



## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

1-D March 19, 2024

A handwritten signature in black ink, appearing to read "Jeff Levinson", is written over a horizontal line.

JEFF LEVINSON  
INTERIM EXECUTIVE OFFICER

March 19, 2024

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 Commissioners:

**RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY HOUSING MORTGAGE  
REVENUE BONDS OR NOTES FOR THE DEVELOPMENT AND CONSTRUCTION OF  
AFFORDABLE MULTIFAMILY HOUSING IN THE CITY OF ALHAMBRA  
(DISTRICT 1) (3 VOTE)**

**SUBJECT**

This letter recommends that your Board adopt a resolution declaring the intent to issue Multifamily Housing Mortgage Revenue Bonds or Notes to finance the development and construction of the Mariposa on Second Apartments Project, a 50-unit affordable housing development to be located at 46 South Second Street in the City of Alhambra (Project).

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that adoption of the 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 effect on the environment.
2. Adopt and instruct the Chair to sign a resolution, as required under Treasury regulations, declaring an intent by Alhambra Second Street LP (Borrower), or an approved affiliate or assign thereof, to undertake bond financing in an amount not to exceed \$25,000,000 to finance the acquisition, construction, rehabilitation, and/or development of the Project.
3. Authorize the Executive Director or 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 \$25,000,000 for the purposes described herein and 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 or notes are to be issued and sold shall be approved by the Los Angeles County Development Authority (LACDA) in the manner provided by law prior to the sale thereof.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to declare the intent to issue Multifamily Housing Mortgage Revenue Bonds or Notes in an aggregate amount not exceeding \$25,000,000 to finance the construction, rehabilitation, and/or development of the Project. The Project will be a single mixed-use building consisting of 49 affordable units and one manager's unit on the existing Second Street parking lot in the central business district adjacent to the City of Alhambra's Civic Center. The parking lot is owned and operated by the City of Alhambra.

The Project is to be located at 46 South Second Street in Alhambra's Downtown Revitalization District and is surrounded by commercial and mixed-use buildings with a variety of uses including restaurants, retail stores, professional offices, and technical and professional schools. The Project aims to serve homeless, chronically homeless, and homeless persons living with mental illness. The residential portion of the Project will be approximately 62,800 square feet consisting of 50 units built within five stories over a two-story concrete parking podium.

The Project will reserve 25 units for permanent supportive housing. Of the 25 permanent supportive housing units, 15 one-bedroom and 10 two-bedroom units will be reserved for residents earning no more than 30% of the Area Median Income (AMI). The remaining 15 one-bedroom and nine two-bedroom units will be reserved for residents earning up to 50% AMI.

The Project will include property management offices, supportive services offices, a computer center/clubhouse, laundry facilities, and 3,800 square feet of outdoor open space on the third floor. that will allow residents to relax and socialize. The ground level will include commercial parking and 1,100 square feet of cultural space that will be leased to a non-profit at \$0 triple net. The ground level parking area will continue to be maintained by the City of Alhambra.

### **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 LACDA's Board of Commissioners expresses the intent to issue the bonds or notes 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 the issuance of the bonds or notes. California Government Code section 8869.85 requires the LACDA file an application with the CDLAC prior to the issuance of multifamily housing mortgage revenue bonds or notes, and the LACDA requires authorization from this Board prior to filing applications for the Project.

On June 14, 2022, the Board of Commissioners adopted an inducement resolution declaring the intent of the LACDA to undertake the financing of a Multifamily Housing Mortgage Revenue Bonds or Notes project in accordance with U.S. Treasury Department regulations. This action established a base date after which costs incurred by the Borrower for the Project could be included in the

acquisition and permanent financing obtained pursuant to the issuance of tax-exempt Bonds.

Since the adoption of the inducement resolution on June 14, 2022, the cost of the Project has since increased due to higher interest rates. As a result, construction costs in relation to site conditions have also increased. To assist in this need for additional financing, a Resolution by the Board of Commissioners of the LACDA declaring the intent to issue Multifamily Housing Mortgage Revenue Bonds or Notes in an amount not to exceed \$25,000,000 is required.

The developer for the project is American Family Housing. The Borrower is a partnership consisting of American Family Housing and Veloce Partners.

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

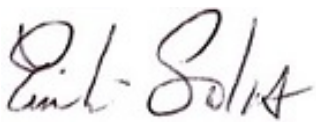
### **ENVIRONMENTAL DOCUMENTATION**

The proposed actions are not a project pursuant to CEQA because they are activities that are excluded from the definition of a project by Section 15378 (b) 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,

A handwritten signature in dark ink, appearing to read "Emilio Salas", written in a cursive style.

Emilio Salas

Executive Director

ES:LK:VB

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, American Family Housing and/or Veloce Partners of California, which will form a limited partnership which is expected to be Alhambra Second Street, LP (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 50 units to be located at 46 South Second Street, in Alhambra, 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 \$25,000,000; 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, the City of Alhambra will approve the issuance by the LACDA of the Bonds for the Project within the City of Alhambra prior to the closing of the 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 \$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 intended to qualify as a reimbursement resolution pursuant to Section 1.150-2 of the Treasury Regulations and, therefore, permit bond proceeds to reimburse the Borrower of Project expenditures incurred prior to the date of issuance of the Bonds. 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 \$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 matter provided by law prior to the sale thereof.

This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority, State of California, this 23rd day of January, 2024, by the following vote:

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

NOES: 0

ABSENT: 0

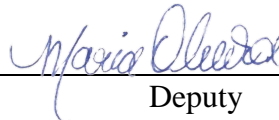
ABSTAIN: 0

By:   
Chair of the Board of Commissioners

ATTEST:

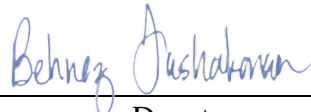
JEFF LEVINSON  
Interim Executive Officer  
of the Board of Commissioners



By:   
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,  
County Counsel

By:   
Deputy