



Council Action

The City Council ADOPTED the following recommendation(s), contained in a COMMUNICATION FROM THE LOS ANGELES HOUSING DEPARTMENT (LAHD) which were WAIVED, pursuant to Council Rule 17, by the Chairs of the Budget and Finance and Housing, Community and Economic Development Committees, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, LAHD, or designee, to:
 - a. Issue a Letter of Funding Commitment from the Affordable Housing Trust Fund for each of the projects identified in Table 1 of the LAHD report dated June 20, 2013, attached to Council file No. 13-0303, in the amounts identified, subject to the following conditions: that the project sponsors (except those whose projects are otherwise fully funded) apply to the proposed leveraging source in the next available funding round; and, that disbursement take place after sponsors receive the full amount requested therein.
 - b. Oppose all California Tax Credit Allocation Committee (TCAC) proposals not recommended for 2013 Round 1 AHTF commitments or Project-Based Section 8 Voucher (PBV) awards.
 - c. Negotiate and execute an acquisition/predevelopment/construction/permanent loan agreement for each project identified in Tables 1 and 2 of the LAHD report (with the exception of the Winnetka Senior project) that receives a funding award from its respective leveraging source, subject to the satisfaction of all conditions and criteria stated in the AHTF application, this transmittal, and LAHD's Letter of Commitment; subject to approval by the City Attorney as to form.
 - d. Execute subordination agreements for each of the projects in Tables 1 and 2 of the LAHD report (with the exception of the Winnetka Senior project), wherein the City loan and regulatory agreements are subordinated to their respective conventional construction and permanent loans.
 - e. Execute agreements (with the exception of the Winnetka Senior project) allowing the transfer to and/or execution of the City loans by a limited partnership, to enable admittance of tax credit investors.
 - f. Issue Letters of Support for each of the projects listed in Table 2 of the LAHD report and oppose all TCAC proposals not receiving an LAHD recommendation for a nine percent Low Income Housing Tax Credit allocation from the Los Angeles City Geographic Apportionment.
 - g. Execute an acquisition/predevelopment/construction/permanent loan agreement with Thomas Safran and Associates (or designee) for the acquisition and recapitalization of the Alexandria Hotel, which would include the forgiveness of the accrued interest of \$1,380,522 on the current debt and provide new funds in an amount not to exceed

\$4,000,000, which will be in addition to the existing Community Redevelopment Agency of Los Angeles (CRA/LA) debt and sourced by General Fund monies allocated to 2013 AHTF projects.

- h. Allow the transfer to and/or execution of the City loans by a limited partnership, to enable the admittance of tax credit investors for the Alexandria Hotel.
- i. Execute subordination agreements for the existing \$11.9 million loan and the new debt of \$4 million for the Alexandria Hotel, wherein the City loans and regulatory agreements are subordinated to their respective conventional permanent loan.
- j. Replace \$673,401 in CRA/LA funding for the MacArthur Park Metro Phase A project with an equal amount of HOME funds.
- k. Issue an amended and restated AHTF commitment for the MacArthur Park Metro Phase B project with an expiration date of December 31, 2013, and a revised funding amount of \$6,786,945.
- l. Transfer the City-owned property known as Plaza Vermont to Thomas Safran and Associates (or designee), with the inclusion of a write-down of a portion of the accrued interest and authorization for LAHD to carry a seller's note in the amount of \$7,150,000, to be secured by a first trust deed.
- m. Request the Office of the City Attorney to draft an ordinance to effectuate the sale of the Plaza Vermont property to Thomas Safran and Associates, or designee.
- n. Execute a predevelopment/construction/permanent Loan Agreement with Thomas Safran and Associates (or designee) for the Plaza Vermont property in an amount not to exceed \$3,000,000 in NSP3 funds, consisting of \$2.4 million in currently available Neighborhood Stabilization Program 3 (NSP3) funds and \$600,000 in projected program income, subject to the availability of actual cash collected.
- o. Allow the transfer to and/or execution of the City loans by a limited partnership, to enable the admittance of tax credit investors for the Plaza Vermont property.
- p. Execute subordination agreements for the existing \$7.1 million loan and the new debt of \$3 million for the Plaza Vermont property, wherein the City loans and regulatory agreements are subordinated to their respective conventional construction and permanent loans.
- q. Amend the Loan Agreement for the Sherman Village project, to correct a recording error, replace CRA/LA funds in the amount of \$342,964 with an equal amount of HOME funds, and add an exhibit to the Loan Agreement that was previously excluded.
- r. Prepare Controller Instructions and any necessary technical adjustment(s), consistent with Mayor and Council actions, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.
- s. Use uncommitted funds from prior years' accounts within Fund No. 561 first, before current year funds and accounts, as needed, to close out old accounts for transactions related to this report.

2. AUTHORIZE the Controller to:

- a. Allocate and expend funds from the following funds and accounts for the AHTF 2013 Round 1 projects below:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Carondelet Apts.	44G/43	43J441	GF-PSHP	\$4,147,100
	561/43	43C212	HOME	<u>130,000</u>
				\$4,277,100
Courtleigh Villas	44G/43	43J441	GF-PSHP	\$212,500
	561/43	43C212	HOME	<u>57,500</u>
				\$270,000
Sherman Way Apts.	44G/43	43J441	GF-PSHP	\$4,037,500
	561/43	43C212	HOME	<u>162,500</u>
				\$4,200,000
Vermont Villas	44G/43	43J441	GF-PSHP	\$3,670,400
	561/43	43C212	HOME	<u>202,500</u>
				\$3,872,900
Total				\$12,620,000

- b. Allocate and expend funds from the following funds and accounts for the Alexandria Hotel project:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Alexandria Hotel	44G/43	43J441	GF-PSHP	\$4,000,000

- c. Reallocate and expend funds from the following funds and accounts for the MacArthur Park Metro Phase A project:

From:					
<u>Project</u>		<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
MacArthur Metro A	Park	44G/43	43C214	CRA TI	\$673,401

To:					
<u>Project</u>		<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
MacArthur Metro A	Park	561/43	43K008	AHTF	\$673,401

- d. Allocate and expend funds from the following funds and accounts for the MacArthur Park Metro Phase B project:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
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MacArthur	Park	561/43	43J007	AHTF	\$3,200,987.28
Metro B					
		561/43	43K008	AHTF	<u>3,585,957.72</u>
					\$6,786,945.00

e. Allocate and expend funds from the following fund and account for the Plaza Vermont property using \$2,400,000 currently available in the NSP3 account and \$600,000 in projected NSP3 program income, subject to the receipt of such revenue:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Plaza Vermont	53T	43G818	Program Operation	\$4,000,000

f. Reallocate and expend funds from the following funds and accounts for the Sherman Village project:

From:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Sherman Village	44G/43	43G214	CRA TI 10-11	\$342,964

To:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
Sherman Village	561/43	43J007	AHTF	\$342,964

Council File No. 13-0303

