

HOUSING COMMITTEE REPORT and RESOLUTION relative to authorization to issue Tax-Exempt Multifamily Conduit Revenue Bonds and related actions for the Pointe on Vermont Apartments Project located at 7600-7610 South Vermont Avenue and 950 West 76th Street.

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

1. ADOPT the accompanying RESOLUTION authorizing the issuance of up to \$15,196,222 in Tax-Exempt Multifamily Conduit Revenue Bonds (Series 2019K) for the Pointe on Vermont Apartments Project located at 7600-7610 South Vermont Avenue and 950 West 76th Street.
2. AUTHORIZE the Controller to establish and appropriate a new appropriation Account No. 43R803 entitled Pointe on Vermont in the amount of \$2,500,000 within the Low and Moderate Income Housing Fund (LMIHF) No. 55J/43 from the available cash balance of the LMIHF Fund.
3. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department, or designee, to:
  - a. Negotiate and execute relevant bond documents for the Pointe on Vermont Apartments Project, subject to the approval of the City Attorney as to form.
  - b. Issue a financial commitment letter not to exceed \$1,700,000 using funds from the HOME Investment Partnership Program Fund No. 561/43, Account No. 43R011 Affordable Housing Trust Fund.
  - c. Issue a financial commitment letter not to exceed \$2,500,000 using funds from the LMIHF Fund No. 55J/43, Account No. 43R803 Pointe on Vermont.
  - d. Negotiate and execute a loan agreement with Pointe on Vermont, LP, 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.
  - e. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer (CAO).

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 multifamily conduit revenue bonds (bonds) for the Pointe on Vermont 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 recommendations contained in the June 6, 2019 CAO report, attached to the Council file, are in compliance with the City's Financial Policies in that the additional \$1,700,000 and \$2,500,000 loan commitments are fully funded by the HOME Investment Partnership Program Fund and the LMIHF.

Community Impact Statement: None submitted.

Summary:

On June 12, 2019, your Committee considered June 6, 2019 CAO and May 3, 2019 HCIDLA reports and Resolution relative to request for authority to issue Tax-Exempt Multifamily Conduit Revenue Bonds (Series 2019K) in an amount up to \$15,196,222 for the Pointe on Vermont Apartments Project located at 7600-7610 South Vermont Avenue and 950 West 76th Street. According to the CAO, the Project consists of the new construction of 49 units of affordable housing for low-income, chronically homeless, and formerly homeless individuals plus one unrestricted manager unit. The subject sites are located at 7600-7610 South Vermont Avenue and 950 West 76th Street, Los Angeles, CA 90044 in Council District 8. The California Debt Limit Allocation Committee (CDLAC) awarded the tax-exempt bond allocation for the Project to the City on December 12, 2018 for an amount not to exceed \$15,196,222 and designated a June 24, 2019 issuance deadline. The HCIDLA is additionally requesting authority to issue a financial commitment letter not to exceed \$1,700,000 using funds from the HOME Investment Partnership Program (HOME) Fund, issue a financial commitment letter not to exceed \$2,500,000 using funds from the Low and Moderate Income Housing (LMIHF), and negotiate and execute loan agreements with Pointe on Vermont, L.P. for the funds. The CAO concurs with the recommendations of the Department, as amended to clarify the source of funds for the loans. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the CAO report as detailed above. 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:	ABSENT

ARL  
6/12/19

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**