

HOUSING

MOTION

The Juanita Tate Legacy Tower Apartments (the "Project") is located at 4827 South Central Avenue, Los Angeles, CA 90011 in Council District 9. The Project consists of a total of 118 residential units comprised of 117 affordable units and one market rate manager's unit. The City previously issued, as City of Los Angeles Multifamily Housing Revenue Bond (Juanita Tate Legacy Towers Apartments) Series 2014C, \$14,564,761 in a tax-exempt bond (the "Bond") to finance the acquisition and rehabilitation of the Project.

The Bond was neither rated nor credit enhanced and was issued pursuant to the portion of the City's "Multi-family Bond Policies and Procedures (April 2005)" (the "City Bond Policy") covering unrated issuances. The Bond was privately placed with (i.e., purchased by) BBCN Bank in accordance with the City Bond Policy. In connection with conversion of the construction period to the permanent period, the Bond is subject to mandatory partial redemption in order to reduce the outstanding Bond to the permanent loan amount. However, in connection with the permanent conversion associated mandatory partial redemption, the Borrower requests a waiver of certain provisions of the City Bond Policy regarding private placements in order to allow for the transfer of the Bond from BBCN Bank to another entity. The proposed ownership structure may adhere in all respects and circumstances to the City Bond Policy.

The City Bond Policy endeavors to ensure that unrated and unsecured conduit bonds issued by the City of Los Angeles are purchased by institutions of sufficient size and capacity to understand the inherent risks of the bond and the real estate security for the bond. These type of affordable housing bonds are secured only by the real estate and payments therefrom, and are not in any way guaranteed by the City.

The City has previously approved limited waivers of the City Bond Policy regarding un-rated, non-credit enhanced transactions reflecting HCIDLA negotiation of the relevant provisions ensuring that, notwithstanding a waiver of specific provision of the City Bond Policy, the bond placement and ownership structure maintains the overall objective and intent of the Policies.

To accomplish the amendment of the Bond to provide for to a transfer of the Bond from BBCN Bank to another entity where ownership by such entity may require a limited waiver of certain aspects of the City Bond Policy regarding issuance of un-rated and non-credit enhanced bonds:


I, MOVE, that the City Council subject to the approval of the Mayor, take the following actions:

- A. Approve a limited waiver of certain aspects City Bond Policy with respect to the issuance of un-rated, non-credit enhanced bonds, but solely as the necessity for such waiver shall be reflected in amended Bond documents negotiated by HCIDLA and approved by the General Manager of HCIDLA; and
- B. Authorize the HCIDLA General Manager, or designee, to negotiate -- in order to maintain the overall objective and intent of the Policies and execute relevant Amendments, subject to the approval of the City Attorney as to form;
- C. Authorize the HCIDLA General Manager, or designee, to enter into: (a) a First Supplemental Indenture of Trust; (b) First Amendment to Loan Agreement; (c) an Amendment to Tax Certificate; (d) an IRS Form 8038; (e) and such other documents as



shall be determined by HCIDLA to be necessary or desirable to effect the intent of this motion, all as subject to the approval of the City Attorney as to form.

Moved by: 

Seconded By: 

DEC - 7 2016

ORIGINAL