

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

reports as follows:

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to restructuring an existing \$3.5 million Acquisition and Predevelopment Loan Agreement (Loan) with Urban Housing Communities, LLC (UHC), for the Crossings at 29th Street Affordable Housing Project (Project) located at 814 and 848 East 29th Street and 2901 South Griffith Avenue.

Recommendation for Council action:

AUTHORIZE the Chief Executive Officer, Community Redevelopment Agency (CRA), or designee, to restructure the existing Loan with UHC in the amount of \$3.5 million into two loans (Recommendations a and b below) for the purpose of developing the Project, a two-phased development, located in the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area (CD9RPA), and take such other actions as may be necessary to carry out the loan conversion, subject to the review of the City Attorney as to form and legality.

- a. A Construction Loan Agreement in an amount not to exceed \$3 million for Phase One of the Project, sited at 814 East 29th Street.
- b. An Acquisition and Predevelopment Loan Agreement in the amount of \$500,000 for Phase Two of the Project, sited at 848 East 29th Street and 2901 South Griffith Avenue.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact on the General Fund. The City's Financial Policies are not applicable to the CRA. The CRA is only bound by the disclosure provisions of the City's Debt Management Policies. Approval of the recommendation will result in the expenditure of an aggregate amount not to exceed \$3.5 million from a combination of Low and Moderate Income Housing Trust Funds from the CRA's CD9RPA and Bunker Hill Redevelopment Project Area, in addition to tax allocation bond proceeds from the CD9RPA.

Community Impact Statement: None submitted.

Summary:

In its report dated March 9, 2009, the CAO recommends that Council approve the recommendation listed above relative to restructuring an existing \$3.5 million Loan with UHC, for a two-phased affordable housing development located at 814 and 848 East 29th Street and 2901 South Griffith Avenue. The CAO reports that at the time of execution of the Loan, the Project was originally proposed as the new construction of 70-units of affordable housing based on the acquisition of five parcels at the Project site. However, the Developer has utilized the Loan proceeds to purchase only four of the five parcels. The remaining parcel has impacted the Project's scope, which now includes two phases of development with a construction schedule based on the later acquisition of the fifth property (704-712 East 29th Street). The Project has been redesigned to consist of Phase One sited at 814 East 29th Street and Phase Two at 848 East 29th Street and 2901 South Griffith Avenue.

At its regular meeting held March 11, 2009, the Housing, Community, and Economic Development Committee considered this matter and recommended that Council approve the recommendation of the CAO, as submitted in its report dated March 9, 2009.

Respectfully submitted,

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
WESSON	YES
REYES	ABSENT
GARCETTI	ABSENT
CARDENAS	YES
PERRY	YES

-Not Official Until Council Acts-

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