

CITY OF LOS ANGELES

CALIFORNIA

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When making inquiries
relative to this matter,
please refer to the Council
File No.

07-0203

CD 9

October 10, 2008

Councilmember Perry
Chief Legislative Analyst
City Attorney
Community Redevelopment Agency

RE: AMENDED AND RESTATED AFFORDABLE HOUSING AGREEMENT BY AND AMONG THE FIGUEROA CORRIDOR CLT, FIGUEROA CORRIDOR LAND COMPANY (COLLECTIVELY THE LAND TRUST), AND THE COMMUNITY REDEVELOPMENT AGENCY TO CREATE AFFORDABLE HOUSING IN FURTHERANCE OF THE COMMUNITY BENEFITS PROGRAM FROM THE LOS ANGELES SPORTS AND ENTERTAINMENT DISTRICT DEVELOPMENT AGREEMENT

At the meeting of the Council held October 8, 2008, the following action was taken:

Attached report adopted	<u> X </u>
Attached motion (-) adopted	<u> </u>
Attached resolution adopted	<u> </u>
FORTHWITH	<u> </u>
Mayor concurred	<u> </u>
To the Mayor FORTHWITH	<u> </u>
Motion adopted to approve communication recommendation(s)	<u> </u>
Motion adopted to approve committee report recommendation(s)	<u> </u>
Effective date	<u> </u>
Findings adopted	<u> </u>
Negative Declaration adopted	<u> </u>
Categorically exempt.....	<u> </u>
Generally exempt.....	<u> </u>

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TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

reports as follows:

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to an Amended and Restated Affordable Housing Agreement by and among the Figueroa Corridor CLT, Figueroa Corridor Land Company (collectively the Land Trust), and the Community Redevelopment Agency (CRA) to create affordable housing in furtherance of the Community Benefits Program from the Los Angeles Sports and Entertainment District (LASED) Development Agreement.

Recommendation for Council action:

AUTHORIZE the Chief Executive Officer, CRA, or designee, to execute an Amended and Restated Affordable Housing Agreement with the Land Trust to recognize the payment of \$6.88 million in two phases from the Monion Group to the Land Trust (\$3.44 million each phase) in accordance with a requirement of the Community Benefits Program to create affordable housing within three-miles of the LASED, subject to the review of the City Attorney as to form and legality.

Fiscal Impact Statement: The Chief Legislative Analyst (CLA) reports that there is no impact to the General Fund. No CRA financial commitment is being requested under the proposed action.

Community Impact Statement: None submitted.

Summary:

In its report dated September 30, 2008, the CLA recommends that Council approve the recommendation listed above relative to executing an Amended and Restated Affordable Housing Agreement by and among the Land Trust and the CRA to create affordable housing in furtherance of the Community Benefits Program from the Los Angeles Sports and Entertainment District Development Agreement.

The CLA reports that in 2007, the CRA entered into an Affordable Housing Agreement with the Land Trust to facilitate the development of affordable housing in conjunction with market rate housing to be built by the Monion Group (the site developer) at the Figueroa Central ("LA Central") development project site (located between 11th and 12th Street and Figueroa and Flower Street). The intention was to develop approximately 860 housing units as an element of a mixed-use project (Project). The Monion Group was to meet its affordable housing obligation by making an up-front payment to the Land Trust in the amount of \$6.88 million (an amount equivalent to 20% (172 units) of the number of market rate residential units approved for the Project multiplied by \$40,000). However, due to the current market situation, the Monion Group has been unable to secure Project financing and the development of the Project has been delayed.

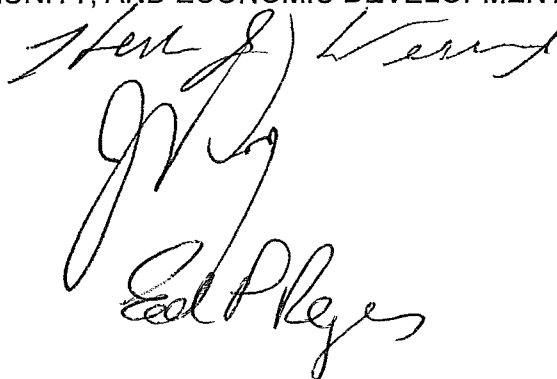
The CLA further reports that in order to allow the Land Trust to proceed to develop affordable housing, a new structured payment schedule has been negotiated by the parties. The Monion Group now proposes to build the Project in two phases and make two affordable housing payments.

The first payment will consist of an advance cash payment of \$200,000 and a Letter of Credit in the amount of \$3.24 million for a total of \$3.44 million, which is equivalent to fifty-percent (50%) of the affordable housing units. The Land Trust will use the Letter of Credit to leverage other funding necessary to acquire property in the area (within three-miles of the LASED) to build affordable housing. The developer will provide the second payment (\$3.44 million) during the second phase of the Project or within five years, whichever occurs earlier.

At its regular meeting held October 1, 2008, 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 September 30, 2008.

Respectfully submitted,

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

Handwritten signatures of committee members: Steve J. Wesson, Ed Reyes, and Ed Pleyes.

<u>MEMBER</u>	<u>VOTE</u>
WESSON	YES
REYES	YES
GARCETTI	YES
CARDENAS	ABSENT
PERRY	YES

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- Not Official Until Council Acts-

REPORT
ADOPTED
OCT 08 2008
LOS ANGELES CITY COUNCIL