



**CRA/LA**

Building communities with jobs & housing

**Community Redevelopment Agency**  
of the CITY OF LOS ANGELES

DATE /

**NOV 15 2007**

FILE CODE /

354 South Spring Street / Suite 800  
Los Angeles / California 90013-1258

T 213 977 1600 / F 213 977 1665  
www.crala.org

CRA File No. 5179

Council District: 14

Contact Person: Michael Miller  
(213) 977-1736

Honorable Council of the City of Los Angeles  
John Ferraro Council Chamber  
200 N. Spring Street  
Room 340, City Hall  
Los Angeles, CA. 90012

Attention: Alan Alietti, Office of the City Clerk

**COUNCIL TRANSMITTAL:**

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on 11/15/2007, for City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

**VARIOUS ACTIONS RELATED TO:**

AUTHORIZATION TO ISSUE TAX-EXEMPT MULTIFAMILY HOUSING BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$25,000,000 FOR THE REHABILITATION OF THE VAN NUYS APARTMENTS LOCATED AT 210 WEST 7TH STREET AT THE SOUTHWEST CORNER OF SPRING AND SEVENTH STREETS IN THE HISTORIC CORE OF THE CITY CENTER REDEVELOPMENT PROJECT AREA FOR LOW-INCOME SENIORS AND REPAYMENT OF THE EXISTING AGENCY LOAN WITH A CURRENT BALANCE OF \$\$3,840,197.50 (AS OF DECEMBER 31, 2007).

**RECOMMENDATION**

That City Council approve(s) recommendation(s) on the attached Board Memorandum.

**ENVIRONMENTAL REVIEW**

The proposed rehabilitation of the building was determined to be categorically exempt from the California Environmental Quality Act pursuant to section 15331 of the state CEQA Guidelines at the time the CRA/LA authorized staff to hold the TEFRA hearing.

**FISCAL IMPACT STATEMENT**

There is no fiscal impact to the City's General Fund, as a result of this action.

  
Cecilia V. Estolano, Chief Executive Officer

cc: Alan Alietti, Office of the City Clerk (Original & 3 Copies on 3-hole punch)  
Lisa Johnson Smith, Nancy Duong, Office of the CAO  
Paul Smith, Ivania Sobalvarro, Office of the CLA

**HOUSING, COMMUNITY &  
ECONOMIC DEVELOPMENT**

**NOV 28 2007**



**CRA/LA**

*Building communities with jobs & housing*

---

Helmi Hisserich, Office of the Mayor  
Noreen Vincent, Office of the City Attorney

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CA

MEMORANDUM

REVISED

Pg. 1, 3 and 7 as underlined

DATE: NOVEMBER 15, 2007 CT1090

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CECILIA V. ESTOLANO, CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTIES: DAVID RICCITIELLO, REGIONAL ADMINISTRATOR  
LILLIAN BURKENHEIM, PROJECT MANAGER  
MICHAEL MILLER, SENIOR FINANCE OFFICER

SUBJECT: AUTHORIZATION TO ISSUE TAX-EXEMPT MULTIFAMILY HOUSING BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$25,000,000 FOR THE REHABILITATION OF THE VAN NUYS APARTMENTS LOCATED AT 210 WEST 7TH STREET AT THE SOUTHWEST CORNER OF SPRING AND SEVENTH STREETS IN THE HISTORIC CORE OF THE CITY CENTER REDEVELOPMENT PROJECT AREA FOR LOW-INCOME SENIORS AND REPAYMENT OF THE EXISTING AGENCY LOAN WITH A CURRENT BALANCE OF \$3,840,197.50 (AS OF December 31, 2007).  
DOWNTOWN REGION (CD 14)

RECOMMENDATION

That the CRA/LA Board of Commissioners:

1. Adopt a Resolution authorizing the issuance, sale and delivery of its multi-family housing revenue bonds for the Van Nuys Apartments for Lower Income Seniors Multifamily Housing Project (the "Project") in one or more series, and authorizing certain other actions in connection with such bonds in an amount not to exceed \$ 25 million in tax-exempt multi-family (conduit) housing bonds (collectively the "Bonds");
2. Authorize the Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Assistant Secretary or designee to approve all financing related documents associated with the Project as well as any other ancillary documents required to complete this transaction; and

That the City Council:

1. Adopt a Resolution authorizing the issuance, sale and delivery of the CRA/LA's tax-exempt, multi-family housing revenue bonds for the Van Nuys Apartments for Low Income Seniors Project in one or more series and authorizing certain other actions with such bonds in an amount not to exceed \$25 million in tax-exempt multi-family housing bonds.

SUMMARY

On July 19, 2007, the CRA/LA Board approved Resolution No 7064 expressing the intent to issue bonds and authorizing staff to seek private activity tax exempt bond allocation from the California Debt Limit Allocation Committee ("CDLAC") and to hold a hearing as required by Tax Equity and Fiscal Responsibility Act ("TEFRA") for the Van Nuys Apartments for Low Income Seniors. The TEFRA hearing was conducted on July 20, 2007, an application was submitted on behalf of AIMCO, (the Developer/Sponsor) to CDLAC on July 25, 2007 and a resolution (CF07-2329) was adopted by City Council on August, 25 2007. The Mayor signed the resolution following which the Developer applied to California Tax Credit Allocation Committee ("TCAC") for Low Income Housing Tax Credits ("LIHTC").

On Wednesday September 26, 2007, CDLAC held its private activity bond allocation meeting and therein awarded via its Resolution No. 07-142, the requested private activity bond allocation for the project. Likewise, TCAC is currently considering the Borrower's request for Low Income Housing Tax Credits. As well, the Borrower has applied to the U.S. Department of the Interior National Park Service (under section 47 of the IRS Code), for entitlement to National Historic Tax Credits. Staff is now requesting that the Board approve bond and other documents, authorize the issuance of bonds and request that City Council approve the issuance of an amount not to exceed \$25,000,000 in conduit tax exempt bonds for the project.

The proposed rehabilitation project involves CRA/LA's participation for the issuance of tax-exempt bonds, which requires a Regulatory Agreement establishing a new 55-year affordability covenant (10% of the units at 50% AMI, 90% of the units at 60% AMI). The existing CRA/LA covenants recorded in 1980 will expire in 2010. In addition to the Regulatory Agreement and Declaration of Restrictive Covenants for the project, the CDLAC Resolution also requires the 55-year covenant as a precondition for the bond allocation. The Section 8 contract for the property, which expires in 2024, will not be affected until that time. Additionally, included as attachments to the Regulatory Agreement are the CRA/LA Staff's Tenant Habitability Requirements for "In-Place" Rehabilitation Projects and the City's Rent Stabilization Ordinance.

The recommended actions will facilitate a much-needed rehabilitation of Van Nuys Apartments, a 299-unit senior affordable housing project developed in 1980 by converting a vacant 1913 office building with financial assistance from HUD (Project-Based Section 8) and the CRA/LA (Participation Agreement for the issuance of tax-exempt mortgage revenue notes and an \$800,000 CRA/LA loan). The CRA/LA loan was subsequently increased to \$482,698 by allowing the borrower to utilize arbitrage earnings to cover project costs, resulting in a principal balance of \$1,282,689 that accrues interest at an annual rate of 8.9%. The CRA/LA loan was not secured and was deferred until sale or refinancing. The combined outstanding principal and accrued interest on the existing loan was \$3,840,197.50 as of December 31, 2007. The existing CRA/LA loan will be repaid at closing from the sale of the Project to the Project purchaser which purchase price will be funded in part with proceeds from the sale of the Bonds.

Financing sources for the rehabilitation Project involve construction-term tax-exempt bonds, comprised of a \$25,000,000 (estimated) non-recourse loan (subject to customary non-recourse carve outs) divided into A (the "Series A Bonds") and B (the "Series B Bonds") portions of \$12,500,000 each. Ninety days following completion of the renovation of the Project, (i) such portion of the series A Bonds as is necessary for the Project's net operating income to be able to cover 200% of the interest and principal due on a 30 Year amortization schedule of the

outstanding principal amount of the Series A Bonds shall be redeemed and (ii) such portion of the Series B Bonds as is necessary for the Project's net operating income to be able to cover 115% of the interest (but not principal) on the outstanding principal amount of the Series B Bonds shall be redeemed. The balance of the acquisition/construction and permanent financing will come from low-income housing tax credit equity, federal historic tax credit equity, a second mortgage financed by Merrill Lynch, and the deferred developer's fee.

Financing uses include acquisition of the property by Van Nuys Preservation, LP from Van Nuys Associates, LP for \$20,000,000, with approximately \$16,040,000 of the proceeds being used to pay-off the outstanding HUD loans and approximately \$3,800,000 to pay-off the outstanding CRA/LA loan. Apartment Investment and Management Company ("AIMCO"), a Denver-based real estate investment trust (REIT), is a General Partner in both partnerships. The other major financing uses are the rehabilitation hard costs, estimated at \$15,073,157, which covers substantial renovations and upgrades. The Project is not expected to result in permanent dislocations; current tenants will be temporarily relocated to vacant units within the building or to an off-site location, with relocation costs covered under the construction budget and not charged to the tenants.

## RE

August 13, 1980 – CRA/LA acceptance of Participation Agreement with Van Nuys Associates for the rehabilitation of the I.N. Van Nuys Building for reuse as affordable senior housing.

July 17, 2007 – CRA/LA approval of resolution No 7064 expressing the intent to issue bonds and authorizing staff to seek private activity tax exempt bond allocation from the California Debt Limit Allocation Committee ("CDLAC") and to hold a hearing as required by Tax Equity and Fiscal Responsibility Act ("TEFRA") for the Nan Nuys Apartments for Low Income Seniors.

July 27, 2007 – City Council of Los Angeles approved various actions in connection with the Project including adopt the Tax Equity and Fiscal Responsibility Act ("TEFRA") Resolution and authorizing the issuance of up to \$ 25 million in Multifamily Housing Revenue Bonds.

September 24, 2007 - Report to CRA/LA Commissioners on additional information requested by the Board on July 17, 2007: 1) impact of new Bond financing on affordability levels; 2) impact of HUD loan repayment (via new Bond financing) on Section 8 HAP contract; and 3) overview of litigation involving AIMCO.

## SOURCE OF FUNDS

Tax-exempt and taxable housing revenue bond proceeds, low-income housing tax credit equity, federal historic tax credit equity, and deferred developer's fees.

## PROGRAM AND BUDGET IMPACT

The proposed action is consistent with the proposed FY08 Budget and Work Program for CT1090. There is no direct cost to the CRA/LA as a result of the Project. Fees generated from the Project that would accrue to the CRA/LA include a one-time cost of issuance charge of \$25,000 plus an administrative fee equal to 10 basis points (0.10%), capped at \$50,000 per annum, of the bonds outstanding to pay for the ongoing cost of monitoring and reporting activities. The existing CRA/LA loan, which had a current balance of \$3,840,197.50 as of December 31, 2007, would be repaid. The revenues from this loan repayment would be

deposited back into the original housing funds in direct proportion to the original contribution: 61% to the Bunker Hill Replacement Housing Trust Fund 1202 and 39% to the CBD Housing Trust Fund 4002.

### ENVIRONMENTAL REVIEW

The proposed rehabilitation of the building was determined to be categorically exempt from the California Environmental Quality Act pursuant to section 15331 of the state CEQA Guidelines at the time the CRA/LA authorized staff to hold the TEFRA hearing.

### BACKGROUND

#### I.N. Van Nuys Building

Completed in 1913, the I.N. Van Nuys Building was developed by its namesake (Isaac Newton Van Nuys) and designed by the prominent Los Angeles architecture firm Morgan, Walls & Morgan (comprised of Octavius Morgan, John Walls, and O. W. Morgan). Other notable structures designed by Morgan, Walls & Morgan include the National Register-listed Kerckhoff Building (1907) and Annex (1916), known today as the Santa Fe Lofts, and the Spring Street Financial District contributing buildings Farmers and Merchants Bank (1906) and Hellman Building (1910). Upon the subject building's completion, First National Bank occupied the entire first floor and basement of the building, while Dean Witter & Company, Merrill Lynch & Company, and other financial services firms, as well as the building architects, occupied offices on the upper floors. The I.N. Van Nuys Building is listed on the National Register of Historic Places as a contributing resource of the Spring Street Financial District and is considered a historic resource for the purposes of CEQA.

The Project sits on a 26,528 square foot site and is comprised of a rectangular-shaped, 11-story steel frame with masonry perimeter wall commercial building, located at the southwest corner of Spring and 7th Streets in the Historic Core section of Downtown Los Angeles. The building's primary facades are along 7th Street (eight bays wide) and Spring Street (nine bays wide); the main lobby is accessed via an entrance on 7th Street.

The building operated as a bank and offices until the late 1970s. In 1982, the building was converted into its current use as a multi-family residential complex reserved for occupancy by low-income senior citizens through funds provided by HUD and the CRA/LA. The 1982 rehabilitation also provided approximately 13,000 square feet of retail space on the ground level fronting on both 7th and Spring Streets. The basement is utilized for parking, with vehicular access provided to the south from Spring Street by an easement in the immediately adjacent four-story building, which was originally constructed as the Van Nuys Building annex but was later sold and is no longer a part of the subject property.

#### Proposed Rehabilitation Project

Renovations in this proposed Project will be substantial (averaging approximately \$50,000 of hard costs per unit); CRA/LA Staff has reviewed the per-unit cost of the rehabilitation and found it to be comparable with similar rehabilitation projects currently under construction or completed within the past six months. Exterior improvements will include building cleaning and maintenance, new façade lighting, and new lighting and other security measures in the adjacent alley. Structural and building improvements will include seismic reinforcement, upgraded fire/life-safety systems, and upgraded mechanical, electrical and plumbing systems. Common

area improvements will include new flooring, doors, and lighting fixtures. Upon completion, each apartment unit will feature new entry doors, carpeting, window coverings, air conditioning, a garbage disposal, and energy-efficient appliances (range and refrigerator). The property will include a management office, upgraded laundry facilities, on-site security, rooftop garden and walkway, and a furnished community room. The renovation work will conform to the Secretary of the Interior's Standards for Treatment of Historic Properties. Renovation of the project is expected to begin in December 2007 and be completed by July 2008.

Unit Mix and Affordability

The property's unit mix is comprised of 132 studio/one-bath units, 157 one-bedroom/one-bath units, and 10 two-bedroom/one-bath units. A Section 8 contract with HUD providing rental subsidy on behalf of each of the property's units for a twenty-year term was executed in 2004 and expires in October 2024. The contract is subject to the annual appropriation of funds by the federal government. The property's units will be committed for occupancy by senior households whose household income is at or below 50% and 60% of the TCAC area median income ("AMI") levels, adjusted for household size. The Regulatory Agreement for the tax-exempt bonds will establish a new 55-year affordability covenant, commencing upon the completion of the rehabilitation and running to no sooner than 2062.

The developer proposes the following gross monthly rents at the 50% of AMI level: \$647 (\$629 net of Utility allowance) for the 14 Studio apartments, \$693 (net \$669) for the 16 1 bedroom 1 bath apartments, and \$832 (net \$800) for the 2 bedroom/ 2 baths apartment. Likewise, gross monthly rents at the 60% of AMI level is 118 Studio apartments at \$777 (net \$759), 141 1 bedroom/ 1 both at \$832 (net \$808) and seven 2 bedrooms/ 2 baths at \$999 (net \$967).

UNIT MIX AND AFFORDABILITY					
Unit Type	Number	Unit Size (sq. ft.)	Gross Rents	Utility Allowance	Net Rents
<b>50% AMI</b>					
Studio	14	486	\$647	\$18	\$629
1 BR/1BA	16	648	\$693	\$24	\$669
2 BR/1 BA	1	887	\$832	\$32	\$800
<b>60% AMI</b>					
Studio	118	486	\$777	\$18	\$759
1 BR/1 BA	141	648	\$832	\$24	\$808
2 BR/1 BA	7	887	\$999	\$32	\$967
<b>Manager &amp; Maintenance Units</b>					
Non-Revenue	2	887	NA	NA	NA
<b>Totals</b>					
<b>Total with LIHTC</b>	<b>297</b>		NA	NA	NA
<b>Total</b>	<b>299</b>				

### Prevailing Wage and Local Hiring Program

The CRA/LA Prevailing Wage policy and the most recently revised construction and permanent worker local hiring programs in the Wiggins Settlement Agreement, as approved by all settlement parties, shall apply to this project.

With regard to construction worker hiring, the Wiggins agreement currently provides that at least 30% of the construction workforce will consist of "Local Residents," as defined in the agreement, and that at least fifty percent of the apprentice workforce will consist of "Local Low-Income Residents" as defined in the agreement. The employer must use the maximum number of construction apprentices allowed by law.

With regard to permanent worker hiring, the Wiggins agreement provides for preferential job opening notification, hiring preferences for "Local Low-Income Residents", and credit for on-the-job training.

The CRA/LA commits to engaging a jobs coordinator or recruitment organization to facilitate implementation of the local hiring requirements. Violations by the developer or contractor are subject to liquidated damages. Attachments "F" provides more details on the Wiggins Settlement Agreement.

### Tenant Habitability Requirement for In-Place Rehabilitation Projects

According to AIMCO, it is not expected that any resident of the Van Nuys Apartments will be permanently displaced. In consideration of the fact that the rehabilitation of the Van Nuys Apartments will require the temporary relocation of the existing tenants and that there is a very low vacancy rate in the building, CRA/LA staff met with representatives of AIMCO to develop an in-place rehabilitation plan for the project. It is AIMCO's intention to temporarily relocate all tenants on site, provide for meals and otherwise, work with the CRA/LA and individual tenants to accommodate the temporary displacement of tenants during the rehabilitation of individual units. AIMCO expects that it will take approximately thirty days to complete the work on most units. AIMCO has therefore agreed to follow CRA/LA staff's "Tenant Habitability Requirements for In-Place Rehabilitation Projects" (See Attachment G).

The intent of the "Tenant Habitability Requirements for the Van Nuys In-Place Rehabilitation Project" is to facilitate investment in rehabilitation of affordable housing units without subjecting tenants to either adverse housing conditions during such renovation work or forced permanent displacement. The CRA/LA requires property owners receiving financial assistance from the CRA/LA to mitigate such temporary uninhabitable conditions, either through actions to ensure that tenants can safely remain in place during construction or through the temporary relocation of tenants to alternative housing accommodations. These two options should not be regarded as mutually exclusive but rather as complementary approaches that might be appropriate to different stages of the renovation process.

### Project Financing

Merrill Lynch will serve as both the construction and permanent lender for the purchase and rehabilitation of the Project. The Sponsor anticipates that a portion of the tax-exempt bonds will be bought down following completion of rehabilitation with proceeds of capital contributions by the project owner's limited partners in exchange for low income housing tax credit or historic tax

credit benefits available to the Borrower or its partners in connection with their interest in the Project.

The committed construction-term tax-exempt bonds will be comprised of a non-recourse loan of \$25,000,000 divided into an A (senior) (the "Series A Bonds") and B (subordinate) (the "Series B Bonds") portions of \$12,500,000 each. The Bonds will bear fixed rate interest for seventeen years at a rate to be set at closing, but currently projected to be approximately 5.5% for the Series A Bonds and 6.5% for the Series B Bonds. The Bonds will have a 30 year term and will be subject to mandatory tender on the seventeenth anniversary of their issuance. Ninety days following completion of the renovation of the Project, (i) such portion of the Series A Bonds as is necessary for the Project's net operating income to be able to cover 200% of the interest and principal due on a 30 year amortization schedule of the outstanding principal amount of the Series A Bonds shall be redeemed and (ii) such portion of the Series B Bonds as is necessary for the Project's net operating income to be able to cover 115% of the interest (but not principal) on the outstanding principal amount of the Series B Bonds shall be redeemed..

AIMCO Properties, LP will contribute subordinate financing for the Project that will be serviced from cash flow available after service of the first mortgage. The anticipated cash flow will include rental revenue received under an existing Section 8 contract with HUD in excess of the Section 42 rental revenue upon which service of the first mortgage loan has been predicated. The CRA/LA deferred loan of \$3,840,197.50 (as of 12/31/2007) will be repaid upon the closing of the bonds.

### Bonds

The Bonds will be issued as fixed-rate "conduit" revenue bonds of the CRA/LA. As such, the Bonds will be a "limited obligation" of the CRA/LA payable exclusively from Project revenues and certain other funds as indicated in the Sources and Uses table (Attachment E). Security for the Bonds will be provided by a first deed of trust lien on the Project Site. The Bonds will not be credit enhanced, or rated, and will not be re-offered to the public. In all instances, future investors will be limited to "approved institutional buyers" ("AIBs") which consists of Qualified Institutional Buyers ("QIBs") under rule 144A and Institutional Buyers under Regulation D of federal securities law and the minimum bond denomination will be no lower than \$1,000,000. Primary long term funding for the repayment of the Bonds would be generated from rent revenues. Analysis performed by the Project Sponsor as well as Agency Staff indicates that the Project's net operating income can support and maintain a debt coverage ratio (DCR) of at least 1.10 to 1.0 in the first year of stabilized operation. This DCR meets CDLAC's minimal standards.

Total CRA/LA funding includes the CRA/LA's tax-exempt bonds. \$25,000,000 in bonds will initially be issued to fund construction and rehabilitation. Sources of permanent equity financing include capital contributions in exchange for Low Income Housing Tax Credits (approximately \$15,000,000), capital contributions in exchange for Federal Historic Tax Credits (approximately \$3,500,000), and Deferred Developer's Fee (approximately \$200,000).

Van Nuys Preservation, LP (the "Sponsor") has obtained a term sheet from an affiliate of Merrill Lynch (the "Bond Purchaser") to purchase all \$25,000,000 of the tax-exempt bonds in an "institutional direct placement" structure. As previously discussed, the CRA/LA will require that Merrill Lynch sign a traveling investor letter restricting the sale of the bonds only to Approved Institutional Buyers ("AIBs") and the bonds will be further subject to placement and resale

restrictions. The Sponsor expects that all conditions will be satisfied and that the transaction and tax-exempt bond sale is expected to occur by December 15, 2007.

#### Non-Integrated Swap of Bond Interest Cash Flow

Staff has been informed by AIMCO that at the transaction closing an affiliate of Merrill Lynch other than the Bond Purchaser (the "Merrill Swap Provider") will enter into an interest rate derivative product commonly known as a "total return swap" (the "Swap") with an affiliate of AIMCO other than the Project owner (the "AIMCO Counterparty"). Neither the Issuer, the Borrower nor the Bond Purchaser will be parties to the Swap. None of the Borrower, the Issuer or the Bond Purchaser will have any liability to the AIMCO Counterparty or the Merrill Swap Provider for either of their obligations in connection with the Swap. In the past, CRA/LA has declined to participate in swap transactions; however staff has been advised that bond issuers have little control should the purchasers of its bonds choose to employ the use of derivatives in the secondary market. Both AIMCO and Merrill Lynch have advised and bond counsel concurs that CRA/LA will not be a party to the Swap or have liability in connection therewith. Staff has been further advised that such a transactions will not require the CRA/LA to carry the Swap transaction on its books and there will be no obligation to otherwise disclose the transaction since the CRA/LA will not be a direct party to the Swap. The non-integrated swap will allow the bond purchaser to commit the cash flow (bond interest) that the purchasing institution expects to realize from the bonds.

#### Competitive Bidding

For the purposes of the tax-exempt bonds, CRA/LA staff solicited bids from three bond counsel firms that are currently on its pre-approved list and fee quote proposals were received from each firm. The Outside Counsel Committee of the City Attorney's office approved the staff recommendation to hire Squire, Sanders & Dempsey LLP for this engagement. Additionally, the CRA/LA solicited fee quote and scope of service proposals from nine bond financial advisory and underwriting firms. Three proposals were received and based upon those responses staff recommends the appointment of Public Financial Management, Inc. ("PFM") to serve as Senior-financial advisor and Backstrom, McCarley and Berry & Co., LLC to serve as Co-financial advisor for this engagement.

#### Additional Financing Details

AIMCO is a General Partner in Van Nuys Associates, LP and Van Nuys Preservation, LP. Founded by Terry Considine in 1994, AIMCO is the nation's largest owner and operator of apartment communities, with nearly 1,370 communities (including 312 affordable communities) comprising approximately 240,000 units.

The non-profit Managing General Partner is the Foundation for Affordable Housing, Inc. ("FFAH"), based in San Juan Capistrano. Founded by Tom and Deborah Willard, FFAH has created over 8,200 affordable housing units in 91 separate rental projects, with development partners including AMCAL Multi-Housing Group, KB Home, Meta Housing, and several others.

Cecilia V. Estolano  
Chief Executive Officer

By



Glenn F. Wasserman,  
Chief Operating Officer

There is no conflict of interest known to me that exists with regard to any CRA/LA officer or employee concerning this action.

- Attachments: A      CRA Resolution  
                  B      Council Resolution  
                  C      Site Map  
                  D      Community Context Attachment  
                  E      Sources and Uses  
                  F      Wiggins Settlement Agreement - Local Hiring Program  
                  G      Tenant Habitability Requirements for In-Place Rehabilitation Projects

ATTACHMENT A

RESOLUTION NO. 7108

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA MULTIFAMILY HOUSING REVENUE BONDS (VAN NUYS APARTMENTS), IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH SUCH BONDS**

WHEREAS, The Community Redevelopment Agency of the City of Los Angeles, California (the "CRA/LA"), is a redevelopment agency (a public body, corporate and politic) duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) (the "Act"), and the powers of such agency include the power to issue revenue bonds for the purpose of financing the development of multifamily rental housing for persons of low and moderate income;

WHEREAS, Van Nuys Preservation, L.P., a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the CRA/LA issue and sell revenue bonds to assist in the financing of the acquisition and rehabilitation of a 299-unit multifamily housing project known as the Van Nuys Apartments, located at 210 West 7<sup>th</sup> Street in the City of Los Angeles (the "Project");

WHEREAS, the CRA/LA has determined that (i) the Project is of benefit to persons of low and moderate income within the City of Los Angeles, (ii) the only reasonable means available to the community of financing the Project, and (iii) the issuance and sale of the revenue bonds will facilitate the financing of the Project and will accomplish a valid public purpose of the CRA/LA;

WHEREAS, the CRA/LA has determined to issue its Multifamily Housing Revenue Bonds, in one or more series (the "Bonds"), and loan the proceeds thereof to the Borrower through a qualified mortgage lender pursuant to Chapter 8 of the Act, to allow the Borrower, who shall be responsible for the payment of such Bonds, to reduce the cost of operating the Project and to assist in providing housing for persons of low and moderate income;

WHEREAS, payment of the principal of and interest on the Bonds will be secured, to the extent described therein, by a mortgage loan and by certain other resources and assets constituting the trust estate under a Trust Indenture (as defined herein) by and between the CRA/LA and the Trustee;

WHEREAS, there have been prepared and presented at this meeting the following documents required for the issuance of the Bonds, and such documents are now in substantially final form, appropriate to be executed and delivered for the purposes intended:

- (1) Form of the Trust Indenture (the "Indenture") to be entered into between the CRA/LA and Wells Fargo Bank, National Association, as Trustee (the "Trustee"), providing for the authorization and issuance of the Bonds;
- (2) Form of the Loan Agreement (the "Loan Agreement") to be entered into among the CRA/LA, the Borrower and the Trustee; and
- (3) Form of the Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), to be entered into among the Borrower, the CRA/LA and the Trustee.

NOW, THEREFORE, THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA DOES RESOLVE AS FOLLOWS:

Section 1. The recitals hereinabove set forth are true and correct, and the members of the CRA/LA Board of Commissioners so find.

Section 2. Pursuant to the Act and the Indenture and for the purposes in the recitals hereinabove set forth, the CRA/LA is hereby authorized to issue the Bonds in or more series from time to time. The Bonds shall be designated as "The Community Redevelopment Agency of the City of Los Angeles, California Multifamily Housing Revenue Bonds (Van Nuys Apartments)," in an aggregate principal amount not to exceed \$25,000,000, with appropriate series and subseries designations as necessary. The Bonds shall be in the forms set forth in and otherwise in accordance with the Indenture, and shall be executed by the manual or facsimile signature of the Chief Executive Officer of the CRA/LA ("CEO") or the Chief Operating Officer of the CRA/LA ("COO"), or their designee, and attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the CRA/LA. The Bonds shall be issued and secured in accordance with the terms of the Indenture presented to this meeting. Payment of the principal of, redemption premium, if any, and interest on, the Bonds shall be made solely from the Trust Estate (as defined in the Indenture), and the Bonds shall not be deemed to constitute a debt or liability of the CRA/LA or any member of the CRA/LA.

Section 3. The form, terms and provisions of the Indenture are hereby approved in substantially the form now before this meeting with such changes therein as shall be approved by the CEO, the COO, the Chief Financial Officer of the CRA/LA, the Secretary or Assistant Secretary of the CRA/LA and any written designee of the CEO, or any of them (each a "Designated Officer"), executing the same; the execution thereof shall constitute conclusive evidence of the CRA/LA's approval of any and all changes or revisions therein from the forms now before this CRA/LA. The Designated Officers, acting in accordance with this Section 3, are hereby authorized to determine the actual aggregate principal amount of Bonds to be issued and to direct the execution and authentication of the Bonds in such amount. Such direction shall be conclusive as to the principal amounts hereby authorized. The date, maturity date or dates (which shall not extend beyond December 1, 2052), interest rate or rates (which shall not exceed

12.0%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 4. The form, terms and provisions of the Loan Agreement in the form presented at this meeting are approved and any Designated Officer, acting alone, is authorized to execute by manual or facsimile signature and deliver the Loan Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the CRA/LA, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form, terms and provisions of the Regulatory Agreement in the form presented at this meeting are approved and any Designated Officer, acting alone, is authorized to execute by manual or facsimile signature and deliver the Regulatory Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the CRA/LA, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The CRA/LA is hereby authorized to sell the Bonds in one or more series to Merrill Lynch, Pierce Fenner & Smith Incorporated (the "Bond Purchaser"), being a qualified mortgage lender under Chapter 8 of the Act, at a price of 100% of the par value thereof. The officers, agents and employees of the CRA/LA are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the sale of the Bonds to the Bond Purchaser.

Section 7. Bond Counsel, on behalf of the CRA/LA, is further authorized and directed to cause written notice to be provided to the California Debt and Investment Advisory Commission of the proposed sale of the Bonds, to file the notice of final sale with said Commission and to file such additional notices and reports as are deemed necessary or desirable by Bond Counsel in connection with the Bonds, and any prior such notices are hereby ratified, confirmed and approved.

Section 8. The CRA/LA hereby appoints Wells Fargo Bank, National Association to serve as the Trustee and Paying Agent for the Bonds pursuant to the Indenture. Such appointment shall be effective upon the issuance of the Bonds and shall remain in effect until the CRA/LA, by supplemental agreement, resolution or other action, shall name a substitute or successor thereto. The Bonds, when executed, shall be delivered to the Paying Agent for authentication. The Paying Agent is hereby requested and directed to authenticate the Bonds by executing the Paying Agent's certificate of authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated to the Bond Purchaser, in accordance with written instructions executed and delivered on behalf of the CRA/LA by any Designated Officer, which Designated Officer, acting alone, is hereby authorized and directed to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Bond Purchaser in accordance with the requirements of the Indenture for such delivery, upon payment of the par amount of the Bonds.

Section 9. All actions heretofore taken by the officers and agents of the CRA/LA with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Designated Officer, acting alone, is hereby authorized and directed, for and in the name and on behalf of the CRA/LA, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to, those described in the Indenture, the Loan Agreement, the Regulatory Agreement, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the CRA/LA and otherwise in order to carry out the financing of the Project.

Section 10. The Chair, Vice Chair and the Designated Officers and all officers, agent and employees of the CRA/LA, for and on behalf of the CRA/LA, be and they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the Bonds and to carry out the terms of the agreements hereby approved. The Chair, the Vice Chair, the Designated Officers and all other officers, agents and employees of the CRA/LA are further authorized and directed, for and on behalf of the CRA/LA, to execute all papers, documents, certificates and other instruments, including but not limited to agreements with respect to the provision of credit enhancement and providing for real property security, a deed of trust and acceptance thereof, that may be required in order to carry out the authority conferred by this Resolution and such agreements or to evidence said authority and its exercise. The foregoing authorization includes, but is in no way limited to, the direction (from time to time) by a Designated Officer of the investments permitted in the Indenture of the proceeds of the Bonds and the execution and delivery of investment agreements related thereto, the execution and delivery by a Designated Officer of a tax certificate for the purpose of complying with the rebate and other requirements of the Internal Revenue Code of 1986 (as amended) applicable to the Bonds and the execution and delivery of documents required by The Depository Trust Company in connection with the book-entry system, to the extent applicable.

Section 11. The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 12. This Resolution shall be effective upon adoption.

Section 13. The Secretary shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect. Notwithstanding the foregoing, such certification and any of the other duties and responsibilities assigned to the Secretary pursuant to this Resolution may be performed by an Assistant Secretary with same force and effect as if performed by Secretary hereunder.

Adopted and approved this ~~November~~ 15, 2007.  
15th 15, 2007

ATTACHMENT B

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA MULTIFAMILY HOUSING REVENUE BONDS (VAN NUYS APARTMENTS), IN ONE OR MORE SERIES, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH SUCH BONDS**

WHEREAS, The Community Redevelopment Agency of The City of Los Angeles, California (the "CRA/LA"), is a redevelopment agency (a public body, corporate and politic) duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) (the "Act"), and the powers of such agency include the power to issue revenue bonds for the purpose of financing the development of multifamily rental housing for persons of low and moderate income;

WHEREAS, Van Nuys Preservation, L.P., a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the CRA/LA issue and sell revenue bonds to assist in the financing of the acquisition and rehabilitation of a 299-unit multifamily housing project known as the Van Nuys Apartments located at 210 West 7<sup>th</sup> Street in the City of Los Angeles (the "Project");

WHEREAS, the CRA/LA has determined that the issuance and sale of the revenue bonds will facilitate the financing of the Project and will accomplish a valid public purpose of the CRA/LA ;

WHEREAS, the CRA/LA has determined to issue not to exceed \$25,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds, in one or more series (the "Bonds") and to loan the proceeds thereof to the Borrower, who shall be responsible for the payment of such Bonds, to allow the Borrower to reduce the cost of operating the Project and to assist in providing housing for persons of low and moderate income;

WHEREAS, payment of the principal of and interest on the Bonds will be secured, to the extent described therein, by a mortgage loan and by certain other resources and assets constituting the trust estate;

WHEREAS, the certain CRA/LA actions related to the issuance, sale and delivery of said Bonds are subject to the approval of this Council of the City of Los Angeles (the "Council") and the CRA/LA is desirous of obtaining such approvals pursuant to this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES:

Section 1. The Council hereby determines that (i) the Project is of benefit to persons of low and moderate income within the City of Los Angeles (the "City"), (ii) the only reasonable means available to the community of financing the Project, and (iii) the issuance and sale of the revenue bonds will facilitate the financing of the Project and will accomplish a valid public purpose of the CRA/LA.

Section 2. Pursuant to Section 33640 of the Health and Safety Code of the State of California, the Council hereby approves the issuance of up to \$25,000,000 aggregate principal amount of Bonds financing the development of multifamily rental housing for persons of low and moderate income and to pay the costs incidental thereto.

Section 3. Said Bonds may be issued so that the interest thereon shall be excluded from federal income taxation under the Internal Revenue Code of 1986 (as amended) or not so excluded or part excluded and part not excluded and may be issued bearing a fixed interest rate or a variable interest rate or part fixed and part variable; provided however, that the Bonds shall be sold and awarded through negotiated private sale and, provided further, that no Bond shall bear interest at a rate in excess of 12% per annum or have a maturity date beyond August 1, 2052. The CRA/LA is hereby authorized to secure credit enhancement and risk reduction arrangements, including bond insurance, letters of credit, lines of credit and similar banking arrangements, on some or all of the Bonds hereinabove authorized, on such terms and conditions as the CRA/LA deems necessary and desirable. Any offer to purchase the Bonds accepted by the CRA/LA or a duly authorized representative thereof consistent with this resolution shall be, and shall be deemed to be, the duly authorized action of the CRA/LA with respect thereto hereby approved under Section 8.99.04 of the Administrative Code of the City of Los Angeles (the "Administrative Code") and not subject to the provisions of Section 8.99.05 of the Administrative Code.

Section 4. The officers of the CRA/LA and their designees, and each of them, are hereby authorized and directed to prepare, adopt, approve and distribute its resolutions and trust indentures or fiscal agent agreements authorizing and effectuating the issuance of the hereinabove approved Bonds and one or more preliminary and final official statement(s) for the sale of such Bonds, and the CRA/LA is hereby further authorized and directed to prepare, publish and distribute such other notices, documents, agreements, certificates, opinions and instruments as the CRA/LA shall deem necessary or desirable to effectuate the issuance and sale of Bonds hereinabove approved and any and all prior and future such actions taken which are consistent with this resolution shall be, and shall be deemed to be, the duly authorized actions of the CRA/LA with respect thereto and hereby approved, ratified and confirmed under Section 8.99.04 of the Administrative Code and not subject to the provisions of Section 8.99.05 of the Administrative Code.

Section 5. This resolution shall take effect immediately upon its adoption.

[remainder of page intentionally left blank]

Section 6. The action of the Council in adopting this resolution shall not result in any pecuniary liability whatsoever on the part of the City.

PASSED AND ADOPTED THIS \_\_\_\_\_, 2007.

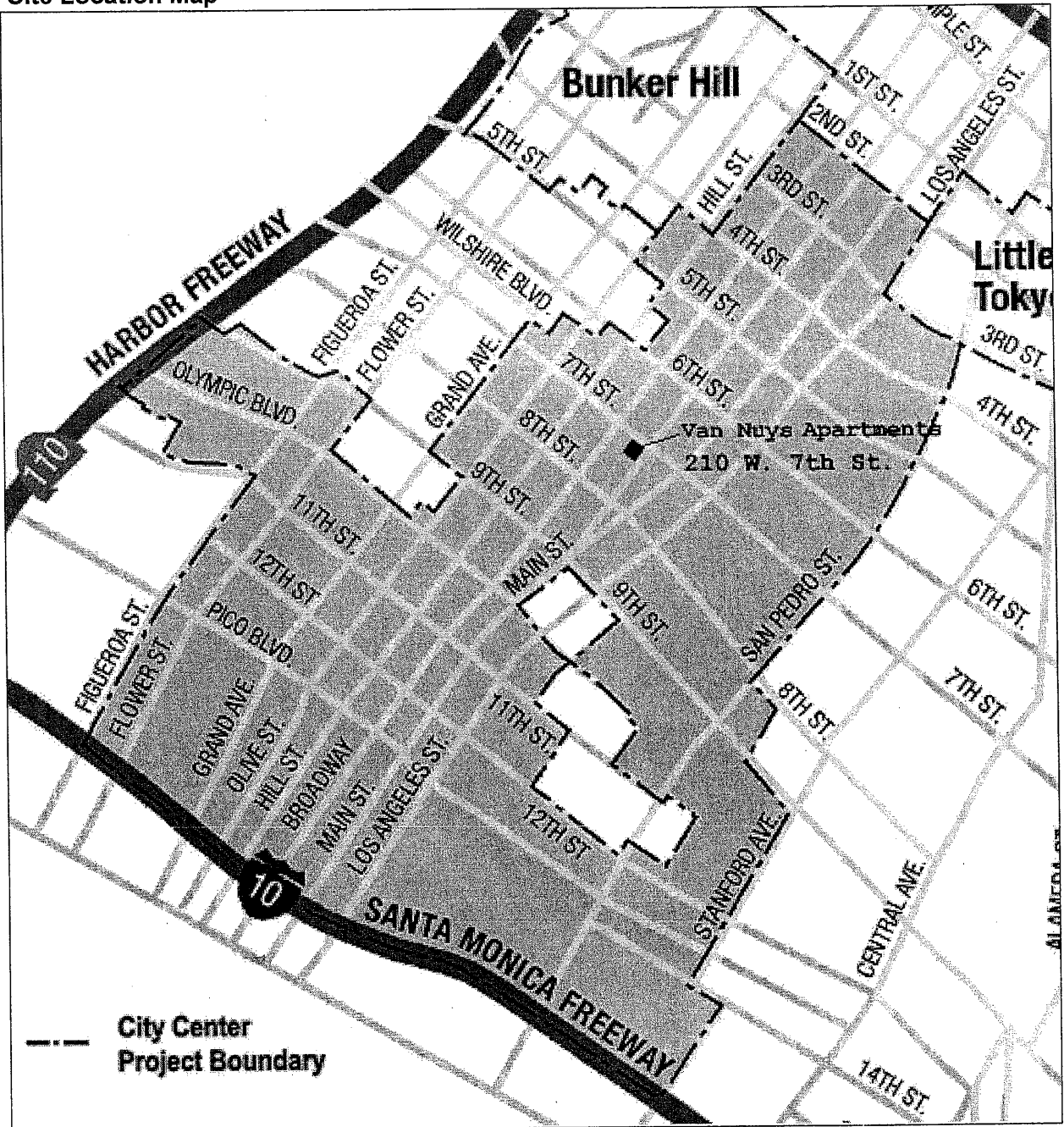
I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles, California, at its meeting held \_\_\_\_\_, 2007.

City Clerk of the City of Los Angeles

By: \_\_\_\_\_

ATTACHMENT C

Site Location Map



**ATTACHMENT D**

**COMMUNITY CONTEXT ATTACHMENT  
TO BOARD MEMORANDUM FOR**

**Van Nuys Apartments Project  
210 W. SEVENTH STREET**

**NAME OF PROJECT:** Van Nuys Apartments Project

**PROJECT ADDRESS:** 210 W. 7th Street

**REDEVELOPMENT PROJECT AREA SECTION**

**Redevelopment Area:** City Center Redevelopment Area  
**Community Plan Area:** Central City Community Plan Area  
**Council District:** 14

**Project Area Description:** The approximately 879-acre City Center Redevelopment Area is located in Downtown Los Angeles, encompassing the Historic Downtown, South Park, and City Markets (Garment, Toy & Produce Districts) Development Areas. The mission of the City Center Redevelopment Plan is to eliminate blight and create a round-the-clock urban environment offering the full range of housing, employment, entertainment and retail opportunities; to preserve key historical landmarks; and to provide public and social services and facilities.

**Conditions at Time  
of Adoption:**

The May 2002-adopted City Center Redevelopment Project is comprised of portions of the original CBD Redevelopment Project, which was adopted in 1975 (as well as adjacent areas which were not part of the original CBD Redevelopment Project). Although progress had been made toward eliminating blight in the former CBD Redevelopment Project, surveys done in 2000/2001 indicated that significant blight remained. Approximately 37% of the 1,483 structures surveyed were found to be in deteriorating condition. Additionally, numerous old and obsolete structures, a lack of sites for business expansion and major new development, substandard and overcrowded housing, a shortage of affordable housing, small and oddly shaped parcels, complex and sometimes absent ownership entities that complicate or stifle revitalization and redevelopment of the area, and other conditions of blight remained.

PROPOSED PROJECT OVERVIEW SECTION

<p>Physical Site and Setting Description (Source: CRA Staff &amp; Developer)</p>	<p>The Project Site, a 26,528 SF parcel, is located at the southwest corner of the Spring Street/7th Street intersection. The Site is in the Historic Downtown Development Area and also in the federally designated historic 'Spring Street Financial District'. It is located six blocks east of the 7th Street/Metro Center Rail Station at 7th and Flower Streets, three blocks southeast of Pershing Square, four blocks west of the Flower District, two blocks northwest of the Fashion District, and six blocks south of City Hall.</p> <p>The property is bordered in all directions by historic office buildings and commercial establishments. A recent trend has seen many of the area's historic buildings converted to for-sale condominiums.</p>
<p>Proposed Development Description (Source: Developer)</p>	<p>Van Nuys Apartments is an existing 299-unit residential development reserved for occupancy by low-income senior households. The property is comprised of a single, eleven-story building constructed in 1913, and is situated within the "Historic Core" of downtown Los Angeles on a site of approximately .61 acres. The building operated as a bank and office building from its inception until the late 1970's. In 1982, the building was renovated into its current use as a multi-family residential complex for senior citizens through funds provided by HUD and the CRA. The rehabilitation also provided approximately 13,000 square feet of retail space on the building's ground level.</p> <p>The property's unit mix is comprised of 132 studio/one-bath units, 157 one-bedroom/one-bath units, and 10 two-bedroom/one-bath units (2 of which are manager's units). A Section 8 contract with HUD provides rental subsidy on behalf of each of the property's income-restricted units for a twenty-year term that expires in October 2024. Such contract is subject to the annual appropriation of funds by the federal government. The units will be committed for occupancy by senior households whose household income is at or below 50% and 60% of the area median income levels, adjusted for household size.</p> <p>Renovations at the property will be substantial (averaging approximately \$50,000 of hard costs per unit) and will include exterior building cleaning and maintenance; seismic upgrades; the replacement of</p>

	<p>common area and unit flooring; doors; lighting fixtures; major building systems; appliances; and kitchen and bathroom cabinetry and fixtures. The renovation work will be regulated by the State Historic Preservation Office to ensure the work performed will preserve and enhance the historical integrity of the building.</p> <p>Upon completion, each unit will contain carpeting, window coverings, air conditioning, a range, a refrigerator, and a garbage disposal. The property will include a management office, laundry facilities, on-site security, rooftop garden and walkway, and a furnished community room.</p> <p>Renovation of the Project is expected to begin in December 2007 and be completed by December 2008.</p>
<p>Proposed Uses by Size (Source: Developer)</p>	<ul style="list-style-type: none"> <li>• Housing = 162,850 SF approx. (299 units)</li> <li>• Commercial/Retail = 13,000 SF approx.</li> <li>• Parking = TBD SF; 52 spaces</li> </ul>
<p>Proposed Type of Users (Source: Developer)</p>	<p>Low-income senior citizen households.</p>
<p>Proposed Number and Type of Housing Units Created (Source: Project Developer)</p>	<p>Project Total Number of Units: 299</p> <ul style="list-style-type: none"> <li>▪ Market rate units (MKT): [note: manager's units] Number: <u>2</u> % of total: <u>1%</u></li> <li>▪ Very low-income buyers or renters (VLI): Number: <u>297</u> % of total: <u>99%</u></li> <li>▪ Low-income buyers or renters (LOW): Number: <u>0</u> % of total: <u>0%</u></li> <li>▪ Moderate income buyers or renters (MOD): Number: <u>0</u> % of total: <u>0%</u></li> </ul> <ul style="list-style-type: none"> <li>▪ 0-bedroom units (lofts/efficiencies) Number: <u>132</u> % of total: <u>44%</u> No. of MKT <u>0</u> VLI <u>14</u> No. of LOW <u>118</u> MOD <u>0</u></li> <li>▪ 1-bedroom units Number: <u>157</u> % of total: <u>53%</u> No. of MKT <u>0</u> VLI <u>16</u> No. of LOW <u>141</u> MOD <u>0</u></li> <li>▪ 2-bedroom units Number: <u>8</u> % of total: <u>3%</u> No. of MKT <u>0</u> VLI <u>1</u> No. of LOW <u>7</u> MOD <u>0</u></li> <li>▪ 3 or more bedroom units</li> </ul>

	Number: <u>0</u> % of total: <u>0%</u> No. of MKT <u>0</u> VLI <u>0</u> No. of LOW <u>0</u> MOD <u>0</u>
Proposed Overall Project Cost and Sources of Funding  *Includes Agency Financial Assistance amounts and a description. (Source: Project Developer and CRA Staff)	Cost: <ul style="list-style-type: none"> <li>• \$41.9 million Development Financing Total.</li> <li>• Includes \$15.1 million Hard Construction Costs (excludes soft costs, fees, financing cost, contingencies, sales expenses, etc.).</li> <li>• No financial assistance from Agency; CRA to be issuer of \$25 million conduit bonds; existing CRA deferred loan to be repaid.</li> </ul>
Smart Growth Assessment (Source: CRA Staff)	This renovation project will provide affordable housing in a contemporary urban setting targeted for higher density housing. The Proposed Project would be in the heart of Downtown Los Angeles, in walking distances to businesses, public facilities and services, as well as mass transit opportunities. The site is adjacent or nearby to several Metro and DASH bus routes and two Metro Rail stations.
Proposed Employment (Source: Project Developer)  *Projection based on a formula that calculates the number of jobs by sector based on the project uses and size (SF).	Construction jobs projection: Approximately 104  Permanent job projection: <ul style="list-style-type: none"> <li>• No change in Retail jobs</li> <li>• No change in Residential Use jobs</li> </ul> Living wage hiring: No Requirement Prevailing wage: Yes First Source Hiring: No

#### DEMOGRAPHICS SECTION

(Source: US Census, 2000 and LA City Planning)

Census Tract Numbers Used (within ½ mile):	Tract 2073	LA City (2000 Census)
Population	3,739	3,719,310
Total Households	3,039	1,278,815
Average Household Size	1.22	2.91
Percentage of Households Renting	98.5%	59.5%
Percentage of Households Owning	1.5%	40.5%
Educational Level (HS Diploma or above)	61.8%	71%
Average Household Income	\$8,125	\$58,724

**DISPLACEMENT SECTION**  
(Source: Project Developer)

The following section captures information that details affects of development of the proposed project.

**BUSINESSES TO BE DISPLACED**

Number and type of Businesses	None
Number and nature of jobs	None

**HOUSING UNITS TO BE DISPLACED**

Total number of units	None
Unit size/bedroom count	n/a
Affordability levels	n/a

**RESIDENTIAL POPULATION TO BE DISPLACED**

Number of Households	None
Population in households	n/a
Income levels	n/a

**REPLACEMENT HOUSING SECTION**  
(Source: Developer)

The renovation of the Project should not require any replacement housing. The number of units will remain the same.

## IMPACT ANALYSIS SECTION

(Source: Developer)

### 1. Detail known community issues relating to the project/site:

The project has been run as residential apartments for low-income senior citizens. While structurally sound, the project has a yet to be determined amount of deferred maintenance.

### 2. Describe the benefits of the proposed project:

The Project is located in the Historic Core section of Downtown Los Angeles, an area that is evolving into a mixed-use/mixed-income/multi-generation residential neighborhood due to the adaptive reuse of several vacant or underutilized office buildings for market-rate lofts and condos. The Proposed Project fits within the new development renaissance of this area by improving the exterior appearance of the building as well as maintaining economic and generational diversity in the neighborhood. The Proposed Project will preserve existing affordability levels with 55-year covenants in a fully renovated housing environment.

**ATTACHMENT E**

<b>Van Nuys Apartments Project</b>	
<b>Sources and Uses of Funds</b>	
<b>Total Sources of Funds</b>	
<b>Acquisition and Construction Financing</b>	
Tax-Exempt Bond Proceeds - (12 Month Term, 6.0%)	\$25,000,000
Developer Equity (Deferred Developer's Fee)	2,500,000
Low Income Housing Tax Credit Equity (70%)	8,693,997
Federal Historic Tax Credit Equity (70%)	2,851,045
General Partner Funds - Payable from Residual Cash Flow	<u>2,944,657</u>
<b>Total Construction Sources</b>	<b><u>\$41,989,699</u></b>
<b>Permanent Financing</b>	
Tax-Exempt Bond Proceeds - 1st Mortgage (30 Year Term - 6.0%)	\$16,500,000
Developer Equity (Deferred Developer's Fee)	2,396,782
Low Income Housing Tax Credit Equity (100%)	12,419,996
Federal Historic Tax Credit Equity (100%)	4,072,921
General Partner Funds - Payable from Residual Cash Flow	<u>6,600,000</u>
<b>Total Permanent Sources</b>	<b><u>\$41,989,699</u></b>
<b>Total Uses of Funds</b>	
Land & Existing Improvement	\$20,000,000
Total Hard Construction Costs	15,073,157
Soft Costs	<u>6,916,542</u>
	<b><u>\$41,989,699</u></b>

## ATTACHMENT F

### LOCAL HIRING RESPONSIBILITIES OF CONSTRUCTION EMPLOYERS ON CRA/LA ASSISTED PROJECTS

**I. Purpose.** This document sets forth the responsibilities of Construction Employers and Permanent Employers related to the hiring of Local Low-Income Individuals in connection with the Community Redevelopment CRA/LA's First Source/Local Hiring Program for the City Center Project Area.

#### **II. Definitions.**

**"Agency Agreement"** means a disposition and development agreement, owner participation agreement, or loan or grant agreement with the CRA/LA to implement a redevelopment project within the City Center Project Area. Agency Agreement does not include agreements exclusively for CRA/LA assistance with land use approvals.

**"Area Median Income"** ("AMI") means the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, as determined annually by the Department of Housing and Urban Development (HUD).

**"At-Risk Individual"** means an individual with an income of up to 80% of the AMI that has one of the following barriers to employment: physical or mental disability; lack of English language and literacy skills; lack of a GED or high school diploma; criminal records and parole; or significant gaps in work history.

**"City"** means the City Council of the City of Los Angeles, and the City of Los Angeles.

**"City Center Project Area"** means the area identified in the map of the City Center Redevelopment Plan.

**"Community Employment Area"** means the area which includes (i) the areas within the boundaries of the City Center Project Area and (ii) all areas within three miles of such boundaries.

**"Construction Employer"** means a Developer, Contractor or Subcontractor performing construction-related work on a CRA/LA Assisted Project that is within the City Center Project Area and has a total cost of \$250,000 or more.

**"Contractor"** means a general or prime contractor (individual, partnership, corporation, joint venture or other legal entity) awarded a contract by the CRA/LA, or by a Recipient.

“CRA/LA” means the Community Redevelopment Agency of the City of Los Angeles, California.

“CRA/LA Assisted Project” means a project located within the City Center Project Area that is subject to an CRA/LA Agreement or that receives Financial Assistance.

“Financial Assistance” means any loan, grant, subsidy, or similar participation in the cost of development of a project within the Project Area provided by the CRA/LA irrespective of source, as contrasted with generalized financial relief such as through tax legislation. Financial Assistance does not include monetary assistance associated with a CRA/LA façade improvement program. Categories of such assistance shall include, but are not limited to:

CRA/LA approved bond financing; CRA/LA planning assistance which results in a discrete monetary benefit to the developer such as a fee reduction or fee waiver; tax increment financing; construction of off-site public improvements by the CRA/LA that would otherwise be the responsibility of the developer; land write-downs and tax credits.

A market rate loan shall not be regarded as Financial Assistance, however, the forgiveness of the loan shall be regarded as Financial Assistance as shall a loan at a reduced or preferential interest rate, or a loan for which repayment is deferred or relieved. A residual receipts loan shall be considered Financial Assistance.

“Jobs Coordinator” means an independent third-party individual or entity with whom the CRA enters into a contract to facilitate implementation of the requirements of this Attachment 6.

“Local Low-Income Resident” means: (a) a Lower Income Individual whose primary residence or primary place of employment was in the City Center Project Area and has been displaced as a result of an CRA/LA Agreement within the five years preceding the date of submission of a job application to a Construction Employer; and (b) a Lower Income Individual whose primary residence was or is within the Community Employment Area on or after the date the CRA/LA adopted the City Center Redevelopment Plan; and (c) an At-Risk Individual whose primary place of residence is within the Community Employment Area.

“Local Resident” means: (a) an individual whose primary place of residence is within the Community Employment Area; and (b) any Local Low-Income Resident; and (c) any At-Risk Individual whose primary place of residence is within the Community Employment Area.

“Lower Income Individual” means an individual whose household income qualifies as Extremely Low, Very Low or Low under the definitions as set forth in California Health & Safety Code §§50106, 50105 and 50079.5.

“**Recipient**” means a Developer or Contractor that has entered into an CRA/LA Agreement relating to a CRA/LA-Assisted Project or received Financial Assistance in connection with a project located within the City Center Project Area.

“**Recruitment Organization**” means a job recruitment organization located in the Community Employment Area including without limitation government agencies, social service providers and non-profit organizations serving the needs of Lower Income households.

“**Subcontractor**” means any entity who contracts with a Contractor to perform work on a project in the City Center Project Area.

**III. Inclusion of Local Hiring Terms in Contracts and Leases.** Each Construction Employer shall include this Attachment 6 as a material term of any agreement between the Construction Employer and (a) any Recipient, (b) the CRA or (c) any Subcontractor.

#### **IV. Local Hiring Terms..**

##### **A. Goals.**

1. **Local Hiring Goal.** At least thirty percent of the construction workforce, as measured by work hours for each construction trade craft, will consist of Local Residents.
2. **Local Apprentice Goal.** At least fifty percent of the apprentice workforce, as measured by work hours for each construction trade craft, will consist of Local Low-Income Residents. Apprentice hours may be counted toward the overall local hiring goal in Section IV.A.1.

##### **B. Requirements.**

1. **Maximizing Apprentices.** Construction Employers will utilize the maximum number of apprentices allowed by law.
2. **Coordination with Unions.** Construction Employers will inform any union with whom the Construction Employer has an agreement that the Construction Employer is required to give priority to Local Low-Income Residents and will promptly notify the Jobs Coordinator of any union that fails or refuses to refer Local Low-Income Residents for Jobs on CRA/LA Assisted Projects.

3. **Hiring Preference.** Each Construction Employer will give qualified Local Low-Income Residents first priority for hiring on available jobs in any project covered by the terms of this Attachment 6.

4. **Notification.** Each Construction Employer will notify the Jobs Coordinator whenever skilled or unskilled labor is needed on the job site.

5. **Support for Local Low-Income Apprentices.**

a. **Sponsorship Fees.** Each Construction Employer will cover at least 50% of the sponsorship fees for any Local Low-Income Individual hired as an apprentice by that Construction Employer.

b. **Sponsorship of Entry Level Apprentices.** Each Construction Employer will sponsor any qualified Local Low-Income Resident referred by the Jobs Coordinator as an entry level first period apprentice and will indicate this by sending a letter (or form, as appropriate) to the relevant union or apprenticeship program expressing a commitment to sponsor and to provide on-the-job training for the Local Low-Income Resident in question.

6. **On-the-Job Training**

a. **Credit Toward Hiring Goal.** Each Construction Employer who provides on-the-job training in accordance with the requirements of Subsection IV.B.6.b. below will receive a credit toward the hiring goal in Subsections IV.A.1 of this Attachment 6 equal to twice the number of hours worked by each Local Low-Income Resident receiving such training. No Employer may receive such credit, however, for training provided for a task or position that does not reasonably require such training.

b. **Requirements to Receive Credit.** In order to receive credit toward the hiring goals under Subsection IV.A.1, a Construction Employer must meet the following requirements. The requirements of this Subsection IV.B.6.b. are not otherwise mandatory.

i. **Basic Requirement.** Each Construction Employer will make appropriate on-the-job training available to Local Low-Income Residents hired in connection with the requirements of this Attachment 6.

ii. **Training Plan.** Each Construction Employer will adopt a Training Plan that describes the on-the-job training to be provided

in each job category to Local Low-Income Residents hired for that job category.

iii. **Duration.** On-the-job training will be offered for a minimum of 6 months or the duration of employment, whichever is less, to each Local Low-Income Resident hired by a Construction Employer, in order to enable Local Low-Income Residents to hold positions for which they might not otherwise qualify.

7. **Hiring Liaison.** Each Construction Employer will designate a Hiring Liaison before commencing operations covered by this Attachment 6 to act as a conduit between the Employer and the Jobs Coordinator. This Liaison will be responsible for providing to the Jobs Coordinator and the Recipient all necessary documentation throughout the duration of the project.

C. **Duration.** Each Construction Employer will abide by the terms of this Attachment 6 for the lesser of (a) 10 years or (b) the duration of the term of the contract that includes this Attachment 6..

## **V. Monitoring and Enforcement**

A. **Review of Compliance.** Construction Employers will keep records of their compliance with this Attachment 6, and make such records available to Recipients or the /LA upon request of the Recipient or the /LA. The /LA will make a written finding as to each Employer's compliance with the requirements of Attachment 6. The Recipient may appeal a finding of non-compliance by any Employer to the /LA Board of Commissioners, which will review such an appeal for clear error.

B. **Non-Compliance, Opportunity to Cure.** If, during any review of compliance, the /LA finds that a Construction Employer has not complied with each of the requirements of Attachment 6, the /LA shall immediately issue to the appropriate Recipient and Employer a written finding of non-compliance and provide a 60 day opportunity to cure. In order to cure and to avoid the penalties set forth below, the Recipient must make a detailed showing to the /LA that:

- i. the non-compliant Employer has made diligent use of all reasonable and necessary methods to meet each of the requirements of Section IV.B. of Attachment 6; or
- ii. the non-compliant Employer is substantially meeting the Goals set out in Sec. IV.A of this Attachment 6; or

iii. the Recipient or another compliant Construction Employer with whom the Recipient has a contract has, following the initial finding of non-compliance:

1. made new hires of Local Residents in an amount equal to the number of Local Residents by which the non-compliant Construction Employer fell short of the 30% local hiring goal set out in Section IV.A.1.; or
2. made new hires of Local Low-Income Residents in an amount equal to the number of Local Low Income Residents by which the non-compliant Construction Employer fell short of the 50% Local Apprentice Goal set out in Section IV.A.2.

**C. Penalties for Non-Compliance.**

If, prior to the end of the 60 day cure period described in Section V.B. above, the Recipient has not made the showing set forth in Section V.B.1. or V.B.2., the /LA will require the Recipient to pay to the /LA an amount equal to fifty dollars (\$50.00) multiplied by the sum of the number of Local Residents short of the 30% local hiring goal set out in Section IV.A.1 and the number of Local Low Income Residents short of the Local Apprentice Goal set out in Section IV.A.2., per calendar day following the initial finding of non-compliance. The Recipient will continue to pay this penalty until

- i. the Recipient can make the showing set forth in Section V.B.1, V.B.2.ii; or V.B.3; or
- ii. the Recipient has filed a Notice of Completion with Los Angeles County for the /LA Assisted Project in question.

**D. Repeat Offenders.** The /LA shall include a provision in the Agency Agreement that repeated non-compliance with the requirements of Attachment 6 or Attachment 7 shall constitute a breach or default of the Agency Agreement. Funds collected by the /LA under this Subsection 5 will be used to support the First Source/ Local Hiring Program.

**E. Use of Funds.** Funds collected by the /LA under this Section V will be used to support the First Source/ Local Hiring Program.

## ATTACHMENT G

### TENANT HABITABILITY REQUIREMENTS FOR IN-PLACE REHABILITATION PROJECTS

#### I. PURPOSE

The Community Redevelopment Agency of the City of Los Angeles ("CRA/LA") recognizes that displacement from rental housing creates hardships on renters, especially those who are senior citizens, persons on fixed incomes and extremely-low, very-low, low- and moderate-income households, particularly when there is a shortage of decent, safe and sanitary housing at affordable rent levels in the City of Los Angeles. The CRA/LA acknowledges that it is in the public interest of the people of Los Angeles to protect and promote the existence of sound and wholesome residential buildings, dwelling units and neighborhoods by the adoption and enforcement of standards, regulations and procedures that will remedy the existence or prevent the development or creation of dangerous, substandard, or unsanitary and deficient residential buildings and dwelling units.

The CRA/LA offers financing to property owners to extend the useful life of affordable rental housing units in Redevelopment Project Areas. However, the rehabilitation of occupied rental buildings typically involves the replacement or substantial modification of major building systems or the abatement of hazardous materials and, by its very nature, such work generally makes rental units uninhabitable on a temporary basis.

The intent of the following requirements is to facilitate investment in rehabilitation of affordable housing units without subjecting tenants to either adverse housing conditions during such renovation work or forced permanent displacement. The CRA/LA requires property owners receiving financial assistance from the CRA/LA to mitigate such temporary uninhabitable conditions, either through actions to ensure that tenants can safely remain in place during construction or through the temporary relocation of tenants to alternative housing accommodations. These two options should not be regarded as mutually exclusive but rather as complementary approaches that might be appropriate to different stages of the renovation process.

#### II. DEFINITIONS

The following words and phrases, whenever used in this Attachment shall be construed as defined in this section.

**Notice of Primary Renovation Work:** Written notice, served by the property owner upon a tenant or tenant household at least 30 days prior to commencement of any Primary Renovation Work or Related Work and using a form established by the CRA/LA, advising the tenant of forthcoming Primary Renovation Work and Related Work, the impact of such work on the tenant, and measures the property owner will take to mitigate the impact on the tenant.

**Primary Renovation Work:** Work performed either on a rental unit or on the building containing the rental unit that improves the property by prolonging its useful life or adding value, and involves either or both of the following: (1) replacement or substantial modification of any structural, electrical, plumbing or mechanical system that requires a permit under the Los Angeles Municipal Code, or (2) abatement of hazardous materials, such as lead-based paint and asbestos, in accordance with applicable federal, state or local laws.

**Related Work:** Improvements or repairs that, in and of themselves, do not constitute Primary Renovation Work but which are undertaken in conjunction with and are necessary to the initiation and/or completion of the Primary Renovation Work.

**Temporary Relocation:** The moving of a tenant from the tenant's permanent residence to habitable temporary housing accommodations in accordance with a Tenant Habitability Plan. The temporary relocation of a tenant from his/her permanent place of residence shall not constitute the voluntary vacation of the unit and shall not terminate the status and rights of a tenant, including the right to reoccupy the same unit, upon the completion of the Primary Renovation Work and any Related Work, subject to any rent adjustments as may be authorized by the CRA/LA.

### III. PROCEDURE FOR UNDERTAKING PRIMARY RENOVATION WORK

#### A. Building Permits:

1. No property owner shall undertake Primary Renovation Work without first obtaining the appropriate permits from the City of Los Angeles.
2. The CRA/LA shall clear a property owner's application for a permit for Primary Renovation Work if both of the following conditions have been met:
  - a. The property owners has submitted a Tenant Habitability Plan which, in accordance with Subsection C of this Attachment, the CRA/LA finds to adequately mitigate the impact of Primary Renovation Work and any Related Work upon affected tenants;
  - b. The property owner has submitted a declaration documenting service to affected tenants of both a Notice of Primary Renovation Work and a copy of the non-confidential portions of the Tenant Habitability Plan; and
  - c. The permit complies with the requirements of the applicable Redevelopment Plan and of the CRA/LA agreement with the property owner for the rehabilitation of the subject property.

**B. Tenant Habitability Plan:** At a minimum, a Tenant Habitability Plan shall provide the following information, together with any other information CRA/LA deems necessary to ensure that the impact of Primary Renovation Work and any Related Work upon affected tenants is adequately mitigated:

1. Identification of the property owner, property management company, if applicable, and the general contractor responsible for the Primary Renovation Work, and any specialized contractor responsible for hazardous material abatement, including but not limited to lead-based paint and asbestos.
2. Identification of all affected tenants including the current rent each tenant pays and the date of each tenant's last rent increase. Information regarding tenants shall be considered confidential.
3. Description of the scope of work covering the Primary Renovation Work and any Related Work. Such description shall address the overall work to be undertaken on all affected units and common areas, the specific work to be undertaken on each affected unit, an estimate of the total project cost and time, and an estimate of the cost and time of renovation for each affected unit.
4. Identification of the impact of the Primary Renovation Work and Related Work on the habitability of affected rental units, including a discussion of impact severity and duration with regard to noise, utility interruption, exposure to hazardous materials, interruption of fire safety systems, inaccessibility of all or portions of each affected rental unit, and disruption of other tenant services.
5. Identification of the mitigation measures that will be adopted to ensure that tenants are not required to occupy an uninhabitable dwelling unit outside of the hours of 8:00 am through 5:00 pm, Monday through Friday, and are not exposed at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos. Such measures may include the adoption of work procedures that allow a tenant to remain on-site and/or the temporary relocation of tenants.
6. Identification of the impact of the Primary Renovation Work and Related Work on the personal property of affected tenants, including work areas which must be cleared of furnishings and other tenant property, and the exposure of tenant property to theft or damage from hazards related to work or storage.
7. Identification of the mitigation measures that will be adopted to secure and protect tenant property from reasonably foreseeable damage or loss.
8. A plan for the relocation of tenants that includes, at a minimum, an assessment of the housing needs and an inventory of the replacement housing resources for temporary relocation, a

description of the relocation assistance program and benefits and the relocation services that will be provided, the noticing requirements and the manner of service, the evictions policy, the appeals process, the projected dates of displacement and the estimated relocation costs.

**C. Plan Acceptance:**

1. The CRA/LA shall make a determination regarding the adequacy of a property owner's Tenant Habitability Plan within ten working days of CRA/LA receipt of the plan for review. CRA/LA will approve those plans, which meet the requirements of Subsection B of this Attachment, and which it determines will adequately mitigate the impacts of Primary Renovation Work and any Related Work upon tenants. The Tenant Habitability Plan may allow for the temporary disruption of major systems during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, without requiring the relocation of tenants in order to adequately mitigate the impacts upon the affected tenants. However, tenants should not be exposed at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos.
2. CRA/LA's approval of a Tenant Habitability Plan shall be subject to the property owner having no outstanding balances due for City of Los Angeles rent registration or code enforcement fees.
3. CRA/LA shall provide the property owner with written indications of deficiencies, which must be addressed whenever a Tenant Habitability Plan is determined to be inadequate. A property owner may submit an amended plan in order to correct identified deficiencies.
4. Property owners and tenants may appeal CRA/LA's determination regarding a Tenant Habitability Plan to CRA/LA's Board of Commissioners. The appeal shall be made in writing and shall specify the grounds for appeal. The appeal shall be filed within 15 calendar days of the service of the CRA/LA's determination, as required by this Attachment. The requested hearing shall be held within 45 calendar days of the filing of the appeal. A written decision of the Board of Commissioner's disposition of the appeal shall be provided to the property owner and the tenants by first class mail, postage prepaid, or in person.

**D. Notice of Primary Renovation Work:** Notice of Primary Renovation Work shall be written in the language in which the original lease was negotiated and shall provide the following information:

1. The estimated start and completion dates of any Primary Renovation Work and Related Work associated with a Tenant Habitability Plan approved by the CRA/LA.
2. A description of the Primary Renovation Work and Related Work to be performed and how it will impact that particular tenant or household.
3. The details of temporary relocation, if necessitated by the Primary Renovation Work, and associated tenant rights under this Attachment.
4. Instructions that tenants with questions should consult the property owner or property management company or the CRA/LA or CRA/LA's designee.
5. Notice of a tenant's right to reoccupy the units under the existing terms of tenancy upon completion of Primary Renovation Work, subject to rent adjustments as authorized by the CRA/LA.
6. Notice that the tenant may appeal CRA/LA approval of a Tenant Habitability Plan in cases where the tenant does not agree with the property owner regarding the necessity for the tenant to either be temporarily displaced or remain in place during Primary Renovation Work, provided such request is submitted within 15 days of the tenant's receipt of the Notice of Primary Renovation Work.

**IV. NOTICE AND SERVICE REQUIREMENTS:**

Following CRA/LA's approval of the Tenant Habitability Plan, the property owner shall serve a copy of the Tenant Habitability Plan, Notice of Primary Renovation Work, a summary of the provisions of this Attachment and, if applicable, a permanent relocation agreement form on any tenant affected by the Primary Renovation Work. Service of these items shall be provided in the manner prescribed by the relocation plan approved by the CRA/LA but in no event less than 60 days prior to the date on which the Primary Renovation Work and any Related Work is scheduled to begin.

## V. RELOCATION ASSISTANCE:

Nothing in this Attachment relieves the property owner from the obligation to provide relocation assistance pursuant to CRA/LA requirements or any other provision of federal or state law. If a tenant is entitled to monetary relocation benefits pursuant thereto, such monetary benefits shall operate as credit against any other monetary benefits required to be paid to the tenant pursuant to this Attachment.

## VI. TEMPORARY RELOCATION AND TEMPORARY REPLACEMENT HOUSING.

**A.** The property owner shall indicate in its Tenant Habitability Plan whether the temporary relocation of one or more tenant households is necessary. The CRA/LA, in its sole discretion, may determine whether temporary relocation is necessary in conjunction with its review of the Tenant Habitability Plan. The CRA/LA may also require the temporary relocation of a tenant at any time during the project if CRA/LA determines temporary relocation is necessary to ensure the health or safety of the tenant. The property owner shall provide a plan that identifies the locations for the temporary relocation of the tenants.

**B.** The temporary relocation of a tenant pursuant to this Attachment shall not constitute the voluntary vacating of that rental unit and shall not terminate the status and rights of a tenant, including the right to reoccupy the tenant's rental unit upon the completion of the Primary Renovation Work and any Related Work.

**C.** A tenant who is temporarily relocated as a result of Primary Renovation Work shall continue to pay rent in the manner prescribed by any lease provision or accepted in the course of business between the property owner or property management company and the tenant.

**D.** A property owner shall pay for all temporary housing accommodation costs and any costs related to relocating the tenant to temporary housing accommodations, regardless of whether those costs exceed rent paid by the tenant. The property owner shall also pay any costs related to returning the tenant to his/her unit, if applicable. The CRA/LA may adopt guidelines or regulations regarding the payment of moving costs.

**E.** A property owner must temporarily relocate a tenant to habitable temporary housing accommodations if the Primary Renovation Work and any Related Work will make the rental unit uninhabitable outside of the hours of 8:00 am through 5:00 pm, Monday through Friday, or will expose the tenant at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos.

1. Temporary Replacement Housing Accommodations for 30 or more consecutive days: If the temporary relocation lasts 30 or more consecutive days, the property owner shall make available comparable housing either within the same building or in another building. For purposes of this Attachment, a replacement unit shall be comparable to the existing unit if both units are comparable in size, number of bedrooms, accessibility, proximity to services and institutions upon which the displaced tenant depends, amenities, including allowance for pets, if necessary, and, if the tenant desires, location within five miles of the rental unit. The property owner and tenant may agree that the tenant will occupy a non-comparable replacement unit provided that the tenant is compensated for any reduction in services.

2. Temporary Replacement Housing Accommodations for fewer than 30 consecutive days: If the temporary relocation lasts less than 30 consecutive days, the property owner shall make available temporary housing that, at a minimum, provides habitable replacement accommodations within the same building or rental complex, in a hotel or motel, or in other external rental housing. The CRA/LA may adopt guidelines or regulations regarding temporary housing. If the temporary housing is in a hotel, motel or other external rental housing, it shall be located no greater than two miles from the tenant's rental unit, unless no such accommodation is available, and contain standard amenities such as a telephone.

3. Per Diem Payment: A property owner and tenant may mutually agree to allow the landlord to pay the tenant a per diem amount for each day of temporary relocation in lieu of providing temporary replacement housing. The agreement shall be in writing and signed by the property owner or agent and tenant and shall contain the tenant's acknowledgment that he/she received notice of his/her rights under this section and that the tenant understands his/her rights. The

property owner shall provide a copy of this agreement to the CRA/LA not less five business days prior to the tenant vacating the unit.

F. The property owner shall provide written notice, before the tenant is temporarily displaced, advising the tenant of the right to reoccupy the unit under the existing terms of tenancy once the Primary Renovation Work and any Related Work is completed. Unless the property owner provides the temporary replacement housing, the tenant shall provide the property owner the address to be used for future notifications by the property owner. When the date on which the unit will be available for re-occupancy is known, or as soon as possible thereafter, the property owner shall provide written notice to the tenant by personal delivery, or registered or certified mail, and shall provide a copy of that notice to the CRA/LA. If the tenant was temporarily relocated for over 30 days and has a separate tenancy agreement with a third party housing provider, the property owner shall give the tenant a minimum of 30 days written notice to reoccupy. In all other cases, the property owner shall give the tenant a minimum of seven days written notice to reoccupy, unless the property owner gave the tenant written notice of the date of re-occupancy prior to the start of temporary relocation.

## VII. REMEDIES.

IF THE DEVELOPER FAILS TO COMPLY WITH THE TEMPORARY RELOCATION REQUIREMENTS OF THIS ATTACHMENT, THE CRA/LA, IN ADDITION TO ANY OTHER LEGAL OR EQUITABLE REMEDIES, MAY RECOVER LIQUIDATED DAMAGES FROM THE DEVELOPER IN THE AMOUNT OF THREE HUNDRED AND FIFTY DOLLARS (\$350) PER DAY PER INCIDENT. IN NO EVENT SHALL THE PAYMENT OF LIQUIDATED DAMAGES FULFILL THE OBLIGATION OF THE DEVELOPER TO REPAY CRA/LA AGENCY FINANCING.

SUCH LIQUIDATED DAMAGES APPROXIMATE AND ARE INTENDED TO BE EQUIVALENT TO THE COST OF PROVIDING COMPARABLE TEMPORARY REPLACEMENT HOUSING AND CRA/LA ADMINISTRATIVE COSTS AT THE TIME OF EXECUTION OF THIS AGREEMENT AND ARE NOT A PENALTY. IN THE EVENT THAT THIS PROVISION SHOULD BE HELD TO BE VOID FOR ANY REASON OR IF CRA/LA ELECTS TO PURSUE ANY OTHER REMEDY, CRA/LA SHALL BE ENTITLED TO THE FULL EXTENT OF DAMAGES OTHERWISE PROVIDED BY LAW.

THE DEVELOPER AND CRA/LA SPECIFICALLY ACKNOWLEDGE THIS LIQUIDATED DAMAGES PROVISION BY THEIR SIGNATURES HERE:

By: \_\_\_\_\_ By: \_\_\_\_\_  
Developer CRA/LA

Filename: In-Place Rehab RSO redline draft2  
Directory: C:\Documents and Settings\mmiller\Local  
Settings\Temporary Internet Files\OLK\CDA  
Template: C:\Documents and Settings\mmiller\Application  
Data\Microsoft\Templates\Normal.dot  
Title: SEC  
Subject:  
Author: dneubecker  
Keywords:  
Comments:  
Creation Date: 10/11/2007 10:38:00 AM  
Change Number: 20  
Last Saved On: 10/23/2007 2:28:00 PM  
Last Saved By: David Riccitiello  
Total Editing Time: 228 Minutes  
Last Printed On: 11/5/2007 4:59:00 PM  
As of Last Complete Printing  
Number of Pages: 5  
Number of Words: 2,813 (approx.)  
Number of Characters: 16,037 (approx.)