

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to an agreement for the receipt and administration of future Community Improvement Fees/Urban Development Action Grant (UDAG) Loan repayment from the Hollywood and Highland Project.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Economic and Workforce Development Department (EWDD), with the assistance of legal counsel, to negotiate and execute an Assignment and Assumption Agreement with the Community Redevelopment Agency of Los Angeles, a Designated Local Authority (CRA/LA-DLA) for the receipt and administration of future Community Improvement Fees from the Hollywood and Highland Project in accordance with Section 807 of the Disposition and Development Agreement dated February 10, 1999, between the former Community Redevelopment Agency of the City of Los Angeles (former CRA/LA) and TrizecHahn Hollywood, LLC (the original developer) to continue satisfying repayment of an UDAG Loan provided by the City to the former CRA/LA in the amount of \$4,250,000 to assist in the development of the Project.
2. INSTRUCT the EWDD prior to the execution of the Assignment and Assumption Agreement to confirm with the United States Department of Housing and Urban Development (HUD) in writing that termination of the Promissory Note in the amount of \$4,250,000 related to the UDAG Loan does not violate any HUD regulations, and if so, AUTHORIZE the EWDD to terminate the Promissory Note held by the CRA/LA-DLA.
3. INSTRUCT the EWDD prior to the execution of the Assignment and Assumption Agreement to obtain from the CRA/LA-DLA an accounting report of all UDAG Loan payments made related to the Hollywood and Highland Project including sources and uses of the UDAG Loan payments and a schedule of future payments to be received in Community Improvement Fees.
4. REQUEST the City Attorney to prepare and present an ordinance creating a special fund to deposit and administer the Community Improvement Fees received from the Hollywood and Highland Project for Community Development Block Grant eligible projects in the Hollywood Redevelopment Project Area to be administered by the EWDD.
5. INSTRUCT the EWDD to prepare any Controller instructions necessary to effectuate the intent of this action; and, AUTHORIZE the Controller to implement said instructions subject to the approval of the Chief Legislative Analyst (CLA).

Fiscal Impact Statement: The CLA reports that the recommended actions will result in the City's receipt of up to \$8 million in future years that will be held in a special fund to be used for purposes as indicated in the original Agreement between the City and former CRA/LA (Contract Nos. C502351 and C109558).

Community Impact Statement: None submitted.

SUMMARY

At a special meeting held on December 9, 2014, the Economic Development Committee considered a report from the CLA dated December 8, 2014 relative to the Hollywood and Highland Project - Urban Development Action Grant.

After providing an opportunity for public comment, the Committee approved the recommendations in the CLA report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
KREKORIAN:	YES
HUIZAR:	ABSENT
CEDILLO:	YES
MARTINEZ:	YES
WESSON:	ABSENT
KORETZ:	YES

REW
12/11/14
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-NOT OFFICIAL UNTIL COUNCIL ACTS-