

14-0120
CD 13

JAN 28 2014 MOTION

ECONOMIC DEVELOPMENT

On January 30, 2002, the City of Los Angeles and former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) entered into a Cooperation Agreement (Agreement; City Contract No. 502351) to implement the United States Department of Housing and Urban Development's Urban Development Action Grant (UDAG) Agreement with the former Community Development Department. The Agreement provided \$4,250,000 in UDAG funds (UDAG Loan) for the development of a live broadcast theater as part of the Hollywood and Highland Project (Project). The UDAG Loan has a twenty year term and repayment schedule. As per Section 3.8 of the Agreement, the City would grant the former CRA/LA an amount equal to the annual payment on the UDAG Loan to be used for community and economic development activities which are in accordance with Federal regulations governing the use of UDAG program income.

On March 3, 2006, the City and former CRA/LA entered into a First Amendment to the Agreement that allowed the CRA/LA to make payments on the UDAG Loan from the Community Improvement Fee received from the Disposition and Development Agreement dated February 10, 1999 between the former CRA/LA and TrizecHahn Hollywood LLC (Developer). As per the amendment, the Community Improvement Fee may be used on Community Development Block Grant (CDBG) eligible projects in the Hollywood Redevelopment Project area and work program.

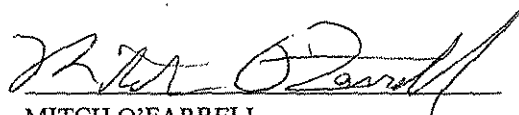
On February 1, 2012, the California Assembly Bill (AB) 1x26 dissolved all redevelopment agencies in California. In July 2012, CRA/LA, a Designated Local Authority (CRA/LA-DLA) was created as the successor agency to the former CRA/LA and now administers the obligations of the former CRA/LA but is not authorized to engage in any new development activity. The current Recognized Obligation Payment Schedule (ROPS) 13-14B authorizes the CRA/LA-DLA to provide the City with \$1.5 million in Community Improvement Fee received from the Project as repayment of the UDAG Loan. The CRA/LA-DLA is in the process of seeking authorization to enter into an Assignment and Assumption Agreement that would provide the City with direct receipt and administration of future Community Improvement Fees/UDAG Loan repayments.

Prior to the dissolution of redevelopment, former CRA/LA staff were working to allocate \$1.5 million in Community Improvement Fees/UDAG Loan repayment to assist Social Services at Blessed Sacrament, Inc. in the rehabilitation and construction of The Center at Blessed Sacrament (The Center). The Center provides low-income and homeless persons with social services to improve their quality of life. The Center's renovation project remains in need of the financial assistance the former CRA/LA could no longer provide.

I THEREFORE MOVE that the City Council;

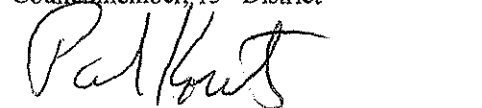
- 1) Instruct the Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) to work with the CRA/LA-DLA to transmit the \$1.5 million in Community Improvement Fee/UDAG Loan repayment funds from ROPS 13-14B to the City for use in the Hollywood Redevelopment Project Area;
- 2) Authorize the Economic and Workforce Development Department (EWDD) to negotiate and execute an agreement with Social Services at Blessed Sacrament, Inc. in an amount not to exceed \$1.5 million for the purpose of assisting in the rehabilitation and construction of The Center at Blessed Sacrament, subject to approval of the City Attorney as to form and legality, and instruct EWDD to prepare the necessary Controller's instructions, with concurrence of the CAO, to meet the intent of this motion, and instruct the Controller to implement these instructions; and
- 3) Instruct the CLA to report on the status of, and seek authorization to enter into, an Assignment and Assumption Agreement for the receipt and administration of future Community Improvement Fees/UDAG Loan repayment from the Hollywood and Highland Project and any other actions as required.

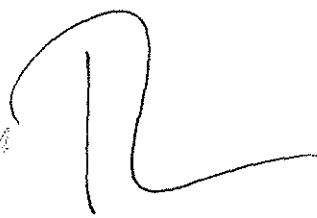
PRESENTED BY:



MITCH O'FARRELL
Councilmember, 13th District

SECONDED BY:





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ORIGINAL