

JAN 18 2013

HOUSING, COMM & ECON. DEVELOP.

11-1920-51
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MOTION

On March 21, 2012, the Los Angeles Housing Department (LAHD), through the 2012 Round 1 Affordable Housing Trust Fund Program Notice of Funding Availability, awarded \$2,542,354 in construction financing to Rio Vista Apts, L.P. (Borrower Partnership) in support of the Rio Vista Apartments Project (C.F. 11-1920). This project was also awarded an allocation of \$1,719,905 federal tax credits under the California Tax Credit Allocation Committee 2012 Round 1 Competitive Round.

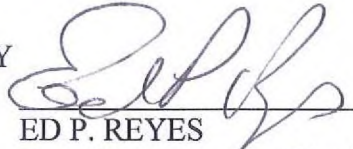
The Rio Vista Apartments, also known as Lot 1 of an approved subdivision, Taylor Yard Transit Village Master Plan (The Development), is located in Council District 1. The project will generate 87 new construction units of affordable rental housing for large families.

Rio Vista Apts, L.P. was originally conceptualized as a partnership between Los Angeles Housing Partnership (LAHP), a local non-profit organization, and MBA Development Corp., which is a Project Sponsor and Developer entity that is wholly owned and controlled by McCormack Baron Salazar. The developer states that no contractual agreement has been executed between LAHP and MBA Development Corp. with regards to the Borrower Partnership. Subsequent to issuance of LAHD's funding commitment, LAHP has been replaced by a single asset entity controlled by New Economics for Women (NEW). However, LAHP was originally indicated as a Managing General Partner for the Borrower Partnership in the City Council Transmittal dated February 21, 2012, and approval of this change requires City Council authority.

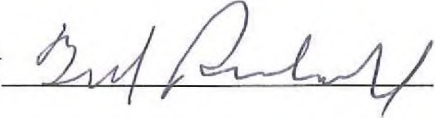
NEW is a non-profit organization that has tenured experience in developing low-income housing projects and providing social services for the constituents of Los Angeles. It is also a member of the Managing General Partner for Taylor Yard Apartments Project, also known as Lot 3 of The Development.

The Project Sponsor and Developer is striving to commence construction of the Project to meet TCAC's 150-day readiness test of February 6, 2013. Given the urgency to negotiate and execute a loan agreement for this project, City Council must now approve the change of the Managing General Partner of the Borrower Partnership.

I THEREFORE, MOVE that, the City Council approve the change in the structure of the Borrower Partnership by allowing the admission of New Economics for Women as the Managing General Partner of the Rio Vista Apts, LP. in place of Los Angeles Housing Partnership, to develop the Rio Vista Apartments Project and instruct the General Manager of LAHD to reflect the new partnership in all necessary documents relative to the Rio Vista Apartments.

PRESENTED BY 
ED P. REYES
Councilmember, 1st District


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SECONDED BY 

ORIGINAL