

CITY OF LOS ANGELES
CALIFORNIA

HOLLY L. WOLCOTT
Interim City Clerk



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MAYOR

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CITY CLERK

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

June 17, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 13-0303-S4, at its meeting held June 13, 2014.

City Clerk
wrq

Mayor's Time Stamp
OFFICE OF THE
RECORDS
2014 JUN 13 PM 2:08
CITY OF LOS ANGELES

City Clerk's Time Stamp
CITY CLERK'S OFFICE
2014 JUN 13 PM 2:06
CITY CLERK
BY _____ DEPUTY

FORTHWITH

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 13-0303-S4

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE June 13, 2014

RE: AFFORDABLE HOUSING TRUST FUND CALL FOR PROJECTS AND MANAGED PIPELINE

LAST DAY FOR MAYOR TO ACT JUN 23 2014
(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 6/16/14

EGH
MAYOR

wrq

REC'D
CITY CLERK'S OFFICE
2014 JUN 16 PM 2:27
BY _____
CITY CLERK
DEPUTY

HOUSING COMMITTEE REPORT relative to the Affordable Housing Trust Fund (AHTF) Call for Projects and Managed Pipeline.

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

1. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
 - a. Add to the AHTF Pipeline the January 2014 Call for Projects developments listed in Table 1: January 2014 Call for Projects - Recommendations for Admittance into the AHTF Pipeline on Page 11 of the HCIDLA report dated May 20, 2014 (attached to Council file [C.F.] No. 13-0303-S4).
 - b. Issue a 9 Percent Tax Credit Recommendation Letter and/or Financial Commitment for each of the projects identified in Table 3: 2014 CTCAC Round 2 Projects (9 Percent Low Income Housing Tax Credit [LIHTC]) on Page 17 of the HCIDLA report dated May 20, 2014 (attached to C.F. No. 13-0303-S4), subject to the following conditions: that the final AHTF financial commitment not exceed the amount listed; that the project sponsor apply to the California Tax Credit Allocation Committee (CTCAC) in the allocation round authorized by the HCIDLA; and, that disbursement of AHTF funds will take place after the sponsor obtains the full amount of funding and/or tax credits proposed.
 - c. Issue a 4 Percent Tax Credit Recommendation Letter and/or Financial Commitment for each of the projects identified in Table 4: Bond and 4 Percent LIHTC Projects on Page 19 of the HCIDLA report dated May 20, 2014 (attached to C.F. No. 13-0303-S4) subject to the following conditions: that the final AHTF financial commitment not exceed the amount listed; and, that disbursement of AHTF funds will take place after the sponsor obtains the full amount of funding and/or tax credits proposed.
 - d. Negotiate and execute an Exclusive Negotiation Agreement for each project identified in Table 1 of the HCIDLA report dated May 20, 2014 (attached to C.F. No. 13-0303-S4) as needed, subject to the satisfaction of all conditions and criteria stated in the AHTF application, the aforementioned HCIDLA report, and the HCIDLA's Letter of Commitment (if any); subject to approval by the City Attorney as to form.
 - e. Negotiate and execute an acquisition/predevelopment/construction/permanent loan agreement with the legal owner of each project identified in Tables 3 and 4 of the HCIDLA report dated May 20, 2014 (attached to C.F. No. 13-0303-S4) that receives an award from the proposed leveraging source, subject to the satisfaction of all conditions and criteria stated in the AHTF application, the HCIDLA report dated May 20, 2014, and the HCIDLA's Letter of Commitment, subject to approval by the City Attorney as to form.
 - f. Execute subordination agreements for each of the projects in Tables 3 and 4 of the HCIDLA report dated May 20, 2014 (attached to C.F. No. 13-0303-S4), wherein the

City loan and regulatory agreements are subordinated to their respective conventional construction and permanent loans.

- g. Execute agreements with the project owners of each of the projects in Tables 3 and 4 of the HCIDLA report dated May 20, 2014 (attached to C.F. No. 13-0303-S4), and authorize the transfer of the property to a limited partnership or other legal entity formed solely for the purpose of owning and operating the project in accordance with City and Federal requirements.
- h. De-obligate and remove HOME allocations in the amount of \$11,112,028.00 as follows:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>Amount</u>
Highland Park Transit Village	561/43	43C212	AHTF	\$1,725,083.00
MacArthur Park Metro B	561/43	43J007	AHTF	3,200,987.28
	561/43	43K008	AHTF	3,585,957.72
South West View	561/43	43K008	AHTF	<u>2,600,000.00</u>
				Total: \$11,112,028.00

- i. De-obligate and remove Los Angeles Department of Water and Power (LADWP) and Community Redevelopment Agency (CRA) Tax Increment allocations in the amount of \$897,084.00 as follows:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>Amount</u>
SCHARP Figueroa Apts.	44G/43	43T215	DWP Hsg. Dev.	\$200,000.00
Tobias Terrace	44G/43	43G215	LADWP	200,000.00
The Whittier	44G/43	43E214	CRA Tax Increment	198,733.00
	44G/43	43F214	CRA Tax Increment	103,966.00
	44G/43	43G214	CRA Tax Increment	<u>194,385.00</u>
				Total: \$897,084.00

- j. Obligate and increase the amount of HOME allocations in the following amount to convert the existing 9 Percent Low Income Housing Tax Credit Managed Pipeline project to 4 Percent Low Income Housing Tax Credit and Tax-Exempt Bond financing, and issue a revised AHTF letter of commitment to reflect these changes:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>Additional Amount</u>
LDK Apartments	561/43	43K008	AHTF	<u>\$6,037,337.00</u>
				Total Addl. Funds - LDK: \$6,037,337.00

- k. Obligate and increase HOME allocations in the amounts below to the following projects intending to apply for 4 Percent LIHTC and Tax-Exempt Bonds, and issue revised AHTF letters of commitment to reflect these changes:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>Additional Amount</u>
Paseo at Californian	561/43	43K008	AHTF	\$3,380,572.00
	561/43	43J007	AHTF	<u>2,719,428.00</u>
	Total Addl. Funds - Paseo:			\$6,100,000.00
Winnetka Sr. Apts.	561/43	43G212	AHTF	1,437,505.00
	561/43	43J007	AHTF	82,178.00
	561/43	43C212	AHTF	1,725,083.00
	561/43	43L008	AHTF	<u>8,455,234.00</u>
Total Addl. Funds - Winnetka:			\$11,700,000.00	
				Total: \$17,800,000.00

i. Obligate new HOME allocations for each project listed below:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>Amount</u>
<u>CTCAC Round Applicants:</u>				
Beverly Terrace (TOD)	561/43	43L008	AHTF	\$3,374,900.00
Arlington Square	561/43	43L008	AHTF	3,877,600.00
Marmion Way (TOD)	561/43	43L008	AHTF	2,800,000.00
Washington 722 (TOD)	561/43	43L008	AHTF	1,580,000.00
5400 Hollywood	561/43	43L008	AHTF	<u>\$1,300,000.00</u>
Total - CTCAC Round 2 Applicants:				\$12,932,500.00

Reallocations:

SCHARP Figueroa Apts.	561/43	43J007	AHTF	\$200,000.00
Tobias Terrace	561/43	43J007	AHTF	200,000.00
The Whittier	561/43	43J007	AHTF	<u>497,084.00</u>
Total Reallocations:				\$897,084.00

Total: \$13,829,584.00

- m. Allocate \$1,980,959.84 of HOME program income received in Program Year (PY) 2013-2014 to Affordable Housing Trust Fund.
- n. Amend the AHTF loan agreements for the SCHARP Figueroa Apartments and Tobias Terrace projects, to disencumber \$200,000.00 in LADWP-PSHP funds per project and replace with HOME funds.
- o. Amend the AHTF loan agreement for The Whittier project, to disencumber \$497,084.00 in Community Redevelopment Agency of the City of Los Angeles (CRA/LA) funds that were part of the original agreement's project financing and replace with HOME funds.

- p. Amend the CRA/LA loan agreement for The Crossings on 29th Street project, to extend the term for an additional 12 month period.
- q. Use uncommitted HOME funds from prior years' accounts within Fund No. 561 first, if any, before using current year funds and accounts, as needed, to close out old accounts for transactions related to this report.

2. AUTHORIZE the Controller to:

- a. Increase account 43K008 in the amount of \$1,980,959.84 for additional program income received for PY 2013-2014 within the HOME Fund No. 561/43.
- b. Expend funds within the HOME Fund No. 561 upon proper demand of the General Manager, HCIDLA, or designee, as follows:

<u>Project</u>	<u>Account</u>	<u>Title</u>	<u>Amount</u>
LDK Apartments	43K008	AHTF	\$6,037,337.00
Paseo at Californian	43K008	AHTF	3,380,572.00
Paseo at Californian	43J007	AHTF	2,719,428.00
Winnetka Sr. Apartments	43G212	AHTF	1,437,505.00
Winnetka Sr. Apartments	43J007	AHTF	82,178.00
Winnetka Sr. Apartments	43C212	AHTF	1,725,083.00
Winnetka Sr. Apartments	43L008	AHTF	8,455,234.00
Beverly Terrace	43L008	AHTF	3,374,900.00
Arlington Square	43L008	AHTF	3,877,600.00
Marmion Way (TOD)	43L008	AHTF	2,800,000.00
Washington 722 (TOD)	43L008	AHTF	1,580,000.00
SCHARP Figueroa Apts.	43J007	AHTF	200,000.00
Tobias Terrace	43J007	AHTF	200,000.00
5400 Hollywood	43L008	AHTF	1,300,000.00
The Whittier	43J007	AHTF	<u>497,084.00</u>
Total:			\$37,666,921.00

- c. Decrease accounts within Fund No. 44G as follows:

<u>Project</u>	<u>Account</u>	<u>Title</u>	<u>Amount</u>
SCHARP Figueroa Apts.	43T215	DWP Hsg. Dev.	\$200,000.00
Tobias Terrace	43G215	LADWP	200,000.00
The Whittier	43E214	CRA Tax Increment	198,733.00
The Whittier	43F214	CRA Tax Increment	103,966.00
The Whittier	43G214	CRA Tax Increment	<u>194,385.00</u>
Total:			\$897,084.00

d. Expend funds within Fund No. 55S Crenshaw Mid-City Corridors Prop 1C-CRA as follows:

<u>Project</u>	<u>Account</u>	<u>Title</u>	<u>Amount</u>
Crenshaw Villas	43K009	Crenshaw/Mid-City Corridors	\$2,000,000.00
Crenshaw Gardens	43K009	Crenshaw/Mid-City Corridors	<u>2,400,000.00</u>
			Total: \$4,400,000.00

3. AUTHORIZE the HCIDLA to prepare Controller Instructions and any necessary technical adjustment(s), consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer; and, AUTHORIZE the Controller to implement the instructions.

Fiscal Impact Statement: The HCIDLA reports that there is no impact to the General Fund.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on June 11, 2014, the Housing Committee considered a report from the HCIDLA dated May 20, 2014 relative to Affordable Housing Trust Fund recommendations for the January 2014 Call for Projects, an update on the AHTF Managed Pipeline, and authorization for the HCIDLA and Controller to take various actions relative to obligating, de-obligating, allocating, and appropriating AHTF funds.

Representatives of the HCIDLA provided an update to the Committee on the AHTF Managed Pipeline and responded to related questions. After providing an opportunity for public comment, the Committee approved the recommendations in the HCIDLA report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE


MEMBER VOTE

CEDILLO: YES
FUENTES: YES
WESSON: ABSENT
BUSCAINO: ABSENT
PRICE: YES

REW
6/12/14
FILE NO. 13-0303-S4

ADOPTED

JUN 13 2014

LOS ANGELES CITY COUNCIL

TO THE MAYOR FORTHWITH

-NOT OFFICIAL UNTIL COUNCIL ACTS-

MAYOR WITH FILE