

HOUSING COMMITTEE REPORT relative to authorization to issue letters of financial commitment for California Tax Credit Allocation Committee (CTCAC) 2015 Round 2 Affordable Housing Trust Fund (AHTF) Pipeline projects.

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

1. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:

- a. Issue a nine percent Tax Credit Recommendation Letter and/or Financial Commitment/Support Letter for each of the proposed affordable housing projects identified in Table 1 of the HCIDLA transmittal dated June 5, 2015, in Attachment A of the City Administrative Officer (CAO) report dated June 24, 2015 (attached to Council file [C.F.] No. 15-0219-S1), subject to the following conditions:
  - i. That the final AHTF commitment not exceed the amount listed in the above-referenced Table 1.
  - ii. That the project sponsor apply to the CTCAC in the allocation round authorized by the HCIDLA.
  - iii. That the disbursement of the AHTF funds will take place after the sponsor obtains enforceable commitments for all proposed funding, including, but not limited to, the full amount of the fund and/or tax credits proposed.
- b. Issue a four percent Tax Credit Recommendation Letter and/or Financial Commitment for the project identified in Table 2 of the HCIDLA transmittal dated June 5, 2015, in Attachment A of the CAO report dated June 24, 2105 (attached to C.F. No. 15-0219-S1), subject to the following conditions:
  - i. That the final AHTF financial commitment not exceed the amount listed in the above-referenced Table 2.
  - ii. That the disbursement of AHTF funds will take place after the sponsor obtains enforceable commitments for all proposed funding, including, but not limited to, tax credit proceeds and operating subsidies.
- c. Negotiate and execute an acquisition/predevelopment/construction/permanent loan agreement with the legal owner of each project identified in the Table 1 and Table 2 that receives an award from the proposed leveraging source, subject to the satisfaction of all conditions and criteria stated in the AHTF application, the HCIDLA transmittal, and any HCIDLA Letter of Commitment, subject to the review and approval of the City Attorney as to form.
- d. Execute subordination agreements for each of the projects in Table 1 and Table 2,

wherein the City loan and regulatory agreements are subordinated to their respective conventional construction and permanent loans.

- e. Execute agreements with the project owners of each project in Table 1 and Table 2 and authorize the transfer of the City financial commitment to a limited partnership or other legal entity formed solely for the purpose of owning and operating the project in accordance with City and federal requirements.
- f. Prepare Controller instructions and make any technical adjustments that may be required and are consistent with the Mayor and Council actions on this item, subject to the approval of the CAO; and, authorize the Controller to implement the instructions.
- g. Replace the staff report for Norwood Learning Village which was included in the HCIDLA transmittal with the staff report in Attachment B of the CA report (attached to C.F. No. 15-0219-S1) to correct the address of the project.

2. AUTHORIZE the Controller to:

- a. Obligate new HOME Investment Partnerships Program (HOME) fund allocations for each project listed below:

2015 CTCAC Round 2 - Nine Percent LIHTC Applicants

<u>Project</u>	<u>Fund</u>	<u>Account Title</u>	<u>Amount</u>
Campus at LA Family Housing	561/43	43M008 AHTF	\$1,900,000
Panama Apartments	561/43	43M008 AHTF	4,479,380
King 1101	561/43	43M008 AHTF	1,740,000
Beverly & Lucas	561/43	43M008 AHTF	6,690,000
Norwood Learning Village	561/43	43M008 AHTF	<u>1,179,360</u>
Subtotal:			\$15,988,740

2015 CTCAC - Bond and Four Percent LIHTC Applicants

<u>Project</u>	<u>Fund</u>	<u>Account Title</u>	<u>Amount</u>
127th Street Apartments	561/43	43M008 AHTF	<u>\$3,000,000</u>

Total - All Projects: \$18,988,740

- b. Obligate new McKinney Act savings for each project listed below:

2015 CTCAC Round 2 - Nine Percent LIHTC Applicants

<u>Project</u>	<u>Fund</u>	<u>Account Title</u>	<u>Amount</u>
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Panama Apartments	561/43	43M008 AHTF	\$10,000
King 1101	561/43	43M008 AHTF	10,000
Beverly & Lucas	561/43	43M008 AHTF	<u>10,000</u>
Total:			\$30,000

c. Expend funds upon proper demand of the General Manager, HCIDLA, or designee.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. Approval of the recommendations in this report authorizes the HCIDLA to issue Letters of Commitment to proposed affordable housing projects selected from the Managed Pipeline. Funding is available and provided from the AHTF and the McKinney Act. The recommendations comply with City Financial Policies in that dedicated funding sources will fully fund commitments to projects selected through the CTCAC 2015 Round 2 application process.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on June 24, 2015, the Housing Committee considered a report from the HCIDLA dated June 5, 2015 and a report from the CAO dated June 24, 2015 relative to authorization for the HCIDLA to issue letters of financial commitment for CTCAC 2015 Round AHTF Pipeline projects, and various actions related to the AHTF. Representatives of the CAO and the HCIDLA addressed the Committee and provided a brief overview of the matter.

After providing an opportunity for public comment, the Committee approved the recommendations in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



MEMBER VOTE

CEDILLO: YES

FUENTES: YES

PRICE: ABSENT

REW  
6/25/15  
FILE NO. 15-0219-S1

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**