

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 21, 2017

CAO File No. 0220-00540-1261

Council File No. 17-0565

Council District: 6

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated November 2, 2017; Received by the City Administrative Officer on November 6, 2017

Subject: **REQUEST FOR AUTHORITY TO ISSUE TAX-EXEMPT MULTI-FAMILY CONDUIT REVENUE BONDS IN AN AMOUNT UP TO \$29,300,000 FOR THE SUN VALLEY SENIOR VETERANS APARTMENTS**

RECOMMENDATION

That the Council, subject to the approval of the Mayor, adopt Recommendations II. A. and B. of the Housing and Community Investment Department transmittal dated November 2, 2017 relative to the issuance of tax-exempt multi-family conduit revenue bonds for the development of the Sun Valley Senior Veterans Apartments.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to issue tax-exempt multi-family housing conduit revenue bonds in an amount not to exceed \$29,300,000 to finance the construction of the affordable housing development known as the Sun Valley Senior Veterans Apartments (Project). The Project consists of the construction of 94 new one and two bedroom units, for senior veterans ages 62 and above, and two unrestricted manager units. The subject sites are located at 9041 N. Laurel Canyon Boulevard, and 12505-12515 W. Jerome Street, Los Angeles, CA 91352 in Council District 6. The California Debt Limit Allocation Committee (CDLAC) awarded the tax-exempt bond allocation for the Project to the City on July 19, 2017 in an amount not to exceed \$29,300,000 and designated a January 16, 2018 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 Sun Valley Senior Veterans, 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.

The Council adopted a Responsible Banking Ordinance (RBO) in May 2012 (C.F. 09-0234 and C.F. 09-0234-S1). The purpose of the RBO is to create a social investment policy that reflects the community's priorities and acts as a tool when seeking financial services. Wells Fargo Bank, N.A. (Wells) is currently in compliance with the reporting requirements of the RBO and HCID will ensure that Wells continues to adhere to the RBO. Since the City acts only as a conduit issuer in these bond transactions and has no financial interest, the selection of the bank does not constitute City business.

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) for the Sun Valley Senior Veterans 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.

RHL:EIC:02180047C