

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 21, 2016

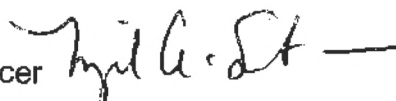
CAO File No. 0220-00540-1180

Council File No. 13-0303-S7

Council District: Citywide

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Housing and Community Investment Department report dated May 25, 2016;
Received by the City Administrative Officer on June 1, 2016

Subject: **REQUEST FOR AUTHORITY TO ISSUE LETTERS OF FINANCIAL
COMMITMENT FOR CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
2016 ROUND 2 AFFORDABLE HOUSING TRUST FUND (AHTF) PIPELINE
PROJECTS AND VARIOUS ACTIONS RELATED TO THE AHTF**

RECOMMENDATIONS

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

1. Adopt Recommendations A, B and D through H included in the related Housing and Community Investment Department (HCID) report dated May 25, 2016; and,
2. Amend Recommendation C of the related HCID report dated May 25, 2016 to be subject to the review and approval of the City Attorney as to form and legality, and adopt Recommendation C as amended.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to issue Low Income Housing Tax Credits (LIHTC) Letters of Support for four projects applying for Nine Percent LIHTCs in 2016 Round 2. Additionally, HCID requests authority to issue \$10,713,353 in additional Affordable Housing Trust Fund (AHTF) commitments to two projects in the HCID's AHTF Pipeline which will apply for an allocation of Nine Percent LIHTC from the California Tax Credit Allocation Committee's (CTCAC) 2016 Round 2. The projects applying for Nine Percent LIHTCs and the requested AHTF funding commitments are shown in Table 1.

The HCID further requests authority to negotiate and execute agreements with each of the four projects shown in the table below for acquisition, predevelopment, construction and permanent loans in the amounts identified in Table 1, and to subordinate City loans and regulatory agreements. Finally, the HCID requests authority to transfer the City's financial commitments to

these projects to a legal entity formed for the sole purpose of owning and operating one of the projects in Table 1. This Office concurs with the recommendations of the Department.

Table 1: Nine Percent LIHTC Projects Competing in CTCAC 2016 Round 2

Project	C.D.	No. of Units	Previous HOME Funding	Requested HOME Funding	Total HOME Funds
New Directions West Adams	10	64	\$ 2,600,000	\$ -	\$ 2,600,000
Paul Williams Family Apartments	9	41	-	2,826,408	2,826,408
Coronel Apartments	13	54	-	-	-
MacArthur Park Phase B	1	82	-	7,886,945	7,886,945
TOTAL		241	\$ 2,600,000	\$ 10,713,353	\$ 13,313,353

The HCID obtained Mayor and Council authorization to admit 25 new projects into the AHTF Pipeline for the CTCAC 2016 Round 2 (C.F. 13-0303). Consequently, HCID proposes to issue AHTF financial commitments, support letters and tax credit recommendations for four AHTF Pipeline projects identified in Table 1 above. The projects will have a combined total development cost of approximately \$134.4 million and will result in the addition of 241 affordable rental housing units, of which 42 units will be for permanent supportive housing. The balance of the units will be for low-income, larger families.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommended actions are in compliance with the City's Financial Policies in that Affordable Housing Trust Fund commitments are fully funded by the HOME Investment Partnership Program funds.

MAS:NSC:02160146C