

WNC & Associates Inc., through its affiliate, Community Preservation Partners (“WNC”), which collectively, are a national affordable housing tax credit investment and development company with over 40 years of experience, has requested that the California Statewide Communities Development Authority (CSCDA) issue one or more series of revenue bonds in an aggregate principal not to exceed sixteen million dollars (\$16,000,000) for the purpose of financing the acquisition, rehabilitation, and equipping of two (2) affordable multi-family housing rental facilities known as Jefferson Townhomes and Cunningham Village.

Jefferson Townhomes, a scattered site multi-family housing rental facility, is located at 1693-1741 W. Jefferson Boulevard Los Angeles, CA 90016 within the 8<sup>th</sup> Council District of Los Angeles. All of its 30 units are Section 8.

Cunningham Village, a multi-family housing rental facility located at 2300 Victoria Avenue Los Angeles, CA 90016 and within the 10<sup>th</sup> Council District, has 35 units. 92% (30 out of 35 units) of its units are Section 8.

These properties were publicly marketed section 8 communities near USC with a high level of interest from market rate buyers seeking convert them into student housing at the expiration of their HUD contracts. The only way to compete and preserve the affordability of the properties was to acquire the property as soon as WNC received HUD approval to assume the existing contracts.

WNC will be preserving these valuable affordable housing properties, enhancing the communities by providing substantial funds for modernizing and updating the properties, and providing long term affordability without any costs to the City of Los Angeles

In order to ensure the project preserves its affordability basis, it is important for WNC to acquire the property through an inducement resolution for tax exempt bonds. As such, it is necessary for the City Council to approve the Resolution to issue tax exempt bonds and conduct a public hearing in accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Following the TEFRA public hearing, the Council should adopt the attached Resolution approving the issuance of the bonds by CSCDA.

No City funds are to be directed to this project. In addition, WNC will ensure both properties comply with prevailing wage requirements. WNC will hire a third party consultant and will provide their prevailing wage compliance reports directly to LAHD upon completion of the project.

**I THEREFORE MOVE** that the Council:

1. Waive the Council-approved LAHD Multifamily Bond Policy to allow the California Statewide Communities Development Authority (CSCDA) to issue the bonds on behalf of the project.

  
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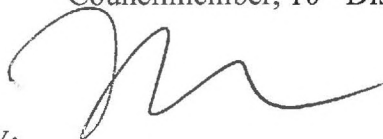
2. Instruct the City Clerk to schedule a TEFRA Hearing on the agenda for the City Council Meeting to be held on Wednesday, June 8, 2016 located at 200 N. Spring Street, Room 340, Los Angeles, CA 90012.
3. Instruct the City Clerk to place on the Agenda for the City Council Meeting to be held on Wednesday, June 8, 2016 consideration of the TEFRA hearing results and adoption of the TEFRA hearing Resolution to follow the conduct of the public hearing.

**PRESENTED BY:**



HERB J. WESSON, JR.  
Councilmember, 10<sup>th</sup> District

**SECONDED BY:**

  
\_\_\_\_\_

RESOLUTION OF THE City Council OF The City of Los angeles APPROVING THE ISSUANCE OF the MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY in an aggregate principal amount not to exceed \$16,000,000 FOR the acquisition, rehabilitation and equipping of the jefferson townhomes and cunningham village and certain other matters relating thereto

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the City of Los Angeles (the "City"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, Jefferson Cunningham Community Partners, LP, a California limited partnership, or another limited partnership or limited liability company related to or to be formed by Community Preservation Partners (the "Borrower"), has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$16,000,000 in outstanding aggregate principal amount, to finance for the acquisition, rehabilitation and equipping of the following multifamily rental housing projects located within the City:

- (a) 30-unit Jefferson Townhomes, located at 1693-1741 W. Jefferson Boulevard, Los Angeles, California; and
- (b) 35-unit Cunningham Village, located at 2300 S. Victoria Avenue, Los Angeles, California.

The projects are respectively known as Jefferson Townhomes and Cunningham Village (the "Projects"), owned by the Borrower and operated by Professional Property Management, L.L.C.; and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the “applicable elected representative” of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the members of this City Council (this “City Council”) are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the Authority is also requesting that the City Council approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Project (the “Refunding Bonds”), but only in such cases where federal tax laws would not require additional consideration or approval by the City Council; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the City Council of the City of Los Angeles  
this \_\_\_\_ day of \_\_\_\_\_, 2016:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_

Mayor

ATTEST:

City Clerk