

**HOUSING**

OCT 17 2013

~~HOUSING, COMM & ECON. DEVELOP.~~

**MOTION**

~~ECONOMIC DEVELOPMENT~~

13-0759

CD13

Related CF: 06-2364

JUN 12 2013

On March 7, 2007, the City Council and Mayor approved \$1,500,000 Community Development Block Grant (CDBG) funds for Clinica Msr. Oscar A. Romero (Clinica Romero) to acquire the building used by the organization to treat patients (CF: 06-2366). The building is located on 123 South Alvarado Street, in Council District 13. The City Contract with Clinica Romero for the funding of the acquisition (No. 112189) became effective on August 27, 2007, and requires the Contractor to provide medical, dental, and other health related services to low and moderate income City residents for a service payback period of Thirty-Seven (37) years. The City agreement prescribes service payback at minimum of 4,000 eligible City residents per month for which the City will amortize the Promissory Note at a rate of Forty Thousand Dollars (\$40,000) per year.

On October 23, 2008, the City Council authorized (C.F. 08-1302) the General Manager, Community Development Department, or designee to change the flat rate in service amortization for the CDBG funded capital loans to nonprofit organizations from \$40,000 to \$100,000 with a minimum of five years provision of service and a maximum term of 20 years for capital loans up to \$2 million.

Clinica Romero has requested a contact amendment to revise the Service Payback obligation to a minimum of 4,500 eligible City residents per quarter, revise the amortization rate to \$100,000 per year, and revise the Service Payback term to 15 years. These requested modifications will enable Clinica Romero to streamline and meet their service reporting requirements on a consistent basis, apply for future loans needed to upgrade equipment as technology advances, and ultimately ensure that they continue to provide much needed health services to low and moderate income City residents.

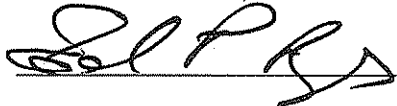
I THEREFORE MOVE that the Council authorize the General Manager of the Economic and Workforce Development Department (EWD), or designee to: (1) negotiate and execute an amendment to City Contract Number 112189 with Clinica Msr. Oscar A. Romero to revise the current Service Payback term, revise the minimum number of eligible residents to be served, and revise the Service Payback amortization rate, subject to review of the City Attorney as to form and legality; and (2) negotiate and accept from the Contractor an amended Promissory Note secured by a Deed of Trust reflecting amended terms to contract 112189.

PRESENTED BY:

  
ERIC GARCETTI

Councilmember, 13<sup>th</sup> District

SECONDED BY:





ORIGINAL

JUN 14 2013