

HOUSING COMMITTEE REPORT and RESOLUTION relative to approval of replacement housing plans for the Skid Row Southeast 1 Apartments Project.

Recommendations for Council action:

1. ADOPT the accompanying RESOLUTION authorizing the Skid Row Southeast 1 Apartments Housing Replacement Plans for the following:
  - a. The Olympia (48 units) located at 1201 East 7th Street.
  - b. The Las Americas (60 units) located at 1205 East 6th Street.
2. AUTHORIZE, the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to execute any relevant documents required to effectuate this transaction, and any amendments, consistent with the Mayor and Council actions on this matter, subject to the approval of the City Attorney as to form.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact to the General Fund. The Skid Row Southeast 1 Apartments Project 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 contained in the June 12, 2018 CAO report is in compliance with the City's Financial Policies in that there is no additional cost to the City.

Community Impact Statement: None submitted.

Summary:

On June 13, 2018, your Committee considered May 21, 2018 HCIDLA and June 12, 2018 CAO reports relative to approval of replacement housing plans for the Skid Row Southeast 1 Apartments Project. According to the CAO, the HCIDLA is requesting that Council adopt the Resolution authorizing the Skid Row Southeast 1 Apartments Housing Replacement Plans attached to the May 21, 2018 HCIDLA report. 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 1 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. Carondelet 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 East 6th Street. It should be noted that the reference to the replacement units is reversed in the May 21, 2018 HCIDLA Report, but correct in the Replacement Plans attached to their Report. The CAO concurs with the recommendations of the HCIDLA.

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 HCIDLA reports that there were delays from the developer in confirming the reduction of restricted units and identifying replacement units. The HCIDLA also confirmed that the replacement units are already built. The deadline for converting the project to permanent financing is August 1, 2018.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the June 12, 2018 CAO report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	YES
HARRIS-DAWSON:	YES
ARL	

6/13/18

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**