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

T 213 977 1600 / F 213 977 1665
www.crala.org

CRA File No. 5978
Council District: CD 9
Contact Person: David Riccitiello
Jenny Scanlin
(213) 977-1711

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

Attention: Alan Alietti, Office of the City Clerk

COUNCIL TRANSMITTAL:

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on February 5, 2009 City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:

CONSIDERATION OF THE ENVIRONMENTAL EFFECTS OF THE PROJECT AS SHOWN IN THE CITY'S MITGATED NEGATIVE DECLARATION AND RESTRUCTURING OF AN EXISTING \$3,500,000 ACQUISITION AND PREDEVELOPMENT LOAN WITH URBAN HOUSING COMMUNITIES, LLC FOR A TWO-PHASED AFFORDABLE HOUSING DEVELOPMENT LOCATED AT 814 AND 848 EAST 29TH STREET AND 2901 SOUTH GRIFFITH AVENUE. COUNCIL DISTRICT NINE CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT AREA DOWNTOWN REGION (CD9)

RECOMMENDATION

That City Council approve(s) recommendation(s) on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

The City of Los Angeles is the lead agency for the Project for purposes of CEQA. On February 14, 2008 the City of Los Angeles, acting through its Planning Department approved the project and adopted the MND. The CRA/LA's responsibility, as a Responsible Agency under CEQA, is to consider environmental effects of the Project as shown in the MND prepared by the lead agency prior to acting on the Project.

FISCAL IMPACT STATEMENT

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

Cecilia V. Estolano, Chief Executive Officer



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Council Transmittal

cc: Karen Kalfayan, Office of the City Clerk (Original & 3 Copies on 3-hole punch)
Lisa Johnson Smith, Office of the CAO
Ivania Sobalvarro, Office of the CLA
Helmi Hisserich, Office of the Mayor
Noreen Vincent, City Attorney's Office
Councilmember Jan Perry, 9th Council District

MEMORANDUM

7

DATE: FEBRUARY 5, 2009 C91400
TO: CRA/LA BOARD OF COMMISSIONERS
FROM: CECILIA V. ESTOLANO, CHIEF EXECUTIVE OFFICER
RESPONSIBLE PARTIES: DAVID RICCITIELLO, REGIONAL ADMINISTRATOR
JENNY SCANLIN, PROJECT MANAGER

SUBJECT: CONSIDERATION OF THE ENVIRONMENTAL EFFECTS OF THE PROJECT AS SHOWN IN THE CITY'S MITIGATED NEGATIVE DECLARATION AND RESTRUCTURING OF AN EXISTING \$3,500,000 ACQUISITION AND PREDEVELOPMENT LOAN WITH URBAN HOUSING COMMUNITIES, LLC FOR A TWO-PHASED AFFORDABLE HOUSING DEVELOPMENT LOCATED AT 814 AND 848 EAST 29TH STREET AND 2901 SOUTH GRIFFITH AVENUE.

COUNCIL DISTRICT NINE CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT AREA DOWNTOWN REGION (CD 9)

LOAN COMMITTEE REVIEW: APPROVED DECEMBER 15, 2008

RECOMMENDATIONS

A. That the CRA/LA Board of Commissioners:

- 1) Adopt a Resolution certifying that it has reviewed and considered the environmental effects of the project as shown in the City of Los Angeles Mitigated Negative Declaration ENV 2005-5551-MND-REC1 ("MND") pursuant to California Environmental Quality Act ("CEQA") Guidelines set forth in California Code of Regulations Section 15096(f); and
- 2) Approve a nonconforming residential use on a parcel designated as industrial per Section 506 of the CD9 Corridors South of the Santa Monica Freeway Recovery Redevelopment Plan ("CD9 Redevelopment Plan").

B. That the CRA/LA Board of Commissioners, subject to City Council review and approval:

- 1) Authorize the Chief Executive Officer or designee to execute all necessary documentation to restructure the existing \$3,500,000 acquisition and predevelopment loan with UHC LA 29, LP into the following two loans i) a \$3,000,000 construction loan for 34 units of affordable family housing at 814 East 29th Street (the "Phase A-1 Loan"), and ii) a \$500,000 acquisition and predevelopment loan for the second phase of the affordable housing development at 848 East 29th Street and 2901 South Griffith Avenue (the "Phase A-2 Loan"); and

- 2) Adopt Resolutions making the findings that an economically feasible alternative of financing on substantially comparable terms but without subordination of the CRA/LA Deed of Trust, covenants and use restrictions is not reasonably available, and authorize the subordination of the CRA/LA's Deed of Trust, covenants and use restrictions to the construction and permanent loans provided for Phase A-1 of the project, and to the acquisition, construction and permanent loans provided for Phase A-2 of the project.

SUMMARY

This action recommends the following for the 29th Street Crossings two-phased project: consider the environmental effects of the Project as shown in the Mitigated Negative Declaration; approve a nonconforming residential use; restructure the existing acquisition and predevelopment loan and adopt subordination resolutions.

The \$3,000,000 CRA/LA construction loan for Phase A-1 would be deemed repaid upon completion of construction in order to reduce the total permanent sources and uses, thereby making the project more competitive for other funding sources.

This action pertains to Urban Housing Communities, LLC (the "Developer") to facilitate the development of Phase A-1 and Phase A-2 of the 29th Street Crossings.

Phase A-1 is located at 814 East 29th Street (Site Map, Attachment "B"). Phase A-2 is located at 848 East 29th Street and 2901 South Griffith Avenue (Parcel Map, Attachment "C"),

RE

March 15, 2007 – Authorization to execute an acquisition and predevelopment loan agreement with UHC LA 29 LP.

SOURCE OF FUNDS

No new funds are required for implementation of these recommendations. The existing loan was funded using Bunker Hill Housing Trust Funds, CD9 Housing Trust Funds and Bond Proceeds.

PROGRAM AND BUDGET IMPACT

The recommended action will further a high priority objective of the Work Program. As no additional CRA/LA funds are required, there is no impact on the CRA/LA Budget or the City's General Fund.

ENVIRONMENTAL REVIEW

The City of Los Angeles is the lead agency for the Project for purposes of CEQA. On February 14, 2008, the City of Los Angeles, acting through its Planning Department approved the project and adopted the MND. The CRA/LA's responsibility, as a Responsible Agency under CEQA, is to consider environmental effects of the Project as shown in the MND prepared by the lead agency prior to acting on the Project.

BACKGROUND

UHC LA 29, LP is a limited partnership in which Urban Housing Communities LLC, a for profit affordable housing developer that specializes in multifamily and senior housing facilities in the State of California is the co-general partner and Heritage Community Housing Inc., which is a nonprofit, is the managing general partner. Urban Housing Communities LLC was formed in 2003

2003 by key executives of ASL Housing, AIG SunAmerica and Heritage Community Housing with collective development experience of approximately 10,000 housing units in the counties of Los Angeles, Orange, San Francisco, San Diego, Riverside, Ventura, Contra Costa, Kings, Sacramento and Madera. Urban Housing Communities is currently working on fifteen other affordable housing projects throughout California, with a 64 unit affordable family complex newly constructed in Madera and 341 units currently under construction in four separate projects located in Sacramento and Riverside Counties. UHC 00014 Los Angeles, LP is a separate limited partnership with the same partners that will develop Phase A-2.

The Developer purchased the site for the Project in June 2007. CRA/LA provided a 24-month acquisition and predevelopment loan in the amount of \$3.5 million which matures in June 2009 and has a one year extension provision.

The original development consisted of 70-units of affordable housing on five (5) parcels. Since 2007, the Developer has assembled most of the site for \$6,890,000 utilizing the following funds:

Lender	Position	Acquisition Costs	Predevelopment Costs	Total Costs
U.S. Bank	1 st	\$3,000,000	\$300,000	\$3,500,000
CRA/LA	2 nd	\$3,208,323	\$291,677	\$3,500,000
Developer equity	Not secured	\$ 481,677	\$ 8,323	\$ 490,000
Totals		\$6,890,000	\$600,000	\$7,490,000

However, the Developer has been unable to acquire one (1) parcel located in the middle portion of the proposed development. As a result, the Developer has worked with CRA/LA to reconfigure the project into two phases, Phase A-1 and Phase A-2 and to eliminate costly subterranean parking in order to make it more competitive for financing.

The project is relatively low density because the surrounding neighborhood consists primarily of single family homes. With the removal of the parcels adjacent to the parcel that has not yet been acquired, the smaller 34 unit project does not have the same economy of scale that a larger development would have. Since the developer already received entitlements, it did not make sense to ask them to attempt approval of a higher density project for Phase A-1. However, assuming the remaining parcel can be acquired, the plan is to request greater density for Phase A-2, which is a corner site that is across the street from buildings with greater height than the buildings near Phase A-1.

Site and Neighborhood Description: The site is currently comprised of diverse uses including a metal plating shop adjacent to a public school and single family and multi-family residences. Phase A-1 of the larger development project proposes the transition from industrial land use to residential uses as permitted under the redevelopment plan. The developer has obtained a general plan (community plan) amendment and rezoning to (T)(Q) R3-1 multi-family residential zoning. The project is located in an area which staff determined was generally appropriate for conversion to non-industrial zoning, making it consistent with the CRA/LA's Industrial Land Use Directions set forth in January 2008. It is not in an employment protection zone.

The community has advocated for removal of the metal plating shop from the neighborhood in order to improve air quality for residents and school kids at the 28th Street Elementary School. The Los Angeles Association of Community Organizations for Reform Now (ACORN) led the effort in filing a class action lawsuit against the metal plating shop as recently as April 2006.

The long-term objective is to transform 29th Street between San Pedro Avenue and Griffith Avenue from its current industrial use, which historically has not been compatible with the surrounding elementary school and residential community, to a predominantly residential street that will provide affordable rental housing with support services for the residents of the area.

The Development Phase A properties have been rezoned by the developer to (T)(Q) R3-1. The City Council has processed a General Plan Amendment to allow the change in land use designation from light industrial to residential for properties bordered by San Pedro Street, Griffith Avenue, 29th Street and 31st Street, which encompasses a larger area than the proposed project.

Loan Restructuring: In order to facilitate the development of this important project and obtain other funding commitments needed to proceed with construction of Phase A-1, the CRA/LA proposes to restructure the existing \$3.5 million acquisition and predevelopment loan into i) a \$3,000,000 construction loan for Phase A-1 and ii) a \$500,000 acquisition and predevelopment loan for Phase A-2. The purpose of deeming the \$3,000,000 CRA/LA construction loan repaid upon completion is to eliminate the inclusion of land acquisition cost in the total development cost, thereby making the project more competitive for other funding sources.

Loan Terms: Phase A-1: At the time of construction loan closing when all financing is in place for the project, CRA/LA will execute a \$3 million two (2) year construction loan at an interest rate of 3%. The construction loan will be deemed repaid in full at completion of construction as evidenced by a Certificate of Completion and accrued interest shall be forgiven. The Agreement Containing Covenant restricting the units to affordable rents will be maintained on the property for 55 years.

Phase A-2: At the time of construction loan closing for Phase A-1, CRA/LA will execute a \$500,000 eighteen (18) month acquisition/predevelopment loan at an interest rate of 3%. The acquisition/predevelopment loan will be due and payable unless the Developer returns with an acceptable development proposal for the second phase.

Conditions: In order to ensure that progress is made, the proposed loan restructuring is subject to the Developer meeting the requirements of Section 3.5 in the existing Predevelopment Loan Agreement. These requirements include:

- 1) Receipt of an award of Low Income Housing Tax Credits in the April 2009 round.
- 2) Evidence of final commitments for construction and permanent financing from all other sources and approval of final construction drawings.
- 3) Evidence of a lease purchase or good faith effort to acquire the MTA right of way immediately adjacent to the property
- 4) Acquisition of the property in Phase B located at 704-712 E. 29th Street
- 5) Evidence of progress on Phase B of the project, including submittal of executed option agreements, schematic drawings, financing plan, preliminary schedule and conditional financing commitments for debt and equity.
- 6) The developer has also applied for City of Industry funding in the amount of \$1,069,000. If awarded, costs remain constant and LAHD funds the project at \$3,262,880, CRA/LA will require that the City of Industry funds would reduce the CRA/LA funding for Phase A-1, with the unused funds being available for funding Phase A-2. To further maintain a

financial stake in the project, despite the loan being deemed repaid upon completion, CRA/LA will require “profit sharing” payments of a pro rata percentage of residual receipts relative to other lenders for 55 years, which will be included in the affordability covenant of the project.

If the Developer fails to achieve the above accomplishments, the CRA/LA may, in its sole discretion, decline to convert the loan, which would then become due and payable in June 2009 with an allowance for a one year extension per the terms of the existing loan agreement.

Allocation of Costs: Upon conversion to the new loans, both acquisition and predevelopment costs will be allocated between Phases A-1 and A-2 based on the square footage of land associated with each phase. Total square footage of the four acquired parcels is 65,652. The Phase A-1 parcel is 49,162 square feet and the Phase A-2 is 16,490 square feet. The total acquisition price is \$6,890,000 or \$104.94 per square foot. The following chart shows how the existing financing will be allocated between the two phases:

Phase A-1:	Lender	Acquisition Costs	Predevelopment Costs	Total Costs
	U.S. Bank/LP Equity	\$2,451,096	\$157,619	\$2,608,715
	CRA/LA	\$2,708,323	\$291,677	\$3,000,000
	Totals	\$5,159,419	\$449,296	\$5,608,715

Phase A-2:	Lender	Acquisition Costs	Predevelopment Costs	Total Costs
	U.S. Bank	\$803,753	\$75,352	\$879,105
	CRA/LA	\$500,000	\$0	\$500,000
	Developer equity	\$426,828	\$75,352	\$502,180
	Totals	\$1,730,581	\$150,704	\$1,881,285

Affordability: Phase A-1 of the Project anticipates the construction of thirty four (34) rental units, which will be maintained as affordable housing. The following table depicts the required number of units by unit size and income level based upon the Housing and Community Development rental definition of Area Median Income:

HCD AFFORDABILITY LEVELS OF CRA/LA COVENANTS				
Unit Type	HCD Very Low Income	HCD Low Income	HCD Moderate Income	TOTAL
2-Bdrm	9	7	7	23
3-Bdrm	6	2	2	10
TOTAL	15	9	9	33

During the 55-year term of the Covenant Agreement, tenant household income eligibility limits and maximum rents are required to be maintained at the *lower* of the HCD limits or the TCAC limits.

The CRA/LA Housing Policy requires that not less than 30% of the units shall be Extremely Low and Very Low Income (HUD definition) with a goal that not less than 50% of those units shall be affordable at the Extremely Low Income (HUD definition) level whenever feasible. The proposed Project complies with the Housing Policy except that it does not meet the goal that 15% of the total units should be in the Extremely Low Income category. Meeting the Extremely Low Income unit goal by converting very low or low income units into extremely low income units would create

units would create an additional financing gap. The following table illustrates the Household Income Mix for the Project compared to CRA/LA Housing Policy guidelines (Section 9:03.3.1):

HOUSEHOLD INCOME MIX (CRA/LA Housing Policy)		
HUD (Not HCD) Income Category	# of Units	% of Total
Extremely Low (<30% AMI)	4	12%
Very Low (31% - 50% AMI)	20	59%
Low (51% - 80% AMI)	9	26%
Moderate (81%-120% AMI)	0	0%
Unrestricted	1	3%
Total	34	100%

The CRA/LA is required to comply with the inclusionary housing obligation imposed by Section 33413(b) of the California Community Redevelopment Law (CRL) that requires 15% of all housing developed in a Project Area be low- and moderate-income housing subject to long-term income and affordability covenants, of which 40% must be affordable to persons and families of very low-income.

Based on the analysis of current housing production included in the CD9 Corridors Five-Year Implementation Plan for FY2006-FY2010, 197 units of affordable housing has been constructed to date, meeting the CRL for inclusionary housing requirements. Of these 197 units, 89 are affordable to very low income households in the CD9 Corridors Project Area, exceeding the requirements for the CD9 Project Area by 162 units of inclusionary and 75 units of very low income.

Pursuant to the proportionality requirements of the CRL that are applicable to the use of Low and Moderate Income Housing Funds (LMIHF), no less than 43% of CD9 Corridors Project Area LMIHF must be spent on housing that is affordable to Very Low Income households, no less than 23% of the LMIHF must be spent on housing that is affordable to Low Income households, and no more than 34% of the LIMIF must be spent on housing that is affordable to Moderate Income households. To date, CD9 Corridors Project Area has spent LIMHF in the following proportions: 23% Very Low Income; 53% Low Income; and 28% Moderate Income. The funds for this action have already been counted in the proportionality percentages updated in the Five Year Implementation Progress Report.

The table below illustrates the number of units that can be counted towards the CRA/LA's inclusionary and proportionality requirements under California Redevelopment Law:

Income Category	INCLUSIONARY PRODUCTIVE UNITS		HOUSING FUNDS ALLOCATION	
	# of Units	% of Total	Funds (\$)	% of Total
Very Low	15	46%	\$ 1,363,636	46%
Low	9	27%	\$ 818,182	27%
Moderate	9	27%	\$ 818,182	27%
Total	33	100%	\$ 3,000,000	100%

Upon execution of the new construction loan and successful completion of the project, the permanent projected Sources and Uses for Phase A-1 are as follows:

SOURCES OF FUNDS	Total	Per Unit
Permanent Loan	\$1,265,000	\$37,206
Federal 9% Tax Credit Proceeds	8,826,563	259,605
LAHD Housing Trust Fund	3,262,880	95,967
CALReUSE	1,183,475	34,808
Deferred Developer Fee	400,000	11,765
TOTAL SOURCES OF FUNDS	\$14,937,918	\$439,351

USES OF FUNDS	Total	Per Unit
Land and Buildings Acquisition	\$2,261,533	\$66,516
Construction Costs	7,180,494	211,191
Site Remediation	1,200,000	35,294
Fees and Permits	742,662	21,843
Developer Fees and Overhead	1,400,000	41,176
Financing Interest and Fees	522,311	15,362
Relocation	500,000	14,706
Other Soft Costs	1,130,918	33,262
TOTAL USES OF FUNDS	\$14,937,918	\$439,351

The current estimated total development cost of the project is higher than the typical CRA/LA funded project. Including the \$3 million CRA/LA that will be deemed repaid upon completion, the per-unit cost is \$527,586, or about 5% higher than the \$500,000 per-unit contemplated when the acquisition and predevelopment loan was approved by the Board in March 2007. Major components contributing to the per-unit cost include:

- CRA/LA and developer desire for a building with high quality design, including relatively large town-house style units, which result in higher construction costs.
- Significant estimated environmental remediation costs of approximately \$35,000 per unit due to prior industrial uses.
- High land cost and extended carrying costs due to the time required to obtain a general plan amendment and zone change. Land and carrying costs are high because the acquisition was done at the height of the real estate boom, and the carrying costs exceed the rents collected from the industrial tenants.

The estimated hard construction cost of the proposed Phase A-1 Project is \$7,180,494, expected to be funded by limited partner equity through the syndication of 9% tax credits, a construction loan from US Bank, funding from LAHD, and a CALReUSE grant from the California Pollution Control Financing Authority. Anticipated relocation costs for four industrial businesses are estimated at \$500,000 and will be covered by the Developer through the use of non-CRA/LA funds. Relocation will be conducted in accordance with applicable State and Federal guidelines. Per CRA/LA policy, the Developer will complete the Model Relocation Plan and provide it to the existing tenants. A Project pro forma is attached as Attachment "D".

To date, the Developer has completed preliminary construction drawings for Phase A-1 (See Rendering, Attachment "G"). The estimated construction start date is July 2009 with completion projected in fall of 2010.

Subordination: State law permits a redevelopment agency to subordinate its deed of trust and income and use restrictions to a private lender's financing where an economically feasible alternative method of financing the project on substantially comparable terms and conditions is not available without subordination, and where the private lender agrees to specific notice and cure provisions. Subordination of the CRA/LA Deed of Trust, housing covenants and use restrictions is required by the construction and permanent lenders as a condition of funding their loan. Prior to agreeing to such subordination, the CRA/LA will require that the Subordination Agreement contains the notice and cure provisions such as the following which reasonably protect the CRA/LA's investment in the event of the Developer's default under any of the senior loans (Subordination Resolutions, Attachment "E"):

- 1) A right of the CRA/LA to cure a default on the Loan;
- 2) A right of the CRA/LA to negotiate with the lenders after a Notice of Default has been issued by the lender;
- 3) A right of the CRA/LA to purchase the project from the Developer at any time after a default on the loan; and
- 4) An agreement that if, prior to foreclosure of the loan, the CRA/LA takes title to the project and cures the default on the loan, the lender will not exercise any right it may have to accelerate the loan by reason of the transfer of title to the CRA/LA.

The CRA/LA loan, housing covenants and use restrictions will be subordinated to those of the acquisition, construction and permanent lenders where required.

Section 506 Determination: Under Section 506 of the Redevelopment Plan, the CRA/LA may authorize use of land or buildings for uses that do not conform to the Plan where such improvements are found to be compatible with surrounding uses. The Project is allowable when the CRA/LA can make the determination under Section 506 of the Redevelopment Plan, Nonconforming Uses, which reads as follows:

"The CRA/LA may authorize additions, alterations, repairs, or other improvements or changes in use of land or buildings in the Project Area for uses which do not conform to the provisions of this plan where such improvements are within a portion of the Project where, in the determination of the CRA/LA such improvements would be compatible with surrounding and Project uses and development."

Although the existing uses on the site are designated industrial, the surrounding uses are largely residential (See Existing Use Map, Attachment "F"). In addition, the 28th Street Elementary School lies directly northwest of the site. The current land-use conflicts between the residential, institutional, and industrial uses is a historical product of the Southern Pacific Railroad, which cuts through a neighborhood of turn-of-the-20th century residences. During World War II, industrial uses sprang up along the railroad, resulting in a one and one-half block wide strip of industrial uses in an otherwise residential community. The project is located within this incompatible industrial strip. This project and the proposed allowance of the residential land use will remove the existing incompatible uses and replace them with compatible residential uses.

The Project will adhere to all applicable CRA/LA policies and requirements including Prevailing Wage and Living Wage requirements, Local Hiring Programs, Equal Opportunity and Affirmative Outreach, insurance and design guideline standards for the Project.

Councilmember Jan Perry and the CD9 Project Area's Community Advisory Committee both support the proposed project and recommended actions.

Cecilia V. Estolano
Chief Executive Officer

By



Glenn F. Wasserman
Chief Operating Officer

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

Attachments:

- A. Environmental Resolution
- B. Site Map
- C. Parcel Map
- D. Pro forma including Sources & Uses
- E. Subordination Resolutions
- F. Existing Use Map
- G. Rendering

RESOLUTION NO. _____

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, CERTIFYING THAT IT HAS REVIEWED AND CONSIDERED THE CITY OF LOS ANGELES MITIGATED NEGATIVE DECLARATION, FOR THE 29TH STREET CROSSINGS PROJECT IN THE COUNCIL DISTRICT NINE CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT

WHEREAS, Urban Housing Communities, LLC, the project developer, proposes to develop Phase A-1 of an up to 70 unit affordable housing project, consisting of the first 34 units; and

WHEREAS, the City of Los Angeles ("City") was the lead agency under the California Environmental Quality Act ("CEQA") for the Project and prepared a Mitigated Negative Declaration, ENV 2005-5551-REC1 ("MND"), for the Project; and

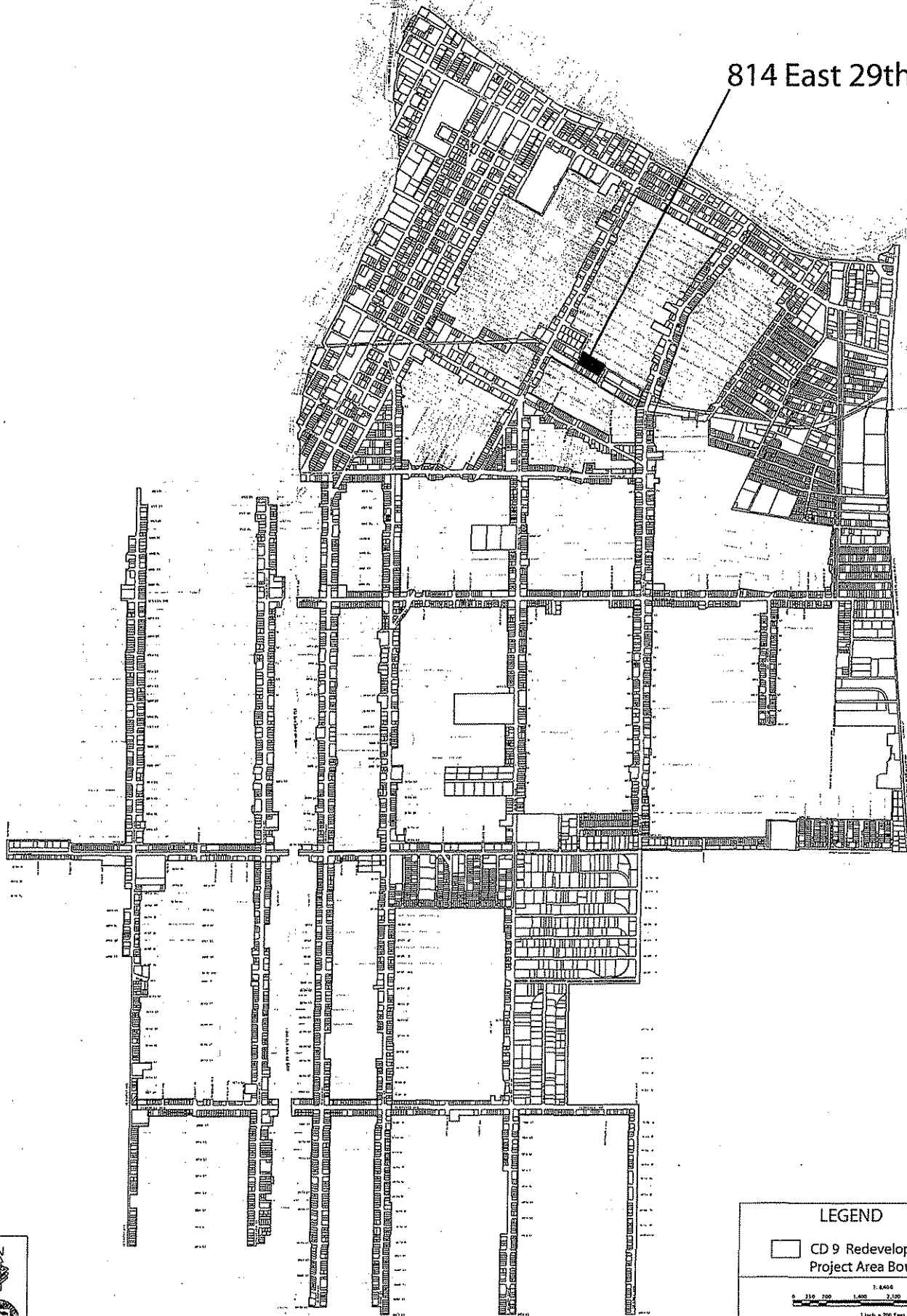
WHEREAS, the MND for the Project was adopted and the Project was approved by the City on February 14, 2008.

NOW, THEREFORE, BE IT RESOLVED by the Community Redevelopment Agency of the City of Los Angeles (CRA/LA), California, as follows:


1. The CRA/LA Board of Commissioners discretionary approval is required to convert the existing \$3,500,000 acquisition and predevelopment loan into two new loans associated with the two phases and approve a residential use on a parcel designated for industrial use per the Council District 9 South of the Santa Monica Freeway Recovery and Redevelopment Plan.
2. Accordingly, the CRA/LA is a Responsible Agency pursuant to CEQA (Public Resources Code Section 21069, State CEQA Guidelines Section 15381). As a Responsible Agency, the CRA/LA Board of Commissioners considered the environmental effects of the Project as shown in the City of Los Angeles' MND. (State CEQA Guidelines Section 15096.)
3. Based on such review and consideration, the CRA/LA Board of Commissioners hereby determines:
 - a. No substantial changes are proposed in the Project that will require major revisions to the MND.
 - b. No substantial changes have occurred with respect to the circumstances under which the Project is being undertaken that will require major revisions to the MND; and
 - c. No new information of substantial importance to the Project, which was not known or could not have been known at the time the MND was prepared, has become available.

ADOPTED:

814 East 29th Street



LEGEND

 CD 9 Redevelopment Project Area Bounds

1:8400

0 330 660 1320 2640 5280

1 inch = 200 Feet



ATTACHMENT D

PRO FORMA

The Crossings on 29th Street
CONSTRUCTION SOURCES & USES OF FUNDS

SOURCES OF FUNDS	<u>Total</u>	<u>Per Unit</u>
Construction Loan	\$ 4,795,563	\$ 141,046
Federal 9% Tax Credit Proceeds	5,296,000	\$ 155,765
Soft Loan 1 MHP	-	\$ -
Soft Loan 2 LAHTF	3,262,880	\$ 95,967
Soft Loan 3 CRA/LA	3,000,000	\$ 88,235
CALReUSE Grant	1,183,475	\$ 34,808
Deferred Developer Fee	400,000	\$ 11,765
Other	-	-
TOTAL SOURCES OF FUNDS	<u>\$ 17,937,918</u>	<u>\$ 527,586</u>
USES OF FUNDS		
Land and Buildings Acquisition	\$ 5,261,533	\$ 154,751
Construction Costs	7,180,494	211,191
Site Remediation	1,200,000	35,294
Fees and Permits	742,662	21,843
Developer Fees and Overhead	1,400,000	41,176
Financing Interest and Fees	522,311	15,362
Relocation	500,000	14,706
Other Soft Costs	1,130,918	33,262
TOTAL USES OF FUNDS	<u>\$ 17,937,918</u>	<u>\$ 527,586</u>
SOURCES LESS USES	\$ -	\$ -

The Crossings on 29th Street
PERMANENT SOURCES & USES OF FUNDS

SOURCES OF FUNDS	<u>Total</u>	<u>Per Unit</u>
Permanent Loan	\$ 1,265,000	\$ 37,206
Federal 9% Tax Credit Proceeds	8,826,563	\$ 259,605
Soft Loan 1 MHP	-	\$ -
Soft Loan 2 LAHTF	3,262,880	\$ 95,967
Soft Loan 3 CRA/LA*	-	\$ -
CALReUSE Grant	1,183,475	\$ 34,808
Deferred Developer Fee	400,000	\$ 11,765
Other	-	-
TOTAL SOURCES OF FUNDS	<u>\$ 14,937,918</u>	<u>\$ 439,351</u>
USES OF FUNDS		
Land and Buildings Acquisition	\$ 2,261,533	\$ 66,516
Construction Costs	7,180,494	211,191
Site Remediation	1,200,000	35,294
Fees and Permits	742,662	21,843
Developer Fees and Overhead	1,400,000	41,176
Financing Interest and Fees	522,311	15,362
Relocation	500,000	14,706
Other Soft Costs	1,130,918	33,262
TOTAL USES OF FUNDS	<u>\$ 14,937,918</u>	<u>\$ 439,350</u>
SOURCES LESS USES	\$ -	\$ -

NOTES:

*Assumes that \$3.0 million of the CRA/LA construction loan will be deemed repaid at Certificate of Completion.

ATTACHMENT E-1

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

RESOLUTION NO. ___

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA REGARDING THE SUBORDINATION OF ITS USE RESTRICTIONS PURSUANT TO SECTION 33334.14 OF THE COMMUNITY REDEVELOPMENT LAW AND THE SUBORDINATION OF ITS DEED OF TRUST.

WHEREAS, the Community Redevelopment Agency of the City of Los Angeles, California ("CRA/LA") proposes to enter into a Construction Loan Agreement in connection with providing \$3,000,000 to UHC 29, LP, a California Limited Partnership ("Borrower") pursuant to which the CRA/LA will provide financial assistance to the Borrower for the purpose of constructing 34 units of housing that are affordable to low income, extremely low and very low income families (the "Rental Project"); and

WHEREAS, the Loan Agreement requires covenants to be recorded against the Rental Project placing certain limits on the maximum rents that can be charged, and the maximum income that can be earned by tenants qualified to rent such housing (the "Income and Rent Restrictions"); and

WHEREAS, the Borrower has obtained commitments of financing from a lender conditioned upon the subordination of the CRA/LA's Income and Rent Restrictions; and

WHEREAS, there has been presented to the CRA/LA evidence sufficient on which to find that an economically feasible alternative method of financing the Rental Project on substantially comparable terms and conditions, but without subordination of the covenants and Deed of Trust, is not reasonably available.

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

1. The CRA/LA hereby finds that an economically feasible alternative method of financing the Rental project on substantially comparable terms and conditions, but without subordination, is not reasonably available.
2. The CRA/LA hereby authorizes the Chief Executive Officer of the CRA/LA, or such other official of the CRA/LA as the Chief Executive Officer may designate, to take such actions as may be necessary in order to subordinate the CRA/LA's loan, deed of trust and housing covenants to the lien of the lender providing financing for the Rental Project, but only upon receipt by the Chief Executive Officer or such designee of written commitments from such lender, reasonably designated to protect the CRA/LA's investment in the event of default, such as the following:
 - (a) a right of the CRA/LA to cure a default on the loan;

(b) a right of the CRA/LA to negotiate with the lender after the notice of default from the lender;

(c) an agreement that if prior to foreclosure of the loan, the CRA/LA takes title to the Rental Project and cure the default on the loan, the lender will not exercise any right of title to the CRA/LA;

(d) a right of the CRA/LA to purchase the Rental Project from the Borrower at any time after a default on the loan.

ADOPTED: _____

ATTACHMENT E-2
RESOLUTION NO. __

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA REGARDING THE SUBORDINATION OF ITS USE RESTRICTIONS PURSUANT TO SECTION 33334.14 OF THE COMMUNITY REDEVELOPMENT LAW AND THE SUBORDINATION OF ITS DEED OF TRUST.

WHEREAS, the Community Redevelopment Agency of the City of Los Angeles, California ("CRA/LA") proposes to enter into an Acquisition and Predevelopment Loan Agreement in connection with providing \$500,000 to UHC 00014 Los Angeles, LP, a California Limited Partnership ("Borrower") pursuant to which the CRA/LA will provide financial assistance to the Borrower for the purpose of constructing a to be determined number of units of housing on parcels located at 848-854 East 29th Street and 2901-2907 South Griffith Avenue that are affordable to low income, extremely low and very low income families (the "Rental Project"); and

WHEREAS, the Loan Agreement requires covenants to be recorded against the Rental Project placing certain limits on the maximum rents that can be charged, and the maximum income that can be earned by tenants qualified to rent such housing (the "Income and Rent Restrictions"); and

WHEREAS, the Borrower has obtained commitments of financing from a lender conditioned upon the subordination of the CRA/LA's Income and Rent Restrictions; and

WHEREAS, there has been presented to the CRA/LA evidence sufficient on which to find that an economically feasible alternative method of financing the Rental Project on substantially comparable terms and conditions, but without subordination of the covenants and Deed of Trust, is not reasonably available.

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

1. The CRA/LA hereby finds that an economically feasible alternative method of financing the Rental project on substantially comparable terms and conditions, but without subordination, is not reasonably available.
2. The CRA/LA hereby authorizes the Chief Executive Officer of the CRA/LA, or such other official of the CRA/LA as the Chief Executive Officer may designate, to take such actions as may be necessary in order to subordinate the CRA/LA's loan, deed of trust and housing covenants to the lien of the lender providing financing for the Rental Project, but only upon receipt by the Chief Executive Officer or such designee of written commitments from such lender, reasonably designated to protect the CRA/LA's investment in the event of default, such as the following:
 - (a) a right of the CRA/LA to cure a default on the loan;
 - (b) a right of the CRA/LA to negotiate with the lender after the notice of default from the lender;

(c) an agreement that if prior to foreclosure of the loan, the CRA/LA takes title to the Rental Project and cure the default on the loan, the lender will not exercise any right of title to the CRA/LA;

(d) a right of the CRA/LA to purchase the Rental Project from the Borrower at any time after a default on the loan.

ADOPTED: _____

ATTACHMENT F - EXISTING USES 29th St Crossings

Revised 04/2008
11-10-08

Continued on
Next Attachment
Appendix 2

City of
Los Angeles

