

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 24, 2016

CAO File No. 0220-00540-1176

Council File No. 16-0152

Council District: 15

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Housing and Community Investment Department transmittal dated May 23, 2016; Received by the City Administrative Officer May 25, 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 CAMINO 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 May 23, 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 Camino del Mar Apartments Project; and,
2. Authorize the General Manager, HCID, or designee, to negotiate and execute the relevant bond documents for the Camino 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 Camino del Mar Apartments Project (Project). The Project consists of the new construction of 88 affordable housing units for very low-income families plus one manager unit on three scattered sites. The subject sites are located at 415-421 Hawaiian Avenue, 1001-1028 W. E Street, and 1001-1027 W. D Street 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 March 16, 2016 in an amount not to exceed \$24,475,000 and a bond issuance deadline of September 26, 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-A, 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 Camino del Mar Apartments Project, and the City will in no way be obligated to make payments on the bonds.

MAS:NSC:02160143C