

MOTION

Hillside Villa Apartments is a 124-unit affordable housing development located at 636 N. Hill Place (Property). In 1986, the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) provided loans totaling approximately \$5,445,300 for development of the Property.

In consideration for the loans, the Property was covenanted to provide affordable rental housing units for a period of 30 years to households with income at or below 120% of the Area Median Income. The required affordability period is set to expire. The City can preserve the affordable housing units by restructuring the debt and extending the affordability covenants on the Property.

I THEREFORE MOVE that the City Council direct the Housing and Community Investment Department to restructure the City's loan and extend the affordability covenants on the Property as follows:

- A. Modify the affordability covenants to extend the affordability period by 10 years;
- B. Modify the existing loans terms to write-off the loan principal and accrued interest over a period of six years;
- C. Work with the First Council District, Housing Authority of the City of Los Angeles, County of Los Angeles, and State of California to identify resources to provide rental assistance for the lower and moderate-income tenants residing at the Property during years 7-10 of the agreement; and
- D. Negotiate and execute loan amendments, covenant amendments, subordination agreements and other documents as necessary to complete the debt restructuring and preservation of the Property, subject to the review and approval of the City Attorney as to form.

PRESENTED BY

  
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Gilbert Cedillo

Councilmember, First District

SECONDED BY

  
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ORIGINAL

JUL 03 2013

