

HOUSING COMMITTEE REPORT relative to approval to issues letters of Commitment for Round 2 of the 2013 Affordable Housing Trust Fund (AHTF).

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

1. AUTHORIZE the General Mayor, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
 - a. Issue a Letter of Funding Commitment from the AHFT for each of the projects identified in Table 1 below, 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.

TABLE 1 - RECOMMENDED AHTF COMMITMENTS FOR TRANSIT-ORIENTED DEVELOPMENTS

<u>Project Name</u>	<u>CD</u>	<u>Type</u>	<u>Units</u>	<u>AHTF Commitment</u>
1st and Soto TOD Apts.	14	Family	49	\$959,600
5400 Hollywood Family Apts.	13	Family	40	650,000
Highland Park Transit Village	1	Family	60	1,725,083
Marmion Way Apartments	1	Veterans/Family	49	1,533,928
The Paseo at Californian	1	Family	52	2,200,000
Santa Cecilia Apartments	14	Family	80	2,231,389
Washington 722 TOD	9	Family	<u>55</u>	<u>700,000</u>
			Total: 385	\$10,000,000

- b. Negotiate and execute an acquisition / predevelopment / construction / permanent loan agreement for each project identified in Table 1 above that receives a funding award from its respective leveraging source, subject to the satisfaction of all conditions and criteria stated in the AHTF application, the HCIDLA transmittal dated August 6, 2013 (attached to Council file No. 13-0303), and the HCIDLA Letter of Commitment; subject to approval by the City Attorney as to form.
- c. Execute subordination agreements for each of the projects in Table 1 above, wherein the City loan and regulatory agreements are subordinated to their respective conventional construction and permanent loans.
- d. Execute agreements allowing the transfer to and/or execution of the City loans by a limited partnership, to enable admittance of tax credit investors.
- e. Apply for an infrastructure grant from the State of California Housing and Community Development Department (HCD) Transit-Oriented Development (TOD) Housing

Program as a co-applicant with each of the project sponsors for the seven projects listed in Table 1 of this report, as applicable.

- f. Enter into negotiations with the HCD, if necessary, to finalize the grant budgets, proposed accomplishments, or other related details of the grant agreements.
- g. Execute grant agreements, any amendments thereto, and any other documents necessary between the HCD and the City of Los Angeles for the disbursement of the TOD grant funds.
- h. Negotiate and execute TOD pre-development / construction / permanent loan agreements, separately or as part of the AHTF loan agreements, with the sponsor of each of the projects listed in Table 1 of this report, on the condition that the sponsor successfully obtains a TOD loan, and subject to approval of the City Attorney as to form.
- i. Accept the grants and receive deposits and/or reimbursements from the TOD Program in amounts to be determined, and deposit the funds into the Funds and Accounts to be established for each project.
- j. Prepare Controller's Instructions and any necessary technical adjustments, consistent with Mayor and Council actions on these matters, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.
- k. Use uncommitted funds from prior year accounts within Fund No. 561 HOME Investment Partnership Program before current year funds and accounts to close out old accounts for transactions related to this report.
- l. Execute the attached Assignment and Assumption Agreement, attached to the HCIDLA transmittal dated August 6, 2013, for the Crenshaw/Mid- City Corridors Infill Infrastructure Grant between the City of Los Angeles and the Community Redevelopment Agency of Los Angeles, A Designated Local Authority (CRA/LA-DLA), in the amount of \$ 14,677,920.
- m. Execute a Deed in Lieu of Foreclosure with Meta Housing Corporation (Meta) for the Buckingham Phase II site, recently transferred from the former CRA/LA, to cease proceedings and provide 110 units of affordable housing for seniors as required under the Crenshaw/Mid-City Corridors Infill Infrastructure Grant, subject to the approval of the City Attorney.

2. AUTHORIZE the Controller to:

- a. Allocate and expend funds from the following funds and accounts for the AHTF 2013 Round 2 projects below:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Name</u>	<u>Amount</u>
1st and Soto TOD Apts.	561/43	43C212	AHTF	\$959,600.00

5400 Hollywood Family Apts.	561/43	43C212	AHTF	650,000.00
Highland Park Transit Village	561/43	43C212	AHTF	1,725,083.00
Marmion Way Apts.	561/43	43C212	AHTF	1,533,928.00
The Paseo at Californian	561/43	43C212	AHTF	773,621.00
	561/43	43F212	AHTF	<u>1,426,379.00</u>
				2,200,000.00
Santa Cecilia Apts.	561/43	43F212	AHTF	1,073,621.00
	561/43	43G212	AHTF	842,425.37
	561/43	43H212	AHTF	1,529.91
	561/43	43J007	AHTF	<u>313,812.72</u>
				2,231,389.00
Washington 722 TOD	561/43	43J007	AHTF	700,000.00
				Total: \$10,000,000.00

- b. Establish a new interest bearing Fund No. XXX Crenshaw/Mid-City Corridors Prop 1C-CRA for receipts and disbursement of the housing proceeds from Crenshaw/Mid-City Corridors Prop 1C-CRA and recognize receipts in the amount of \$14,677,920.00 from the Crenshaw/Mid-City Corridors Prop 1C Infill Infrastructure Grant to be deposited in the new fund.
- c. Establish a new account and appropriate within Crenshaw/Mid-City Corridors Prop 1C-CRA Fund No. XXX in the amount of \$14,677,920.00:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43K009	Crenshaw/Mid-City corridors Prop 1C-CRA	\$14,677,920.00

- d. Expend funds, not to exceed \$14,677,920.00, upon proper written demand from the General Manager, HCIDLA, or designee.

Fiscal Impact Statement: The City Administrative Officers reports that there is no impact to the General Fund. If the recommendations in this report are approved, the Los Angeles Housing and Community Investment Department (HCIDLA), formerly the Los Angeles Housing Department, will provide Letters of Funding Agreement for seven affordable housing projects for up to \$10 million. In addition, HCIDLA will receive a grant in the amount of \$14,677,920 from the former Community Redevelopment Agency of Los Angeles (CRA/LA-DLA) to support affordable housing projects that are in the process of construction and to provide infrastructure improvements near those projects. The recommendations in this report comply with City Financial Policies in that one-time funding from the HOME Investment Partnerships Program

Fund No. 561 and from the CRA/LA-DLA would be used for one-time purposes.

Community Impact Statement: None submitted.

SUMMARY

At a special meeting held on August 14, 2013, the Housing Committee considered a report from the Los Angeles Housing and Community Investment Department (HCIDLA) dated August 6, 2013 and a report from the City Administrative Officer (CAO) dated August 13, 2013 relative to approval to issue Letters of Commitment for projects selected through Round 2 of the 2013 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA) and various actions related to the AHTF.

Representatives of the CAO and the HCIDLA addressed the Committee and responded to related questions regarding this matter. The CAO reported that one-time funding from the State of California Housing and Community Development Department (HCD) was made available for development of affordable housing near transit stations. The HCIDLA accepted applications for \$10 million of HCD funding and selected 7 projects from those applications and is requesting approval to issue Letters of Funding Commitment. Additionally, the HCIDLA is requesting approval to execute an Assignment of Assumption Agreement for the transfer of \$14.7 million related to the Crenshaw/Mid-City Corridors Proposition 1C Infill Infrastructure Grant.

The CAO also noted that it is requesting that the Committee approve an amendment to the CAO report to include a recommendation inadvertently left out of the report that will provide for the execution of a Deed in Lieu of Foreclosure with Meta Housing Corp. for the Buckingham Phase II site, recently transferred from the former CRA/LA, to cease proceedings and provide 110 units of affordable housing for seniors as required under the Crenshaw/Mid-City Corridors Infill Infrastructure Grant.

Lastly, the HCIDLA expressed regret at the short time-frame in which this matter was transmitted to the Committee and Council for consideration. The City had a unique opportunity to obtain approximately \$30 million in Proposition 1C State funding for transit oriented development and was given a very short period of time by the State in which to apply for those funds. The applications for the developers for the projects are due today to the State. The HCIDLA will be establishing a managed pipeline system for projects in the near future to better manage opportunities such as this.

After providing an opportunity for public comment, the Committee recommended approval of the recommendations in the CAO report as amended to include the additional recommendation by the CAO. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO	YES
FUENTES	YES
WESSON	ABSENT
BUSCAINO	YES
PRICE	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-