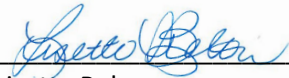


RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC., TO ENTER INTO THE JORDAN DOWNS PHASE S6 LIMITED PARTNERSHIP AS THE MANAGING GENERAL PARTNER, AUTHORIZING AND APPROVING THE EXECUTION BY THE PRESIDENT OR HER DESIGNEE OF THE JORDAN DOWNS PHASE S6 LIMITED PARTNERSHIP AGREEMENT AND PROJECT OWNERSHIP, FINANCING 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 (“LOMOD”), or her designee, to enter into the Jordan Downs Phase S6 Limited Partnership (the “Limited Partnership”) as the Managing General Partner (“MGP”) by executing the Limited Partnership Agreement (“LPA”), authorizing and approving the execution by the President or her designee of the Jordan Downs Phase S6 (“Project”) project ownership, financing and related documents and agreements and the undertaking of various actions in connection therewith. Inclusion of LOMOD into the partnership prior to funding application for the State of California’s (“State”) Housing and Community Development Department’s (“HCD”) Multifamily Housing Program (“MHP”) is required in order to give a competitive advantage to the Limited Partnership’s application for funding in an amount up to \$25 million.

Regarding: On June 28, 2012 by Resolution 8969, the Housing Authority of the City of Los Angeles’ Board of Commissioners (“Board”) unanimously authorized the President and CEO to execute a Master Development Agreement with Jordan Downs Community Partners, LLC, (“Master Developer”), a joint venture of the BRIDGE Housing Corporation (“BRIDGE”) and The Michaels Development Company I, L.P., a New Jersey limited partnership (“Michaels”), for the redevelopment of Jordan Downs. The MDA between HACLA and the Master Developer was executed on August 1, 2012 (the “MDA”); amended by a certain first Amendment to the MDA (“First Amendment”) dated July 13, 2017 by Resolution No. 9327; further amended by that certain Second Amendment to MDA (“Second Amendment”) dated October 4, 2017 by Resolution No. 9282; further amended by that certain Third Amendment to MDA (“Third Amendment”) dated July 7, 2020 by Resolution No. 9594. The terms of the MDA contemplate that an Instrumentality of HACLA will participate in the ownership of the redeveloped housing phases of Jordan Downs and HACLA has chosen its instrumentality, LOMOD, to participate in Phase S6 as the Managing General Partner (“MGP”) of the Limited Partnership.

Issues:
Background The Housing Authority of the City of Los Angeles (“HACLA”) desires to continue to transform the Jordan Downs public housing community into an environmentally friendly, vibrant, urban village, conducive to healthy living and economically progressive conditions. The redevelopment plan for Jordan Downs is intended to ignite a renewal in the greater south Los Angeles community. HACLA initiated a long-range plan to redevelop Jordan Downs in 2008. These efforts included acquiring an adjacent site and establishing the Jordan Downs Community Advisory Committee in

2008, preparing a Community-Based Master Plan in 2009, which ultimately led to the drafting and adoption of a Specific Plan and Environmental Impact Report (“EIR”) in 2011.

Since 2012, HACLA and the Master Developer have been working closely to implement the vision of a redeveloped Jordan Downs. To date 330 units of affordable housing have been developed and 200+ units are under construction. LOMOD is also a partner with The Michaels Organization in Phase 1B, a 135-unit completed development; Phase S3, a 92-unit project currently under construction, Phase S2, an 81-unit project currently under construction; and Phase S4, a 90-unit project and Phase S5, a 75-unit project, both currently in the planning phase.

Phase S6 will be developed on a 1.99-acres across two parcels comprised of 100 apartment units, with approximately 2,000 square feet of community and service space and approximately 16,000 square feet of activated common open space. The development is located on Grape Street between 101st and 102nd Street. Phase S6 will consist of ten (10) Rental Assistance Demonstration (“RAD”) Project-Based Voucher (“PBV”) units and an additional seventy-five (75) PBV units consisting of fifty (50) replacement Section 8 HAP units and twenty-five (25) non-replacement Homeless S8 units. The project will have twenty (20) non-PBV units consisting of three (3) units restricted at 60% AMI, ten (10) unrestricted market-rate units, and two staff/manager units. The unit mix currently proposed includes: twenty-four (24) one-bedroom apartments, forty-two (42) two-bedroom apartments, twenty-eight (28) three-bedroom apartments, and six (6) four-bedroom apartment.

HACLA will provide seventy-five (75) Section 8 PBVs and ten (10) RAD PBVs to provide a consistent revenue stream that will support ongoing operations as well as provide deeper affordability on the Phase S6 site. All 75 PBV Units will be subject to U.S. Department of Housing and Urban Development (“HUD”) affordability requirements for 20 years under a Housing Assistance Payment (“HAP”) contract, pursuant to the authority granted under the October 2017 HUD Notice. As allowed by PBV regulations, HACLA will provide a 20-year extension to the HAP contract, subject to the future availability of appropriated funds, HUD regulations, the requirements of HACLA’s Section 8 Administrative Plan and the Limited Partnership’s continued compliance with the HAP Contract. A HUD RAD Use Agreement will be recorded against HACLA’s underlying fee interest in the Phase S6 property in favor of HUD. The RAD Use Agreement will be recorded superior to all other liens on the property; run for the same term as the initial term of the RAD HAP contract; automatically renew upon each extension or renewal of the RAD HAP contract for a term that runs with each renewal term of the RAD HAP contract; and remain in effect even in the case of abatement or termination of the RAD HAP contract.

*Developer/
Ownership*

Pursuant to the MDA, Jordan Downs Community Partners, LLC has assigned its rights and obligations to develop and own Phase S6 to Jordan Downs Phase S6, LP. Under the LPA, Jordan S6-Michaels, LLC, a California limited liability company will be the Administrative General Partner (0.0051% ownership share) of the Limited Partnership. In order to apply and be competitive for MHP funding, it is necessary for LOMOD to join the Partnership now. After executing the LPA, LOMOD will be admitted to the Partnership as the Managing General Partner (0.0049% ownership share) of the Limited Partnership.

The current limited partner is Michael J. Levitt, but this individual will be substituted with a tax credit investor upon closing of the construction financing and the executing of a new Amended and Restated Limited Partnership Agreement.

Role as the MGP

After the construction finance closing, as the MGP, LOMOD will perform those responsibilities required by the State Board of Equalization (“BOE”) to maintain the Phase S6 welfare property tax exemption and other responsibilities, as provided in the LPA. Remaining Limited Partnership responsibilities will be delegated to the AGP and supervised by the MGP, as required by the SBOE.

LOMOD is scheduled to receive an annual MGP Partnership Management Fee in the amount of \$20,000 (subject to an annual 3% increase). While LOMOD is the MGP of the Partnership, it is not providing any development or operational guarantees to any lender or investor. Guarantees are borne solely by the AGP or its affiliates. Further, if LOMOD is found in default under the LPA, only its non-recourse partnership interest may be accessed to satisfy any liability. The only exceptions are if LOMOD has committed fraud or misappropriated partnership funds.

After construction finance closing and execution of an amendment Limited Partnership Agreement, HACLA or its permitted assignee, potentially including LOMOD, shall have an option to purchase (“Purchase Option”) the Limited Partnership’s interest in the ground lease, structures, improvements, fixtures, and personal property comprising Phase S6 after the Tax Credit Compliance Period of fifteen (15) years. Similarly, HACLA or its permitted assignee will also be granted a Right of First Refusal (“ROFR”) regarding other bona fide offers following the close of the Tax Credit Compliance Period. Both the Purchase Option and the ROFR shall have a term of three years.

The financial construction closing of Phase S6 is currently projected to occur in Spring 2024, and construction will commence soon thereafter. Construction is scheduled to be completed by the end of 2026 and the construction financing will convert to permanent financing approximately nine (9) months after construction completion.

LOMOD typically would not enter into the Limited Partnership structure at this early stage in predevelopment, however by doing so now, Phase S6 improves its chances of securing funds under the State HCD Multifamily Housing Program, as applicants who have fully formed and admitted all general partner entities shall be awarded competitive scoring points.

Funding: The HACLA Chief Administrative Officer and LOMOD Treasurer confirm the following:

Source of Funds: No Funding from LOMOD is required for this action.

Environmental Review:

Pursuant to 24 CFR Part 58, the City of Los Angeles, its Housing and Community Investment Department serves as the environmentally responsible entity in preparation of the Environmental Assessment and Finding of No Significant Impact (EA/FONSI) for the Jordan Downs Public Housing Community Project. The EA/FONSI for the entire project was circulated for public review on June 13, 2014 through July 2, 2014. On December 22, 2015 a technical memorandum was prepared to review any changes to the project description. Based on this memorandum HCID/LA found that changes to the project description did not result in changes to the conclusion of the EA/FONSI. On February 11, 2016 the U.S. Department of Housing and Urban Development's Office of the Field Office Director issued approval of the Housing Authority's Request for Release of Funds and Environmental Certification.

Section 3:

As the Owner, the Limited Partnership, particularly the AGP and MGP, will ensure that the Section 3 workers residing within the service area of the project and participants of Youth-Build programs have the opportunity to share in the economic benefits generated by the proposed development. Local Hire and Section 3 requirements for the Developer and their General Contractor will require the Project to meet HUD established labor hour benchmarks for Section 3 Workers and Targeted Section 3 Workers. Additionally, pursuant to HACLA's Section 3 Policy and Compliance Plan, the Developer and their General Contractor will be required to engage in good faith efforts to set aside at least thirty percent (30%) of all new construction and post-construction jobs generated by the redevelopment for Section 3 Workers and Targeted Section 3 Workers in the order of hiring priority. Furthermore, the Developer and their General Contractor shall strive and use good faith efforts to set aside at least ten percent (10%) of their overall 30% Section 3 commitment for disadvantaged workers. Additionally, the Developer is committed to providing 10% of the total dollar amount of building trades work for all construction contracts and 3% of the total dollar amount of all non-construction contracts to Section 3 Businesses.

Attachments:

1. Resolution
2. Organizational Chart
3. S6 Site plan

RESOLUTION NO. _____

RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC. TO ENTER INTO THE JORDAN DOWNS PHASE S6, LIMITED PARTNERSHIP AS THE MANAGING GENERAL PARTNER, AUTHORIZING AND APPROVING THE EXECUTION BY THE PRESIDENT, OR HER DESIGNEE OF THE JORDAN DOWNS PHASE S6 LIMITED PARTNERSHIP AGREEMENT AND PROJECT OWNERSHIP, FINANCING AND RELATED DOCUMENTS AND AGREEMENTS , AND THE UNDERTAKING OF VARIOUS ACTIONS IN CONNECTION THEREWITH

WHEREAS, La Cienega LOMOD, Inc. (“LOMOD”) 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 LOMOD to make and execute contracts and other instruments necessary or convenient for the exercise of its powers;

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

WHEREAS, on June 28, 2012, HACLA’s Board of Commissioners (“BOC”) unanimously authorized the President and CEO to execute a Master Development Agreement (“MDA”) with Jordan Downs Community Partners, LLC (“Master Developer”), a joint venture of the BRIDGE Housing Corporation (“BRIDGE”) and The Michaels Development Company I, L.P., a New Jersey limited partnership (“Michaels”), for the redevelopment of Jordan Downs, following which, the MDA between HACLA and the Master Developer was executed on August 1, 2012, as amended;

WHEREAS, HACLA and the Master Developer have been working closely since 2012 to implement the vision of a redeveloped Jordan Downs including the vertical residential development of Jordan Downs Phase S6 (the “Project”) by Jordan Downs Phase S6, LP (“Phase S6 Owner”) and meeting with residents on redevelopment progress to ensure consistency and transparency;

WHEREAS, Jordan Downs Phase S6 will be comprised of 100 units in an affordable residential development with amenities, of which ten (10) units are Rental Assistance Demonstration (“RAD”) units and seventy-five (75) regular Project Based Voucher (“PBV”) units (the “Project”);

WHEREAS, HACLA and the Phase S6 Owner have determined that LOMOD will be the non-profit Managing General Partner for Phase S6 of the Jordan Downs redevelopment;

WHEREAS, in order to apply for funding under the State of California (“State”) Department of Housing and Community Development (“HCD”) Multifamily Housing Program (“MHP”) for the Project, it is necessary for a non-profit Managing General Partner to be admitted to the Limited Partnership now in order for the application to be competitive for funding; and

WHEREAS, LOMOD will execute the Limited Partnership Agreement (“LPA”) in advance of submission of the application to the State’s HCD MHP;

WHEREAS, HACLA and the Phase S6 Owner have agreed that the managing general partner (“MGP”) of the Limited Partnership will be LOMOD, Jordan S6-Michaels, LLC will be the administrative general partner (“AGP”), and a tax credit equity investor will be admitted to the partnership as the Investor Limited Partner (“ILP”) of the Limited Partnership at the construction financing closing and all partners will execute an amended Limited Partnership Agreement (“ALPA”);

WHEREAS, as the MGP of the Limited Partnership, LOMOD will perform those responsibilities required by the State Board of Equalization (“BOE”) to obtain and maintain the Project’s welfare property tax exemption and as otherwise provided in the LPA and will delegate and supervise other Partnership responsibilities to the AGP;

WHEREAS, LOMOD is scheduled to receive an annual MGP Partnership Management Fee in the amount of \$20,000 (subject to an annual 3% increase);

WHEREAS, after the construction finance closing and the ALPA is executed, HACLA or its instrumentality, potentially including LOMOD, will receive an option to purchase (“Purchase Option”) the Limited Partnership’s leasehold interest in the real estate and ground lease, and ownership interest of the structures, improvements, fixtures, and personal property comprising the Project, which it may exercise after the Tax Credit Compliance Period for up to 3 years, and a Right of First Refusal to purchase the Project before the Limited Partnership may accept other bona fide offers for up to three years following the close of the Tax Credit Compliance Period; and

WHEREAS, the President will return to the Board of Directors of LOMOD to approve the execution of all additional applicable primary financing and ownership documents, including the ALPA adding the equity investor, and the execution of any documents, certificates and agreements related to the Project, with the advice of legal counsel, in order to consummate the successful financial and construction closing of the Project.

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

The President, the Secretary or the Treasurer or LOMOD (collectively, the “Authorized Representatives”) and each of their respective designees, are each hereby authorized and directed, to do any and all things necessary and to execute, deliver and perform any and all financing, ownership or other documents, including the Limited Partnership Agreement adding LOMOD 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 LOMOD with respect to the Project transactions are hereby approved and ratified, and the Authorized Representatives of LOMOD and the authorized deputies and employees of LOMOD, 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 to effectuate the purpose of this Resolution, as approved by legal counsel, without further approval of the LOMOD Board of Directors.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

LA CIENEGA LOMOD, INC.

By: _____
Cielo Castro, Chairperson

APPROVED AS TO FORM:

BY: _____
James Johnson, General Counsel

DATE ADOPTED: _____

Borrower
Jordan Downs Phase S6, LP,
a California limited partnership
[Formed:]

Limited Partner
99.99%
Michael J. Levitt Revocable Trust

Managing General Partner
0.0049%
La Cienega LOMOD, Inc.,
a California nonprofit public benefit corporation
[Formed: September 10, 1975]

Administrative General Partner
0.0051%
Jordan S6-Michaels, LLC,
a California limited liability company
[Formed:]

**The Housing Authority of the
City of Los Angeles**

Board of Directors
Ben Besley, Chair
Cielo Castro, Director
Delfino de la Cruz, Director

Member
51%
Michael J. Levitt Revocable Trust

Michael J. Levitt,
a U.S. individual
(Trustee)

Member
49%
Michaels Lifting Lives 2020, LLC
a New Jersey limited liability company
[Formed: January 13, 2020]

Members
MILL-JOD, LLC – 52% (Managing Member)
Mark Morgan – 21%
Joseph F. Purcell – 21%
Kimberlee Schreiber – 6%
All U.S. individuals

Manager
0%
**The Michaels Development
Company I, L.P.**
a New Jersey limited partnership
[Formed: June 24, 1994]



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CULVER CITY, CA 90232
310.399.7975
KFALOSANGELES.COM

JORDAN DOWNS S6

CROESUS AVENUE BOCK 16 & 17
LOS ANGELES, CA 90002

THE MICHAELS ORGANIZATION
5225 WILSHIRE BLVD
LOS ANGELES, CA 90036

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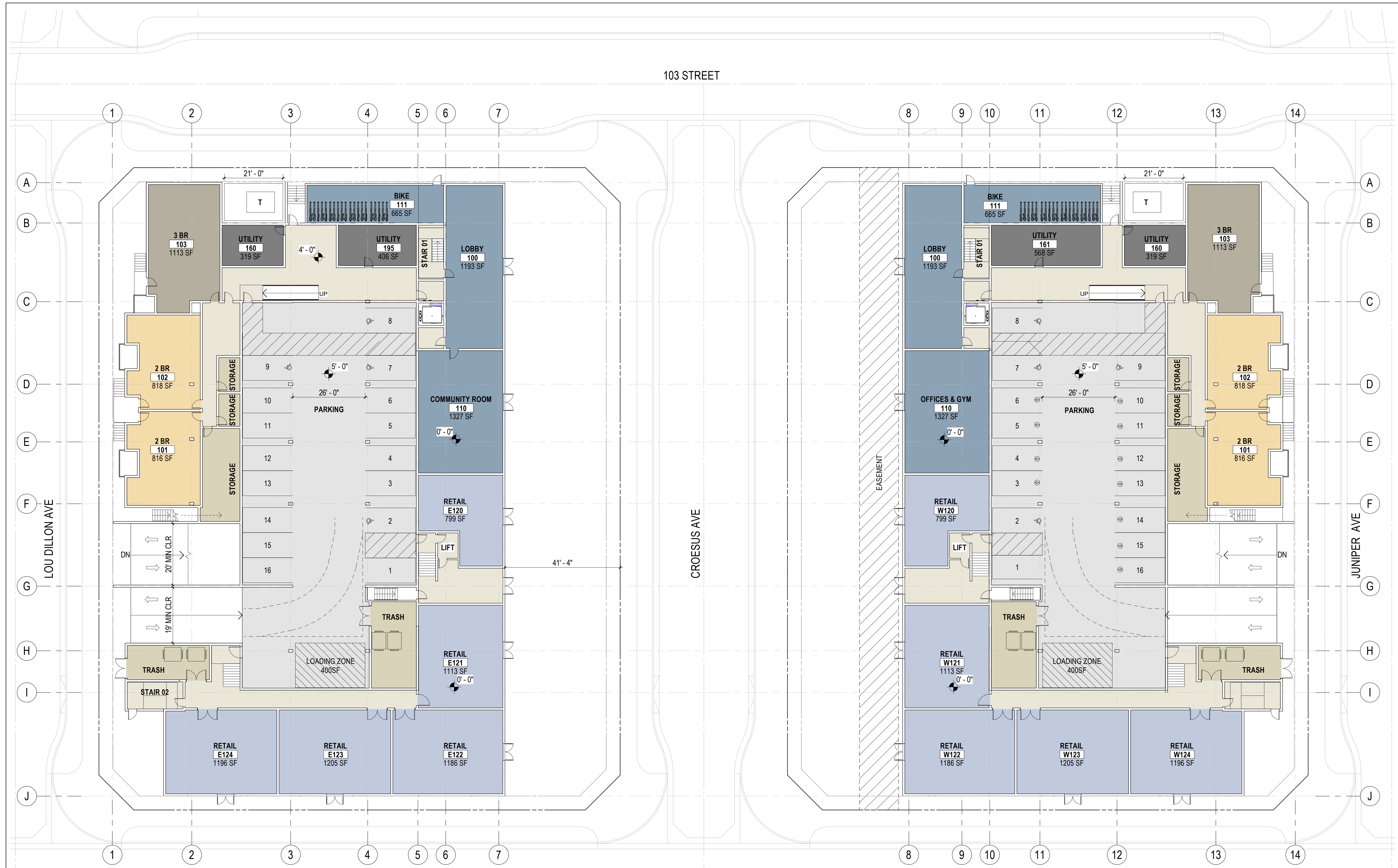
DCP EARLY REVIEW CONCEPTUAL DESIGN

JOB NUMBER:
2022-027
DATE:
06.01.22
REVISIONS:

SHEET TITLE: FIRST FLOOR PLAN

SHEET NUMBER:
A.110

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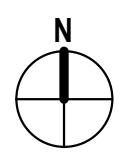
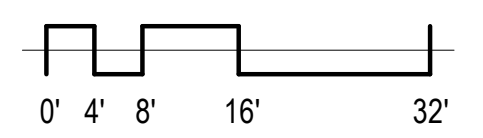
PROJECT DESCRIPTION
1 LEVEL OF PARTIAL SUBTERRANEAN
TYPE I, GROUND LEVEL TYPE I AND 3
LEVELS OF TYPE V RESIDENTIAL ABOVE.

100% AFFORDABLE WITH 2 MANAGER'S
UNITS, RESIDENTIAL AMENITIES, GROUND
FLOOR COMMERCIAL AND PARKING.

PROJECT HEIGHT
VARIES, 32' MIN TO 60' MAX

RETAIL AREA		
NUMBER	NAME	AREA
E120	RETAIL	799 SF
E121	RETAIL	1113 SF
E122	RETAIL	1186 SF
E123	RETAIL	1205 SF
E124	RETAIL	1196 SF
W120	RETAIL	799 SF
W121	RETAIL	1113 SF
W122	RETAIL	1186 SF
W123	RETAIL	1205 SF
W124	RETAIL	1196 SF
10		10998 SF

UNIT MIX & OPEN SPACE		
UNIT	# OF UNITS	REQ'D OPEN SPACE
1 BR	24	2400 SF
2 BR	42	5250 SF
3 BR	28	4900 SF
4 BR	6	1050 SF
TOTAL:	100	13600 SF



FIRST FLOOR PLAN
1/16" = 1'-0"

4