$88.7mm*
$49.8mm*
Housing Authority of the City of Los Angeles
Multifamily Housing Revenue Bonds
Senior Series 2024A
Subordinate Series 2024B
(Clarendon Apartments)







Transaction Overview

Section I

The Facilities



One five-story residential building

335 Residential Units

51 Studios

134 One-bedrooms

140 Two-bedrooms

10 Three-bedrooms

564 Parking Spaces









HACLA

The Facilities (continued)



Clubhouse On-Site, Fitness Facility, Whirlpool & Sauna, Basketball Court,Swimming Pool, Gated Parking, Storage Units, Package Concierge System, EV Charging Stations, Pet Exercise Area, Barbeque Area and Business Center









HACLA

Property Amenities

- Amenities include a clubhouse, fitness facility, whirlpool, sauna, basketball court and a swimming pool

- Alongside the wellness amenities, the property contains ample gated parking, several storage units, a package concierge system, EV charging stations, a pet exercise area, a BBQ area and a business center

Fitness Center



HACLA

Property Facts

Address: 22121 Clarendon Street, Woodland Hills, CA 91367

Primary Land Area: 4.180 acres

Gross Building Area: 583,153 square feet

Units: 335 (51 Studios, 134 One Bedrooms, 140 Two Bedrooms, 10 Three Bedrooms)

Parking Spaces: 564 (1.68 spaces per unit)

Buildings: 1 (5 stories)

Year Built: 2020

Property Manager: Greystar

Purchase and Sale Agreement: Executed April 2024 at $141.9mm (~$423,500/unit).



- **Highest Resource Neighborhood** – Close proximity to schools, healthcare, employment, jobs, and retail
- **Qualifies for HACLA Tier 3 Small Area Fair Market Rent Voucher Payment Standard** – Section 8 reimbursement is in the highest category

Sources: HACLA, LA Times

HACLA

Property Affordability

- Affordability restrictions per Declaration of Restrictive Covenants Affecting Real Property listed below
- Regulatory Agreement to provide for maximum rent increases of 4% annually for existing tenants. (New move-ins subject to then-current AMI rents.)
- Market rate units will be transitioned over time to restricted units. For proforma purposes, the annual unit turnover is assumed to be 20% (consistent with historical property turnover), which equates to approximately 6 units per month. Future turnover among income qualified residents is expected to be lower
- 50 units will be covered by a project-based Section 8 Housing Assistance Payment Contract through HUD's Faircloth to RAD Program

Income Restriction Level	# of Units
30% AMI (RAD/Faircloth)	**24**
50% AMI (RAD/Faircloth)	**26**
50% AMI (non-RAD/Faircloth)	**16**
80% AMI	**46**
120% AMI	**133**
150% AMI	**88**
Manager Units	**2**
Total	***335***

Financing Overview

Section III

Acquisition of Clarendon Apartments

- Clarendon Apartments is a class A stabilized multifamily building currently operating as a market rate property located at 22121 Clarendon St, Woodland Hills, CA 91367. The building was completed in 2020 and contains 335 units

- The Housing Authority of The City of Los Angeles ("HACLA") is offering the $88,700,000* Senior Series 2024A and $49,820,000* Subordinate Series 2024B Bonds to finance the acquisition of Clarendon Apartments:
  - Senior Bonds are rated A- (expected) by Fitch
  - Subordinate Bonds are nonrated
  - Transaction closing anticipated to be December 19, 2024

- The Bonds will fund a loan to Housing Pathways, Inc. (the "Borrower")

- Additional sources of funding:
  - $12,500,000 Borrower Equity
  - $5,000,000 Foundation Loan

- The Bonds will be exempt from Federal and California state taxes. The Bonds will be non-AMT

- Unit Mix (upon achievement of Transition):
  - 24 units at 30% AMI (RAD/Faircloth)
  - 26 units at 50% AMI (RAD/Faircloth)
  - 16 units at 50% AMI (non-RAD/Faircloth)
  - 46 units at 80% AMI
  - 133 units at 120% AMI
  - 88 units at 150% AMI
  - 2 manager units

** Preliminary, subject to change*
Source: HACLA

Transaction Overview Senior Bonds

Issuer:	Housing Authority of the City of Los Angeles ("HACLA")
Series:	Multifamily Housing Revenue Bonds 2024A (Clarendon Apartments)
Par Amount:	~$88,700,000
Security Interest	1st lien deed of trust
Use of Funds:	(i) Finance the acquisition and improvement of a multifamily rental housing development consisting of a total of 335 units and related improvements, personal property and equipment known as Clarendon Apartments and the related real property in the City of Los Angeles, California (the "Property") (ii) Fund deposits and reserves for the payment of debt service and certain other uses as set forth in the Preliminary Official Statement. (iii) Pay costs and expenses incidental to the issuance of the Bonds
30% - 150% AMI Conversion:	The Property is currently being operated at market rents except for 26 existing units which are reserved for tenants whose incomes do not exceed 30% of AMI pursuant to existing LAHD requirements. Upon acquisition and as tenants turn over, the Property will transition to a mix of affordable and workforce level rents as per the 'Property Affordability' slide below
Tax Status:	Federal and State of California tax-exempt, non-AMT
Denominations:	Minimum denominations of $5,000 or any integral multiple in excess thereof
Bond Structure:	Publicly offered bonds, 2 years interest only followed by 35 years of amortization providing approximate level annual debt service at a minimum 1.50x Debt Service Coverage
Rating:	Fitch "A-" expected
Redemption Provisions:	The Series 2024A Bonds are subject to mandatory redemption pursuant to serial bond and term bond sinking fund amortization commencing in Year 3. Upon commencement of amortization, mandatory redemptions will provide for (approximate) level annual debt service through the maturity date Optional Redemption: the Bonds will be subject to optional redemption in whole or in part beginning on the interest payment date that is ~10 years from the closing date
Series 2024B Bonds:	Concurrent with the Series 2024A Bonds, HACLA will issue its ~$49,820,000* Multifamily Housing Revenue Bonds (Clarendon Apartments) Subordinate Series 2024B (the "Subordinate Bonds"). The Subordinate Bonds are not being offered pursuant to the Preliminary Official Statement. Certain features of the Subordinate Bonds are described herein only as they relate to the overall financing
Distribution Restrictions:	There are no distribution restrictions on the Clarendon Series 2024A Bonds
Financing Schedule:	Pricing: Thursday, December 5th, 2024* Closing: Friday, December 19th, 2024*

** Preliminary, subject to change*

Transaction Overview Subordinate Bonds

Issuer:	Housing Authority of Los Angeles ("HACLA")
Series:	Multifamily Housing Revenue Bonds (Clarendon Apartments) Subordinate Series 2024B
Par Amount:	~$49,820,000*
Security Interest	1st lien deed of trust, subject to priority of Senior Bonds' 1st lien
Use of Funds:	(i) Financing the acquisition and improvement of a multifamily rental housing development consisting of a total of 335 units and related improvements, personal property and equipment known as Clarendon Apartments and the related real property in the City of Los Angeles, California (the "Property") (ii) Funding deposits and reserves for the payment of debt service and certain other uses as set forth herein (iii) Paying costs and expenses incidental to the issuance of the Bonds
30% - 150% AMI Conversion:	The property is currently being operated at market rents except for 26 existing units which are reserved for tenants whose incomes do not exceed 30% of AMI pursuant to existing LAHD requirements. Upon acquisition and as tenants move out, the Property will transition to a mix of affordable and workforce level rents as per the 'Property Affordability' slide below
Tax Status:	Federal and State of California tax-exempt, non-AMT
Denominations:	$250,000 minimum denomination with $1 increments in excess thereof
Bond Structure:	Structured to 1.10x minimum Debt Service Coverage subject to TURBO principal amortization pursuant to sections 3.01b and 5.09 of the Trust Indenture
Rating:	None
Redemption Provisions:	The Series 2024B Bonds are subject to 'TURBO' mandatory redemption from excess cash flow commencing Year 3. Optional Redemption: the bonds will be subject to optional redemption in whole or in part beginning on the interest payment date that is ~10 years from the closing date
Series 2024A Bonds:	Concurrent with the Series 2024B Bonds, the Issuer is issuing its ~$87,000,000* Multifamily Housing Revenue Bonds (Clarendon Apartments) Senior Series 2024A (the "Senior Bonds"). The Senior Bonds are not being offered pursuant to the Preliminary Limited Offering Memorandum. Certain features of the Senior Bonds are described herein only as they relate to the overall financing
Qualified Institutional Buyers:	Subordinate Bonds will be offered (through a separate offering document) to Accredited Investors and Qualified Institutional Buyers only. The offering of the Bonds will be exempt from the requirements of Rule 15c2-12. The Bonds will be sold to no more than 35 persons each of whom the Underwriter reasonably believes: (a) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the investment, and (b) is not purchasing for more than one account or with a view to distributing the securities
Financing Schedule:	Pricing: Thursday, December 5th, 2024* Closing: Friday, December 19th, 2024*

** Preliminary, subject to change*

Transaction Sources and Uses (est)

ESTIMATED SOURCES AND USES OF FUNDS AT CLOSING

	Equity and Soft Debt	Series 2024A (TE) Senior	Series 2024B (TE) Subordinate	TOTAL
Sources of Funds:				
Principal Amount of Bonds	$ -	$ 87,000,000	$ 49,820,000	**$ 136,820,000**
Foundation Loan	5,000,000			**5,000,000**
HACLA Equity	11,500,000.00			**11,500,000.00**
Total Sources:	**$ 16,500,000**	**$ 87,000,000**	**$ 49,820,000**	**$ 153,320,000**

Uses of Funds:	0 Equity and Soft Debt	Series 2024A (TE) Senior	Series 2024B (TE) Subordinate	TOTAL
Acquisition Costs	$ 16,500,000	$ 78,569,200	$ 46,830,800	**$ 141,900,000**
Capital Improvements		550,000		**550,000**
Soft Costs		845,500		**845,500**
Transition Fund		1,415,273		**1,415,273**
Operating Reserve Fund	-	731,633		**731,633**
Replacement Reserve	-	93,750		**93,750**
Debt Service Reserve Fund for Senior Bonds	-	2,481,719		**2,481,719**
Debt Service Reserve Fund for Subordinate Bonds			2,989,200	**2,989,200**
Est. Costs of Issuance:		2,312,925		**2,312,925**
Total Uses	**$ 16,500,000**	**$ 87,000,000**	**$ 49,820,000**	**$ 153,320,000**

* Draft S&U of Funds