

14-0333
CD 13

HOUSING

MOTION

MAR 18 2014

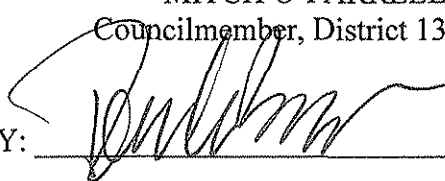
In 1983, the former Community Redevelopment Agency of City of Los Angeles (CRA/LA) provided a residual receipts loan for \$193,000 to Hollywood Housing Services Project (HHSP) to acquire and rehabilitate the Options House at 1754 Taft Avenue. In 1991, the CRA/LA provided a \$70,000 deferred loan (3% interest for 10 years) to the Los Angeles Youth Network (LAYN) to rehabilitate the Hollywood Youth Shelter at 1550 Gower Street. Ten years later HHSP merged with LAYN and continued to operate both properties in service of its mission to house and educate homeless youth.

In 2007, CRA/LA agreed to consolidate both loans into one Service Repayment Loan in the amount of \$684,876 or the sum of principle (\$263,000) and accrued interest (\$385,876) of the prior loans. The term of the new loan required LAYN to provide Service Repayment expenditures of \$64,887 annually for the Options House or the Hollywood Youth Shelter. Along with the consolidation of the loans, the newly recorded covenants restrict use of the properties to housing homeless youth ages 12-17 until December 31, 2025. LAYN has continued to provide housing and services to homeless youth at both properties.

LAYN indicates that since 2001, they have housed homeless youth on both properties, and expended between \$600,000 – \$1,000,000 in social services and programming. In continuing their good work and expanding their capacity to serve homeless youth, LAYN desires to sell the property on Gower Street and reinvest the proceeds of the sale into a new property at 1719 Taft Avenue. The new location will enable LAYN to co-locate their sites on one street and be more efficient in performing their mission, and thus the City should support this effort and authorize modifications to the loan agreements and recorded restrictions.

I THEREFORE MOVE that the Council, request the City Attorney to work with the Housing and Community Investment Department (HCIDLA) to prepare and execute the necessary agreements with Los Angeles Youth Network to: 1) MAINTAIN the Service Repayment requirement (expenditure of \$64,887.00 annually) for the remainder of the term which ends on October 3, 2017 at the Options House, located at 1754 Taft Avenue; 2) TERMINATE the Agreement Containing Covenant (Use Restriction) from 1550 Gower Street to allow LAYN to sell the Gower Street property; 3) Upon purchase of the 1719 Taft Avenue property, RECORD the Agreement Containing Covenant (term which ends December 31, 2025) against 1719 Taft Avenue ; 4) SUBORDINATE the Agreement Containing Covenant on 1719 and 1754 Taft Avenue to a senior lender as may be required by LAYN; 5) AMEND the Loan Consolidation and Conversion Agreement to require LAYN, within 120 days of the sale of the 1550 Gower property, to purchase 1719 Taft Avenue or comparable property to provide housing and services to homeless youth in accordance with the Agreement Containing Covenants; 6) EXECUTE all necessary approvals, documents, and amendments to complete the transaction.

PRESENTED BY: 
MITCH O'FARRELL
Councilmember, District 13

SECONDED BY: 


MAR 18 2014

ORIGINAL