

RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIPLE SERIES OF MULTIFAMILY MORTGAGE REVENUE NOTES BY THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES AS A CONDUIT ISSUER OF TAX-EXEMPT NOTE(S) IN AN AMOUNT NOT TO EXCEED \$36,717,500 AND TAXABLE NOTE(S) IN AN AMOUNT NOT TO EXCEED \$14,500,000 TO PROVIDE FINANCING FOR THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF JORDAN DOWNS PHASE S4, AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

Douglas Guthrie
President & CEO

John Castanon
Capital & Debt Officer

Purpose: Adopting the resolution (Attachment 1) will authorize the issuance by the Housing Authority of the City of Los Angeles (“Authority”) of tax-exempt and taxable multifamily conduit revenue notes (“Notes”) in principal amounts not to exceed \$36,717,500 and \$14,500,000, respectively, for Jordan Downs Phase S4 (the “Project”). The California Debt Limit Allocation Committee (“CDLAC”) in its approval of the tax-exempt bond allocation, designated June 12, 2023, as the debt issuance deadline for the Notes (Attachment 2).

Issuance of the Notes makes low interest rate financing available to fund the development of the Project. For the Project, the Authority will serve in the capacity of a conduit issuer of private activity bonds or notes, and thus the Authority will not be the obligor of the debt. The obligor of the debt will be Jordan Downs Phase S4, L.P., the owner and operator of the Project (the “Borrower”, as further defined in “Issues” below).

Regarding: On April 28, 2022, the Authority’s Board of Commissioners (“BOC”), by Resolution No. 9825 authorized the President and CEO to declare the Authority’s official intent (the “Inducement”) to issue one or more series of tax-exempt private activity conduit revenue bonds in an amount not to exceed \$42,000,000 to finance the cost of the acquisition, rehabilitation, construction, and equipping of the Project.

On February 23, 2023, the BOC, by Resolution No. 9934 approved, only for purposes of Section 147(f) of the internal revenue code of 1986 (“TEFRA Regulations”), the public notice and related procedures followed by the Authority for its February 22, 2023 TEFRA hearing (“TEFRA Proceedings”) and the subsequent issuance of private activity bonds or notes to finance the acquisition, construction, rehabilitation or equipping of the Project. The Mayor of the City of Los Angeles approved the Authority’s TEFRA proceedings on April 24, 2023.

Issues: The Borrower, a California limited partnership, will be the borrower of bond proceeds,

Environmental Review: The City of Los Angeles, through its Department of City Planning and Los Angeles Housing Department, has completed all required environmental review pursuant to the California Environmental Quality Act and National Environmental Policy Act, respectively. No further review or approval is necessary for the present action.

Section 3: Not Applicable

Attachments:

1. Resolution
2. CDLAC Resolution 22-283 (November 30, 2022)
3. CTCAC Reservation Letter CA-22-636 (November 30, 2022)
4. Borrower Loan Agreement
5. Funding Loan Agreement
6. Regulatory Agreement and Declaration of Restrictive Covenants

Attachment 1

Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIPLE SERIES OF MULTIFAMILY MORTGAGE REVENUE NOTES BY THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES AS A CONDUIT ISSUER OF TAX-EXEMPT NOTE(S) IN AN AMOUNT NOT TO EXCEED \$36,717,500 AND TAXABLE NOTE(S) IN AN AMOUNT NOT TO EXCEED \$14,500,000 TO PROVIDE FINANCING FOR THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF JORDAN DOWNS PHASE S4, AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

WHEREAS, the Housing Authority of the City of Los Angeles (the “Authority”) is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Housing Authorities Law, consisting of Part 2 of Division 24 of the California Health and Safety Code (the “Act”), including 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;

WHEREAS, the Authority now desires to issue its multifamily mortgage revenue notes in accordance with the Act, to provide financing for the acquisition, construction and equipping of Jordan Downs Phase S4, a multifamily rental housing project described in paragraph 13 below (the “Project”);

WHEREAS, the Project will be located wholly within the City of Los Angeles;

WHEREAS, it is in the public interest and for the public benefit that the Authority authorize the conduit bond financing for the Project, and it is within the powers of the Authority to provide for such a financing and the issuance of such multifamily mortgage revenue notes;

WHEREAS, the Authority proposes to issue, in accordance with the Act, its Multifamily Mortgage Revenue Note (Jordan Downs Phase S4) Series 2023B-1 (Tax-Exempt) in a principal amount not to exceed \$36,717,500 (the “Tax-Exempt Note”) and its Multifamily Mortgage Revenue Note (Jordan Downs Phase S4) Series 2023B-2 (Taxable) in a principal amount not to exceed \$14,500,000 (the “Taxable Note” and, together with the Tax-Exempt Note, the “Notes”);

WHEREAS, the Authority, as the conduit issuer of the Notes (“Issuer”) and the governmental lender under the herein described financing, proposes to use the proceeds of the Notes to fund loans to Jordan Downs Phase S4, L.P., a California limited partnership (the “Borrower”), to finance a portion of the acquisition, construction and equipping of the Project and, if applicable, to pay certain costs of issuance in connection with the issuance of the Notes;

WHEREAS, Citibank, N.A., a national banking association, or a subsidiary or affiliate thereof (the “Funding Lender”), has expressed its intention to make a loan to the Authority, which will be evidenced by the Notes, and to acquire (or cause its subsidiary or affiliate to acquire) the Notes authorized hereby in whole;

WHEREAS, such Financing Information has been disclosed in connection with the Board of Commissioners meeting in which this Resolution is approved; and

WHEREAS, forms of the following bond issuance transaction documents have been presented at this meeting:

1. Funding Loan Agreement (the “Funding Loan Agreement”), by and among the Authority, U.S. Bank Trust Company, National Association, as fiscal agent thereunder (the “Fiscal Agent”), and the Funding Lender;
2. Borrower Loan Agreement (the “Borrower Loan Agreement”), by and between the Authority and the Borrower; and
3. Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), by and among the Authority, the Fiscal Agent and the Borrower;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Los Angeles, does hereby find authorize and approve as follows:

1. The recitals hereinabove set forth are true and correct, and the Board of Commissioners so finds that this Resolution is being adopted pursuant to the Act.

2. Pursuant to the Act and the Funding Loan Agreement, the multifamily mortgage revenue notes of the Authority, as conduit issuer, will be designated as: “Housing Authority of the City of Los Angeles Multifamily Mortgage Revenue Note (Jordan Downs Phase S4) 2023B-1 (Tax-Exempt)” and “Housing Authority of the City of Los Angeles Multifamily Mortgage Revenue Note (Jordan Downs Phase S4) Series 2023B-2 (Taxable),” in the maximum principal amounts of \$36,717,000 and \$14,500,000 respectively, and are hereby authorized to be issued. The respective principal amounts of the Tax-Exempt Note and the Taxable Note to be issued shall be determined by a Designated Officer (as defined below) in accordance with this Resolution.

3. The proposed form of a Funding Loan Agreement, in substantially the form attached hereto, is hereby approved along with any additions or supplements which may, in the determination of a Designated Officer, be necessary to document the issuance of the Notes authorized hereunder. The President and Chief Executive Officer and the Chief Administrative Officer of the Authority and each other officer also listed in paragraph 14 below, and their respective designees (each hereinafter referred to as a “Designated Officer”), are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Funding Loan Agreement, with such additions, changes or corrections as the Designated Officer executing the same may approve upon consultation with in-house counsel to the Authority and Bond Counsel to the Authority, and approval by in-house counsel to the Authority and Bond Counsel to the Authority, provided that such additions or changes shall not authorize a principal amount of the Tax-Exempt Note in excess of \$36,717,500 and the Taxable Note in excess of \$14,500,000, such approval to be conclusively evidenced by the execution and delivery of the Funding Loan Agreement with such additions, changes or corrections.

4. The proposed form of Borrower Loan Agreement, in substantially the form attached hereto, is hereby approved. Any Designated Officer, or their designee, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute the Borrower Loan Agreement, with such additions, changes or corrections as the Designated Officer, or their designee, executing the same may approve upon consultation with in-house counsel to the Authority and Bond Counsel to the Authority,

and approval by in-house counsel to the Authority and Bond Counsel to the Authority, such approval to be conclusively evidenced by the execution of said Borrower Loan Agreement with such additions, changes or corrections.

5. The proposed forms of the Notes, substantially in the forms set forth in the Funding Loan Agreement, are hereby approved, and the President and Chief Executive Officer or Chief Administrative Officer of the Authority, or any other Designated Officer, or their designees, are hereby authorized and directed to execute, by manual signature of such officers, and the Fiscal Agent or an authenticating agent, is hereby authorized and directed to authenticate, by manual signatures of one or more authorized officers of the Fiscal Agent or an authenticating agent, the Notes in substantially such forms and the Fiscal Agent is hereby authorized and directed to issue and deliver the Notes to the Funding Lender in accordance with the Funding Loan Agreement. The date, maturity dates, interest rate or rates (which may be either fixed or variable), interest payment dates, denomination, form of registration privileges, manner of execution, place of payment, terms of redemption, use of proceeds, series designation and other terms of the Notes shall be as provided in the Funding Loan Agreement as finally executed; provided, however, that the aggregate principal amount of the Tax-Exempt Note shall not exceed \$36,717,500 and the aggregate principal amount of the Taxable Note shall not exceed \$14,500,000, the interest rate on each Note shall not exceed 12% per annum, and the final maturity of the Notes shall be no later than forty years after their date of issuance. The initial purchase price of the Notes shall be 100% of the principal amount thereof to be paid as advances are made with respect to the Notes by the Funding Lender. The Notes may, if so provided in the Funding Loan Agreement, be issued as a "draw-down" notes to be funded over time as provided in the Funding Loan Agreement.

6. The proposed form of Regulatory Agreement, in substantially the form attached hereto, is hereby approved. Any Designated Officer, or their designees, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement, with such additions, changes and corrections as the Designated Officer, or their designees, may approve upon consultation with in-house counsel to the Authority and Bond Counsel to the Authority, and approval by in-house counsel to the Authority and Bond Counsel to the Authority, such approval to be conclusively evidenced by the execution of said Borrower Loan Agreement with such additions, changes or corrections. Any Designated Officer, or their designee, is hereby authorized and directed for and in the name and on behalf of the Authority to execute amendments to the Regulatory Agreement in order that interest on the Tax-Exempt Note remains tax-exempt.

7. All actions heretofore taken by the officers and agents of the Authority with respect to the issuance and delivery of the Notes are hereby approved, confirmed and ratified, and each Designated Officer of the Authority, or their designee, and other properly authorized officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, 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 Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement 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 Notes in accordance with the Act and this Resolution and resolutions heretofore adopted by the Authority and to effectuate the intent of this Resolution.

8. Any document authorized herein may be executed in multiple counterparts and any document authorized herein, except the Notes and the Regulatory Agreement, may be signed using electronic means.

