



HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

Board of Commissioners

SPECIAL MEETING

TELECONFERENCE

THURSDAY – OCTOBER 29, 2020

CALL-IN NUMBER: 1(872) 240-3212, ACCESS CODE: 551-229-549

Spanish Interpretation Teleconference Information:

CALL-IN NUMBER: 1(669) 224-3412, ACCESS CODE: 857-745-805

ACTION MINUTES

Commissioner Noramay Cadena called the Board of Commissioners Special Teleconference Meeting to order on Thursday, October 29, 2020 at 9:16am. The meeting was chaired by Commissioners Ben Besley and Cielo Castro. Executive Assistant, Tiffany Prescott, recorded the minutes of the meeting.

I. ATTENDANCE

Present: Commissioner Ben Besley (*left meeting at 10:01am*)
Commissioner Cielo Castro (*joined meeting at 9:35am*)
Commissioner Noramay Cadena
Commissioner Lucelia Hooper
Commissioner Delfino De La Cruz
Commissioner Dan Tenenbaum
Commissioner Ana Bryan

Also Present: Douglas Guthrie, President and CEO

II. POSTING OF THE AGENDA

Posting of the Agenda complied with the requirements of the Brown Act. Agenda was posted prior to 4:30pm on Saturday, October 24, 2020 in the front display case at 2600 Wilshire Boulevard, Los Angeles, CA 90057 and at www.hacla.org.

III. PUBLIC COMMENT INSTRUCTIONS

****Please note special Teleconference Public Comment Instructions***

MEMBERS OF THE PUBLIC WHO WISH TO SPEAK ON ANY ITEM ARE REQUESTED TO SUBMIT A **WRITTEN COMMENT** TO THE BOARD SECRETARY FOR EACH ITEM THEY WISH TO ADDRESS. **THE DEADLINE FOR WRITTEN COMMENTS IS WEDNESDAY, OCTOBER 28, 2020 AT 12:00PM. ALL WRITTEN COMMENTS SHOULD BE SUBMITTED VIA EMAIL TO TIFFANY.PRESCOTT@HACLA.ORG. PLEASE MAKE SURE EMAIL INCLUDES NAME, AGENDA ITEM NUMBER, AND ADDRESS/ORGANIZATION FOR WHOM YOU REPRESENT. WE ALSO ASK THAT ALL COMMENTS BE LIMITED TO 500 WORDS OR LESS.** THE SECRETARY WILL PROVIDE ALL WRITTEN COMMENTS TO THE BOARD FOR REVIEW PRIOR TO THE OCTOBER 29, 2020 BOC MEETING. THE SECRETARY WILL ALSO READ EACH PUBLIC COMMENT INTO THE RECORD AT THE TIME THE ITEM IS CONSIDERED.

THE PURPOSE OF PUBLIC COMMENT IS TO ALLOW THE PUBLIC TO ADDRESS THE BOARD AND THE BOARD IS INTERESTED IN HEARING FROM MEMBERS OF THE PUBLIC, STAKEHOLDERS AND INTERESTED PARTIES. HOWEVER, SPEAKERS ARE ASKED TO EXERCISE COURTESY AND CONSIDER THE RIGHTS OF OTHER SPEAKERS BY ADHERING TO THE SPECIAL TELECONFERENCE PUBLIC COMMENT INSTRUCTIONS AND IF POSSIBLE REFRAIN FROM UNNECESSARY REPETITION IN THEIR COMMENTS.

IV. PRESIDENT AND CEO ADMINISTRATIVE REPORT

1. Monthly Oral Report

V. BOARD BUSINESS ITEMS

1. Proposed Resolution Approving the Acquisition of the Following Two (2) Real Property Assets: (1) Howard Johnson Hotel – 7432 Reseda Blvd, Los Angeles, CA 91335, for \$16,228,756 and (2) Travelodge Hotel Gardena – 18600 Normandie Ave Los Angeles, CA 90248, for \$9,200,000 in Response to the California Department of Housing and Community Developments (“HCD”) Notice of Funding Availability for the Homekey Program in Partnership with the City of Los Angeles; Approving and Authorizing the Execution and Delivery of All Related Documents, Certificates and Agreements, Including Purchase and Sale Agreements, and HCD Standard Agreements; Making a Determination that These Acquisitions are Exempt from Environmental Review Under the California Environmental Quality Act; and the Undertaking of Various Actions in Connection Therewith

Purpose: The Housing Authority of the City of Los Angeles (“HACLA” or “Authority”) in collaboration with the City of Los Angeles (“City”) through a Professional Services Agreement, proposes to purchase two (2) Hotel properties, in response to the State of California (“State”) Department of Housing and Community Development’s (“HCD”) Notice of Funding Availability (“NOFA”) for the Homekey Program. This program was created to help fund, sustain and expand the inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19.

Contact: Jenny Scanlin, Chief Strategic Development Officer

Action: **APPROVED**

Motioned: Commissioner Dan Tenenbaum

Seconded: Commissioner Cielo Castro

7 AYES, 0 NAYS, 0 ABSENT, Motion Carried

*** Commissioner Ben Besley left the meeting at 10:01am. Commissioner Cielo Castro chaired the remainder of the meeting. ***

2. Proposed Resolution Approving the Acquisition of the Following Two Real Property Assets for Appraised Fair Market Values of (1) Super 8 – 7631

Topanga Canyon Blvd, Los Angeles, CA 90028, \$11,118,600, and (2) Orchid-1763 Orchid Ave, Los Angeles, CA 90028, Up to \$16,000,0000, Contingent Upon Receipt of a Grant Funding Award from the California Department of Housing and Community Development (HCD) Homekey Program or an Equivalent Source of Subsidy or Grant in the Amounts Requested; Authorizing the Housing Authority or its Nonprofit Instrumentality to Enter Into a Partnership Agreement with PATH Ventures for the Long Term Ownership of the 1763 Orchid Property; Authorizing the Execution and Delivery of All Related Documents, Certificates and Agreements Including HCD Standard Agreements; the Undertaking of Various Actions in Connection Therewith; and Making a Determination that These Acquisitions are Exempt from Environmental Review Under the California Environmental Quality Act

Purpose: The Housing Authority of the City of Los Angeles (“HACLA” or “Authority”) proposes to purchase two (2) motels (Super 8 and Orchid) in response to the State of California (“State”) Department of Housing and Community Development’s (“HCD”) Notice of Funding Availability (“NOFA”) for the HomeKey Program. This program was created to help fund, sustain and expand the inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19.

Contact: Jenny Scanlin, Chief Strategic Development Officer

Action: **APPROVED**

Motioned: Commissioner Delfino De La Cruz

Seconded: Commissioner Dan Tenenbaum

5 AYES, 0 NAYS, 2 ABSENT (*Besley & Hooper*), Motion Carried

3. Proposed Resolution Authorizing the President and CEO to Take All Actions Necessary to Assemble a Financing Team to Finance the Housing Authority of the City of Los Angeles Mortgage Revenue Bonds (Union Portfolio Project) 2020 Series C, Through the Sale of Tax-Exempt Fixed-Rate Mortgage Revenue Bonds in an Amount Not to Exceed \$22,000,000 and Providing and Authorizing the Execution and Delivery of All Related Documents, Certificates and Agreements and the Undertaking of Various Actions in Connection Therewith

Purpose:

To initiate activities leading to low-cost permanent financing for that portion of expenses attributable to the acquisition and renovation of the Parthenia and Martel properties (described below) not funded by a grant award received from the State of California’s Housing and Community Development Department’s Homekey Program, as well as permanent financing for the acquisition and renovation of one or more residential properties to be identified at a future date. The permanent financing would consist of long-term debt (“2020 Series C Bonds”) to be issued through a supplemental indenture to the Authority’s 2020 Mortgage Revenue Refunding Bonds (Union Portfolio Project), Series A, and Mortgage Revenue Bonds Series B (collectively, the Series A and Series B are the “2020 Bonds”). The 2020 Bonds were issued in May 2020 and are outstanding in the amount of \$31,170,000 (principal). The 2020 Series C Bonds are anticipated to fully amortize over a period

of 30 years from the date of issuance. Once bond documents are in substantially final form, staff will return to the Board of Commissioners (“BOC”) to request specific authorization to proceed with the issuance of the 2020 Series C Bonds. At this time, staff is requesting authorization to assemble the financing team to prepare for the issuance of the 2020 Series C Bonds.

To evaluate the merits of issuing additional 2020 Bonds to fund new capital expenditures, such as costs incurred to acquire, construct, renovate, repair or improve land, buildings and equipment, pay certain capitalized interest and other costs relating to Parthenia, a 41-unit multifamily residential property located at 15230 Parthenia Street, North Hills, CA 91343 (“Parthenia”); Martel, an 11-unit multifamily residential property located at 1643 N. Martel Avenue, Los Angeles, CA 90046 (“Martel”); and one or more additional properties to be identified at a future date (collectively, the “Properties”).

To eventually place the Properties under the ownership of the Housing Opportunity Corporation (“HOC”), an instrumentality of the Authority, in an effort to mitigate the risks and liabilities to the Authority associated with operation and management of the Properties. Proceeds from the 2020 Bonds were used to refinance the prior acquisition of the Bella Vista Apartments, and the financing of Clemson Corbett, Laveta Terrace and Union Tower (the “Four Properties”), and to acquire the Tobias Apartments, and all five of these properties were put under the ownership of HOC.

Contact: Jenny Scanlin, Chief Strategic Development Officer

Action: **APPROVED**

Motioned: Commissioner Delfino De La Cruz

Seconded: Commissioner Dan Tenenbaum

6 AYES, 0 NAYS, 1 ABSENT (*Besley*), Motion Carried

VI. GENERAL PUBLIC COMMENT

MEMBERS OF THE PUBLIC WHO WISH TO SPEAK ON ANY NON-AGENDIZED PUBLIC INTEREST ITEM CAN ADDRESS THE BOARD DURING THE GENERAL PUBLIC COMMENT PERIOD

VII. ADJOURNMENT

Motioned: Commissioner Dan Tenenbaum

Seconded: Commissioner Noramay Cadena

6 AYES, 0 NAYS, 1 ABSENT (*Besley*), **Meeting adjourned at 10:15am**