

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 12, 2018

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Council File No. 09-2841;

15-0132-S2

Council District: 14

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Reference: Housing and Community Investment Department transmittal dated May 21, 2018; Received by the City Administrative Officer on May 31, 2018; Additional Information Received through June 11, 2018

Subject: **REQUEST FOR THE ADOPTION OF THE RESOLUTION TO APPROVE THE REPLACEMENT HOUSING PLANS FOR THE SKID ROW SOUTHEAST 1 APARTMENTS PROJECT**

RECOMMENDATION

That the Council, subject to the approval of the Mayor, adopt Recommendations I and II of the Housing and Community Investment Department (HCID) transmittal (Report) dated May 21, 2018 relative to the Resolution authorizing the Skid Row Southeast I Apartments Housing Replacement Plan.

SUMMARY

The Housing and Community Investment Department (HCID) requests that the Council adopt the Resolution authorizing the Skid Row Southeast I Apartments Housing Replacement Plans attached to its Report. The California Health and Safety Code Section 33413.5 requires an agency to adopt by resolution a replacement housing plan when units that are financed with Community Redevelopment Agency of the City of Los Angeles (CRA/LA) funds are removed from the housing market. The Skid Row Southeast I Apartments consists of two scattered sites, one at the Las Americas Apartments (1205 E. 6th Street) and the other at the Olympia Apartments (1201 E. 7th Street). The Las Americas Apartments restricted units will be reduced from 60 to 59 units, and will be replaced by two units at the Six Apartments on 811 S. Carondolet Street. The Olympia Apartments restricted units will be reduced from 48 to 45 units and replaced by three units at the Rossmore Apartments at 905 E 6th Street. It should be noted that the reference to the replacement units is reversed in the HCID Report, but correct in the Replacement Plans attached to their Report. This Office concurs with the recommendations of the Department.

The California Health and Safety Code Section 33413.5 states that the replacement plan should be adopted by resolution not less than 30 days prior to the execution of an agreement for acquisition of real property, disposition and development of property, or owner participation

agreement which would lead to the destruction or removal of dwelling units from the low-and moderate-income housing market. Because the rehabilitation of the Skid Row Southeast 1 Apartments is complete, the replacement plan is overdue. The HCID reports that there were delays from the developer in confirming the reduction of restricted units and identifying replacement units. The HCID also confirmed that the replacement units are already built. The deadline for converting the project to permanent financing is August 1, 2018.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The Skid Row Southeast 1 Apartments received approval for recapitalization of pre-existing City financing on November 24, 2015, bond financing in 2015 and four percent tax credits through the California Tax Credit Allocation Committee in 2015. The recommendation in this report is in compliance with the City's Financial Policies in that there is no additional cost to the City.

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