

Los Angeles City Council, Journal/Council Proceedings
Wednesday, October 18, 2006
John Ferraro Council Chamber, Room 340, City Hall - 10:15 am

- - - SPECIAL COUNCIL MEETING - - -

10:15 A.M. OR AS SOON THEREAFTER
AS COUNCIL RECESSES ITS REGULAR MEETING

ROLL CALL - Members present: Cardenas, LaBonge, Parks, Perry, Reyes, Rosendahl, Smith, Weiss, Wesson and President Garcetti (10); Absent: Greuel, Hahn, Huizar, Padilla and Zine (5).

ROLL CALL NUMBER (#) - INDICATES THE ORDER IN WHICH THE ITEMS WERE ACTED UPON DURING THE COUNCIL MEETING

Item for Which Public Hearing Has Been Held - Item 1

ITEM NO. (1) - MOTION ADOPTED TO APPROVE COMMITTEE REPORT RECOMMENDATIONS
- TO THE MAYOR FORTHWITH - SEE FOLLOWING

Roll Call #1 - Motion (Perry - Wesson) Adopted, Ayes (10); Absent: Greuel, Hahn, Huizar, Padilla and Zine (5)

06-2133

COMMUNICATIONS FROM THE COMMUNITY REDEVELOPMENT AGENCY (CRA) AND CITY ADMINISTRATIVE OFFICER and RESOLUTION relative to various actions regarding the Metropolitan Lofts Project including allowing the developer to redeem and refinance \$53 million in CRA variable rate demand Multi-Family Housing Revenue Bonds, 2002 Series A, and authorizing a Tax Equity and Fiscal Responsibility Act Hearing for a bond issuance of \$59 million from the California Statewide Communities Development Authority to refinance CRA bonds.

(Housing, Community and Economic Development Committee report to be submitted in Council. If public hearing is not held in Committee, an opportunity for public comments will be provided.)

(For background reports and materials related to this matter, contact the Legislative Assistant for the Housing, Community, and Economic Development Committee at 213-978-1080)

ADOPTED

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT and RESOLUTION relative to various actions regarding the Metropolitan Lofts Project (Project) located at the northeast corner of Flower and Eleventh Streets.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the minutes of the Tax Equity and Fiscal Responsibility Act (TEFRA) hearing (Attachment A of the City Administrative Officer (CAO) report dated October 12, 2006) for the issuance of fixed-rate housing bonds in an amount not to exceed \$59 million on behalf of the California Statewide Communities Development Authority (CSCDA) under its joint powers authority for the Project in accordance with federal tax requirements. This amount includes the replacement of the original bonds (\$53 million) in addition to a supplemental issuance of \$6 million.
2. ADOPT the accompanying TEFRA Resolution (Attachment B of the CAO report dated October 12, 2006) providing for the issuance of up to \$59 million in bonds (\$6 million in supplemental bonds and \$53 million to refund the original bonds) on behalf of the CSCDA to finance the acquisition, rehabilitation, or construction of the Project.
3. AUTHORIZE:
 - a. The assessment of an administration fee on FC Metropolitan Lofts, Inc. (Developer) by the Community Redevelopment Agency (CRA) in connection with conducting the TEFRA Hearing on behalf of the CSCDA in the amount of \$10,000.
 - b. The replacement of the Regulatory Agreement for the original \$53 million in tax exempt multifamily housing revenue bonds (2002 Series A Bonds The Community Redevelopment Agency of the City of Los Angeles Variable Rate Demand Multifamily Housing Revenue Bonds, Metropolitan Lofts Apartments) with a new Regulatory Agreement for the Project that includes all provisions and covenants of the Disposition and Development Agreement (DDA), the Ground Lease, and the existing Regulatory Agreement for the original outstanding 2002 Series A bonds, subject to the review and approval of the City Attorney and bond counsel.
 - c. The appointment of Fulbright and Jaworski, LLP (FJ) as bond counsel, and the execution of a contract with FJ in an amount not to exceed \$34,500 including reimbursable expenses for bond counsel services, commencing upon Council approval and expiring upon bond closure, relative to the proposed issuance and sale of multifamily housing bonds for the Project, subject to the review of the City Attorney as to form and legality, to be payable from bond proceeds and/or Developer equity.
4. AMEND the CRA Fiscal Year (FY) 2006-07 Work Program and Budget to reflect receipt of a Developer contribution in the amount of \$10,000 to the City Center General Revenue Fund for the Metropolitan Lofts Work Objective (CT2190).

5. APPROVE the redemption of \$53 million of outstanding 2002 Series A variable-rate housing bonds for the purpose of re-issuing fixed-rate bonds through the CSCDA, which, in addition to the \$6 million supplementary bond allocation being requested of the California Debt Limit Allocation Committee (CDLAC), will finance the \$59 million in acquisition, rehabilitation, or construction and cost overruns associated with the Project.

Fiscal Impact Statement: The CAO reports that there is no impact on the City General Fund. The CRA is only bound by the City Debt Management Policies; the City Financial Policies are not applicable to the CRA. Approval of the recommendations may provide a supplementary issuance of up to \$6 million in net bond proceeds to the Developer for direct construction costs of the 264-unit Metropolitan Lofts, which include a minimum of twenty percent (53) affordable units for households earning 50 percent or less of the area median income. In addition, the CRA will be able to recognize \$10,000 from the Developer for costs associated with conducting the TEFRA hearing.

Councilmember LaBonge moved, seconded by Councilmember Rosendahl, that the Special Council meeting adjourn.

Ayes, Cardenas, LaBonge, Parks, Perry, Reyes, Rosendahl, Smith, Weiss, Wesson and President Garcetti (10); Absent: Greuel, Hahn, Huizar, Padilla and Zine (5).

Whereupon the Special Council meeting did adjourn.

ATTEST: Frank T. Martinez, CITY CLERK

By

Council Clerk

PRESIDENT OF THE CITY COUNCIL