

HOUSING COMMITTEE REPORT and RESOLUTION relative to request for authority to issue Tax-Exempt Multifamily Conduit Revenue Bonds in an amount up to \$7,000,000 for the Broadway Apartments Project.

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

1. ADOPT the accompanying RESOLUTION authorizing the issuance of up to \$7,000,000 in Tax-Exempt Multifamily Conduit Revenue Bonds (Series 2019G) for the Broadway Apartments Project located at 301 West 49th Street.
2. APPROVE a waiver of certain aspects of the City of Los Angeles' Bond Policies and Procedures, dated April 2005, with respect to the issuance of un-rated, non-credit enhanced bonds and allow transfer of ownership of the bonds to multiple bond holders.
3. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to negotiate and execute the relevant bond documents for the Broadway Apartments 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 Broadway 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.

Community Impact Statement: None submitted.

Summary:

On February 27, 2019, your Committee considered February 19, 2019 CAO and January 9, 2019 HCIDLA reports and Resolution relative to a request for authority to issue Tax-Exempt Multifamily Conduit Revenue Bonds in an amount up to \$7,000,000 for the Broadway Apartments 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 \$7,000,000 to finance the construction of the affordable housing development known as the Broadway Apartments Project. The Project will consist of the rehabilitation of an existing hotel to create 34 supportive housing units for chronically homeless individuals and one unrestricted manager unit. The subject site is located at 301 West 49th Street, Los Angeles, CA 90037 in Council District Nine.

The California Debt Limit Allocation Committee (CDLAC) awarded the tax-exempt bond allocation for the Project to the City on September 19, 2018 in an amount not to exceed \$7,000,000 and designated a March 31, 2019 issuance deadline. 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 Broadway Apartments Preservation, 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

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2/27/19

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**