

HOUSING

MOTION

Grand Plaza Senior Apartments is a 302-unit affordable housing development consisting of low and very low income units for seniors (Project) located at 601 N. Grand Avenue in Council District 1. The Project was originally built in 1991 with a loan from the former Community Redevelopment Agency of the City Los Angeles (CRA/LA). The CRA/LA affordability covenant matured on May 23, 2019.


On July 1, 2020, the Mayor and City Council authorized the Housing and Community Investment Department (HCID) to negotiate and enter into a new Regulatory Agreement (Agreement) for the preservation of affordability with the legal owner(s) of the Grand Plaza Senior Apartments (C.F. 20-0148). Council approved amended affordability of the property and authorized HCID to enter into a new 30-year Agreement. As approved, the Agreement would protect all of the existing tenants for life and restrict most of the turnover rents for 30 years. Existing tenants pay rents that are currently set according to the California Department of Housing and Community Development (HCD) AMI rent schedules. Upon turnover, the units will float up to the federal Housing and Urban Development (HUD) AMI rent schedules. The Housing Authority of the City of Los Angeles (HACLA) has agreed to increase Housing Assistance Payments (HAP) for the Section 8 voucher holders, which increased contract rents to Voucher Payment Standards (VPS).

The property shall be leased solely to senior residents aged 62 years and over. Under the Agreement, the Owner will agree to maintain the property with not less than 20 percent of the units rented as very low-income units at 50 percent Area Median Income (AMI) and not less than 60 percent of the units as low-income at 80 percent AMI. The remaining units will become unrestricted (except for the requirement to maintain senior tenancy) upon natural turnover vacancy.

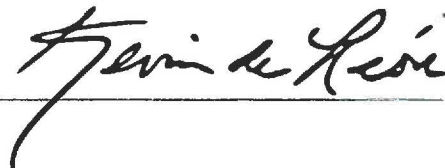
HCID now recommends that the current Regulatory Agreement be amended instead of executing a new Agreement. Further, while the affordability breakdown by percentage of units was approved by the Council and Mayor, HCID indicates that it is necessary to stipulate the correct the number of units by each affordability category.

I THEREFORE MOVE that Council instruct the Housing and Community Investment Department, in consultation with the City Attorney, to amend the Regulatory Agreement with 601 N. Grand Avenue Partners Limited Partnership for the Grand Plaza Apartments located at 601 N. Grand Avenue, to stipulate the correct affordability mix as 61 units at 50 percent of the Area Median Income (AMI), 182 units at 80 percent AMI, and 59 non-restricted units, and to make any technical corrections, as necessary.

PRESENTED BY:


GILBERT A. CEDILLO
Councilmember, 1st District

SECONDED BY:




APR 27 2021