

HOUSING COMMITTEE REPORT and RESOLUTION relative to extending the term of the loan and regulatory covenant agreements and modify interest rates for the Senator Hotel Apartments Affordable Housing Project.

Recommendations for Council action:

1. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
 - a. Negotiate and execute amendments to an existing City loan for the Senator Hotel Apartments to change loan principal balances, interest rates, affordability periods, subordination, and assignment and transfer to a new limited partnership, subject to approval of the City Attorney as to form.
 - b. Extend the loan agreement and regulatory agreement term to 55 years; and to combine the original principal loan amount and accrued interest into a new principal loan amount with interest, compounded annually, equal to the Applicable Federal Rate on the original principal loan amount and zero percent on the accrued interest amount for the Senator Hotel Apartments.
 - c. Execute any documents pertaining to these transactions, consistent with the Mayor and City Council actions on this matter, subject to the approval of the City Attorney as to form.
2. ADOPT the accompanying RESOLUTION authorizing the adoption of the replacement housing plan for two dwelling units to be removed from the Senator Hotel located at 729 South Main Street (Site 99 units) located in Los Angeles, California with said reduction in units to allow for the creation of on-site community space for the provision of supportive services for the residents and for the creation of an unrestricted on-site managers unit and provide for the two restricted units removed from the Senator Hotel to be replaced with four units at the six apartments located at 811 Carondelet Street and it outside the City Center Redevelopment Project Area.
3. AUTHORIZE the General Manager, HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer (CAO); and, REQUEST the Controller to implement these instructions.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. No new City funds will be required for the recapitalization and rehabilitation of the Trust's Senator Property.

Community Impact Statement: None submitted.

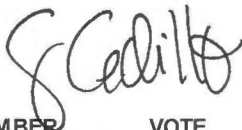
Summary:

On October 24, 2018, your Committee considered October 17, 2018 CAO and September 25,

2018 HCIDLA reports relative to extending the term of the loan and regulatory covenant agreements and modify interest rates for the Senator Hotel Apartments Affordable Housing Project. According to the CAO, the HCIDLA is requesting authority to make amendments to the loan and regulatory agreements for the Senator Hotel Apartments (Senator) to adjust interest rates, loan principal balances, affordability periods, subordination, and, assign and transfer the loan to a new limited partnership. The purpose of these amendments is to recapitalize and rehabilitate the Senator. Additionally, the HCIDLA is requesting the approval of the Replacement Housing Plan attached to the September 25, 2018 HCIDLA report which identifies The Six Affordable Housing Project as the location where two units of restricted housing being removed from the Senator will be replaced with four units of restricted housing. Additional background information on funding for the Senator and the Replacement Housing Plan is included in the HCIDLA report. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as contained in the October 17, 2018 CAO report and detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	ABSENT
HARRIS-DAWSON:	YES

ARL

10/24/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-