

**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 funding for the development costs of the Hope Street Family Center by the California Hospital Medical Center (CHMC).

Recommendations for Council action, pursuant to Motion (Perry – Parks), SUBJECT TO THE APPROVAL OF THE MAYOR:

1. WAIVE the City's Float Loan Policy to allow the Community Development Department (CDD) to execute a float loan with a non-City entity inasmuch as the float loan will be guaranteed with an \$8 million Irrevocable Direct Pay Letter of Credit and collateralized by a City First Deed of Trust that will be re-conveyed when the loan is paid off in full up to the maximum term of 30 months.
2. AUTHORIZE the CDD General Manager, or designee, to:
 - a. Negotiate and execute a promissory note in favor of the U.S. Department of Housing and Urban Development (HUD) and the related documents to borrow \$8,000,000 pursuant to Community Development Block Grant Float Loan program from HUD, to negotiate and execute a City loan contract and related documents (City loan documents) for advancing a City float loan of \$8,000,000 (City loan) to CHMC Hope Street Family Property Management LLC, by Catholic Healthcare West, or its designee, a California nonprofit public benefit corporation, in order to provide financial assistance for the Hope Street Family Center, to negotiate and execute agreements that will subordinate the City loan to a construction or a permanent senior lender, and other amendment(s) relative to the intent of the Motion to the City loan documents, subject to approval of the City Attorney as to form and legality, and subject to confirmation of repayment by the Community Redevelopment Agency of the Ford Hotel float loan (Council file No. 07-3899).
 - b. Amend the 33rd Program Year Consolidated Plan relative to the Community Development Block Grant, as necessary.
 - c. Prepare Controller instructions and or make any technical adjustments that may be required and are consistent with the Motion, subject to the approval of the City Administrative Officer (CAO), and authorize the Controller to implement the instructions.
3. DIRECT that the loan is to be collateralized by:
 - a. Bank of the West, or a bank acceptable to the City, Irrevocable Direct Pay Letter of Credit not to exceed the 30-month maturity of the float loan.

- b. City First Deed of Trust that will be re-conveyed when the loan is paid off in full up to the maximum term of 30 months.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis on this report

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on September 8, 2010, the Housing, Community and Economic Development Committee considered funding for the development costs of the Hope Street Family Center by the California Hospital Medical Center. An opportunity for public comment was held. After a brief discussion, the Committee recommended Council approve the recommendations contained in Motion (Perry – Parks). This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
REYES:	YES
ALARCON:	YES
CARDENAS:	YES
PERRY:	YES

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Not Official Until Council Acts