

MEMORANDUM

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DATE: MARCH 3, 2011 C91560
100071

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER

STAFF: DAVID RICCITIELLO, REGIONAL ADMINISTRATOR
JENNY SCANLIN, PROJECT MANAGER
WILLIAM CIPES, ASSISTANT PROJECT MANAGER

SUBJECT: **Dunbar Village.** Disposition, Development and Loan Agreement with the City of Los Angeles and Dunbar Village, LP for disposition of property for a Promissory Note in the amount of \$5,410,000 (CRA/LA portion \$852,840) and a CRA/LA loan in an amount not to exceed \$1,500,000 and Option Agreement for the Dunbar Village mixed-use and affordable housing project, located at 4201-4219, 4225-4233 and 4251-4263 South Central Avenue in the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area.
DOWNTOWN REGION (CD 9)

LOAN COMMITTEE: Approved at Loan Committee on February 23, 2011

RECOMMENDATIONS

1. That the CRA/LA Board of Commissioners hold a Public Hearing and request that the City Council hold a Public Hearing pursuant to Health and Safety Code Section 33433 regarding the proposed disposition of the property located at 4225-4233 South Central Avenue (the "Property") to Dunbar Village, LP for development of an affordable rental housing project.
2. That the CRA/LA Board of Commissioners adopt, and request that the City Council adopt:
 - A. A Joint Resolution authorizing the sale of the Property and make certain findings pursuant to Health and Safety Code Section 33433, that (i) the conveyance of the Property will provide housing for low income persons; (ii) the conveyance of the Property is consistent with the Five Year Implementation Plan for the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project; and (iii) the consideration to be received by CRA/LA is not less than the fair reuse value of the Property, determined at the use and with the covenants, restrictions and development costs required by the Disposition, Development and Loan Agreement; and
 - B. A Finding of Benefit Joint Resolution, which finds that the use of \$69,300 in Bunker Hill Tax Increment funds and \$1,430,700 in Bunker Hill AB1290 funds for the development of the Dunbar Village project is of benefit to the Bunker Hill Redevelopment Project Area.
3. That the CRA/LA Board of Commissioners, subject to City Council review and approval:
 - A. Authorize the Chief Executive Officer (CEO) or designee to execute a Disposition, Development and Loan Agreement with the City of Los Angeles and Dunbar Village,

- LP to sell 4201-4219, 4225-4233 and 4251-4263 South Central Avenue for fair market value, and provide two loans: (a) an Acquisition Loan, in partnership with LAHD, equal to the as-is value of the property (\$5,410,000, with the CRA/LA portion equal to \$852,840) and; (b) a CRA/LA Loan for up to \$1,500,000 to fund predevelopment and construction costs related to the Project, and to take such other actions as may be necessary to carry out the transaction.
- B. Authorize the Chief Executive Officer or designee to execute an Option to Purchase Agreement with Dunbar Village, LP to sell 4201-4219, 4225-4233 and 4251-4263 South Central Avenue for \$5,438,000.
- C. Amend the FY2011 CD9 Project Area budget and work program to receive \$1,430,700 of Bunker Hill AB1290 funds (BH2990) and \$69,300 of Bunker Hill Tax Increment Funds (BH1100) in Budget line items "Economic Development" and "Affordable Housing" respectively and transfer said funds to the CD9 Project (C91560) in budget line item "Affordable Housing" for the development of the Dunbar Village Project.
4. That the CRA/LA Board of 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 Project.
5. That the CRA/LA Board of Commissioners request that the City Council:
- A. Authorize the General Manager of the Los Angeles Housing Department or designee to execute a Disposition, Development and Loan Agreement with the CRA/LA and Dunbar Village, LP for the disposition and rehabilitation of a mixed-use affordable residential and commercial project located at 4201-4219, 4225-4233 and 4251-4263 South Central Avenue, subject to the approval of the City Attorney as to form.
- B. Authorize the General Manager of the Los Angeles Housing Department or designee Authorize the Chief Executive Officer or designee to execute an Option to Purchase Agreement with Dunbar Village, LP to sell 4201-4219, 4225-4233 and 4251-4263 South Central Avenue for \$5,438,000.

SUMMARY

The recommended actions authorize the execution of a Disposition, Development and Loan Agreement ("DDLA") with Dunbar Village, LP ("Developer") for the redevelopment of the Dunbar Hotel (4225-4233 S. Central Avenue), Somerville I (4251-4263 S. Central Avenue), and Somerville II (4201-4219 S. Central Avenue) properties (collectively, the "Site"). The Dunbar Hotel is jointly-owned by CRA/LA and the City, acting by and through its Los Angeles Housing Department ("LAHD"). Somerville I and II are owned solely by LAHD. All three properties are currently managed by LAHD, who is also a party to the DDLA.

The recommended actions also authorize the execution of an Option to Purchase Agreement (the "Option") with the Developer for the Site, which is necessary to demonstrate site control for the Developer's application to the California Debt Limit Allocation Committee (CDLAC), due March 18, 2011. Because the Replacement Housing Plan for the Site was approved on February 17, 2011, the earliest the CEO can execute the DDLA is March 19, 2011. The only purpose of the Option is to provide evidence of Site control pending the execution of the DDLA. The Option provides the Developer with the right to purchase the Site from LAHD and CRA/LA for \$5,438,000 (equal to the appraised fair market value of the Dunbar Hotel, and as-is value of Somerville I & II), contingent upon the negotiation of a Purchase Agreement between the

parties. The Option period expires upon the earlier of July 17, 2011, or the date the parties enter into a DDLA.

The DDLA provides for the rehabilitation of the historic Dunbar Hotel and renovation of Somerville I & II to knit the three properties together into Dunbar Village: an 83-unit mixed-use intergenerational community for seniors and families (the "Project"). A new 55-year covenant will be recorded against the Site, restricting 40 units at the Dunbar Hotel to low- and very-low income seniors, and 41 units at Somerville I & II to occupancy by low and very-low income families. Two units will be reserved for an on-site property manager and maintenance person. Covenanted affordability levels will be for lower-incomes than those required by existing covenants, and the renovation will result in larger, more livable units than those provided in the current floor plan. The Project will also revitalize ground floor retail and provide a new plaza on Central Avenue, reactivating street life and enhancing public safety.

Through the DDLA, CRA/LA will provide a \$1.5 million predevelopment, construction and permanent loan ("CRA/LA Loan") for the Project. LAHD will enter into a separate loan agreement ("LAHD Loan") with the Developer to provide \$7.87 million in construction and permanent financing in the form of Neighborhood Stabilization ("NSP") funds. In addition, CRA/LA and LAHD will take back a \$5,410,000 note for the as-is value of the Site ("Acquisition Loan"). The CRA/LA's portion of the Acquisition Loan will be \$852,840.

Due to restrictions on the use of NSP funds, the disposition of the Site to the Developer will take place approximately 30 days after the execution of the DDLA. Construction is expected to start in September 2011, and be completed by December 2012.

PREVIOUS ACTIONS

February 17, 2011 – CRA/LA Board approval of a Replacement Housing Plan for the Dunbar Village Project.

December 17, 2010 – Council authorization for CRA/LA and LAHD to enter into an ENA with Thomas Safran & Associates (CF#10-1886).

December 2, 2010 – CRA/LA Board authorization to enter into an ENA with Thomas Safran & Associates for the disposition and rehabilitation of a mixed- use affordable residential and commercial project located at 4201-4219, 4225-4233 and 4251-4263 South Central Avenue.

June 10, 2010 – Council authorization for LAHD and CRA/LA to issue an RFP to sell, rehabilitate, and develop mixed-use affordable housing projects on City-owned properties located at 4201-4219, 4225 and 4251-4263 S. Central Avenue (CF#10-0920).

November 19, 2009 – Report to CRA/LA Board on intent to issue an RFP for a mixed-use affordable residential and commercial project located at 4201-4219, 4225-4233 and 4251-4263 S. Central Avenue.

August 7, 2008 – CRA/LA Board Authorization to enter into a Cooperation Agreement with LAHD to own, manage and dispose of the Dunbar Hotel and provide funds for consultant costs related to the ownership management and disposition of the Dunbar Hotel. (CF#08-2118)

DISCUSSION & BACKGROUND

Location & History

The Site consists of three separate mixed-use buildings located on the 4200 block of Central Avenue. The Dunbar Hotel was built in 1928 as a luxury hotel for the African American community, at a time when Central Avenue thrived as a mecca for west coast jazz. In its heyday

during the 1930s and 1940s, the hotels' guests included such luminaries as W.E.B Du Bois, Thurgood Marshall and Louis Armstrong.

In 1988 the Dunbar Hotel was redeveloped as affordable housing, with a scope of work that included a seismic reinforcement, replacement for all major systems, and registration as a historic landmark by the National Park Service and the City of Los Angeles. CRA/LA and the City, through the Community Development Department, jointly provided a loan in the principal amount of \$2,900,000 for this rehabilitation and covenanted its use for affordable housing and a museum of the African American and Jazz history in the Central Avenue area. The CRA/LA provided \$1,200,000 and CDD provided \$1,700,000 of the original principal balance in the form of a fully amortizing loan (CDD transferred their interest in the Loan to LAHD in 1990). The borrower never made a payment on the loan to either CRA/LA or LAHD, and by 2006 the property had fallen into disrepair and was cited for code violations. A forbearance agreement executed in 2006 between the borrower, CRA/LA and LAHD failed to remedy the default. CRA/LA and LAHD jointly issued a Notice of Default on the property in 2007, and in December 2008 CRA/LA and LAHD assumed fee ownership of the Dunbar Hotel following a Trustee Sale.

The building has 72 Single-Room Occupancy (SRO) units, 22 of which are currently occupied. The roles and responsibilities of CRA/LA and LAHD in managing and disposing of the Dunbar Hotel are delineated in a Cooperation Agreement, which was approved by Council and the CRA/LA Board in 2008.

Somerville I (17 units) and Somerville II (24 units) are mixed-use affordable residential properties with ground-floor commercial space fronting on Central Avenue. Both properties were completed in 1996, and are currently fully occupied with income-eligible tenants. In October 2009, the City foreclosed on Somerville I and II, and the buildings are currently being managed through the LAHD. The City still holds covenants on the property for affordable family housing, which will be extended for 55-years as part of the proposed Project.

Although CRA/LA has no ownership interest in the Somerville properties, once it became clear that Somerville I and II would become the responsibility of the City, it was cooperatively decided by CRA/LA and LAHD management that these two properties along with the Dunbar Hotel would be combined into one Request for Proposals (RFP) from developers.

Developer Entity

Dunbar Village LP is a limited partnership consisting of Dunbar Village, LLC and the Coalition for Responsible Community Development ("CRCD"). Dunbar Village, LLC's sole member is Thomas Safran & Associates ("TSA"), a Los Angeles-based firm established in 1974 which specializes in development and management of both family and senior affordable housing. TSA has developed over 4,500 units, and currently owns and manages over 3,000 units in Southern California. CRA/LA-funded projects include Rittenhouse Square (100 units), Montecito Apartments (118 units), Hollywood El Centro (88 units), La Brea Franklin (40 units) and Strathern Park Apartments (169 units). CRA/LA's Asset Management department does not show any defaults recorded against loans to TSA, and all existing loans are generating positive residual receipts. Further, LAHD's loans with TSA area all current. One of the primary reasons the Developer was chosen for the Project was TSA's successful track record providing quality property management in challenging environments, strong financial capacity, and commitment to Central Avenue demonstrated by the successful Rittenhouse Square senior housing project.

CRCD is a nonprofit community development corporation in the Vernon-Central neighborhood that focuses on: community beautification; workforce development for youth and young adults; and housing and economic development. CRCD is co-developer of CRA/LA-assisted projects 36th and Broadway Apartments (with Little Tokyo Service Center), and 28th Street YMCA (with Clifford Beers Housing).

Selection Process

On June 16, 2010 CRA/LA and LAHD jointly issued a Council-approved RFP to identify and select a qualified and financially capable developer to rehabilitate the Site. The stated goal of the RFP was to accomplish three objectives: 1) maintain the Site's historic designation, 2) continue to provide affordable housing that meets the needs of low-income seniors and families by adding new 55-year covenants to all three properties, and 3) contribute to the revitalization of the Central Avenue commercial corridor.

CRA/LA received six (6) proposals in response to the RFP, which were reviewed by a five-person panel consisting of two CRA/LA staff members, two LAHD staff members, and one community representative (the "Review Panel"). The Review Panel scored all proposals based on the following criteria: development team qualifications; development concept and its responsiveness to the objectives outlined in the RFP and the surrounding community; financial analysis, including developer's financial capacity, reasonableness of cost estimates and other economic assumptions; and proposed business terms, including the amount of public financing necessary relative to the public benefit and risk assumed by CRA/LA and LAHD.

Following this initial review, four (4) development teams were selected for in-person interviews with the Review Panel. Following the interviews, the Review Panel ranked each development team based on their response to the interview questions and proposal as a whole. The Dunbar Village team, consisting of TSA and CRCD, received the highest overall score, and the Review Panel recommended CRA/LA and LAHD enter into an ENA with TSA for the proposed Project. The CRA/LA Board and City Council approved the ENA in December 2010.

Description and Project Context

The Project includes a complete rehabilitation of Dunbar Hotel to restore the buildings historic grandeur, and provide larger, more livable units for residents. Reconfiguration of the existing floor plan will result in 41-units, consisting of a mix of singles, one-bedrooms and two-bedrooms. One two-bedroom unit will be set aside for the building manager. The remaining units will be covenanted for occupancy by low- and very-low income seniors. On-site amenities include a community room with communal kitchen, media lounge, billiard table, library or reading area, laundry room, and fitness area.

Renovation of Somerville I and Somerville II includes major reconfiguration of and upgrades to the common areas and in-place rehabilitation of the residential units. The reconfiguration will result in one additional unit in Somerville I, to provide a total of 42 units between the two buildings. One unit will be set aside for an on-site maintenance person, with the remaining 41 units covenanted for occupancy by low- and very-low income seniors and families. A new bridge will be constructed to connect the common area in Somerville II to the Dunbar Hotel. Other on-site amenities include a new tot lot, built-in barbecue, basketball half-court, and laundry room. Since first being developed, Somerville I and II have been plagued by criminal activity, negatively impacting the residents and surrounding community. To address this issue, the Developer will install security cameras in all three properties, and coordinate with LAPD to address any ongoing security concerns.

The Project also includes major renovation of ground floor commercial space on Central Avenue to revitalize the street and improve public safety. The Developer's retail strategy focuses on retaining community-serving tenants and repositioning vacant retail spaces to attract uses that will serve the neighborhood and activate Central Avenue. Existing tenants who will stay in the project include Museum in Black in the Dunbar Hotel, a Head Start child-care facility in Somerville I, and community computer center run by Los Angeles Trade Technical College in Somerville II. In order to attract and sustain new retail tenants, the Developer is proposing to add up to 27 parking stalls by vacating the alley behind the Dunbar Hotel and Somerville II, and

acquiring a site across Central Avenue. Retail build-out includes a café space in Dunbar Hotel, and a new public plaza between Dunbar Hotel and Somerville II.

Community Benefits

The proposed Project will result in the restoration and rehabilitation of one of Los Angeles' most important historic buildings, preservation of affordable housing that meets community needs, and the revitalization of community-serving retail along Central Avenue. The proposed Project is will also include a pocket park, office space for a local nonprofit organization, and the continued operation of a child care facility and computer learning center on the Site. CRCD will offer construction training and street beautification jobs to local residents as part of the Project.

The Project will be required to obtain Enterprise Green Communities Certification, a standard used by LAHD due to the use of NSP Funds. To achieve this certification, the project must achieve compliance with all mandatory measures with the Enterprise Green Communities Criteria (the "Criteria"), and achieve additional points based on project type. The Criteria contains detailed standards that address all aspects of design and operations, including: integrative design; location and neighborhood fabric; site improvements; water conservation; energy efficiency; materials beneficial to the environment; healthy living environment; and operations and maintenance. The Criteria are aligned with LEED Green Building Rating System.

The sustainable strategy for the Project includes a passive system design, energy efficient design and alternative energy sourcing, use of recycled and sustainably sourced building materials, water conservation techniques and equipment, storm and surface water retention and treatment, and improved indoor air quality.

Applicable CRA/LA Policies include: Construction Careers and Stabilization, Construction Jobs Local Hiring, Living Wage, Contractor Responsibility, Equal Benefits, Housing, and Prevailing Wage.

Variances from CRA/LA Policies and/or Guidelines

The proposed funding requires a variance from the adopted Housing Policy's Section 8.04 that requires any CRA/LA predevelopment loan be secured by a first deed of trust. The Developer anticipates construction financing from a conventional lender and the LAHD NSP Loan will be senior to the CRA/LA Loan and the Acquisition Loan.

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 H).

Findings

As required by section 33433 of the Health and Safety Code, the City Council is required to make findings that the conveyance of the Property will: (i) provide housing for low income persons; (ii) the conveyance of the Property is consistent with the Five Year Implementation Plan for the CD9 Project Area; and, that the consideration to be received by CRA/LA is not less than the fair reuse value of the Property, determined at the use and with the covenants,

restrictions and development costs required by the DDLA. A report analyzing the economics of the DDLA, as required by section 33433, is included in Attachment E. The 33433 Report only analyzes the Dunbar Hotel disposition, as only the Dunbar Hotel was acquired/developed with tax increment and CRA/LA has no ownership interest in the Somerville I and Somerville II properties

The Finding of Benefit Joint Resolution (Attachment G) is required to expend Bunker Hill Tax Increment Funds in the CD9 Project Area.

Finally, prior to agreeing to subordination of CRA/LA covenants, a finding is required that economically feasible alternative of financing without subordination of the CRA/LA Deed of Trust, covenants and use restrictions is not reasonably available.

Financial Analysis

Total development costs for the Project are estimated to be \$29,340,179 (\$353,496 per unit). CRA/LA's participation is in the form of an Acquisition Loan equal to the as-is value of the Properties (jointly held with LAHD, with the CRA/LA portion being \$852,840), and a \$1.5 million Predevelopment, Construction and Permanent Loan. LAHD will provide \$7.87 million in NSP funds through a separate loan agreement, which is referenced in and included as an attachment to the DDLA.

Both the Acquisition Loan and the CRA/LA Loan will be for 55 years, at 1.75% interest, with residual receipts payments. Residual receipts payments will be made to LAHD and CRA/LA based on each agency's respective share of the total amount of residual receipts loans. While it is CRA/LA's policy to charge 3% simple interest on residual receipts loans, given the rent structure required by NSP funding, and the extraordinary circumstances leading to the foreclosure on the Dunbar Hotel by the two City public entities, a lower interest rate of 1.75% has been agreed upon by both LAHD and CRA/LA as necessary to facilitate the development of the Project in a timely manner.

Based on the initial loan amounts (as described above), CRA/LA owns 41.4% of the Dunbar Hotel. The appraised as-is value of the Dunbar Hotel is \$2,060,000, so CRA/LA's share is equal to \$852,840. The appraised as-is value of Somerville I & II is \$3,350,000. Therefore, CRA/LA's share of the total Acquisition Loan is 15.8%. The CRA/LA Loan and CRA/LA's share Acquisition Loan represent 8% of total development costs, and is equal to \$28,347 per unit (\$29,047 per restricted unit).

The Acquisition Loan is based-on the "as-is" value, rather than the fair market value, due to California Tax Credit Allocation Committee (TCAC) regulations regarding eligible basis for Low-Income Housing Tax Credits. The appraised as-is value of the Dunbar Hotel (\$2,060,000) is approximately 1.3% less the appraised fair market value (\$2,088,000). Given that the Acquisition Loan only required residual receipts payments, and the fair-reuse value of the property at the use and with the covenants, restrictions and development costs required by the DDLA is effectively \$0, this variation in values is immaterial.

As required by section 33433 of the Health and Safety Code, the consideration to be received by CRA/LA for the Dunbar Hotel is not less than the fair reuse value of the property, determined at the use and with the covenants, restrictions and development costs required by the DDLA. The 33433 Report (Attachment E) only analyzes the Dunbar Hotel disposition, as CRA/LA has no ownership interest in the Somerville I and Somerville II properties.

The Acquisition Loan will be subordinate to the LAHD Loan and construction financing during construction and a permanent loan once the Project is complete. The \$1,500,000 CRA/LA Loan will be in fourth position, behind the construction or permanent financing, LAHD Loan, and Acquisition Loan.

ECONOMIC IMPACT

The following table* describes the economic impacts estimated to be created by this project.

Estimated Economic Impacts Created by this Project*	
Estimated Construction Jobs Created	158
Estimated Permanent Jobs Created	15
Estimated Gross Property Tax Increment (TI) Revenue (Year 1 of Tax Increment Generated)	\$0
Estimated Net Present Value (NPV) of Net Property TI Generated (Revenue to the CRA/LA Project Area through the last Tax Increment Receipt Date)	\$0
Estimated NPV of Property TI for Affordable Housing (25% set-aside towards the CRA/LA Low and Moderate Income Housing Fund through the last Tax Increment Receipt Date)	\$51,000
Estimated NPV of Utility User Tax Revenue (Revenue to City of Los Angeles)	\$74,000
Estimated NPV of Sales Tax Revenue (1% portion of taxable sales to City of Los Angeles)	\$543,000
Estimated NPV of Business Tax Revenue (Revenue to City of Los Angeles)	\$78,000

*The figures provided in the table about are for estimation purposes only; actual fiscal impact or job creation may be higher or lower than these estimates. Standardized formulas were used to generate these figures and are based on accepted econometric practices and basic tax calculations taken from research performed by a variety of sources, including the Los Angeles Economic Roundtable, California Redevelopment Association, US Department of Housing and Urban Development, CRA/LA, and the City and County of Los Angeles.

SOURCE OF FUNDS

Bunker Hill Tax Increment and AB1290 Funds.

PROGRAM AND BUDGET IMPACT

Approval of this item will amend the FY2011 C9 Budget and Work Program to receive \$1,500,000 of AB1290 (\$1,430,700) and Tax Increment (\$69,300) Funds in budget line items "Affordable Housing" (BH1100) and "Economic Development" (BH2990) from the Bunker Hill Redevelopment Project to the Council District Nine Project in budget line item "Affordable Housing" (C91560) for the development of the Dunbar Village Project.

As part of the FY11 Budget process, it was determined that AB1290 funds will continue to be retained by the CRA/LA for use in the Council Districts in which the funds are generated. This project has been directed by the Council office as a "planned use" of its AB1290 funds.

Following the approval of this item, the following will remain in the Bunker Hill project area: \$2,964,187 of \$3,311,987 for Affordable Housing and \$1,688,149 of \$6,301,300 for Economic Development.

Sufficient funds are available to make any legally-required State ERAF payments. There is no impact on the City's General Fund as a result of this action.

ENVIRONMENTAL REVIEW

The recommended action is categorically exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Sections 15301(a) and (d), 15331, and 15332 of the State CEQA Guidelines).

HOUSING INCLUSIONARY AND PROPORTIONALITY REQUIREMENTS

As indicated in Attachment C, Affordable Housing Information, with the approval of Dunbar Village, the CD9 Redevelopment Project will be on target to comply with the 15% Inclusionary Housing Requirement.

As indicated in Attachment C, Affordable Housing Information, with the approval of Dunbar Village the CD9 Project Area will not have spent funds from the Low and Moderate Income Housing Fund (LMIHF) in proportion to need, in that the amount of LMIHF spent to date of Moderate Income exceeds the allowable percentage. Staff expects to come into compliance on or before the December 31, 2014 statutory compliance deadline by future LMIHF for Low- and very low income housing. There are currently 7 projects in the pipeline totaling approximately \$15 million in funding, including 29th Street Crossings, Figueroa Apartments, Florence Mills Housing, Paradise Baptist, Slauson-Wall, and Washington Boulevard-Mercy Housing.

AUTHORITY GRANTED TO CEO OR DESIGNEE

If the Disposition, Development and 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 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; (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; (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; (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; and (5) approving certain non-material revisions to the terms of the Loan Agreement reasonably requested by a Permitted Lender or Tax Credit Equity Investor.

Christine Essel
Chief Executive Officer

By:

Calvin E. Hollis
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: Location/Site Map

- Attachment B: Project Term Sheet
- Attachment C: Affordable Housing Information
- Attachment D: Sources and Uses
- Attachment E: 33433 Report
- Attachment F: 33433 Resolution
- Attachment G: Finding of Benefit Resolution
- Attachment H: Subordination Resolution
- Attachment I: Project Summary Report