

HOMELESSNESS AND POVERTY COMMITTEE REPORT and RESOLUTION relative to the issuance of tax-exempt multifamily conduit revenue bonds or notes and the HOME Investment Partnership Program (HOME)/Community Development Block Grant permanent loan for the PATH Villas Montclair/Gramercy project (Project).

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

1. ADOPT the accompanying RESOLUTION authorizing the issuance of up to \$23,415,000 in tax-exempt multifamily conduit revenue for the Project.
2. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department, or designee, to:
  - a. Negotiate and execute relevant loan documents and amendments to City Contract No. C-101200, including but not limited to amending interest rates, loan and affordability terms, and loan amount; executing separate promissory notes, deeds of trust, and regulatory agreements for the different funding sources; subordination to new permanent loans; and, assumption, assignment and transfer of ownership to a new limited partnership; subject to the approval of the City Attorney as to form.
  - b. Negotiate and execute relevant bond documents for the Project, subject to the approval of the City Attorney as to form.
  - c. Negotiate and reduce, if necessary, the interest rates of the City Permanent Loan from five percent to the Applicable Federal Rate (annual compounding), the HHH Loan from three percent to 1.5 percent, and the HOME and Housing Opportunities for Persons with HIV/AIDS Promissory Notes based on the Applicable Federal Rate (annual compounding).
3. REQUIRE Pacific Western Bank to fulfill the reporting requirements of the Responsible Banking Ordinance adopted by the Council on May 25, 2012 under Council file No. 09-0234, prior to the execution of the relevant bond documents.

Fiscal Impact Statement: The City Administrative Officer 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 for the 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:

At its regular meeting held on November 6, 2019, the Homelessness and Poverty Committee considered a City Administrative Officer report and resolution relative to the issuance of tax-exempt multifamily conduit revenue bonds or notes and the HOME/Community Development Block Grant permanent loan for the Project.

After providing an opportunity for public comment, the Committee approved the City Administrative Officer report recommendations as reflected above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

HOMELESSNESS AND POVERTY COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
O'FARRELL:	YES
RODRIGUEZ:	YES
BONIN:	YES
HARRIS-DAWSON:	YES
RYU:	YES

EV  
19-0558\_rpt\_hp\_11-6-19



**-NOT OFFICIAL UNTIL COUNCIL ACTS-**