

MOTION BY SUPERVISOR HILDA L. SOLIS

August 6, 2024

**Multifamily Housing Mortgage Revenue Bonds for the Century + Restorative Care**

**Village Project**

Century Affordable Development Incorporated (CADI), is an affiliate of Century Housing Corporation, a nonprofit lender providing financing to developers of affordable and workforce housing. CADI is proposing to construct the Century + Restorative Care Village Phase I and Phase II projects to be located on County-owned land at 1321 and 1381 North Mission Road, in the City of Los Angeles (together, the Project). The Phase I Project will be a single structure comprised of 146 units and ample amenity space within 1.35 acres. The 146 units will consist of 80 efficiency units, 57 one-bedroom units, and nine two-bedroom units (including one manager’s unit) reserved for individuals earning 30% to 60% of the Area Median Income. The Phase II Project will be a single structure comprised of 150 units and robust amenity spaces within 0.94 acres. The 150 units will consist of 120 efficiency units and 29 one-bedroom units reserved for individuals earning 30% to 60% of the Area Median Income, in addition to one two-bedroom managers unit. The Project presents an opportunity to advance the Los

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Angeles County's key objectives for the area, which include beautifying the neighborhood and creating affordable housing opportunities for individuals and families with limited means.

The Project will serve the larger Restorative Care Village (RCV) initiative on the Los Angeles General Medical Center (LAGMC) campus. When both projects are completed, the site will provide a Wellness Hub part of the RCV promoting healing and restoration entailing permanent supportive housing, various public and private community spaces, workforce training and other services to secure employment, and a step-down peer respite center. The RCV is a regional and comprehensive continuum of care to address the physical health, mental health, and substance use needs of the County's most vulnerable residents. It includes a 96-bed Recuperative Care Center, aimed for those recovering from medical health challenges who are too frail to recover on the streets, who receive clinically enriched interim housing with on-site nursing support, health oversight, case management and connections to permanent housing. It also has 64 Crisis Residential Treatment Program (CRTP) beds in operation, providing is interim housing for those with acute mental health needs where they are able to be served with crisis stabilization, medication monitoring and peer support. Forthcoming is a two-story building featuring a Mental Health Urgent Care Center (MHUCC) on the first floor and a Residential Withdrawal Management Facility on the second floor, to address substance use needs, including withdrawal management, sobering services, and casework. Additionally, a Psychiatric Subacute Facility (PSF) will be added with 96 subacute beds, providing long-term psychiatric care with nursing and other services 24/7 for those who no longer meet the criteria for acute care but are not ready to live in

an open board and care facility.

CADI is dedicated to crafting communities that have proven social impact and believes that homes are the cornerstone of a thriving and just society. CADI's mission aims to finance, build, and operate affordable housing so that the people they serve are able obtain economic independence and a healthy and hopeful future. With their mission as the forefront of their operation, CADI has played a part in developing nearly 2,300 affordable and supportive homes, serving more than 3,300 residents. CADI also plays a role in providing services that support the residents they serve and to ensure that their properties are well-managed and maintained. CADI continues to use their experience in fostering collaborative, service-enriched communities to help promote a healthy and sustainable lifestyle.

To assist in financing the Century + Restorative Care Village Phase I project, a Resolution by the Board of Commissioners of the Los Angeles County Development Authority (LACDA), declaring the intent to issue Multifamily Mortgage Revenue Bonds or Notes in an amount not to exceed \$55,000,000 (Bonds) is required. The Resolution establishes a base date after which costs incurred by CADI, which will form a limited partnership, or an LACDA approved affiliate or assignee, may be included in the construction and permanent financing obtained pursuant to the issuance of the Bonds. The Bonds will be repaid solely by the Project, and CADI will pay all fees and related costs. The Resolution also authorizes the Executive Director, or designee of the LACDA to submit an application for the Bonds to the California Debt Limit Allocation Committee (CDLAC) anticipated in August 2024.

On December 27, 2023, the Los Angeles County Development Authority

(LACDA) issued its Notice of Funding Availability (NOFA) Round 30 for the development of affordable housing throughout the County. The LACDA received a total of 34 applications for funding affordable housing projects. NOFA Round 30 offered a total of \$160 million in No Place Like Home (NPLH) and Affordable Housing Trust Funds (AHTF) capital funding, and up to a total of 600 Project-Based Vouchers/Project-Based Veterans Affairs Supportive Housing vouchers. The Century + Restorative Care Village Phase II project, received a conditional funding recommendation through NOFA 30 for \$10,000,000 in AHTF. Approval of this funding will enable the Project to use County funds as leverage for their CDLAC application anticipated for early 2025.

The proposed actions are not a project pursuant to the California Environmental Quality Act (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.

**I, THEREFORE, MOVE** that the Board of 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 Century Affordable Development, Inc., which will form a limited partnership, or an LACDA approved affiliate or assignee, to undertake bond financing in an amount not exceeding \$55,000,000 to finance the Century + Restorative Care Village Phase I.
2. Authorize the Executive Director, or designee, to submit an application to the California Debt Limit Allocation Committee for a private activity bond

allocation of an aggregate amount not exceeding \$55,000,000 for this purpose.

3. Approve a loan to Century Affordable Development Incorporated for up to \$10,000,000 in AHTF funding for the development of the Phase II Project and authorize the Executive Director, or his designee, to negotiate, execute, and if necessary, amend, or reduce a loan agreement with CADI or a designee approved by the LACDA, and all related documents, including but not limited to documents to subordinate the loan to construction and permanent financing, and any intergovernmental, interagency, or inter-creditor agreements necessary for the implementation of the Project, following approval as to form by County Counsel.
4. Authorize the Executive Director, or designee to incorporate up to \$10,000,000 in ATHF into the LACDA's approved Fiscal Year 2024-2025 budget, as needed.
5. Authorize the Executive Director, or his designee, to reallocate LACDA funding set aside for affordable housing at the time of the Project's funding, as needed and within the Project's approved funding limits, in line with Project needs, and within the requirements for each applicable funding source.
6. Find that approval of these actions is not subject to the provisions of CEQA because the actions will not have the potential of causing a significant effect on 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, development and rehabilitation of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

**WHEREAS**, Century Affordable Development, Inc. (which will form a new limited partnership entity to serve as, the “Borrower,” subject to approval by LACDA), 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 146 units to be located at 1321 N. Mission Road, in the City of Los Angeles, County of Los Angeles, California, initially known as “Restorative Care Village Phase I” (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, for purposes of Section 8869.86(b) of the Government Code relating to the volume cap allocation by the California Debt Limit Allocation Committee (“CDLAC”), to authorize the issuance of multifamily housing mortgage revenue bonds or notes by the LACDA to finance the Project (the “Bonds”) in a principal amount not to exceed \$55,000,000; 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 CDLAC prior to the issuance of multifamily housing mortgage revenue bonds; and

**WHEREAS**, the City of Los Angeles has approved the issuance by the LACDA of the bonds or notes for the Project within the City of Los Angeles; 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 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 pursuant to a plan of financing, in aggregate principal amounts not to exceed \$55,000,000. 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, the Borrower, and the initial purchaser 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 Executive Director, or designees, 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 of Bonds in one or more series from time to time for the Project in an amount not to exceed \$55,000,000, 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 Executive Director, or designees, 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. All actions taken by officers of the LACDA in furtherance of the Project, the application to CDLAC for private activity bond allocation for the Project, and otherwise as authorized by this Resolution are hereby ratified and approved.

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 6th day of August, 2024, by the following vote:

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

NOES: 0

ABSENT: 0

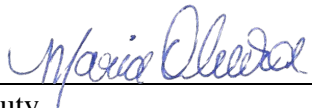
ABSTAIN: 0



By:   
Chair of the Board of Commissioners

ATTEST:

EDWARD YEN  
Executive Officer  
of the Board of Commissioners

By:   
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,  
County Counsel

By:   
Deputy