

HOUSING COMMITTEE REPORT and RESOLUTION relative to authorization to issue Tax-Exempt Multifamily Conduit Revenue Bonds (Series 2019J) in an amount up to \$4,246,179 for the Florence Morehouse Apartments Project located at 910-916 Florence Avenue and 1750 West Martin Luther King Jr. Boulevard.

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

1. ADOPT the accompanying RESOLUTION authorizing the issuance of up to \$4,246,179 in Tax-Exempt Multifamily Conduit Revenue Bonds (Series 2019J) for the Florence Morehouse Apartments Project located at 910-916 Florence Avenue and 1750 West Martin Luther King Jr. Boulevard.
2. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to negotiate and execute relevant bond documents for the Florence Morehouse Apartments Project, subject to the approval of the City Attorney as to form.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there will be no impact to the General Fund as a result of the issuance of these tax-exempt multifamily conduit revenue bonds (bonds) for the Florence Morehouse Apartments Project. 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, and the City will in no way be obligated to make payments on the bonds.

Community Impact Statement: None submitted.

Summary:

On May 8, 2019, your Committee considered May 2, 2019 CAO and April 4, 2019 HCIDLA reports and Resolution relative to request for authority to issue Tax-Exempt Multifamily Conduit Revenue Bonds (Series 2019J) in an amount up to \$4,246,179 for the Florence Morehouse Apartments Project located at 910-916 Florence Avenue and 1750 West Martin Luther King Jr. Boulevard.. According to the CAO, the HCIDLA is requesting authority to issue supplemental tax-exempt multi-family housing conduit revenue bonds in an amount not to exceed \$4,246,179 to finance the construction of the affordable housing development known as the Florence Morehouse Apartments Project (Project). The Project consists of the rehabilitation of two existing apartment complexes with 59 units serving low-income families plus two manager units. The subject sites are located at 910-916 Florence Avenue, Los Angeles, CA 90001 and 1750 West Martin Luther King Jr. Boulevard, Los Angeles, CA 90062 in Council District 8.

The California Debt Limit Allocation Committee (CDLAC) awarded the supplemental tax-exempt bond allocation for the Project to the City on March 20, 2019 in an amount not to exceed \$4,246,179 and designated a September 16, 2019 issuance deadline. This Office concurs with the recommendations of the Department. 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 Florence Morehouse, 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. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the CAO report as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	ABSENT
HARRIS-DAWSON:	YES

ARL
5/8/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-