



Metro

Los Angeles County
Metropolitan Transportation Authority

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September 6, 2017

TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON *PAW*
CHIEF EXECUTIVE OFFICER

FROM: THERESE MCMILLAN *Tme*
CHIEF PLANNING OFFICER

SUBJECT: MATCH LOAN FUND CLOSING

ISSUE

In August 2016, the Board approved an investment of \$9 million in the Metro Affordable Transit Connected Housing (MATCH) Loan fund. This Board Box is to report on the closing of this loan fund and formation of the MATCH Advisory Committee.

DISCUSSION

As directed by the Board, staff has worked with a consortium led by the California Community Foundation (CCF), the Low Income Investment Fund (LIIF) and Enterprise Community Partners (ECP) to negotiate terms and conditions for investing in Metro Affordable Transit Connected Housing Program (MATCH), focused on funding affordable housing preservation and new development. Metro's \$9 million investment has leveraged another \$9 million from CCF, The California Endowment and the Weingart Foundation.

The \$18 million investment from Metro and foundations will serve as top loss for the two loan products under MATCH, estimated at \$75 million in total loan origination: the Housing + Transportation (H+T) Loan Product and the Predevelopment Loan Product. The H+T Loan Product provides patient acquisition funding for affordable housing developers to purchase qualified multifamily properties near transit and hold them for 5-10 years with short term affordability restrictions while community and site-specific plans are completed to significantly increase the number of affordable units. The Predevelopment Loan Product provides predevelopment financing for new affordable housing planned near transit.

Three Community Development Financial Institutions (CDFI) will manage the MATCH loan program and originate the loans: Low Income Investment Fund (LIIF), which also serves as Fund Administrative Agent; Enterprise Community Loan Fund (ECLF); and Local Initiatives Support Corporation (LISC).

All parties have executed the Distribution Agreement and Loan Documents and starting September 13, 2017, LIIF will begin actively marketing the program. Staff has worked with the partners on a press release and Metro will post about the program on *The Source*.

As part of the MATCH fund, the Board directed creation of the MATCH Advisory Committee, to advise on such topics as outreach to potential borrowers, geographic distribution of funds, performance goals and metrics. The first Advisory Committee meeting was held on September 1, 2017. The members and Committee Charter are included as Attachment A.

The Board also directed investment of \$1 million in a Transit Oriented Communities (TOC) Small Business Loan fund, to be operated by the Community Development Commission (CDC) of the County of Los Angeles. In August 2017, the CDC secured County Board of Supervisors approval of the program and executed an agreement with Metro to develop and operate the program. Staff anticipates a formal launch of this program in early 2018.

NEXT STEPS

Staff will work with LIIF, the other foundation partners and the Advisory Committee to market the MATCH program. Staff will continue to work with the CDC to finalize program development of the TOC Small Business Loan Fund.

Should you have any questions please contact Jenna Hornstock, Executive Officer for Transit Oriented Communities, at (213) 922-7437.

Attachment A MATCH Advisory Committee Charter and Members

The Los Angeles County Metropolitan Transportation Authority (Metro) Affordable Transit Connected Housing Loan Program (MATCH)

Advisory Committee Charter

ARTICLE I: Purpose

The Metro MATCH Advisory Committee (“Advisory Committee” or “Committee”) will provide input to the Metro MATCH LLC, a California Limited Liability company (“LLC”) and Metro on the MATCH Program (“Program”) on the topics of outreach, technical assistance, coordination with other funding sources and feedback, more specifically outlined in Article VI, below.

ARTICLE II: Term

The Advisory Committee will be convened within 21 days of closing of the Program (as defined per the Program legal documents). The committee will meet regularly throughout the loan origination period of the Program, including any extensions of the loan origination period.

ARTICLE III: Membership

1. Committee members shall be selected through appointment by the Metro Chief Executive Officer (“CEO”), the President of the California Community Foundation, and the CEO/President of the Low Income Investment Fund and shall be experienced in the affordable housing industry within Los Angeles County. Members could, for example, represent the following organizations:
 - Real estate developers (including those with a small portfolio and primary experience with projects smaller than 60 units)
 - Community Based Organizations, with experience supporting affordable housing development
 - City / County government, preferably from departments/positions that work on affordable housing.
 - Foundations working on Cap and Trade Affordable Housing Sustainable Communities (AHSC) or other affordable housing-specific initiatives
 - The Southern California Association of Non-Profit Housing
2. Metro staff will ensure geographic distribution of members in Los Angeles County.
3. The Committee may have up to 15 members, serving staggered¹, three-year terms. Members can serve up to one additional three year term, if reappointed.
4. The Chair or two Co-Chairs (to be decided by the Advisory Committee) shall be elected by the membership of the Advisory Committee, and serve three year term(s). The duties of the Chair or Co-Chairs shall be to:
 - To preside at the meetings of the Advisory Committee;

¹ Staggering would be achieved by randomly selecting committee members to have 1, 2, and 3 year terms, at the outset of the committee.

- Coordinate with the Program and Metro staff in the preparation of an agenda for each meeting; and
- Call special meetings of the Advisory Committee as they are needed.

ARTICLE IV: Meetings

1. The Advisory Committee shall meet prior to the scheduled implementation of the Program, and then quarterly in the first year of the Program, and bi-annually thereafter, at dates, times and locations to be agreed upon by the membership.
2. At any meeting of the Committee, a total of fifty percent (50%) of all current committeemembers plus one (1) member shall constitute a quorum for the committee to meet.
3. Meeting dates may be changed by consensus.
4. The Co-Chairs/Chair may call special meetings of the Advisory Committee.
5. Notices of meetings shall be emailed to all members at least two weeks before each meeting.
6. In the absence of the Chair/Co-Chairs, the Committee shall determine the presiding officer for the meeting.
7. The Program and Metro staff shall provide support to the Committee; prepare meeting notes of Committee meetings, disburse meeting notes to MATCH partners, and keep an up-to-date roster of Committee members.
8. Agendas for meetings shall be designed such as to not exceed two (2) hours, unless a majority of the members vote to continue a particular meeting.
9. The Committee approves meeting minutes and any other reports produced by Program and Metro staff.
10. All meetings will be open to the public.

ARTICLE V: Committee Member Responsibilities

1. Attend quarterly all meetings of the Advisory Committee.
2. Serve as ambassadors for the Program to the public and community development community.
3. The Committee will serve solely in an advisory capacity and will have no legal authority over the Program or its operations.

ARTICLE VI: Advisory Topics

The Advisory Committee members shall advise on the following topics:

1. Outreach
 - How to notify developers, advocates and others to ensure the program is marketed to a broad base of potential borrowers
 - How to ensure that developers are aware of the availability of the funds and be prepared to use them
2. Technical Assistance
 - Identification of technical assistance needs to ensure the Program is a usable tool and developers have the assistance they need to use it
3. Funding Coordination
 - How to coordinate the Program with AHSC, federal and state Low Income Housing Tax Credits and other funding sources
4. Geography
 - How to outreach to smaller cities and developers within them and distribute projects across Los Angeles County
5. Feedback
 - Gather feedback from developers who are using the Program to improve process as the Program matures
 - Committee may add other topics or considerations in support of the Program's effectiveness

MATCH Advisory Committee Members

- Real estate developers (including those with a small portfolio and primary experience with projects smaller than 60 units)
 - Lori Gay, President and CEO, Los Angeles Neighborhood Housing Services
 - Dean Matsubayashi, Executive Director, Little Tokyo Service Center
 - Isela Gracian, President, ELACC
 - Andrew Gross, President, Tom Safran & Associates

- Community Based Organizations, with experience supporting affordable housing development
 - Mark Wilson, Executive Director, Coalition for Responsible Community Development

- Community Based Development Organization with experience in new construction and/or rehabilitation of affordable housing
 - Channa Grace, President, Works

- City / County government, preferably from departments/positions that work on affordable housing.
 - Jenny Scanlin – Director of Development, HACLA
 - Ed Gipson –Director, Development and Finance, HCID
 - Lynn Katano – Senior Project Manager, Community Development Commission of LA County
 - Bill Huang, Director of Housing, City of Pasadena (original study advisor)
 - Amy Bodek, Director of Development Services, City of Long Beach (original study advisor)

- The Southern California Association of Non-Profit Housing
 - Alan Greenlee, Executive Director