



**COMMUNITY DEVELOPMENT COMMISSION/
HOUSING AUTHORITY
of the County of Los Angeles**

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Hilda L. Solis
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Sheila Kuehl
Janice Hahn
Kathryn Barger
Commissioners

Monique King-Viehlend
Executive Director

November 07, 2018

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**ADOPT RESOLUTION APPROVING ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR MULTIFAMILY HOUSING IN THE UNINCORPORATED
WEST LOS ANGELES
(DISTRICT 3) (3 VOTE)**

SUBJECT

This letter requests that the Board of Supervisors adopt a Resolution approving the issuance of Multifamily Housing Mortgage Revenue Bonds (Bonds) by the City of Los Angeles (City) to finance the acquisition and rehabilitation of two multifamily rental housing developments located on the campus of the Veterans Administration in unincorporated West Los Angeles. The two developments consist of 68 units for Building 205 and 54 units for Building 208 (Projects). All of the units except for the manager's units will be reserved for homeless veterans who will receive project based Veterans Administration Supportive Housing (VASH) vouchers. This letter also requests approval of an Interlocal Cooperation Agreement between the City and the County of Los Angeles (County), and delegate authority to the Community Development Commission (Commission) to execute the Agreement on behalf of the County.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that adoption of this Resolution is not subject to the provisions of the California

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 November 7, 2018

CELIA ZAVALA
EXECUTIVE OFFICER

Environmental Quality Act (CEQA) because the action will not have the potential of causing a significant effect on the environment.

2. Adopt and instruct the Chair to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, approving the City's issuance of Multifamily Housing Mortgage Revenue Bonds and related actions in an amount not to exceed \$23,000,000 to assist Figueroa Economical Housing Development Corporation to finance the acquisition and rehabilitation of a 68-unit multifamily rental housing development to be located at 11301 Wilshire Boulevard in Building 205 in unincorporated West Los Angeles; and in an amount not to exceed \$20,700,000 to assist Figueroa Economical Housing Development Corporation to finance the acquisition and rehabilitation of a 54-unit multifamily rental housing development to be located at 11301 Wilshire Boulevard in Building 208 in unincorporated West Los Angeles .

3. Approve and delegate authority to the Commission to execute an Interlocal Cooperation Agreement between the City and the County and authorize the Commission to perform related tasks to complete this bond issuance for these Projects.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS:

1. Approve the designation to act on behalf of the County and authorize and instruct the Executive Director, or her designee, to execute, and if necessary, amend the Interlocal Cooperation Agreement to allow the City to issue bonds to finance the acquisition and rehabilitation of multifamily rental housing located at the County sites, and to perform related tasks to complete this bond issuance.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions will authorize the issuance of tax-exempt Multifamily Housing Mortgage Revenue Bonds by the City, which will finance the acquisition and rehabilitation of two sites located in unincorporated West Los Angeles in an aggregate amount not to exceed \$23,000,000 in order to finance the acquisition and rehabilitation of V.A. Building 205, and in an aggregate amount not to exceed \$20,700,000 in order to finance the acquisition and rehabilitation of V.A. Building 208. This approval authorizes the City to issue Bonds for the Projects located in the unincorporated West Los Angeles but does not commit the County to approving the project financing or authorizing the rehabilitation.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. Figueroa Economical Housing Development Corporation will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

V.A. Building 205, located at 11301 Wilshire Boulevard in unincorporated West Los Angeles, will consist of a three-story building, to be comprised of 32 studio units and 36 one-bedroom units, for a total of 68 units. Twenty-seven of the units will be reserved for households with incomes that do not exceed 50% of the area median income (AMI) and 40 of the units will be reserved for households with incomes that do not exceed 60% of the AMI for the Los Angeles Metropolitan Statistical Area, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development (HUD). The affordability requirements will remain in effect for 55 years. The one-bedroom manager's unit will have no affordability requirements. All of the units except for the

manager's unit will be reserved for homeless veterans who will receive project based VASH vouchers.

V.A. Building 208, located at 11301 Wilshire Boulevard in unincorporated West Los Angeles will consist of a three-story building, to be comprised of 26 studio units and 28 one-bedroom units, for a total of 54 units. Twenty-two of the units will be reserved for households with incomes that do not exceed 50% of the AMI and 31 of the units will be reserved for households with incomes that do not exceed 60% of the AMI for the Los Angeles Metropolitan Statistical Area, adjusted for household size, as determined by HUD. The affordability requirements will remain in effect for 55 years. The one-bedroom manager's unit will have no affordability requirements. All of the units except for the manager's unit will be reserved for homeless veterans who will receive project based VASH vouchers.

Pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (Code), the City is permitted to issue Bonds for the purpose of financing the acquisition, construction and rehabilitation of the multifamily rental housing located in unincorporated West Los Angeles, and the County may issue such bonds for multifamily rental housing throughout the County. The Code allows a county and one or more cities within a county to enter into agreements for the purpose of financing multifamily rental housing developments.

The attached Interlocal Cooperation Agreement evidences the agreement between the City and the County to authorize the City to issue bonds in the County. This Board will authorize the Commission to execute the Interlocal Cooperation Agreement on behalf of the County.

The attached Resolution authorizes the City to issue the Bonds for the County Sites. Adoption of the Resolution by your Board is required prior to submission of the City's application to the California Debt Limit Allocation Committee for a private activity bond allocation. This action does not, however, authorize the issuance and sale of the Bonds.

The Resolution was prepared by Kutak Rock, the City's Bond Counsel, reviewed by Hawkins, Delafield and Wood, the Commission's Bond Counsel, and approved as to form by County Counsel.

On October 12, 2018, the City's Housing and Community Investment Department conducted a hearing at its office located at 1200 West 7th Street, Room 883 in the City of Los Angeles regarding the issuance of Bonds to finance the Projects, pursuant to Section 147(f) of the Internal Revenue Code. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the Projects.

ENVIRONMENTAL DOCUMENTATION

The proposed action is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Section 15378 (b) of the State CEQA guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed action is a necessary step to provide bond financing for the Projects, which will increase the supply of long term affordable multifamily housing in the County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Monique King-Viehland". The signature is fluid and cursive, with a large initial "M" and "K".

MONIQUE KING-VIEHLAND

Executive Director

MKV:LN:jwr

Enclosures

RESOLUTION

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 THE ISSUANCE OF BONDS BY THE CITY OF LOS ANGELES TO FINANCE THE ACQUISITION, AND REHABILITATION OF TWO MULTIFAMILY RESIDENTIAL RENTAL PROJECTS LOCATED WITHIN THE COUNTY OF LOS ANGELES AND APPROVING, FURTHER, EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF LOS ANGELES.

WHEREAS, both the County of Los Angeles (the "County") and the City of Los Angeles (the "City") are authorized, pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"), to issue their revenue bonds for the purpose of providing permanent financing for the acquisition, construction and rehabilitation of multifamily rental housing for persons and families of low or moderate income; and

WHEREAS, the City intends to issue, at one time or from time to time, bonds, notes or other evidence of indebtedness (the "Bonds") to finance the acquisition and rehabilitation of the multifamily rental housing projects described in Exhibit A attached hereto (each a "Project" and collectively the "Projects"); and

WHEREAS, the Projects are located within the County but not within the City; and

WHEREAS, the City intends to authorize the financing of the Projects, and has been requested by Figueroa Economical Housing Development Corporation as general partner of those limited partnerships formed to own the Projects (together, the "Borrowers") to issue its revenue bonds, notes or other evidence of indebtedness (the "Bonds") and to loan the proceeds to the Borrowers to finance the acquisition and rehabilitation of the Projects; and

WHEREAS, Section 52086 of the Act authorizes a county and one or more cities within a county to enter into an agreement to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing multifamily rental housing developments pursuant to the Act; and

WHEREAS, the City is within the County; and

WHEREAS, the Borrowers have requested that the City and the County enter into the below-defined Agreement pursuant to the provisions of Section 52086 of the Act to permit the City to issue the Bonds to finance the Projects; and

WHEREAS, the County intends, via the Agreement, to permit the City to exercise as necessary the County's powers under the Act to issue the Bonds to finance the Projects; and

WHEREAS, the interest on the Bonds may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code"), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, Bonds are required to be approved, following a public hearing, by an elected representative of the issuer of the Bonds (or of the governmental unit on behalf of which the Bonds are issued) and an elected representative of the governmental unit having jurisdiction over the area in which the relevant Projects are located; and

WHEREAS, this Board of Supervisors is the elected legislative body of the County and is the applicable elected representative of the governmental unit required to approve the issuance of the Bonds within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City and the County, on September 28, 2018, to the effect that a public hearing would be held with respect to the Projects on October 12, 2018 regarding the issuance of the Bonds; and

WHEREAS, the Los Angeles Housing and Community Investment Department held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the minutes of said hearing have been presented to the County.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, as follows:

1. This Resolution is being adopted pursuant to the Act.
2. Pursuant to and solely for purposes of Section 147(f) of the Code, the Board of Supervisors hereby approves the issuance of the Bonds by the City in one or more series to finance the Projects. It is intended that this Resolution constitute approval of the Bonds by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Projects are located, in accordance with said Section 147(f).
3. The Board of Supervisors hereby authorizes and directs the execution by the Community Development Commission of the County of Los Angeles ("Commission") of an Interlocal Cooperation Agreement (the "Agreement") in substantially the form submitted to the Board of Supervisors herewith. The Commission has designed its Executive Director, or her designee, to execute such Agreement and any additional actions on behalf of the County (each, an "Authorized Officer") with such modifications, changes, additions or amendments not inconsistent with the provisions of this Resolution as the Authorized Officer shall approve. Execution and delivery of the Agreement by an Authorized Officer shall be deemed approval of any such modifications, changes, additions or amendments.

4. All actions heretofore taken by the officers and agents of the County with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and each Authorized Officer of the County, the County Clerk and other properly authorized officers of the County are hereby authorized and directed, for and in the name and on behalf of the County, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the Interlocal Cooperation Agreement, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and the City in accordance with the Act and this Resolution heretofore adopted by the County.

5. Each Authorized Officer and other properly authorized officials of the County as specifically authorized under this Resolution are hereby authorized, directed and empowered on behalf of the County and this Board of Supervisors to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the County Counsel 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 Bonds, the Projects or the agreements relating thereto subsequent to their issuance.

6. This Resolution shall be effective immediately upon its adoption.

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PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles
this 7th day of November, 2018 by the following vote:

AYES: Supervisors Solis, Ridley-Thomas, Hahn, Barger and Kuehl

NOES: NONE

ABSENT: NONE

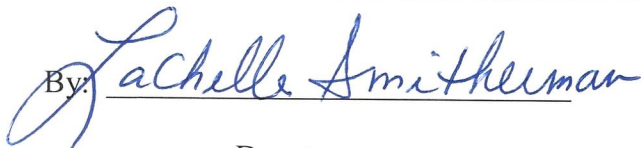
ABSTAIN: NONE

ATTEST:

By 
Chair of the Board of Supervisors

CELIA ZAVALA,
Executive Officer-Clerk of the
Board of Supervisors




By: 

Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM,
County Counsel

By: 

Deputy

I certify that the foregoing Resolution was adopted by the Board of Supervisors of the County of Los Angeles at its meeting on November 7, 2018.



By Lachelle Smithman
Title DEPUTY

EXHIBIT A

PROJECTS

Project Name:	Address	#Units:	Project Sponsor	Maximum Amount:
Building 205	11301 Wilshire Boulevard, Building 205, Los Angeles, CA 90073	68 (including 1 manager unit)	Figueroa Economical Housing Development Corporation	\$23,000,000
Building 208	11301 Wilshire Boulevard, Building 208, Los Angeles, CA 90073	54 (including 1 manager unit)	Figueroa Economical Housing Development Corporation	\$20,700,000

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT (this “Agreement”) is entered into as of September 1, 2018 by and between the City of Los Angeles, a municipal corporation and charter city of the State of California (“City”), and the County of Los Angeles, a political subdivision of the State of California (“County”), pursuant to the provisions of Section 52086 of the Health and Safety Code of the State of California (the “Law”) for the purpose of evidencing the agreement of City and County to cooperate with one another in the exercise of their powers pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as amended (the “Act”), to permit City to issue revenue bonds for the purpose of financing the acquisition, construction and rehabilitation of multifamily rental housing located in the County;

WHEREAS, Building 205 Preservation, LP and Building 208 Preservation, LP, each having Figueroa Economical Housing Development Corporation as a general partner (collectively, the “Borrowers”) have requested that City issue its revenue bonds or notes pursuant to the Act for the purpose of financing the acquisition and rehabilitation of two multifamily residential rental housing projects (collectively, the “Projects”) located in the County; and

WHEREAS, the City has applied to the California Debt Limit Allocation Committee for an allocation of federal tax exempt volume cap for purposes of financing the Projects; and

WHEREAS, the Law authorizes a county and one or more cities within the county to enter into agreements to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing multifamily rental housing development pursuant to the Act; and

WHEREAS, the Projects are located within the County and such Agreement is required and the City is within the County.

NOW, THEREFORE, City and County hereby agree, pursuant to the provisions of the Act, as follows:

Section 1. The recitals above are true and correct.

Section 2. City shall issue its revenue bonds or notes in accordance with the Act in one or more series for the purpose of financing the Projects. County hereby consents to the issuance by the City of such revenue bonds or notes (the “Bonds”) and to the use of the proceeds of the Bonds to finance the acquisition and rehabilitation of the Projects.

Section 3. County agrees to cooperate with City to facilitate the issuance of the Bonds, and shall take such actions as are reasonably requested by City to permit the issuance of Bonds including, without limitation, taking such actions as are necessary to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) with respect to the issuance of

the Bonds. Without limiting the generality of the foregoing, County shall submit the proposed issuance of Bonds by the City to finance the acquisition and rehabilitation of the Projects to the Board of Supervisors of the County for consideration for approval pursuant to the requirements of Section 147(f) of the Code. The County understands and acknowledges that the City noticed a public hearing with respect to the issuance of the Bonds and the financing of the Projects in a newspaper of general circulation in the County and that such hearing was conducted by the Los Angeles Housing and Community Investment Department. County hereby ratifies such action on the part of the City and adopts such hearing for purposes of the Code.

Section 4. Any Bonds issued under and pursuant to the terms of this Agreement shall be obligations solely of the City, and the County shall not be obligated thereon or with respect thereto.

Section 5. The County hereby agrees and acknowledges that the terms, conditions and provisions of any Bonds issued pursuant to this Agreement shall be determined in the sole and absolute discretion of the City, and that no further review or approval thereof shall be required by the County; provided, the City shall, upon the issuance of the Bonds, cause the Borrowers to pay all expenses of the County in connection with the Bonds and the Projects and shall cause the Borrowers to indemnify, hold harmless and defend the County, the Community Development Commission of the County of Los Angeles, and each of its officers, supervisors, officials, employees, attorneys and agents in the same manner as the indemnification by the Borrowers of the City.

Section 6. Nothing herein shall obligate the County to expend any funds or incur any expenses. Nothing herein shall be interpreted to obligate any payment of any kind by the City to the County or by the County to the City.

Section 7. Each of the City and the County represents and warrants that it has all necessary power and authority to enter into this Agreement, and that it has taken all such actions and received all such approvals as are necessary to authorize the execution and performance of this Agreement.

Section 8. This Agreement is entered into under and pursuant to the laws of the State of California and shall be effective immediately upon its execution and delivery by the parties hereto.

Section 9. This Agreement may be entered into in one or more counterparts, each of which shall be considered an original for all purposes.

Section 10. If any provision of this Agreement is, for any reason, unenforceable, such provision shall be void and of no further force and effect, and the remainder of this Agreement shall remain binding and enforceable against the parties hereto.

[remainder of page left blank]

This Agreement is entered into by the City and the County as of the date first set forth above.

CITY OF LOS ANGELES, as City

By: Los Angeles Housing and Community
Investment Department

By _____
Sean L. Spear
Assistant General Manager

APPROVED AS TO FORM:

CITY OF LOS ANGELES
MICHAEL N. FEUER
City Attorney

Deputy/Assistant City Attorney

THE COUNTY OF LOS ANGELES, as County

By _____
Monique King-Viehland
Executive Director,
Community Development Commission of
the County of Los Angeles

APPROVED AS TO FORM:

COUNTY OF LOS ANGELES
Mary C. Wickham, County Counsel

By: _____
Senior Deputy