Project (as set forth in paragraph 17 below, 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 Agreement 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.

6. The proposed form of Loan Agreement (the "Loan Agreement"), by and between the City and 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 executing the same 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.

7. The proposed form of Purchase Contract, by and among the City, the Purchaser and 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 Purchase Contract, with such additions, changes or corrections as the Designated Officer executing the same 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 Purchase Contract with such additions, changes or corrections.

8. 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, the Loan Agreement, the Regulatory Agreement and the other documents herein approved, 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.

9. 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.

10. 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.

11. 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.

12. 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).

13. 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.

14. 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.

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

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

17. The "Project" and "Owner", as used herein, shall have the following meanings

Project Name	Number of Units	Address	Owner
Hazeltine Apartments	35 plus 1 manager unit	7250 Hazeltine Avenue, Los Angeles, CA 91405	Hazeltine & Wyandotte, LP
Wyandotte Apartments	73 plus 1 manager unit	14630 Wyandotte Street, Los Angeles, CA 91405	

[remainder of page intentionally left blank]

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

By _____
Name _____
Title _____