



DATE / APR - 1 2010

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. 9169
Council District: 9
Contact Person: David Riccitiello
Jenny Scanlin
(213) 977-1710

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 April 1, 2010 City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:

AMENDMENT TO THE PREDEVELOPMENT TO PERMANENT LOAN AGREEMENT WITH CLIFFORD BEERS HOUSING, INC. TO INCREASE THE AMOUNT FROM \$1,500,000 TO AN AMOUNT NOT TO EXCEED \$3,000,000 FOR DEVELOPMENT OF THE 28TH STREET YMCA AS AFFORDABLE HOUSING LOCATED AT 1006 EAST 28TH STREET NEAR THE COUNCIL DISTRICT NINE CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT AREA DOWNTOWN REGION (CD 9)

RECOMMENDATION

That City Council approves recommendation on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

On December 17, 2009, the CRA/LA Board of Commissioners adopted Resolution 7360, which adopted the Mitigated Negative Declaration and Mitigation Monitoring Program for the Project. None of the conditions, requiring a subsequent environmental document, as stated in Section 15162 of the CRA/LA CEQA Guidelines, has occurred. There are no changes in the project involving new significant environmental effects or a substantial increase in the severity of previously identified significant effects, no changes with respect to the circumstances under which the project is undertaken, and no new information of substantial importance which was not known and could not have been know at the time the MND was adopted.

FISCAL IMPACT STATEMENT

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

Calvin E. Hollis, Interim Chief Executive Officer



Council Transmittal
Page 2 of 2

cc: Alan Alietti, Office of the City Clerk (Original & 3 Copies on 3-hole punch)
Lisa Johnson Smith, Office of the CAO
Ivania Sobalvarro, Office of the CLA
Bud Ovrom, Office of the Mayor
Larry Frank, Office of the Mayor
Steve Ongele, Office of the Mayor
Helmi Hisserich, Office of the Mayor
Noreen Vincent, City Attorney's Office
Jan Perry, Councilmember

MEMORANDUM

7

DATE: APRIL 1, 2010 C91570
BH1100

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CALVIN E. HOLLIS, INTERIM CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTIES: DAVID RICCITIELLO, REGIONAL ADMINISTRATOR
JENNY SCANLIN, PROJECT MANAGER

SUBJECT: AMENDMENT TO THE PREDEVELOPMENT TO PERMANENT LOAN AGREEMENT WITH CLIFFORD BEERS HOUSING, INC. TO INCREASE THE AMOUNT FROM \$1,500,000 TO AN AMOUNT NOT TO EXCEED \$3,000,000 FOR DEVELOPMENT OF THE 28TH STREET YMCA AS AFFORDABLE HOUSING LOCATED AT 1006 EAST 28TH STREET NEAR THE COUNCIL DISTRICT NINE CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT AREA
DOWNTOWN REGION (CD 9)

COMMITTEE

REVIEW: MARCH 10, 2010 LOAN COMMITTEE

RECOMMENDATIONS

That the CRA/LA Board of Commissioners, subject to City Council review and approval:

1. Adopt, and request the City Council adopt, a Finding of Benefit Joint Resolution, which finds that the use of \$3,000,000 in Bunker Hill Low and Moderate Income Housing Funds for predevelopment and acquisition-related expenses of the 28th Street YMCA housing project is of benefit to the Bunker Hill Redevelopment Project Area;
2. Amend the FY10 Budget and Work Program to transfer \$1,500,000 in budgeted line item "Affordable Housing" in the Bunker Hill Redevelopment Project Area to line item "Affordable Housing" in the CD9 Project Area;
3. Adopt, and request the City Council adopt, a Finding of Benefit Joint Resolution, which finds that the use of \$3,000,000 in funds from the CD9 Project Area Low and Moderate Income Housing Funds for predevelopment and acquisition-related expenses of the 28th Street YMCA housing project is of benefit to the CD9 Redevelopment Project Area; and
4. Authorize the Chief Executive Officer or designee to execute an amended Predevelopment to Permanent Loan Agreement with Clifford Beers Housing, Inc. from \$1,500,000 to an amount not to exceed \$3,000,000 to fund acquisition and predevelopment costs related to the proposed development of an estimated 48 units of affordable housing plus one manager's unit and take the actions necessary to implement the Agreement.

affordable housing plus one manager's unit and take the actions necessary to implement the Agreement.

That the CRA/LA Board of Commissioners:

5. Adopt a Resolution making the findings that an economically feasible alternative of financing on substantially comparable terms but without subordination of the CRA/LA Deed of Trust, covenants and use restrictions is not reasonably available, and authorize the subordination of the CRA/LA Deed of Trust, covenants and use restrictions to the construction and permanent loans provided for the proposed project.

SUMMARY

The recommended actions will amend a previously approved Predevelopment to Permanent Loan to increase the amount from \$1,500,000 to an amount not to exceed \$3,000,000 to Clifford Beers Housing, Inc. (the "Borrower" and the "Developer") for the development of the 28th Street YMCA (the "Project"), which will provide 49 efficiency units, consisting of 48 units affordable to low, very low and moderate income individuals and one manager's unit at 1006 East 28th Street in South Los Angeles. Additional actions will allow for the use of Bunker Hill Low and Moderate Income Housing Funds as the source for the Loan through a finding of benefit and the use of these funds outside of the CD9 Project Area. Once CRA/LA Loan funds are used to pay off the acquisition loan from Corporation for Supportive Housing, the CRA/LA will hold a First Deed of Trust on the property until the Developer closes on their construction loan. The property was valued at \$1.3 million when originally purchased in 2009. Due to the size of the CRA/LA loan and the presumed value remaining in the property, the loan, even with a first on the property, will not be fully secured. However, the CRA/LA Housing Policy does allow the CRA/LA to provide such higher loan to value ratio to a nonprofit housing provider for the purposes of providing equity for predevelopment and acquisition. This higher loan to value is mitigated by requiring the Developer to have a commitment letter from their construction lender and tax credit equity provider as well as all of their soft financing committed prior to the release of our additional \$1.5 million.

The affordable housing will be located above approximately 10,000 square feet of supportive services and community recreation space for building residents and the general public on the ground floor. The project contemplates adding 13,362 square feet to the existing 24,974 square foot building, which will be completely rehabilitated. Currently the project is proposed to set aside 62% of the 48 affordable units to target individuals with special needs such as mental illness, formerly homeless and youth transitioning out of foster care. It is anticipated that a California limited partnership with Clifford Beers Housing, Inc. as the managing general partner will be formed prior to start of construction. It is also requested that the CRA/LA readopt a resolution allowing subordination of the CRA/LA Deed of Trust, covenants and use restrictions to the construction and permanent loans provided for the proposed project based on the most updated financing model for the Project.

The site is located just outside of the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area ("CD9 Project Area") (Attachment "A", Site Map).

RE

February 5, 2010 - Council approval of December 17, 2009 Actions

December 17, 2009 – Consider the Mitigated Negative Declaration and Approve an Amendment to the Predevelopment and Permanent Loan with Clifford Beers Housing Inc. in an amount not

to exceed \$1.5 million for development of the 28th Street YMCA Project located at 1006 East 28th Street in South Los Angeles

November 5, 2009 – Adoption of Mitigated Negative Declaration (“MND”) for the 28th Street YMCA Project located at 1006 East 28th Street in South Los Angeles

September 18, 2009 - Council Approval of August 20, 2009 Actions

August 20, 2009 – Finding of Benefit Resolution and Approval of a Predevelopment to Permanent Loan Agreement with Clifford Beers Housing, Inc. in an Amount Not to Exceed \$500,000 for Development of the 28th Street YMCA Project

SOURCE OF FUNDS

Bunker Hill Low and Moderate Income Housing Funds

PROGRAM AND BUDGET IMPACT

The recommended actions will amend the FY10 Budget and Work Program to transfer \$1,500,000 of Bunker Hill Low and Moderate Income Housing Funds through a finding of benefit from Bunker Hill budgeted line item “Affordable Housing” to the CD9 Project Area budgeted line item “Affordable Housing”; \$1,000,000 of which will be derived from the repayment of a loan with Concerned Citizens of South Central Los Angeles for the Central Avenue Townhomes expected to be received by the CRA/LA in FY10 (CF#09-2102). The proposed action is consistent with the FY10 Budget and Work Program relating to the C9 Project Area. The approved FY10 Budget as amended for the C9 Project Area includes \$3,924,300 for Housing. With the approval of this item, \$20,420,000 (or 520% due to previous Findings of Benefit) of the total FY10 Budget as amended will be committed. There is no impact on the City’s General Fund. Sufficient funds are available to fund this project and make any required SERAF payment.

COMMITTEE REVIEW
RECOMMENDED

ENVIRONMENTAL REVIEW

On December 17, 2009, the CRA/LA Board of Commissioners adopted Resolution 7360, which adopted the Mitigated Negative Declaration and Mitigation Monitoring Program for the Project. None of the conditions, requiring a subsequent environmental document, as stated in Section 15162 of the CRA/LA CEQA Guidelines, has occurred. There are no changes in the project involving new significant environmental effects or a substantial increase in the severity of previously identified significant effects, no changes with respect to the circumstances under which the project is undertaken, and no new information of substantial importance which was not known and could not have been known at the time the MND was adopted.

Committee
finds
Funds
housing
Amend
Affordable
Affordable

BACKGROUND

Clifford Beers Housing, Inc. (“CBH”) is a nonprofit public benefit corporation formed in 2005 as an affiliate agency of Mental Health Association of America. CBH is a Community Housing Development Organization that develops affordable housing for individuals and families with limited incomes, including households who are homeless or at-risk of homelessness and have a member living with a mental illness. To date CBH has developed Elm Avenue Apartments, a 17-unit SRO project in Long Beach, and has two projects in the predevelopment stage in North Hollywood and Long Beach. James Bonar, the Executive Director of CBH, has listed eight projects containing 543 units of affordable housing that qualify for experience points with TCAC that were developed when he was Executive Director of Skid Row Housing Trust.

Site Description

The proposed Project involves the adaptive reuse and expansion of a nationally designated historic building located at 1006 East 28th Street to provide 48 studio units of affordable housing, one manager's unit, 2,645 square feet of space for on-site supportive services, and 7,600 square feet of community space open to the public. The site was originally constructed in 1926 by and for the YMCA, who remained the owner of the site until purchased by CBH this year. Designed by renowned African American architect Paul Williams, the four-story building was originally used for community and athletic facilities on the ground floor and three stories housing 50 SRO units above. Currently, the upper three floors are vacant and the ground floor is occupied by the Coalition for Responsible Community Development as temporary office space.

The Project will entail the rehabilitation of the existing YMCA building and a newly constructed addition to the rear of the building. Reconfiguring the floor plans and the concept of a newly constructed addition will allow for enlarged units with kitchenettes and bathrooms in every unit. The total gross building square footage is estimated to be 38,336, of which 24,974 square feet is existing space that will be rehabilitated. The land area of 17,241 square feet will mostly be dedicated to the building foot print although a small surface parking lot will remain at the rear of the property. The Public Hearing for entitlements took place on November 18, 2009 and the Zoning Administrator approved the project. Assuming the project receives the necessary funding the Developer plans to begin construction in February 2011 and complete the Project by June 2012. It is anticipated that approximately 62% of the units will be for special needs households, including transition age youth and homeless and mentally ill adults. Due to the proposed mix of populations with differing needs and services, the proposed housing will be physically divided between the new and the old building.

Affordability Requirements

The charts below illustrate the project's proposed unit mix and income targeting based upon the Tax Credit Allocation Committee's ("TCAC") rental and income definitions and HCD guidelines. These numbers reflect the final approach to determining the affordability make-up and are compared to the previously approved affordability levels in the December 17, 2009 board memorandum.

	Unit Type	TCAC 30%	TCAC 40%	TCAC 50%	Other	TOTAL
Previously Approved	Studio	23	2	23	1 (Manager)	49
Current Proposal	Studio	23	7	18	1	49

The table below illustrates the proposed tenant income mix, excluding the Manager's Unit, of current version. The income mix is in compliance with the CRA/LA Housing Policy and has not changed from the previously approved income mix.

INCOME CATEGORY	Household Income Mix		
	Previously approved # of Units	Current # of Units	Current % of Total
Extremely Low (<30% AMI)	0	0	0%
Very Low (31%-50% AMI)	23	23	47%
Low (51%-80% AMI)	25	25	51%

Moderate (81%-120% AMI)	0	0	0%
Unrestricted	1	1	2%
TOTAL	49	49	100%

Forty-eight (48) of the Project's forty-nine (49) units will be restricted by covenant for occupancy by very low-, low- and moderate income households as defined by the California Housing and Community Development Department (HCD). One unit will be unrestricted and will be occupied by an on-site property manager.

Replacement Housing Production Requirements

Bunker Hill Housing Trust and Tax Increment Funds are used to produce affordable housing units to meet the Bunker Hill Project Area's adopted requirement to provide three units for every one unit removed from the Project Area during the life of the Bunker Hill Redevelopment Plan. The 48 units will be counted towards Bunker Hill's replacement housing obligation.

The table below illustrates the number of units that can be counted towards the CRA/LA's replacement housing and proportionality requirements under California Redevelopment Law:

Income Category	Production Units			Housing Funds Allocation	
	Previous # of Units Approved	Current # of Units	Current % of Total	Funds	% of Total
Extremely Low Income	0	0	0%	\$ 0	0%
Very Low Income	23	23	48%	\$1,440,000	48%
Low Income	15	7	15%	\$ 450,000	15%
Moderate Income	10	18	37%	\$1,110,000	37%
TOTAL	48	48	100%	\$3,000,000	100%

Proportionality Analysis
 State law requires that Low and Moderate Income Housing Funds (LMIHF) be spent in proportion to the need for housing by persons at different income levels. Currently, CRA/LA is subject to the following requirements:
 Not less than 43% of LMIHF must be spent on housing units that are available at affordable housing cost (as determined by HCD) to very low income households;

Not less than 27% of LMIHF must be spent on housing units that are available at affordable housing cost (as determined by HCD) to low income households; and

Not more than 30% of LMIHF may be spent on housing units that are available at affordable housing cost (as determined by HCD) to moderate income households.

In any event, no more than 20% of LMIHF may be spent on housing that is restricted to seniors.

This requirement applies in the aggregate and not to each individual housing development. The statutory compliance period for this requirement is January 1, 2002 – December 31, 2014, and every ten years thereafter.

The funds allocated for the Project will be spent in the following proportion:

\$1,440,000 (48%): Very Low Income
 \$450,000 (15%): Low Income; and
 \$1,110,000 (37%): Moderate Income.

Financing

Based on the Developer's pro forma dated February 3, 2010, the total development cost of the project is \$23,233,330 of which \$19,095,727 is for the residential component (\$389,708 per unit), with CRA/LA funding comprising 15.7% of the total funding. The remaining \$4,137,604 of the project budget is allocated to the acquisition and build-out of the community space, which is separate from the housing and will be open to the general public.

The Developer plans to apply for an AHP Loan during construction which could provide approximately \$588,000 (\$12,000 per unit) in additional financing. The Amended Promissory Note will contain a Mandatory Prepayment provision which would allow additional funds obtained by the Developer to pay accrued interest and reduce the principal of the CRA/LA loan assuming the additional funds are not needed to cover cost overruns or equity shortfalls.

The term of the new loan will be twenty-four (24) months from the date of the Note with an annual interest rate of 3%. The loan would be conditionally converted to a fifty-five (55) year permanent residual receipts loan at the start of construction, subject to the Developer meeting all the conditions for conversion laid out in the Agreement. CRA/LA funds will be repaid from a pro-rata share from 50% of the Project's residual receipts during operations. The loan will provide acquisition and predevelopment costs including architectural design, permit and loan fees. The CRA/LA will consider lowering the interest rate to 1% administratively if the Developer can prove the need for this reduction in order to obtain a tax credit equity investor. The conversion from a 3% interest to a 1% interest would be accomplished administratively after review by the Director of Housing and approval of the Chief Operating Officer.

The table on the next page includes the sources and uses of funding for the Project.

DEVELOPMENT COST SUMMARY		
Project Name: 28 th Street YMCA		
Borrower: Clifford Beers Housing, Inc.		
SOURCES	CONSTRUCTION	PERMANENT
Bank Loan	\$4,395,305	\$ 0
9% LIHTC Equity	1,478,000	6,988,900
LAHD Loan	4,962,490	4,962,490
CDD CDBG grant	500,000	500,000
City of Industry Loan	2,000,000	2,000,000
FHLB Affordable Hsg Prog.	500,000	500,000

MHSA Loan		5,031,840		5,031,840
CRA/LA Loan		3,000,000		3,000,000
Deferred Costs		1,069,695		0
Deferred Developer Fee		300,000		450,000
TOTAL		\$23,233,330		\$23,233,330
USES	TOTAL COST	RESIDENTIAL COMPONENT	PER UNIT (49 units)	PER SQ. FT. (30,736 sf)
Acquisition Costs	\$1,250,000	\$1,000,483	\$20,418	\$33
Construction Hard Costs	16,140,048	13,313,061	271,695	433
Developer Fee	1,749,156	1,400,000	28,571	46
Construction Soft Costs	4,094,126	3,382,183	69,024	110
TOTAL	\$23,233,330	\$19,095,727	\$389,708	\$622

Subordination of CRA/LA Covenants

The State Redevelopment Law was amended in 1989 (Section 33334.14) to allow subordination of income and use restrictions. The subordination is permitted when the CRA/LA makes a finding that an economically feasible alternative method of financing or refinancing without subordination is not reasonably available and when the CRA/LA obtains written commitments reasonably designed to protect the CRA/LA's investment in the event of default. Currently, no domestic lending institutions are willing to provide conventional financing without subordination of covenants, as well as CRA/LA loans and ground leases. Prior to agreeing to such subordination, the CRA/LA will require that the Subordination Agreement contains notice and cure provisions which reasonably protect the CRA/LA's covenant in the event of the Developer's default under any of the senior loans (Subordination Resolution, Attachment "B").

Authority Granted to CEO or Designee

If the Loan Agreement is approved, the CRA/LA Chief Executive Officer or designee would be authorized to take such actions as may be necessary to carry out the Agreement, including, but not limited to, executing the CRA/LA Loan Documents to be executed by CRA/LA and taking the following actions: (1) extending the Initial Term of the Loan by up to one additional year for a total not to exceed three years as provided in Section 3.2.d.; (2) approving revisions to the Project Budget, so long as the changes do not increase the amount of the CRA/LA Loan or otherwise have a material adverse impact on the feasibility of the project, as specified in Section 3.3.g and Section 3.9; (3) negotiating and executing subordination agreements meeting the requirements of California Health and Safety Code Section 33334.14, and making reasonable modifications to the CRA/LA Loan Documents that may be requested by any Senior Lender or Tax Credit Equity Investor, so long as such changes do not adversely affect the receipt of any material benefit by CRA/LA, as provided in Section 3.11; (4) negotiating and executing Inter-creditor Agreements with and Estoppel Certificates to other lenders, to the extent such Inter-creditor Agreements and Estoppel Certificates are consistent with the terms of the Loan Agreement; (5) approving a reduction to the interest rate on the loan to 1% if demonstrated as necessary for tax credit equity; and (6) approving certain non-material revisions to the terms of

the Loan Agreement reasonably requested by a Permitted Lender or Tax Credit Equity Investor as specified in Section 8.7.

Finding of Benefit

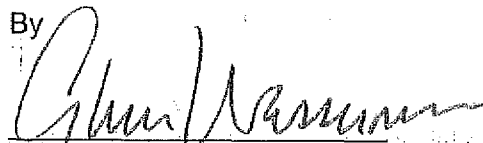
State of California redevelopment law permits a redevelopment agency to spend a project area's affordable housing funds outside of the geographic boundaries of the project area as long as findings are made that the housing project benefits the project area acting as the beneficiary. The Bunker Hill Redevelopment Project Area, adopted in 1959, is one of the funding sources for this Project. A Finding of Benefit Joint Resolution finds that the use of \$3,000,000 in Bunker Hill Low and Moderate Income Housing Funds for the 28th Street YMCA will provide affordable housing opportunities that will serve the general Downtown and South Los Angeles region (Attachment "C", Finding of Benefit Resolution – Bunker Hill). Funds from the Bunker Hill Redevelopment Project Area will be transferred to the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area for disbursement. As a result of the fact that the Project is outside of the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area's boundaries, an additional Finding of Benefit must be made for this Project Area (Attachment "D", Finding of Benefit Resolution – CD9 Project Area)

The Project will adhere to all applicable CRA/LA policies and requirements including Prevailing Wage and Living Wage requirements, Local Hiring Programs, Equal Opportunity and Affirmative Outreach, insurance and design guideline standards for the Project.

The CD9 Project Area's Community Advisory Committee supports the proposed Project and recommended actions.

Calvin E. Hollis
Interim Chief Executive Officer

By


Glenn F. Wasserman
Chief Operating Officer

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

Attachments:

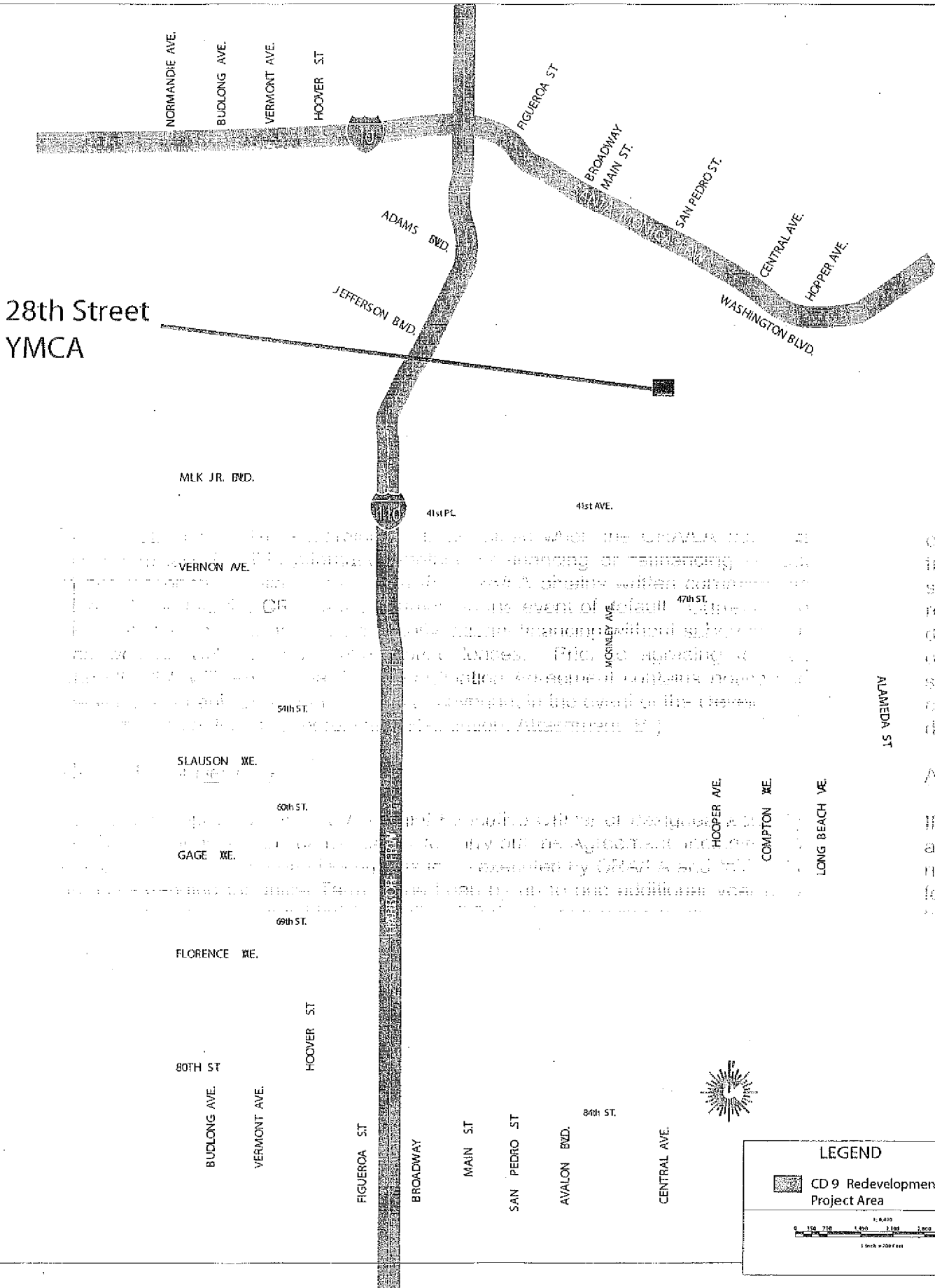
- Attachment A – Site Map
- Attachment B – Subordination Resolution
- Attachment C – Finding of Benefit Resolution – Bunker Hill
- Attachment D – Finding of Benefit Resolution – CD9

Redevelopment
Projects

ATTACHMENT A: SITE MAP 28th Street YMCA

Community
Redevelopment
Agency

City
of
Los Angeles



28th Street
YMCA

LEGEND

CD 9 Redevelopment Project Area

0 100 200 300 400 500
1 inch = 200 Feet

of income or
including their
subdivision
requirements
domestic law
of a contract
substantively
case provisions
date of the
Authority that
If the Board is
authorized to
not limited to
following with

SUBORDINATION RESOLUTION

RESOLUTION NO. _____

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA REGARDING THE SUBORDINATION OF ITS USE RESTRICTIONS AND DEED OF TRUST PURSUANT TO SECTION 33334.14 OF THE COMMUNITY REDEVELOPMENT LAW FOR THE 28TH STREET YMCA PROJECT.

WHEREAS, the Community Redevelopment Agency of the City of Los Angeles, California ("CRA/LA") proposes to enter into a Loan Agreement with Clifford Beers Housing, Inc., a California nonprofit corporation to which the CRA/LA will provide financial assistance to the Developer for the purposes of developing housing that is affordable to very low-, low-, and moderate-income persons or families or households (the "Rental Project"); and

WHEREAS, the Loan Agreement requires covenants to be recorded against the Rental Project restricting the use of the Project by placing certain limits on the maximum rents that can be charged, and the maximum income that can be earned by tenants qualified to rent such housing (the "Income and Rent Restrictions"); and

WHEREAS, the Loan Agreement requires that a Deed of Trust be recorded against the Rental Project as security for the CRA/LA Loan; and

WHEREAS, the Developer has obtained commitments of financing from a lender conditioned upon the subordination of the CRA/LA's Income and Rent Restrictions and Deed of Trust; and

WHEREAS, there has been presented to the CRA/LA evidence sufficient on which to find an economically feasible alternative method of financing the Rental Project on substantially comparable terms and conditions, but without subordination, is not reasonably available.

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

1. The CRA/LA hereby finds that an economically feasible alternative method of financing the Rental Project on substantially comparable terms and conditions, but without subordination, is not reasonably available.
2. The CRA/LA hereby authorizes the Chief Executive Officer ("CEO") of the CRA/LA, or designee, to take such actions as may be necessary in order to subordinate the CRA/LA's Income and Rent Restrictions and Deed of Trust to the

liens of the lenders providing financing for the Rental Project, but only upon receipt by the CEO or designee of written commitments from such lenders, reasonably designated to protect the CRA/LA's investment in the event of default, including but not limited to the following:

- a) A right of the CRA/LA to cure a default on the loan;
- b) A right of the CRA/LA to negotiate with the lender after the notice of default from the lender;
- c) An agreement that if prior to foreclosure of the loan, the CRA/LA takes title to the property and cures the default on the loan, the lender will not exercise any right it may have to accelerate the loan by reason of transfer of title to the CRA/LA;
- d) A right of the CRA/LA to purchase the property from the Developer at any time after default on the loan.

ADOPTED: _____

ATTACHMENT "C"

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

RESOLUTION NO. _____

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA AND OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES FINDING THAT TRANSFERRING \$3,000,000 IN BUNKER HILL LOW AND MODERATE INCOME HOUSING TRUST FUNDS TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF 49 UNITS OF AFFORDABLE HOUSING LOCATED AT 1006 EAST 28TH STREET NEAR THE COUNCIL DISTRICT NINE CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT AREA IS OF BENEFIT TO THE BUNKER HILL REDEVELOPMENT PROJECT AREA

WHEREAS, the Redevelopment Plan for the Bunker Hill ("BH") Redevelopment Project was adopted by the Los Angeles City Council on March 31, 1959, by Ordinance No. 113,231; and

WHEREAS, on January 12, 1968, the City Council of the City of Los Angeles adopted an amendment to the BH Redevelopment Plan, by Ordinance No. 140,662; and

WHEREAS, the CRA/LA desires and the Bunker Hill Redevelopment Project Area (Bunker Hill Project Area) Redevelopment Plan goal is to provide for the creation of housing as is required to satisfy the needs and desires of the various age, income and ethnic groups of the community; and

WHEREAS, the CRA/LA has established the Bunker Hill Project Area Low and Moderate Housing Fund into which funds may be appropriated and expended by the CRA/LA to develop dwelling units for low, very low and moderate income persons within or outside to serve said Project Area; and

WHEREAS, the CRA/LA as required by Section 33413(b) (4) of the Community Redevelopment Law (CRL) adopted Five Year Implementations Plans for the CD9 Project Area and contained within those Plans are listings of projects and expenditures planned by the CRA/LA to implement the affordable housing requirement; and

WHEREAS, the Legislature of the State of California has established that pursuant to Section 33334.2 (g) (1) of the Health and Safety Code, a redevelopment agency may use tax increment funds to provide low- and moderate-income housing outside the redevelopment project from which the tax increment funds are drawn if the redevelopment agency and the legislative body of the community determine that this use of funds will be of benefit to the project area; and

WHEREAS, the use of Bunker Hill Low and Moderate Income Housing Funds for the 28th Street YMCA affordable housing project at 1006 East 28th Street will benefit the Bunker Hill Project Area because such use of funds will fulfill the Bunker Hill Redevelopment Plan goal to "stabilize residential communities, provide affordable housing for low-wage workers, and induce private investment in these areas that, in turn, helps to stabilize the economy of Downtown Los Angeles." The 28th Street YMCA Project's target population for service-enriched housing includes formerly-homeless and transitional age-youth. It is anticipated that a number of the residents will be referred by homeless serving organizations in the Downtown area. The Project is close to Downtown with access by rapid bus and metro line and can provide affordable housing options for persons who may also work Downtown.

NOW, THEREFORE, THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, AND THE CITY COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA DO HEREBY RESOLVE AS FOLLOWS:

The CRA/LA and the City hereby find, determine and resolve that the use of these funds outside the Bunker Hill Redevelopment Project is of benefit to the Bunker Hill Redevelopment Project, and that the expenditure of these funds for this purpose will assist in achieving the redevelopment goals of the Bunker Hill Redevelopment Project to provide high and medium density housing close to employment and available to all ethnic and social groups, and to make an appropriate share of the City's low- and moderate-income housing available to residents of the area; and that this expenditure of funds is consistent with the Five Year Implementation Plan for the Redevelopment Project.

Adopted: _____

By _____, Director of the Community Redevelopment Agency

Witness my hand and the seal of the City of Los Angeles, California, this _____ day of _____, 200__.

In testimony whereof, I have hereunto set my hand and the seal of the City of Los Angeles, California, this _____ day of _____, 200__.

rents that can be charged, and that qualified to pay such rents.

WHEREAS, the _____

condition of the _____

WHEREAS, the _____ which to be an economically viable or substantially improved parcel reasonably available

ATTACHMENT "D"

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

RESOLUTION NO. _____

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA AND OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES FINDING THAT USE OF \$3,000,000 TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF 49 UNITS OF AFFORDABLE HOUSING LOCATED AT 1006 EAST 28TH STREET NEAR THE COUNCIL DISTRICT NINE CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT AREA IS OF BENEFIT TO THE COUNCIL DISTRICT NINE CORRIDORS SOUTH OF THE SANTA MONICA FREEWAY RECOVERY REDEVELOPMENT PROJECT AREA

WHEREAS, the Redevelopment Plan for the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project (CD9 Project Area) was adopted by the Los Angeles City Council on December 13, 1995, by Ordinance No.170.807; and

WHEREAS, the CRA/LA desires and the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Plan goal is to provide for the creation of housing as is required to satisfy the needs and desires of the various age, income and ethnic groups of the community; and

WHEREAS, the CRA/LA has established the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area Low and Moderate Income Housing Fund into which funds may be appropriated and expended by the CRA/LA to develop dwelling units for low, very low and moderate income persons within or to serve said Project Area; and

WHEREAS, the CRA/LA as required by Section 33413(b) (4) of the Community Redevelopment Law (CRL) adopted Five Year Implementations Plans for the Council District Nine Corridors South of the Santa Monica Freeway Recovery Project Area and contained within those Plans are listings of projects and expenditures planned by the CRA/LA to implement the affordable housing requirement; and

WHEREAS, the 1006 East 28th Street site is within one block outside the geographic boundaries of the CD9 Project Area; and

WHEREAS, the Legislature of the State of California has established that pursuant to Section 33334.2 (g) (1) of the Health and Safety Code, a redevelopment agency may use housing trust funds to provide low- and moderate-income housing outside the redevelopment project from which the tax increment funds are drawn if the redevelopment

agency and the legislative body of the community determine that this use of funds will be of benefit to the project area; and

WHEREAS, the use of CD9 Project Area Housing Trust Funds outside of the Council District 9 Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area for the 28th Street YMCA affordable housing project at 1006 East 28th Street will benefit the CD9 Project Area because such use of funds will fulfill the CD9 Redevelopment Plan goal to "provide housing for all income levels," preserve the cultural heritage of the area, and expand community facilities. The 28th Street YMCA Project will provide an affordable housing option for residents in the CD9 Project Area, restore the historic Paul Williams building and provide over 7,000 square feet of additional space for services to the general community.

NOW, THEREFORE, THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, AND THE CITY COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA DO HEREBY RESOLVE AS FOLLOWS:

The CRA/LA and the City hereby find, determine and resolve that the use of these funds outside the CD9 Project Area is of benefit to the CD9 Project Area, and that the expenditure of these funds for this purpose will assist in achieving the redevelopment goals of the CD9 Project Area to provide high and medium density housing close to employment and available to all ethnic and social groups, and to make an appropriate share of the City's low- and moderate-income housing available to residents of the area; and that this expenditure of funds is consistent with the Five Year Implementation Plan for the Redevelopment Project.

Adopted: _____

Adopted: _____