

HOUSING COMMITTEE REPORT and RESOLUTION relative to request for authority to issue Tax-Exempt Multifamily Conduit Revenue Bonds in an amount up to \$16,680,000 for the Residences on Main Project.

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

1. ADOPT the accompanying RESOLUTION authorizing the issuance of up to \$16,680,000 in Tax-Exempt Multifamily Conduit Revenue Bonds (Series 2019F) for the Residences on Main Project located at 6901-6917 Main Street.
2. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to negotiate and execute the relevant bond documents for the Residences on Main Project, subject to the approval of the City Attorney as to form.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports there is no additional impact to the General Fund as a result of the issuance of these tax-exempt multi-family conduit revenue bonds for the Residences on Main 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.

Community Impact Statement: None submitted.

Summary:

On February 27, 2019, your Committee considered February 19, 2019 CAO and January 14, 2019 HCIDLA reports and Resolution relative to a request for authority to issue Tax-Exempt Multifamily Conduit Revenue Bonds in an amount up to \$16,680,000 for the Residences on Main Project. According to the CAO, the HCIDLA is requesting authority to issue tax-exempt multi-family housing conduit revenue bonds in an amount not to exceed \$16,680,000 to finance the construction of the affordable housing development known as the Residences on Main Project. The Project will consist of 49 supportive housing units for very low-income persons and families, of which 25 units will be reserves for the chronically homeless transitional age youth and 24 units will be reserved for homeless families, and one unrestricted manager unit. The subject site is located at 6901-6917 Main Street, Los Angeles, CA 90003 in Council District Nine.

The CAO concurs with the HCIDLA. The City's involvement in the issuance of tax-exempt, multi-family housing conduit revenue bonds is considered true conduit financing, in which the obligation for repayment of the bonds is the responsibility of Residences on Main, LP and the City bears no financial responsibility for repayment as the issuer. There will be no impact to the General Fund. The financing is consistent with City policies regarding conduit financing. 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 in above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	ABSENT
HARRIS-DAWSON:	YES

ARL
2/27/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-