



September 15, 2020

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

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

4-D September 15, 2020

A handwritten signature in black ink, appearing to read "Celia Zavala", is written over a faint circular stamp.

CELIA ZAVALA
EXECUTIVE OFFICER

RESOLUTIONS TO AUTHORIZE THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR CONSTRUCTION OF AFFORDABLE MULTIFAMILY HOUSING IN UNINCORPORATED EAST LOS ANGELES COUNTY (DISTRICT 1) (3 VOTES)

SUBJECT

This letter recommends that the County of Los Angeles (County) Board of Supervisors and the Board of Commissioners of the Los Angeles County Development Authority (LACDA) adopt resolutions required to authorize the issuance of multifamily housing revenue bonds to finance the site acquisition, development and construction of 3rd & Dangler Apartments, an affordable 78-unit multifamily housing development in unincorporated East Los Angeles.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt and instruct the Chair to sign a resolution, as required under Treasury Regulations, approving a plan of financing and issuance of multifamily housing revenue bonds or notes by the LACDA in an amount not to exceed \$25,000,000 (Bonds) for 3rd & Dangler LP (Borrower), or an LACDA approved affiliate or assignee thereof, to finance the site acquisition, construction and development of 3rd & Dangler Apartments, a 78-unit multifamily rental housing development to be located at the northwest corner of East Third Street and South Dangler Avenue in unincorporated

East Los Angeles (Project).

2. 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 impact on the environment.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS:

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 the Bonds for the Borrower, or an LACDA approved affiliate or assignee thereof, to finance the site acquisition, construction and development of the Project.

2. Authorize the Acting Executive Director, or designee, to submit an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation not exceeding \$25,000,000 for the purposes described herein.

3. Find that adoption of this resolution is not subject to the provisions of the CEQA because the action will not have the potential of causing a significant impact on the environment.

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 for the intended issuance of tax-exempt Bonds for the Project.

The Project, to be located at the northwest corner of East Third Street and South Dangler Avenue in unincorporated East Los Angeles, will consist of a mix of 20 studio units, 49 one-bedroom units, and 9 two-bedroom units, for a total of 78 units. Thirty-nine (39) units will be restricted to households with incomes not to exceed 30% of Area Median Income (AMI), 13 units will be restricted to households with incomes not to exceed 50% of AMI and 25 units will be restricted to households not to exceed 60% of 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 other 39 affordable units will be restricted to homeless households. A 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 Board of Supervisors 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 the LACDA's submission of an application to the 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 Borrower 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 August 4, 2020, 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.

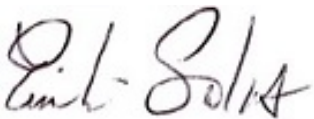
ENVIRONMENTAL DOCUMENTATION

The proposed actions are not a project pursuant to CEQA because they involve activities that are excluded from the definition of a project by Section 15378(b)(5) of the State CEQA Guidelines. The proposed actions are administrative activities 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:MT:DR:JWR

Enclosures

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS OR NOTES AND RELATED ACTIONS

WHEREAS, the Los Angeles County Development Authority (the "LACDA") intends to adopt a plan of financing to sell and issue, from time to time, multifamily housing mortgage revenue bonds or notes in one or more series, and at no time to exceed \$25,000,000 in outstanding aggregate principal amount (the "Bonds"), in order to assist in financing (including reimbursement of the expenditures of the Borrower (herein defined)) the acquisition, construction, development and rehabilitation of a multifamily rental housing development consisting of 78 units located at the northwest corner of East 3rd Street and South Dangler Avenue, Los Angeles, California 90502, located in the County of Los Angeles (the "Project"), to be owned by 3rd & Dangler LP, a California limited partnership (or an affiliate, assign or designee) (the "Borrower"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the Bonds are required to be approved prior to their issuance by the applicable elected representative of the governmental unit on whose behalf the bonds are expected to be issued and by 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; and

WHEREAS, the interest on the Bonds may qualify for exclusion from gross income under Section 103 of the Code, only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, the Project is located wholly within the County of Los Angeles, California; and

WHEREAS, this Board of Supervisors is the elected legislative body of the County and is the applicable elected representative of the LACDA within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the LACDA has, following notice duly given, held a public hearing regarding the plan of financing and the issuance of such Bonds on August 4, 2020, and now desires that the Board of Supervisors approve the issuance of such Bonds within the County of Los Angeles; and

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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. This Board of Supervisors hereby approves the plan of financing and the issuance of the Bonds by the LACDA to finance costs of the Project in the County of Los Angeles. It is the purpose and intent of this Board of Supervisors that this Resolution constitute approval of the plan of financing and the Bonds by the applicable elected

representative of the issuer of the Bonds and the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with Section 147(f) of the Code.

3. The proper officers of 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 the Board of Commissioners of the LACDA in the manner provided by law prior to the sale thereof.

4. The Executive Officer-Clerk of the Board of Supervisors or a deputy thereof is directed to certify and deliver a copy of this Resolution to the LACDA.

5. 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 15th day of September 2020, by the following vote:

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

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By 
Chair of the Board of Supervisors

ATTEST:

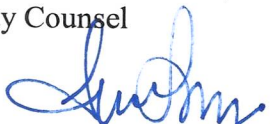
CELIA ZAVALA,
Executive Officer-Clerk
of the Board of Supervisors

By: 
Deputy



APPROVED AS TO FORM:

MARY C. WICKHAM,
County Counsel

By:  FOR BEHNAZ TASHAKORIAN
Senior 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

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 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, 3rd & Dangler LP, a California limited partnership (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 acquisition, construction, development and rehabilitation of a multifamily rental housing development consisting of 78 units located at the northwest corner of East 3rd Street and South Dangler Avenue, Los Angeles, 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, 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 \$25,000,000; 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 \$25,000,000. 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 \$25,000,000, 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 Commissioners of the Los Angeles County Development Authority, State of California, this 15th day of September 2020, by the following vote:

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

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By: 
Chair of the Board of Commissioners

ATTEST:

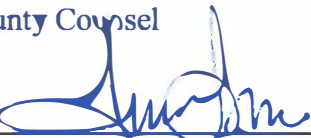
CELIA ZAVALA,
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By: 
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APPROVED AS TO FORM:

MARY C. WICKHAM,
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