

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles



LOS ANGELES HOUSING DEPARTMENT
1200 West 7th Street, 9th Floor
Los Angeles, CA 90017
Tel: 213.808.8808
housing.lacity.org

Karen Bass, Mayor

October 4, 2023

Council File: 20-1152
Council District: 10
Contact Persons: Conny Griffith (213) 808-8895
Georgina Tamayo (213) 808-8587

Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO ADOPT THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT (“TEFRA”) MINUTES; TO REISSUE TAX-EXEMPT MULTIFAMILY CONDUIT REVENUE BONDS IN THE AMOUNT UP TO \$33,769,000; AND TO EXECUTE RELATED FINANCING DOCUMENTS FOR ADAMS TERRACE, A SUPPORTIVE HOUSING PROJECT

SUMMARY

The General Manager of the Los Angeles Housing Department (“LAHD”) respectfully requests authority to reissue the \$33,769,000 tax-exempt multifamily conduit revenue bonds. The project consists of 86 units located at 4314 and 4347 W. Adams Boulevard, Los Angeles, CA in Council District 10, developed by Abode Communities, with a total per-unit development cost of \$698,819 and a per-unit Proposition HHH Supportive Housing Loan Program (“HHH”) subsidy of \$139,535. The reissuance must be completed prior to the conversion of the construction loan to the permanent loan, which is estimated to occur on or about November 10, 2023

RECOMMENDATIONS

- I. That the City Council, subject to the approval of the Mayor:
 - A. CONSIDER the Tax Equity and Fiscal Responsibility Act (TEFRA) minutes, provided as Attachment A to this report, held on October 4, 2023;
 - B. ADOPT the Resolution, provided as Attachment B to this report, approving and authorizing the reissuance of \$33,769,000 in tax-exempt Multifamily Housing Conduit Revenue Bond for the development of the Adams Terrace project; and,
 - C. AUTHORIZE the General Manager of LAHD, or designee, to negotiate and execute the relevant financing documents for the Project, subject to the approval of the City Attorney as to form.

BACKGROUND

Project Summary

The supportive housing development is located at 4314 and 4347 W. Adams Boulevard, Los Angeles, CA, in Council District 10. The project consists of two vacant and separate parcels approximately one half block away from each other. The parcel at 4314 W. Adams Boulevard has 48 units and the parcel at 4347 W. Adams Boulevard has 38 units. The project is comprised of two buildings – one on each parcel. Each building is three stories of Type IIA residential over one story of Type IA parking with common area uses. Elevator access is provided in both buildings. The project has a total of 86 units and 51 parking spaces. The unit mix consists of 38 studio units, 46 one-bedroom units, and 2 two-bedroom manager’s units. The Project serves low-income families, homeless, and chronically homeless households. The amenities include a community garden, resident centers, and bicycle parking. The new construction is committed to achieving Leadership in Energy and Environmental Design (LEED) Certification.

The parcel at 4314 W. Adams Boulevard is currently owned by the City of Los Angeles (City). Adams Terrace, LP and LAHD have executed an Owner’s Participation Agreement (OPA) (C.F. No. 12-0049-S5). At the time of construction finance closing, the City provided a \$895,000 Seller Loan to Adams Terrace, LP to enable Adams Terrace, LP to purchase this parcel.

Financing History

On December 9, 2019, LAHD executed an inducement letter in the amount not to exceed \$35,510,000. The letter evidenced the official intent of the City to issue its bonds for the development. The letter was executed per previous authority granted to LAHD by the City Council and Mayor (C.F. No. 04-2646). On January 17, 2020, on behalf of Adams Terrace, L.P. (Borrower), LAHD submitted a bond application to CDLAC requesting \$33,769,000 in bond allocation, and was awarded the allocation on April 14, 2020. A copy of the inducement letter and evidence that the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) requirements have been met were included as part of the bond application. Per the TEFRA requirements, on February 13, 2020, a TEFRA Resolution was approved by the City Council and the Mayor (C.F. No. 20-0118). The TEFRA Resolution summarized that a public hearing was publicized, took place, and the hearing minutes were provided to the City Council and the Mayor. Evidence of the TEFRA process was supplied to CDLAC in time to meet CDLAC’s March 16, 2020, TEFRA evidence due date. On April 14, 2020, CDLAC awarded the \$33,769,000 bond allocation and required that the bonds be issued by October 13, 2020.

Per the TEFRA requirements, on October 4, 2023, a TEFRA hearing was held for the reissuance of the conduit bond. The TEFRA minutes provided to the City Council and the Mayor summarizes that a public hearing was publicized, and took place.

A reissuance of the Bonds is needed because the Borrower increased the perm loan amount and the related interest rate for such increased loan amount. Such changes trigger reissuance per the Internal Revenue Service (“IRS”) reissuance regulations. In connection with the reissuance, the original construction and permanent loan agreements will be amended.

Sources and Uses

Tables 1, 2, and 3, below, provide a summary of the sources and uses for the Project, including cost per unit and cost category percentages.

TABLE 1 – CONSTRUCTION SOURCES			
Construction	Total Sources	Per Unit	% Total
Tax-Exempt Bond Proceeds (US Bank)	\$33,769,000	\$392,663	56%
LAHD - HHH Loan	\$8,876,620	\$103,217	15%
LAHD - HHH Loan Accrued/Deferred Interest	\$55,324	\$643	0%
LAHD - Seller Note	\$895,000	\$10,407	2%
LAHD - Seller Note Accrued/Deferred Interest	\$20,883	\$243	0%
AHP	\$2,000,000	\$23,256	3%
LACDA	\$4,950,000	\$57,558	8%
LACDA - Accrued/Deferred Interest	\$115,500	\$1,343	0%
General Partner Contribution	\$1,500,000	\$17,442	3%
Deferred Developer Fee	\$837,945	\$9,743	1%
4% Tax Credit Limited Partner Equity	\$7,078,157	\$82,304	12%
TOTAL	\$60,098,429	\$698,819	100%

TABLE 2 – PERMANENT SOURCES			
Permanent	Total Sources	Per Unit	% Total
Tax-Exempt Bond Proceeds (CCRC)	\$6,889,700	\$80,113	12%
LAHD - HHH Loan	\$12,000,000	\$139,535	20%
LAHD - HHH Loan Accrued/Deferred Interest	\$55,324	\$643	0%
LAHD - Seller Note	\$895,000	\$10,407	2%
LAHD - Seller Note Accrued/Deferred Interest	\$20,883	\$243	0%
HCD – MHP	\$8,000,000	\$93,023	13%
GP Loan - Certificated State Credits	\$2,400,905	\$27,918	4%
LACDA	\$5,000,000	\$58,139	9%
LACDA - Accrued/Deferred Interest	\$115,500	\$1,343	0%
AHP	\$2,000,000	\$23,256	3%
Deferred Developer Fee	\$694,010	\$8,070	0%
General Partner Contribution	\$3,860,050	\$44,884	7%
4% Tax Credit Limited Partner Equity	\$18,167,057	\$211,245	30%
TOTAL	\$60,098,429	\$698,819	100%

TABLE 3 – USES OF FUNDS		
Uses of Funds	Total Uses	Cost/Unit
Acquisition Costs	\$3,175,000	\$36,919
Construction & Related Costs	\$38,619,660	\$449,066
Architect & Engineering	\$2,427,671	\$28,229
Construction Financing Costs	\$3,942,176	\$45,839
Permanent Financing Costs	\$111,863	\$1,301
Reserves & Appraisal	\$1,140,206	\$13,258
Developer Fee	\$6,360,050	\$73,954
Other Project Costs	\$4,321,803	\$50,253
TOTAL	\$60,098,429	\$698,819

Total development cost (TDC) equals \$698,819 per unit and reflects several common cost factors, including site layout and design on non-contiguous parcels of land; providing fully furnished units for supportive housing units; the cost of including sustainability measures; prevailing wages for construction labor; and an overall increase in construction costs by contractors due to high demand and an increase in tariffs on materials. Additionally, here are three main drivers adding to the high TCD per unit: 1) changes on the density & height; 2) parking for two sites; and 3) LADWP infrastructure cost.

1. **Density & Height:** As originally conceived, Adams Terrace was proposed to be two 5-story building providing a total of 100 units (98 affordable & PSH, and 2 manager’s units).

Approximately 54 units would be located at 4347 Adams, and 46 units at 4314 Adams. The Density Bonus application for 4347 Adams was filed first with City Planning, but was later amended to reduce the number of units to 48 total. This change was a result of the community engagement process with the neighborhood council and the total neighborhood stakeholder group. A majority of the members of both groups vehemently opposed the height of the projects, because of the perceived impact on the character of the existing neighborhood (part of a historic preservation zone) to the east of the project. After a series of discussions, Abode Communities chose to revise the design on the project to eliminate the 5th floor to address the height issues. As a result, the total number of units was reduced and the project was no longer maximizing allowable density at the site. The same design revision to eliminate the 5th floor of the building at 4314 was also made as a result of these conversations, which reduced the planned number of units at that building from 46 to 38 units. In summary, as a result of the community engagement process that occurred during the land use approval process, the density of the proposed project was reduced from 100 units to 86 units (a loss of 14 affordable units). The loss of fourteen units increased the land cost per unit by \$5,169.

2. **Parking:** Adams Terrace was awarded HHH funding because half of the 86 units are dedicated to serving homeless and chronically homeless seniors. The remainder of the units, exclusive of the manager's units, are dedicated to serving low-income seniors. While most individuals served by the HHH Program do not have a vehicle, at least a portion of the other low-income seniors who will reside in the building are expected to own and regularly utilize a vehicle. As a result, there are 51 parking spaces spread across both buildings to serve those independent and mobile seniors, as well as provide some staff/guest parking. Because of the size of these two sites to be developed, this parking will be built at-grade underneath a concrete podium on which the residential units are then built. This parking costs approximately \$3,255,500, for an average of \$63,833 per space or \$37,855 per unit. The project provides 51 spaces for 84 units, which exceeds that normally required by the density bonus by 5 units.
3. **LADWP Infrastructure Costs:** One significant cost driver for the Adams Terrace project is the requirement from LADWP for electrical service adequate to accommodate future growth on the block, which increased cost estimate by \$2,000,000.

Affordability Restrictions

Pursuant to the City's Affordable Housing Bond Policies & Procedures (AHBPP) for Private Activity Bonds for Multifamily Rental Properties, approved September 24, 2019 (C.F. No. 19-0334), the Project must provide long-term affordable housing in the City of Los Angeles. Therefore, in connection with the issuance of the tax-exempt bonds, one or more Bond Regulatory Agreements were executed and recorded on December 1, 2020, instrument No. 20201544223 in the official records of the Los Angeles County Recorder's Office. Each Bond Regulatory Agreement includes affordability restrictions throughout a term ending no sooner than the later of: 1) 15 years after the date on which 50% of the dwelling units are first occupied; 2) the date such bonds are paid in full; or, 3) the date on which any Section 8 assistance terminates, if applicable. In addition to the above, the bond award includes a CDLAC Resolution, which requires that the Project's affordable housing units remain affordable for 55 years. The Project also has affordability restrictions applied under a separate agreement with the California Tax Credit Allocation Committee (CTCAC) for a term of 55 years, as a result of the allocation of the 4% Low Income Housing Tax Credits (LIHTCs). The CTCAC allocation was awarded on April 14, 2020.

All of the 84 residential units are targeted toward households at or below 50% of Area Median Income (AMI) and are reserved as supportive housing units. Table 4 provides a summary of the unit mix pursuant to the CDLAC Resolution.

TABLE 4 – CDLAC AFFORDABILITY RESTRICTIONS			
Unit Type	Units at or below 50% AMI	Un-restricted (Manager’s Unit)	Total Number of Units
Studio	38		38
One-Bedroom	46		46
Two-Bedroom		2	2
Total	84	2	86

Development Team

The Borrower/Sponsor is Adams Terrace, L.P., a California limited partnership, comprised of Adams Terrace GP, LLC as the General Partner (GP), and Enterprise Housing Credit Investments, LLC, as its limited partner. The Borrower entity is currently in compliance with LAHD’s Business Policy (C.F. No. 99-1272).

Abode Communities’ key staff members are: Robin Hughes, President and Chief Executive Officer; Holly Benson, Executive Vice President and Chief Operating Officer; Lara Regus, Senior Vice President of Real Estate Development; Gio Aliano, Senior Vice President and Principal Architect; and Jan Peters, Senior Vice President of Property and Asset Management.

Abode Communities has previously been, or is currently involved with, the development of more than 74 multifamily rental housing projects consisting of more than 3,236 housing units.

Borrower: Adams Terrace, L.P.
c/o Abode Communities
1149 S. Hill Street, Suite 700
Los Angeles, CA 90015
Contact: Lara Regus, Senior Vice President
Phone: (213) 225-2812

Additional Project development team members are:

Developer: Abode Communities
1149 S. Hill Street, Suite 700
Los Angeles, CA 90015
Contact: Lara Regus, Senior Vice President
Phone: (213) 225-2812

Architect: Abode Communities Architecture Studio
1149 S. Hill Street, Suite 700
Los Angeles, CA 90015
Contact: Raeven Flores
Phone: (213) 225-2712

Attorney: Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. 5th Street
Los Angeles, CA 90071

Contact: Nicole Deddens
Phone: (213) 239-8000

General Contractor: Walton Construction
358 E. Foothill Blvd.
San Dimas, CA 91773
Contact: Paul Pieroth
Phone: (909) 267-7830

Property Manager: Abode Communities
1149 S. Hill Street, #700
Los Angeles, CA 90015
Contact: Sarah Furchternicht
Phone: (213) 225-2754

Tax Credit Investor: Enterprise Housing Credit Investments, LLC
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, MD 21044
Contact: Reagan Maechling, Vice President
Phone: (410) 964-0552

Trustee: U.S. Bank
633 W. 5th Street, 24th Floor
Los Angeles, CA 90071
Contact: Julia Hommel
Phone: (213) 615-6024

Financial Structure

The City, as Issuer, previously issued a bond (Bond), which was unenhanced and unrated but subject to the City's AHBPP. The Bond was privately-placed and purchased by US Bank National Association (Construction Lender). Construction Lender purchased the Bond issued by the City, and the City used the tax-exempt proceeds of the sale of the Bond to fund a loan (Bond Loan) to the Borrower in the amount not to exceed \$33,769,000 pursuant to the terms of a Loan Agreement among the Issuer, Construction Lender, and the Borrower. The Borrower executed a promissory note (Promissory Note) as evidence to repay the Bond Loan. The Issuer assigned the Promissory Note evidencing the Bond Loan to U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (Trustee) as security for the Bond. Among its various functions, the Trustee received funds advanced by Construction Lender in exchange for additional principal amount of the Bond and release such funds to the Borrower for the Project construction. During the Construction Period (i.e., prior to conversion to the permanent financing phase), the Bond Loan monthly payments are interest-only, and the loan had an original construction loan maturity date of October 1, 2023, and an interest rate equal to 130 basis points plus the one-month London Interbank Offered Rate (LIBOR) floor rate of 100 basis points. Effective March 31, 2022, the parties agreed that LIBOR should be replaced with a successor rate based on the Secured Overnight Financing Rate (SOFR). The interest rate was amended to the sum of Term SOFR plus 130 basis points. The construction loan maturity date is in the process of being extended.

At conversion to permanent financing, the Bond Loan will be repaid, in part, with sources available at the permanent financing phase, including investor equity. The Bond Loan will be purchased by the California

Community Reinvestment Corporation (CCRC). The original estimated permanent loan of \$6,889,700 is being increased to a larger permanent loan amount, upon purchase by CCRC, will amortize on a 30-year schedule; be payable 15 years from conversion; and bear interest at a blended fixed interest rate, with a current indicative interest rate of 4.00%. The initial loan amount of \$6,889,700 has a locked rate and the additional increased permanent loan amount will carry a new rate.

The financing structure also consists of committed financing or loans from the Proposition HHH Permanent Supportive Housing Loan Program (HHH) (C.F. No. 17-0090-S2), the Los Angeles Housing Department (LAHD) Seller Loan, the Los Angeles County Development Authority (LACDA), the California Housing and Community Development Department Multifamily Housing Program (HCD-MHP), and the Federal Home Loan Bank of San Francisco Affordable Housing Program (FHLB-AHP). In addition, the Project has received a rental subsidy through the Housing Authority of the City of Los Angeles (HACLA) in the form of 43 Project Based Vouchers.

LAHD requires that Construction Lender meet the City's Responsible Banking Ordinance #182138 reporting requirements. At closing of the reissuance, Bond Counsel will provide the required legal opinions as to the tax-exempt status of the interest on the Bond, under federal and state law. The legal and financing documents include language that establishes the bond structure as a limited obligation and strictly payable from Project revenues. The Project financing complies with both the City's AHBPP and Financial Policies. Additionally, the legal and financing documents require the Borrower to provide annual statements and information as requested by LAHD.

LAHD's Bond Team for the financing of the Project is as follows:

Bond Issuer Municipal Advisor:	CSG Advisors, Inc. 315 W. 5 th Street, Suite 302 Los Angeles, CA 90013
Bond Issuer Counsel:	Los Angeles City Attorney 200 N. Spring Street, 21 st Floor Los Angeles, CA 90012
Bond Counsel:	Kutak Rock LLP 777 S. Figueroa Street, Suite 4550 Los Angeles, CA 90017

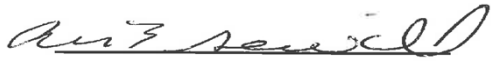
Labor Costs

Labor costs for the Project are subject to California prevailing wage requirements, and/or federal wage requirements under the Davis–Bacon Act of 1931 and Related Acts, as applicable.

FISCAL IMPACT

There is no fiscal impact to the General Fund as a result of the issuance of the Bond. The City is a conduit issuer and will not incur liability for repayment of the Bond. The Bond is a limited obligation, payable strictly from revenue derived from the Project. The City will not be obligated to make payments on the Bond.

Approved By:

A handwritten signature in cursive script, appearing to read "Ann Sewill".

ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENTS:

- Attachment A - TEFRA Minutes
- Attachment B - Bond Resolution
- Attachment C - Supplemental Indenture

LAHD Request for Reissuance of Bonds for Adams Terrace Project

Attachment A

TEFRA Minutes for Adams Terrace on next page.

TEFRA PUBLIC HEARING MEETING MINUTES
WEDNESDAY – OCTOBER 4, 2023
9:00 AM
LOS ANGELES HOUSING DEPARTMENT
BY TELECONFERENCE
APOLINAR ABRAJAN, CHAIR

This meeting was conducted to meet the required Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) Public Hearing for Adams Terrace and 803 E 5th St.

This meeting was called to order on Wednesday, October 4, 2023 at 9:00 a.m. via teleconference by the Los Angeles Housing Department.

A notice of this hearing was published in the Los Angeles Times on September 27, 2023 (the “Notice”). The purpose of this meeting was to hear public comments regarding the City of Los Angeles’ proposed issuance of multifamily housing revenue bonds or notes for the above referenced projects.

The Los Angeles Housing Department representatives present were Georgina Tamayo, Robert Vergara, Apolinar Abrajan, Conny Griffith, Cecilia Rosales, and Adam R. Miller. All representatives were present via teleconference as described in the Notice.

By 9:30 a.m. there were no other representatives from the public who made themselves available and no public comments were provided, so the meeting was adjourned.

I declare under penalty of perjury that this is a true and exact copy of the TEFRA public hearing meeting minutes regarding the above referenced projects held on October 4th, 2023 at Los Angeles, California.

CITY OF LOS ANGELES
Los Angeles Housing Department
ANN SEWILL, General Manager

Apolinar Abrajan Digitally signed by Apolinar Abrajan
Date: 2023.10.04 10:23:04 -07'00'

Apolinar Abrajan, Finance Development Officer II

LAHD Request for Reissuance of Bonds for Adams Terrace Project

Attachment B

Bond Resolution for Adams Terrace on next page.

RESOLUTION

CITY OF LOS ANGELES

A RESOLUTION APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 THE TECHNICAL REISSUANCE OF A BOND BY THE CITY OF LOS ANGELES TO PROVIDE FINANCING FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE MULTIFAMILY HOUSING PROJECT LOCATED WITHIN THE CITY OF LOS ANGELES AND APPROVING, FURTHER, CERTAIN AMENDMENTS TO THE EXISTING BOND DOCUMENTS.

WHEREAS, the City of Los Angeles (the “City”) is authorized, pursuant to the provisions of Section 248, as amended, of the City Charter of the City (the “City Charter”) and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (the “Law”), to issue its revenue bonds for the purposes of providing financing for the acquisition, construction and development of multifamily rental housing for persons and families of low or moderate income (the “Program”) which will satisfy the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”); and

WHEREAS, the City previously issued its Multifamily Housing Revenue Bond (Adams Terrace Apartments) Series 2020O in the aggregate principal amount of \$33,769,000 (the “Bond”) pursuant to an Indenture of Trust dated as of November 1, 2020 (the “Indenture”) by and among the City, U.S. Bank National Association, as Trustee (now succeeded in interest by U.S. Bank Trust Company National Association, the “Trustee”) and U.S. Bank National Association, as Initial Bondowner Representative (the “Bondowner Representative”) to fund a loan to finance the acquisition, construction and equipping of that certain scattered site multifamily rental housing project described in paragraph 9 below (the “Project”); and

WHEREAS, the Project is located wholly within the City; and

WHEREAS, the owner of the Project, Adams Terrace, L.P., a California limited partnership (the “Owner”), has requested that the City approve modifications to the Indenture and certain other loan documents to increase the permanent loan amount of the Bond pursuant to a First Supplement to Indenture of Trust (the “Supplemental Indenture”); and

WHEREAS, it is in the public interest and for the public benefit that the City authorize, execute and deliver as necessary the Supplemental Indenture, and it is within the powers of the City to provide for such amendments; and

WHEREAS, the amendments effected by the Supplemental Indenture will cause the Bond to be “reissued” under the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the interest on the “reissued” Bond may qualify for a federal tax exemption under Section 142(a)(7) of the Code, only if such reissued Bond is approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, the Bond is required to be approved, following a public hearing, by an elected representative of the issuer of the Bond and an elected representative of the governmental unit having jurisdiction over the area in which the Project is located; and

WHEREAS, this City Council is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the Bond within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused notices to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City, on January 7, 2020, and September 27, 2023, to the effect that public hearings would be held on January 21, 2020, and October 4, 2023, respectively, regarding the issuance and/or reissuance of the Bond; and

WHEREAS, the Los Angeles Housing Department (formerly known as the Los Angeles Housing and Community Investment Department) held said public hearings on such dates, at which times an opportunity was provided to present arguments both for and against the issuance and/or reissuance of the Bond; and

WHEREAS, the minutes of such public hearings, together with any written comments received in connection therewith, have been presented to this City Council; and

WHEREAS, the form of the Supplemental Indenture has been presented to the City Council;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Angeles, as follows:

1. The recitals hereinabove set forth are true and correct, and this City Council so finds. This Resolution is being adopted pursuant to the Law and in accordance with the Act.
2. Pursuant to and solely for purposes of Section 147(f) of the Code, the City Council hereby approves the reissuance of the Bond by the City in one or more series to finance the Project. It is intended that this Resolution constitute approval of the reissued Bond: (a) by the applicable elected representative of the issuer of the Bond and (b) by the applicable elected representative of the governmental unit having jurisdiction of the area in which the Project is located in accordance with said Section 147(f).
3. The execution and delivery on behalf of the City of the Supplemental Indenture substantially in the form presented to this City Council, (i) for the purpose of increasing the permanent loan of the Bond and making various ancillary or conforming changes to the Indenture and the Bond and (ii) consenting to any other related

amendments requiring the City's consent, is hereby approved, and each Authorized City Representative (as such term is defined in the Indenture) is hereby authorized and directed, for and on behalf of the City, to execute any such documents, including but not limited to the Supplemental Indenture, with such changes as such Authorized City Representative may approve upon consultation with the City Attorney, such approval by the Authorized City Representative to be conclusively evidenced by the execution of such Supplemental Indenture and related modification agreements.

4. All actions heretofore taken by the officers and agents of the City with respect to the reissuance of the Bond are hereby approved, confirmed and ratified, and each Authorized City Representative, the City Clerk and other properly authorized officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents.

5. The City Clerk of the City or any deputy thereof is hereby authorized to countersign or to attest the signature of any Authorized City Representative and to affix and attest the seal of the City as may be appropriate in connection with the execution and delivery of any of the documents authorized by this resolution, provided that the due execution and delivery of said documents or any of them shall not depend on such signature of the City Clerk or any deputy thereof or affixing of such seal. Any of such documents may be executed in multiple counterparts.

6. In addition to the Authorized City Representatives, any official of the City, including any official of the Los Angeles Housing Department, as shall be authorized in writing by the Mayor of the City, is hereby authorized for and on behalf of the City to execute and deliver any of the agreements, certificates and other documents, except the Bond, authorized by this Resolution.

7. Each Authorized City Representative and other properly authorized officials of the City as specifically authorized under this resolution are hereby authorized, directed and empowered on behalf of the City and this City Council to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the City Attorney as to form, or to do and to cause to be done any and all other acts and things as they may deem necessary or appropriate to carry out the purpose of the foregoing authorizations and to address any issues arising with respect to the Bond or the agreements relating thereto subsequent to their issuance.

8. This Resolution shall take effect immediately upon its passage and adoption.

9. The "Project" and the "Owner", as used herein, shall have the following meanings:

Project Name	Number of Units	Address	Owner
Adams Terrace Apartments	84 plus 2 managers' units	4314 and 4347 West Adams Boulevard Los Angeles, CA 90018	Adams Terrace, L.P.

[Remainder of page intentionally left blank]

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 2023.

By _____
Name _____
Title _____

LAHD Request for Reissuance of Bonds for Adams Terrace Project

Attachment C

First Supplemental Indenture for Adams Terrace on next page.

**FIRST SUPPLEMENT TO
INDENTURE OF TRUST**

THIS FIRST SUPPLEMENT TO INDENTURE OF TRUST (this “First Supplement”), dated as of [_____], 2023 (the “Effective Date”), is by and among the **CITY OF LOS ANGELES**, a charter city and municipal corporation of the State of California, duly organized and existing under its charter and the laws of the State of California (the “City” or the “Issuer”), **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (successor to U.S. Bank National Association, the “Trustee”), **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America (the “Bondowner Representative”), and **ADAMS TERRACE, L.P.**, a California limited partnership (the “Borrower”) and amends and supplements that certain Indenture of Trust dated as of November 1, 2020 (the “Original Indenture”) among the Issuer, the Bondowner Representative and the Trustee relating to \$33,769,000 in principal amount of the City’s Multifamily Housing Revenue Bond (Adams Terrace Apartments), Series 2020O (the “Bond”).

WHEREAS, pursuant to the Original Indenture and Section 248 of the City Charter of the City of Los Angeles and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (collectively, the “Law”), and in accordance with Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California (the “Act”), the Issuer has issued the Bond; and

WHEREAS, the Borrower, California Community Reinvestment Corporation (“CCRC”), and the Bondowner Representative have agreed that the principal amount of the Bond to be purchased by CCRC upon conversion shall be increased to an amount up to \$[_____]; and

WHEREAS, Section 9.01 of the Original Indenture permits the Issuer and the Trustee, from time to time and at any time with the prior written consent of the Bondowner Representative and the Borrower, to enter into an indenture or indentures supplemental to the Original Indenture; and

WHEREAS, the Bondowner Representative is currently the sole registered Owner of the Bond; and

WHEREAS, the Issuer, the Bondowner Representative, CCRC and the Trustee have received an Opinion of Counsel that this First Supplement will not cause the interest on the Bond to be includable in gross income of the Owner (other than an Owner who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) for purposes of federal income taxation and that this First Supplement is authorized or permitted by the Original Indenture; and

WHEREAS, pursuant to the Original Indenture, the Issuer, the Trustee, the Bondowner Representative, and the Borrower have evidenced their consent to the terms of this First Supplement and waived all required notices thereof under the Original Indenture, including, but

not limited to, in Section 9.01 of the Original Indenture, each as evidenced by the signature of an authorized representative hereto; and

WHEREAS, the Borrower and the Bondowner Representative entered into that certain [Third Amendment to Loan Documents dated as of [_____] , 2023] (the “Third Amendment”) which amended certain Loan Documents (as defined in the First Amendment), including the Loan Agreement and the Note, each of which were previously amended by that certain First Amendment to Loan Documents dated [_____] , 2022 (the “First Amendment”), and that certain Second Amendment to Loan Documents dated as of December 1, 2022 (the “Second Amendment” and together with the First Amendment and the Third Amendment, the “Loan Document Amendments”); and

WHEREAS, the Loan Document Amendments, together with the [First Amendment to Bond Purchase Agreement] dated as of [_____] , 2023, among the Bondowner Representative, CCRC and the Borrower (the “First BPA Amendment”) and the [Second Amendment to Bond Purchase Agreement] dated as of [_____] , 2023 (the “Second BPA Amendment” and collectively with the First BPA Amendment, the “BPA Amendments”), collectively, extended the “Termination Date” (as defined in the Bond Purchase Agreement) to [_____] , and replaced the amount of “\$5,991,700” in the recitals as well as the definitions of “Bond Purchase Agreement” and “Permanent Loan Amount” with the amount of “\$[_____]”; and

WHEREAS, on the Effective Date, following the closing of this First Supplement, CCRC will purchase the Bond from the Bondowner Representative and has evidenced its acknowledgment to the terms of this First Supplement by the signature of an authorized representative hereto; and

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto amend the Original Indenture as follows as of the date set forth above:

Section 1. Recitals; Definitions. The foregoing recitals are hereby agreed to and acknowledged. All capitalized terms used in this First Supplement and not otherwise defined have the meanings assigned in the Original Indenture.

Section 2. Amendment to Definition. The following definitions contained in Section 1.01 of the Original Indenture are amended to read or are added to Section 1.01 of the Original Indenture as follows:

The term “**Bond Purchase Agreement**” means the Bond Purchase Agreement dated as of November 17, 2020 among the Borrower, the Bondowner Representative, and CCRC, as amended by that certain [First Amendment to Bond Purchase Agreement dated as of [_____]], and that certain [Second Amendment to Bond Purchase Agreement dated as of [_____]], pursuant to which and subject to the terms and conditions of which, CCRC has agreed to purchase up to \$[_____] in principal amount of the Bond on the Conversion Date.

Section 3. Ratification and Direction to Trustee. Except as amended and supplemented hereby, all provisions of the Original Indenture remain in full force and effect, and the Original Indenture, as amended and supplemented by this First Supplement, is hereby ratified. By its execution hereto, the Bondowner Representative hereby authorizes and directs the Trustee to execute this First Supplement.

Section 4. Effective Date. This First Supplement shall become effective as of the date hereof.

Section 5. Execution in Several Counterparts. This First Supplement may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Issuer and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 6. Governing Law. This First Supplement shall be governed by and construed in accordance with the internal laws of the State of California.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned authorized representatives of the Issuer, the Trustee, the Borrower, the Bondowner Representative have evidenced their respective consent to the terms of this First Supplement to Trust Indenture as of the day and year first above written by their below signatures.

CITY OF LOS ANGELES, as Issuer

By: Los Angeles Housing Department

By: _____
Daniel Huynh
Assistant General Manager

Approved as to form by:

HYDEE FELDSTEIN SOTO,
City Attorney

Deputy/Assistant City Attorney

[Issuer signature page to *Adams Terrace* First Supplement to Trust Indenture]

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee**

By: _____

Name: Julia Hommel

Title: Vice President

[Trustee signature page to *Adams Terrace* First Supplement to Trust Indenture]

U.S. BANK NATIONAL ASSOCIATION, as
Bondowner Representative, and sole Owner of
the Bond

By: _____
Name:
Title:

[Bondowner Representative signature page to *Adams Terrace*
First Supplement to Trust Indenture]

NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [SEAL]

BORROWER:

ADAMS TERRACE, L.P.,

a California limited partnership, as Borrower

By: Adams Terrace GP, LLC, a California limited liability company, its General Partner

By: Abode Communities, a California nonprofit public benefit corporation, its sole Member

By: _____
Lara Regus, Senior Vice President,
Development

[Borrower signature page for *Adams Terrace* First Supplement to Trust Indenture]

Agreed and acknowledged:

**CALIFORNIA COMMUNITY
REDEVELOPMENT CORPORATION, a**
California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

[Barings acknowledgment page for *Adams Terrace* First Supplement to Trust Indenture]