



February 04, 2025

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

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 Supervisors/Commissioners:

**ADOPT RESOLUTIONS APPROVING ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS OR NOTES FOR THE TOYON GARDENS PROJECT
(DISTRICT 2) (3 VOTE)**

SUBJECT

This letter requests that your Board approve resolutions authorizing and actions facilitating the issuance, sale, and delivery of tax-exempt Multifamily Housing Mortgage Revenue Bonds or Notes to finance the site acquisition, construction, and development of Toyon Gardens (Project), an affordable 78-unit multifamily housing development located in unincorporated El Camino Village.

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 the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, approving the issuance of Multifamily Housing Mortgage Revenue Bonds or Notes (Bonds) and related actions in an amount not to exceed an aggregate amount of \$29,956,974 to assist Toyon Gardens, L.P. (Borrower) to finance the acquisition and

rehabilitation of a 78-unit multifamily rental housing development located at 3127 W. 147th Street in unincorporated El Camino Village.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Find that adoption of the 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.
2. Adopt and instruct the Chair to sign the attached Resolution authorizing the issuance, sale and delivery of tax-exempt Multifamily Housing Revenue Bonds or Notes (Bonds) in an aggregate principal amount not to exceed \$29,956,974 to finance the site acquisition, construction, rehabilitation, or development of the Project.
3. Authorize the Executive Director or designee to negotiate, execute, and if necessary, amend or terminate all related documents and take all necessary actions for the issuance, sale, and delivery of the Bonds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The action will authorize the issuance of Bonds by the Los Angeles County Development Authority (LACDA), which will finance the acquisition and rehabilitation of the Project in an aggregate amount not to exceed \$29,956,974. This approval authorizes the LACDA to issue Bonds for the Project located at 3127 W. 147th Street in unincorporated El Camino Village.

The new construction Project will create 78 units of affordable housing and will consist of a mix of 15 studio units, 53 one-bedroom units, and 10 two-bedroom units, for a total of 78 units. Sixty (60) units are restricted to households with incomes not to exceed 30% of Area Median Income (AMI), and 17 units will be restricted to households with incomes 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. A two-bedroom unit will be set-aside for the property manager and will have no affordability requirements.

Amenities will include offices for services, property management staff, and a laundry room. The structure will be a five-story, wood frame building over podium and will include 38 parking spaces. The total square footage for residential units is 52,140, with 16,610 square feet reserved for common areas. The building will also have a community room that will be approximately 1,460 square feet and an outdoor landscaped area that will be 2,000 square feet.

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

On April 9, 2024, the Board of Supervisors and Commissioners adopted resolutions declaring the intent of the LACDA to undertake the Bond financing of the Project and approved the LACDA's issuance of Bonds and related actions in accordance with Section 147(f) of the Internal Revenue

Code of 1986 (Code). This established 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.

The LACDA is authorized to issue Multifamily Revenue Bonds to assist in financing for nonprofit public benefit organizations or for-profit corporations with a public benefit project, including the Borrower. In order for the LACDA to issue such Bonds, the LACDA and the County must execute the following actions: (1) The LACDA must conduct a public hearing to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code; and (2) the County must approve a resolution approving the plan of financing and authorizing the LACDA to issue the Bonds. Although the LACDA will be issuing the Bonds at the request of the Borrower, the financing cannot proceed without the approval of the applicable elected legislative body.

On January 3, 2025, the LACDA conducted a public hearing 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 notes or the nature and location of the project.

The Resolutions were prepared by Hawkins Delafield and Wood, Los Angeles County Development Authority Bond Counsel, and approved as to form by County Counsel.

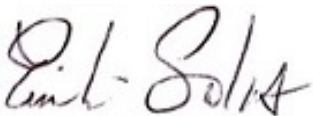
ENVIRONMENTAL DOCUMENTATION

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 action is a necessary step to provide bond financing for the Project, which will increase the supply of long term affordable multifamily housing in the County.

Respectfully submitted,



Emilio Salas

Executive Director

ES:LK:ML

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, one or more multifamily housing mortgage revenue bonds or notes in one or more series, and at no time to exceed \$37,500,000 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 and development of a multifamily rental housing development consisting of 78 units located at 3127 West 147th Street, Gardena, California 90249, in the County of Los Angeles (the “Project”), to be owned by Toyon Gardens, L.P., 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 or notes are expected to be issued and by each governmental unit having jurisdiction over the area in which any facility financed by such bonds or notes 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 (the “County”) and is within the City of Gardena; and

WHEREAS, the City of Gardena has approved the issuance by the LACDA of multifamily housing mortgage revenue bonds or notes for the Project within the City of Gardena; 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 January 10, 2025, and now desires that the Board of Supervisors approve the issuance of such Bonds within the County; 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 further finance costs of the Project in the County. It is the purpose and intent of this Board of Supervisors that this Resolution constitute approval of the plan of financing and the issuance of 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 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 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.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles, State of California, this ____ day of February, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

By _____
Chair of the Board of Supervisors

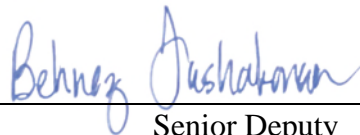
ATTEST:

EDWARD YEN
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By  _____
Senior Deputy

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TAX-EXEMPT MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$37,500,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS TOYON GARDENS, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Los Angeles County Development Authority (the “LACDA”) is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the “Act”) to issue and sell revenue bonds or notes 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, there has been prepared and presented to this Board of Commissioners (this “Board”) for consideration at this meeting the documentation required for the issuance by the LACDA of its Multifamily Housing Mortgage Revenue Bonds (Toyon Gardens), 2025 Series A (or such other name or series designation as may be designated by officers or agents of the LACDA), in one or more series or subseries, each with an appropriate series designation (the “Bonds”); and

WHEREAS, the proceeds of the Bonds will be used to finance the acquisition, development and construction of a multifamily rental housing development consisting of 78 total units to be located at 3127 West 147th Street, Gardena, California 90249, in the County of Los Angeles, California (the “Project”), to be known as Toyon Gardens and to be owned by Toyon Gardens, L.P., a California limited partnership, or an affiliate, assign or designee thereof (the “Borrower”); and

WHEREAS, the LACDA proposes to provide for the issuance of the Bonds pursuant to a Trust Indenture (the “Indenture”), by and between the LACDA and U.S. Bank Trust Company, National Association, as trustee thereunder; and

WHEREAS, the Bonds will be payable from the trust estate, as described in the Indenture, including amounts to be paid by the Borrower to the LACDA pursuant to a Loan Agreement (the “Loan Agreement”), by and between the LACDA and the Borrower; and

WHEREAS, pursuant to Section 5852.1 of the California Government Code, this Board has received the following information as a good faith estimate of the cost of the Project financing and the LACDA has disclosed such information in accordance with Section 5852.1 of the California Government Code: (a) the true interest cost of the Bonds; (b) the finance charge of the Bonds, including all third party expenses; (c) the amount of proceeds received by the LACDA for the sale of the Bonds less the finance charge of the Bonds and any reserves or capitalized interest paid or funded with proceeds of the Bonds; and (d) the total payment amount; and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Los Angeles County Development Authority, as follows:

1. It is hereby found and determined that it is necessary and desirable for the LACDA to provide financing for the Project through the issuance, sale and delivery of the Bonds in order to assist in the acquisition, construction and development of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the LACDA hereby determines to issue its Bonds, in one or more series or subseries, each with an appropriate series designation, in an aggregate principal amount not to exceed \$37,500,000. The Bonds shall bear interest at the interest rate or rates set forth in or determined in accordance with the Indenture, maturing as provided in the Indenture, but not later than 40 years from the date of issuance. The Bonds shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Indenture, which shall be appropriately completed when the Bonds are prepared. The Bonds shall be limited obligations of the LACDA, payable solely from the income, revenues, proceeds and other amounts pledged therefor under the Indenture. The Bonds shall be executed, either manually or by facsimile, by the Chair of the Board of Commissioners or the Executive Director of the LACDA.

3. The proposed form of Indenture, in the form presented to this meeting, is hereby approved. The Executive Director of the LACDA and his designees (each an "Authorized Officer") is each hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Indenture, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the LACDA and Bond Counsel to the LACDA (provided that such additions or changes shall not authorize an aggregate principal amount of Bonds in excess of the amount stated above or result in an initial interest rate on the Bonds in excess of 12%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Indenture. The proposed form of the Bonds, as set forth in the Indenture, is hereby approved, and the Chair of this Board, the Executive Director of the LACDA and his designees is each hereby authorized and directed to execute, by manual or facsimile signatures of such officers, and the Trustee is hereby authorized and directed to authenticate, by manual signature of an authorized officer of the Trustee, the Bonds in substantially such form, and the LACDA and the Trustee are each hereby authorized and directed to deliver the Bonds to the purchaser thereof in accordance with the Indenture. The date, maturity date, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

4. The proposed form of Loan Agreement, in the form presented to this meeting, is hereby approved. Each of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Loan Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Loan Agreement.

5. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), in the form presented to this meeting, is hereby approved. Each of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Regulatory Agreement, with such additions or, changes in said document as such officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

6. This Board hereby appoints the Executive Director of the LACDA or his/her designee as administrator/manager with respect to the Project and other matters arising in connection with the Bonds (the "Administrator").

7. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bonds, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

8. All actions heretofore taken by the officers and agents of the LACDA with respect to the sale, issuance and delivery of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the LACDA are hereby authorized and directed, for and in the name and on behalf of the LACDA to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the LACDA.

9. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority, this _____ day of February, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chair of the Board of Commissioners

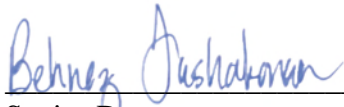
ATTEST:

EDWARD YEN
Executive Officer – Clerk
of the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,
County Counsel

By:  _____
Senior Deputy