COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
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Commissioners

Carlos Jackson
Executive Director

March 6, 2007

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE AMENDMENT NO. 1 TO LOAN AND DEVELOPMENT AGREEMENT WITH BEYOND SHELTER HOUSING DEVELOPMENT CORPORATION FOR 12 UNITS OF MULTIFAMILY HOUSING IN UNINCORPORATED WILLOWBROOK (2)
(3 Vote)

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS:

1. Approve Amendment No. 1 to Loan and Development Agreement (Agreement), presented in substantially final form, between the Community Development Commission and Beyond Shelter Housing Development Corporation, a California Nonprofit Public Benefit Corporation (Developer), to increase the original amount of the HOME Investment Partnerships Program (HOME) loan by an amount up to $384,364, from $1,513,180 to a maximum of $1,897,544 in HOME funds, to cover increased construction costs and permanent financing of the Mason Court Apartments, to be located at 2129 East El Segundo Boulevard, in unincorporated Willowbrook.

2. Authorize the Executive Director to execute Amendment No. 1 to the Agreement, to be effective following approval as to form by County Counsel and execution by all parties; and authorize the Executive Director to execute all necessary documents to subordinate the Commission's loan to permitted predevelopment, construction, and permanent financing, to be effective following approval as to form by County Counsel and execution by all parties.

3. Authorize the Executive Director to incorporate up to $384,364 in HOME funds into the Commission's Fiscal Year 2006-2007 approved budget for the purposes described above.

PURPOSE /JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to amend the Agreement between the Commission and the Developer, to provide additional funding to cover increased construction costs and permanent financing of the Mason Court Apartments.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. Total development costs are summarized in the Financial Analysis provided as Attachment A.

Under the original Agreement, $1,513,180 in HOME funds was provided for predevelopment, construction and permanent financing of the 12-unit Mason Court Apartments as a 30-year, three percent simple annual interest loan, evidenced by a Promissory Note and secured by a subordinated Deed of Trust. This loan is to be repaid from residual receipts generated by operation of the property. Since the inception of the project in 2004, the total development cost of $2,441,597 has increased by $1,599,713. The current action will increase this loan by an amount up to $384,364, from $1,513,180 to a maximum of $1,897,544 in HOME funds, converting to permanent financing at completion of construction.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On September 14, 2004, your Board authorized a 55-year Agreement between the Commission and the Developer in the amounts of $1,513,180 in HOME funds and $555,000 in Community Development Block Grant Program (CDBG) funds, for acquisition, predevelopment, construction and permanent financing of the 12-unit Mason Court Apartments

The Mason Court Apartments will be located at 2129 East El Segundo Blvd, in unincorporated Willowbrook. All rental units will be reserved for families that are certified by the Department of Children and Family Services (DCFS) as at-risk of losing custody of their children, and that have incomes that do not exceed 50 percent of the area median income for the Los Angeles/Long Beach Metropolitan Statistical Area, as defined by the U. S. Department of Housing and Urban Development.

ENVIRONMENTAL DOCUMENTATION:

An Environmental Assessment was prepared for the 12 unit Mason Court Apartments project pursuant to the requirements of the National Environmental Policy Act of 1969 (NEPA). Based on the conclusions and findings of the Environmental Assessment, a Finding of No Significant Impact was approved by the Community Development Commission on July 12, 2004. Following the required public and agency comment period, the U.S. Department of Housing and Urban Development issued a Release of Funds for the project on August 24, 2004.

Consistent with the provisions of the CEQA Guidelines, Article 14, Section 15221, notice was provided to the public that the Environmental Assessment would be used in place of an Initial Study to satisfy CEQA requirements. The Environmental Assessment/Mitigated Negative Declaration was approved by your Board on September 14, 2004.

IMPACT ON CURRENT PROGRAM:

The Amendment No. 1 will increase the loan by an amount necessary to provide additional construction funding for the project, which will increase the supply of affordable special needs housing in the County.

Respectfully submitted,

CARLOS JACKSON
Executive Director

CJ:LK
Attachments: 2

Attachment A
HOUSING FINANCIAL ANALYSIS
MASON COURT
2129 E. El Segundo Blvd., unincorporated Los Angeles County

The following is an analysis of funding for the project:

Development Phase:

	Total	Per Unit Cost
Sources		
HOME Loan	$1,897,544	$158,129
CDBG Land Acquisition Loan	555,000	46,250
LIIF Loan	1,080,841	90,070
Proposed Industry Funds	507,925	42,327
TOTAL	**$4,041,310**	**$336,776**

Permanent Phase:

Sources		
HOME Loan	$1,897,544	$158,129
CDBG Land Acquisition Loan	555,000	46,250
MHP-SHP	860,132	71,678
AHP	102,000	8,500
Deferred Developer Fee	118,709	9,892
Proposed Industry Funds	507,925	42,327
TOTAL	**$4,041,310**	**$336,776**

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES
AMENDMENT TO LOAN AND DEVELOPMENT AGREEMENT
(HOME PROJECT NO. HE0079)

AMENDMENT NO. 1

THIS AMENDMENT TO LOAN AGREEMENT made and executed this _____ day of _____, 2007, by the Community Development Commission of the County of Los Angeles, hereinafter called the "Commission", and BEYOND SHELTER HOUSING DEVELOPMENT CORPORATION, a California Nonprofit Public Benefit Corporation hereinafter called the "Borrower". Commission and Borrower are sometimes referred to collectively herein as the "Parties" and each individually as a "Party."

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

WITNESSETH THAT:

WHEREAS, the Commission and Borrower previously entered into and executed a Loan Agreement (the "Agreement") on September 14, 2004 for the principal amounts of One Million Five Hundred Thirteen Thousand One Hundred Eighty Dollars ($1,513,180) (the "HOME Loan") and Five Hundred Fifty Five Thousand Dollars ($555,000) (the "CDBG Loan");

WHEREAS, it is necessary to amend said Agreement, and both Borrower and Commission are desirous of such amendment; and

NOW, THEREFORE, in consideration of the mutual undertakings herein, the Parties agrees that this Agreement be amended, as permitted by Section 20 of this Agreement, as follows:

1. Cover Page

"$1,513,180 (HOME)" shall be replaced with the following:

"$1,897,544 (HOME)"

2. Transaction Summary

"HOME Loan Amount: $1,513,180" shall be replaced with the following:

"HOME Loan Amount: $1,897,544"

3. The first sentence of Recital A shall be replaced with the following:

"WHEREAS, Borrower desires to borrow the principal amount of **One Million Eight Hundred Nine Seven Thousand Five Hundred Forty Four Dollars ($1,897,544)** (the "**HOME Loan**") from COMMISSION for the purpose of providing financing for the predevelopment expenses, construction, and permanent financing in connection with the twelve (12) HOME assisted units ("**HOME Units**") in the housing development (**"Project"**) described in the Transaction Summary above, and as more particularly described in this Agreement."

4. All references to the HOME Loan Amount shall be in the amount of One Million Eight Hundred Nine Seven Thousand Five Hundred Forty Four Dollars ($1,897,544).

5. All other terms and conditions of this Agreement shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Parties, through their duly authorized officers, have executed this amendment as of the date first above written.

COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES

By: _____
Carlos Jackson, Executive Director

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.
County Counsel

By:_____
Deputy

BORROWER:

BEYOND SHELTER PARTNERSHIP HOUSING DEVELOPMENT CORPORATION
a California non-profit public benefit corporation

By: _____

Name: _____

Title: _____