

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

03-0784

CD 14

May 9, 2003

CITY OF LOS ANGELES CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

PLACE IN FILES

MAY 15 2003

DEPUTY *VM*

Honorable James Hahn, Mayor
Chief Legislative Analyst
Councilmember Pacheco
City Administrative Officer
Community Redevelopment Agency

Controller, Room 300
Accounting Division, F&A
Disbursement Division
City Attorney
Los Angeles Housing Department

RE: LOAN AGREEMENT WITH JOVENES, INC. FOR THE PURCHASE AND REHABILITATION
OF PLEASANT HOUSE, A RESIDENTIAL HOME AT 1320 PLEASANT AVENUE IN BOYLE
HEIGHTS

At the meeting of the Council held May 7, 2003, the following action was
taken:

| | |
|---|---------------|
| Attached report adopted..... | _____ X _____ |
| Attached motion (-) adopted..... | _____ _____ |
| Attached resolution adopted..... | _____ X _____ |
| Mayor approved..... | _____ _____ |
| FORTHWITH..... | _____ _____ |
| Mayor concurred | _____ _____ |
| To the Mayor FORTHWITH | _____ _____ |
| Motion adopted to approve committee report recommendation(s)... | _____ _____ |
| Effective date..... | _____ _____ |
| Findings adopted | _____ _____ |

J. Michael Carey
City Clerk
dng

FF memo 5/15/03



HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE
Report/Communication for Signature

Council File Number: 03-0784
 Committee Meeting Date: 04-30-03
 Council Date: 04-07-03

| COMMITTEE MEMBER | YES | NO | ABSENT |
|-----------------------------|-----|----|--------|
| Councilmember Greuel, Chair | | | ✓ |
| Councilmember Garcetti | ✓ | | |
| Councilmember Reyes | ✓ | | |
| Councilmember Parks | | | ✓ |
| Councilmember Hahn | ✓ | | |

Remarks Loan Agreement between PTA
& Jovenes, Inc for Pleasant House

Miranda Paster, Legislative Assistant ----- Telephone 978-1076

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

reports as follows:

| | | |
|-----------------|------------|------------|
| | <u>Yes</u> | <u>No</u> |
| Public Comments | <u>XX</u> | <u>---</u> |

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE REPORT and RESOLUTION relative to a Loan Agreement with Jovenes, Inc. for the purchase and rehabilitation of Pleasant House, a residential home located at 1320 Pleasant Avenue in Boyle Heights.

Recommendations for Council action:

1. CONCUR with the actions taken by the Community Redevelopment Agency (CRA) Board, at its meeting of April 17, 2003, relative to entering into a loan agreement in an amount not to exceed \$204,700 with Jovenes, Inc. for the purchase and rehabilitation of the Pleasant House located at 1320 Pleasant Avenue.

2. ADOPT the accompanying Finding of Benefit RESOLUTION appropriating \$204,700 from the Adelante Eastside Low and Moderate Income Housing Trust Fund to provide financial assistance for the development of the Pleasant House, located at 1320 Pleasant Avenue in the Adelante Eastside Redevelopment Project Area, and finding the provision of housing to be of benefit to the Adelante Eastside Redevelopment Project.

Fiscal Impact Statement: The Chief Legislative Analyst (CLA) reports that there is no General Fund impact. The source of funds is CRA Housing Tax Increment funds from the Adelante Eastside Redevelopment Project Area.

Summary:

On April 30, 2003, the Housing and Community Development (HCD) Committee considered the CRA report dated April 22, 2003 and the CLA report dated May 1, 2003. The HCD Committee approved the CLA's report recommendation.

In its report dated May 1, 2003, the CLA reported that CRA request authorization to execute a new acquisition and rehabilitation loan agreement with Jovenes, Inc. for the acquisition and rehabilitation of the Pleasant House and subordinate its position to a second position to the LAHD construction loan (\$140,000) for the Project.

The proposed actions will provide Jovenes with a CRA loan to acquire and refurbish the three-bedroom home. Jovenes currently rents this site at \$700 per month. The three bedrooms will be occupied by six tenants (two beds per room). Per the CRA, the property's value was appraised at \$145,000.

Jovenes provides transitional housing services for emancipated foster care male youths (18 - 24 years old) who are ineligible for foster care services. It also provides housing and various social services, education, and job referrals to young males.

This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

A large, stylized handwritten signature in black ink, appearing to read "Ed G. ...".

Rept & Reso
ADOPTED

MAY 07 2003

LOS ANGELES CITY COUNCIL

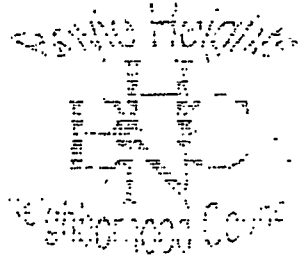
MCP
05/02/03
CD 14

#030784.wpd

Boyle Heights Neighborhood Council
C/O Department of Neighborhood Empowerment
2130 E. 1st St., 3rd Fl.
Los Angeles, California 90033

Ph# (213) 926-6367
Fax: (323) 881-6766

CF - 03-0784



May 5, 2003

City Clerk, Housing and Community Development
Miranda
200 N. Spring St.
Los Angeles, CA. 90012
Fax (213) 978-1079

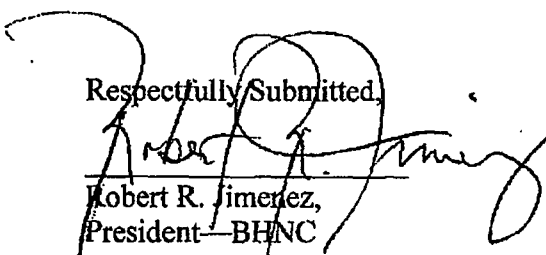
Dear Miranda,

In accordance with CF 02-1482 (Neighborhood Council—Community Impact Statement), the Boyle Heights Neighborhood Council issues the following community impact statement regarding the City Council's May 7th agenda item 11 (03-0784—CD14):

The Boyle Heights Neighborhood Council (BHNC) does not concur with the CRA and recommends that the City Council does not take action in support of Jovenes, Inc. The BHNC argues the Jovenes, Inc.' Pleasant House project would negatively impact Boyle Heights for the following reasons: (a) the community is plagued with multiple risks where the susceptibility of the Jovenes, Inc. at-risk adults is counter-productive to their rehabilitation and would further contribute to such risks; (b), the Jovenes, Inc.'s project runs counter to the efforts of the BHNC and the Prospect Park Committee to revitalize the neighborhood by facilitating continuity among neighbors; and finally, (c) the Jovenes, Inc. program lacks a certified curricula with trained staff.

Please feel free to call me at (213) 926-6367 with any questions or concerns on the aforementioned matter.

Respectfully Submitted,


Robert R. Jimenez,
President—BHNC

COUNCIL VOTE

May 7, 2003 10:34:33 AM, #2

Items for Which Public Hearings Have Been Held - Items 8-14

Voting on Item(s): 8-13

Roll Call

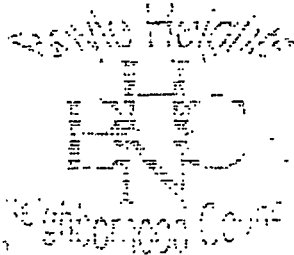
| | |
|-------------|--------|
| BERNSON | Yes |
| GALANTER | Yes |
| GARCETTI | Yes |
| GREUEL | Yes |
| HAHN | Yes |
| HOLDEN | Absent |
| LABONGE | Yes |
| MISCIKOWSKI | Yes |
| PACHECO | Yes |
| PARKS | Yes |
| PERRY | Yes |
| REYES | Yes |
| WEISS | Absent |
| ZINE | Yes |
| *PADILLA | Yes |

Present: 13, Yes: 13 No: 0

#11

Boyle Heights Neighborhood Council
C/O Department of Neighborhood Empowerment
2130 E. 1st St., 3rd Fl.
Los Angeles, California 90033

Ph# (213) 926-6367
Fax: (323) 881-6766



May 5, 2003

City Clerk, Housing and Community Development
Miranda
200 N. Spring St.
Los Angeles, CA. 90012
Fax (213) 978-1079

Dear Miranda,

In accordance with CF 02-1482 (Neighborhood Council—Community Impact Statement), the Boyle Heights Neighborhood Council issues the following community impact statement regarding the City Council's May 7th agenda item 11 (03-0784—CD14):

The Boyle Heights Neighborhood Council (BHNC) does not concur with the CRA and recommends that the City Council does not take action in support of Jovenes, Inc. The BHNC argues the Jovenes, Inc.' Pleasant House project would negatively impact Boyle Heights for the following reasons: (a) the community is plagued with multiple risks where the susceptibility of the Jovenes, Inc. at-risk adults is counter-productive to their rehabilitation and would further contribute to such risks; (b), the Jovenes, Inc.'s project runs counter to the efforts of the BHNC and the Prospect Park Committee to revitalize the neighborhood by facilitating continuity among neighbors; and finally, (c) the Jovenes, Inc. program lacks a certified curricula with trained staff.

Please feel free to call me at (213) 926-6367 with any questions or concerns on the aforementioned matter.

Respectfully Submitted,

Robert R. Jimenez,
President—BHNC

A large, handwritten signature in black ink is written over the typed name of Robert R. Jimenez. The signature is cursive and appears to read 'Robert R. Jimenez'.

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE
SUGGESTED NOTIFICATION OF COUNCIL ACTION

Council File No. 03-0784

- Council Member(s) 14
- Interested Department _____
- Mayor (with/without file) _____
- Chief Legislative Analyst _____
- City Administrative Officer _____
- Controller _____
- City Clerk _____
- City Clerk, Chief Administrative Services _____
- Treasurer _____
- City Attorney (with blue sheet / without blue sheet) _____
- General Services Department _____
- Department of Transportation _____
- Personnel Department _____
- Los Angeles Housing Department _____
- Community Development Department, General Manager, Clifford Graves _____
- cc: Contact Person _____
- Community Redevelopment Agency _____
- Board of Public Works _____
- Workforce Investment Board _____
- Workforce Investment Board, Youth Council _____
- _____
- _____

4/30/03 #10 R seized in Court

February 13, 2003

Mr. Arturo Chayra
Chair
Adelante Eastside Project Area Committee
3500 Whittier Boulevard, Suite 107
Los Angeles, CA 90023

**RE: Jovenes Inc.'s Pleasant House
1320 Pleasant Avenue**

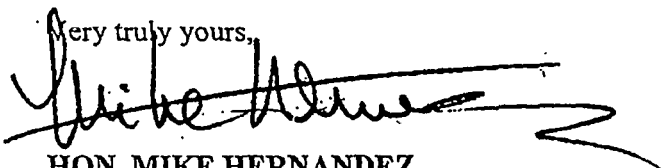
Dear Chair Chayra:

As the former City of Los Angeles Councilmember for Council District 1, I urge the Adelante Eastside Project Area Committee to approve a CRA Acquisition and Rehabilitation Loan of \$199,697 for Jovenes Inc.'s proposal for the acquisition and rehabilitation of a 1920s three-bedroom house into Pleasant House. The CRA loan would serve to further obtain \$140,000 from the City of Los Angeles' Housing Department to complete the improvements at Pleasant House. The proposed partnership with both the City of Los Angeles' CRA and Housing Department for this home will serve to fulfill the missions of both departments by providing housing for all income levels, providing needed community services, and rehabilitating old housing stock.

Pleasant House will provide a home for 6 youth leaving foster care. Jovenes Inc. will have a on-site case manager to supervise these young adults and provide a variety of on-site social services including health services, hot meals, transportation, and recreational and social activities for them.

As a non-profit, non-religious community based organization, Jovenes Inc. has a proven record of providing needed community services for youth and families in Northeast and East Los Angeles. As a Councilmember in whose district where Jovenes Inc. has had many successful projects, it is my belief that Jovenes Inc. will continue to provide the same excellent service in East Los Angeles with this home. I, therefore, urge the approval of the CRA Acquisition and Rehabilitation Loan by the Adelante Eastside Project Area Committee for Jovenes Inc. for the purchase and rehabilitation of 1320 Pleasant Avenue.

If you have any questions, please contact me at (213) 944-4499.

Very truly yours,

HON. MIKE HERNANDEZ

Cc: Adelante Eastside Project Area Committee
Councilmember Nick Pacheco
Fr. Richard Estrada, CMF (Jovenes Inc.)
Al Santillanes (CRA)



BOYLE HEIGHTS
Residents / Homeowners
Association Inc.

3340 East Opal Street, Los Angeles, California
(213) 268-1141

April 17, 2003

Board of Commissioners
Community Redevelopment Agency
354 S. Spring St.
Los Angeles, CA 90013

RE: Jovenes, Inc. – Pleasant House
1320 Pleasant Avenue, Los Angeles, CA 90033

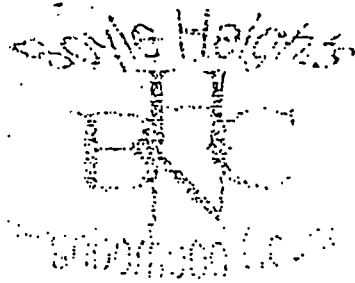
To the CRA Board:

We would like to inform the CRA Board that the Boyle Heights Homeowners Association is in favor of the approval of the loan for this project.

If you have any further questions, feel free to call me at (323) 268-4545 or Ross Valencia, Chairman of the Outreach Committee at (323) 265-7022.

Sincerely,

Arturo Herrera
President



Boyle Heights Neighborhood Council
C/O Department of Neighborhood Empowerment
2130 E. 1st St., 3rd Fl.
Los Angeles, California 90033

Ph# (213) 926-6367
Fax: (323) 881-6766

April 7, 2003

CRA-LA Adelante PAC
3500 Whittier Blvd., Ste. 107
Los Angeles, CA. 90023

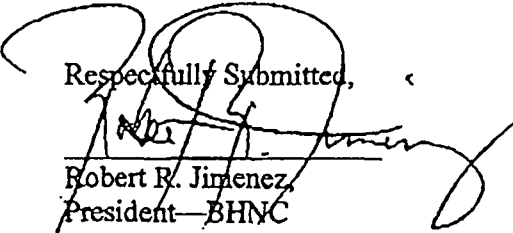
Dear Chairperson and Members of the Adelante PAC,

The Boyle Heights Neighborhood Council (BHNC) requests additional time to provide an appropriately official community impact statement concerning the proposed development of Los Jovenes, Inc.

Several community members have recently expressed concerns to the BHNC regarding such case; however, the BHNC has not had sufficient time to assess the issue with various stakeholders in the community to adequately comment. Thus, the BHNC request additional time from the CRA-LA Adelante and its PAC to diligently issue its official statement.

Please feel free to call me at (213) 926-6367 with any concerns.

Respectfully Submitted,


Robert R. Jimenez,
President—BHNC

RECEIVED
CITY CLERK'S OFFICE

2003 MAY -1 PM 1:12

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

CITY CLERK


TO: Members, Housing and Community Development ^{BY} ~~Committee~~ _{DEPUTY}

FROM: Ronald F. Deaton ^{RFD} ~~by~~ ^{WAK} ~~Chief Legislative Analyst~~ April 30, 2003

SUBJECT: **CRA - Loan Agreement with Jovenes Inc. - Adelante Eastside
Redevelopment Project Area - CD14**

Summary

The Community Redevelopment Agency (Agency) is seeking various actions relative to executing a new acquisition and rehabilitation loan agreement with Jovenes, Inc. (Jovenes) for the acquisition and rehabilitation of the Pleasant House located at 1320 Pleasant Avenue in Boyle Heights (CD14). The actions requested are as follows:

- 
- Authorization to enter into a loan agreement for \$204,700 with Jovenes for the acquisition and rehabilitation of the Pleasant House, subject to the Project securing a construction loan (\$140,000) from the Los Angeles Housing Department (LAHD) for the rehabilitation of the Project;
 - Adoption of a Finding of Benefit Resolution to transfer the \$240,700 from the Adelante Eastside Redevelopment Project Area to the Project; and
 - That the Agency subordinate its position to a second position to the LAHD construction loan (\$140,000) for the Project, to keep in conformance with LAHD funding requirements.

The proposed actions will provide Jovenes with an Agency loan to acquire and refurbish the three bedroom home. Jovenes currently rents this site (\$700/month) and now seeks to acquire and make improvements to the site to provide its services more efficiently. The three bedrooms will be occupied by a total of six tenants (2 beds per unit).

Jovenes provides transitional housing services for emancipated foster care male youths (18-24 years old) who are ineligible for foster care services. Jovenes provides housing and various social services, education, and job referrals to young males.

According to Agency staff, the appraised value of the property is \$145,000. The owner will sell the property to Jovenes at this appraised value.

The property is in escrow and has received one previous extension. The escrow

**HOUSING & COMMUNITY
DEVELOPMENT**

MAY 02 2003

deadline is May 15, 2003.

LAHD Commitment

Under its Neighborhood Preservation Program (NPP), the LAHD, has provided Jovenes with a funding commitment letter of \$140,000 for construction costs for the Pleasant House. Disbursement of these funds, however, is contingent upon appropriation of Agency funds under the proposed request.

The LAHD funds to be committed to the Project are Home Investment Partnership Program (HOME) funds. Under the NPP, the LAHD has spending authority of up to \$525,000 per project without Council authorization. The LAHD's commitment to the Project falls within its spending authority. The funding requirements under the HOME funds requires that it be in first position to any other supplemental funding for projects. To ensure that the HOME funding requirements are satisfied, Agency funds will be in a subordinate second position to the HOME funds. Agency staff agrees to subordinating its position on the deed of trust to a second position.

Total acquisition and rehabilitation cost is \$344,700. The source and uses of the funds for the Pleasant House are as follows:

| <u>Source</u> | <u>Use</u> | <u>Amount</u> |
|---------------|---------------------|------------------|
| Agency | Land Acquisition | \$145,000 |
| " | Environmental | 1,800 |
| " | Closing Costs | 3,500 |
| " | Permit/Fees | 2,800 |
| " | Indirect Costs | 51,600 |
| <u>LAHD</u> | <u>Construction</u> | <u>140,000</u> |
| Total | | \$344,700 |

Loan Repayment

Agency staff note that loan repayment will be structured as a conditional loan for services grant for 20 years at 3% interest. The conditional services will be forgiven in increments of 5% over 20 years (approximately \$10,235/yr) with the condition that Jovenes keep the same number of beds (6) and that the occupancy be used for transitional housing and provide social services to emancipated male youth. This loan amount is under their \$350,000 per facility maximum cap under the Agency's policy on Conditional Grants and Service Provider Operating Contracts adopted by Council in 1992 (CF# 92-0297). Agency staff will discuss the repayment terms with Jovenes.

Repayment of the LAHD loan (\$140,000) will be at thirty-years (30) years with zero-percent interest (0% interest).

Fiscal Impact

There is no General Fund Impact. The source of funds are Agency Housing Tax Increment funds from the Adelante Eastside Redevelopment Project Area.

Recommendation

That the City Council concur with the actions taken by the Agency Board at its meeting of April 17, 2003, relative to entering into a loan agreement in an amount not to exceed \$204,700, with Jovenes, Inc. for the purchase and rehabilitation of the Pleasant House located at 1320 Pleasant Avenue in Council District 14.

Discussion

Jovenes proposes to purchase the site and make improvements to the three-bedroom house for use as transitional housing for six young male adults. Jovenes also owns the Olivares/Pleasant facility located across the street from the subject property (6 bed facility).

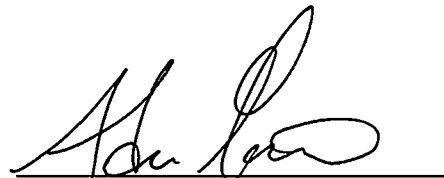
Participants will be moved to the Olivares/Pleasant facility after six months at the Pleasant House. At the Olivares/Pleasant facility, the young males will continue to receive affordable transitional housing and more in depth educational and counseling services for a period of twelve-months (12 months). The Agency reports that there will be no more than six beds at each facility.

Agency staff advise that this project meets a number of redevelopment plan objectives such as, providing the community with a wide range of affordable housing opportunities; rehabilitates housing structures; conserves open space; involved community services organizations in the area; increases employment and training opportunities; and develops health and human services programs, as well as, educational facilities in the area.

Council adoption of a Resolution is required to make a finding of benefit because the Project is located just outside the boundaries of the project area (Resolution attached to Agency's transmittal).

We advise that on March 15, 2003, the Project Area Committee (PAC) for the project area disapproved the Agency proposed actions on the basis that there was an over-saturation of social services in the area. The Agency, however, feels that the services provided by Jovenes are not being met in the area.

We have spoken to Councilman Nick Pacheco on this matter, and CD14 is in support of the Agency's proposed actions.



Adrian Garcia
Legislative Analyst

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES,
CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

03-0784
CD 14

April 22, 2003

HOUSING & COMMUNITY DEVELOPMENT COMMITTEE

In accordance with Council Rules, communication from the Community Redevelopment Agency relative to a Loan Agreement with Jovenes, Inc. for the purchase and rehabilitation of Pleasant House, a residential home located at 1320 Pleasant Avenue in Boyle Heights located adjacent to the Adelante Eastside Development Project Area, was referred to April 22, 2003, to the HOUSING & COMMUNITY DEVELOPMENT COMMITTEE.

J. Michael Carey

City Clerk
amm



Community Redevelopment Agency

of the City
of Los Angeles

354 South Spring Street
Suite 800
Los Angeles
California 90013-1258

213 977 1600

Fax
Number 213 977 1665

An Affirmative Action
Equal Opportunity
Employer

Date
File Code # 4398

Council District: 14
Contact Person: Al Santillanes,
(213) 977-2632

Council File:

RECEIVED
CITY CLERK'S OFFICE
2003 APR 22 AM 8:34
CITY CLERK
BY DEPUTY

Honorable Council of the City of Los Angeles
John Ferraro Council Chamber
200 N. Spring St.
Room 340, City Hall
Los Angeles, CA 90012

COUNCIL TRANSMITTAL:

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on April 17, 2003, for City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

ENTER INTO A LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$204,700 WITH JOVENES, INC. FOR THE PURCHASE AND REHABILITATION OF PLEASANT HOUSE, A RESIDENTIAL HOME LOCATED AT 1320 PLEASANT AVENUE IN BOYLE HEIGHTS LOCATED ADJACENT TO THE ADELANTE EASTSIDE REDEVELOPMENT PROJECT AREA (CD14) [Note: Escrow needs to close prior to May 15, 2003].

RECOMMENDATION

That the City Council approves recommendations 1 through 3 on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

The proposed project constitutes a "feasibility study", which is statutorily exempt from CEQA under Section 15262 of the CEQA Guidelines. No commitment is being made for the development of the site at this time. With approval of the construction and permanent loans, and prior to the construction activity, the appropriate environmental document will be brought to the Board for consideration.

FISCAL IMPACT STATEMENT

There is no fiscal impact to the City's General Fund, as a result of this action.

APR 22 2003

**HOUSING & COMMUNITY
DEVELOPMENT**

Robert R. Ovrom, Chief Executive Officer

**CRA
LA**

cc: Alan Alietti, Office of the City Clerk (Original to Clerk Index & 10 Copies to Alan)
Miranda Paster, Office of the City Clerk
Lisa Johnson, Office of the CAO
Paul Smith, Ivania Sobalvarro, Office of the CLA
Jonathan Kevles, Office of the Mayor
Neil Blumenkopf, Office of the City Attorney
Councilmember Nick Pacheco, CD14

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CA

MEMORANDUM

2

DATE: APRIL 17, 2003 EA1010

TO: AGENCY COMMISSIONERS

FROM: ROBERT R. OVRUM, CHIEF EXECUTIVE OFFICER

PREPARED BY: AL SANTILLANES – PROJECT MANAGER – BOYLE HEIGHTS

SUBJECT: ENTER INTO A LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$204,700 WITH JOVENES, INC. FOR THE PURCHASE AND REHABILITATION OF PLEASANT HOUSE, A RESIDENTIAL HOME LOCATED AT 1320 PLEASANT AVENUE IN BOYLE HEIGHTS LOCATED ADJACENT TO THE ADELANTE EASTSIDE REDEVELOPMENT PROJECT AREA, CD14

RECOMMENDATION

That the Agency, subject to City Council review and approval:

- 1) Authorize the Administrator or designee to negotiate and enter into a loan agreement in an amount not to exceed \$204,700, with the Jovenes, Inc. ("Developer") for the acquisition and rehabilitation of Pleasant House, conditioned on the Project securing an additional construction loan from the Los Angeles Housing Department (LAHD) sufficient to complete the Project.

That the Agency:

- 2) Adopt the attached Finding of Benefit Resolution, Attachment "A", (the "F.O.B.") to appropriate \$204,700 from Adelante Eastside Housing Trust Funds to be used to fund a portion of the Project financing for the Pleasant House project and request the Agency and City Council to adopt the F.O.B.
- 3) Agree to subordinate its position to LAHD for the acquisition and construction loan for the Developer consistent with LAHD funding requirements.

SUMMARY

The recommended actions will provide Jovenes, Inc., ("Jovenes" or the "Developer") with a loan in an amount not exceed \$204,700, which the Developer will use to acquire and initiate rehabilitation of the Pleasant House, which is located at 1320 Pleasant Avenue in Boyle Heights (see Attachment B, Site Map). The Developer has secured a commitment letter from the Los Angeles Housing Department (LAHD) for \$140,000 to complete the improvements to the house contingent on the Agency subordinating its position on the deed of trust to a second position. This is a LAHD requirement for use of federal funds for construction of the project.

The Pleasant House project will benefit the residents of the Boyle Heights because it provides much needed affordable housing. Pleasant House provides transitional housing for young male adults (between the ages of 18-24 years), who do not have any other housing available as a result of ineligibility for foster care and other entitlements. Jovenes is a non-profit organization providing transitional housing, social services, education, and job referrals to young adults, and the Pleasant House is one of its programs. The Pleasant House is consistent with a number of the redevelopment plan's goals by providing a wide range of affordable housing, employment, and educational opportunities for the community. The site is conveniently located within the community and is located just outside the boundary of Adelante Eastside Redevelopment Project.

The Agency's Acquisition and Rehabilitation Loan in the amount of \$204,700 will be used to acquire and initiate the renovation of the house located at 1320 Pleasant Avenue in the Boyle Heights section of the City of Los Angeles.

The Developer proposes to purchase and rehabilitate a three-bedroom house, which has been used as a transitional housing by Jovenes, Inc. as a tenant for the past year. Jovenes, Inc. has an opportunity to purchase the house and would like to redistribute its transitional housing services in a more efficient manner. Pleasant House will be used to provide an initial phase of program stabilization for six (6) young adults to receive transitional housing and basic educational and counseling services for a period of up to six months. Upon completion of this phase, the young adults will move to a second phase that provides transitional housing at the Olivares/Pleasant facility, located across the street at 1208 Pleasant Avenue. At this facility, the young men will receive more in depth educational and counseling services for a period of up to 12 months. It is important to note that there will be no increase in the total number of 12 beds (six beds at each of the facilities).

The architectural plans for construction, which are currently in the schematic phase, will include a layout of three bedrooms to be used by six (6) young male adults. Jovenes plans to provide an on-site case manager to plan, coordinate and provide a variety of on-site social services to the residents including: health services, hot meals, transportation and recreational and social activities.

The projected Uses and Sources and of funds for construction and permanent financing are as follows:

USES OF FUNDS

| | | |
|--------------------|-----------|----------------|
| Land Acquisition | \$ | 145,000 |
| Construction Costs | \$ | 140,000 |
| Environmental | \$ | 1,800 |
| Closing Costs | \$ | 3,500 |
| Permit/Fees | \$ | 2,800 |
| Indirect Costs | \$ | <u>51,600</u> |
| Total | \$ | 344,700 |

CONSTRUCTION SOURCES

| | | |
|--------------|-----------|----------------|
| LAHD | \$ | 140,000 |
| CRA | \$ | <u>204,700</u> |
| Total | \$ | 344,700 |

PERMANENT SOURCES

| | | |
|--------------|-----------|------------------|
| LAHD | \$ | 140,000 |
| CRA | \$ | <u>204,700</u> |
| Total | \$ | \$344,700 |

The acquisition cost of \$145,000 is equal to the appraisal value for the Project of \$145,000 (conducted on October 1, 2002) and meets the Agency's requirements for value to acquire the house. The Agency's Acquisition and Construction Loan for \$204,700 will be made for a 55-year term at 3% simple interest deferred. Since this is not a rental project, a residual receipts loan is not appropriate. Structuring the Agency's participation as a loan rather than a grant will provide the Agency with better control over the property, if circumstances change.

RE

Initial action.

SOURCE OF FUNDS

Adelante Eastside Housing Trust Funds.

PROGRAM AND BUDGET IMPACT

The proposed action will provide an Acquisition and Rehabilitation Loan in the amount of \$204,700 from Adelante Eastside Housing Trust Funds and is available from the EA1010 Project Objective. The proposed action will not have an impact on the City's General Fund.

ENVIRONMENTAL REVIEW

The proposed project constitutes a "feasibility study", which is statutorily exempt from CEQA under Section 15262 of the CEQA Guidelines. No commitment is being made for the development of the site at this time. With approval of the construction and permanent loans, and prior to the construction activity, the appropriate environmental document will be brought to the Board for consideration.

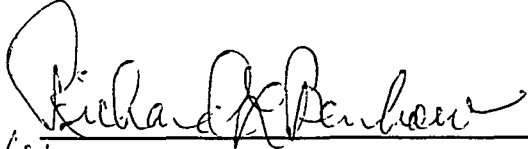
BACKGROUND

Jovenes is a community-based nonprofit economic development public benefit corporation formed in 1991 to provide special needs social services to its target, young adult population. Jovenes seeks to improve the quality of life of the residents by providing transitional housing, educational, job referral, and other social services for the community residents it serves. Jovenes has graduated over 120 young adults as a result of its programs. Jovenes is based in the City of Los Angeles and governed by a 5-member board of directors. Richard Roybal is the Executive Director (See Attachment C for Board roster).

An Agreement Containing Covenants restricting occupancy to low and moderate-income residents will be recorded against the property for the 55-year term.

The Adelante Eastside Project Area Committee (PAC) has reviewed this project at its January 28, 2003 and February 18, 2003 PAC meetings. Further, at the request of the PAC two additional community meetings were held on January 25, 2003 and April 15, 2003 to hear the concerns and endorsements of the surrounding residents of the immediate neighborhood.

Funding for this project is specifically conditioned upon the availability of funds. In the event that the State Legislature reduces the available tax increment (including Housing Trust Funds) or otherwise reduces Agency's resources, this and other commitments will be re-evaluated and may be withdrawn.



Robert R. Ovrom

There is no conflict of interest known to me, which exists with regard to any Agency officer or employee concerning this action.

Attachments

Attachment A

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES

LOS ANGELES CITY COUNCIL

JOINT RESOLUTION NO. 6147

A JOINT RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, AND THE LOS ANGELES CITY COUNCIL APPROPRIATING \$204,700 FROM THE ADELANTE EASTSIDE LOW AND MODERATE INCOME HOUSING TRUST FUND, TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF THE PLEASANT HOUSE LOCATED AT 1320 PLEASANT AVENUE IN THE ADELANTE EASTSIDE REDEVELOPMENT PROJECT AREA, SUBJECT TO CITY COUNCIL APPROVAL, AND FINDING THE PROVISION OF HOUSING TO BE OF BENEFIT TO THE ADELANTE EASTSIDE REDEVELOPMENT PROJECT.

WHEREAS, the Agency desires to provide for creation of dwelling units restricted to low and moderate income persons during the existence of Project implementation; and

WHEREAS, the Agency has established the Adelante Eastside Low and Moderate Income Housing Trust Fund into which funds may be appropriated and expended by the Agency to develop dwelling units for low and moderate-income families and persons;

NOW, THEREFORE, THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Subject to the approval of the Council of the City of Los Angeles, the Agency does hereby appropriate \$204,700 into the Adelante Eastside Low and Moderate Income Housing Trust Fund (Housing Trust Fund) to be paid into the Housing Trust Fund from property taxes allocated to the Agency pursuant to California Health and Safety Code Section 33670 and therefore the Adelante Eastside Redevelopment Project.

2. Such funds shall be held in the Housing Trust Fund until expended by the Agency to provide financial assistance for the acquisition and development of the Pleasant House located at 1320 Pleasant Avenue, in Boyle Heights an area adjacent to the Adelante Eastside Redevelopment Project Area. Any funds herein appropriated which have been so used and thereafter returned to the Adelante Eastside Housing Trust Fund shall continue to be appropriated for similar use in such similar projects which may hereafter be approved by the Agency.

3. By adopting this resolution, the Agency hereby obligates itself to meet the legal requirements of Sections 33334.2, 33334.6 and 33413 to the extent set forth herein. The payment of funds into the Adelante Eastside Housing Trust Fund as required by this resolution pursuant to said Sections 33334.2 and 33334.6 shall constitute an obligation and indebtedness of the Agency for the Adelante Eastside Redevelopment Project to the extent of providing for the development of up to one unit, as generally described in Section 2 hereinabove.

4. The Agency hereby finds, determines and resolves that the use of Housing Trust Funds outside of the Adelante Eastside Redevelopment Project area as described hereinabove in Section 2 of this resolution is of benefit to the Adelante Eastside Redevelopment Project because the residents of the area will be eligible for the transitional housing being developed in the immediate vicinity.

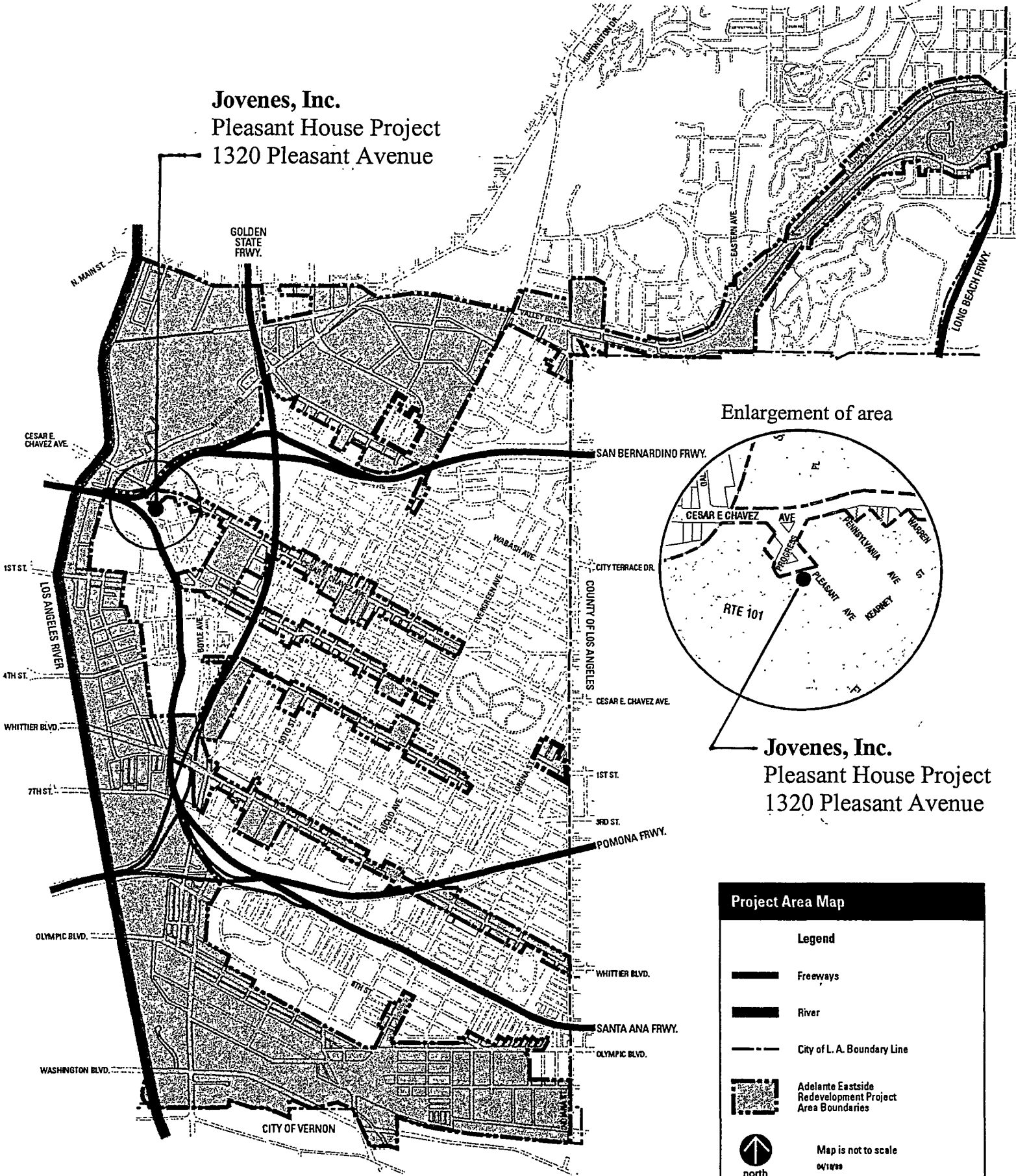
5. The Administrator or designee is hereby authorized to retain or pay all interest income earned on this appropriation into the Housing Trust Fund. The Administrator or designee is further authorized to pay all other income, loan repayments, sale proceeds or revenue received by the Agency arising from the expenditure of the funds appropriated by this resolution, into the Adelante Eastside Housing Trust Fund.

ADOPTED BY AGENCY ON: April 17, 2003

Adelante Eastside Redevelopment Project

Community Redevelopment Agency
City of Los Angeles

Jovenes, Inc.
Pleasant House Project
1320 Pleasant Avenue








Enlargement of area

Jovenes, Inc.
Pleasant House Project
1320 Pleasant Avenue

Project Area Map

Legend

-  Freeways
 -  River
 -  City of L. A. Boundary Line
 -  Adelante Eastside Redevelopment Project Area Boundaries
 -  north
- Map is not to scale
04/18/88

ATTACHMENT C

**Jovenes, Inc.
Board of Directors
1999/2000**

Jovenes, Inc. 300 W. Cesar E. Chavez Ave., Los Angeles, CA 90012

Richard Roybal

Office 323.728-4717
417 N. Wilcox, Montebello, CA 90640

Chairperson

Mr. Roybal is the CEO of USA Investments, a real estate investment corporation. Mr. Roybal is a member of the Montebello Chamber of Commerce and Kiwanis Club and is our financial consultant.

Rebecca Martinez

Office 310.698-9935
6338 Greenleaf Ave., Whittier, CA 90601

Secretary/Treasurer

Ms. Martinez is director of Public Relations for Lanier Richardson and Guerra Mortuaries in Los Angeles. She serves as a P.R. consultant for Jovenes, Inc.

Edward James Olmos

Office 310.557-7010
2020 Avenue of the Stars, #500 Century City, CA 90067
Mr. Olmos is an actor, director and producer who serves as the chairman of our fundraising events.

Modesto Leon

Office 323.267-0321
3763 E. 4th Street, Los Angeles, CA 90063
Mr. Leon is the CEO of Soledad Enrichment Action, Inc., an agency that serves troubled youth.

Barbara Juarez

Home 323.728-9347
6508 Via Del Coronado, Los Angeles, CA 90022
Retired from the Telephone Company, Mrs. Juarez is a consultant for our hiring practices as well as staff development.

Reverend Richard Estrada, CMF

Office 213.346-0123
300 W. Cesar E. Chavez, Avenue, "D", Los Angeles, CA 90012
Founder/Executive Director of Jovenes, Inc.