RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC. ON ITS OWN BEHALF, OR IN ITS CAPACITY AS THE SOLE MEMBER OF A TO-BE-FORMED SINGLE PURPOSE ENTITY TO ENTER INTO ROSE HILL COURTS II HOUSING PARTNERS, L.P. AS THE MANAGING GENERAL PARTNER, AND AUTHORIZING AND APPROVING THE EXECUTION BY THE PRESIDENT, OR HER DESIGNEE, OF THE FIRST AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT AND RELATED DOCUMENTS AND AGREEMENTS AND THE UNDERTAKING OF VARIOUS ACTIONS IN CONNECTION THEREWITH

Tina Smith-Booth
President

Lisette Belon
Secretary

Purpose: Approve and adopt the Resolution authorizing the President of La Cienega LOMOD, Inc., a California nonprofit public benefit corporation ("La Cienega") on its own behalf or in its capacity as the sole member of a to-be-formed single purpose entity tentatively named LOMOD RHC II, LLC ("LOMOD/RHC II"), to enter into Rose Hill Courts II Housing Partners, L.P. as the Managing General Partner by executing a First Amended and Restated Limited Partnership Agreement ("Amended LPA") for the Rose Hill Courts Phase II Project (the "Project" or the "Development"). Inclusion of La Cienega or LOMOD/RHC II into the Partnership prior to making an application for the State of California’s Housing and Community Development Department’s July 2021 Round 4 Multifamily Housing Program ("MHP") Notice of Funding Availability ("NOFA") is needed in order to give a competitive advantage to the Partnership’s application for funding in an amount up to $20.0 Million.

Regarding: Initial Action.

Issues: The proposed project is expected to be constructed on approximately 3.45-acres of land located at the western and southern portion of the 5.24-acre Rose Hill Courts public housing site owned by HACLA; representing the second phase of a two-phase redevelopment. As the second phase, this project will require the demolition of 8 existing structures and construction of a total of 96 residential housing units (95 affordable housing units plus one market-rate managers’ units). At build-out, the redevelopment will include 37 one-bedroom units, 33 two-bedroom units, 22 three-bedroom units, and 4 four-bedroom units, a 6,300 square-foot Management Office/Community Building and a “Central Park” green space, creating a park-like setting for residents. Ample open space and recreational amenities will be incorporated to promote continued community outdoor use such as outdoor communal space with shaded seating and grills, children’s play areas, paved surfaces, and several courtyards. The redevelopment would provide a total of 119 parking spaces onsite, with at-grade and tuck-under parking; upgraded lighting, fencing, signage, and security features; and storm drain and utility improvements. The new sustainably designed buildings including solar panels...
would be energy efficient and the landscaping would include water-efficient irrigation.

The Housing Authority of the City of Los Angeles (“HACLA”) and Rose Hill Courts II Housing Partners, LP (“Developer”) have been working closely to implement the vision of a redeveloped Rose Hill Courts under an active Disposition and Development Agreement executed in January 2020. The 89-unit Phase I redevelopment achieved financing closing in June 2021 and its construction is underway. The Phase II Project has been planned in such a way to begin construction only upon the completion of Phase I and after the residents living in the footprint of Phase II have been relocated and the buildings demolished. The Developer is making progress on the predevelopment activities and has completed the 100% Design Development drawings. HACLA staff is working with the Developer in finalizing the Financing Plan and the Project expects to utilize the Tax Exempt Bond financing and 4% Low income Housing Tax Credits (“LIHTC”). HACLA has awarded regular Section 8 Project Based Vouchers (“PBV”) to all 95 affordable units in this Project. The Developer expects to achieve financial construction closing by end of 2023, subject to receiving all funding. Construction will commence soon thereafter and is projected to be completed within 24 months.

The Developer will be making an application for the Project in response to the July 2021 Round 4 MHP NOFA. Inclusion of La Cienega or LOMOD/RHC II into the Limited Partnership structure at this early stage in predevelopment improves its chances of securing MHP funds. Applicants who have fully formed and admitted all general partner entities shall be awarded one bonus point. The Project will be applying for up to $20.0 Million in MHP grant funding in September 2021.

Developer/Ownership:
The current General Partner of Rose Hill Courts II Housing Partners, L.P. is Related/Rose Hill Courts II Development Co., LLC, a California limited liability company, whose members are The Related Companies of California, LLC, a California limited liability company, and Related Futures, LLC, a California limited liability company. The current limited partner is The Nicholas Company, Inc., a Delaware corporation, with a 99.99% interest in the Limited Partnership.

In order to apply and be competitive for MHP funding, it is necessary for La Cienega or LOMOD/RHC II to join the Partnership now. After executing the Amended LPA, La Cienega or LOMOD/RHC II, the non-profit entity will be admitted to the Partnership as the Managing General Partner (.0050% ownership share) and Related/Rose Hill Courts I Development Co., LLC will take on the role of the Administrative General Partner (“AGP”) (.0050% ownership share).

The Limited Partner will be substituted with a tax credit investor upon closing of the construction financing for the transaction and the execution of a Second Amended and Restated Limited Partnership Agreement.

Terms of Partnership Agreement:
As the MGP, the non-profit member will perform those responsibilities required by the State Board of Equalization ("SBOE") to maintain the property tax welfare
exemption for the Project and other responsibilities, as provided in the Amended LPA. Remaining Partnership responsibilities will be performed by the AGP or will be delegated to the AGP by the MGP under the supervision of the MGP as required by the SBOE.

The MGP shall receive 15% of the Developer Fee. The Developer Fee shall be the maximum allowed by TCAC subject to any limits imposed by the applicable funding sources. Any Deferred Developer Fee payable from Net Cash Flow shall bear interest at an annual rate of one-half percent (0.5%). After the Deferred Developer Fee is paid in full, the MGP will receive 100% of Net Cash Flow until it receives $312,500.

The MGP shall receive annual Partnership Management Fees starting at $5,000 from Cash Flow increased annually by CPI.

Of the remaining Net Cash Flow payable to the General Partners, after the payment of annual Partnership Management Fees, the MGP shall receive 25%.

The MGP shall receive 50% of Net Sale Proceeds from any Capital Event.

For thirty-six months starting at end of 15-year tax credit compliance period, HACLA and the AGP for each Phase will have a Purchase Option to acquire the Development. After expiration of the option term, HACLA or the MGP will have a right of first refusal ("ROFR") for one year. Under the ROFR, HACLA would have the choice to acquire the property if the Developer receives a Bona Fide Offer which the Developer is prepared to accept in accordance with the Limited Partnership Agreement.

The MGP will not provide any development or operational guarantees to any lender or investor. Guarantees are borne solely by the AGP and its affiliates.

The President seeks Board of Directors’ ("BOD") authorization to enter into the Amended LPA, provided it is aligned with the material deal points set forth in this Board report, and subject to legal counsel approval.

Prior to the financing/development closing for the Project, the BOD will be asked to approve the Second Amended LPA and other evidentiary documents including bond documents and Lender and Investor documents related to the Project and required of the MGP.

**Funding:** No Funding is required for this action.

**CEQA:** No further environmental review is required for the recommended actions because based on the project record there has been no change to the Rose Hill Courts Redevelopment or substantial changes in circumstances or new information that would warrant subsequent environmental analysis in accordance with CEQA, including but not limited to Public Resources Code section 21166 and State CEQA Guidelines sections 15162, 15163 and 15164.
**NEPA:** Pursuant to 24 CFR Part 58, the City of Los Angeles, through the Los Angeles Housing Department ("LAHD"), serves as the environmentally responsible entity in preparation of the Final Environmental Impact Statement for the Rose Hill Courts Redevelopment Project. HCIDLA issued a Record of Decision on January 24, 2020 and submitted a Request for Release of Funds to HUD on February 8, 2020. On March 9, 2020, the U.S. Department of Housing and Urban Development's Los Angeles Office of Public Housing issued approval of the City of Los Angeles' Environmental Certification.

**Section 3:** The Developer will comply with and impose Section 3 hiring requirements and numerical goals consistent with its former Phase I Section 3 Construction Local Hiring and Contracting Plan negotiated pursuant to its Disposition and Development Agreement and in accordance with HACLA’s Section 3 Guide and Compliance Plan (v2). These obligations include setting aside at least thirty percent (30%) of all new predevelopment, construction and post-construction jobs generated by the redevelopment first for current residents of Rose Hill Courts, second to qualified Section 3 residents of the North East Los Angeles neighborhood, third to participants in HUD’s Youthbuild programs in the City of Los Angeles, and fourth to residents of the City of Los Angeles who meet Section 3 eligibility requirements. Furthermore, the Partnerships will strive to provide at least ten percent (10%) of all construction work hours to Section 3 Residents according to the hiring priorities set forth above. A Construction and Post-Construction Section 3 Local Hiring and Contracting Plan will be submitted to HACLA prior to commencement of activities for review and approval. The Hiring Plan will discuss strategies and investments that will assist in enabling their contractors and consultants to hire and train Section 3 residents during the construction and post-construction stages to achieve the minimum numerical goals for hiring, work hours and subcontracting.

**Attachments:**
1. Resolution
2. Rose Hill Courts Phase II Site Plan and Renderings
3. Organization Chart for Rose Hill Courts II Housing Partners, L.P
ATTACHMENT 1.

RESOLUTION
RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC. ON ITS OWN BEHALF, OR IN ITS CAPACITY AS THE SOLE MEMBER OF A TO-BE-FORMED SINGLE PURPOSE ENTITY TO ENTER INTO ROSE HILL COURTS II HOUSING PARTNERS, L.P. AS THE MANAGING GENERAL PARTNER, AND AUTHORIZING AND APPROVING THE EXECUTION BY THE PRESIDENT, OR HER DESIGNEE, OF THE FIRST AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT AND RELATED DOCUMENTS AND AGREEMENTS AND THE UNDERTAKING OF VARIOUS ACTIONS IN CONNECTION THEREWITH

WHEREAS, at a duly constituted meeting held on August 26, 2021, the following determinations were adopted by the Board of Directors (the “Board”) of La Cienega LOMOD, Inc. (“La Cienega”);

WHEREAS, La Cienega is an instrumentality of the Housing Authority of the City of Los Angeles ("HACLA") and a nonprofit public benefit corporation duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Nonprofit Public Benefit Corporation Law, consisting of Part 2 of Division 2 of Title 1 of the California Corporations Code (the "Act");

WHEREAS, the Act authorizes La Cienega to make and execute contracts and other instruments necessary or convenient for the exercise of its powers;

WHEREAS, HACLA intends to transform the Rose Hill Courts public housing community into a mixed-income, environmentally friendly, vibrant urban village, conducive to healthy living and economically progressive conditions;

WHEREAS, on January 23, 2020, HACLA’s President and CEO executed a Disposition and Development Agreement ("DDA") with Rose Hill Courts II Housing Partners, L.P., (the “Developer”) for the redevelopment of Phase II of Rose Hill Courts (the "Project");

WHEREAS, the redevelopment is comprised of two Phases with Phase I containing 89 units in two four-story elevator buildings with flats, that will provide the maximum level of accessibility for the existing tenant population and with Phase II containing 96 units that step-down in massing (i.e., perceived scale) and height to provide a residential scale appropriate for the adjacent land uses, and developed as two- and three-story buildings;

WHEREAS, HACLA and the Developer have been working to further the Project design, conducting necessary predevelopment activities, finalizing the financing plan and preparing funding applications;

WHEREAS, HACLA and the Developer have determined that La Cienega or LOMOD RHC II, LLC ("LOMOD/RHC II"), a to-be formed Single Purpose Entity with La Cienega as the Sole Member, will serve as the Managing General Partner (“MGP”) of the Project;

WHEREAS, in order to apply for the State of California Housing and Community Development Department’s July 2021 Round 4 Multifamily Housing Program ("MHP") funding for
the Project, it is necessary for a non-profit MGP to be admitted to the Partnership now in order for the application to be competitive for funding;

WHEREAS, La Cienega or LOMOD/RHC II will execute the First Amended and Restated Limited Partnership Agreement ("Amended LPA") in advance of the MHP application;

WHEREAS, HACLA and the Developer have agreed that Related/Rose Hill Courts II Development Co., LLC, a California limited liability company, will be the Administrative General Partner ("AGP"), and a tax credit equity investor will be admitted to the Limited Partnership as the Investor Limited Partner ("ILP") of the Project at the construction financing closing and all partners will execute a Second Amended and Restated Limited Partnership Agreement ("Second Amended LPA");

WHEREAS, La Cienega or LOMOD/RHC II will serve as the MGP of the Project and perform those responsibilities required by the State Board of Equalization ("SBOE") to obtain and maintain the Project's property tax welfare exemption and as otherwise provided in the Amended LPA, and may delegate other Partnership responsibilities to the AGP; and

WHEREAS, HACLA staff will return to the Board of Directors of La Cienega to approve the execution of any additional financing and ownership documents, including the Second Amended LPA, adding the equity investor, and the execution of any documents, certificates and agreements related to the Project in order to consummate the successful financial and construction closing of the Project.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of La Cienega does hereby authorize and approve as follows:

The President, or her designee, including the Secretary or the Treasurer of La Cienega (collectively, the "Designated Officers") are each hereby authorized and directed, to do any and all things necessary and to execute, deliver and perform any and all financing or ownership documents, including the First Amended and Restated Limited Partnership Agreement adding La Cienega or LOMOD RHC II, LLC as the MGP, all with such changes as approved by legal counsel, and all other documents or actions which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Resolution and the consummation of the transactions contemplated hereby. All actions heretofore taken by the officers, employees, attorneys and agents of La Cienega with respect to the Project transactions are hereby approved and ratified, and the Designated Officers of La Cienega and the authorized deputies and employees of La Cienega, and each of them, are hereby authorized and directed to do any and all things necessary and to enter into and execute, acknowledge and deliver any and all agreements, assignments, certificates and other documents that they or legal counsel may deem necessary or advisable to consummate the development and financing of the Project and to otherwise effectuate the purpose of this Resolution, as approved by legal counsel, without further approval of the Board of Directors of La Cienega.
BE IT FURTHER RESOLVED that the “Designated Officers” of La Cienega referred to herein are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Tina Smith-Booth</td>
<td>President</td>
</tr>
<tr>
<td>Lisette Belon</td>
<td>Secretary</td>
</tr>
<tr>
<td>Patricia Kataura</td>
<td>Treasurer</td>
</tr>
</tbody>
</table>

FINALLY, BE IT RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM:       LA CIENEGA LOMOD, INC.
JAMES JOHNSON

BY: ________________________   BY: ___________________________
   GENERAL COUNSEL            CHAIR

DATE ADOPTED: ____________________
ATTACHMENT 2

SITE PLAN AND RENDERINGS
Rose Hill Courts Phase II

Central Open Space

Community Building

SITE PLAN
Rose Hill Courts Phase II
100% Design Development

BUILDING I - VIEW FROM MERCURY AVENUE (BUILDING G & H SIMILAR)
Rose Hill Courts Phase II
100% Design Development

BUILDING F - VIEW FROM COURTYARD (BUILDING E SIMILAR)
ATTACHMENT 3

ORGANIZATION CHART FOR ROSE HILL COURTS II HOUSING PARTNERS, L.P
ORGANIZATIONAL CHART FOR ROSE HILL COURTS II HOUSING PARTNERS, L.P.

Rose Hill Courts II Housing Partners, L.P.,
a California limited partnership

Tax ID: 84-4375129

The Nicholas Company, Inc., a Delaware corporation

PH Limited Partner
99.99% Percentage Interest

La Cienega or LOMOD RHC II, LLC,
a California limited liability company

Managing General Partner
0.005% Percentage Interest

Related/ Rose Hill Courts II Development Co., LLC, a California limited liability company

Administrative General Partner
0.005% Percentage Interest

Related Futures, LLC, a California limited liability company

Its Member
90% Interest

Its Member
10% Interest

The Related Companies of California, LLC, a California limited liability company

Its Member
90% Interest

William A. Witte
Its Sole Shareholder and President

La Cienega LOMOD, Inc., a California nonprofit public benefit corporation

Its Sole Member and Manager

La Cienega LOMOD RHC I, LLC
a California limited liability company

Its Member
90% Interest

Its Member
10% Interest

Its Member
0.005% Percentage Interest