



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

December 07, 2021

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

1-D December 7, 2021

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

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Commissioners:

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS OR NOTES FOR THE DEVELOPMENT OF AFFORDABLE MULTIFAMILY HOUSING IN UNINCORPORATED WALNUT PARK (DISTRICT 1) (3 VOTES)

SUBJECT

This letter recommends that the Board of Commissioners of the Los Angeles County Development Authority (LACDA) adopt a Resolution in connection with the anticipated issuance of multifamily housing revenue bonds or notes to finance the site acquisition, construction and development of Walnut Park Apartments (Project), an affordable 64-unit multifamily housing development to be located in unincorporated Walnut Park.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt and instruct the Chair to sign a Resolution, as required under Treasury Regulations, declaring the official intent to issue multifamily housing revenue bonds or notes by the LACDA in an amount not to exceed \$30,000,000 (Bonds) for Walnut Park, L.P. (Borrower) or an approved affiliate or assign thereof, for purposes of financing the site acquisition, construction and development of the Project.
2. Authorize the Executive Director, or designee, to submit an application to the California Debt Limit Allocation Committee (CDLAC) for issuance of the Bonds for the purposes described herein.
3. Find that adoption of this Resolution is not subject to the provisions of CEQA because the action will not have the potential of causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is for the LACDA to declare the intent to issue the Bonds to facilitate the financing the site acquisition, construction, and development of the Project. California Government Code section 8869.85 requires that the LACDA file an application with the CDLAC prior to the issuance of the Bonds, and the LACDA requires authorization from the Board of Commissioners prior to filing this application.

Adoption of the attached 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.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The Bonds will be repaid solely through revenues collected from the Borrower. The Borrower will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Project, which will be developed by the Hollywood Community Housing Corporation or an approved affiliate, will consist of 64 units to be located at 7600-7616 Pacific Boulevard in the unincorporated Los Angeles County community of Walnut Park. The Project will include 32 one-bedroom units, 20 two-bedroom units, 10 three-bedroom units, and two three-bedroom manager units. The units will be occupied by a mix of currently unhoused individuals and low-income families, with incomes at or below 40% of area median income. The Project will provide 31 homes to help meet the housing and service needs of unhoused individuals and families, including those who are leaving outpatient, emergency, and recuperative care facilities without housing. The affordability requirements will remain in effect for 55 years from the date of Project completion. The two manager units will have no affordability requirements.

The proposed development will utilize a 30,535 square foot lot, which is currently improved with two single-storied commercial buildings with retail fronting Pacific Boulevard and surface parking at the rear of the site. The lot is located within a C-3 zone, which allows for multifamily housing development. Relocation of the commercial tenants is proceeding and once complete, the existing improvements will be demolished to allow for this new construction Project to proceed.

The Project will include a 1,600 square foot community room with a kitchenette, a resident's lounge, a computer room, a community laundry area, offices for administrative and supportive services staff, and conference rooms. The building will also have landscaped courtyards with community gardening areas and a tot lot. A bicycle room will be available for tenant use on the ground level and the building will include 48 parking spaces.

The Project applied for and was awarded funding through the LACDA's Notice of Funding Availability (NOFA), Round 26, which was issued in October 2020. As a result of the NOFA application, the project will receive \$4 million in federal HOME Investment Partnerships Program funds, which was approved on September 28, 2021 by the Chief Executive Officer, through authority delegated by the Board of Supervisors.

California Government Code section 8869.85 requires that the LACDA file an application with the CDLAC prior to the issuance of the Bonds, and the LACDA requires authorization from the Board of

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Commissioners prior to filing this application.

Adoption of the attached 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 attached Resolution was prepared by Kutak Rock LLP, LACDA Bond Counsel, and approved as to form by County Counsel.

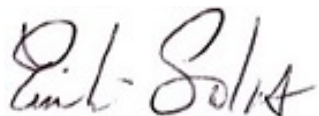
ENVIRONMENTAL DOCUMENTATION

The proposed action is not a project pursuant to California Environmental Quality Act (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 multifamily housing bond financing for the Project, which will increase the supply of affordable housing in the County with long-term affordability.

Respectfully submitted,



Emilio Salas

Executive Director

ES:LK:DR

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 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, Hollywood Community Housing Corporation, which will form a limited partnership which is expected to be Walnut Park, L.P. (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 64 units to be located at 7600-7616 Pacific Boulevard in unincorporated Los Angeles County, California (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 \$30,000,000; 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, 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 \$30,000,000. 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 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 \$30,000,000, 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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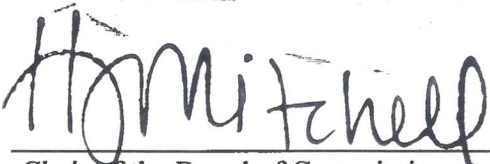
PASSED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority, State of California, this 7th day of December, 2021, by the following vote:

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

NOES: NONE

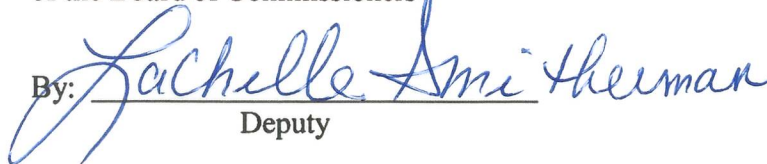
ABSENT: NONE

ABSTAIN: NONE

By: 
Chair of the Board of Commissioners

ATTEST:


CELIA ZAVALA
Executive Officer
of the Board of Commissioners

By: 
Deputy



APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA,
County Counsel

By: 
Deputy