

HOUSING COMMITTEE REPORT and RESOLUTION relative to a request for authority to issue up to \$22,810,000 in Tax-Exempt Multifamily Conduit Revenue Bonds and issuance of a Letter of Commitment from the Low and Moderate Income Housing Fund up to \$4,000,000 for the Gramercy Place Apartments Project located at 2375 West Washington Boulevard.

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

1. ADOPT the accompanying RESOLUTION authoring the issuance up to \$22,810,000 in Tax-Exempt Multifamily Conduit Revenue Bonds (2019H) for the Gramercy Place Apartments Project located at 2375 West Washington Boulevard.
2. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
 - a. Negotiate and execute the relevant bond documents for the development, subject to the approval of the City Attorney as to form.
 - b. Issue a financial commitment letter not to exceed \$4,000,000 using funds from the Low and Medium Income Housing Fund.
 - c. Negotiate and execute a loan agreement with Gramercy Place Apartments, L.P., including but not limited to, revisions in the interest rate, loan terms, affordability terms and subordination to new permanent loans; subject to the approval of the City Attorney as to form.
3. AUTHORIZE the Controller to:
 - a. Establish a new account 43R750 Gramercy Place Apartments within the Low and Moderate Income Housing Fund No. 55J and appropriate \$4,000,000 from available program income.
 - b. Expend funds upon proper demand from the General Manager, HCIDLA, or designee.
4. AUTHORIZE the General Manager, HCIDLA, or designee, to prepare Controller instructions and make any necessary adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer (CAO); and, REQUEST the Controller to implement these instructions.

Fiscal Impact Statement: The CAO reports that there will be no impact to the General Fund as a result of the issuance of these Tax-Exempt Multi-Family Conduit Revenue Bonds for the Gramercy Place 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. The recommended actions in the April 4, 2019 CAO report, attached to the Council file, are in compliance with the City's Financial Policies in that the \$4,000,000 loan commitment is fully funded by the Low and Moderate Income Housing Fund.

Community Impact Statement: None submitted.

Summary:

On April 10, 2019, your Committee considered April 4, 2019 CAO and March 15, 2019 HCIDLA reports and Resolution relative to a request for authority to issue up to \$22,810,000 in Tax-Exempt Multifamily Conduit Revenue Bonds and issuance of a Letter of Commitment from the Low and Moderate Income Housing Fund up to \$4,000,000 for the Gramercy Place Apartments Project located at 2375 West Washington Boulevard. According to the CAO, the HCIDLA is requesting authority to issue Tax-Exempt Multi-Family Conduit Revenue Bonds in an amount not to exceed \$22,810,000 to finance the construction of the affordable housing development known as the Gramercy Place Apartments Project. The Project will consist of the new construction of 62 affordable housing units for seniors, homeless and chronically homeless individuals and families, and two unrestricted manager units.

The subject site is located at 2375 W. Washington Boulevard, Los Angeles, CA 90018 in Council District 10. The California Debt Limit Allocation Committee (CDLAC) awarded the tax-exempt bond allocation for the Project to the City on October 17, 2019 in an amount not to exceed \$22,810,000 and designated an April 29, 2019 issuance deadline. The HCIDLA is also requesting authority to issue a financial commitment letter in an amount not to exceed \$4,000,000 using funds from the Low and Moderate income Housing, and negotiate and execute a loan agreement with Gramercy Place Apartments, L.P for the funds. The CAO concurs with the recommendations of the HCIDLA. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the CAO report 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:	YES

ARL
4/10/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-