



October 29, 2019

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 and Commissioners:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

1-D October 29, 2019

A handwritten signature in black ink, reading "Celia Zavala".

CELIA ZAVALA
EXECUTIVE OFFICER

**ADOPT RESOLUTION APPROVING ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS BY THE CITY OF LOS ANGELES FOR AFFORDABLE
HOUSING IN UNINCORPORATED WEST LOS ANGELES AND AUTHORIZE EXECUTION OF AN
INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND THE
COUNTY
(DISTRICT 3) (3 VOTE)**

SUBJECT

This letter requests that the Board of Supervisors adopt a Resolution approving the issuance of Multifamily Housing Mortgage Revenue Bonds by the City of Los Angeles to finance the acquisition and rehabilitation of V.A. Building 207 (Project), a 60-unit rental housing development located on the campus of the Department of Veterans Administration in unincorporated West Los Angeles. This letter also requests approval of an Interlocal Cooperation Agreement between the City of Los Angeles (City) and the County, and delegate authority to the Los Angeles County Development Authority (LACDA) to execute the Agreement.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt and instruct the Chair to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, approving the issuance of Multifamily Housing Mortgage Revenue Bonds

and related actions by the City in an amount not to exceed \$22,000,000 to assist in the financing the acquisition and rehabilitation of a 60-unit rental housing development to be located at 11301 Wilshire Boulevard in Building 207 in unincorporated West Los Angeles.

2. Approve and delegate authority LACDA to execute an Interlocal Cooperation Agreement between the City and the County and authorize LACDA to perform related tasks to complete the bond issuance for the Project.

3. Find that authorizing execution of the Interlocal Cooperation Agreement and adoption of the Resolution are not subject to the provisions of the California Environmental Quality Act (CEQA) because the actions will not have the potential of causing a significant effect on the environment.

IT IS RECOMMENDED THAT THE BOARD, ACTING AS THE BOARD OF COMMISSIONERS FOR THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Approve the designation to act on behalf of the County and authorize and instruct the Executive Director, or her designee, to execute, and if necessary, amend the Interlocal Cooperation Agreement to allow the City to issue bonds to finance the acquisition and rehabilitation of multifamily rental housing located at a County site, and to perform related tasks to complete this bond issuance.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions will authorize the issuance of tax-exempt Multifamily Housing Mortgage Revenue Bonds by the City, which will finance the acquisition and rehabilitation of the Project site located in unincorporated West Los Angeles in an aggregate amount not to exceed \$22,000,000, in order to finance the acquisition and rehabilitation of the Project. This approval authorizes the City to issue bonds for the site located in the unincorporated County but does not commit the County to approving the project financing or authorizing the rehabilitation.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. Any Bonds issued under and pursuant to the terms of the Agreement shall be obligations solely of the City.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

V.A. Building 207, located at 11301 Wilshire Boulevard in unincorporated West Los Angeles, is currently a vacant three-story building previously used by the Salvation Army. Following acquisition and rehabilitation the Project will consist of 60 units, 53 will be studio units, six one-bedroom units, and a one-bedroom manager's unit. All of the units, except the manager's unit, will be designated for homeless and chronically homeless veterans.

The 59 units for homeless veterans will be restricted to households with incomes that do not exceed 30% of the area median income. The affordability requirements will remain in effect for 55 years. The one-bedroom manager's unit will have no affordability requirements. All of the units except for the manager's unit will receive project based Veterans Administration Supportive Housing (VASH) vouchers.

Pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (Code), the City is permitted to issue bonds for the purpose of financing the

acquisition and rehabilitation of the multifamily rental housing located in unincorporated West Los Angeles, and the County may issue such bonds for multifamily rental housing throughout the County. The Code authorizes a county and one or more cities within a county to enter into agreements for the purpose of financing multifamily rental housing developments.

The attached draft Interlocal Cooperation Agreement evidences the agreement between the City and the County to authorize the City to issue bonds in the County. The attached Resolution authorizes the City to issue the bonds for the County Sites.

Adoption of the Resolution by your Board is required prior to submission of the City's application to CDLAC for a private activity bond allocation. This action does not, however, authorize the issuance and sale of the bonds.

On October 7, 2019, the City's Housing and Community Investment Department conducted a hearing at its office located at 1200 West 7th Street, Room 883, Eighth Floor in the City of Los Angeles 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 bonds or the nature and location of the Project.

The attached Resolution was prepared by Kutak Rock, the City's Bond Counsel, reviewed by Hawkins, Delafield and Wood, the LACDA's Bond Counsel and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The proposed actions are not projects pursuant to the California Environmental Quality Act (CEQA) because they are an activity that is 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 affordable multifamily housing in the County with long-term affordability.

The Honorable Board of Supervisors
10/29/2019
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Monique King-Viehlend". The signature is fluid and cursive, with a large, stylized initial "M".

MONIQUE KING-VIEHLAND
Executive Director

MKV:LK:LN:DR

Enclosures

EXHIBIT A
PROJECT

Project Name:	Address	#Units:	Project Sponsor/Borrower	Maximum Amount:
Building 207	11301 Wilshire Boulevard, Building 207, Los Angeles, CA 90073	60 (including 1 manager unit)	VA Building 207, LP	\$24,300,000

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT (this “Agreement”) is entered into as of October 15, 2019 by and between the City of Los Angeles, a municipal corporation and charter city of the State of California (“City”), and the County of Los Angeles, a political subdivision of the State of California (“County”), pursuant to the provisions of Section 52086 of the Health and Safety Code of the State of California (the “Law”) for the purpose of evidencing the agreement of City and County to cooperate with one another in the exercise of their powers pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as amended (the “Act”), to permit City to issue revenue bonds for the purpose of financing the acquisition, construction and rehabilitation of multifamily rental housing located in the County.

WHEREAS, VA Building 207, LP, (the “Borrower”) has requested that City issue its revenue bonds or notes pursuant to the Act for the purpose of financing the acquisition and rehabilitation of a multifamily residential rental housing project (the “Project”) located in the County; and

WHEREAS, the City has applied to the California Debt Limit Allocation Committee for an allocation of federal tax exempt volume cap for purposes of financing the Project; and

WHEREAS, the Law authorizes a county and one or more cities within the county to enter into agreements to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing multifamily rental housing development pursuant to the Act; and

WHEREAS, the Project is located within the County and such Agreement is required and City is located within County.

NOW, THEREFORE, City and County hereby agree, pursuant to the provisions of the Act, as follows:

Section 1. The recitals above are true and correct.

Section 2. City shall issue its revenue bonds or notes in accordance with the Act in one or more series for the purpose of financing the Project. County hereby consents to the issuance by the City of such revenue bonds or notes (the “Bonds”) and to the use of the proceeds of the Bonds to finance the acquisition and rehabilitation of the Project.

Section 3. County agrees to cooperate with City to facilitate the issuance of the Bonds, and shall take such actions as are reasonably requested by City to permit the issuance of Bonds including, without limitation, taking such actions as are necessary to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) with respect to the issuance of the Bonds. Without limiting the generality of the foregoing, County shall submit the proposed

issuance of Bonds by the City to finance the acquisition and rehabilitation of the Project to the Board of Supervisors of the County for consideration for approval pursuant to the requirements of Section 147(f) of the Code. The County understands and acknowledges that the City noticed a public hearing with respect to the issuance of the Bonds and the financing of the Project in a newspaper of general circulation in the County and that such hearing was conducted by the Los Angeles Housing and Community Investment Department. County hereby ratifies such action on the part of the City and adopts such hearing for purposes of the Code.

Section 4. Any Bonds issued under and pursuant to the terms of this Agreement shall be obligations solely of the City, and the County shall not be obligated thereon or with respect thereto.

Section 5. The County hereby agrees and acknowledges that the terms, conditions and provisions of any Bonds issued pursuant to this Agreement shall be determined in the sole and absolute discretion of the City, and that no further review or approval thereof shall be required by the County; provided, the City shall, upon the issuance of the Bonds, cause the Borrower to pay all expenses of the County in connection with the Bonds and the Project and shall cause the Borrower to indemnify, hold harmless and defend the County, the Los Angeles County Development Authority, and each of its officers, supervisors, officials, employees, attorneys and agents in the same manner as the indemnification by the Borrower of the City.

Section 6. Nothing herein shall obligate the County to expend any funds or incur any expenses. Nothing herein shall be interpreted to obligate any payment of any kind by the City to the County or by the County to the City.

Section 7. Each of the City and the County represents and warrants that it has all necessary power and authority to enter into this Agreement, and that it has taken all such actions and received all such approvals as are necessary to authorize the execution and performance of this Agreement.

Section 8. This Agreement is entered into under and pursuant to the laws of the State of California and shall be effective immediately upon its execution and delivery by the parties hereto.

Section 9. This Agreement may be entered into in one or more counterparts, each of which shall be considered an original for all purposes.

Section 10. If any provision of this Agreement is, for any reason, unenforceable, such provision shall be void and of no further force and effect, and the remainder of this Agreement shall remain binding and enforceable against the parties hereto.

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This Agreement is entered into by the City and the County as of the date first set forth above.

CITY OF LOS ANGELES, as City

By: Los Angeles Housing and Community
Investment Department

By _____
Sean L. Spear
Assistant General Manager

Approved as to form:

CITY OF LOS ANGELES
MICHAEL N. FEUER,
City Attorney

Deputy/Assistant City Attorney

THE COUNTY OF LOS ANGELES, as County

By _____
Monique King-Viehland
Executive Director
Los Angeles County Development
Authority

APPROVED AS TO FORM:

COUNTY OF LOS ANGELES
Mary C. Wickham, County Counsel

By: _____
Senior Deputy