

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
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CITY OF LOS ANGELES CALIFORNIA



ANTONIO R. VILLARAIGOSA
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

CLAUDIA M. DUNN
Chief, Council and Public Services Division
www.cityclerk.lacity.org

07-0203

CD 9

March 8, 2007

Councilmember Perry
Chief Legislative Analyst
City Attorney
Community Redevelopment Agency

RE: AN AFFORDABLE HOUSING AGREEMENT WITH THE FIGUEROA CORRIDOR CLT AND FIGUEROA
CORRIDOR LAND COMPANY (COLLECTIVELY KNOWN AS THE LAND TRUST)

At the meeting of the Council held March 7, 2007, the following action was taken:

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

City Clerk
dng



**TO THE COUNCIL OF THE
 CITY OF LOS ANGELES**

Your HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to an Affordable Housing Agreement with the Figueroa Corridor CLT and Figueroa Corridor Land Company (collectively known as the Land Trust).

Recommendation for Council action:

AUTHORIZE the Chief Executive Officer, Community Redevelopment Agency (CRA), or designee, to execute the Affordable Housing Agreement with the Land Trust, to recognize the payment of \$6.8 million from the Moinian Group within the Los Angeles Sports and Entertainment District (LASED) to the Land Trust in accordance with a requirement of the Community Benefits Program to create affordable housing and to take such steps necessary to ensure the creation of housing, subject to the review of the City Attorney as to form and legality.

Fiscal Impact Statement: The Chief Legislative Analyst (CLA) reports that the requested action will not impact the General Fund.

Summary:

In its transmittal dated February 26, 2007, the CLA recommends that Council authorize the CRA to execute a new Affordable Housing Agreement with the Land Trust to recognize the payment of funds from the Moinian Group, totaling \$6.8 million, for the creation of affordable housing within the LASED. The CLA notes that the requested action is in keeping with the affordable housing obligation of the LASED master developer, the L.A. Arena Land Company (Land Co.), as defined under the Community Benefits Program of both the Disposition and Development Agreement and the Development Agreement, as amended, between the City and the Land Co..

The CLA reports that the Development Agreement obligates the Land Co. and its successors to produce affordable housing as a condition of developing market rate housing within the LASED. The Development Agreement also provides that the Land Co., or a site developer, may meet its affordable housing obligation by making a contribution of not less than \$40,000/affordable housing unit (Qualified Contribution) to a Community Partner (in this instance the Land Trust). As a site developer, the Moinian Group, is making the required contribution to the production of affordable housing in satisfaction of the Development Agreement. The Moinian Group has acquired property in the LASED (located between 11th and 12th Streets and Figueroa and Flower Streets) with the intention to develop approximately 870 units of market rate condominiums as an element of a mixed-use project (Project). The Moinian Group now wishes to meet its affordable housing obligations by making a Qualified Contribution to the Land Trust in the amount of \$6.8 million (an amount equivalent to 20% (172 units) of the number of market rate residential units approved for the Project multiplied by \$40,000), to the Community Partners (the Land Trust).

The CLA further reports that the Land Trust will have five years to expend the funding for the creation of 172 units of affordable housing that must be built within three-miles of the LASED. The Qualified Contribution will be in the form of a Letter of Credit (LOC) to be deposited with the Enterprise Foundation, a nonprofit entity, that will partner with the Land Trust and secure funding to create and construct the affordable housing.

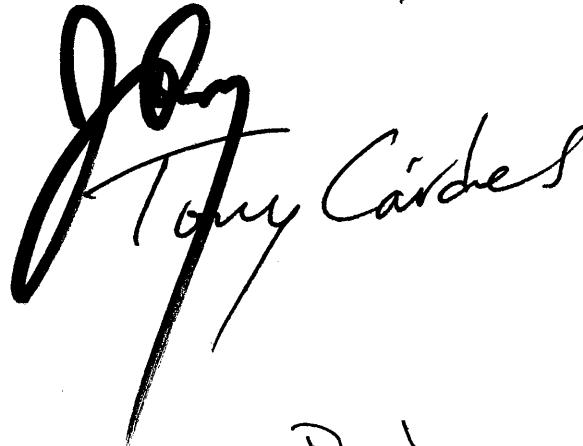
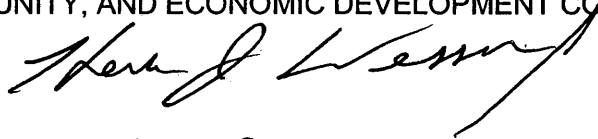
The CLA notes that the CRA's role in this agreement is to monitor and ensure that the funding will create affordable housing. Should the Land Trust fail to expend the funds within the required time period, the funds will revert to the CRA to create affordable housing within three-miles of the LASED. No CRA financial commitment is required at this time.

The CLA further notes that this agreement is rather unique because a site developer is providing an up-front contribution to create affordable housing. This was not the case prior to the amendment to the Development Agreement between Land Co and the City in 2005. The earlier agreement prohibited a site developer from obtaining a Certificate of Occupancy for their market rate units until their contribution used to build the affordable units also received a Certificate of Occupancy. The amendment to the Development Agreement now obligates a site developer to provide the affordable housing contribution prior to securing the necessary permits for construction of their market rate units.

At its regular meeting held February 27, 2007, the Housing, Community, and Economic Development Committee considered this matter and recommended that Council approve the recommendation of the CLA, as submitted in its report dated February, 26, 2007. This matter is now submitted to Council for its consideration.

Respectfully submitted,

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE



MEMBER
WESSON
REYES
CARDENAS
GARCETTI
PERRY
AMA
02/28/06
CD 9
#070203.wpd

VOTE
YES
ABSENT
YES
ABSENT
YES

Rpt
ADOPTED
MAR 07 2007

LOS ANGELES CITY COUNCIL
FORTHWITH