

HOUSING COMMITTEE REPORT relative to authorization to provide a financial commitment and execute loan documents for the Normandie Lofts Project.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
  - a. Negotiate and execute a Naturally Occurring Affordable Housing (NOAH) Program Loan Agreement with the borrower, Normandie Lofts KTown LLC.
  - b. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions, subject to the approval of the City Administrative Officer (CAO).
2. AUTHORIZE the City Controller to expend funds in an amount not to exceed \$990,000 from Account No. 43P678-NOAH Program Loan Agreement with the borrower, Normandie Lofts KTown LLC.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. The recommended actions contained in the October 2, 2018 CAO report, attached to the Council file, comply with the City Financial Policies in that they are fully funded by the Affordable Housing Trust Fund.

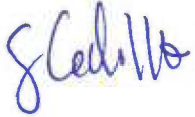
Community Impact Statement: None submitted.

Summary:

On October 10, 2018, your Committee considered October 2, 2018 CAO and September 13, 2018 HCIDLA reports relative to authorization to provide a financial commitment and execute loan documents for the NOAH Program, Normandie Lofts Project. According to the CAO, the Pilot NOAH Loan Program (PNLP) was authorized by Mayor and City Council on July 6, 2018 and based on the program design described in the October 30, 2017 HCIDLA report (Council File No. 17-1258). The PNLN is a pilot program for an acquisition and rehabilitation loan program for occupied multifamily properties without Low Income Housing Tax Credits in order to preserve them as income-restricted affordable housing for the long term. The loan term for the Project within this report is 55 years. The loan program is intended to implement light rehabilitation with tenants in place and should relocation costs be needed, HCID will include them in the overall costs. To qualify for PNLN, affordable housing projects must establish long-term affordability restrictions for the buildings at an overall average of 80 percent of the Area Median Income. The Project, a 50-unit market rate apartment building located at 167 South Normandie Avenue, Los Angeles, CA, 90004, received additional funding in separate agreements. Finally, the developer, Normandie Lofts KTown LLC, will rehabilitate all 50 units with combined funding from the California Housing Finance Agency and PNLN. After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as contained in the October 2, 2018 CAO report and detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

A handwritten signature in blue ink, appearing to read "J. Cedillo".

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

ARL  
10/10/18

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**