



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:

**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

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

33 October 29, 2019

A handwritten signature in black ink, appearing to read "Celia Zavala".

CELIA ZAVALA  
EXECUTIVE OFFICER

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 executed, 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  
Page 4

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

## **RESOLUTION**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 THE ISSUANCE OF BONDS BY THE CITY OF LOS ANGELES TO FINANCE THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY RESIDENTIAL RENTAL PROJECT LOCATED WITHIN THE COUNTY OF LOS ANGELES AND APPROVING, FURTHER, EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF LOS ANGELES.

WHEREAS, both the County of Los Angeles (the "County") and the City of Los Angeles (the "City") are authorized, pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"), to issue their revenue bonds for the purpose of providing permanent financing for the acquisition, construction and rehabilitation of multifamily rental housing for persons and families of low or moderate income; and

WHEREAS, the City intends to issue, at one time or from time to time, bonds, notes or other evidence of indebtedness (the "Bonds") to finance the acquisition and rehabilitation of the multifamily rental housing project described in Exhibit A attached hereto (the "Project"); and

WHEREAS, the Project is located within the County but not within the City; and

WHEREAS, the City intends to authorize the financing of the Project, and has been requested by VA Building 207, LP, the limited partnership formed to own the Project (the "Borrower"), to issue its Bonds and to loan the proceeds to the Borrower to finance the acquisition and rehabilitation of the Project; and

WHEREAS, Section 52086 of the Act authorizes a county and one or more cities within a county to enter into an agreement 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 developments pursuant to the Act; and

WHEREAS, the City is within the County; and

WHEREAS, the Borrower has requested that the City and the County enter into the below-defined Agreement pursuant to the provisions of Section 52086 of the Act to permit the City to issue the Bonds to finance the Project; and

WHEREAS, the County intends, via the Agreement, to permit the City to exercise as necessary the County's powers under the Act to issue the Bonds to finance the Project; and

WHEREAS, the interest on the Bonds may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986 (the “Code”), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, Bonds are required to be approved, following a public hearing, by an elected representative of the issuer of the Bonds (or of the governmental unit on behalf of which the Bonds are issued) and an elected representative of the governmental unit having jurisdiction over the area in which the relevant Project is located; and

WHEREAS, this Board of Supervisors (the “Board of Supervisors”) is the elected legislative body of the County and is the applicable elected representative of the governmental unit required to approve the issuance of the Bonds within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City and the County, on September 23, 2019, to the effect that a public hearing would be held with respect to the Project on October 7, 2019 regarding the issuance of the Bonds; and

WHEREAS, the Housing and Community Investment Department of the City held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the minutes of said hearing have been presented to the County;

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

1. This Resolution is being adopted pursuant to the Act.
2. Pursuant to and solely for purposes of Section 147(f) of the Code, the Board of Supervisors hereby approves the issuance of the Bonds by the City in one or more series to finance the Project. It is intended that this Resolution constitute approval of the Bonds by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f).
3. The Board of Supervisors hereby authorizes and directs the execution by the Los Angeles County Development Authority (the “LACDA”) of an Interlocal Cooperation Agreement (the “Agreement”) in substantially the form submitted to the Board of Supervisors herewith. The LACDA has designated its Executive Director, or her designee, to execute such Agreement and to take any additional actions on behalf of the County (each an “Authorized Officer”) with such modifications, changes, additions or amendments not inconsistent with the provisions of this Resolution as the Authorized Officer shall approve. Execution and delivery of the Agreement by an Authorized Officer shall be deemed approval of any such modifications, changes, additions or amendments.

4. All actions heretofore taken by the officers and agents of the County with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and each Authorized Officer of the County, the County Clerk and other properly authorized officers of the County are hereby authorized and directed, for and in the name and on behalf of the County, 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 Agreement, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and the City in accordance with the Act and this Resolution heretofore adopted by the County.

5. Each Authorized Officer and other properly authorized officials of the County as specifically authorized under this Resolution are hereby authorized, directed and empowered on behalf of the County and this Board of Supervisors to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the County Counsel as to form, or to do and to cause to be done any and all other acts and things as they may deem necessary or appropriate to carry out the purpose of the foregoing authorizations and to address any issues arising with respect to the Bonds, the Project or the agreements relating thereto subsequent to the issuance of the Bonds.

6. This Resolution shall be effective immediately upon its adoption.

[remainder of page intentionally left blank]

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles  
this 29<sup>th</sup> day of October, 2019 by the following vote:

AYES: Supervisors Solis, Ridley-Thomas, Kuehl, Barger and Hahn

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

ATTEST:

CELIA ZAVALA,  
Executive Officer-Clerk  
of the Board of Supervisors

By: Lachelle Smitherman  
Deputy

By: Jamie Hahn  
Chair of the Board of Supervisors



APPROVED AS TO FORM:

MARY C. WICKHAM,  
County Counsel

By: Bedez Pashayan  
Senior Deputy

I certify that the foregoing Resolution was adopted by the Board of Supervisors of the County of Los Angeles at its meeting on October 29, 2019.

By LaChelle Smitherman  
Title Deputy

**EXHIBIT A**

**PROJECT**

| <b>Project Name:</b> | <b>Address</b>  | <b>#Units:</b>                   | <b>Project Sponsor/Borrower</b> | <b>Maximum Amount:</b> |
|----------------------|---|----------------------------------|---------------------------------|------------------------|
| Building 207         | 11301 Wilshire Boulevard,<br>Building 207, Los Angeles,<br>CA 90073 | 60 (including 1<br>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.

[remainder of page left blank]

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