

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 24, 2016

CAO File No. 0220-00540-1177
 Council File No. 16-0152-S1
 Council District: 15

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Housing and Community Investment Department transmittal dated June 1, 2016; Received by the City Administrative Officer June 3, 2016; Additional Information Received on June 23, 2016

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR AUTHORITY TO ISSUE UP TO \$24,475,000 IN TAX-EXEMPT MULTI-FAMILY CONDUIT REVENUE BONDS FOR THE VISTA DEL MAR 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 June 1, 2016, authorizing the issuance of up to \$24,475,000 in tax-exempt multi-family conduit revenue bonds in the form of a Note for the development of the Vista del Mar Apartments Project; and,
2. Authorize the General Manager, HCID, or designee, to negotiate and execute the relevant bond documents for the Vista del Mar Apartments, subject to the approval of the City Attorney as to form.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to issue tax-exempt multi-family housing conduit revenue bonds in the form of a note, in an amount not to exceed \$24,475,000, to finance the construction of the affordable housing development known as the Vista del Mar Apartments Project (Project). The Project consists of the new construction of 87 affordable housing units for families plus one manager unit. The subject site is located at 340 Hawaiian Avenue, Los Angeles, CA 90744 in Council District 15. The California Debt Limit Allocation Committee (CDLAC) awarded the bond allocation for the Project to the City of Los Angeles (City) on May 18, 2016 in an amount not to exceed \$24,475,000 and a bond issuance deadline of November 28, 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 New Dana Strand IV-B, 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.

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 Vista del Mar Apartments Project, and the City will in no way be obligated to make payments on the bonds.

MAS:NSC:02160142C