RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES TO DECLARE ITS OFFICIAL INTENT (THE INDUCEMENT) TO ISSUE, SOLELY AS CONDUIT BOND ISSUER, ONE OR MORE SERIES OF REVENUE BONDS OF THE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $30,000,000 TO FINANCE AND REFINANCE ALL OR A PORTION OF THE COST OF THE ACQUISITION, CONSTRUCTION, DEVELOPMENT, REHABILITATION, AND EQUIPPING OF VALLEY PRIDE VILLAGE LOCATED AT 13200 BROMONT AVENUE, SYLMAR, CALIFORNIA 91342, AND TO UNDERTAKE VARIOUS ACTIONS IN CONNECTION THERewith

Douglas Guthrie  
President & Chief Executive Officer

John Castanon  
Capital & Debt Officer

Purpose: The purpose of this action is to assist in making low interest rate financing available for the redevelopment and rehabilitation of Valley Pride Village (the “Project”). The Housing Authority of the City of Los Angeles (“Authority” or “HACLA”) is authorized to use its tax-exempt borrowing status to pass on lower interest rate financing to developers of affordable housing. HACLA will serve in the capacity of a conduit issuer of private activity bonds, notes or other debt to finance the Project, thus HACLA will not be the obligor of the debt. The obligor of the debt will be the owners and/or operators of the Project (the “Borrower”, as further defined in “Issues” below).

HACLA’s goal in serving as conduit bond(s) issuer for the Project is to help create affordable residential housing. The 88-unit Project in its current form can be described as mixed income, consisting of naturally occurring affordable housing (housing that is currently affordable to families with incomes below a lower-income threshold but that are not income or rent restricted, known by the acronym “NOAH”) and market rate units. Provided HACLA serves as conduit bond issuer for the Project, the developer expects to preserve approximately 20% of the units as restricted for tenants with incomes under 50% of area median income for Los Angeles County (“AMI”), 47% for tenants with incomes between 50% AMI and 80% AMI, 23% for tenants with incomes between 80% AMI and 120% AMI, with the remaining 9% of the units to be market rate (see The Project and The Borrower).

Regarding: On September 27, 2018, the HACLA Board of Commissioners (“BOC”), by Resolution No. 9455, approved the establishment of HACLA’s Conduit Bond Program through adoption of the Housing Conduit Bond Policy.

On January 27, 2022, the BOC, by Resolution No. 9791, approved revisions to the Debt Management Policy.

Issues By taking this resolution (Attachment 1) to the BOC now, the Borrower will become eligible to be reimbursed for predevelopment costs expended 60-days prior to the adoption of this resolution and through the bond issuance (the “Reimbursement Expenditures”). The proceeds of the debt offerings are expected to cover debt issuance costs, Reimbursement Expenditures, and a portion of the financing for the Project. U.S. Treasury regulations
require HACLA to declare its reasonable official intent to reimburse prior expenditures using the proceeds of a subsequent debt offering. By adopting the attached inducement resolution, HACLA declares this intent. The Project was acquired by Valley Pride Village, LP (“Borrower”) on September 29, 2022. The 60-day look-back discussed in the preceding paragraph effectively means an inducement resolution must be adopted no later than Monday, November 28, 2022 in order for the interest paid on bonds purchased to finance the Project to be exempt from federal and state income taxes.

This resolution is intended to qualify as a reimbursement resolution pursuant to Section 1.150-2 of the Income Tax Regulations and, therefore, permit bond proceeds to reimburse the Borrower for Project expenditures incurred prior to the date of issuance of the Bonds. This resolution does not legally bind HACLA to make any expenditure, incur any debt, perform as a conduit issuer or to proceed with the Project.

Adopting this resolution also authorizes HACLA staff to take actions to prepare for possible issuance of conduit bonds for the Project. This includes forming a conduit debt issuance financing team, initially consisting of CSG Advisors, Inc., (“CSG”) as municipal advisor and Kutak Rock LLP (“Kutak”) as bond counsel and arranging, scheduling and conducting a public hearing concerning the proposed Project, in accordance with the requirements of the Tax Equity and Fiscal Responsibility Act (“TEFRA”). In addition, the resolution authorizes staff to explore the possibility of issuing private activity bonds made available through the California Municipal Finance Authority (“CMFA”) bond recycling program, and/or to submit one or more applications to the California Debt Limit Allocation Committee (“CDLAC”) requesting an allocation of private activity debt issuance capacity. See Attachment 3 for summary points regarding bond recycling.

This resolution before the BOC today is the Inducement Resolution for the Project. This item is not a request for BOC authorization for staff to proceed with the execution of bond issuance. The BOC retains absolute discretion over HACLA’s issuance of debt (i) under the Housing Conduit Bond Policy, and (ii) through the BOC review and adoption of a debt issuance resolution at a future date.

Provided all terms and conditions are acceptable to HACLA, its Bond Counsel (see below) and its Municipal Advisor (see below), staff will return to the BOC to seek approval of a debt issuance resolution authorizing HACLA to proceed with the issuance of the conduit bonds.

The project sponsor (“Sponsor”) is Alliance Property Group, Inc., a California corporation. The borrowing entity (“Borrower”) is Valley Pride Village, L.P., a California Limited Partnership (the “Partnership”). The Managing General Partner (“MGP”) is Community Bible Community Development Corporation, a California nonprofit public benefit corporation. And, the Administrative General Partner (“AGP”) is Valley Pride Village GP, LLC, a Delaware limited liability company, with APG Holdings, LLC, a California limited liability company as its sole member. The Investor Limited Partner (“ILP”) will be APG Preservation Fund I, LP, a Delaware limited partnership. Within the Partnership, the AGP will have a 0.009% percentage interest, the MGP will have a 0.001% percentage interest, and the ILP will have a 99.99% percentage interest in the Project. The partnership structure is common and summarized in the organization chart presented as Attachment 4.

The bond issuance amount is not to exceed $30,000,000. Moreover, Staff expects the actual bond issuance amount will be a lower amount and closer to $25,000,000. Staff added a 20%
cushion to the $25,000,000 figure to offset greater than expected changes in the pace of inflation, and unanticipated design changes or greater rehabilitation costs for the Project. The 20% cushion translates to $5,000,000 and, thus, arrival at the $30,000,000 figure.

Built in 1971, Valley Pride Village is a multifamily residential property consisting of eight low-density, two-story, garden style structures distributed across 3.3 acres of land located in the San Fernando Valley. A site map is provided as Attachment 2. The Project address is 13200 Bromont Avenue, Sylmar (Los Angeles), California. Sylmar is a neighborhood located in the San Fernando Valley area of the City of Los Angeles, approximately 27 miles north-west of downtown Los Angeles. Valley Pride Village has primarily functioned as naturally occurring affordable housing (“NOAH”). The Project is comprised of 88-residential units. Currently, 62 (70%) of the 88-units are rented to tenants receiving tenant-based rental assistance through Housing Choice Vouchers (“HCVs”) administered by HACLA pursuant to Section 8 of the United States Housing Act of 1937, as amended (42 USC §1437f). The residential units are exclusively 1-bedroom units, and living space is approximately 571-square feet per unit.

The proposed Project is expected to preserve approximately 59 residential units for tenants with incomes at or below 80% AMI, as indicated in the table below.

<table>
<thead>
<tr>
<th>Proposed Tenant Affordability</th>
<th># Units</th>
<th>% Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 50% AMI</td>
<td>18</td>
<td>20%</td>
</tr>
<tr>
<td>&gt; 50% and &lt;80% AMI</td>
<td>41</td>
<td>47%</td>
</tr>
<tr>
<td>&gt; 80% and &lt; 120% AMI</td>
<td>20</td>
<td>23%</td>
</tr>
<tr>
<td>Market Rate</td>
<td>8</td>
<td>9%</td>
</tr>
<tr>
<td>On-site Manager</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total Units</strong></td>
<td><strong>88</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The Project was acquired by the Borrower at an all-in acquisition cost on September 29, 2022 of $19,527,000. The Borrower financed the acquisition by aggregating a $16,650,000 acquisition loan provided by Century Housing Corporation (in connection with a JPMorgan Chase BIPOC investment fund), plus $2,589,300 of equity from the MGP and $287,700 of equity from the AGP. The Century Housing acquisition loan has a term of 12 months (expiration September 2023) and is eligible for a single 12-month extension (expiration September 2024).

The developer proposes to execute approximately $2,400,000 of rehabilitation to the Project. Following the rehabilitation, the Project will include approximately 50,424 square feet of gross floor area, comprised of 48,400 square feet of residential area and 2,024 square feet of non-residential area. Non-residential spaces include a community building, leasing office and laundry facilities.

The Project features an abundance of onsite parking space, a portion of which may be used for the new construction of additional residential units—including more affordable units.
The new construction, if built, is expected to employ architectural design that takes advantage of higher residential unit density permissible for the Project location. In contrast, the existing Project is comprised of eight (8) two-story, walk-up residential structures.

Residents

Based on the current rent roll, none of the current residents will be displaced.

Project Construction and Scheduling

Issuance of the conduit bonds is anticipated in Q2 2023. Project rehabilitation is anticipated to begin in Q3 2023 and take approximately 18- to 24-months to complete. The bond issuance target may be delayed in the event market sentiment favors a material decline in interest rates/yields in Q3 2023 or sometime thereafter.

Tax-Exempt Private Activity Debt

HACLA intends to issue tax-exempt private activity bonds for this Project. The private activity bonds will be sourced from a bond recycling program. Proceeds from the sale of tax-exempt bonds will be the primary source of funds for the Project. The interest earned on bonds sold to finance lower income housing projects, where either x) 20% of the units will be restricted to occupancy by households earning not more than 50% of AMI, or y) 40% of the units will be restricted to occupancy by households earning not more than 60% of AMI is exempt from federal and state income tax. Presently, the Sponsor proposes to encumber the Project with a regulatory agreement or declaration of restrictive covenants restricting occupancy of 20% of the units to households not exceeding 50% of AMI, and may include additional restrictions as set forth above, for a period of 55 years.

The benefit of using recycled bonds is certainty. The Project will bypass having to engage in the highly competitive application process in hopes of successfully garnering an allocation of private activity bonds volume cap from the California Debt Limit Allocation Committee (“CDLAC”). The recycled bonds will be made available, and ready for issue by HACLA, at the time deemed most advantageous for the Project.

HACLA is evaluating the possible issuance of recycled private activity bonds to facilitate the financing of the Project. In preparation for the bond issuance, this inducement resolution must be in advance of such bond issuance. To yield the greatest benefits for the Project, the BOC should adopt this inducement resolution no later than November 28, 2022. These actions do not bind HACLA to incur costs or to issue private activity or other debt for the Project. HACLA would serve solely as conduit bond issuer and will not be a member of the ownership group or limited partnership. HACLA will not be contributing capital to, or incurring obligations for, this Project.

The Project represents HACLA’s ninth conduit debt issuance engagement. Staff will ensure that all elements of this transaction adhere to the Housing Conduit Bond Policy, that associated continuing disclosure requirements are timely executed, and that conduit issuance fees due HACLA are collected.

Municipal Advisor

It is in the interest of HACLA to incorporate municipal advisor services to assist in facilitating the conduit issuance of private activity debt. Pursuant to a contract negotiated between HACLA and CSG Advisors (“CSG”), HACLA will engage CSG as its municipal advisor for the conduit debt issuance associated with the Project. CSG has extensive experience with conduit debt issuance, is an established and respected municipal advisor to various governmental
entities, and has aided HACLA on prior debt offerings. CSG’s service fee for each debt offering is estimated at $55,000. Payment of the fee is the obligation of the Borrower. HACLA staff have concluded the service fee are reasonable, based upon analysis of municipal advisor fees charged to similar transactions during the past two years (source: California Debt and Investment Advisory Commission (“CDIAC”)).

**Bond Counsel**

Bond Counsel services are essential when issuing tax-exempt debt, and HACLA intends to engage the nationally recognized law firm, Kutak Rock LLP (“Kutak”). Kutak is currently under contract with HACLA to provide transactional legal services, including Bond Counsel Services (Contract No. HA-2020-29-A). Kutak’s bond counsel fee is estimated to be $100,000 for the initial series of debt offering, and up to an additional $50,000 per additional bond series. Payment of Kutak’s fees are the obligation of the Borrower. HACLA determined that Kutak’s bond counsel fees are reasonable, based on analysis of bond counsel fees charged to similar transactions during the past two years (source: CDIAC).

**Vision Plan:**

PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio.

Bond authority developed and utilized. Growth in revenue from bond authority realized to support HACLA’s objectives.

PLACE Strategy #2: Increase functionality and effectiveness of Asset Management portfolio.

Utilize available funding tools, including Tax Credits, conventional debt/equity, and Project-Based Vouchers to achieve site-based improvements and stabilized operating income and ensure long-term affordability.

**Funding:**

The Chief Administrative Officer confirms the following:

*Source of Funds:* There will be no funds required by HACLA to undertake the proposed action. The Project and related debt obligations of the Borrower are expected to be supported through rental income and the cost of the Project will be off-set by low-interest loans and potentially one or more energy conservation/renewable energy program grants.

*Budget and Program Impact:*

The budget impact to HACLA is expected to be minimal, yet positive. HACLA can expect to receive approximately $93,750 in conduit program fees at bond closing, and an additional $31,250 annually through year 2028. Total fees estimated at $281,000 through 2028. The Borrower is responsible for payment of all fees and expenses associated with the financing.

**Environmental Review:**

Not Applicable

**Section 3:**

Not Applicable

**Attachments:**

1. Resolution
2. Map of Project Site
3. Recycled Bonds Program Summary
4. Organization Chart
RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES TO DECLARE ITS OFFICIAL INTENT (THE INDUCEMENT) TO ISSUE, SOLELY AS CONDUIT BOND ISSUER, ONE OR MORE SERIES OF REVENUE BONDS OF THE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $30,000,000 TO FINANCE AND REFINANCE ALL OR A PORTION OF THE COST OF THE ACQUISITION, CONSTRUCTION, DEVELOPMENT, REHABILITATION, AND EQUIPPING OF VALLEY PRIDE VILLAGE LOCATED AT 13200 BROMONT AVENUE, SYLMAR, CALIFORNIA 91342, AND TO UNDERTAKE VARIOUS ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of Los Angeles (the “Authority” or “HACLA”) 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, private activity 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, including units for households meeting the income limits set forth in the Act;

WHEREAS, the entity described in Section 7 hereof (the “Borrower”) has requested that the Authority issue and sell its mortgage revenue bonds or notes pursuant to the Act to provide financing (including reimbursement of Borrower expenditures) for the acquisition, construction, development and rehabilitation of the multifamily rental housing development identified in Section 7 hereof, to be owned and/or operated by the Borrower (the “Project”);

WHEREAS, the Board of Commissioners of the Authority (the “Board”) hereby finds and declares that it is necessary, essential and a public purpose for the Authority to finance multifamily housing projects pursuant to the Act, in order to increase the supply of multifamily housing in the City of Los Angeles available to persons and families within the income limitations established by the Act;

WHEREAS, as an inducement to the Borrower to carry out its Project, this Board desires to adopt this resolution (the “Resolution”) and to authorize the issuance of private activity mortgage revenue bonds, notes or other evidences of indebtedness by the Authority to finance the Project (the “Bonds”), for the Project in an aggregate principal amount not to exceed the maximum amount set forth in Section 7 hereof (the “Maximum Amount”);

WHEREAS, the Authority, in the course of assisting the Borrower in the financing of the Project, expects that the Borrower has paid or may pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Project within 60 days prior to the adoption of this Resolution and may incur additional Reimbursement Expenditures within 60 days prior to the adoption of this Resolution and prior to the issuance of indebtedness for the
purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, Section 1.142-4 and Section 1.150-2 of the Treasury Regulations promulgated under the below defined Code (the “Treasury Regulations”) require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

WHEREAS, this resolution is intended to qualify as a reimbursement resolution pursuant to Section 1.150-2 of the Income Tax Regulations and, therefore, permit bond proceeds to reimburse the borrower for Project expenditures incurred prior to the date of issuance of the Bonds;

WHEREAS, Section 146 of the Internal Revenue Code of 1986 (the “Code”) limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state;

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California (the “Government Code”) governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity multifamily housing mortgage revenue bonds;

WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an application with the California Debt Limit Allocation Committee (“CDLAC”) prior to the issuance of private activity multifamily housing mortgage revenue bonds; and

WHEREAS, the Board hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act.

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

Section 1. The recitals hereinabove set forth are true and correct, and this Board of Commissioners so finds.

Section 2. The Board hereby determines that it is necessary and desirable to provide financing for the Project by the issuance and sale of Bonds pursuant to the Act and hereby authorizes the issuance and sale of the Bonds in one or more series from time to time pursuant to a plan of financing by the Authority and the Bonds for the Project will be issued in an aggregate principal amount not to exceed the Maximum Amount in Section 7 below. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, provided that nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any officer, agent or employee of the Authority will grant any approval, consent or permit which may be required in connection with the acquisition and construction or rehabilitation of the Project or the issuance of the Bonds.
Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be agreed upon by the Authority and the Borrower and the initial purchasers of the Bonds; provided, however, that no Bonds shall be sold or issued unless specifically authorized by a subsequent resolution of this Board.

Section 4. This Resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.142-4 and Section 1.150-2 of the Treasury Regulations. In that regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. Notwithstanding the foregoing, this resolution does not bind the Authority to make any expenditure, incur any indebtedness, or proceed with the Project. This resolution is intended to qualify as a reimbursement resolution pursuant to Section 1.150-2 of the Income Tax Regulations and, therefore, permit bond proceeds to reimburse the borrower for Project expenditures incurred prior to the date of issuance of the Bonds.

Section 5. The Designated Officers (defined in Section 8 below) of the Authority are hereby authorized to file applications with CDLAC and directed to apply to CDLAC for a private activity bond allocation for application by the Authority for the issuance of the Bonds in one or more series from time to time for the Project in an amount not to exceed the Maximum Amount, to collect from the Borrower an amount equal to the performance deposit required by CDLAC and to certify to CDLAC that such amount has been placed on deposit in an account in a financial institution.

Section 6. The Designated Officers of the Authority are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable provided that the terms and conditions under which the Bonds are to be issued and sold shall be approved by this Board in a subsequent resolution and in the manner provided by law prior to the sale thereof.

Section 7. The “Project,” the “Borrower” and the “Maximum Amount” are set forth below:

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>Address:</th>
<th>Units:</th>
<th>Project Sponsor and Borrower:</th>
<th>Maximum Amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valley Pride Village</td>
<td>▪ 13200 Bromont Avenue, Sylmar (Los Angeles), California 91342 and vicinity. Sylmar is a neighborhood located within</td>
<td>88</td>
<td>The project sponsor (“Sponsor”) is Alliance Property Group, Inc. The borrowing entity (“Borrower”) is Valley Pride Village, L.P., a California Limited Partnership (the “Partnership”). The Managing General Partner (“MGP”) is Community Bible Community Development Corporation, a</td>
<td>$30,000,000; consisting of tax-exempt private activity bonds and/or taxable debt.</td>
</tr>
</tbody>
</table>
the San Fernando Valley area of the City of Los Angeles.

California nonprofit public benefit corporation. The Administrative General Partner (“AGP”) is Valley Pride Village GP, LLC, a Delaware limited liability company, with APG Holdings, LLC, a California limited liability company as its sole member. The Investor Limited Partner (“ILP”) will be APG Preservation Fund I, LP, a Delaware limited partnership.

Section 8. BE IT FURTHER RESOLVED that the Designated Officers of the Authority referred to above are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Guthrie</td>
<td>President and Chief Executive Officer</td>
</tr>
<tr>
<td>Marlene Garza</td>
<td>Chief Administrative Officer</td>
</tr>
<tr>
<td>Jenny Scanlin</td>
<td>Chief Development Officer</td>
</tr>
<tr>
<td>Margarita Lares</td>
<td>Chief Programs Officer</td>
</tr>
</tbody>
</table>

Section 9. BE IT FURTHER RESOLVED that this Resolution shall be effective upon its adoption.

APPROVED AS TO FORM

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ____________________________        By: ____________________________
   James Johnson, General Counsel       Cielo Castro, Chairperson

DATE ADOPTED: ____________________________
ATTACHMENT 2
MAP OF PROJECT SITE
(i) Section 146 of the Internal Revenue Code of 1986 generally requires that volume cap be applied in order to issue tax-exempt private activity bonds, including bonds for qualified residential rental projects. However, an exception applies in certain cases where a new private activity bond is issued to refund an existing bond, such that no volume cap need be applied in order to issue the refunding bond in a like principal amount on a tax-exempt basis. Further, Section 146(i) of the Code expands this refunding exception to cover new private activity bonds issued as part of an arrangement in which loan repayments from loans funded with a prior bond are recycled into new loans for the benefit of conduit borrowers who were not beneficiaries of the prior debt. Thus, new borrowers who would typically need to have a “new money” bond requiring volume cap allocated for their benefit do not require it.

(ii). (a) The issuer has 6 months from the date the original loan is repaid to issue a new private activity bond and make a new loan, and the new bond must also be issued within 4 years of the original bond. Note that the proceeds of the second bond must be used to repay the original bond, and the original loan repayments are loaned out through the second loan, therefore there are additional timing issues for all parties.

(b) Funds provided for the second loan through this arrangement do not count toward the 50% LIHTC test.

(c) Second bond must have maturity of no more than 34 years.

(d) Only one such refunding/recycling arrangement per original issuance of bonds.

(iii). HACLA’s current conduit issuance volume is low. If HACLA has one conduit issuance a year, creating the possibility for 1 refunding each year. These programs require significant volume to work.

(iv). The main factor is that there needs to be a demand for tax-exempt financing (as opposed to taxable). Recycling makes sense if/when spreads between tax-exempt and taxable financing increase. Because funds provided through the second bond/loan do not count toward the LIHTC test, the demand for such bonds differs from those other usual tax-exempt conduit deals. Volume is another factor that was pointed out above.

(v). HACLA could be the conduit issuer of the initial bonds and maybe the issuer of the recycled bonds. No other entity is necessary. Recycling HACLA’s bonds could provide the tax-exempt private activity financing for HACLA projects, like 327 Harbor, that encounter difficulties with scoring high enough to compete for bond allocation through the CDLAC competitive application process.

(vi). Collaborating with an entity like CMFA, which operates a relatively large bond recycling program, could be beneficial due to the timing constraints discussed above.

(vii). By going forward on a solo basis, HACLA would be able to keep all of the fees but would likely miss out on potential borrowers who could use the recycled bonds.