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MOTION

HOUSING

JAN 14 2014

Vitus Development, LLC, an affordable housing developer, has requested that the California Municipal Finance Authority (CMFA) issue one or more series of revenue bonds in an aggregate principal amount not to exceed Twenty-Eight Million Dollars (\$28,000,000) for the purpose of financing the acquisition, rehabilitation and equipping of a 156-unit affordable multifamily housing rental facility currently known as Christ Unity Manor located at 615 South Manhattan Place, in the City of Los Angeles.

Over the past two decades, Vitus Development, LLC has developed affordable housing throughout Southern California. Moreover, they focus on preserving existing affordable housing.

As such, Vitus Development, LLC has identified Christ Unity Manor, an existing affordable-housing project located within the 10th Council District of Los Angeles. This project's Section 8 contract is about to expire. The developers plan to extend its Section 8 credits for another 30 years. No Los Angeles City funds will be directed to this project. The California Debt Limit Allocation Committee's (CDLAC) deadline to issue these Bonds is December 15th, 2013. Therefore, time is of the essence.

In order to ensure the project preserves its affordability, it is necessary for the City Council to approve the Resolution to issue tax exempt bonds and conduct a public hearing in accordance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Following the TEFRA public hearing, the Council should adopt the attached Resolution approving the issuance of the bonds by CSCDA.

I THEREFORE MOVE that the Council:

1. Waive the Council-approved LAHD Multifamily Bond Policy to allow the California Municipal Finance Authority (CMFA) to issue the bonds on behalf of the project.
2. Instruct the City Clerk to schedule a TEFRA Hearing on the agenda for the City Council Meeting to be held on Wednesday, January 29, 2014 located at 200 N. Spring Street, Room 300, Los Angeles, CA 90012.
3. Instruct the City Clerk to place on the Agenda for the City Council Meeting to be held on Wednesday, January 29, 2014 consideration of the TEFRA hearing results and adoption of the TEFRA hearing Resolution to follow the conduct of the public hearing.

PRESENTED BY: *Herb J. Wesson, Jr.*
HERB J. WESSON, JR.
Councilmember, 10th District

JAN 14 2014

SECONDED BY: *Governor [Signature]*

ORIGINAL

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES APPROVING THE ISSUANCE OF THE MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$28,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION AND EQUIPPING OF CHRIST UNITY MANOR AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the City of Los Angeles (the "City") is a member of the California Municipal Finance Authority, a joint powers authority organized and existing under the laws of the State of California (the "Authority"); and

WHEREAS, Vitus Development, LLC, on behalf of a limited partnership or limited liability company to be established by Vitus Development LLC and/or Vitus Group, Inc. (the "Borrower"), has requested the Authority to issue revenue bonds in an aggregate principal amount not to exceed \$28,000,000 (the "Bonds") for the purpose of financing the acquisition, rehabilitation and equipping of a 156-unit multifamily housing rental facility currently known as Christ Unity Manor located at 615 S. Manhattan Place, in the City; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the City because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the "City Council") is the elected legislative body of the City and is an "applicable elected representative" required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Authority's joint exercise of powers agreement; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Administrative Officer has, following notice duly given, held a public hearing regarding the issuance of the Bonds and reported the results thereof to the City Council, and the City Council now desires to approve the issuance of the Bonds by the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Los Angeles, as follows:

Section 1. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority for the purposes of Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f).

Section 2. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Los Angeles this ____ day of _____, 2014.

[SEAL]

Attest:

By: _____
City Clerk