



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

August 10, 2021

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The 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:

**RESOLUTIONS DECLARING INTENT TO ISSUE MULTIFAMILY HOUSING
REVENUE BONDS OR NOTES FOR THE CONSTRUCTION OF AFFORDABLE
MULTIFAMILY HOUSING IN THE CITY OF LOS ANGELES
(DISTRICT 2) (3 VOTES)**

SUBJECT

This letter recommends that your Board adopt resolutions declaring the intent to issue multifamily housing revenue bonds or notes to finance the site development and construction of the Vermont Manchester Family Project (Family Project), a 118 unit affordable housing project; and the Vermont Manchester Senior Project (Senior Project), a 62 unit affordable housing project, to both be located at 8400-8500 South Vermont Avenue in the City of Los Angeles.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that adoption of these resolutions are not subject to the provisions of the CEQA because the actions 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 VM Family, LP; or an approved affiliate or assign thereof, to undertake multifamily housing revenue bond financing in an amount not exceeding \$75,000,000 (Family Project Bonds) to finance the construction and development of the Family Project.



Administrative Office
700 West Main Street, Alhambra, CA 91801
Tel: (626) 262-4511 TDD: (626) 943-3898



Executive Director: Emilio Salas

Commissioners: Hilda L. Solis, Holly J. Mitchell, Sheila Kuehl, Janice Hahn, Kathryn Barger

3. Authorize the Executive Director, or his 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 \$75,000,000 for the purposes described herein and to take whatever further actions relating to the aforesaid financial assistance that may be deemed reasonable and desirable, provided that the terms and conditions under which the Family Project Bonds are to be issued and sold shall be approved by the LACDA in the manner provided by law prior to the sale thereof for the Family Project.
4. Adopt and instruct the Chair to sign a resolution, as required under Treasury regulations, declaring an intent by VM Senior, LP; or an approved affiliate or assign thereof, to undertake multifamily housing revenue bond financing in an amount not exceeding \$35,000,000 (Senior Project Bonds) to finance the construction and development of the Senior Project.
5. Authorize the Executive Director, or his designee, to submit an application to the CDLAC for a private activity bond allocation on an aggregate amount not exceeding \$35,000,000 for the purposes described herein and 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 the LACDA in the manner provided by law prior to the sale thereof for the Senior Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to declare the intent to issue multifamily housing revenue bonds or notes in order to facilitate the financing, construction, and development of the Family Project and the Senior Project, which will be component developments of the Vermont Manchester Transit Priority Project Site (Project Site).

BRIDGE Housing Corporation was selected by the LACDA, on behalf of the County of Los Angeles and through a competitive request for proposals, to develop the Project Site from a vacant lot into a vibrant mixed-use, transit-oriented, development that will include a mix of affordable and permanent supportive residences and retail and commercial spaces, as well as a public amenities, such as a an outdoor plaza, a County public boarding school, and parking to support these uses.

The Family Project will be a multifamily rental housing development consisting of 118 units, with a mixture of 116 one-, two-, and three-bedroom affordable units restricted to households with incomes not to exceed between 30% and 80% of Area Median Income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development. Two manager's units will be unrestricted. To assist in financing the Family Project, a resolution has been prepared declaring the intent to issue the Family Project Bonds.

The Senior Project will be a multifamily rental housing development consisting of 62 units, with 60 one-bedroom affordable units restricted to households with incomes not to exceed 30% of Area Median Income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development. Two manager's units will be unrestricted. To assist in financing the Senior Project, a LACDA Board of Commissioners resolution has been prepared declaring the intent to issue the Senior Project Bonds.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The Family Project Bonds and the Senior Project Bonds (collectively "Bonds") will be repaid solely through project rent revenues collected by VM Family, LP and VM Senior, LP (collectively "Borrowers") respectively; or approved designees. The Borrowers will pay all fees and related costs for the Bonds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Adoption of the resolutions by the LACDA's Board of Commissioners expresses the intent to issue the Bonds, and 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 Bonds. California Government Code section 8869.85 requires a local agency to file an application with the CDLAC prior to the issuance of multifamily housing mortgage revenue bonds. In order to file an application, the LACDA will need resolutions from the Board of Commissioners authorizing such action.

The attached resolutions were prepared by Hawkins Delafield and Wood, 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.

The Honorable Board of Commissioners
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IMPACT ON CURRENT PROJECT

The proposed actions are necessary steps to provide multifamily bond financing for the Family and Senior Projects, which will increase the supply of affordable housing in the County with long-term affordability.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Emilio Salas". The signature is stylized and cursive.

EMILIO SALAS
Executive Director

Enclosures

ES:LK:ML: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 (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 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, BRIDGE Housing Corporation, Primestor Development and the Coalition for Responsible Community Development which will form a limited partnership which is expected to be VM Family, LP (or an LACDA approved affiliate or assign thereof, 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 or rehabilitation of a multifamily rental housing development consisting of 118 units to be located at 8400-8500 South Vermont Avenue, Los Angeles, California 90044 located in the City of Los Angeles and in the County of Los Angeles (together, 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 \$75,000,000; 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 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, the City of Los Angeles will approve the issuance by the LACDA of the Bonds for the Project within the City of Los Angeles prior to closing of the Bonds; 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 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 \$75,000,000. 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 Executive Director, or his designee(s) 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 \$75,000,000, 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 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 10th day of August, 2021, by the following vote:

AYES: Supervisors Mitchell, Huelh, Hahn, Barger and Solis

NOES: N/A

ABSENT: N/A

ABSTAIN: N/A



By: *Hilda J. Solis*
Chair of the Board of Commissioners

ATTEST:

CELIA ZAVALA
Executive Officer
of the Board of Commissioners

By: *Marcia Ortega*
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA,
County Counsel

By: *Behnaz Tashakorian*
Principal Deputy

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

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WHEREAS, BRIDGE Housing Corporation, Primestor Development and the Coalition for Responsible Community Development which will form a limited partnership which is expected to be VM Senior, LP (or an LACDA approved 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 or rehabilitation of a multifamily rental housing development consisting of 62 units to be located at 8400-8500 South Vermont Avenue, Los Angeles, California 90044 located in the City of Los Angeles and in the County of Los Angeles (together, 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 \$35,000,000; 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

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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 Los Angeles will approve the issuance by the LACDA of the Bonds for the Project within the City of Los Angeles prior to closing of the Bonds;

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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 \$35,000,000. 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.
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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 \$35,000,000, 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 10th day of August, 2021, by the following vote:

AYES: Supervisors Mitchell, Huehl, Hahn, Barger and Solis

NOES: N/A

ABSENT: N/A

ABSTAIN: N/A



By: *Hilda F. Solis*
Chair of the Board of Commissioners

ATTEST:

CELIA ZAVALA
Executive Officer
of the Board of Commissioners

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