

For Council August 13th

14-1087
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CITY OF LOS ANGELES
MOTION TO BE POSTED
#52

Winnetka Senior Apartments, L.P. (Borrower/ Sponsor) has requested that the City of Los Angeles through the Housing and Community Investment Department (HCID) issue Multifamily Housing Revenue Bonds, in the amount not to exceed \$17,500,000, to finance the new construction of the Winnetka Senior Apartments (Project). The Project is located at 20750 Sherman Way, Los Angeles, CA 91306 (HCIDLA staff report attached).

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

In accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and as part of the bond issuance process, HCID conducted the required public hearing on May 28, 2014. Notice of the public hearing was published on May 14, 2014. HCID 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 to schedule and place on the next available agenda for the City Council meeting consideration of the Resolution and hearing results of the TEFRA public hearing held on May 28, 2014 at the Housing and Community Investment Department and;
2. Adopt the attached TEFRA Resolution 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 conduit Multifamily Housing Revenue Bonds in the above amounts to finance the new construction of the above Project. The borrower/ developer has pledged to comply with all applicable City policies.

Handwritten initials

PRESENTED BY: *Bob Blumenfeld*
BOB BLUMENFIELD
Councilmember, 3rd District

SECONDED BY: *[Signature]*

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For Council Aug 13th

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 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 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 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 May 14, 2014, to the effect that a public hearing would be held with respect to the Project on May 28, 2014 regarding the issuance of the Bonds; and

WHEREAS, the Los Angeles Housing and Community Investment 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 and Community Investment 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:
Winnetka Senior Apartments	20750 Sherman Way Los Angeles, CA 91306	95	Winnetka Senior Apartments, L.P.	\$17,500,000

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

PASSED AND ADOPTED this ___ day of _____, 2014 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 _____, 2014.

By _____
Title _____



Eric Garcetti, Mayor
Rushmore D. Cervantes, Interim General Manager

Housing Development Bureau
1200 West 7th Street, 8th Floor, Los Angeles, CA 90017
tel 213.808.8638 | fax 213.808.8610
hcidla.lacity.org

**AFFORDABLE HOUSING BOND PROGRAM
TEFRA STAFF REPORT**

Winnetka Senior Apartments – CD 3

BACKGROUND

The Los Angeles Housing and Community Investment Department (HCIDLA) 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 May 12, 2014 in the anticipated principal amount of \$17,500,000. 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 proposed project entails the new construction (on vacant land) of a multi-story development, which will have 95 units of affordable housing for senior citizens. Project amenities include elevator service, a courtyard, a community room with kitchen, a computer and multi-media room, a picnic BBQ area, a library, a fitness center, laundry room. There will also be sixty-four (64) on grade parking spaces, with two (2) spaces reserved for handicap use.

The Project Borrower/ Sponsor is Winnetka Senior Apartments, L.P. which is comprised of Winnetka Senior Apartments, LLC, a California limited liability company, its Administrative General Partner, and John M. Huskey, its limited partner. PATH Ventures, a California non-profit entity, is to be admitted as its Managing General Partner. Meta Housing Corporation (MHC) is the Project Developer.

Units Mix:

UNIT TYPE	15% AMI	20% AMI	45% AMI	50% AMI	60% AMI	MGR.	TOTAL
1-Bdr.	40	22			32		94
2-Bdr.						1	
Total	40	22			32	1	95

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.