

MOTION BY SUPERVISOR KATHRYN BARGER

August 12, 2025

Preservation of Affordable Housing at the Metro Loma Housing Development in Glendale

Metro Loma Housing Development (Project) is an affordable rental housing development located at 328 Mira Loma Avenue in the City of Glendale which opened in 2009. The Project was developed on land owned by the Housing Authority of the City of Glendale (City) through a 99-year lease to the project developer, Metro Loma L.P.

In 2008 the Los Angeles County Development Authority's (LACDA) predecessor-in-interest provided a \$1,472,000 loan to Metro Loma L.P. to develop the Project, which includes 43 units serving low-income families and seniors and one manager's unit. As of June 30, 2025, the outstanding loan amount, including principal and accrued interest, is \$2,222,720.

In late 2024 Metro Loma L.P., recognizing that the Project had been operating at a financial loss due to rising operating costs and stagnant rents and that it had contributed over \$900,000 to cover operating gaps, notified the Project's senior lender, the California Community Reinvestment Corporation (CCRC), that it would no longer operate and manage the Project or make loan payments to CCRC. CCRC issued a Notice of Default to Metro Loma L.P. in February 2025 and notified the LACDA and the City that it would foreclose on the Project if the Notice of Default was not cured.

To prevent the foreclosure and the displacement of tenants, the LACDA worked with the City to develop a plan to rescue the Project. This plan included collaborating to pay off the CCRC loan and associated costs, completing needed repairs and deferred

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maintenance, and identifying a new owner that is committed to maintaining the Project's affordability restrictions.

The City has taken the lead in purchasing the defaulted senior loan and soliciting a new owner/operator to replace Metro Loma L.P. The new owner/operator will be a single asset entity to be formed and managed by Linc Housing Corporation (Linc), an accomplished nonprofit affordable housing developer. Linc will work with National CORE (CORE), a nonprofit housing provider, to serve as the Project's property management company. Linc and CORE have owned and managed other affordable properties together, including one in the City.

It is urgent that LACDA and the City can commit to the increased loans by August 15th. The former owner and property manager will cease operations in California in August. The new owner will have the right to purchase the property for one dollar plus the assumption of LACDA and City loans if the transfer is approved by August 15th. This will allow the new owner to purchase on these terms and will provide for continuity of management and the avoidance of expensive interim ownership steps such as receivership.

To implement this restructuring plan the City will increase its loan to the Project by \$2.285 million. The LACDA is requesting authority to increase its loan to the Project by up to \$660,000, using Housing Successor Agency Funds from the Arcadia Redevelopment Project Areas that were transferred to the LACDA as a result of the dissolution of redevelopment activities in California. The additional funds from both the LACDA and the City will enable the Project to remain affordable, prevent displacement of residents, and ensure the Project is financially feasible.

The proposed activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b) because they are not defined as a project under CEQA and do not have the potential for causing significant effect on the environment.

I, THEREFORE MOVE, THAT THE BOARD, ACTING AS THE COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Suspend Section 22.1 of the Rules of the Board for the limited purpose of considering this motion.
2. Find that approval of these directives is exempt from the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this motion and the record of the Project.
3. Authorize the Executive Director to incorporate \$660,000 in Housing Successor Agency Funds into the LACDA's approved Fiscal Year 2025-2026 budget, or future Fiscal Year budgets, as needed.

4. Authorize the Executive Director, or designee, to do the following:

- (a) negotiate and execute with Linc Housing, or its LACDA approved designee an amended and restated loan agreement to incorporate up to an additional \$660,000 to the Project, adjust the amount of the loan to forgive, reduce or extend payment of any non-principal sums;
- (b) execute any and all related documents, including but not limited to subordination agreements, deeds of trust, intercreditor agreements and any covenants and restrictions;
- (c) authorize the restructuring of the Project in the event the Project will be further assigned and negotiate and execute any necessary agreements for the restructuring, following approval by the Executive Director, or designee; and;
- (d) when necessary, execute any amendments to the foregoing documents or assign any of the foregoing documents to a LACDA approved assignee, all when approved as to form by County Counsel

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