



January 14, 2020

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

Dear Supervisors and Commissioners:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

3-D January 14, 2020

A handwritten signature in black ink, appearing to read "Celia Zavala", is written over a light blue horizontal line.

CELIA ZAVALA
EXECUTIVE OFFICER

**RESOLUTIONS DECLARING INTENT TO AUTHORIZE AND IMPLEMENT THE ISSUANCE OF
TAX-EXEMPT HOUSING REVENUE BONDS FOR CONSTRUCTION OF AFFORDABLE
MULTIFAMILY HOUSING IN UNINCORPORATED WEST CARSON
(DISTRICT 2) (3 VOTES)**

SUBJECT

This letter recommends that the County of Los Angeles (County) Board of Supervisors and that the Board of Commissioners of the Los Angeles County Development Authority adopt Resolutions required to authorize and implement the issuance of tax-exempt housing revenue bonds to finance the development and construction of West Carson Villas, an affordable 111-unit multifamily housing development in unincorporated West Carson in the County of Los Angeles.

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Find that adoption of this Resolution is not subject to the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Adopt and instruct the Chair to sign a Resolution, as required under Treasury Regulations, approving a plan of financing and issuance of tax-exempt housing revenue bonds or notes by the

Los Angeles County Development Authority (LACDA) for purposes of financing the acquisition, construction and development of West Carson Villas, a 111-unit multifamily rental housing development to be located at 22801-22905 South Vermont Avenue in unincorporated West Carson (Project) in the County of Los Angeles.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS:

1. Find that adoption of this Resolution is not subject to the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. 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 \$45,000,000 (Bonds) for PV West Carson L.P. (Borrower), or an approved affiliate or assignee thereof to finance the site acquisition, construction and development of the Project.
3. Authorize the Acting Executive Director, or his designee, to submit an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation on an aggregate amount not exceeding \$45,000,000 for the purposes described herein.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve a plan of financing and authorize the LACDA to issue the Bonds and to comply with state and federal regulations required to implement the future issuance of the Bonds in an aggregate amount not exceeding \$45,000,000 to finance the acquisition, construction and development of the Project.

The Project, to be located at 22801-22905 South Vermont Avenue in unincorporated West Carson, will consist of a mix of 46 one-bedroom units, 53 two-bedroom units, and 12 three-bedroom units, for a total of 111 units. One hundred ten (110) units are restricted to households with incomes not to exceed 60% of Area Median Income (AMI) of which 63 units are restricted to special needs with incomes not to exceed 30% 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. The affordability requirements will remain in effect for 55 years. The two-bedroom unit will be set-aside for the property manager and will have no affordability requirements.

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

Adoption of the Resolution by the County Board of Supervisors authorizing issuance of the Bonds constitutes approval of the financing plan and bond issuance as the local government having jurisdiction over the Project area. This action is required prior to LACDA's submission of an application to the California Debt Limit Allocation Committee (CDLAC) for private activity bond allocation.

Adoption of the Resolution 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 Developer may be included in the construction and permanent financing obtained pursuant to issuance of the Bonds. The Resolution is also required to complete the LACDA's application to CDLAC.

On December 30, 2019, LACDA conducted a hearing at its office located at 700 West Main Street in Alhambra regarding the issuance of multifamily bonds to finance the Project, 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 Project.

The attached Resolutions were prepared by Hawkins, Delafield & Wood, LACDA Bond Counsel, and approved as to form by County Counsel.

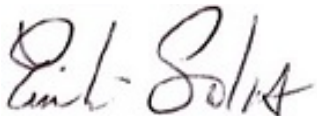
ENVIRONMENTAL DOCUMENTATION

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.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed actions are a necessary step to provide bond financing for the Project, which will increase the supply of affordable multifamily housing in the County with long-term affordability.

Respectfully submitted,



Emilio Salas

Acting Executive Director

ES:LK:LN:DR:EG

Enclosures

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 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, PV West Carson L.P. (or an affiliate or assign thereof) (the "Borrower"), has requested that the LACDA issue and sell its multifamily housing 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 111 units located at 22801-22905 South Vermont Avenue, West Carson, California 90502, located 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 multifamily housing revenue bonds or notes by the LACDA to finance the Project in a principal amount not to exceed \$45,000,000; 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 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 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 revenue 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 multifamily housing revenue bonds or notes (herein "Bonds") 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 in aggregate principal amounts not to exceed \$45,000,000. 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 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 \$45,000,000, 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 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 Supervisors of the County of Los Angeles, State of California, this 14th day of January, 2020, by the following vote:

AYES: *Supervisors Solis, Kuehl, Hahn and Barger*

NOES: NONE

ABSENT: *Supervisor Ridley-Thomas*

ABSTAIN: NONE

By *Karmyn Barger*
Chair of the Board of Supervisors

ATTEST:

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

By: *Lachelle Smitheman*
Deputy



APPROVED AS TO FORM:

MARY C. WICKHAM,
County Counsel

By: *Belvez Pineda*
Senior Deputy