

13-1265
CO 9, 13

SEP 25 2013

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED

#53

MOTION

Vermont Park Plaza, L.P. and A Community of Friends (Borrowers/Sponsors) have requested that the City of Los Angeles, through the Los Angeles Housing and Community Investment Department (HCIDLA), issue Multifamily Housing Revenue Bonds for the following developments:

Project Name	Address	Council District	# of Units	Project Sponsor	Maximum Amount
The Park Plaza	960 W. 62nd Pl.	9	79	Vermont Park Plaza, L.P.	\$8,050,000
Berendos	226 and 235 South Berendo St.	13	72	A Community of Friends	\$10,925,000

The Borrowers have pledged to comply with all City and HCIDLA bond policies related to the work described in the attached staff reports including, but not limited to, payment of prevailing wages for labor, compliance with relocation requirements of existing tenants, and project compliance monitoring with HCIDLA.

In accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and as part of the bond issuance process, HCIDLA conducted the required public hearings, which were advertised in the *Los Angeles Times*. As part of the application process, HCIDLA is required to demonstrate to the California Debt Limit Allocation Committee (CDLAC) that TEFRA hearings have been conducted.

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 loans to be incurred in accordance with CDLAC requirements, the Council should approve the minutes of the hearings and adopt the required Resolutions (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 next available City Council agenda consideration of the results of the TEFRA public hearing for the Park Plaza and Berendos Projects held on September 4, 2013 and September 13, 2013, respectively, and adoption of the attached Resolution and minutes.
2. Adopt the attached Resolution and minutes of the public hearings 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 1) \$8,050,000 to finance the acquisition and rehabilitation of the Park Plaza project located at 960 W. 62nd Place, Los Angeles, CA 90044 and 2) \$10,925,000 to finance the acquisition and rehabilitation of the Berendos project located at 226 and 235 South Berendo St., Los Angeles, CA 90004. The Borrowers/Sponsors have pledged to comply with applicable City policies.

PRESENTED BY: *Mitch O'Farrell* For
MITCH O'FARRELL
Councilmember, 13th District

SECONDED BY: *Carren*

[Signature]
SEP 25 2013

ORIGINAL



Los Angeles
HOUSING+COMMUNITY
Investment Department

Finance & Development Division
1200 West 7th Street, 8th Floor, Los Angeles, CA 90017
Tel 213.808.8901 | Fax 213.808.8918
hcidla.tacily.org



Eric Garcetti, Mayor
Margarita M. Marquez, General Manager

**AFFORDABLE HOUSING BOND PROGRAM
TEFRA STAFF REPORT**

Park Plaza

BACKGROUND

The Los Angeles Housing and Community Investment Department (HCIDLA), formerly known as the Los Angeles Housing Department (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 August 22, 2013 in the anticipated principal amount of \$8,050,000. The project was induced pursuant to the authority granted to the HCIDLA 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, HCIDLA shall submit for Mayoral and Council approval the final financial structure of the bonds for this project.

PROJECT INFORMATION

The subject site is located at 960 W. 62nd Place, Los Angeles, CA 90044 in Council District Nine. The proposal entails the acquisition and rehabilitation of an existing multi-story apartment complex. The housing units will undergo light rehabilitation work and will get new carpeting, paint, and energy star appliances. The courtyards will be re-landscaped, and the community room and common areas will be expanded. Some of the project amenities will include: a service coordinator, on-site after school programs, a community room and kitchen, common areas, picnic BBQ areas, landscaping, elevator service, a laundry room, underground parking (153 spaces), and a tot lot. The current tenants will be temporarily relocated and will be allowed to return once the rehabilitation work is completed. HCIDLA acquired the site through a foreclosure process; title to the site is currently vested in The Los Angeles Housing Department. On January 30, 2013, an Exclusive Negotiation Agreement (ENA) was executed between the Developer and HCIDLA; authorization previously provided by City Council (CF 12-1941).

The proposed Sponsor/Borrower is Vermont Park Plaza, L.P., a California limited partnership. Thomas Safran & Associates Development, Inc., a California corporation, is the project Developer and has been involved in the development of 15 housing projects which resulted in 1,431 housing units.

Units Mix:

UNIT TYPE	50% AMI	Mgr.	TOTAL
1-Bdr.	6		6
2-Bdr.	41		41
3-Bdr.	31	1	32
TOTAL	31	1	79

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.

TEFRA PUBLIC HEARING MEETING MINUTES

WEDNESDAY-SEPTEMBER 4, 2013

10:00 AM

THE LOS ANGELES HOUSING AND COMMUNITY INVESTMENT

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 Park Plaza Project.

This meeting is called to order on Wednesday September 4, 2013 at 10:00 a.m. in Room 833 of the Los Angeles Housing and Community Investment Department.

A notice of this hearing was published in the Los Angeles Times on August 21, 2013. The purpose of this meeting is to hear public comments regarding the subject Multifamily Revenue Bonds.


The City of Los Angeles Housing and Community Investment Department representatives present were Yaneli Ruiz and Apolinar Abrajan.

The time is now 10:30 a.m. and seeing no other 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 September 4, 2013 at Los Angeles, California.

CITY OF LOS ANGELES

Los Angeles Housing and Community Investment Department
MERCEDES M. MARQUEZ, General Manager



Yaneli Ruiz
Supervisor, Affordable Housing Bond Program

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 OR EQUIPPING OF A MULTIFAMILY RESIDENTIAL RENTAL PROJECT 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 a 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") to finance the acquisition, construction, rehabilitation and equipping of a multifamily rental housing project described in paragraph 6 hereof (the "Project"); and

WHEREAS, the Project is 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 Project, 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 Project is 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 August 21, 2013, to the effect that a public hearing would be held with respect to the Project on September 4, 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 Project. 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 Project is 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 Project, 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 Project 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 "Project" referred to hereof is as follows:

Project Name:	Address	#Units:	Project Sponsor	Maximum Amount:
The Park Plaza	960 W. 62 nd Place, Los Angeles, CA 90044	79 (including 1 manager unit)	Vermont Park Plaza, LP	\$8,050,000

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 _____

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 OR EQUIPPING OF A SCATTERED SITE MULTIFAMILY RESIDENTIAL RENTAL PROJECT 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 a scattered site 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") to finance the acquisition, construction, rehabilitation and equipping of a scattered site multifamily rental housing project described in paragraph 6 hereof (the "Project"); and

WHEREAS, the Project is 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 Project, 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 Project is 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 August 22, 2013, to the effect that a public hearing would be held with respect to the Project on September 13, 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.

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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 Project 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 "Project" referred to hereof is as follows:

Project Name:	Address	#Units:	Project Sponsor	Maximum Amount:
Berendos, L.P.	226 and 235 South Berendo Street, Los Angeles, CA 90004	72 (including 2 manager units) (scattered site)	A Community of Friends	\$10,925,000

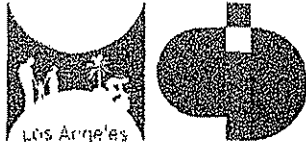
7. This Resolution shall take effect immediately upon its passage and adoption.

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 _____



Los Angeles
HOUSING + COMMUNITY
Investment Department

Finance & Development Division
1200 West 7th Street, 8th Floor, Los Angeles, CA 90017
Tel 213.808.8901 | Fax 213.808.8918
hcidla.lacity.org



Eric Garcetti, Mayor
Mercedes M. Marquez, General Manager

**AFFORDABLE HOUSING BOND PROGRAM
TEFRA STAFF REPORT**

226 & 235 S Berendo

PROJECT INFORMATION

The proposed project consists of two existing non-contiguous apartment buildings situated across the street from each other on the east and west sides of S. Berendo Street, both in the 13th Council District. One of the buildings is located at 226 S. Berendo Street, and the other is located at 235 S. Berendo Street. The project is targeted to people with special needs and who are homeless. The buildings will undergo renovation and upgrades with high energy efficient systems and products, allowing for the building to function more efficiently, while providing refreshed residential units to include the addition of air conditioning into some or all of the units. Work in the units includes new kitchen cabinetry/countertop, bath cabinet, refrigerator, stove and hood lighting, carpeting, and upgrades to the heating/air conditioning systems. Common area improvements include improved accessibility, painting, flooring, and hall ventilation. Energy and water efficiency improvements include bath low-flow fixtures, solar energy systems on the roof, and new windows.

The Project Sponsor/Borrower is Berendos, L.P., a California limited partnership consisting of A Community of Friends, a California Non-Profit Public Benefit Corporation, as general partner, and Supporting Housing LLC as the initial Limited Partner. Project Developer is A Community of Friends. The tax equity investor is to be determined.

The proposed financing will use tax-exempt bonds combined with low income housing tax-credits. The bonds will be purchased through a direct purchase. Both properties have existing loans from HCID and CRA, which will be recapitalized during this process.

Units Mix:

UNIT TYPE	30% AMI	35% AMI	50% AMI	MGR	TOTAL
0-Bdr.	16	12	31	2	61
1-Bdr.		11			11
TOTAL	16	23	31	2	72

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 and does not incur liability for repayment. The bond debt is payable solely from revenues or other funds provided by the Borrower

TEFRA PUBLIC HEARING MEETING MINUTES

Friday – September 13, 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 BERENDOS, L.P. PROJECT.

This meeting is called to order Friday, September 13, 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 Thursday, August 22, 2013. The purpose of this meeting is to hear public comments regarding the subject Multifamily Revenue Bonds.

The City of Los Angeles Housing Department staffs present are Yaneli Ruiz and Bruce Ortiz.

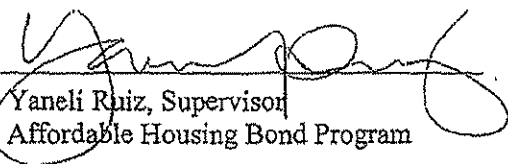
The time is now 10:30 a.m. and seeing no representatives from the public are present, this meeting is now adjourned.

I declare under penalty of perjury that this is a true and exact copy of the TEFRA hearing held for the above referenced projects on September 13, 2013 at Los Angeles, California.

CITY OF LOS ANGELES.....

Los Angeles Housing Department

MERCEDES M. MARQUEZ, General Manager


Yaneli Ruiz, Supervisor
Affordable Housing Bond Program