

HOMELESSNESS AND POVERTY COMMITTEE REPORT relative to a request for authority to issue funding commitments and support letters to existing Affordable and Supportive Housing Managed Pipeline projects applying to the California Tax Credit Allocation Committee in 2021 Round 1.

Recommendations for Council action:

1. NOTE and FILE the Los Angeles Housing and Community Investment Department (HCIDLA) report dated February 5, 2021 relative to issuing funding commitments and support letters to existing Affordable and Supportive Housing Managed Pipeline projects applying to the California Tax Credit Allocation Committee (CTCAC) in 2021 Round 1 and various actions related to other existing Managed Pipeline projects.
2. AUTHORIZE the General Manager, HCIDLA, or designee, to:
 - a. Issue a funding recommendation letter for the Pointe on La Brea, Quincy, Los Lirios Apartments, and Lorena Plaza projects identified in the subject CAO report's, dated February 18, 2021, table, subject to the following conditions:
 - i. The final funding commitment will not exceed the amount listed.
 - ii. The project sponsor must apply to the CTCAC in the next available Low Income Housing Tax Credits (LIHTC) allocation round.
 - iii. The disbursement of HCIDLA funds will occur only after the sponsor obtains enforceable commitment for all proposed funding.
 - b. Issue Nine Percent LIHTC tie-break letters of support for the Los Lirios Apartments and Lorena Plaza projects in the Geographic set-aside, as identified in the subject CAO report's table.
 - c. Negotiate and execute acquisition/predevelopment/construction/permanent loan agreements with the legal owners of all of the projects identified in subject CAO report's Table, which receive awards from the proposed leveraging sources, subject to the satisfaction of all conditions and criteria contained in the HCIDLA Pipeline application, HCIDLA's report, and the HCIDLA Award Letter (if applicable), and the review and approval of the City Attorney as to form.
 - d. Execute subordination agreements of the City's financial commitment for all of the projects identified in this subject CAO report's table, wherein the City Loan and Regulatory Agreements are subordinated to their respective conventional or municipally funded construction and permanent loans, as required.
 - e. Allow the transfer of the City's financial commitment for all of the projects identified in this report's Table to a limited partnership or other legal entity formed solely for the purpose of owning and operating the project in accordance with City and Federal requirements.

- f. De-obligate HOME Investment Partnership Program (HOME) funds for the project Sun Commons listed below:

<u>Fund</u>	<u>Account Title</u>	<u>Amount</u>
561/43	43R001 Affordable Housing Trust Fund	\$3,000,000

- g. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council action on this matter, subject to the approval of the CAO.

Fiscal Impact Statement: The CAO states that there is no impact to the General Fund. The Affordable Housing Managed Pipeline commitments are fully funded by the HOME Investment Partnerships Program Fund and Proposition HHH Supportive Housing bond proceeds.

Financial Policies Statement: The recommendations in the CAO report, dated February 18, 2021, comply with the City's Financial Policies.

Community Impact Statement: None submitted.

SUMMARY:

At a regular meeting held on February 25, 2021, the Homelessness and Poverty Committee considered HCIDLA and CAO reports relative to a request for authority to issue funding commitments and support letters to existing Affordable and Supportive Housing Managed Pipeline projects applying to the California Tax Credit Allocation Committee in 2021 Round 1. The Committee members discussed the importance of highlighting the specific cost and funding of each project in a format for quick reference as various projects come before the Committee. In that spirit, the Committee informally requested a collaboration by various departments to engage in a conversation about how to best accomplish this task, as they felt that having certain key details at a quick glance is important. After providing an opportunity for public comment, the Committee recommended to note and file the HCIDLA report and adopt the CAO report. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

HOMELESSNESS AND POVERTY COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RIDLEY-THOMAS:	YES
DE LEON:	YES
BUSCAINO:	YES
RODRIGUEZ:	YES
RAMAN:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-