

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

---

Date: August 8, 2016

CAO File No. 0220-00540-1188

Council File No. 15-1299-S3

Council District: 4

To: The Mayor  
The Council

From: Miguel A. Santana, City Administrative Officer *MS*

Reference: Housing and Community Investment Department transmittal dated July 5, 2016;  
Received by the City Administrative Officer July 7, 2016

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR  
AUTHORITY TO ISSUE UP TO \$1,500,000 IN SUPPLEMENTAL TAX-EXEMPT  
MULTI-FAMILY CONDUIT REVENUE BONDS FOR THE HANCOCK GARDENS  
SENIOR APARTMENTS**

---

### RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Adopt the Resolution attached to the transmittal from the Housing and Community Investment Department (HCID) dated July 5, 2016, authorizing the issuance of up to \$1,500,000 in supplemental tax-exempt multi-family conduit revenue bonds for the acquisition and rehabilitation of the Hancock Gardens Senior Apartments Project; and,
2. Authorize the General Manager, HCID, or designee, to negotiate and execute the relevant bond documents for the Hancock Gardens Senior Apartments, subject to the approval of the City Attorney as to form.

### SUMMARY

The Housing and Community Investment Department (HCID) requests authority to issue supplemental tax-exempt multi-family housing conduit revenue bonds in an amount not to exceed \$1,500,000, to finance the acquisition and rehabilitation of the affordable housing development known as the Hancock Gardens Senior Apartments Project (Project). The Project consists of the acquisition and rehabilitation of an existing 66 unit building for the continued provision of affordable housing for seniors. The subject site is located at 303 South Van Ness Avenue, Los Angeles, CA 90020 in Council District 4. The California Debt Limit Allocation Committee (CDLAC) awarded the supplemental bond allocation for the Project to the City of Los Angeles (City) on May 18, 2016 in an amount not to exceed \$1,500,000 and a bond issuance deadline of November 14, 2016.

The City's involvement in the issuance of tax-exempt, multi-family housing conduit revenue bonds is considered true conduit financing, in which the obligation for repayment of the bonds is the responsibility of Hancock Gardens Senior Housing, L.P. and the City bears no financial responsibility for repayment as the issuer. There will be no impact to the General Fund. The financing is consistent with City policies regarding conduit financing. This Office concurs with the recommendations of the Department.

The Council adopted a Responsible Banking Ordinance (RBO) in May 2012 (C.F. 09-0234 and C.F. 09-0234-S1). The purpose of the RBO is to create a social investment policy that reflects the community's priorities and acts as a tool when seeking financial services. Citigroup Global Markets, Inc. (Citi) is currently in compliance with the reporting requirements of the RBO and HCID will ensure the Citi continues to adhere to the RBO. The City has business relations with Citi; however, since the City acts only as a conduit issuer in these bond transactions and has no financial interest, the selection of the bank does not constitute City business.

#### **FISCAL IMPACT STATEMENT**

There will be no impact to the General Fund as a result of the issuance of these tax-exempt multi-family conduit revenue bonds (bonds). The City is a conduit issuer and does not incur liability for the repayment of the bonds, which are a limited obligation payable solely from the revenues of the Hancock Gardens Senior Apartments Project, and the City will in no way be obligated to make payments on the bonds.

*MAS:NSC:02170006C*