

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 22, 2022

CAO File No. 0220-00540-1624

Council File No. 11-0103-S1

Council District: 13

To: The Mayor
The Council

From: *for* Matthew W. Szabo, City Administrative Officer 

Reference: Los Angeles Housing Department transmittal dated August 25, 2022; Received by the City Administrative Officer on August 30, 2022; Additional Information Received through September 20, 2022

Subject: **REQUEST FOR AUTHORITY TO APPROVE THE REPLACEMENT HOUSING PLAN FOR THE MONTECITO APARTMENTS**

RECOMMENDATIONS

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

1. Approve the Montecito Apartments Replacement Housing Plan attached to the Los Angeles Housing (LAHD) transmittal dated August 25, 2022; and,
2. Authorize the General Manager of the LAHD, or designee, to execute any documents required to effectuate this transaction consistent with the Mayor and City Council actions on this matter, subject to the approval of the City Attorney as to form.

SUMMARY

The Los Angeles Housing Department (LAHD) requests that the Council approve the Montecito Apartments (Montecito I) Replacement Housing Plan attached to the LAHD transmittal, dated August 25, 2022 (Report), and authorize the LAHD to execute any documents required in order to effectuate the transaction. The California Health and Safety Code Section 33413.5 requires an agency to adopt a replacement housing plan when units that are financed with Community Redevelopment Agency of the City of Los Angeles (CRA/LA) funds are removed from the housing market. The Montecito I project is a 116-unit affordable housing development for individuals that are 55 years old or older located at 6650 Franklin Avenue, Los Angeles, CA 90028 in Council District 13. The Montecito I project was placed in service in 2000 and provides affordable housing to tenants pursuant to the CRA/LA affordable rental covenants. A replacement housing plan is required since one of the restricted, one-bedroom units at the Montecito I project will be demolished to be converted into a studio unit in order to accommodate the development of the Montecito II Senior Housing project, a new, 64-unit affordable housing project located on the same lot as the

Montecito I project. The conversion of the unit and relocation of the tenant of the one-bedroom unit will be funded by the owner of the Montecito II Senior Housing project.

The one-bedroom unit, and its affordable rent restrictions, from the Montecito I project will be replaced with a one-bedroom unit at the Hollywood Arts Collective project located at 1630 Schrader Blvd, Los Angeles, CA 90028 in Council District 13. The Hollywood Arts Collective project is currently in construction and is expected to be completed by November 2023. Additional information regarding the replacement housing plan can be found in the LAHD Report. This Office concurs with the recommendations of the Department.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The Hollywood Arts Collective project, where the replacement one-bedroom unit will be constructed, received approval for City financing, tax credits through the California Tax Credit Allocation Committee, and an issuance of tax-exempt multifamily conduit revenue bonds in 2020. There are no additional financial commitments being made by the City at this time.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.