

MAR 19 2013

13-0315
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MOTION HOUSING, COMM & ECON. DEVELOP.

Harbor Village Housing Partners, L.P. (Borrower/ Sponsor) has requested that the City through the Housing Department issue Multifamily Housing Revenue Bonds in an amount not to exceed \$70,000,000 to finance the acquisition and rehabilitation of the Harbor Village Apartments Project (Project). The Project is located within Council District Fifteen and involves the resyndication and rehabilitation of an existing 400-unit residential rental housing development. The Project currently has a Section 8 contract with the U.S. Department of Housing and Urban Development for 398 of the housing units. The Borrower has pledged to comply with all City and Housing Department bond policies including, but not limited to: payment of prevailing wages for labor, compliance with relocation requirements of existing tenants, and project compliance monitoring with the Housing Department (staff report attached).

In accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and as part of the bond issuance process, the Housing Department conducted the required public hearing on March 5, 2013. Notice of the public hearing was published on February 16, 2013. The Housing Department is required to provide proof that a TEFRA hearing has been conducted to the California Debt Limit Allocation Committee (CDLAC) as part of the application process.

The bond debt is payable solely from revenues or other funds provided by the Borrower. The City does not incur liability for repayment of the bonds. The City is a conduit issuer and is required by federal law to review and approve all projects within its jurisdiction and conduct a public hearing. To allow the loan to be incurred in accordance with CDLAC requirements, the Council should approve the minutes of the hearing and adopt the required Resolution (attached).

I THEREFORE MOVE that the City Council:

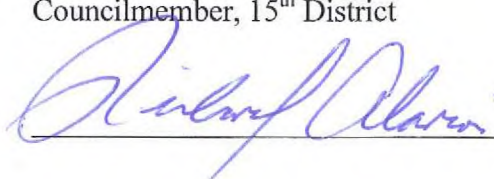
1. Instruct the City Clerk, in accordance with the TEFRA requirements to schedule and place on the agenda for the City Council meeting to be held on Wednesday, March 27, 2013 consideration of the TEFRA hearing results of the TEFRA public hearing for the Harbor Village Apartments Project held on March 5, 2013 at the Housing Department and adoption of the Resolution and minutes.
2. Adopt the attached Resolution and minutes of the public hearing held in accordance with Section 142 of the Internal Revenue Code of 1986, as amended, and Section 147(f) of the Code setting the official intent of the City to issue Multifamily Housing Revenue Bonds in the amount not to exceed \$70,000,000 to finance the acquisition and rehabilitation of the Harbor Village Apartments Project, an affordable housing development, located at 981 Harbor Village Drive, Los Angeles, CA 90710. The Borrower/ Sponsor has pledged to comply with applicable City policies.

PRESENTED BY:



JOE BUSCAINO
Councilmember, 15th District

SECONDED BY:



BMR



ORIGINAL



AFFORDABLE HOUSING BOND PROGRAM TEFRA STAFF REPORT

Harbor Village Apartments

BACKGROUND

LAHD evidenced the official intent of the City of Los Angeles (the "City") to issue its tax-exempt revenue bonds ("Bonds") and induced the project on January 18, 2013 in the anticipated principal amount of \$70,000,000. The project was induced pursuant to the authority granted to the LAHD General Manager by the City Council of the City of Los Angeles, by resolution of the City Council approved on April 20, 2005 (CF# 04-2646).. Prior to the issuance of the bonds, LAHD shall submit for Mayoral and Council approval the final financial structure of the bonds for these projects.

PROJECT INFORMATION

The subject site is located at 981 Harbor Village Drive, Harbor City, CA 90710 in the 15th Council District. The proposed project will be the resyndication and rehabilitation of an existing 400-unit multi-family residential rental housing development.. The project has a current HUD project based Section 8 contract which covers 398 units. Amenities include on-site management offices, community/recreation center, fitness center, two swimming pools, tot lots, sports court, bbq/picnic areas, and a child care facility.

The Project Sponsor is Harbor Village Housing Partners, L.P.. The Managing General Partner is La Cienaga, LOMOD, Inc. The Administrative General Partner is Related/Harbor Village Development Company, LLC. The Developer is Related/Harbor Village Development Co., LLC. William A Witte is the Principal of the Developer.

The Sponsor proposes to use the tax-exempt bonds and 4% tax credits during the construction phase and the permanent phase.

Units Mix:

UNIT TYPE	50% AMI	60% AMI	Mgr's unit	TOTAL
2-Bdr.	149	96	1	246
3-Bdr.	32	60		92
4-Bdr	17	44	1	62
Total	198	200	2	400

PREVAILING WAGES

The labor costs are subject to the higher of the State prevailing wages or City living wages for projects using tax-exempt bonds located within the City of Los Angeles. Federal Davis Bacon wages will apply when applicable.

FISCAL IMPACT STATEMENT

There will be no impact on the City's General Fund related to the issuance of the bonds. The City is a conduit issuer of the tax-exempt bonds. The bond debt is payable solely from revenues or other funds provided by the Borrower. The City does not incur liability for repayment of the bonds.

RESOLUTION
CITY OF LOS ANGELES

A RESOLUTION APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 THE ISSUANCE OF BONDS BY THE CITY OF LOS ANGELES TO FINANCE THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF MULTIFAMILY RESIDENTIAL RENTAL PROJECTS LOCATED WITHIN THE CITY OF LOS ANGELES.

WHEREAS, the City of Los Angeles (the "City") is authorized, pursuant to Section 248, as amended, of the City Charter of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (collectively, the "Law"), and in accordance with Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California (the "Act"), to issue its revenue bonds for the purpose of providing financing for the acquisition, construction, rehabilitation and equipping of multifamily rental housing for persons and families of low or moderate income; and

WHEREAS, the City intends to issue for federal income tax purposes certain bonds (the "Bonds") the proceeds of which will be used to finance the acquisition, construction, rehabilitation and equipping of the multifamily rental housing projects described in paragraph 6 hereof (the "Projects"); and

WHEREAS, the Projects are located wholly within the City; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize the financing of the Projects, and it is within the powers of the City to provide for such financing and the issuance of the Bonds; and

WHEREAS, the interest on the Bonds may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code"), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, Bonds are required to be approved, following a public hearing, by an elected representative of the issuer of the Bonds (or of the governmental unit on behalf of which the Bonds are issued) and an elected representative of the governmental unit having jurisdiction over the area in which the relevant Projects are located; and

WHEREAS, this City Council is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the Bonds within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City, on February 16, 2013, to the effect that a public hearing would be held with respect to the Projects on March 5, 2013 regarding the issuance of the Bonds; and

WHEREAS, the Los Angeles Housing Department held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the minutes of said hearing have been presented to this City Council;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Angeles, as follows:

1. The recitals hereinabove set forth are true and correct, and this City Council so finds. This Resolution is being adopted pursuant to the Law and the Act.

2. Pursuant to and solely for purposes of Section 147(f) of the Code, the City Council hereby approves the issuance of the Bonds by the City in one or more series to finance the Projects. It is intended that this Resolution constitute approval of the Bonds: (a) by the applicable elected representative of the issuer of the Bonds; and (b) by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Projects are located, in accordance with said Section 147(f).

3. Pursuant to the Law and in accordance with the Act, the City hereby authorizes the Los Angeles Housing Department to proceed with a mortgage revenue bond program designed to provide housing within the City of Los Angeles for low- and moderate-income persons through the issuance of the Bonds for the Projects, in one or more series and in amounts not to exceed those specified in paragraph 6 hereof.

4. Notwithstanding anything to the contrary hereof, the City shall be under no obligation to issue any portion of the Bonds described in paragraph 6 hereof to be issued by the City for the Projects prior to review and approval by the City and the City Attorney of the documents, terms and conditions relating to such Bonds.

5. [Reserved].

6. The "Projects" referred to hereof is as follows:

Project Name:	Address	#Units:	Project Sponsor	Maximum Amount:
Harbor Village Apartments	981 Harbor Village Drive, Los Angeles, CA 90710	400	The Related Companies of California, LLC	\$70,000,000

7. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2013 at Los Angeles, California.

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 2013.

By _____

Title _____

TEFRA PUBLIC HEARING MEETING MINUTES
TUESDAY, MARCH 5, 2013
10:00 AM
LOS ANGELES HOUSING DEPARTMENT
1200 WEST 7TH STREET, ROOM 833
YANELI RUIZ, CHAIR

This meeting is to conduct the required Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) Public Hearing for the:

PROJECTS

Figueroa Senior Housing
Juanita Tate Legacy Towers
One Wilkens Place
Roberta Stephens Villas I & II
Central Avenue Village Square
Normandie Senior Housing
Harbor Village Apartments

This meeting is called to order on Tuesday, March 5, 2013 at 10:00 a.m. in Room 833 of the Los Angeles Housing Department.

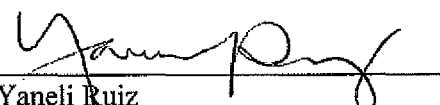
A notice of this hearing was published in the Los Angeles Times on February 16, 2013. The purpose of this meeting is to hear public comments regarding the subject Multifamily Revenue Bonds.

The City of Los Angeles Housing Department representatives present are Rochelle Cox and Juan Dial.

The time is now 10:30 a.m. and seeing no representatives from the public are present, this meeting is now adjourned.

I declare under penalty of perjury that this is a true and exact copy of the TEFRA hearing held for the above referenced project on March 5, 2013 at Los Angeles, California.

CITY OF LOS ANGELES
Los Angeles Housing Department
MERCEDES M. MARQUEZ, General Manager


Yaneli Ruiz
Bond Unit Supervisor
Affordable Housing Bond Program