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HOUSING

MOTION

JAN 3 1 2014

WNC & Associates Inc., through its affiliate, Community Preservation Partners ("WNC"), which collectively, are a national affordable housing tax credit investment and development company with over 40 years of experience, has requested that the California Statewide Communities Development Authority (CSCDA) issue one or more series of revenue bonds in an aggregate principal not to exceed fifteen million dollars (\$15,000,000) for the purpose of financing the acquisition, rehabilitation, and equipping of two (2) affordable multi-family housing rental facilities known as Jefferson Townhomes and Cunningham Village.

Jefferson Townhomes, a scattered site multi-family housing rental facility, is located at 1693-1741 W. Jefferson Boulevard, Los Angeles, CA 90016 within the 8<sup>th</sup> Council District of Los Angeles. All of its 30 units are Section 8.

Cunningham Village, a multi-family housing rental facility located at 2300 Victoria Avenue Los Angeles, CA 90016 and within the 10<sup>th</sup> Council District, has 35 units. 92% (30 out of 35 units) of its units are Section 8.

These properties were publicly marketed section 8 communities near USC with a high level of interest from market rate buyers seeking convert them into student housing at the expiration of their HUD contracts. The only way to compete and preserve the affordability of the properties was to acquire the property as soon as WNC received HUD approval to assume the existing contracts.

WNC, through a bridge loan with Century Housing, will be purchasing the property at the end of February. In order to maintain the eligible basis resulting from the acquisition of the property and to save on the costs of the bonds, WNC had to immediately induce the project through CSCDA.

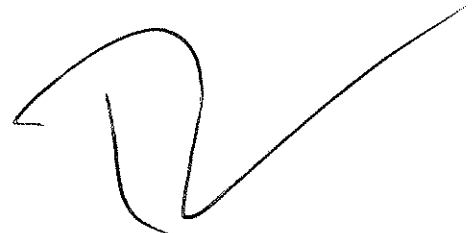
No City funds are to be directed to this project. In addition, WNC will ensure both properties comply with prevailing wage requirements. WNC will hire a third party consultant and will provide their prevailing wage compliance reports directly to LAHD upon completion of the project.

WNC will be preserving these valuable affordable housing properties, enhancing the communities by providing substantial funds for modernizing and updating the properties, and providing long term affordability without any costs to the City of Los Angeles

In order to ensure the project preserves its affordability basis, it is important for WNC to acquire the property through an inducement resolution for tax exempt bonds. Therefore 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 Statewide Communities Development Authority (CSCDA) 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 February 19, 2014 located at 200 N. Spring Street, Room 340, Los Angeles, CA 90012.



3. Instruct the City Clerk to place on the Agenda for the City Council Meeting to be held on February 19, 2014 consideration of the TEFRA hearing results and adoption of the TEFRA hearing Resolution to follow the conduct of the public hearing.

PRESENTED BY: Bernard C. Parks  
BERNARD C. PARKS  
Councilmember, 8th District

SECONDED BY: Mark A. Hemm

ORIGINAL

JAN 31 2014

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES APPROVING THE ISSUANCE OF THE MULTIFAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,200,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION AND EQUIPPING OF JEFFERSON TOWNHOMES AND CUNNINGHAM VILLAGE AND CERTAIN OTHER MATTERS RELATING THERETO**

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

WHEREAS, Jefferson Cunningham Community Partners, L.P.(the "Borrower"), has requested the Authority to issue revenue bonds in an aggregate principal amount not to exceed \$12,200,000 (the "Bonds") for the purpose of financing the acquisition, rehabilitation and equipping of a 30-unit multifamily housing rental facility currently known as Jefferson Townhomes located at 1693-1741 W. Jefferson Boulevard, in the City as well as a 35-unit multifamily housing rental facility located at 2300 Victoria Avenue, 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