

HOUSING COMMITTEE REPORT and RESOLUTION relative to the issuance of tax-exempt multifamily conduit revenue bonds and executing a sole-source ground lease for the development of the Rampart Mint Apartments.

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

1. ADOPT the accompanying RESOLUTION authorizing the issuance of up to \$7,690,000 in tax-exempt multifamily conduit revenue bonds for the development of the Rampart Mint Apartments located at 252 South Rampart Boulevard.
2. AUTHORIZE the General Manager, Housing and Community Investment Department (HCIDLA), or designee, to negotiate and execute relevant bond documents for the Rampart Mint Apartments, subject to the approval of the City Attorney as to form and legality.
3. DETERMINE and FIND that the public interest or necessity requires the ground lease of the City-owned property with the property restrictions as set forth in the Project uses described in the HCIDLA report to the Mayor dated July 3, 2017, to 252 Rampart Apartments, LP, for a term of 99 years at an annual ground lease rent of \$1.00 (or periodic review by the City taking into consideration the then current market conditions as mandated by Government Code Section 37380), without notice of lease or advertisement for bids.
4. AUTHORIZE the General Manager, HCIDLA, or designee, to:
 - a. Enter into a sole source ground lease agreement for the development of Rampart Mint Apartments; and, negotiate and enter into a 99-year ground lease for \$1.00 annual rental payments (or periodic review by the City taking into consideration the then current market conditions as mandated by Government Code Section 37380) subject to the approval of the City Attorney as to form and legality.
 - b. Negotiate and execute loan documents and amendments to the loan, including but not limited to interest rate, loan and affordability terms, loan amount, subordination to new permanent loans, assumption and assignment, 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 are 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 August 2, 2017, the CAO states that HCIDLA requests authority to issue tax-exempt multi-family housing conduit revenue bonds in an amount not to exceed \$7,690,000 to finance the construction of the Rampart Mint Apartments affordable housing development. The project consists of the acquisition and new construction of 22 units of

permanent supportive housing for homeless individuals with disabilities and one unrestricted manager unit. HCIDLA also requests authority to enter into a sole-source ground lease with 252 Rampart Apartments, LP. with a proposed term of up to 99 years and an annual ground lease rent of \$1. The 22 permanent supportive housing units that will be included in the project will be restricted for the term of the lease. The CAO substantially concurs with HCIDLA, recommending that Council approve the issuance of the bond, the accompanying Resolution, and the lease agreement.

At its meeting held August 2, 2017, the Housing Committee recommended that Council approve the actions above, as recommended by the CAO.

Respectfully Submitted,

HOUSING COMMITTEE

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

-NOT OFFICIAL UNTIL COUNCIL ACTS-