

HOUSING COMMITTEE REPORT and RESOLUTION relative to authorization to issue up to \$11,718,017 in Multifamily Conduit Revenue Bonds for the Casa del Sol Apartment Project located at 10966 and 10970 Ratner Street.

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

1. ADOPT the accompanying RESOLUTION authorizing the issuance up to \$11,718,017 in tax-exempt Multifamily Conduit Revenue Bonds for the Casa del Sol Apartments Project, a 44-unit multifamily housing project located at 10966 and 10970 Ratner Street.
2. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to negotiate and execute the relevant bond documents for the Casa del Sol Apartments Project, subject to the approval of the City Attorney as to form.
3. REQUIRE that Bank of America, N.A. fulfill the reporting requirements of the Responsible Banking Ordinance adopted by Council on May 25, 2012 (Council file No. 09-0234) prior to the execution of the relevant bond documents.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact to the General Fund as a result of the issuance of these tax-exempt multi-family conduit revenue bonds for the Casa del Sol 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 August 22, 2018, your Committee considered August 14, 2018 CAO and July 23, 2018 HCIDLA reports and Resolution relative to authorization to issue up to \$11,718,017 in Multifamily Conduit Revenue Bonds for the Casa del Sol Apartment Project located at 10966 and 10970 Ratner Street. According to the CAO, the HCIDLA is requesting authority to issue tax-exempt multi-family housing conduit revenue bonds in an amount not to exceed \$11,718,017 to finance the construction of the affordable housing development known as the Casa del Sol Apartments Project. The Project will consist of the demolition of vacant commercial structure and the new construction of one four-story building with 43 units of supportive housing for formerly homeless senior citizens and one unrestricted manager units. The subject sites are located at 10966 and 10970 Ratner Street, Los Angeles, CA 91352 in Council District Six. The California Debt Limit Allocation Committee (CDLAC) awarded the tax-exempt bond allocation for the Project to the City on May 16, 2018 in an amount not to exceed \$11,718,017 and designated a November 13, 2018 issuance deadline. This Office concurs with the recommendations of the HCIDLA.

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 Housing, 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.

Also, in May, 2012, Council has adopted a Responsible Banking Ordinance (RBO; Council File Nos. 09-0234 and 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. Bank of America, N.A. (BofA) is not currently in compliance with the reporting requirements of the RBO and the HCIDLA will require that BofA adheres to requirements of the RBO prior to execution of the relevant bond documents. 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. After consideration and having provided an opportunity for public hearing, the Committee moved to recommend approval of the recommendations contained in the CAO and HCIDLA reports and 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:	YES
HARRIS-DAWSON:	ABSENT

ARL
8/22/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-