

MOTION BY SUPERVISOR JANICE HAHN

July 26, 2022

Multifamily Housing Mortgage Revenue Bonds for the Lakeland Apartments Project

The Richman Group of California has a major presence in the affordable housing sector. The organization was founded in 1986 with the intention of promoting and developing affordable housing and since then, they have grown, diversified, and evolved to being one of the nation’s largest affordable housing participants. They have completed over 150 developments and provided over 25,000 units for families. The Richman Group of California has been awarded financing through the Los Angeles County Development Authority’s (LACDA) Notice of Funding Availability (NOFA) Round 27 and is now seeking to develop the Lakeland Apartments project.

The Lakeland Apartments project is a new construction affordable housing project that will serve a variety of populations, including seniors and families with incomes ranging from 30% to 70% of the area median income (AMI), including those experiencing homelessness. The decision to service the proposed population was a collaborative effort between the development team, the City of Santa Fe Springs, and The Whole Child,

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which is the project's social services provider. The project is intended to serve the needs of the community with the social service provider's proven track record in serving families within Los Angeles County. The site offers a great opportunity to build affordable housing for families within the greater Santa Fe Springs area.

The Lakeland Apartments project will be located at 13231 Lakeland Road, in the City of Santa Fe Springs, and will consist of contemporary two- to three-story residential style walk-ups and a four-story residential new construction, with on-grade parking. The project will be an intergenerational community composed of 52 family units and 50 senior units. There will be 47 one-bedroom units, 27 two-bedroom units, and 28 three-bedroom units. The affordable unit mix will consist of 56 units reserved for families earning 30% or less than area median income, 24 units reserved for families earning 60% or less area median income, and 21 units reserved for families earning 70% area median income. Fifty-two units are set-aside for general low-income families, consisting of 41 family units, 10 senior units, and one manager's unit. Fifty units are set-aside for special needs households, consisting of 13 units reserved for families experiencing chronic homelessness and 37 units reserved for seniors experiencing chronic homelessness. Each unit will include a full-size kitchen, dining area, and bathroom.

The project will include amenities such as an 800 sq. ft. office for management and social service staff, a 390 sq. ft. multi-purpose room, a 690 sq. ft. club room, a 679 sq. ft. fitness room, a 565 sq. ft. bicycle parking, a laundry room, and a 1,000 sq. ft. lounge. Lakeland Apartments will also include a landscaped outdoor space. Parking stalls are designed to wrap around the site for easy accessibility and will consist of 149 on-grade parking stalls.

To assist in financing the Lakeland Apartments, a Resolution by the Board of Commissioners of the Los Angeles County Development Authority (LACDA) declaring the intent to issue Multifamily Housing Mortgage Revenue Bonds in an amount not to exceed \$34,800,000 (Bonds), is required. This Resolution establishes a base date after which costs incurred by the Developer may be included in the construction and permanent financing obtained pursuant to the issuance of the Bonds. The Borrower is a limited partnership that includes the Developer as a partner. The Resolution also authorizes the Executive Director of the LACDA to submit an application for the Bonds to the California Debt Limit Allocation Committee. Lastly, in order for LACDA to issue the tax-exempt Bonds within the City's jurisdiction, the County will need to enter into an Interlocal Cooperation Agreement with the City of Santa Fe Springs.

By providing 102 new low-income units that will serve a variety of population from low-income and homeless seniors to low-income and homeless families, the Lakeland Apartments will help address the need for housing locally in the city of Santa Fe Springs. The Project will provide social and supportive services to increase housing stability and improve the health of its residents.

I, THEREFORE MOVE that the Board of Supervisors:

1. Approve and delegate authority to LACDA to act as the agent of the County and to execute an Interlocal Cooperation Agreement between the County and the City of Santa Fe Springs and to perform related tasks to complete the Bond issuance for the Project.

2. The proposed action is not a project pursuant to the 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.

I, FURTHER MOVE that the Board of Supervisors, acting as the Commissioners of the Los Angeles County Development Authority:

1. Adopt and instruct the Chair to sign a Resolution, as required under Treasury regulations, declaring an intent for the Borrower, or an LACDA-approved designee, to undertake Bond financing in an amount not exceeding \$34,800,000 to finance the Project.
2. Authorize the Executive Director, or his designee, to submit an application to CDLAC for a private activity Bond allocation of an aggregate amount not exceeding \$34,800,000 for the purposes described herein.
3. Accept the designation to act on behalf of the County, and authorize the Executive Director, or his designee, to execute an Interlocal Cooperation Agreement between the County and the City of Santa Fe Springs, and to perform any related actions to complete the Bond issuance for the Project.
4. The proposed action is not a project pursuant to the 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.

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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, The Richman Group of California Development Company LLC (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 and development of a multifamily rental housing development consisting of 102 units located at 13231 Lakeland Road, Santa Fe Springs, California 90670, located in the City of Santa Fe Springs, 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 the County of Los Angeles (the “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 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 \$34,800,000; and

WHEREAS, the City of Santa Fe Springs has approved the issuance by the LACDA of the bonds or notes for the Project within the City of Santa Fe Springs; 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 an aggregate principal amount not to exceed \$34,800,000. 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, construction and development 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 \$34,800,000, 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 **26th** day of **July** 2022, 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:

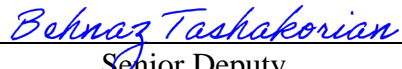
CELIA ZAVALA,
Chief Executive Officer-Clerk
of the Board of Commissioners



By: 
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,
Acting County Counsel

By: 
Senior Deputy