

(Corrected) HOMELESSNESS AND POVERTY COMMITTEE REPORT and RESOLUTION relative to the issuance of tax-exempt multifamily conduit revenue bonds for the Adams Terrace Apartments, located at 4314 West Adams Boulevard, Los Angeles, CA 90018.

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

1. NOTE and FILE the Los Angeles Housing and Community Investment Department (HCIDLA) transmittal dated August 5, 2020, and City Administrative Officer (CAO) report dated October 1, 2020, relative to the issuance of tax-exempt multifamily conduit revenue bonds for the Adams Terrace Apartments.
2. ADOPT the accompanying RESOLUTION attached in the October 2, 2020 CAO report, attached to the Council file, authorizing the issuance of up to \$33,769,000 in tax-exempt multifamily conduit revenue bonds for the Adams Terrace Apartments.
3. FIND that the conveyance of the property located at 4314 West Adams Boulevard, Los Angeles, CA, 90018 for below its Fair Market Value (FMV), with a purchase price of \$895,000, and the terms and conditions imposed thereon serves a public purpose, in accordance with the Los Angeles Administrative Code (LAAC) Section 7.27.3.
4. AUTHORIZE the General Manager, HCIDLA, or designee, to:
  - a. Negotiate and reduce, if necessary, the interest rate of the Adams Terrace Apartments Project's Proposition HHH Supportive Housing loan of \$12 million below 3 percent but no lower than a 1.0 percent simple interest rate.
  - b. Negotiate and execute the relevant bond documents for the Adams Terrace Apartments, subject to the approval of the City Attorney as to form.
  - c. Modify the terms of the Owner's Participation Agreement via an Implementation Agreement, including approval to sell the property below FMV and reducing the interest rate of the Project's Land Acquisition Loan below 3 percent but no lower than a 1 percent simple interest rate, and execute all necessary documents to reflect the modifications, subject to the approval of the City Attorney as to form.
  - d. Convey the property located at 4314 West Adams Boulevard, Los Angeles, CA, 90018 to Adams Terrace, L.P. for below its FMV, with a purchase price of \$895,000, in accordance with the LAAC Sec. 7.27.3.

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 or notes for the Adams Terrace Apartments. 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 Adams Terrace Apartments, and the City will in no way be obligated to make payments on the bonds.

Financial Policies Statement: The CAO reports that the recommendations in this report comply

with the City's Financial Policies. Debt Impact Statement: The CAO reports that there is no debt impact as these bonds are a conduit issuance debt and not a debt of the City.

Community Impact Statement: None submitted.

Summary:

At a meeting held on October 8, 2020, your Homelessness and Poverty Committee considered the HCIDLA report dated August 5, 2020, CAO reports dated October 1, 2020, and October 2, 2020, relative to the issuance of tax-exempt multifamily conduit revenue bonds for the West Adams Terrace Apartments. The reports attached to the Council file, includes some background on the matter.

After providing an opportunity for public comment, the Committee moved to approve the recommendations as amended and 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  
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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**