

MOTION BY SUPERVISOR KATHRYN BARGER

JANUARY 26, 2021

**Adopt resolutions and declare intent to issue multifamily housing mortgage revenue bonds to finance the construction of the Pasadena Hope Center, and authorize execution of an interlocal cooperation agreement with the City of Pasadena**

The Pasadena Hope Center (Project) is a new construction affordable housing project that will be developed by The Salvation Army and located at 1000 E. Walnut Street, in the City of Pasadena (Site). The Site currently contains a two-story office building, which will be demolished and completely removed from the Site to allow for the new construction of the Project.

The Salvation Army currently owns the building and operates its Pasadena social services program out of 2,664 square feet on the bottom floor. The Project includes the construction of a modern, four story, approximately 47,200 square-foot building that will provide 65 studio apartments of permanent supportive housing and one two-bedroom manager's apartment. All residents will be single adults who meet the U.S. Department of Housing and Urban Development's homeless definition.

The Salvation Army Pasadena Hope Center, L.P. (or an approved affiliate or assign thereof) (Borrower), has requested that the Los Angeles County Development Authority (LACDA) issue and sell its multifamily housing mortgage revenue bonds or notes in an amount not to exceed \$21,000,000 to provide financing for the predevelopment, acquisition and construction of the Project.

The issuance of the Bonds will require a Board resolution declaring the intent to issue Multifamily Housing Mortgage Revenue Bonds in an amount not to exceed \$21,000,000 (Bonds). Adoption of the resolution by the Board of Supervisors constitutes approval of the financing plan and bond issuance. Section 147(f) of the Internal Revenue Code of 1986 (Code) requires approval by the applicable elected representatives of each governmental unit having jurisdiction over the area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice. The Board of Supervisors is the elected legislative body of the County and the applicable elected representative of the LACDA within the meaning of the Code.

-M O R E-

**MOTION**

MITCHELL	_____
KUEHL	_____
HAHN	_____
BARGER	_____
SOLIS	_____

On January 20, 2021, LACDA conducted a noticed telephonic hearing at its office located at 700 West Main Street in Alhambra regarding the issuance of multifamily bonds to finance the Project, pursuant to the Code. No comments were received at the public hearing concerning the issuance of the Bonds or the nature and location of the Project.

In addition, the Board, acting as the Board of Commissioners of the LACDA, will adopt a resolution announcing the intent to undertake the financing of the proposed Project 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. This resolution further authorizes LACDA's Executive Director, or his designee, to submit of an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation.

The County will need to enter into an Interlocal Cooperation Agreement with the City of Pasadena (City) in order for LACDA to issue the tax-exempt Bonds within the City's jurisdiction. The County will authorize the Executive Director of the LACDA, or his designee, to enter into an Interlocal Cooperation Agreement with the City of Pasadena on the County's behalf as required by California Health and Safety Code Section 52086, which requires the agreement of the Board of Supervisors, as it is the elected legislative body representing the County and LACDA.

The Project was determined exempt from the requirements of the California Environmental Quality Act (CEQA) by the City of Pasadena pursuant to Sections 15191, 15192 and 15194 of the State CEQA Guidelines. The County's consideration of the determination satisfies the requirements of CEQA.

On September 1, 2020, the Board of Commissioners of the LACDA, as a responsible agency, certified the City of Pasadena's CEQA exemption determination for the Project.

**I, THEREFORE, MOVE** that the Board of Supervisors:

1. Adopt and instruct the Chair to sign a resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of multifamily revenue bonds or notes by the LACDA in an amount not to exceed \$21,000,000 for the Borrower, or an LACDA approved assignee thereof, to finance the construction and development of the proposed Project.
2. Approve and delegate authority to LACDA to act as the agent of the County and to execute an Interlocal Cooperation Agreement between the County and the City of Pasadena and authorize LACDA to perform related tasks to complete the Bond issuance for the Project.

3. Acting as a responsible agency pursuant to CEQA, certify that the County has considered the attached exemption determination for the Project, which was prepared by the City of Pasadena as lead agency; and find that this Project will not cause a significant impact on the environment.

**I, FURTHERMORE MOVE** that the Board of Supervisors, acting as the Board of Commissioners of the Los Angeles County Development Authority:

1. Adopt and instruct the Chair to sign a resolution, as required under Treasury regulations, declaring an intent for the Borrower, or an LACDA approved assignee thereof, to undertake bond financing in an amount not exceeding \$21,000,000 to finance the construction and development of the Project.
2. Accept designation to act on behalf of the County, and delegate authority to the Executive Director, or his designee, to execute an Interlocal Cooperation Agreement between the County and the City of Pasadena and authority to perform any related tasks and/or agreements to complete the Bond issuance for the Project.
3. Authorize the Executive Director of LACDA, or his designee, to submit an application to the California Debt Limit Allocation Committee for a private activity bond allocation on an aggregate amount not exceeding \$21,000,000 for the purposes described herein.

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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 (the “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 multifamily housing 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 predevelopment, acquisition and construction of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, The Salvation Army Pasadena Hope Center, L.P. (or an affiliate or assign thereof) (the “Borrower”), has requested that the LACDA issue and sell its multifamily housing mortgage revenue bonds or notes pursuant to the Act to provide financing (including reimbursement of Borrower’s expenditures) for the predevelopment, acquisition and construction of a multifamily rental housing development consisting of 66 units located at 1000 East Walnut Street, Pasadena, California 91106, located in the City of Pasadena, 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, 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 authority 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, as an inducement to the Borrower to carry out the Project, this Board desires to adopt this resolution (this “Resolution”) and, for purposes of Section 8869.86(b) of the Government Code relating to the volume cap allocation by CDLAC, to authorize the issuance of multifamily housing mortgage revenue bonds or notes by the LACDA to finance the Project in a principal amount not to exceed \$21,000,000; and

WHEREAS, the City of Pasadena has approved the issuance by the LACDA of the bonds or notes for the Project within the City of Pasadena; and

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 multifamily housing mortgage revenue bonds or notes (herein “Bonds”) pursuant to the Act and hereby authorizes, for purposes of Section 8869.86(b) of the Government Code and subject to Section 3 hereof, the issuance and sale of the Bonds in one or more series from time to time by the LACDA in aggregate principal amounts not to exceed \$21,000,000. 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 predevelopment, acquisition and construction 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 Executive Director, or his designee(s) are hereby authorized to file an application with CDLAC 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 \$21,000,000, 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 Executive Director, or his designee(s) 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 manner provided by law prior to the sale thereof.

7. 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 26~~th~~ day of JANUARY, 2021, by the following vote:

AYES: SUPERVISORS MITCHELL, KUEHL, HAHN, BARGER AND SOLIS

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE



Hilda J. Solis  
Chair of the Board of Commissioners

ATTEST:

CELIA ZAVALA,  
Executive Officer  
of the Board of Commissioners

By: [Signature]  
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA,  
County Counsel

By: Behnaz Tashakorian  
Senior Deputy