



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

June 11, 2019

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

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Commissioners:

**ADOPT RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS OR NOTES FOR MULTIFAMILY HOUSING
IN THE CITY OF EL MONTE
(DISTRICT 1) (3 VOTE)**

SUBJECT

This letter requests that your Board adopt a Resolution declaring the intent to issue Multifamily Housing Mortgage Revenue Bonds to finance the site acquisition, construction and development of El Monte Metro Apartments, a 28-unit multifamily rental housing development at located at 3650 Center Avenue in the City of El Monte. This letter relates to another item on the agenda of the Board of Supervisors.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that adoption of this Resolution is not subject to the provisions of the California 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 Treasury regulations, declaring an intent by the Los Angeles County Development Authority (LACDA) to undertake bond financing for in an amount not exceeding \$10,000,000 to finance the site acquisition, construction and development of El Monte Metro Apartments, a 28-unit multifamily rental housing development located at 3650 Center Avenue in the City of El Monte.



lacda.org

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Executive Director: Monique King-Viehlend
Commissioners: Hilda L. Solis, Mark Ridley-Thomas, Sheila Kuehl, Janice Hahn, Kathryn Barger



3. Delegate authority to the Executive Director, or her designee to submit an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation in an aggregate amount not exceeding \$10,000,000 for the purposes described herein.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to declare the intent to issue Multifamily Housing Mortgage Revenue Bonds in an aggregate amount not exceeding \$10,000,000 to finance the site acquisition, construction and development of the Project.

The Project, to be located at 3650 Center Avenue in the City of El Monte, will consist of 23 one-bedroom units, 4 two-bedroom units and 1 three-bedroom unit. Twenty-seven of the units will be reserved for households with incomes that do not exceed 30% of the area median income (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). These units will be designated for homeless veterans. The manager's unit will have no affordability requirements. The affordability requirements will remain in effect for 55 years. The developer for the Project is the Cesar Chavez Foundation. The Borrower is a limited partnership that includes the developer as a partner.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The Bonds will be repaid solely through rent revenues collected by the Borrower. The Borrower will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On April 2, 2019, the City of El Monte City Council adopted a resolution authorizing LACDA to issue multifamily revenue bonds to finance the site acquisition, construction and development of the Project.

Adoption of the Resolution by your Board announcing the intent to undertake the financing of the Multifamily Housing Project and related actions is required to establish a base date after which costs incurred by the Borrower may be included in the construction and permanent financing obtained pursuant to issuance of the tax-exempt Bonds. It will also delegate authority to the Executive Director to submit an application to CDLAC for funding. This action does not authorize the issuance and sale of the Bonds.

The attached Resolution was prepared by Kutak Rock LLP, LACDA Bond Counsel, and approved as to form by County Counsel.

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)(5) 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 PROJECT

The proposed action is a necessary step to provide Bond financing for the Project, which will increase and stabilize the supply of multifamily and homeless veteran housing in the County with long-term affordability.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Monique King-Viehland", is written over the typed name and title.

MONIQUE KING-VIEHLAND
Executive Director

Enclosure

MKV:LN:DR

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY
DEVELOPMENT AUTHORITY OFFICIAL DECLARATION OF INTENT TO UNDERTAKE
THE FINANCING OF A MULTIFAMILY HOUSING PROJECT AND RELATED ACTIONS

WHEREAS, the Los Angeles County Development Authority ("LACDA") is authorized and empowered by the provisions of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") to issue and sell mortgage revenue bonds or notes as part of a plan of financing for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, the Cesar Chavez Foundation, which will form a limited partnership whose general partner is expected to be Vista del Monte Affordable Housing, Inc. (or an affiliate or assign) (the "Borrower"), has requested that the LACDA issue and sell its mortgage revenue bonds or notes pursuant to the Act to provide financing (including reimbursement of Borrower's expenditures) for the acquisition, construction, development and rehabilitation of a multifamily rental housing development consisting of 28 units to be located at 3650 Center Avenue, El Monte, California 91731 located in the City of El Monte and in the County of Los Angeles (the "Project"); and

WHEREAS, this Board of Commissioners of the LACDA (the "Board") hereby finds and declares that it is necessary, essential and a public purpose for the LACDA to finance multifamily housing projects pursuant to the Act, in order to increase the supply of multifamily housing in Los Angeles County available to persons and families within the income limitations established by the Act; and

WHEREAS, as an inducement to the Borrower to carry out the Project, this Board desires to adopt this resolution (this "Resolution") and to authorize the issuance of mortgage revenue bonds or notes by the LACDA to finance the Project (the "Bonds") in a principal amount not to exceed \$10,000,000; and

WHEREAS, the LACDA, in the course of assisting the Borrower in the financing of the Project expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution and may incur additional Reimbursement Expenditures within 60 days prior to the adoption of this Resolution and prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, Section 1.142-4 and Section 1.150-2 of the Treasury Regulations require the LACDA to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California (the "Government Code") governs the allocation of the state ceiling among governmental units in the State of California having the LACDA to issue multifamily housing mortgage revenue bonds; and

WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an application with the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of multifamily housing mortgage revenue bonds; and

WHEREAS, the City of El Monte has approved the issuance by the LACDA of the Bonds for the Project within the City of El Monte;

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by the Act.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. This Board hereby determines that it is necessary and desirable to provide a plan of financing for the Project by the issuance and sale of mortgage revenue bonds or notes pursuant to the Act and hereby authorizes the issuance and sale of the Bonds in one or more series from time to time by the LACDA pursuant to a plan of financing, in aggregate principal amounts not to exceed \$10,000,000. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, provided that nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the LACDA or any officer, agent or employee of the LACDA will grant any approval, consent or permit which may be required in connection with the acquisition and construction or rehabilitation of the Project or the issuance of the Bonds.
3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be agreed upon by the LACDA and the Borrower and the initial purchasers of the Bonds; provided, however, that the Bonds shall not be sold or issued unless specifically authorized by the subsequent resolution of this Board.
4. This Resolution is being adopted by the LACDA for purposes of establishing compliance with the requirements of Section 1.142-4 and Section 1.150-2 of the Treasury Regulations. In that regard, the LACDA hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. Notwithstanding the foregoing, this Resolution does not bind the LACDA to make any expenditure, incur any indebtedness, or proceed with the Project.
5. The proper officers of the LACDA are hereby authorized and directed to apply to CDLAC for a private activity bond allocation for application by the LACDA to the issuance the Bonds in one or more series from time to time for the Project in an amount not to exceed \$10,000,000, to collect from the Borrower an amount equal to the

performance deposit required by CDLAC and to certify to CDLAC that such amount has been placed on deposit in an account in a financial institution.

6. The proper officers of the LACDA are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable provided that the terms and conditions under which the Bonds are to be issued and sold shall be approved by this Board in the matter provided by law prior to the sale thereof.

This Resolution shall take effect immediately upon its adoption.

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PASSED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority, State of California, this 11th day of June, 2019, by the following vote:

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

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE



By: *Jamie Hahn*
Chair of the Board of Commissioners

ATTEST:

CELIA ZAVALA
Executive Officer-Clerk
of the Board of Commissioners

By: *Maria Chavez*
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM,
County Counsel

By: *Beky Joshakuni*
Deputy