



Sean Rogan
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

October 05, 2010

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

Dear Commissioners:

ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

1-H October 5, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**ADOPT RESOLUTION AUTHORIZING ISSUANCE OF MULTIFAMILY HOUSING MORTGAGE
REVENUE BONDS FOR 105TH STREET & NORMANDIE SENIOR HOUSING, A MULTIFAMILY
HOUSING DEVELOPMENT LOCATED IN UNINCORPORATED WEST ATHENS/WESTMONT
(DISTRICT 2) (3 VOTE)**

SUBJECT

This letter recommends that your Board authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds to finance the site acquisition and construction of 105th Street & Normandie Senior Housing, a 62-unit multifamily rental housing development to be located in unincorporated West Athens/Westmont. This letter relates to item on the agenda of the Board of Supervisors for approval of the bond issuance.

IT IS RECOMMENDED THAT YOUR BOARD:

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 Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$8,000,000, to assist Normandie Senior Housing Partners L.P. (Developer) in financing the site acquisition and construction of 105th & Normandie Senior Housing, a 62-unit multifamily rental housing project to be located at 10402, 10408, 10410 and 10426 South Normandie Avenue, 1344 West 104th Street and 1335 West 105th Street in unincorporated West Athens/Westmont.
2. Authorize the Executive Director of the Housing Authority to negotiate, execute, and if necessary amend all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds, in an aggregate amount not to exceed \$8,000,000 to finance the site acquisition and construction of 105th & Normandie Senior Housing. This action will also allow the bonds to qualify for a tax exemption under Section 103 of the Internal Revenue Code of 1986.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Developer will repay the bonds solely through rent revenues, and will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Housing Authority issues Multifamily Housing Mortgage Revenue Bonds on an ongoing basis to provide financing to increase the supply of multifamily housing for very low, low-, and moderate-income families throughout Los Angeles County.

On July 8, 2008, your Board adopted an Inducement Resolution declaring the intent of the Housing Authority to undertake the financing of a Multifamily Housing Mortgage Revenue Bond project in accordance with United States Treasury Department Regulations. This action established a base date after which costs incurred by the Developer for the project could be included in the acquisition, construction and permanent financing obtained pursuant to the issuance of tax-exempt bonds.

On September 15, 2009, the Board of Supervisors adopted a resolution approving issuance of the bonds, as authorized by Section 147(f) of the Internal Revenue Code of 1986; the Housing Authority conducted a public hearing regarding the issuance of bonds to finance the project, at its office located at 2 Coral Circle in Monterey Park.

Under Internal Revenue Code regulations, the resolution approving bond issuance is valid for 12 months, and the bonds must be issued by the end of that period. Due to unforeseen underwriting requirements, the issuance of the bonds was postponed.

In anticipation of the bond issuance deadline, on September 10, 2010, the Housing Authority conducted a public hearing regarding issuance of the bonds. No comments were received at either public hearing concerning the nature and location of the project or bond issuance.

The 105th Street & Normandie Senior Housing will be located at 10402, 10408, 10410 and 10426 South Normandie Avenue, 1344 West 104th Street and 1335 West 105th Street in unincorporated West Athens/Westmont. The project will be a three-story apartment building, comprised of 55 one-bedroom units and seven two-bedroom units. Six of the one-bedroom units will be reserved for households with incomes that do not exceed 25% of the area median income (AMI) 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. Twenty-three of the one-bedroom units will be reserved for households at 45% AMI or below, and the remaining 26 one-bedroom units will be reserved for households at 50% AMI or below. Of the seven two-bedroom units, six will be reserved for households with incomes that do not exceed 45% of AMI, and one will be a manager's unit with no affordability requirements. The affordability requirements will remain in effect for 55 years. Six of the affordable units will be occupied by special needs households.

The attached Resolution has been prepared by Orrick, Herrington & Sutcliffe, Housing Authority Bond Counsel, and has been approved as to form by County Counsel. All other related documents, in substantially final form, are on file with the Executive Office of the Board of Commissioners. They will be approved as to form by County Counsel prior to execution by the authorized parties. On September 22, 2010, the Housing Commission recommended approval of the proposed action.

ENVIRONMENTAL DOCUMENTATION

An Environmental Assessment/Mitigated Negative Declaration (EA/MND) was prepared for this project pursuant to the requirements of the National Environmental Policy Act. Based on the conclusions and findings of the EA/MND, a Finding of No Significant Impact was approved by the Certifying Officer of the Community Development Commission on February 7, 2007. Following the required public and agency comment period, HUD issued a Release of Funds for the project on February 21, 2007.

In accordance with the requirements of CEQA, the Board of Commissioners of the Community Development Commission, acting as Lead Agency, approved the EA/MND for this project on November 6, 2007. The Board of Supervisors, acting as a Responsible Agency, approved the EA/MND on July 8, 2008. The Board of Commissioners of the Housing Authority, acting as a Responsible Agency, approved the EA/MND on July 15, 2008.

The environmental review record for this project is available for public review during regular business hours at the Commission's main office located at 2 Coral Circle in Monterey Park.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed action will increase the supply of affordable housing in the County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN
Executive Director

SR:gk

Enclosures

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS 105TH & NORMANDIE APARTMENTS PROJECT, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, The Housing Authority of the County of Los Angeles (the “Authority”) is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the “Act”) to issue and sell revenue bonds and to execute and deliver revenue notes for the purpose of making loans or otherwise providing funds to finance the acquisition and construction of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board for consideration at this meeting the documentation required for the execution and delivery of a revenue note for the financing of the 105th & Normandie Apartments Project (the “Project”); and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended;

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

1. It is hereby found and determined that it is necessary and desirable for the Authority to provide financing for the Project through the execution and delivery of the Note (as hereinafter defined) in order to assist in the acquisition and construction of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the Authority hereby determines to execute and deliver to Citibank, N.A., as Funding Lender, a revenue note (the “Note”), in an aggregate principal amount not to exceed \$8,000,000. The Note shall bear interest at the interest rates set forth in or determined in accordance with Funding Loan Agreement (the “Funding Loan Agreement”), maturing as provided in the Funding Loan Agreement, but not later than 35 years from the date of issue. The Note shall be in substantially the form set forth in the Funding Loan Agreement, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Funding Loan Agreement, which shall be appropriately completed when the Note is prepared.

The Note shall be a limited obligation of the Authority payable solely from the revenues, receipts and other moneys pledged therefor under the Funding Loan Agreement.

The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Note.

3. The proposed form of Funding Loan Agreement, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Funding Loan Agreement, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the Authority and Special Financing Counsel to the Authority (provided that such additions or changes shall not authorize an aggregate principal amount of the Note in excess of the amount stated above or result in an initial interest rate on the Note in excess of 9%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Funding Loan Agreement. The date, maturity date, interest rate or rates, interest payment dates, denomination, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

4. The proposed form of Borrower Loan Agreement (the "Loan Agreement"), in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Borrower Loan Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Special Financing Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Borrower Loan Agreement.

5. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Special Financing Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

6. This Board hereby appoints the Executive Director of the Authority or his or her Deputy or designee as administrator/manager with respect to the Project and other matters arising in connection with the Note (the "Administrator").

7. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing which may

be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any prepayment of the Note, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

8. All actions heretofore taken by the officers and agents of the Authority with respect to the execution and delivery of the Note are hereby approved, confirmed and ratified, and the proper officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority 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 Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority.

9. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, hereby repealed.

10. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this 5th day of October, 2010, by the following vote:

AYES: *Supervisors Ridley-Thomas, Knabe, Antonovich, and Molina*

NOES: *NONE*

ABSENT: *Supervisor Yaroslauky*

ABSTAIN: *NONE*

By:

Gloria Molina

Chair of the Board
of Commissioners

ATTEST:

Sachi A. Hamai
Executive Officer
of the Board of Commissioners



By:

Lachelle Smitherman

Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By:

Behnia Jashakoni

Deputy