

HOUSING COMMITTEE REPORT and RESOLUTION relative to the issuance of tax-exempt multifamily conduit revenue bonds to help finance the development of the 127th Street Apartments.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying RESOLUTION included in the Housing and Community Investment Department (HCIDLA) report dated April 7, 2016 authorizing the issuance of up to \$18.5 million in tax-exempt multi-family conduit revenue bonds for the development of the 127 Street Apartments Project, an 85-unit apartment project for very low- and extremely low-income families and residents with special needs located at 550 West 127th Street.
2. APPROVE the related loan documents, subject to the approval of the City Attorney as to form and legality.
3. REQUIRE that JP Morgan Chase Bank, N.A. fulfill the reporting requirements of the Responsible Banking Ordinance adopted by the Council on May 25, 2012 prior to the execution of the relevant loan documents.
4. AUTHORIZE the General Manager, HCIDLA, or designee, subject to the approval of the City Attorney as to form and legality, to negotiate and execute:
 - a. The relevant loan documents related to the tax-exempt bonds for the 127th Street Apartments Project.
 - b. Loan documents and amendments to the loan documents related to the existing HCIDLA loan; revisions will include but are not limited to interest rate, loan and affordability terms and an increase in the loan amount.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. 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 project. The City will in no way be obligated to make payments on the bonds.

Community Impact Statement: None submitted.

SUMMARY

In a report to the Mayor and Council dated May 17, 2016, the CAO states that HCIDLA requests authority to issue tax-exempt multifamily housing conduit revenue bonds in an amount not to exceed \$18.5 million, to finance the construction of the 127th Street Apartments affordable housing development. The project involves the new construction of 85 affordable rental housing units, including 44 units reserved for the chronically homeless. The California Debt Limit Allocation Committee awarded the bond allocation for the Project to the City on December 16, 2015 in an amount not to exceed \$18.5 million.


According to the CAO, the City's involvement in the issuance of tax-exempt, multi-family housing

conduit revenue bonds is considered true conduit financing. The obligation for repayment of the bonds is the responsibility of 127th Street Apartments, L.P. The City bears no financial responsibility for repayment as the issuer. The CAO recommends approval of HCIDLA's request.

At its meeting held May 18, 2016, the Housing Committee recommended that Council authorize HCIDLA to issue the tax-exempt multifamily conduit revenue bonds for this project and to approve the related actions above, as recommended by the CAO.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO: 	YES
FUENTES:	YES
HUIZAR:	ABSENT
PRICE:	ABSENT
HARRIS-DAWSON:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-