

HOUSING COMMITTEE REPORT relative to financial commitments and Low Income Housing Tax Credit (LIHTC) Letters of Support for Pipeline Projects applying to the California Tax Credit Allocation Committee (CTCAC) in 2017 Round 2.

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. Issue a 9% LIHTC Letter of Support for the following projects, as described in the HCIDLA report to the Mayor dated May 19, 2017:

Hartford Villa
88th and Vermont
Cielito Lindo Apts Phase II
Westmore Linden
West Angeles City Place Sr Apts (54th Street Crenshaw)

b. Issue a funding Commitment Letter for each applicable project identified above, subject to the following conditions:

i. The final funding commitment not to exceed the amount listed.

ii. The project sponsor applies to CTCAC in the next 9% LIHTC allocation round.

iii. The disbursement of funds will occur only after the sponsor obtains enforceable commitments for all proposed funding.

c. Negotiate and execute acquisition / predevelopment / construction / permanent loan agreements with the legal owner of each project identified above that receives an award from the proposed leveraging source, subject to the satisfaction of all conditions and criteria contained in the HCIDLA Pipeline application, the HCIDLA report to the Mayor dated May 19, 2017, and the HCIDLA Award Letter (if applicable); subject to the approval of the City Attorney as to form and legality.

d. Execute Subordination Agreements for each of the projects above wherein the City loan and regulatory agreements are subordinated to their respective conventional or municipally funded construction and permanent loans, as required.

e. Allow the transfer of the City's financial commitment 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.

2. DE-OBLIGATE and OBLIGATE the Pipeline projects, as follows:

<u>Project</u>	<u>Fund No. Account No.</u>	<u>Amount</u>
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De-obligate: MacArthur Park Metro B	561/43	43M008	\$550,591.81
	561/43	43N008	<u>7,336,353.19</u>
		Total:	\$7,886,945.00

<u>Project</u>	<u>Fund No.</u>	<u>Account No.</u>	<u>Amount</u>
Obligate: 88th and Vermont	561/43	43L008	\$16,800.00
	561/43	43M008	550,591.81
	561/43	43M010	9,608.00
	561/43	43N008	1,323,000.19
Hartford Villa	561/43	43N008	5,625,800.00
West Angeles City Place Sr.	561/43	43N008	534,099.81
	561/43	43P008	1,450,900.19
Hartford Villa	569/43	43N372	<u>3,000,000.00</u>
		Total:	\$12,510,800.00

3. AUTHORIZE the Controller to establish new account, 43N372 HOPWA Development and appropriate \$3,000,000 within Fund No. 569/43, Housing Opportunities for Persons with AIDS (HOPWA).
4. AUTHORIZE the General Manager of HCIDLA, or designee, to:
 - a. Prepare Controller instructions and make any necessary technical adjustments consistent with Mayor and City Council action on this matter, subject to approval of the City Administrative Officer (CAO); and AUTHORIZE the Controller to implement the instructions.
 - b. Execute an amendment to the existing State of California Housing and Community Development Department Standard Agreement for the Infill Infrastructure Grant to the Taylor Yard Master Association (TYMA) to implement the revised development plan for the final phase of the Taylor Yard Transit Village project, subject to the approval of the City Attorney as to form and legality.
 - c. Execute an amendment to the existing TYMA Loan Agreement to implement the revised development plan for the final phase of the Taylor Yard Transit Village project and to amend the loan term to reflect a term loan, subject to the approval of the City Attorney as to form and legality.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. The above recommendations are in compliance with City financial policies in that the requested funding commitments are fully supported by HOME Investment Partnership Program and HOPWA Program funds.

Community Impact Statement: None submitted.

SUMMARY

In a report to the Mayor and Council dated June 1, 2017, the CAO states that HCIDLA requests

authority to:

- a. Issue LIHTC Letters of Support for two projects applying for Nine Percent LIHTCs in CTCAC 2017 Round 2.
- b. Issue \$12,510,800 in additional funding commitments to three projects in the HCIDLA Affordable Housing Trust Fund Pipeline which will apply for an allocation of Nine Percent LIHTC from the CTCAC 2017 Round 2.
- c. Negotiate and execute agreements with each of the five projects shown above, that receives an award from the proposed leveraging source, for acquisition, predevelopment, construction and permanent loans in the amounts identified in Table 1 of the HCIDLA report, and to subordinate City loans and regulatory agreements.
- d. 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 above.
- e. Amend to agreements relative to the Taylor Yard Transit Village project to effectuate an amended development plan for the final phase of the project and to amend the loan term for the loan agreement with Taylor Yard Master Association.

The CAO recommends approval of HCIDLA's requests.

At its meeting held June 7, 2017, the Housing Committee recommended that Council approve HCIDLA's requests for authority relative to the actions described above, as recommended by the CAO.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES <i>Sc</i>
KORETZ:	ABSENT
HUIZAR:	YES
PRICE:	YES
HARRIS-DAWSON:	ABSENT

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-NOT OFFICIAL UNTIL COUNCIL ACTS-