

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: July 27, 2016

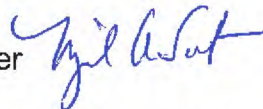
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Council District: Citywide

To: The Council  
The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Housing and Community Investment Department (HCID) dated June 7, 2016; received by the City Administrative Officer on June 8, 2016

Subject: **REQUEST FOR AUTHORIZATION TO APPROVE AND RELEASE THE AFFORDABLE HOUSING TRUST FUND PIPELINE REGULATIONS AND OPEN THE 2016 CALL FOR PROJECTS**

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### RECOMMENDATION

That the Council, subject to the approval of the Mayor, adopt recommendations A through C included in the related Housing and Community Investment Department report dated June 7, 2016.

### SUMMARY

The Housing and Community Investment Department (HCID) requests approval to: 1) adopt and release the updated Affordable Housing Trust Fund (AHTF) Pipeline Regulations included as Attachment A to the HCID transmittal dated June 7, 2016; 2) authorize HCID to solicit AHTF applications for the 2016 Call for Projects that can be scheduled for the 2018 and 2019 Pipeline calendar years; and, 3) implement an allocation schedule after the solicitation of applications that will include the authority to conduct up to two funding rounds for the AHTF Call for Projects. It should be noted that the Call for Projects document included in Attachment A of HCID's report reflects a deadline of July 29, 2016. HCID staff subsequently indicated that the Call for Projects will more likely occur in September/October of this year.

As indicated in Attachment B of HCID's report, there are currently 34 projects in the AHTF Pipeline. While the HCID report notes that of the 34 projects, 24 proposed nine percent Low Income Housing Tax Credits (LIHTC) financing and 10 proposed Tax Exempt Bond and four percent LIHTC financing, HCID staff subsequently confirmed that Attachment B correctly indicates that 23 projects proposed nine percent LIHTC financing and 11 proposed Tax Exempt Bond and four percent LIHTC financing. Attachment B to the HCID report reflects all 34 pipeline projects and their schedule for California Tax Credit Allocation Committee (CTCAC) rounds in 2016 and 2017. The HCID report also identifies five sources of funding (Affordable Housing Trust

Fund, nine percent LIHTC City of Los Angeles Geographic Region, nine percent LIHTC Set-Asides, California Strategic Growth Council's Affordable Housing and Sustainable Communities, and Veterans Housing and Homeless Prevention Bond Act of 2014) that AHTF projects must be aligned with in order to compete for funding.

This Office concurs with the proposed changes to the AHTF Pipeline Regulations, Call for Projects in 2016, and their subsequent inclusion for the 2018 and 2019 Pipeline schedule.

## **BACKGROUND**

In 2013, the California Tax Credit Allocation Committee (CTCAC) designated the City of Los Angeles as a separate region to have its own geographic allocation of nine percent LIHTC. That year, the Mayor and Council also approved the adoption of AHTF Pipeline policies administered by HCID and the authorization of a biannual Call for Projects (C.F. 13-0824). A brief history of the AHTF and the Pipeline projects is included in the HCID transmittal.

After almost three years of experience with the Pipeline policies, HCID proposes to make various changes to the policies to make AHTF regulations consistent with the regulations of other funding sources, introduce and implement policies consistent with the City's priorities, provide direction and guidance, and further enhance AHTF Pipeline Regulations and its processes. The 2016 Regulations have also been amended to allow more qualified projects to enter into the AHTF Pipeline. The HCID held a public input process through meetings and via the HCID website to generate recommendations from stakeholders about the policies. The Department received 11 letters and 55 comments on the proposed changes to the policies. The HCID evaluated the public input and then modified the AHTF Regulations which were included in the June 7, 2016 transmittal.

## **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. Approval of the recommendation in this report will authorize the release of 2016 Call for Projects. The recommendation complies with City Financial Policies in that dedicated funding sources will fully fund commitments to projects selected under the Call for Projects process.