

HOUSING COMMITTEE REPORT and RESOLUTION relative to the issuance of tax-exempt multifamily conduit revenue bonds to help finance the development of the E. Victor Villa 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 March 29, 2016, authorizing the issuance of up to \$7 million in tax-exempt multi-family conduit revenue bonds for the development of the E. Victor Villa Apartments Project; a 46-unit housing project for low-income seniors located at 555 West 92nd 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 Council on May 25, 2012 prior to the execution of the relevant loan documents.
4. AUTHORIZE the General Manager, HCIDLA, or designee, to negotiate and execute the relevant loan documents related to the tax-exempt bonds for the E. Victor Villa Apartments Project, subject to the approval of the City Attorney as to form and legality.

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 is 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 \$7 million to finance the construction of the E. Victor Villa Apartments affordable housing development project. The project involves the acquisition and rehabilitation of 46 affordable rental housing units for seniors. 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 \$7 million.

According to the CAO, the City's involvement in the issuance of tax-exempt multifamily housing conduit revenue bonds is considered true conduit financing, in which the obligation for repayment of the bonds is the responsibility of E. Victor Villa 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 approve

HCIDLA's request to issue tax-exempt multifamily housing conduit revenue bonds for this project and to approve the related recommendations above, as recommended by the CAO.

Respectfully Submitted,

HOUSING COMMITTEE

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

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-NOT OFFICIAL UNTIL COUNCIL ACTS-