

MOTION

14-0728
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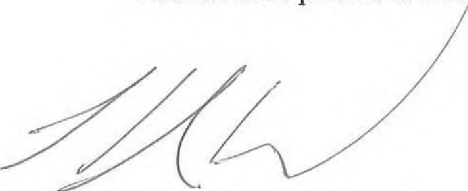
In the 1990's the City of Los Angeles through its Community Redevelopment Agency (CRA) and its Los Angeles Housing Department (LAHD) expended considerable monetary and staff resources in building affordable housing and in providing support to community based non-profits to develop and manage long-term, these valuable assets. It is estimated that throughout the 1990's both the CRA and the LAHD together, were building approximately 1300 units of affordable housing annually throughout the City of Los Angeles. A large number of these existing assets are now at or above 15 years old, and in need of rehabilitation and preservation.

Furthermore, during this same time period, both departments were providing capacity building, predevelopment training and monetary support to community based non-profits; recognizing that community based organizations are uniquely positioned to be leaders in sustained economic revitalization of their individual neighborhoods. Over the past two decades, in a large number of Los Angeles' communities, these community based non-profits lead the charge in developing affordable housing and undertaking catalytic economic development endeavors.

A significant step in responding to the City's affordable housing crisis is the preservation of the existing affordable housing assets, and supporting these same community based organizations that have been leading and managing the ongoing maintenance of these assets. A multi-pronged approach is necessary to address the City's affordable housing crisis; the preservation of the existing assets and those entities who work tirelessly to preserve them, while creating new affordable housing. Preserving the existing affordable housing stock is an essential first step in solving our affordable housing crisis, as new construction alone will not produce enough affordable housing to meet the ongoing and increasing demand. Preserving existing affordable housing stock maximizes limited resources and provides an opportunity to reinvest and improve our communities.

Concerned Citizens of South Central Los Angeles, Figueroa Economical Housing Development Corporation and Normandie Non-profit Housing Corporation are three of the non-profits that have developed, managed and maintained affordable housing initially built in the early 1990's in the City of Los Angeles. On March 19th, 2014, all three organizations received bond allocations from the California Debt Limit Allocation Committee for the projects Central Avenue (45 units), Juanita Tate Legacy Tower (118 units), Roberta Stephens (40 units), One Wilkins Place (18 units), Figueroa Seniors (66 units), and Normandie Seniors (75 units). All six projects will receive improvements ranging from \$25,000 to \$45,000 per unit in rehabilitation, which will result in the upgrading of critical components of the properties. In addition, all three non-profits will be extending affordability covenants for an additional 55 years, so that all of the 362 units will continue to be available to very low and low income seniors, individuals, and families through 2069.

In an effort to support the preservation and upgrading of these necessary affordable housing units, the City should issue tax exempt multi-family mortgage revenue bonds, and work with the non-profits to subordinate the existing principal debt and interest on the properties.




I THEREFORE MOVE that the City Council instruct the Housing and Community Investment Department (HCID) to issue up to \$39,635,000 in tax exempt multi-family mortgage revenue bonds for Central Avenue Villas, Juanita Tate Legacy Towers, Roberta Stephens, One Wilkins Place, Figueroa Seniors and Normandie Seniors.

I FURTHER MOVE that the City Council instruct HCID to transmit a resolution and related loan documents for City Council approval within the next 30 days.

I FURTHER MOVE that the City Council authorize the General Manager of HCID or designee, to negotiate and execute the relevant loan documents, subject to the approval of the City Attorney as to form.

I FURTHER MOVE that the City Council instruct HCID to subordinate all of its existing CRA and LAHD principal debt and interest in totality, for Central Avenue Villas, Roberta Stephens, One Wilkins Place, Figueroa Seniors and Normandie Seniors; and with regard to Juanita Tate Legacy Tower only, accept a cash repayment of the principal debt in the amount of \$916,790.

PRESENTED BY: 
CURREN D. PRICE
Councilmember, 9th District

SECONDED BY: 

JUN 04 2014

ORIGINAL