

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 17, 2018

CAO File No. 0220-00540-1305

Council File No. 16-0656-S1

Council District: 14

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated September 25, 2018; Received by the City Administrative Officer on September 27, 2018

Subject: **REQUEST FOR APPROVAL TO EXTEND THE TERM OF LOAN AND REGULATORY COVENANT AGREEMENTS AND MODIFY INTEREST RATES FOR THE SENATOR HOTEL APARTMENTS AFFORDABLE HOUSING PROJECT AND THE APPROVAL AND ADOPTION OF THE REPLACEMENT HOUSING PLAN AND RESOLUTION**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, HCID, or designee, to 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; and,
2. Adopt Recommendations II. through V. of the Housing and Community Investment Department transmittal dated September 25, 2018 relative to the Senator Hotel Apartments.

SUMMARY

The Housing and Community Investment Department (HCID) requests 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, HCID requests the approval of the Replacement Housing Plan attached to the HCID transmittal dated September 25, 2018 (Transmittal), 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 Transmittal. This Office concurs with the recommendations of the Department with the exception

of Recommendation I of the HCID transmittal which this Office recommends be replaced with the amended version included as Recommendation 1 to this report.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations of this report comply with the City's Financial Policies in that requested authority to amend the existing loan and regulatory agreements will not include additional funding from the City.

RHL:NSC:02190043C