

City of Los Angeles

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April 29, 2026

Council File: NEW  
Council Districts: 1  
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Honorable Members of the City Council  
City of Los Angeles  
c/o City Clerk, City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

**COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REQUEST FOR AUTHORITY TO AMEND THE LOAN AGREEMENT AND SUBORDINATE THE CITY LOAN TO ALLOW THE BORROWER TO RECEIVE NEW FINANCING TO REHABILITATE THE CLARK RESIDENCE PROPERTY LOCATED AT 306 LOMA DRIVE, LOS ANGELES, CA 90017**

**SUMMARY**

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests authority to negotiate and execute all documents required for the Clark Residence Property, located at 306 Loma Drive, Los Angeles, CA 90017, per the terms of the loan agreement, as set forth herein.

**RECOMMENDATIONS**

- I. That the City Council, subject to the approval of the Mayor:
  - A. AUTHORIZE the General Manager of LAHD, or designee, to negotiate and execute all documents required for Clark Residence per the terms of the loan agreement or as set forth herein;
  - B. INSTRUCT the City Attorney to prepare all necessary documents, including but not limited to a recasting of project debt and modification of a loan agreement (and/or amendments and restatements of any necessary documents) to preserve and support an affordable housing project on the properties located at Clark Residence; and,
  - C. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

## **BACKGROUND**

In 1990, Clark Residence, L.P. (the “Partnership”), was formed to acquire, develop and operate a 153-unit single residence apartment project, known as Clark Residence (the “Project”) in Los Angeles, California. The project is located at 306 Loma Drive, Los Angeles, CA 90017. The limited partnership consists of Abode Communities and the limited partner is Abode communities, LLC. Abode Communities, is the managing member of Abode Communities L.L.C. The Project is located in the Westlake neighborhood in Council District 1 and is designated as historic cultural monument 3158. All units are restricted to serve to low-income tenants ranging from 30% to 120% AMI. The unit configurations consist of (152) SRO/Studio-bedroom units, and a one-bedroom manager’s unit. The project is estimated to have been placed in service in 1996.

The City’s loan agreement was funded with \$5,177,626 of Community Redevelopment Agency, Low Moderate Income Housing Funds (CRA LMIHF) with a 3% simple interest rate and consisted of a 30-year repayment period through residual receipts. This loan is set to mature in March 25, 2026. In 2025, Clark Residence, L.P., has been recommended for a reservation of \$3,054,880 in annual federal tax credits and \$9,450,378 in total state tax credits and \$18,451,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 107 units. The number of units will be reduced from 153 to 107 to enlarge the extremely undersized units. The project will be renamed the New Clark Residence and will be a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, (CA-93-051). The project will also be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the California Housing Rehabilitation Program (CHRP) and Portfolio Reinvestment Program (PRP) programs of HCD.

As a condition of these new financing activities, the lenders are requiring that the City’s loan have a new maturity date that is after the new lender’s loan maturity date (55 years from the closing date). Currently, the existing outstanding LAHD debt, including principal and interest, is approximately \$10,377,556 as of December 31, 2025. The affordability covenant expired on June 15, 2015. However, the TCAC rent restrictions ranging from 30% AMI to 60% AMI expire in 2050. The project will also be renamed and called the New Clark Residence.

### **Existing Project Hardship**

The project has undergone severe financial hardship. Looking back at the last five years, the project has experienced year after year of negative cash flows which resulted in both the operating and the replacement reserves to be fully depleted. The units are extremely small and functionally obsolescent based on today’s needs. Vacancy rates have increased and costs have increased, including sky rocketing insurance premiums (six-fold in this case). In order to continue project operations, the general partner has loaned/advanced funds of approximately \$970,688. The borrower has stated this property is a huge financial burden on them and they can no longer continue operations. The infusion of TCAC funding will stabilize and turnaround this failing project into a project generating solid positive cash flows.

Clark Residence struggled historically with cash flows and occupancy. The project was not awarded any vouchers to support operations and as a result the project was moving towards failure. Net operating income was running over \$300,000 negative without a plan for stabilization.

The New Clark will access bond proceeds plus 4% tax credits with HACLA vouchers that will convert units from SROs to studios with bathroom and kitchenettes. The redevelopment will reduce the unit count to 108 units – this will trigger the displacement of seven (7) units within the New Clark to the Grandview Apartments, which

is a new Abode development located at 714 S. Grand View Street, Los Angeles, CA 90057. To ensure the tenants won't be greatly affected by the rehabilitation of the project, the Housing Authority of the City of Los Angeles (HACLA), the outside bond issuer, and the proposed general partner prepared a relocation plan to assist with the "smooth transition" of the aforementioned tenants. Subsequently, this relocation plan was reviewed and approved on March 9, 2026, by LAHD's Code Enforcement Division. Additionally, the developer, Abode, submitted a replacement housing plan to the Land Use Unit, whereby, seven (7) households of the New Clark Residence Project will be relocated to the Grandview Apartments Property. LAHD's Land Use Unit assisted the developer in making revisions to ensure the replacement housing plan will meet the requirements of the Code Enforcement Division, and their final approval is anticipated soon. The replacement housing plan is attached for reference.

### Request

For Clark Residence, LAHD is requesting authority for the proposed changes to the existing LAHD loan terms as follows:

- Extend the loan terms to co-terminate with the maturity date of the new TCAC funding (anticipated to be in 2081), and also extend the affordability covenants to 2081 (to have the same date).
- Change the City portion of residual receipts based on other governmental residual receipts loans.
- Allow the loan to be assumed by the New Clark Residence, L.P. which will consist of Abode Communities as the general partner and a to be determined limited partner.
- Approve the Replacement Housing Plan which is attached as Exhibit, which was approved by LAHD'S Code Enforcement Division.
- Complete any other technical adjustments that may be required or deemed appropriate by the Office of the City Attorney.

### Analysis

After LAHD's detailed and analytical review of Clark Residence, it was determined that it is a non-performing loan asset. Since the borrower is obtaining new tax credit financing and new bond financing to assist and sustain the project, LAHD is also aligning and assisting the project, by modifying our loan documents to ensure the future financial viability of the property. Specifically, modifying the loan documents to extend the maturity date and changing the City portion of residual receipts will allow this non-performing loan asset to become a performing asset, which will generate residual receipts income; thereby, repaying its existing LAHD debt. In addition, the new financing structure will allow the project to be in a better position in future years which will allow the project to have crucial positive cash flows. This will fund reserves and support loan repayment to LAHD.

Under the new loan structure, the project will be in a better financial position, allowing Clark Residence, L.P to use the available cash to rehabilitate functionally obsolescent units and amenities for its tenants; maintaining the asset's physical condition; receiving the increased rental assistance, generating more income; and lowering the operating costs. Overall, this will preserve and extend affordability without the City expending more funds.

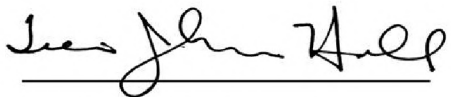
Conclusion

Extending the LAHD loan will provide new financing and will allow Clark Residence, L.P., the opportunity to redevelop the property and provide many more years of affordable low-income housing to its tenants.

**FISCAL IMPACT**

There is no impact to the General Fund.

Approved By:

A handwritten signature in black ink, appearing to read "Tiena Johnson Hall", written over a horizontal line.

TIENA JOHNSON HALL  
General Manager  
Los Angeles Housing Department

ATTACHMENTS:

Attachment A: New Clark Residence Resolution

Attachment B: New Clark Residence Replacement Housing Plan

## RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES TO ADOPT THE REPLACEMENT HOUSING PLAN FOR THE NEW CLARK RESIDENCE LOCATED AT 306 LOMA DRIVE IN LOS ANGELES, CALIFORNIA.

**WHEREAS**, pursuant to the provisions of California Community Redevelopment Law (Health and Safety Code Section 33413.5), the City of Los Angeles, a municipal corporation (City), acting by and through the Los Angeles Housing Department (LAHD), as successor agency to the housing assets and housing functions of the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) under Section 34176(a) of the California Health and Safety Code pursuant to the agreement regarding CRA/LA Affordable Housing Assets and Functions with the effective date of April 5, 2013, has prepared Replacement Housing Plans (The New Clark Residence Replacement Housing Plans) copies of which are attached hereto as Exhibit A, for the loss of 7-affordable units at New Clark Residence located within Council District 1, Los Angeles Project Area; and

**WHEREAS**, the New Clark Residence, L.P. will own and operate the New Clark Residence Apartments. The California Debt Allocation Committee (CDLAC) awarded the original bond allocation for \$18,451,000 on September 12, 2025. On February 13, 2025, the project applied for a 4% tax credits from the California Tax Credit Allocation Committee (CTCAC) and was awarded on August 5, 2025.

**WHEREAS**, the loss of the seven (7) units at the New Clark Residence will create more affordability units available for those tenants with a history of homelessness at the Grandview Apartments. As such, there will be a total of one-hundred and eight units (108) comprised of one-bedroom, two-bedroom and three bedroom units and 2 unrestricted units for the managers- one 2-bedroom unit and one studio unit.

**WHEREAS**, the New Clark Residence Replacement Housing Plans are consistent the Los Angeles Project Area; and

**NOW, THEREFORE, BE IT RESOLVED** that by the adoption of this Resolution, the Council of the City of Los Angeles hereby finds the proposed New Clark Residence Replacement Housing Plans to be in conformity with the provisions of the California Community Redevelopment Law hereby approves and adopts the New Clark Residence Replacement Housing Plans attached as Exhibit A.

This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED BY THE CITY COUNCIL of the City of Los Angeles this \_\_\_\_\_ day of \_\_\_\_\_, 2026 at Los Angeles, California.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held \_\_\_\_\_, 2026.

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

City Clerk

(SEAL)



April 2, 2026

## **NEW CLARK RESIDENCE REPLACEMENT HOUSING PLAN**

The Los Angeles Housing Department (LAHD) is the Successor Agency responsible for managing all former Community Redevelopment Agency of City of Los Angeles (CRA/LA) housing assets. To comply with California Health and Safety Code Section 33413.5, which requires the adoption, by resolution, of a replacement housing plan, LAHD has prepared this plan.

This Replacement Housing Plan (the "Plan") sets forth the obligations of Abode Communities, a non-profit organization, in its provision of a replacement housing plan pursuant to Health and Safety Code 33410-33418 with respect to the proposed rehabilitation of the 108-unit residential housing development, New Clark Residence (the "Property"), located at 306 Loma Drive, Los Angeles, California. The Plan will recount the CRA/LA financing and covenants affecting the Property, explain the planned renovation of the Property, and describe the replacement housing obligations at the Property, as well as location, timetable and financing for replacement units. This Plan is written in accordance to Health and Safety Code §33413.5, as well as California Government Code §66300.6.5 amended by State Bill 21.

### I. Introduction

On August 10, 1988, the CRA/LA and the YWCA entered into a CRA Loan Agreement for property located at 306 Loma Drive, in which YWCA agreed to rehabilitate the property at that address. On August 9, 1990, YWCA via a purchase agreement sold it to the General Partner, Clark Partners. On November 13, 1990, an Amendment to the Loan Agreement was executed for the transfer of the property and for assigning the property to the developer. Also, on November 13, 1990, an Assignment and Assumption Agreement was executed for Clark Partners to assign it to Clark Residence Limited Partnership. On July 14, 1992, A Second Amendment To Loan Agreement was executed to subordinate the loan to HCD and to provide additional funds to the project. On March 22, 1994, a Third Amendment was executed between CRA and Clark Limited Partnership. On August 8, 1994, a Fourth Amendment was executed to restructure the debt. A Fifth Amendment was executed to defer the principal payment of the Bridge Note.

Existing regulatory agreements on the property include Regulatory Agreement (Number 90-CHRP-R-080) from the California Department of Housing and Community Development, recorded Memorandum September 4, 1992, which restricts units to affordable rents for the duration of 55 years. There is also a Federal Credit Regulatory Agreement (CA -93-051) from the California Tax Allocation Committee, recorded April 22, 1996, which restricts units to affordable rents for the duration of 55 years.

Abode Communities plans to substantially rehabilitate the existing building at 306 Loma Drive with resources secured from the State's Department of Housing & Community Development and an allocation of state and federal tax credits, as well as a partnership with the Housing Authority of the City of Los Angeles, which will bring new rental subsidy to the property. The Project is occupied and temporary relocation is planned. Residents will be temporarily relocated to a comparable off-site unit while work is performed, and residents will return to the Project following completion of the renovation.

The Clark Residence consists of 152 total units – 150 income-restricted SRO units, one one-bedroom management unit, and one two-bedroom management unit. Of the 150 restricted units, per the existing CRA/LA Loan Agreement, 49%, or 74 units, are restricted at Low Income levels and 51%, or 76 units, are restricted at the Moderate Income level, and 99 of the units are currently occupied. As part of the planned rehabilitation at the Property, the restricted unit count at the New Clark Residence will be reduced from 150 units to 106 units to convert the SRO units into larger studio units with full private bathrooms and kitchens, which will better serve the building's residents. Site amenities at the New Clark Residence will include a lobby/reception area, laundry, property management and service offices, a library, two elevators and a community room. Additionally, various outdoor spaces are available to tenants including several patios and a landscaped courtyard.

The conversion to studio units will also enable to the project to benefit from new rental subsidy administered by the Housing Authority of the City of Los Angeles, which will drastically improve the property's physical and financial health. Upon completion of the renovation, the total unit count will be 108 units, including one unrestricted two-bedroom manager's unit, one unrestricted studio unit for property management staff, and 106 studio units restricted by the CRA/LA covenant.

Per Section 63600.6.5(b) of the California Government Code amended by State Bill 21, project proponents may reduce the number of required replacement units in order to accommodate the conversion of SRO units to larger units, and for any loss of SRO units in excess of 25% of the prior restricted unit count, they may replace the restricted units offsite. Since the previous Clark Residence had 150 restricted units, a 25% reduction would allow for 113 remaining restricted units, and because the New Clark Residence proposes 106 restricted units, Abode Communities will replace seven restricted units offsite at the Grandview Apartments project. Grandview Apartments is a 100-unit development currently under construction at 714 S. Grand View Street, and will be owned and operated by a tax credit limited partnership, of which Abode Communities is the managing general partner. Grandview Apartments is located in the Westlake/MacArthur Park neighborhood of the City of Los Angeles, about one mile away from the New Clark Residence.



## II. The Project

The Project involves a substantial rehabilitation of the Property. It will accomplish several significant goals for the Property, including: (1) preserving and extending affordability and a commitment to house individuals with special needs; (2) retrofitting the major building systems (e.g. mechanical, electrical, plumbing, HVAC) to increase the physical lifetime and energy efficiency of the building; (3) increasing operating income by adding rental subsidies and establishing dedicated services funding; (4) addressing significant building amenities such as accessibility and thermal comfort to make the buildings more suitable for the existing population. Seven units with CRA/LA affordability restrictions at the Property will be replaced at Grandview Apartments, located at 714 S. Grand View Street.

## III. Description of Dwelling Units to be Replaced

The rehabilitation work at the Property will result in the removal of 44 Moderate Income SRO units, with 7 Moderate Income **one-bedroom** units to be replaced at the Grandview Apartments project. The table below clarifies the income category and bedroom counts for the 44 units to be removed, as well as the 7 units to be replaced at Grandview.

### Demolished Units

Project Address	Dwelling Units	Bedrooms	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Anticipated Removal Date
306 Loma Dr	44	0 (SRO)	0	0	0	44	May 2026
TOTAL	44		0	0	0	44	---

### Replacement Units

Project Address	Dwelling Units	Bedrooms	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Anticipated Replacement Date
714 S. Grand View Street	7	1	0	0	0	7	May 2026
TOTAL	7		0	0	0	7	---

## IV. Replacement Housing Requirements

Health and Safety Code Section 33413(a) requires that 100 percent of the replacement units shall be made available at or below the same affordability level of the destroyed or removed units.

Per Section 63600.6.5(b) of the California Government Code amended by State Bill 21, project proponents may reduce the number of required replacement units in order to accommodate the conversion of SRO units to larger units, and for any loss of SRO units in excess of 25% of the



prior restricted unit count, they may replace the restricted units offsite. Since the previous Clark Residence had 150 restricted units, a 25% reduction would allow for 113 remaining restricted units, and because the New Clark Residence proposes 106 restricted units, Abode Communities will replace seven restricted units offsite at the Grandview Apartments project. While not required under the code section referenced above, Abode Communities proposes to replace these 7 SRO units with one-bedroom units. Grandview Apartments is a 100-unit development currently under construction at 714 S. Grand View Street, and will be owned & operated by Abode Communities. Grandview Apartments is located in the Westlake/MacArthur Park neighborhood of the City of Los Angeles, about one mile away from the New Clark Residence.

See attached for the latest rent roll from March 2026, with the current rental rates, the number of vacancies, the length of any vacancies, and the length of residency of each occupied unit.

No residents will be permanently displaced as a result of the proposed renovation project, since there are only 96 currently-occupied units and there will be 106 restricted units available upon completion of the rehab scope.

V. General Location of Replacement Housing, Timetable and Means of Financing

The Replacement Housing will be located at 714 S. Grand View Street, the Grandview Apartments. This housing is currently under construction and is expected to receive its Temporary Certificate of Occupancy in June 2026.

Performance Timetable

Action Item	Deadline
Ensure all replacement housing covenants recorded	May 2026

VI. Article XXXIV Approval

The Project does not require approval of the voters pursuant to Article XXXIV of the California Constitution because the Project is excluded from the term "low rent housing project" to which Article XXXIV of the California Constitution applies. The Project is excluded from the term "low rent housing project" because a contract for financial assistance between a state public body and the Federal Government in respect to the Project exists.

