

TRANSMITTAL

To:

THE COUNCIL

Date: 06/14/2016

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

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June 8, 2016

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Council District: All
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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST AUTHORITY FOR THE LOS ANGELES HOUSING AND COMMUNITY INVESTMENT DEPARTMENT (HCIDLA) TO AMEND THE TERMS OF TWO JENESSE CENTER, INC. REGULATORY AGREEMENTS

SUMMARY

The General Manager of the Los Angeles Housing and Community Investment Department (HCIDLA) respectfully submits this transmittal for Mayor and City Council review and consideration. Through this transmittal, HCIDLA seeks authority to amend the Regulatory Agreement terms of two domestic violence shelter projects, Site A and Site B, owned by Jenesse Center, Inc. (Jenesse), from 20 years to 15 years, consistent with federal program requirements.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully requests that:

- I. Your office schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) and forward it to the City Council for review and approval immediately thereafter;
- II. The City Council, subject to the approval of the Mayor, take the following action:

Authorize the General Manager of HCIDLA, or designee, subject to the review of the City Attorney as to form and legality, to execute all appropriate documents necessary to effect the amendment of the terms of the Regulatory Agreements for Site A and Site B to 15 years.

BACKGROUND

The proposed reduction of the regulatory terms will enable Jenesse to carry out its five-year strategic planning, which includes expanding programmatic and outreach services, as well as implementing an enhanced housing strategy to develop Permanent Supportive Housing (PSH) projects. The proposed changes will allow Jenesse to leverage its assets and equity to secure additional financing to acquire another building to house expanded supportive services and administrative resources to develop PSH units. The expansion of housing and supportive services would further Jenesse's mission in assisting families that experience domestic violence.

In 1998, HCIDLA provided two service payback loans to Watts Health Foundation (WHF) for the development of two domestic violence shelter facilities, Site A and Site B, in South Los Angeles (C.F. 94-2120-S4). Federal funds were used for the acquisition and rehabilitation of the two properties, \$707,400 was provided for Site A, comprised of 20 units, and \$766,886 was provided for Site B, comprised of 12 units. In 2002, the contractual obligations of WHF for the development and operation of Site A and Site B were transferred and assigned to Jenesse (C.F. 02-0443). Both loans for Site A and Site B have since been fully repaid through Jenesse's provision of housing and supportive services for victims of domestic violence in conformance with the loan agreements. Both Site A and Site B have recorded Regulatory Agreements that restrict the occupancy of housing units on the properties to very low or very very-low income households. The Regulatory Agreements stipulate that the term of the agreement shall remain in effect for 20 years from the date of issuance of the Certificate of Occupancy. The projects were completed in 2002 and the Regulatory Agreements expire in 2022.

HCIDLA proposes to reduce the Regulatory Agreement terms of the two projects from 20 years to 15 years. The change in Regulatory Agreement terms would release the properties from HCIDLA's regulatory requirements in 2017. As a mission-driven nonprofit organization, Jenesse's intended operations of the two properties as domestic violence shelters will remain unchanged after the expiration of the regulatory periods in 2017. Furthermore, the operations of the two sites are funded by an array of other federal, state, and local funding sources with various requirements and restrictions to ensure the facilities continue to serve as housing for victims of domestic violence.

FISCAL IMPACT STATEMENT

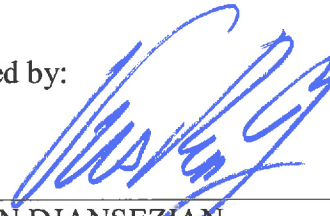
There is no impact on the General Fund.

Prepared by:



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Reviewed by:



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Reviewed by:



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Reviewed by:



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Approved by:



RUSHMORE D. CERVANTES
General Manager

DS:VD:ks:cw