

MOTION

FAME Housing Corporation provides affordable housing in South Los Angeles to low-income individuals and families, seniors, and persons with disabilities. In 1991, the Los Angeles Housing Department (now the Housing and Community Investment Department) provided a loan of approximately \$440,200 to FAME Housing Corporation for the rehabilitation of a 22-unit rental housing property located at 2237 South Harvard Boulevard (Property). The accrued interest on the loan is approximately \$1.1 million.

As a condition of the loan, FAME Housing Corporation dedicated the housing units for occupancy by low and moderate income households for a period of 30 years. The 30-year affordability period is set to expire in 2021. The City can preserve the affordable housing units by restructuring the debt and extending the affordability covenants on the Property.

I THEREFORE MOVE that Council direct the Housing and Community Investment Department to restructure the City's loan with FAME Housing Corporation for the housing development located at 2237 South Harvard Boulevard (Property) and extend the project's affordability period, as follows:

- A. Modify the existing loan terms to write-off all accrued interest and reduce the interest rate going forward to 3 percent simple interest;
- B. Modify the existing affordability covenant to extend the affordability period by 55 years; and
- C. Negotiate and execute loan amendments, covenant agreements, subordination agreements, and other documents as necessary to complete the debt restructuring and preserve the affordability at the Property, subject to the review and approval of the City Attorney as to form.

PRESENTED BY: 
MARQUEECE HARRIS-DAWSON
Councilmember, 8th District

SECONDED BY: 

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