

RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC., IN ITS CAPACITY AS THE MANAGING GENERAL PARTNER OF JORDAN DOWNS PHASE S4, L.P., TO ACCEPT STATE OF CALIFORNIA, DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MULTIFAMILY HOUSING PROGRAM LOAN FUNDING IN AN AMOUNT NOT TO EXCEED \$17,000,000, AND TO ENTER A STANDARD AGREEMENT AND VARIOUS NOTES, COVENANTS, AND AGREEMENTS IN CONNECTION THEREWITH, AND FURTHER AUTHORIZING THE PRESIDENT, SECRETARY, OR TREASURER TO EXECUTE ALL DOCUMENTS AND UNDERTAKE ALL ACTIONS NECESSARY TO EFFECTUATE THIS PURPOSE



Tina Smith-Booth
President



Lisette Belon
Secretary

Purpose: To approve and adopt a revised resolution authorizing La Cienega LOMOD, Inc., a California nonprofit public benefit corporation (“La Cienega”), in its capacity as the Managing General Partner (“MGP”) of the Jordan Downs Phase S4, L.P., a California limited partnership (the “Partnership”), to accept State of California, Department of Housing and Community Development (“HCD”) Multifamily Housing Program (“MHP”) loan funding in an amount not to exceed \$17,000,000 (“MHP Loan”), and to enter a State of California Standard Agreement (“Standard Agreement”) and various documents in connection with the MHP Loan, including but not limited to, a promissory note, deed of trust and security agreement, regulatory agreement, development agreement, related amendments, and various other documents in connection therewith (collectively, the “MHP Loan Documents”), and authorizing the President, Secretary, or Treasurer to execute all documents and undertake all actions necessary to effectuate these purposes.

Regarding: On June 28, 2012 by Resolution 8969, the Housing Authority of the City of Los Angeles (“HACLA”) Board of Commissioners unanimously authorized its President & CEO to execute a Master Development Agreement (“MDA”) with Jordan Downs Community Partners, LLC (“Master Developer”), a joint venture of 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 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, La Cienega, to participate in Phase S4 of the Jordan Downs redevelopment (“Phase S4”) as the MGP.

On August 27, 2020, by Resolution 2020-02, La Cienega’s Board of Directors (“Board”) authorized La Cienega’s entrance into Jordan Downs Phase S4 L.P. (the “Partnership”). This early partnership entrance, which would typically have occurred closer to the construction loan closing date of Phase S4, was effectuated so as to increase the Partnership’s likelihood of being awarded an MHP Loan. La Cienega joined the Partnership via an Amended and Restated Agreement of Limited Partnership on September 1, 2020.

On February 18, 2022, the Partnership received notification that it had been awarded the MHP Loan under HCD's Round 4 NOFA, in an amount not to exceed \$17,000,000 and on March 31, 2022, by Resolution No. 2022-03, La Cienega's Board of Directors ("Board") authorized La Cienega's acceptance of up to \$17,000,000 in HCD MHP Loan funding in its capacity as Managing General Partner ("MGP") of the Partnership.

Issues: The purpose of this resolution is to correct what HCD has determined to be two technical errors in the resolution adopted by the Board in March 2022. By correcting the errors, the Partnership will be able to enter into the Standard Agreement and all other related documents which have already been approved but are awaiting full execution. The Partnership's name was incorrectly identified in the title of Resolution No. 2022-03 as "Jordan Downs Phase S4, LP." The attached resolution corrects the name to "Jordan Downs Phase S4, L.P." as registered with the California Secretary of State. This resolution also deletes language that appeared in Resolution No. 2022-03 authorizing designees of La Cienega's authorized representatives to take actions and execute documents relating to Resolution No. 2022-03. These modifications are being made at the request and direction of HCD's representative as a condition for HCD's final approval of all MHP Loan documents.

The financial construction closing of Phase S4 is estimated to occur in the second quarter of 2023, and the Board should anticipate additional actions on the final financing plan to be presented for its contemplation prior to such closing.

Loans under MHP are provided for post-construction permanent financing, and must be used to assist the new construction, rehabilitation, or preservation of permanent and transitional housing for lower income households. The MHP Loan attached to Phase S4 provides highly attractive terms and conditions including a 55-year term with 3 percent simple interest on unpaid principal balance, and payments in the amount of 0.42 percent due annually for the first 30 years of the loan term. The annual payment for the next 25 years will be set by HCD in year 30, at the minimum amount necessary to cover HCD monitoring costs, with the balance of unpaid principal and interest due and payable upon completion of the MHP Loan term.

The attached resolution is in a form we believe sufficient to satisfy MHP's general partner authorization requirements for the MHP Loan. Resolution No. 2022-03 will be superseded and replaced by the current resolution.

Funding: No Funding is required for this action. Loan repayment obligations under the MHP Loan will be paid from Partnership revenues.

Environmental Review:

Pursuant to 24 CFR Part 58, the City of Los Angeles Housing Department (“LAHD”) 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 LAHD 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 HACLA’s Request for Release of Funds and Environmental Certification.

Attachment:

1. Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC., IN ITS CAPACITY AS THE MANAGING GENERAL PARTNER OF JORDAN DOWNS PHASE S4, L.P., TO ACCEPT STATE OF CALIFORNIA, DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MULTIFAMILY HOUSING PROGRAM LOAN FUNDING IN AN AMOUNT NOT TO EXCEED \$17,000,000, AND TO ENTER A STANDARD AGREEMENT AND VARIOUS NOTES, COVENANTS, AND AGREEMENTS IN CONNECTION THEREWITH, AND FURTHER AUTHORIZING THE PRESIDENT, SECRETARY, OR TREASURER TO EXECUTE ALL DOCUMENTS AND UNDERTAKE ALL ACTIONS NECESSARY TO EFFECTUATE THIS PURPOSE

WHEREAS, La Cienega LOMOD, Inc. (“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 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 unanimously authorized the President and CEO to execute a Master Development Agreement (“MDA”) with Jordan Downs Community Partners, LLC (“Master Developer”) for the redevelopment of Jordan Downs following which the MDA between the Authority and the Master Developer was executed on August 1, 2012;

WHEREAS, the Master Developer is a joint venture of BRIDGE Housing Corporation and The Michaels Development Company I, L.P., a New Jersey limited partnership (“Michaels”);

WHEREAS, the Authority 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 the Phase S4 Residential Project (the “Project”) by Jordan Downs Phase S4, L.P., a California limited partnership (the “Borrower”) and meeting with the residents on redevelopment progress to ensure consistency and transparency;

WHEREAS, Jordan Downs Phase S4 will be comprised of 90 units in an affordable residential development with amenities, of which seventeen (17) units are Rental Assistance Demonstration units, fifty-six (56) are regular Project-Based Voucher units, and seventeen (17) units will be unrestricted;

WHEREAS, on August 27, 2020, via Resolution 2020-02, La Cienega’s Board of Directors (the “Board”) determined that it was in the best interest of La Cienega for it to act as the non-profit Managing General Partner of the Borrower;

WHEREAS, on September 1, 2020, via an Amended and Restated Agreement of Limited Partnership, La Cienega joined the Borrower as its Managing General Partner, with Jordan S4-Michaels, LLC as its Administrative General Partner and Michael Levitt and Andrew J. Bocchino as its Limited Partners;

WHEREAS, on July 23, 2021, the State of California Department of Housing and Community Development (the "Department") issued a Round 4 Notice of Funding Availability ("NOFA") for loans under its Multifamily Housing Program ("MHP");

WHEREAS, loans under the MHP must be used to assist the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower income households, and are provided for post-construction permanent financing under terms and conditions that typically include a 55-year term and 3 percent simple interest on unpaid principal balance;

WHEREAS, Michaels, acting as the NOFA application sponsor, submitted a NOFA application on behalf of Borrower for MHP loan funding to support Project construction activities;

WHEREAS, on February 18, 2022, the Department provided notification that the Borrower has been assigned a conditional commitment of MHP loan funding under the NOFA;

WHEREAS, the Department's award of MHP loan funding, in an amount not to exceed \$17,000,000, is subject to certain conditions, including La Cienega's formal authorization of various actions via Board resolution; and

WHEREAS, on March 31, 2022, via Resolution 2022-03, the Board provided authorization of various actions pertaining to the Department's award of MHP loan funding, but the Department's representative has determined that the authorization provided under Resolution No. 2022-03 is insufficient, and has requested various edits to that authorization as reflected herein.

NOW, THEREFORE, IT IS RESOLVED, that La Cienega is hereby authorized to act as the Managing General Partner of the Borrower in connection with the Department's loan of funds to the Borrower pursuant to the above-described Notice of Funding Availability in an amount not to exceed \$17,000,000 (the "MHP Loan").

RESOLVED FURTHER, that in connection with the Borrower's MHP Loan, La Cienega is authorized and directed to enter, execute, and deliver, as the Managing General Partner of the Borrower, a State of California Standard Agreement, and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of the above resolution, in order to evidence the MHP Loan, the Borrower's obligations related thereto, and the Department's security therefore; including, but not limited to, a promissory note, a deed of trust and security agreement, a regulatory agreement, a development agreement and certain other documents required by the Department as security for, evidence of, or pertaining to the MHP Loan, and all amendments thereto (collectively, the "MHP Loan Documents").

RESOLVED FURTHER, that La Cienega's Officers hereby authorized to execute the MHP Loan Documents and any amendments or modifications thereto, on behalf of La Cienega for itself and as the Managing General Partner of the Borrower, are as follows:

Tina Smith-Booth, President
Lisette Belon, Secretary
Patricia Kataura, Treasurer

RESOLVED FURTHER, that the President, the Secretary or the Treasurer of La Cienega (collectively, the "Authorized Representatives"), are each hereby authorized and directed, to do any and all things necessary and to execute, deliver and perform any and all MHP Loan Documents, 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 Authorized Representatives with respect to the MHP Loan Documents and Project transactions are hereby approved and ratified, and the Authorized Representatives 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 Board.

RESOLVED FURTHER, that this Resolution supersedes and replaces the authorization previously provided under Resolution No. 2022-03.

RESOLVED FURTHER, that this Resolution shall take effect immediately.

Passed and adopted by the Board of Directors of La Cienega LOMOD, Inc. by the following vote:

___AYES

___NAYS

___ABSTAIN

___ABSENT

APPROVED AS TO FORM:
JAMES JOHNSON

LA CIENEGA LOMOD, INC.

BY: _____
GENERAL COUNSEL

BY: _____
CHAIRPERSON

DATE ADOPTED: _____

CERTIFICATE OF THE SECRETARY

The undersigned, Secretary of La Cienega LOMOD, Inc. does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of La Cienega LOMOD, Inc. which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

BY: _____
LISETTE BELON, SECRETARY