

**MOTION**

I HEREBY MOVE that the Council ADOPT the following recommendations of the City Attorney in order to effect settlement in the case entitled HMMY Orchid, LLC v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BC615079 (this matter concerns a dispute regarding the amount of interest the City charged in an August 2015 payoff demand for repayment of a loan used to rehabilitate 35 affordable rental units), **SUBJECT TO THE APPROVAL OF THE MAYOR:**

1. AUTHORIZE the City Attorney to execute a settlement agreement, and all other documents necessary, to implement a settlement with Plaintiff whereby the City will return approximately one-half of the interest charged in the payoff demand issued in August 2015 (or \$287,500), with the City keeping funds amounting to all principal due and approximately one-half of the amount of interest originally charged to Orchid. Upon such payment, this action will be dismissed with prejudice. Mutual release will be granted by and between the City and Plaintiff of all claims held by either party relating to the property at issue in this action, and each party will bear its own attorney’s fees and costs.
2. AUTHORIZE the Los Angeles Housing and Community Investment Department (HCIDLA) to issue to the client trust account of John Holcomb, Jr., Esq., counsel of record to Plaintiff HMMY Orchid, LLC, a partial refund of interest collected in September 2015 and deposited in Fund No. 561 – HOME Investment Partnership Program, Revenue Source No. 4984, in an amount not to exceed \$287,500.
3. AUTHORIZE the HCIDLA to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with this action; and, AUTHORIZE the Controller to implement the instructions.

This matter was recommended for approval by the Budget and Finance Committee (Krekorian – Martinez – Blumenfield - Bonin: “Yes”) at its meeting on June 5, 2017, in Closed Session as permitted by Government Code Section 54956.9(d)(1).

**(Housing Committee waived consideration of the above matter)**

PRESENTED BY \_\_\_\_\_  
PAUL KREKORIAN  
Councilmember, 2nd District

SECONDED BY \_\_\_\_\_  
NURY MARTINEZ  
Councilmember, 6th District

REW  
CF 17-0483  
June 5, 2017