

HOUSING

MOTION

The LA Colorado Terrace Apartments (the "Project") located at 2455 Colorado Boulevard in Council District 14, will provide a total of 86 residential units comprised of 42 affordable units and 44 market-rate units. The City previously issued a total of \$11,892,500 in Bonds to finance the project. These consisted of \$10,300,000 issued in December 2002 (the "2002 Bonds") and \$1,592,500 in supplemental bonds issued in December 2007 (the "2007 Bonds", together with the 2002 Bonds, the "Bonds").

On June 26, 2015, the Mayor and Council approved the issuance of a \$9,500,000 multifamily conduit taxable refunding note (C.F. 14-0624), to refinance the above-referenced Bonds resulting in a lower interest rate and conversion of some commercial space to residential use. However, that resolution only provided for the refunding of the 2002 bonds, and inadvertently omitted the 2007 bonds. Therefore, HCIDLA requests to issue an additional \$1,000,000 in taxable refunding note for the Project, from \$9,500,000 to up to \$10,500,000 to permit the refinancing of both the 2002 Bonds and 2007 Bonds.

To accomplish such a refinancing the outstanding principal of the Bonds will be repaid with proceeds of a Taxable Multifamily Housing Revenue Refunding Note (Colorado Terrace Apartments Project) Series 2016F (the "Refunding Note") and the mortgage loan financing the Project will be modified simultaneously with the redemption of the Bonds.

I THEREFORE MOVE, that the City Council subject to the approval of the Mayor, take the following actions:

- A. Adopt the Resolution in Attachment A authorizing the issuance of the Refunding Note and negotiate the sale of the Refunding Note the proceeds of which would affect the redemption of the Bonds for the Project; and
- B. Authorize the HCIDLA General Manager, or designee, to enter into a Note Purchase Agreement, Pledge and Custody Agreement and related documents for the Refunding Note for the Project, subject to the approval of the City Attorney as to form; and
- C. Authorize the HCIDLA General Manager, or designee, to negotiate and execute relevant Refunding Note documents, subject to the approval of the City Attorney as to form.

PRESENTED BY: _____

Jose Huizar
Jose Huizar
Councilmember, 14th District

SECONDED BY: _____

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RESOLUTION
CITY OF LOS ANGELES

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A NOTE BY THE CITY OF LOS ANGELES DESIGNATED AS ITS TAXABLE MULTIFAMILY HOUSING REVENUE REFUNDING NOTE (COLORADO TERRACE APARTMENTS PROJECT) SERIES 2016F IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,500,000 TO PROVIDE FUNDS TO REFUND BONDS ISSUED BY THE CITY OF LOS ANGELES, WHICH PROVIDED PERMANENT FINANCING FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE MULTIFAMILY HOUSING PROJECT SPECIFIED IN PARAGRAPH 15 HEREOF AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A NOTE PURCHASE AGREEMENT, PLEDGE AND CUSTODY AGREEMENT AND RELATED DOCUMENTS AND AGREEMENTS AND THE TAKING OF RELATED ACTIONS, INCLUDING THE EXECUTION OF AMENDATORY DOCUMENTS THERETO. THIS RESOLUTION AMENDS AND RESTATES IN WHOLE AND SUPERSEDES THE PREVIOUS CITY COUNCIL RESOLUTION (COUNCIL FILE NO. 14-0624) APPROVED JUNE 26, 2015.

WHEREAS, the City of Los Angeles (the "City") is authorized, pursuant to Section 248, as amended, of the City Charter (the "Charter") of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (the "Law"), to issue its revenue bonds or notes for the purposes of providing permanent financing or refinancing for the acquisition, rehabilitation and development of multifamily rental housing for persons and families of low or moderate income (the "Program") which will satisfy the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"); and

WHEREAS, the City desires to issue pursuant to the Law and in accordance with the Act, its taxable revenue refunding note to refund the outstanding principal amount of the City's Multifamily Housing Revenue Bonds (GNMA Mortgage-Backed Securities Program—Colorado Terrace Apartments Project) Series 2002H and Multifamily Housing Revenue Bonds (GNMA Mortgage Backed Securities Program—Colorado Terrace Apartments Project) Series 2007H (together, the "Bonds") which provided permanent financing for the acquisition, rehabilitation and equipping of that multifamily rental housing project described in paragraph 15 below (the "Project"); and

WHEREAS, the Project is located wholly within the City; and

WHEREAS, it is in the public interest and for the public benefit that the City issue its taxable revenue refunding note to refund the Bonds, and it is within the powers of the City to provide for such a financing and the issuance of such note; and

WHEREAS, at the request of L.A. Colorado Terrace, a California Limited Partnership (the "Borrower") the City proposes to issue, pursuant to the Law and in accordance with the Act, its Taxable Multifamily Housing Revenue Refunding Note (Colorado Terrace Apartments Project) Series 2016F in an aggregate principal amount not to exceed \$10,500,000 (the "Note"); and

WHEREAS, the City proposes to use the proceeds of the Note to prepay the principal and applicable redemption premium of and interest on the Bonds and, if applicable, to pay certain costs of issuance in connection with the issuance of the Note;

WHEREAS, Berkadia Commercial Mortgage, LLC or an affiliate or designee thereof (the "Purchaser"), has expressed the intention of the Purchaser to purchase the Note authorized hereby in whole and this Council (the "City Council") finds that the public interest and necessity require that the City at this time make arrangements for the sale of such Note; and

WHEREAS, this City Council previously adopted its Resolution (Council File No. 14-0624) approved June 26, 2015 authorizing up to \$9,500,000 of a taxable revenue note to prepay the bonds; and

WHEREAS, it was subsequently determined that such amount would be insufficient to pay the full outstanding principal of the Bonds; and

WHEREAS, this City Council desires to amend and restate in whole its Resolution (Council File 14-0624) adopted June 26, 2015, with the terms of this Resolution to authorize the issuance of the Note in an amount not exceeding \$10,500,000;

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

1. The recitals hereinabove set forth are true and correct, and this City Council so finds. This Resolution is being adopted pursuant to the Law.

2. Pursuant to the Law and in accordance with the Act, a revenue refunding note of the City, to be designated as "City of Los Angeles Taxable Multifamily Housing Revenue Refunding Note (Colorado Terrace Apartments Project) Series 2016F" in an aggregate principal amount not to exceed \$10,500,000 is hereby authorized to be issued. The principal amount of the Note to be issued shall be determined by a Designated Officer (as defined below) in accordance with this Resolution.

3. The proposed form of the Note, substantially in the form attached hereto, is hereby approved, and the Mayor and City Treasurer, the Interim City Treasurer or Deputy City Treasurer of the City are hereby authorized and directed to execute the Note in substantially such form, and to sell and deliver such Note to the Purchaser in accordance with the Purchase Agreement (hereinafter defined). The date, maturity date, interest rate (which may be either fixed or variable), interest payment dates, denomination, form of registration privileges, manner of execution, place of payment, terms of redemption, use of proceeds, and other terms of the Note shall be as provided in the Note as finally executed; provided, however, that the principal amount of the Note shall not exceed \$10,500,000, the interest rate on the Note shall not exceed

12% per annum and the final maturity of the Note shall be no later than November 20, 2044. The purchase price of the Note shall be 100% of the par amount thereof. Such Note may be delivered in temporary form if, in the judgment of the City Attorney, delivery in such form is necessary or appropriate until the Note in definitive form can be prepared.

4. The proposed form of Pledge and Custody Agreement (the "Pledge Agreement") to be entered into by and among the City, the Purchaser and Berkadia Commercial Mortgage, LLC, or such other custodian appearing in the final version thereof, as Custodian, substantially in the form attached hereto, is hereby approved. The Mayor of the City, the General Manager or any Interim General Manager, any Assistant General Manager, or any Acting Assistant General Manager, Interim Assistant General Manager, Executive Officer or the Director—Finance and Development Division of the Housing Development Bureau of the Los Angeles Housing and Community Investment Department (each hereinafter referred to as a "Designated Officer") is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Pledge Agreement, with such additions, changes and corrections as the Designated Officer may approve upon consultation with the City Attorney and Bond Counsel and approval of the City Attorney, such approval to be conclusively evidenced by the execution of said Pledge Agreement with such additions, changes or corrections.

5. The proposed form of Note Purchase Agreement (the "Purchase Agreement"), by and between the City and the Purchaser, in substantially the form attached hereto, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute the Purchase Agreement, with such additions, changes or corrections as the Designated Officer executing the same may approve upon consultation with the City Attorney and Bond Counsel and approval by the City Attorney, such approval to be conclusively evidenced by the execution of the Purchase Agreement with such additions, changes or corrections.

6. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Note are hereby approved, confirmed and ratified, and each Designated Officer of the City, the City Clerk and other properly authorized officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the Note, the Pledge Agreement, the Purchase Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note and the implementation of the Program in accordance with the Act and the Law and this Resolution and resolutions heretofore adopted by the City.

7. The City Clerk of the City or any deputy thereof is hereby authorized to countersign or to attest the signature of any Designated Officer and to affix and attest the seal of the City as may be appropriate in connection with the execution and delivery of any of the documents authorized by this resolution, provided that the due execution and delivery of said documents or any of them shall not depend on such signature of the City Clerk or any deputy thereof or affixing of such seal. Any of such documents may be executed in multiple counterparts.

8. In addition to the Designated Officers, any official of the City, including any official of the Los Angeles Housing and Community Investment Department, as shall be authorized in writing by the Mayor of the City, is hereby authorized for and on behalf of the City to execute and deliver any of the agreements, certificates and other documents, except the Note, authorized by this Resolution.

9. In accordance with procedures established by the City Charter, the City Council, by adoption and approval of this Resolution and with the concurrence of the Mayor, does hereby direct that the proceeds of the Note be delivered directly to the custodian for the Note instead of the City Treasurer, to effect a prepayment in whole of the Note.

10. [Reserved].

11. Pursuant to the City Charter all agreements to which the City is a party shall be subject to approval by the City Attorney as to form.

12. Each Designated Officer and other properly authorized officials of the City as specifically authorized under this resolution are hereby authorized, directed and empowered on behalf of the City and this Council to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the City Attorney as to form, or to do and to cause to be done any and all other acts and things as they may deem necessary or appropriate to carry out the purpose of the foregoing authorizations and to address any issues arising with respect to the Note or the agreements relating thereto subsequent to its issuance.

13. The Note shall contain a recital that it is issued pursuant to the Law and in accordance with the Act.

14. This Resolution shall take effect immediately upon its passage and adoption.

15. The "Project" and "Borrower", as used herein, shall have the following meanings

Project Name	Number of Units	Address	Borrower
L.A. Colorado Terrace Apartments-	77	2455 Colorado Boulevard, Los Angeles, CA 90041	L.A. Colorado Terrace, L.P. a California Limited Partnership

16. The Terms of this Resolution amend, restate and supersede in whole the terms of that previous City Council Resolution (Council File No. 14-0624) approved June 26, 2015.

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I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 2016.

By _____
Name _____
Title _____