

MOTION

The Imani Fe East – West Project (the “Project”) consists of 92 apartment units in two buildings, located at 10345 South Central Boulevard and 10424 South Central Boulevard in the Watts neighborhood of Los Angeles. The Project is rented to individuals with income levels at or below 60% Area Median Income. Since the Project’s two buildings sit on both sides of South Central Blvd, the Project is located in both Council District 8 and Council District 15.

The Project was completed in 2009 and financed using (i) tax credit equity (Section 42 program), (ii) construction loan proceeds (the “Construction Loan”) and (iii) HOME Loan proceeds in the amount \$6,001,178 (the “HOME Loan”) from the Los Angeles Housing and Community Investment Department (HCID) and (iv) CRA Loan proceeds from the Community Redevelopment Agency of the City of Los Angeles (which loan is now held and serviced by HCID). The construction lender has granted the Project owner, Imani Fe, L.P. (“Imani Fe”), several extensions to the construction loan maturity date to allow the Project to continue operations while Imani Fe has been diligently pursuing permanent financing.

Imani Fe has secured a firm commitment for a loan (the “Permanent Loan”) to be made by Love Funding Corporation, a Virginia corporation, which loan shall be insured by the United States Department of Housing and Urban Development (HUD). Imani Fe, HCID, Love Funding Corporation, and HUD have been working together to review and negotiate documents in connection with the closing of the Permanent Loan and have agreed to all final forms of documents, with one exception. Pursuant to HUD program requirements (see 24 CFR 200.85, CFR 200.71, and MAP Guide Section 8.9), subordinate financing that encumbers a property cannot expire before the term of the HUD insured loan. The HOME Loan currently has a term of 42 years and matures on February 9, 2049. The proposed date of maturity for the Permanent Loan is March 31, 2051 (the date which is 35 years from the anticipated closing date of the Permanent Loan). Therefore, as a condition to entering into the Permanent Loan, and pursuant to HUD program requirements, HUD is requiring that the maturity date of the HOME Loan (Agreement C-111300) be extended to at least July 1, 2051.

Imani Fe is requesting the approval of the City Council to amend the existing HOME loan (C-111300) to extend the maturity date for approximately two years from February 9, 2049 to July 1, 2051.

I THEREFORE MOVE that the City Council:


1. Authorize the Housing and Community Investment Department (HCID) General Manager, or designee, to negotiate and execute amendments to the pertinent loan agreement documents with the legal owner of The Imani Fe East – West Project, located at 10345 South Central Boulevard and 10424 South Central Boulevard, subject to approval of the City Attorney as to form;
2. Authorize the HCID General Manager, or designee, to execute a subordination agreement, wherein the City loan is subordinated to the respective conventional loan, as required and subject to approval of the City Attorney as to form;
3. Authorize the HCID General Manager, or designee, to allow the transfer of the City’s financial commitment to a limited partnership or other legal entity formed solely for the purpose of owning and operating the project in accordance with City and federal requirements, subject to approval of the City Attorney as to form; and
4. Authorize the HCID General Manager, or designee, to extend the Permanent Loan term from February 9, 2049 to July 1, 2051.

JAN 22 2016

PRESENTED BY:


MARQUEECE HARRIS-DAWSON
Councilmember, 8th District

SECONDED BY:



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