FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGELES
CALIFORNIA

ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

CLAUDIA M. DUNN
Chief, Council and Public Services Division

www.cityclerk.lacity.org

99-2165

CDs 8, 9 & 15

PLACE IN FILES
SEP 0 5 2007
DEPUTY

September 4, 2007

Councilmember Perry
Councilmember Parks
Councilmember Hahn
City Administrative Officer

Controller, Room 300
Accounting Division, F&A
Disbursement Division
Los Angeles Housing Department

RE: $2 MILLION IN ADDITIONAL FUNDING AND REVISED LOAN TERMS FOR HABITAT-FOR-HUMANITY HOMEOWNERSHIP PROJECTS FOR LOW-INCOME HOUSEHOLDS

At the meeting of the Council held August 17, 2007, the following action was taken:

Attached report adopted	
Attached motion (-) adopted	
Attached resolution adopted	
Mayor concurred	08-31-07
To the Mayor FORTHWITH	X
Motion adopted to approve committee report recommendation(s)	X
Findings adopted	
Negative Declaration adopted	
Categorically exempt	
Generally exempt	

Frank T. Martinez

City Clerk
et

FF
9-5-07

4

Mayor's Time Stamp
OFFICE OF THE MAYOR
RECEIVED
2007 AUG 23 PM 2:59
CITY OF LOS ANGELES

FORTHWITH

City Clerk's Time Stamp
RECEIVED
CITY CLERK'S OFFICE
2007 AUG 23 PM 2:36
CITY CLERK
BY _____ DEPUTY

SUBJECT TO MAYOR'S APPROVAL

COUNCIL FILE NO. 99-2165 COUNCIL DISTRICT NOS. 8, 9 & 15

COUNCIL APPROVAL DATE August 17, 2007

RE: $2 MILLION IN ADDITIONAL FUNDING AND REVISED LOAN TERMS FOR HABITAT-FOR-HUMANITY HOMEOWNERSHIP PROJECTS FOR LOW-INCOME HOUSEHOLDS

LAST DAY FOR MAYOR TO ACT SEP 04 2007
(10 Day Charter requirement as per Charter Section 341)

RECEIVED
CITY CLERK'S OFFICE
2007 AUG 31 PM 2:30
CITY CLERK
BY _____ DEPUTY

DO NOT WRITE BELOW THIS LINE - FOR MAYOR OFFICE USE ONLY

APPROVED ✓ _____

*DISAPPROVED _____

*Transmit objections in writing pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL AUG 31 2007

MAYOR

etc

SEP 04 2007

24

File No. 99-2165

TO THE COUNCIL OF THE CITY OF LOS ANGELES

Your HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

reports as follows:

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to $2 million in additional funding and revised loan terms for Habitat-for-Humanity (HFH) Homeownership Projects for low-income households

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. DETERMINE a policy decision relative to modifying the repayment of purchase assistance loans available to low-income households purchasing the nine HFH projects listed below, wherein the Los Angeles Housing Department (LAHD) is authorized to amend said terms so that repayment is due upon transfer of ownership by the original homebuyer(s), including property sale or death of owner(s):

   a. 10315 South Main Street, Los Angeles 90003

   b. 1500/1504 East 21st Street, Los Angeles 90011

   c. 1775 Santa Ana Boulevard, Los Angeles 90002

   d. 434/440 West 112th Street, Los Angeles 90061

   e. 1829/1831 105th Street, Los Angeles 90002

   f. 10507 Hickory Street, Los Angeles 90002

2. AUTHORIZE the General Manager, LAHD, or designee(s) to:

   a. Commit up to $1,440,000 in HOME Investment Partnership (HOME) funds for project-related costs incurred since March 1, 2007, for the Harborside Terrace Project.

   b. Commit up to $560,000 in HOME funds for project-related costs incurred for the Vermont Villas Project since March 1, 2007.

   c. Prepare Controller accounting instructions and make any technical adjustments consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer (CAO), and request the Controller to implement the instructions.

3. REQUEST the Controller to expend funds for the Harborside Terrace and Vermont Villas Projects, in an amount not to exceed $2,000,000 from the HOME Investment Partnership Fund No. 561, Department 43, upon proper written demand by the LAHD, as follows:

Account No.	Account Title	Amount
C223	Homeownership Assistance - Regular	$2,000,000

Fiscal Impact Statement: The CAO reports that there is no impact on the City's General Fund. The recommendations of this report are in compliance with City Financial Policies in that the cost for completing the homeownership units selected for the 2007 Jimmy Carter Work Project (JCWP) is fully funded by $2 million in HOME funds.

Summary:

In its transmittal dated August 3, 2007, the CAO recommends that Council and the Mayor take various actions relative to increasing funding by $2 million in HOME monies for 30 low-income homeownership units, which HFH volunteers will complete as part of the 2007 JCWP, and modifying repayment terms for purchase assistance loans, which are available to low-income households purchasing previously completed HFH homeownership projects.

The CAO reports that the JCWP is an annual event sponsored by former President Jimmy Carter and HFH International, which brings together thousands of volunteers from around the world to build housing for low-income families. The 2007 JCWP event will be held in Los Angeles on October 28, 2007, through November 2, 2007. The projects selected for the JCWP event have previously received a total of $700,000 in HOME monies. The requested $2 million in additional project funding is needed to offset increased construction costs.

The CAO further reports that following completion of the projects, the JCWP homes will be sold at below* market rates (*technical correction provided after release of CAO report dated August 3, 2007) to low-income households earning at or below 50 percent of the Area Median Income (AMI) levels established by the U.S. Department of Housing and Urban Development. In all subsequent purchasing rounds, households earning at or below 80 percent AMI will qualify to purchase the JCWP units. The low-income affordability restrictions for the JCWP projects will remain in effect for 30 years.

The CAO notes that at the completion of the homeownership projects, the HFH project loans will be restructured as part of the homebuyers' mortgage loans. The conventional first mortgage loans will be equal to the construction costs incurred by HFH for each home unit. The purchase assistance loans issued by LAHD contain no monthly payments and a 10 percent shared appreciation component. The amount of the LAHD purchase assistance loans is equal to the home market value less the borrower's down payment and the first mortgage loan. Repayment of the purchase assistance loans begins immediately following repayment of the first mortgage loans or upon transfer of homeownership.

The CAO further notes that nine HFH homeownership projects first authorized in 2003 by City Ordinance No. 175141, are now ready for sale to low-income households earning at or below 50 percent AMI. However, due to escalating home market values during the construction period for these units, the purchase assistance loans repayable to the LAHD have increased to a level well above the original finance structure developed for these projects. As a way of offering these properties to low-income households at affordable levels, the LAHD requests approval to modify the repayment terms for its purchase assistance loans to be due upon transfer of ownership, including property sale or death of original owner(s). This waives the policy provision of first mortgage repayment as a trigger for repayment of the City's purchase assistance loan, which (the CAO believes) is a Council policy matter.

At its regular meeting held August 14, 2007, the Housing, Community, and Economic Development Committee considered this matter and recommended that Council approve the recommendations of the CAO, as submitted in its report dated August 3, 2007. This matter is now submitted to Council for its consideration.

Respectfully submitted,

ADOPTED
MOTION ADOPTED TO APPROVE COMMITTEE REPORT RECOMMENDATION
AUG 17 2007
LOS ANGELES CITY COUNCIL

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

MEMBER	VOTE
WESSON	YES
REYES	ABSENT
CARDENAS	YES
GARCETTI	YES
PERRY	YES

TO THE MAYOR FORTHWITH

AMA
08/15/07
CD 8,9,15
#992165b.wpd

COUNCIL VOTE

Aug 17, 2007 12:19:15 PM, #7

ITEM NO. (24)
Voting on Item(s): 24
Roll Call

ALARCON	Yes
CARDENAS	Yes
GREUEL	Yes
HAHN	Yes
HUIZAR	Yes
LABONGE	Yes
PARKS	Yes
*PERRY	Yes
REYES	Absent
ROSENDAHL	Yes
SMITH	Yes
WEISS	Yes
WESSON	Yes
ZINE	Yes
GARCETTI	Yes

Present: 14, Yes: 14 No: 0

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

NOTIFICATION OF COUNCIL ACTION

Council File No. 99-2165

- [x] Council Member(s) 8, 9, 15
- [ ] Interested Department
- [x] Mayor (with / without file)
- [ ] Chief Legislative Analyst
- [x] City Administrative Officer
- [x] Controller
- [ ] City Clerk
  - [ ] City Clerk, Chief Administrative Services
- [ ] Treasurer
- [ ] City Attorney (with blue sheet / without blue sheet)
- [ ] General Services Department
- [ ] Department of Transportation
- [ ] Personnel Department
- [x] Los Angeles Housing Department
- [ ] Community Development Department, General Manager, Clifford Graves
  - [ ] cc: Contact Person
- [ ] Community Redevelopment Agency
- [ ] Board of Public Works
- [ ] Workforce Investment Board
- [ ] Workforce Investment Board, Youth Council
- [ ]
- [ ]

PLEASE SCHEDULE THE FOLLOWING ITEM FOR FRIDAY, AUGUST 17, 2007:

AA

ITEM NO. ( ) - Motion Required

99-2165

CITY ADMINISTRATIVE OFFICER REPORT relative to $2 million in additional funding and revised loan terms for Habitat-for-Humanity Homeownership Projects for low-income households.

(Housing, Community and Economic Development Committee report to be submitted in Council. If public hearing is not held in Committee, an opportunity for public comments will be provided.)

(For background reports and materials related to this matter, contact the Legislative Assistant for the Housing, Community, and Economic Development Committee at 213-978-1080)

AA
08/13/07
CD 8,9,15
#992165.ph.wpd

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 3, 2007

CAO File No. 0220-00540-0786
Council File No. 99-2165
Council District: 8, 9, and 15

To: The Mayor
The Council

From: Karen L. Sisson, City Administrative Officer

Reference: Los Angeles Housing Department Transmittal dated July 24, 2007; Received by the City Administrative Officer on July 26, 2007

Subject: **REQUEST FOR ADDITIONAL FUNDING AND REVISED LOAN TERMS FOR HABITAT-FOR-HUMANITY HOMEOWNERSHIP PROJECTS FOR LOW-INCOME HOUSEHOLDS**

SUMMARY

The Los Angeles Housing Department (LAHD) requests authority to increase funding by $2 million in HOME Investment Partnership (HOME) monies for 30 low-income homeownership units, which Habitat-for-Humanity (HFH) volunteers will complete as part of the 2007 Jimmy Carter Work Project (JCWP). The LAHD also requests approval of modified repayment terms for its purchase assistance loans, which are available to low-income households purchasing previously completed HFH homeownership projects.

The JCWP is an annual event sponsored by former President Jimmy Carter and HFH International, which brings together thousands of volunteers from around the world to build housing for low-income families. The 2007 JCWP event will be held in Los Angeles on October 28, 2007 through November 2, 2007.

The projects selected for the JCWP event have previously received a total of $700,000 in HOME monies. The requested $2 million in additional project funding is needed to offset increased construction costs. Following completion of the projects, the JCWP homes will be sold at market rates to low-income households earning at or below 50 percent of the Area Median Income (AMI) levels established by the U.S. Department of Housing and Urban Development. In all subsequent purchasing rounds, households earning at or below 80 percent AMI will qualify to purchase the JCWP units. The low-income affordability restrictions for the JCWP projects summarized below will remain in effect for 30 years:

Project Title/Address	Unit Composition	Previous LAHD Funding	Proposed Additional Funding	Total Revised Award
Vermont Villas 11120-11130 South Vermont Avenue (CD15)	14 units (one eight-unit building and two triplexes).	$700,000	$ 560,000	$1,260,000
Harborside Terrace 308-338 North Palos Verdes Street (CD15)	16 units (eight duplexes)	-	1,440,000	1,440,000
TOTALS	**30 units**	**$700,000**	**$2,000,000**	**$2,700,000**
Note: AMI levels by household size and annual incomes are provided in the report attachment.				

HOUSING, COMMUNITY & ECONOMIC DEVELOPMENT
AUG 8 2007

At the completion of the homeownership projects, the HFH project loans will be restructured as part of the homebuyers' mortgage loans. The conventional first mortgage loans will be equal to the construction costs incurred by HFH for each home unit. The purchase assistance loans issued by LAHD contain no monthly payments and a 10 percent shared appreciation component. The amount of the LAHD purchase assistance loans is equal to the home market value less the borrower's down payment and the first mortgage loan. Repayment of the purchase assistance loans begins immediately following repayment of the first mortgage loans or upon transfer of homeownership.

LAHD reports that nine HFH homeownership projects first authorized in 2003 by City Ordinance No. 175141, are now ready for sale to low-income households earning at or below 50 percent AMI. However, due to escalating home market values during the construction period for these units, the purchase assistance loans repayable to LAHD have increased to a level well above the original finance structure developed for these projects. As a way of offering these properties to low-income households at affordable levels, LAHD requests approval to modify the repayment terms for its purchase assistance loans to be due upon transfer of ownership, including property sale or death of original owner(s). This waives the policy provision of first mortgage repayment as a trigger for repayment of the City's purchase assistance loan, which we believe is a Council policy matter. If approved, the modified repayment terms would apply to the following properties:

- 10315 South Main Street, Los Angeles 90003
- 1500/1504 East 21st Street, Los Angeles 90011
- 1775 Santa Ana Boulevard, Los Angeles 90002
- 434/440 West 112th Street, Los Angeles 90061
- 1829/1831 105th Street, Los Angeles 90002
- 10507 Hickory Street, Los Angeles 90002

Adoption of the report recommendations will have no impact on the General Fund. The report recommendations comply with City Financial Policies in that the cost for completing the JCWP homeownership projects will be fully offset by the requested $2 million in additional HOME funds.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Determine a policy decision relative to modifying the repayment of purchase assistance loans available to low-income households purchasing the nine Habitat-for-Humanity projects listed below, wherein the Los Angeles Housing Department (LAHD) is authorized to amend said terms so that repayment is due upon transfer of ownership by the original homebuyer(s), including property sale or death of owner(s):

    - 10315 South Main Street, Los Angeles 90003
    - 1500/1504 East 21st Street, Los Angeles 90011
    - 1775 Santa Ana Boulevard, Los Angeles 90002
    - 434/440 West 112th Street, Los Angeles 90061
    - 1829/1831 105th Street, Los Angeles 90002
    - 10507 Hickory Street, Los Angeles 90002

2. Authorize the General Manager, LAHD, or designee(s) to:

   a. Commit up to $1,440,000 in HOME Investment Partnership (HOME) funds for project-related costs incurred since March 1, 2007 for the Harborside Terrace project;

   b. Commit up to $560,000 in HOME funds for project-related costs incurred for the Vermont Villas since March 1, 2007;

   c. Prepare Controller accounting instructions and make any technical adjustments consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

3. Authorize the Controller to expend funds for the Harborside Terrace and Vermont Villas projects , in an amount not to exceed $2,000,000 from the HOME Investment Partnership Fund No. 561, Department 43, upon proper written demand by the LAHD, as follows:

Account No.	Account Title	Amount
C223	Homeownership Assistance – Regular	$2,000,000

FISCAL IMPACT

There is no impact on the City's General Fund. The recommendations of this report are in compliance with City Financial Policies in that the cost for completing the homeownership units selected for the 2007 Jimmy Carter Work Project is fully funded by $2 million in HOME Investment Partnership funds.

KLS:MGR:02080028

Attachment

ATTACHMENT

2007 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AREA MEDIAN INCOME LEVELS BY INCOME AND HOUSEHOLD SIZE

VERY LOW INCOME PROGRAM – 50 percent AMI

HOUSEHOLD SIZE	1	2	3	4	5	6	7	8
Up to 50 percent of AMI	$25,900	$29,600	$33,300	$37,000	$39,950	$42,900	$45,900	$48,850

LOW INCOME PROGRAM – 80 percent AMI

HOUSEHOLD SIZE	1	2	3	4	5	6	7	8
Up to 80 percent of AMI	$41,450	$47,350	$53,300	$59,200	$63,950	$68,650	$73,400	$78,150

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGELES
CALIFORNIA

JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

99-2165

CDs 8, 9 and 15

PLACE IN FILES
APR 10 2003
DEPUTY

April 4, 2003

Councilmember Parks
Councilmember Perry
Councilmember Hahn
Chief Legislative Analyst
City Administrative Officer
City Attorney

Controller, Room 300
Accounting Division, F&A
Disbursement Division
Department of General Services
Community Redevelopment Agency
Los Angeles Housing Department

RE: ORDINANCE AUTHORIZING AND PROVIDING FOR THE SELLING OF NINE CITY-OWNED PROPERTIES TO HABITAT FOR HUMANITY - LOS ANGELES

At the meeting of the Council held MARCH 5, 2003, the following action was taken:

Attached report adopted	X
Attached motion (-) adopted	
Attached resolution adopted	
Mayor approved	3-26-03
FORTHWITH	
Mayor concurred	
To the Mayor FORTHWITH	
Motion adopted to approve committee report recommendation(s)	
Motion adopted to approve communication recommendation(s)	
Ordinance adopted	3-14-03
Ordinance number	175141
Posted date	3-28-03
Effective date	5-7-03

J. Michael Carey
City Clerk
kw

steno\992165

PP MWP 4/9/03

Recyclable and made from recycled waste.

Mayor's Time Stamp

RECEIVED

'03 MAR 19 P2:08

DEPUTY MAYOR

TIME LIMIT FILES
ORDINANCES

City Clerk's Time Stamp

RECEIVED
CITY CLERK'S OFFICE

2003 MAR 19 PM 1:55

CITY CLERK

BY _____ DEPUTY

COUNCIL FILE NUMBER 99-2165 COUNCIL DISTRICTS 8, 9 & 15

COUNCIL APPROVAL DATE March 14, 2003 LAST DAY FOR MAYOR TO ACT APR 0 1 2003

ORDINANCE TYPE: ___ Ord of Intent ___ Zoning ___ Personnel _X_ General

___ Improvement ____ LAMC ____ LAAC __ CU or Var Appeals - CPC No_____

SUBJECT MATTER: ORDINANCE AUTHORIZING AND PROVIDING FOR THE SELLING OF NINE CITY-OWNED PROPERTIES TO HABITAT FOR HUMANITY (HFH) - LOS ANGELES

	APPROVED	DISAPPROVED
PLANNING COMMISSION		
DIRECTOR OF PLANNING		
CITY ATTORNEY	X	
CITY ADMINISTRATIVE OFFICER	X	
OTHER:		

RECEIVED
CITY CLERK'S OFFICE
2003 MAR 26 PM 4:35
CITY CLERK
BY _____ DEPUTY

MAR 2 6 2003

DATE OF MAYOR APPROVAL, DEEMED APPROVED OR *VETO: APR 01 2003

*VETOED ORDINANCES MUST BE ACCOMPANIED WITH OBJECTIONS IN WRITING PURSUANT TO CHARTER SEC. 250(b)(c)

6804

(CITY CLERK USE ONLY PLEASE DO NOT WRITE BELOW THIS LINE)

DATE RECEIVED FROM MAYOR MAR 2 6 2003 ORDINANCE NO. 175141

DATE PUBLISHED _____ DATE POSTED MAR 2 8 2003 EFFECTIVE DATE MAY 0 7 2003

ORD OF INTENT: HEARING DATE _____ ASSESSMENT CONFIRMATION _____

ORDINANCE FOR DISTRIBUTION: Yes [] No []

calagend\992165.ord

ORDINANCE NO. 175141

An Ordinance authorizing and providing for the sale of certain City-owned real property acquired to protect the City's financial interest, and which property cannot, according to the use of funds, be used for general City purposes, and the public interest necessitates the sale thereof, without the necessity of calling for bids, to the HABITAT FOR HUMANITY - LOS ANGELES, for the sum of the Los Angeles Housing Department's investment at the time of the transfer (estimated at $1,087,968).

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. The Council of the City of Los Angeles hereby determines that the real property owned by the City of Los Angeles, and located at the address and/or location set forth hereinafter, cannot be utilized for general City purposes due to the source of funding and that the public interest and necessity require sale. It is hereby ordered that such real property be sold, pursuant to certain conditions hereinafter set forth and without notice of sale or advertisement for bids, to HABITAT FOR HUMANITY - LOS ANGELES, or their nominees or lawful successors in interest thereof, for the sum of the Los Angeles Housing Department's investment at the time of the transfer (estimated at $1,087,968) in accordance with the provisions of Section 393 of the City Charter and Division 7, Chapter 1, Article 4 of the Los Angeles Administrative Code for nine (9) units of housing for households earning less than 50% of median income.

Locations and Legal Descriptions: See ATTACHMENTS 3-1 through 3-6.

EXCEPTING AND RESERVING unto the City of Los Angeles, all oil, gas, water and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

Together with all right, title and interest of the grantors and to the street areas adjoining said land. Subject to covenants, conditions and restrictions, reservations, easements, rights and rights of way of record or which are apparent from visual inspection of the real property and excepting and reserving to the City of Los Angeles, any interest in the fee to the adjacent streets which would otherwise pass with the conveyance of the above described parcel of land.

Section 2. The Mayor of the City of Los Angeles in the name of and on behalf of said City is hereby authorized and directed to execute a Grant Deed to the said real property described in Section 1 of this Ordinance to HABITAT FOR HUMANITY - LOS ANGELES, or their nominees or lawful successors in interest thereof, the City Clerk of said City is hereby authorized and directed to attest thereto and to affix the City Seal.

Section 3. The Los Angeles Housing Department is authorized to open escrow, issue title transfer instructions, and deliver deeds, and the Chief Accounting Employee of the Department is authorized to deposit the proceeds of the sale as an offset against previously disbursed loan proceeds, if any.

Section 4. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located in the Main Street lobby to the City Hall; one copy on the bulletin board located at the ground level at the Los Angeles Street entrance to the Los Angeles Police Department; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles, by a vote of not less than two-thirds of all of its members, at the meeting of MAR 0 5 2003 and was passed at its meeting of MAR 1 4 2003.

J. MICHAEL CAREY, City Clerk

By Maria Kostenick
Deputy

MAR 2 6 2003

Approved _____

_____
Mayor

Approved as to Form and Legality

ROCKARD J. DELGADILLO, City Attorney

By Patricia A. Clemens
Patricia A. Clemens
Assistant City Attorney

DECLARATION OF POSTING ORDINANCE

I, MARIA C. RICO, state as follows: I am, and was at all times hereinafter mentioned, a resident of the State of California, over the age of eighteen years, and a Deputy City Clerk of the City of Los Angeles, California.

Ordinance No. 175141 - Authorizing and providing for the selling of nine city-owned properties to Habitat For Humanity (HFH) - Los Angeles - a copy of which is hereto attached, was finally adopted by the Los Angeles City Council on March 14, 2003, and under the direction of said City Council and the City Clerk, pursuant to Section 251 of the Charter of the City of Los Angeles and Ordinance No. 172959, on March 28, 2003, I posted a true copy of said ordinance at each of three public places located in the City of Los Angeles, California, as follows: 1) One copy on the bulletin board at the Main Street entrance to Los Angeles City Hall; 2) one copy on the bulletin board at the ground level Los Angeles Street entrance to the Los Angeles Police Department; and 3) one copy on the bulletin board at the Temple Street entrance to the Hall of Records of the County of Los Angeles.

Copies of said ordinance were posted conspicuously beginning on March 28, 2003 and will be continuously posted for ten or more days.

I declare under penalty of perjury that the foregoing is true and correct.

Signed this 28th day of March 2003 at Los Angeles, California.

Maria C. Rico

Maria C. Rico, Deputy City Clerk

Ordinance Effective Date: May 7, 2003 Council File No. 99-2165

(Rev. 3/21/03)

ATTACHMENT 3-1

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 138 OF TRACT NUMBER 3064 IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGES 1 AND 2 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR PARCEL NO.: 6074-001-900

COMMONLY KNOWN AS: 10315 S MAIN STREET

ATTACHMENT 3-2

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 71 AND 72 OF DALTON ORANGE GROVE TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 100 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 70 FEET THEREFROM.

ASSESSOR PARCEL NO.: 5118-003-900 & 5118-003-901

COMMONLY KNOWN AS: 2100 HOOPER AVENUE

ATTACHMENT 3-3

LOT 364 OF THE FARRIS, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6 PAGE 132 OF MAPS. IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR PARCEL NO.: 6065-032-901

COMMONLY KNOWN AS: 1775 SANTA ANA BOULEVARD

ATTACHMENT 3-4

LOTS 200 AND 201 OF THE FERRIS TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6 PAGE 132 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

COMMONLY KNOWN AS: 1829 & 1831 EAST 105TH STREET

ASSESSOR PARCEL NO.: 6065-029-900

ATTACHMENT 3-5

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTH 62.5 FEET OF LOTS 889, 890 OF THE FORTHMANN TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGES 158 AND 159 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR PARCEL NO.: 6066-007-904

COMMONLY KNOWN AS: 10507 HICKORY STREET

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 89 AND THAT PORTION OF LOT 88, BOTH OF BOWEN'S MAIN MONETA AND FIGUEROA TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 85 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF SAID LOT 88 WITH THE NORTHERLY CONTINUATION OF THAT CURVE DESCRIBED AS BEING CONCAVE EASTERLY, HAVING A RADIUS OF 1036.00 FEET AND AN ARC LENGTH OF 129.68 FEET IN DIRECTOR'S DEED DD 060096-01 RECORDED JUNE 11, 1987 AS INSTRUMENT NO. 87-928156 OF OFFICIAL RECORDS IN SAID OFFICE; THENCE CONTINUING NORTHERLY ALONG SAID NORTHERLY CONTINUATION FROM A TANGENT WHICH BEARS NORTH 12° 50' 38" EAST, THROUGH AN ANGLE OF 03° 18' 27" AN ARC DISTANCE OF 59.80 FEET; THENCE TANGENT NORTH 16° 09' 05" EAST 73.65 FEET TO THE EASTERLY LINE OF SAID LOT 88; THENCE NORTH 37° 07' 12" WEST 11.96 FEET TO THE NORTHERLY LINE OF SAID LOT 88; THENCE ALONG SAID NORTHERLY LINE AND THE NORTHERLY LINE OF SAID LOT 89, SOUTH 89° 36' 32" WEST, 93.16 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 89; THENCE ALONG THE WESTERLY LINE OF LAST SAID LOT SOUTH 00° 00' 49" EAST, 138.00 FEET TO THE SOUTHWESTERLY CORNER OF LAST SAID LOT; THENCE ALONG THE SOUTHERLY LINES OF SAID LOTS 89 AND 88, NORTH 89° 36' 36" EAST, 64.89 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM; ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL WATER, CLAIMS OR RIGHTS TO WATER, TOGETHER WITH APPURTENANT RIGHTS THERETO, WITHOUT, HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND AS EXCEPTED OR RESERVED BY DEED RECORDED FEBRUARY 16, 1972 IN BOOK D5354, PAGE 757 OF OFFICIAL RECORDS.

ASSESSOR PARCEL NO.: 6075-028-900

COMMONLY KNOWN AS: 434-440 W 112TH STREET

12

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE
Report/Communication for Signature

Council File Number: 99-2165
Committee Meeting Date: 02/26/03
Council Date: 03/05/03

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Greuel, Chair	✓		
Councilmember Garcetti	✓		
Councilmember Reyes	✓		
Councilmember Hahn			✓

Remarks 9 properties for Habitat for Humanity

Miranda Paster, Legislative Assistant ---------- Telephone 978-1076

File No. 99-2165

TO THE COUNCIL OF THE CITY OF LOS ANGELES

Your HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

reports as follows:

	Yes	No
Public Comments	XX	__

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE REPORT and ORDINANCE relative to selling nine City-owned properties to Habitat for Humanity (HFH) - Los Angeles.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. FIND that the real property owned by the City of Los Angeles, and located at the addresses in the Ordinance included as an attachment to the Los Angeles Housing Department's transmittal dated January 28, 2003, cannot be utilized for general City purposes due to the source of funding, and that the public interest requires the sale to HFH - Los Angeles without the necessity of calling for bids.

2. AUTHORIZE the Interim General Manager, Los Angeles Housing Department (LAHD), or designee, to:

   a. Negotiate and execute purchase agreements, open escrow accounts and other necessary actions, with the assistance of the Department of General Services, as needed, to effectuate the sale and transfer of the City-owned properties located at 10315 South Main Street (one unit); 2100 Hooper Avenue (two units); 1775 Santa Ana Boulevard (one unit); 1829-31 105th Street (two units); 10507 Hickory Street (one unit); and 434-40 West 112th Street (two units) in their "as-is" condition to HFH - Los Angeles, with proceeds of the sale or repayments for projects funded with Home Investment Partnership Program (HOME) funds that were not completed or did not comply with HOME affordability requirements, returned to either the City's HOME trust fund or the HOME U.S. Treasury account, depending from where funds for each project were originally disbursed.

b. Issue soft-second loans in excess of the $60,000 maximum to facilitate the sale of completed homes to households earning less than 50% of Area Median Income; and in compliance with HOME Program statutes and regulations with regard to home buyer activities.

c. Encumber funds, as needed, in an amount not to exceed $60,000 from the HOME Fund, Fund No. 561, Account No. T223 (Home Ownership Assistance) for outstanding property taxes and related closing expenses.

d. Write off on an individual property basis, upon the sale of homes by HFH to qualified buyers, the difference between the purchase price and the total development cost of the nine subject properties and apply any surplus proceeds generated against the write-offs.

e. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions on this matter, subject to approval of the City Administrative Officer CAO, and AUTHORIZE the Controller to implement the instructions.

3. AUTHORIZE the Controller to expend funds, as needed, in an amount not to exceed $60,000 from the HOME Fund, Fund No. 561, Account T223 (Home Ownership Assistance).

4. PRESENT and ADOPT the accompanying Ordinance authorizing and providing for the sale of certain City-owned real property, included as an attachment to LAHD's transmittal dated January 28, 2003 and attached to the Council file, reflecting the sales price of the nine subject properties equal to LAHD's investment at the time of transfer (currently estimated at $1,087,968).

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. The proposed funding consists of federal HOME funds.

Summary:

On February 26, 2003, the Housing and Community Development (HCD) Committee considered the LAHD report dated January 28, 2003 and the CAO report dated February 24, 2003. The HCD Committee approved the CAO's recommendations as amended by the CAO. The CAO requested to amend its recommendations to included the following finding: that the real property owned by the City, and located at the addresses in the Ordinance cannot be utilized for general City purposes due to the source of funding, and that the public interest requires the sale to HFH - Los Angeles without the necessity of calling for bids.

In its report dated February 24, 2003, the CAO reported that requests approval for the sale of the nine properties to HFH for a total of $1,087,968. These properties were acquired under various default or foreclosure actions involving developers or home buyers who participated in the LAHD's Small Sites Development Program. This amount represents the funds invested by LAHD on these properties to date and additional closing costs to be paid a the time of sale.

The LAHD reports that the disposition of the properties would be more cost effective and derive a greater public benefit through the HFH than through a conventional Request for Proposals (RFP) process to solicit contractors, primarily due to HFH's low overhead factor and the substantially shorter time frame for turnaround to potential buyers. The LAHD's would incur $15,500 annually in insurance costs and undetermined maintenance cost with continued ownership. Participating households would be required to provide at least 500 hours of labor toward credit on their home purchase. Under the terms of sale, the HFH would agree to complete construction and enter into purchase agreements with qualifying households within eight months of taking possession.

This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

REPT.
ADOPTED
MAR 05 2003

ORD
ADOPTED
MAR 14 2003
LOS ANGELES CITY COUNCIL

MCP
02/26/03
CD 8, 9, & 15

LOS ANGELES CITY COUNCIL
ORD. OVER ONE WEEK TO MAR. 14, 2003

#992165.wpd

COUNCIL VOTE

Mar 14, 2003 11:45:31 AM, #6

ITEM NO. (12)
Voting on Item(s): 12
Roll Call

BERNSON	Absent
GALANTER	Absent
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
HOLDEN	Yes
LABONGE	Yes
MISCIKOWSKI	Absent
PACHECO	Yes
PARKS	Absent
PERRY	Yes
REYES	Yes
WEISS	Yes
ZINE	Yes
*PADILLA	Yes

Present: 11, Yes: 11 No: 0

COUNCIL VOTE

Mar 5, 2003 10:34:23 AM, #2

Items For Which Public Hearings Have Been Held - Items 4-27
Voting on Item(s): 5-15,18-22,24-27
Roll Call

BERNSON	Yes
GALANTER	Absent
GARCETTI	Absent
GREUEL	Yes
HAHN	Yes
HOLDEN	Yes
LABONGE	Yes
MISCIKOWSKI	Yes
PACHECO	Absent
PERRY	Yes
REYES	Absent
WEISS	Yes
ZINE	Yes
*PADILLA	Yes
	Absent

Present: 10, Yes: 10 No: 0

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE
SUGGESTED NOTIFICATION OF COUNCIL ACTION

Council File No. 99-2165

- ☑ Council Member(s) 8, 9, 15
- ☐ Interested Department _____
- ☑ Mayor (with/without file)
- ☑ Chief Legislative Analyst
- ☑ City Administrative Officer
- ☑ Controller
- ☐ City Clerk
  - ☐ City Clerk, Chief Administrative Services
- ☐ Treasurer
- ☑ City Attorney (with blue sheet / without blue sheet)
- ☑ General Services Department
- ☐ Department of Transportation
- ☐ Personnel Department
- ☑ Los Angeles Housing Department
- ☐ Community Development Department, Lillian Y. Kawasaki, General Manager
  - ☐ cc: Contact Person
- ☑ Community Redevelopment Agency
- ☐ Board of Public Works
- ☐ Workforce Investment Board
- ☐ Workforce Investment Board, Youth Council
- ☐ _____
- ☐ _____

REPORT FROM

RECEIVED
CITY CLERK'S OFFICE
2003 FEB 25 AM 8:52
CITY CLERK
BY
DEPUTY

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 24, 2003

CAO File No. 0220-00540-0548
Council File No. 99-2165
Council District: 8, 9 & 15

To: The Mayor
The City Council

From: William T Fujioka, City Administrative Officer

Reference: Los Angeles Housing Department Transmittal dated January 28, 2003, and received by the City Administrative Officer on February 10, 2003

Subject: Authorization of Sale of Nine City-Owned Properties to Habitat for Humanity for First-time Homebuyer Opportunities

SUMMARY

The Los Angeles Housing Department (LAHD) requests approval for the sale of nine City-owned properties, as listed below, to Habitat for Humanity (HFH) – Los Angeles for a total of $1,087,968. These properties were acquired under various default or foreclosure actions involving developers or home buyers who participated in LAHD's Small Sites Development Program. This amount represents the funds invested by LAHD on these properties to date and additional closing costs to be paid at the time of sale. In compliance with the City's policies and procedures for disposition of real property, this action would require adoption of an Ordinance by a two thirds vote of the Council. A copy of the draft Ordinance is included as an attachment to LAHD's transmittal. In consultation with the City Attorney, our Office recommends such transactions occur with assistance of the Department of General Services, as needed.

Address	No. of Units	Council District	LAHD Funds	Type
10315 S. Main Street	1	8	$ 145,151	New Construction
2100 Hooper Avenue	2	9	270,892	New Construction
1775 Santa Ana Boulevard	1	15	83,389	Rehabilitation
1829-31 105th Street	2	15	234,162	New Construction
10507 Hickory Street	1	15	122,392	New Construction
434-40 W. 112th Street	2	15	231,982	New Construction
Total	9		$1,087,968	

LAHD also requests authority to issue "soft second" deferred payment loans in excess of the current $60,000 maximum under their Soft Second Loan Program to facilitate purchase of the completed homes by households earning less than 50% of Area Median Income (AMI), as determined by the U.S. Department of Housing and Urban Development (HUD). Although to be sold at market rate, the average price range of $147,000 may result in the need for LAHD to write off the difference between the selling price and total development cost for any properties not achieving a break even cost.

HOUSING & COMMUNITY DEVELOPMENT
FEB 26 2003

Based on projected sales prices, LAHD anticipates a net write-off of approximately $200,000 and requests authority to proceed with any necessary write-offs on an individual property basis. Aside from soft second assistance, LAHD reports no additional cash outlays would be required as a result of HFH's participation.

The sale of properties would proceed without notice of sale or advertisement for bids as permitted under Division 7, Section 7.27, of the Los Angeles City Administrative Code, included as an attachment to LAHD's transmittal, provided the Council has determined there exists a public interest or necessity for the transfer of these properties. The public benefits to be gained from the recommendations contained within this report include: 1) the addition of nine units of affordable homeownership housing for low income households; 2) community revitalization through provision of safe and decent housing; 3) the City's removal as owner and landlord of nuisance and blighted properties; and, 4) working in partnership with a non-profit public benefit corporation to provide homeownership opportunities within the most cost effective means.

Background

LAHD provided financial assistance to various developers to acquire and develop these sites under the Small Sites Development Program. This program was established to help build capacity among start up non-profit developers, create affordable homeownership and job skills development opportunities, and revitalize communities affected by the 1992 civil disturbances through the development of single-family residences on vacant or blighted parcels. Due to various circumstances as described in the department's transmittal, the City acquired the subject properties under default or foreclosure actions to protect its financial interest. For those projects that did not reach completion or did not meet their affordability requirements under the HOME Investment Partnerships Program (HOME), the City is required under HOME regulations (24 CFR 92.503) to repay all HOME funds invested in the projects to either the City's HOME trust fund account or HUD's HOME Treasury account, depending from where funds were originally disbursed. Thus, proceeds of the sale or repayments should be returned to the appropriate accounts.

LAHD reports that disposition of the properties would be more cost effective and derive a greater public benefit through HFH than through a conventional Request for Proposals (RFP) process to solicit contractors, primarily due to HFH's low overhead factor and the substantially shorter time frame for turnaround to potential buyers. LAHD's continued ownership, otherwise, would incur $15,500 annually in insurance costs and undetermined maintenance costs. HFH would complete the rehabilitation of the properties with their own funding and resources, including donated labor and materials, and would not require additional City assistance. Participating households would be required to provide at least 500 hours of labor toward credit on their home purchase. Under the terms of sale, HFH would agree to complete construction and enter into purchase agreements with qualifying households within eight months of taking possession.

Purchase agreements between home buyers and HFH and the City would include respective promissory notes at zero percent interest. The loans would be secured by a First Deed of Trust with HFH equal to the organization's rehabilitation cash investment in each project, most for terms of less than 30 years, and a Second Deed of Trust with the City to cover the soft second loan. The latter

would be in the amount of the difference between the purchase price and the First Deed of Trust. Repayment on the soft seconds would begin immediately upon payoff of the HFH note. Because soft second loans would be funded from HOME, all regulatory requirements under that grant would apply, including but not limited to income eligibility, minimum property standards, maximum property value thresholds, long-term affordability guidelines, and recapture or resale provisions.

To purchase within HFH guidelines, home buyers would pay no less than 30 percent of their gross income (before payroll deductions) for monthly mortgage, taxes and insurance payments. Title would be delivered to home buyers free and clear of any other liens and encumbrances, excluding any deed restrictions made in connection with the City funding.

All properties are currently vacant, with exception of the unit at 1775 Santa Ana Boulevard whose occupant has defaulted on a lease-purchase agreement with the City and does not qualify to purchase the home. Per HOME Program requirements (24 CFR 92.254), lease-purchase housing that is not conveyed within 36 months of execution of an agreement automatically becomes a HOME rental project and is subject to HOME rental rules. While the occupant as a non-paying tenant would appear to have no legal recourse to the unit, LAHD does not consider vacating the unit a prudent option at this time. Upon transfer of this property, HFH would qualify the occupant to purchase this or another HFH unit.

RECOMMENDATIONS

That the City Council subject to approval of the Mayor:

1. Authorize the interim General Manager, Los Angeles Housing Department (LAHD), or designee, to:

    a. Negotiate and execute purchase agreements, open escrow accounts and other necessary actions, with the assistance of the Department of General Services, as needed, to effectuate the sale and transfer of the City-owned properties located at 10315 S. Main Street (one unit), 2100 Hooper Avenue (two units), 1775 Santa Ana Boulevard (one unit) 1829-31 105th Street (two units), 10507 Hickory Street (one unit) and 434-40 W. 112th Street (two units), in their "as-is" condition to Habitat for Humanity (HFH) – Los Angeles, with proceeds of the sale or repayments for projects funded with HOME Investment Partnerships Program (HOME) funds that were not completed or did not comply with HOME affordability requirements, returned to either the City's HOME trust fund or the HOME U.S. Treasury account, depending from where funds for each project were originally disbursed;

    b. Issue soft-second loans in excess of the $60,000 maximum to facilitate the sale of completed homes to households earning less than 50% of Area Median Income; and in compliance with HOME Investment Partnerships (HOME) Program statutes and regulations with regard to homebuyer activities;

c. Encumber funds, as needed, in an amount not to exceed $60,000 from the HOME Investment Partnerships Program Fund, Fund No. 561, Account T223 (Home Ownership Assistance) for outstanding property taxes and related closing expenses;

d. Write off on an individual property basis, upon the sale of homes by HFH to qualified buyers, the difference between the purchase price and total development cost of the nine subject properties and apply any surplus proceeds generated against the write-offs; and,

e. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions on this matter, subject to approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

2. Authorize the Controller to expend funds, as needed, in an amount not to exceed $60,000 from the HOME Investment Partnerships Program Fund, Fund No. 561, Account T223 (Home Ownership Assistance); and,

3. Adopt the draft Ordinance included as an attachment to LAHD's transmittal dated January 28, 2003, reflecting the sales price of the nine subject properties equal to LAHD's investment at the time of transfer (currently estimated at $1,087,968).

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Proposed funding consists of federal HOME Investment Partnership Program (HOME) funds.

WTF:ER:vnn:41260c

ITEM NO. -

CAO File No. 0220-00540-0548
Council File No. 99-2165
Council District: 8, 9 & 15

Amendment to CAO Report

Subject: Authorization of Sale of Nine City-Owned Properties to Habitat for Humanity for First-time Homebuyer Opportunities

Add to **Recommendations**:

That the City Council, subject to approval of the Mayor, find that the real property owned by the City of Los Angeles, and located at the addresses in the Ordinance included as an attachment to the Los Angeles Housing Department's transmittal dated January 28, 2003, cannot be utilized for general City purposes due to the source of funding, and that the public interest requires the sale to Habitat for Humanity – Los Angeles without the necessity of calling for bids.

Note: Passage of the Ordinance requires a two-thirds vote of the Council.

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGELES
CALIFORNIA

JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

99-2165
Var CDs

February 12, 2003

HOUSING & COMMUNITY DEVELOPMENT COMMITTEE

In accordance with Council Rules, communication from the Los Angeles Housing Department (LAHD) relative to an ordinance for the sale of nine City-owned properties at 10315 S. Main Street (one property); 2100 Hooper Avenue (two properties); 1775 Santa Ana Boulevard (one property); 1829-31 105th Street (two properties; 10507 Hickory Street (one property); and 434-40 W. 112th Street (two properties) in their as-is condition to Habitat For Humanity-Los Angeles, was referred on February 12, 2003, to the HOUSING & COMMUNITY DEVELOPMENT COMMITTEE.

J. Michael Carey

City Clerk
amm

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2003 FEB 10 PM 1:42
CITY CLERK
BY _____
DEPUTY

TRANSMITTAL

TO	DATE	COUNCIL FILE No.
THE COUNCIL	FEB 07 2003	
FROM THE MAYOR		COUNCIL DISTRICT

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

JAMES K. HAHN
MAYOR

HOUSING & COMMUNITY
DEVELOPMENT

FEB 12 2003

CAO 649-d

Recyclable and made from recycled waste.

GARRY W. PINNEY
GENERAL MANAGER

City of Los Angeles

CALIFORNIA

LOS ANGELES HOUSING DEPARTMENT
111 N. Hope Street
7th Floor
Los Angeles, CA 90012
(213) 367-9069
Fax (213) 367-9164

JAMES K. HAHN
MAYOR

January 28, 2003

Council File:	96-1520
	96-1520-S1
Council District:	Citywide
Contact Persons:	
Bobken Simonians	367-9078
Paul Dolansky	367-9210

The Honorable James K. Hahn
Mayor, City of Los Angeles
City Hall, Third Floor

Attention: June Lagmay, Legislative Coordinator

REQUEST FOR APPROVAL OF THE SALE OF NINE CITY-OWNED PROPERTIES LOCATED AT 10315 S. MAIN ST. (ONE PROPERTY), 2100 HOOPER AVE. (TWO PROPERTIES), 1775 SANTA ANA BLVD. (ONE PROPERTY), 1829-31 105TH ST. (TWO PROPERTIES), 10507 HICKORY ST. (ONE PROPERTY), AND 434-40 W. 112TH ST. (TWO PROPERTIES) IN THEIR AS-IS CONDITION TO HABITAT FOR HUMANITY-LOS ANGELES FOR THE LOS ANGELES HOUSING DEPARTMENT'S INVESTMENT TO DATE AND ADOPTION OF AN ORDINANCE FOR THE SALE.

SUMMARY

1. In 1995 (one property) and 1997 (eight properties), the Los Angeles Housing Department (LAHD) took ownership of nine City-owned properties, which were to be developed under the Small Sites Program for first-time home buyers. These properties are as follows:

Number of Properties	Address	Council District
1	10315 S. Main St.	8
2	2100 Hooper Ave	9
1	1775 Santa Ana Blvd.	15
2	1829-31 105th St.	15
1	10507 Hickory St.	15
2	434-40 W. 112th St.	15

2. LAHD has invested a total of $1,009,952 in the nine properties.

3. In addition to the amount invested above, LAHD has paid $31,500 to secure property insurance, order various repairs and to secure the properties. In addition $46,516 in outstanding property tax bills will be paid by the Department.

4. In 1999, LAHD negotiated a sale of these properties to Habitat for Humanity (HFH), and after several months HFH withdrew due to management changes. However, HFH has now expressed a new interest in purchasing the nine properties and LAHD has renegotiated with HFH for the sale of the nine properties.

5. LAHD is hereby recommending various actions leading to the disposition of nine LAHD-owned single family homes.

6. LAHD's recent experience with HFH since its reorganization includes the completion of two homes under LAHD's Small Sites Development Program with three other projects with a total of nineteen units in process. Through volunteer labor and tax deductible donations of funding and materials, HFH builds and rehabilitates single family houses to be sold to families earning 50% or below Area Median Income. Potential home buyers are required to help in the construction of their future home or another HFH residential property.

7. After the sale to HFH and subsequent ownership transfer to the nine potential home buyers, LAHD expects to write-off approximately $200,000 based on the projected sales prices.

8. In order to facilitate the sale of the nine completed homes to households earning less than 50% of Area Median Income, LAHD is requesting Mayoral and City Council authorization to exceed the current $60,000 maximum limit under the Soft-Second Loan Program. This is necessary because HFH has agreed to carry a first mortgage for only the amount of investment HFH makes in the property (on average $48,000). With an average sales price of $147,000, LAHD will make up the difference with an average Soft-Second Loan of $99,000. Repayment on the Soft-Second Loan will begin immediately after the first mortgage with HFH is paid off. This structure reduces the amount of write-off LAHD will take on the sale of these nine properties.

9. LAHD is recommending that the Mayor and City Council adopt the attached resolution to authorize this transaction.

RECOMMENDATIONS

The General Manager of the Los Angeles Housing Department (LAHD) respectfully recommends that this transmittal be scheduled for consideration before all appropriate committees and scheduled for consideration by the full City Council immediately thereafter.

The General Manager, LAHD, further respectfully recommends:

1. That the City Council:

   A. Authorize the General Manager, LAHD, to execute documents necessary to effectuate the sale/transfer of the City owned properties located at 10315 S. Main St. (one property), 2100 Hooper Ave. (two properties), 1775 Santa Ana Blvd. (one property), 1829-31 105TH St. (two properties), 10507 Hickory St. (one property), and 434-40 W. 112TH St. (two properties) in their as-is condition to Habitat for Humanity-Los Angeles;

   B. Adopt the attached Ordinance reflecting the sales price equal to the LAHD's investment at the time of transfer (estimated to be $1,087,968);

   C. Authorize soft-second loans in excess of the current $60,000 maximum in order to facilitate the sale of completed homes to households earning less than 50% of Area Median Income. This is necessary because HFH has agreed to carry a first mortgage for only the amount of investment HFH makes in the property (on average $48,000). With an average sales price of $147,000, LAHD will make up the difference with an average Soft-Second Loan of approximately up to $99,000. Repayment on the Soft-Second Loan will begin immediately after the first mortgage with HFH is paid off. This structure reduces the amount of write-off LAHD will take on the sale of these nine properties;

   D. Authorize the General Manager, LAHD, to encumber funds, as needed, in an amount not to exceed $60,000 from Home Investment Partnership Fund 561, Account T223 (Home Ownership Assistance) for payment of outstanding property taxes and related closing expenses;

   E. Authorize the Controller to expend funds, as needed, in an amount not to exceed $60,000, upon proper demand by the General Manager, LAHD, from Home Investment Partnership Fund 561, Account T223 (Home Ownership Assistance) for property tax expenses;

   F. Authorize the General Manager, LAHD, on an individual property basis, to write-off the difference between the Sales Price and Total Development Cost of the nine transferred properties and apply any surplus proceeds generated against the write-offs (estimated total write-offs will be $243,904 and estimated surplus will be $44,283 to net a total aggregate write-off of approximately $200,000);

   G. Authorize the General Manager, LAHD, to prepare Controller's Instructions and make any necessary technical adjustments consistent with the Mayor and Council actions on these and other approved projects, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

2. That the Mayor concur with the action of the City Council.

BACKGROUND:

In June 1992, the City Council approved the establishment of the Small Sites Development Program in the aftermath of the 1992 Civil Unrest (Council File 92-0832-S26). The Program was developed to revitalize the affected communities and address the need for new jobs by building single-family homes on vacant lots.

The ultimate goal of the Program was to provide affordable home ownership opportunities to households earning less than 80% of Area Median Income (AMI). In addition to providing homes to qualified buyers and revitalization of neighborhoods, the Program also intended to provide development experience to start-up developers, increasing skilled employment opportunities in areas most in need. Working with start-up developers however typically tends to be riskier than working with experienced developers.

The subject nine properties located in six locations were funded under the Small Sites Development Program. Due to the circumstances listed below for each property, ownership of the properties has reverted to LAHD. Since 1992 (inception), approximately 225 properties have been funded under the Small Sites Program. These nine REO properties represent 4% of the total portfolio since the Program's inception. This averages to a default rate of less than 0.5% per year. Many of the properties are in difficult-to-sell locations (near a freeway, on high traffic streets and near gang activity or other community nuisances). All properties are vacant, with the exception of the 1775 Santa Ana Boulevard property.

10315 S. Main Street (1):
LAHD has invested $122,623 to date in this project. The developer built five units, sold four and abandoned the project before selling the fifth unit.

2100 Hooper Avenue (2):
LAHD has invested $259,363 to date in this project. The developer lost the property through a foreclosure by a first Trust Deed lender. LAHD acquired the property at the Trustee's Sale to protect its financial interest.

1775 Santa Ana Blvd (1):
LAHD has invested $78,316 to date in this project. This was a pilot project whereby LAHD acquired the property from HUD and rehabilitated it. The occupant took possession with a six-month lease-purchase agreement. Shortly after taking possession, the occupant defaulted on the lease payments and did not qualify to purchase the home.

1829-31 105th Street (2):
LAHD has invested $218,581 to date in this project. The developer abandoned the project during the construction phase.

10507 Hickory Street (1):
LAHD has invested $107,949 to date in this project. The developer lost the property through a foreclosure by a first Trust Deed lender. LAHD acquired the property at the Trustee's Sale to protect its financial interest.

434-40 West 112th Street (2):
LAHD has invested $223,120 to date in this project. The developer abandoned the project during the construction phase due to health reasons.

In 1999, LAHD was prepared to sell these properties to HFH, however the transaction did not materialize due to management changes at HFH. LAHD then evaluated several options for completion and sale of the properties. Subsequently, LAHD considered the option to issue a Request for Proposal (RFP) to hire a developer to complete the construction and sell the units. However, a new management team at HFH approached LAHD with a proposal to transfer the properties to HFH right before LAHD was prepared to submit its transmittal and RFP to select developers. Since selling to HFH is less costly to LAHD than the alternative of LAHD hiring a developer to complete the construction and sell the units, LAHD determined to pursue the sale to HFH.

LAHD has $1,009,952 invested into these projects for acquisition and partial development/rehabilitation. Additionally, in order to protect the City from loss and liability, LAHD paid approximately $31,500 to insure, cleanup, and secure the properties. If LAHD was to continue to hold these properties, LAHD would incur additional insurance costs of approximately $15,500 annually and additional maintenance costs of an undeterminable amount. Approving the sale transaction to HFH would result in an approximate write-off of $200,000 based on assumed sales prices and no additional outlays from LAHD. If LAHD were to complete construction and sell the units without HFH, the write-off would be $475,000 and it would require an additional outlay from LAHD of $500,000. The support for these estimates is detailed in Attachment 1.

PROPOSED PURCHASER:

Habitat for Humanity-Los Angeles (HFH) is celebrating its eleventh year of building in the region and has completed over 90 homes. HFH has successfully completed two projects (two units) with LAHD and has three more projects (19 units) in process.

HFH will complete the rehabilitation of the nine properties using funding provided by HFH's financial partners. Primarily volunteers and future home buyers, led by a team of skilled construction personnel, will perform the construction work. Households purchasing these homes will be required to provide at least 500 hours of work on their homes or the homes of other HFH households.

PROPOSED TERMS OF SALE:

1. HFH purchases the properties from LAHD and executes a Promissory Note for LAHD's investment at the time of purchase, currently $1,087,968, consisting of $1,009,952 LAHD has disbursed for acquisition and construction, $31,500 LAHD has disbursed for insurance, repairs and security, and $46,516 in outstanding property taxes.

2. HFH agrees to purchase the properties in their as-is condition, with existing occupants and with existing liens and encumbrances excluding property taxes.

3. Title will be delivered to the home buyers free and clear of liens and encumbrances excluding the LAHD Deed Restrictions. LAHD reserves the right to maintain the Deed Restrictions currently recorded on the properties (restricting ownership to home buyers earning less than 80% of AMI). These will pass on to the home buyers for a period matching the term of their Soft-Second Loan with LAHD (not to exceed 30 years).

4. Closing costs (title and escrow) will be paid for by HFH.

5. HFH will use its own funds to complete construction and will not seek additional funding from LAHD.

6. HFH will sell the properties for market value as determined by a LAHD-approved appraiser at the time of completion.

7. HFH will place home buyers earning less than 50% of AMI into these homes within eight months of taking possession.

8. The home buyer will sign a Promissory Note (0% interest) and First Deed of Trust with HFH equal to HFH's rehabilitation cash investment in the property. Monthly mortgage, taxes and insurance payments will not be less than 30% of the home buyer's monthly gross income before payroll deductions.

9. The home buyer will also sign a Promissory Note to LAHD (0% interest) secured with a Second Deed of Trust equal to the Market Value less the amount of the First Deed of Trust executed with HFH. Because HFH will be selling the properties to households earning less than 50% of AMI, LAHD is seeking authority to exceed the Soft-Second Program maximum of $60,000 for only these nine properties. This is necessary because HFH has agreed to carry a first mortgage for only the amount of investment HFH makes in the property. HFH's first mortgages range from $10,000 to $74,000, averaging at $48,000 (Attachment 1 details HFH's first mortgages for each property). With an average sales price of $147,000, LAHD will make up the difference with an average Soft-Second Loan of approximately $99,000.

Repayment on the Soft-Second Loan will begin immediately after the first mortgage with HFH is paid off. This structure reduces the amount of write-off LAHD will take on the sale of these nine properties, relative to alternative scenarios.

10. LAHD writes off the difference between the projected Sales Price and Total Development Cost. For example:

LAHD Acquisition/Construction to Date	$112,217
Outstanding Taxes to Date	5,168
Insurance, Repairs, Security to Date	3,500
HFH Capital Contribution (to complete rehabilitation)	48,628
Total Development Cost	169,513
Total Development Cost	169,513
Anticipated Sales Price	(147,333)
LAHD Write-down	22,180

CONSIDERATIONS:

Based on a financial analysis (Attachment 1), the cost of transferring these properties to HFH will be approximately $300,000 less expensive than the cost of LAHD completing the projects. HFH is using approximately $450,000 of its own money to complete construction on the units and is not making any profit on this transaction. Although LAHD's Soft-Second loans will be higher than the existing $60,000 maximum, repayment on these loans will begin sooner than the typical soft second loan (30 years) due to early retirement of the first mortgage.

Because these are nuisance properties, it is important to rectify the blighted situations quickly. The City's association with the nuisance as an owner will be removed upon the transfer to HFH. HFH's goal is to have the rehabilitation completed and the homes occupied within eight months of taking possession.

A transfer to HFH will guarantee that the home buyer is a household earning less than 50% of AMI. This is serving a lower income population than the minimum 80% of AMI required by LAHD. For example, a household of four at 80% AMI earns $44,100 per year and at 50% AMI earns $27,250.

In addition, less staff time will be involved in transferring the properties to HFH because LAHD staff will not be involved in selecting a contractor, monitoring the construction and processing construction draws. The completed homes will be required to meet minimum LAHD design guidelines, as determined by LAHD inspection. A defaulted home buyer who is now a non-paying tenant occupies the property located at 1775 Santa Ana Blvd. HFH has indicated they will qualify the occupant to purchase this home or another HFH home, eliminating the need to pay any relocation fees.

The City Attorney has reviewed the proposed transaction and concurs that LAHD has the authority to transfer the properties to HFH under Administrative Code Division 7, Chapter I, Article 4, Section 7.27 (Attachment 2). Section 7.27 states "...Council may determine that the public interest or necessity require the sale...of real property owned by the City...without public notice of sale or advertisement of bids." The City Attorney has also approved the attached ordinance to facilitate the transfer. For the reasons listed above, LAHD believes it is in the best public interest to sell the properties to HFH. Approval of the sale to HFH requires a 2/3 approval by City Council.

FISCAL IMPACT STATEMENT:

The proposed actions will result in no reallocation of Home Ownership Program Funds. There is no fiscal impact on the General Fund.

Prepared By:

PAUL DOLANSKY, Finance Officer II
Home Ownership Division

Submitted By:

BOBKEN SIMONIANS, Director
Home Ownership Division

Approved By:

RALPH ESPARZA
Assistant General Manager

Approved By:

GARRY W. PINNEY
General Manager

GWP:RA:BS:lw

ATTACHMENT 1
Small Sites Program
REO Analysis
09-Jan-03

	Address	10315 S Main	2100 Hooper	1775 Santa Ana	1829-31 105th	10507 Hickory	434-40 112th	Total	Per Unit
	Number of Units	**1**	**2**	**1**	**2**	**1**	**2**	**9**	
	Percentage Construction Completed	**90%**	**90%**	**98%**	**50%**	**80%**	**60%**		
	Anticipated Sales Price (appraised value)	144,000	294,000	138,000	300,000	150,000	300,000	1,326,000	147,333
Scenario 1:	**LAHD hires a developer to complete construction & sells the properties to 80% ami households**								
TDC:	LAHD Acquisition & Construction to Date	122,623	259,363	78,316	218,581	107,949	223,120	1,009,952	112,217
(Uses)	Outstanding Taxes to Date	19,028	4,529	1,573	8,581	10,943	1,862	46,516	5,168
	Insurance, Repairs, Security to Date	3,500	7,000	3,500	7,000	3,500	7,000	31,500	3,500
	LAHD Additional Needed to Complete	39,323	80,908	11,774	149,598	49,734	167,588	498,925	55,436
	Agents Fees and Closing Costs	14,400	29,400	13,800	30,000	15,000	30,000	132,600	14,733
	Developers Fees	7,500 a	20,000 a	5,000 a	20,000 a	6,000 a	20,000 a	78,500	8,722
	Total Uses	206,374	401,200	113,963	433,760	193,126	449,570	1,797,993	199,777
Funds Needed:	Conventional 1st Loan(s)	120,000 b	240,000 b	120,000 b	240,000 b	120,000 b	240,000 b	1,080,000	120,000
(Sources)	LAHD Soft-Second	24,000	54,000	18,000	60,000	30,000	60,000	246,000	27,333
	LAHD Surplus	0	0	-24,037	0	0	0	-24,037	-2,671
	LAHD Write Off	62,374	107,200	0	133,760	43,126	149,570	496,030	52,444
	Total Sources	206,374	401,200	113,963	433,760	193,126	449,570	1,797,993	199,777

a) estimate based on construction work needed to complete project
b) estimate based on lahd experience with eligible buyers

Scenario 2:	**HFH completes construction using their own funds & sells the properties to 50% ami households**								
TDC:	LAHD Acquisition & Construction to Date	122,623	259,363	78,316	218,581	107,949	223,120	1,009,952	112,217
(Uses)	Outstanding Taxes to Date	19,028	4,529	1,573	8,581	10,943	1,862	46,516	5,168
	Insurance, Repairs, Security to Date	3,500	7,000	3,500	7,000	3,500	7,000	31,500	3,500
	HFH Capital Contribution (for rehabilitation)	34,494 c	70,972 c	10,328 c	131,226 c	43,626 c	147,007 c	437,654	48,628
	Agents Fees and Closing Costs	0	0	0	0	0	0	0	0
	Developers Fees	0	0	0	0	0	0	0	0
	Total Uses	179,645	341,864	93,717	365,388	166,018	378,989	1,525,622	169,514
Funds Needed:	Conventional 1st Loan(s)	34,494	70,972	10,328	131,226	43,626	147,007	437,654	48,628
(Sources)	LAHD Soft-Second	109,506	223,028	127,672	168,774	106,374	152,993	888,346	98,705
	LAHD Surplus	0	0	-44,283	0	0	0	-44,283	-4,920
	LAHD Write Off	35,645	47,864	0	65,388	16,018	78,989	243,904	22,180
	Total Sources	179,645	341,864	93,717	365,388	166,018	378,989	1,525,622	169,514

c) rehabilitation expense for HFH is 14% less than LAHD due to the omission of overhead and profit

Sec. 7.27. Private Sale.

The Council may determine that the public interest or necessity require the sale, conveyance or exchange of real property owned by the City or any department thereof, or the quitclaiming by the City or by any department thereof, of any interest in real property without notice of sale or advertisement for bids. In the event of such determination the Council may, by ordinance adopted by the vote of at least two-thirds of all of its members authorize the execution of such deed, contract or other instrument as may be necessary to effect such sale, conveyance, exchange or quitclaim at and for a price or consideration and upon the terms and conditions to be specified in such ordinance provided, however, that such ordinance shall be subject to the provisions of Section 281 of the City Charter.

SECTION HISTORY

Based on Ord. No. 56,887.
Amended by: Ord. No. 92,757; Ord. No. 150,946, Eff. 7-17-78.

ATTACHMENT 3

ORDINANCE NO._____

An Ordinance authorizing and providing for the sale of certain City-owned real property acquired to protect the City's financial interest and cannot, according to the use of funds, be used for general City purposes, and the public interest necessitates the sale thereof, without the necessity of calling for bids, to HABITAT FOR HUMANITY-LOS ANGELES, for the sum of the Los Angeles Housing Department's investment at the time of transfer (estimated at $1,087,968).

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

Section 1. The Council of the City of Los Angeles hereby determines that the real property owned by the City of Los Angeles, and located at the address and/or location set forth hereinafter, cannot be utilized for general City purposes due to the source of funding and that public interest and necessity require sale. It is hereby ordered that such real property be sold, pursuant to certain conditions hereinafter set forth and without notice of sale or advertisement for bids, to HABITAT FOR HUMANITY-LOS ANGELES, or their nominees or lawful successors in interest thereof, for the sum of the Los Angeles Housing Department's investment at the time of transfer (currently $1,009,952) in accordance with the provisions of section 393 of the City Charter and Division 7, Chapter 1, Article 4 of the Los Angeles Administrative Code for nine (9) units of housing for households earning less than 50% of median income.

Locations and Legal Descriptions: See ATTACHMENTS 3-1 through 3-6.

EXCEPTING AND RESERVING unto the City of Los Angeles, all oil, gas, water and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

Together with all right, title and interest of the grantors and to the street areas adjoining said land. Subject to covenants, conditions and restrictions, reservations, easements, rights and rights of way of record or which are apparent from visual inspection of the real property and excepting and reserving to the City of Los Angeles, any interest in the fee to the adjacent streets which would otherwise pass with the conveyance of above described parcel of land.

Section 2. The Mayor of the City of Los Angeles in the name of and on behalf of said City is hereby authorized and directed to execute a Grant Deed to the said real property described in Section 1 of this Ordinance to HABITAT FOR HUMANITY-LOS ANGELES, or their nominees or lawful successors in interest thereof, the City Clerk of said City is hereby authorized and directed to attest thereto and to affix the City Seal.

Section 3. The Los Angeles Housing Department is authorized to open escrow, issue title transfer instructions, and deliver deeds, and the Chief Accounting Employee of the Department is authorized to deposit the proceeds, of sale as an offset against previously disbursed loan proceeds.

Section 4. The City Clerk shall certify to the passage of this Ordinance and cause same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the forgoing Ordinance was passed by the Council of the City of Los Angeles by a vote of no less than two-thirds of all members at its meeting of _____ _____.

APPROVED AS TO FORM AND LEGALITY:

Rockard Delgadillo, City Attorney

By: _____

Date: _____

J. Michael Carey, City Clerk

By: _____

Date: _____

James K. Hahn, Mayor

File No. _____

By: _____

Date: _____

ATTACHMENT 3-1

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 138 OF TRACT NUMBER 3064 IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGES 1 AND 2 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR PARCEL NO.: 6074-001-900

COMMONLY KNOWN AS: 10315 S MAIN STREET

ATTACHMENT 3-2

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 71 AND 72 OF DALTON ORANGE GROVE TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 100 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 70 FEET THEREFROM.

ASSESSOR PARCEL NO.: 5118-003-900 & 5118-003-901

COMMONLY KNOWN AS: 2100 HOOPER AVENUE

ATTACHMENT 3-3

LOT 364 OF THE FARRIS, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6 PAGE 132 OF MAPS. IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR PARCEL NO.: 6065-032-901

COMMONLY KNOWN AS: 1775 SANTA ANA BOULEVARD

ATTACHMENT 3-4

LOTS 200 AND 201 OF THE FERRIS TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6 PAGE 132 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

COMMONLY KNOWN AS: 1829 & 1831 EAST 105TH STREET

ASSESSOR PARCEL NO.: 6065-029-900

ATTACHMENT 3-5

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTH 62.5 FEET OF LOTS 889, 890 OF THE FORTHMANN TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGES 158 AND 159 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR PARCEL NO.: 6066-007-904

COMMONLY KNOWN AS: 10507 HICKORY STREET

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 89 AND THAT PORTION OF LOT 88, BOTH OF BOWEN'S MAIN MONETA AND FIGUEROA TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 85 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF SAID LOT 88 WITH THE NORTHERLY CONTINUATION OF THAT CURVE DESCRIBED AS BEING CONCAVE EASTERLY, HAVING A RADIUS OF 1036.00 FEET AND AN ARC LENGTH OF 129.68 FEET IN DIRECTOR'S DEED DD 060096-01 RECORDED JUNE 11, 1987 AS INSTRUMENT NO. 87-928156 OF OFFICIAL RECORDS IN SAID OFFICE; THENCE CONTINUING NORTHERLY ALONG SAID NORTHERLY CONTINUATION FROM A TANGENT WHICH BEARS NORTH 12° 50' 38" EAST, THROUGH AN ANGLE OF 03° 18' 27" AN ARC DISTANCE OF 59.80 FEET; THENCE TANGENT NORTH 16° 09' 05" EAST 73.65 FEET TO THE EASTERLY LINE OF SAID LOT 88; THENCE NORTH 37° 07' 12" WEST 11.96 FEET TO THE NORTHERLY LINE OF SAID LOT 88; THENCE ALONG SAID NORTHERLY LINE AND THE NORTHERLY LINE OF SAID LOT 89, SOUTH 89° 36' 32" WEST, 93.16 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 89; THENCE ALONG THE WESTERLY LINE OF LAST SAID LOT SOUTH 00° 00' 49" EAST, 138.00 FEET TO THE SOUTHWESTERLY CORNER OF LAST SAID LOT; THENCE ALONG THE SOUTHERLY LINES OF SAID LOTS 89 AND 88, NORTH 89° 36' 36" EAST, 64.89 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM; ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL WATER, CLAIMS OR RIGHTS TO WATER, TOGETHER WITH APPURTENANT RIGHTS THERETO, WITHOUT, HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND AS EXCEPTED OR RESERVED BY DEED RECORDED FEBRUARY 16, 1972 IN BOOK D5354, PAGE 757 OF OFFICIAL RECORDS.

ASSESSOR PARCEL NO.: 6075-028-900

COMMONLY KNOWN AS: 434-440 W 112TH STREET

J. MICHAEL CAREY
City Clerk

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

99-2165

March 6, 2000

Chief Legislative Analyst
City Administrative Officer
Housing Department

RE: RECEIVING AND FILING CITY ADMINISTRATIVE OFFICER'S AND HOUSING DEPARTMENT'S REPORTS AND DRAFT ORDINANCE RELATIVE TO PROPOSED SALE OF NINE CITY-OWNED PROPERTIES TO HABITAT FOR HUMANITY

At the meeting of the Council held March 3, 2000, the following action was taken:

Attached report adopted	
Attached motion () adopted	
Attached resolution adopted	
Mayor concurred	
FORTHWITH	
Motion adopted to approve attached report	
Motion adopted to approve attached communication	X
To the Mayor FORTHWITH	
Mayor approved	
Findings adopted	

J. Michael Carey
City Clerk
jr

steno\992165

PLACE IN FILES
MAR 07 2000
DEPUTY

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Recyclable and made from recycled waste.

Rule 70

HOUSING AND COMMUNITY REDEVELOPMENT COMMITTEE
~~Report~~/Communication for Signature

Council File Number 95-2165

Committee Meeting Date 2-23-00

Council Date 3-3-00

COMMITTEE MEMBER	YES	NO	ABSENT
COUNCILMEMBER PACHECO, CHAIR	✓		✓
COUNCILMEMBER GOLDBERG			✓
COUNCILMEMBER HOLDEN			✓

Remarks R&F

Cynthia Landis, Legislative Assistant ★★★★ Telephone 485-5733

4

3-3-2000

TEXT TO BE POSTED #35

FEB 25 2000

COMMUNICATION

TO: **LOS ANGELES CITY COUNCIL** **File No. 99-2165**

FROM: **COUNCIL MEMBER NICK PACHECO, Chair**
HOUSING AND COMMUNITY REDEVELOPMENT COMMITTEE

	Yes	No
Public Comments	___	XX

COMMUNICATION FROM CHAIR, HOUSING AND COMMUNITY REDEVELOPMENT COMMITTEE relative to the proposed sale of nine City-owned properties to Habitat for Humanity.

Recommendations for Council action:

RECEIVE AND FILE City Administrative Officer (CAO) and Los Angeles Housing Department (LAHD) reports and draft Ordinance relative to the proposed sale of nine City-owned properties at 10315 S. Main Street, 2100 Hooper Avenue, 1775 Santa Ana Boulevard, 1829-31 105the Street, 10507 Hickory Street, and 434-40 W. 112th Street to Habitat for Humanity, inasmuch as negotiations were terminated without agreement.

Fiscal Impact Statement: Not applicable.

SUMMARY:

On February 23, 2000, the Chair of the Housing and Community Redevelopment Committee considered the CAO, LAHD and draft Ordinance relative to the proposed sale of nine City-owned properties to Habitat for Humanity. Inasmuch as the Department and the Habitat for Humanity terminated negotiations without reaching an agreement, the Chair of the HCR Committee concurred with LAHD recommendation to receive and file the matter and forwarded the matter to Council for its consideration without discussion.

Respectfully submitted,

nick pacheco

COUNCIL MEMBER NICK PACHECO, Chair
Housing and Community Redevelopment Committee

mo.
ADOPTED
to APP. Commun. Recom.
MAR 03 2000
LOS ANGELES CITY COUNCIL

CAL
2/25/00
#992165

COUNCIL VOTE

03-Mar-00 10:25:00 AM, #1

Items for Which Public Hearings Have Not Been Held - Items 2-9
Voting on Item(s): 3-4-6d,8
Roll Call (3 as amended)

BERNSON	Yes
CHICK	Absent
FEUER	Yes
GALANTER	Absent
GOLDBERG	Absent
HERNANDEZ	Yes
HOLDEN	Yes
MISCIKOWSKI	Yes
PACHECO	Yes
PADILLA	Yes
RIDLEY-THOMAS	Absent
SVORINICH	Yes
WACHS	Yes
WALTERS	Yes
*FERRARO	Yes

Present: 11, Yes: 11 No: 0

HOUSING AND COMMUNITY REDEVELOPMENT COMMITTEE

SUGGESTED NOTIFICATION OF COUNCIL ACTION

Council File No. 95-2165

- ☐ Council Member(s) _____
- ☐ Interested Department _____
- ☐ Mayor (with/without file) _____
- ☑ Chief Legislative Analyst _____
- ☑ City Administrative Officer _____
- ☐ Community Redevelopment Agency (Admin. Office) _____
- ☐ Community Redevelopment Agency(Budget Office) _____
- ☑ Los Angeles Housing Department _____
- ☐ Housing Authority of City of L.A. _____
- ☐ Community Development Dept. _____
- ☐ Controller _____
- ☐ City Clerk _____
- ☐ City Attorney (with / without file) _____
- ☐ Department of Transportation _____
- ☐ City Planning Department _____
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____

HOUSING AND COMMUNITY REDEVELOPMENT COMMITTEE

WEDNESDAY, DECEMBER 8, 1999

ROOM 315, CITY HALL - 2:15 PM,
NOTE TIME CHANGE
200 NORTH MAIN STREET, LOS ANGELES, CA 90012

MEMBERS: COUNCIL MEMBER NICK PACHECO, CHAIR
COUNCIL MEMBER JACKIE GOLDBERG
COUNCIL MEMBER NATE HOLDEN out on items 2+3 only

(Cynthia Landis - Legislative Assistant I - 213-485-5733)

Note: Assistive listening devices are available at the meeting. Upon 72 hour advance notice, other accommodations, such as sign language interpretation, and translation services will be provided. Contact the Legislative Assistant listed above for the needed services. TDD is available at (213) 485-4735.

Goldberg: Yes Pacheco: Yes Holden: No

FILE NO. SUBJECT

(1)

99-2116 CD 11 Communication from the Mayor relative to the appointment of Douglas R. Ring to the Community Redevelopment Agency Board for the term ending November 4, 2003, to fill the vacancy created by the expiration of Clinton F. Rosemond's term.

Pacheco yes Goldberg yes Holden no

Fiscal Impact Statement Submitted: Not applicable.

DISPOSITION Approve CCL 12-14-99 - Goldberg: Yes Pacheco: Yes Holden: No.

(2)

99-2117 CD 11 Communication from the Mayor relative to the appointment of Greta T. Hutton to the Community Redevelopment Agency Board for the term ending November 4, 2003 to fill the vacancy created by the expiration of Ms. Juanita Chavez's term.

Holden out

Fiscal Impact Statement Submitted: Not applicable.

DISPOSITION Approve CCL 12-10-99

(3)

Continued from meeting held December 1, 1999.

99-2165 City Administrative Officer (CAO) and Los Angeles Housing Department (LAHD) reports and Ordinance relative to ~~a request for approval of~~ the sale of nine City-owned ~~properties at 10315 S. Main St., 2100 Hooper Ave., 1775~~ Santa Ana Blvd., ~~1829-31 105th Street, 10507 Hickory Street, and 434-40 W. 112th Street~~ in their as-is condition to Habitat for Humanity-Los Angeles.

Holden out Continued Start

Fiscal Impact Statement Submitted: Yes, by CAO and LAHD.

DISPOSITION Continue to future meeting

Hutton & PRA appt

REPORT FROM

CITY ADMINISTRATIVE OFFICER

RECEIVED
CITY CLERK'S OFFICE

TO	DATE	CAO FILE No.
The Mayor The Council 99 NOV 17 AM 9:45	11-17-99	0220-00540-0362

REFERENCE	COUNCIL FILE No.
Transmittal from the Los Angeles Housing Department (LAHD) dated October 27, 1999 CITY CLERK RECEIVED	99-2165

SUBJECT	COUNCIL DISTRICT
Proposed Sale of nine City Owned Properties to Habitat for Humanity-Los Angeles	Citywide

SUMMARY

The Los Angeles Housing Department requests approval to sell nine City-owned properties to Habitat for Humanity-Los Angeles (HFH) for a price of $70,000 per property for a total of $630,000. LAHD has already expended $1,009,952 and would need to spend an additional $527,984 for a total of $1,537,936 to finish developing the projects. In April 1999, HFH approached LAHD and expressed an interest in acquiring the nine properties. LAHD analyzed the cost of selling the properties in their as-is conditions or staying involved through completion of the rehabilitation and sale of the properties. LAHD estimates that it will take an additional 6 to 12 months to complete the rehabilitation and sale of these properties, HFH can do this in three months. LAHD determined that it would be more feasible to sell the properties to HFH. LAHD would only pay $18,000 in closing costs by selling the projects in their as-is condition, and HFH will be able to rehabilitate and sell the properties to families in the 60% of medium income range. (Attachment I)

LAHD developed these properties through the Small Sites Development Program(SSDP), established in the aftermath of the 1992 civil unrest (CF 92-0832-S26), to revitalize the affected communities and address the need for new jobs by building single family homes on vacant lots. These nine homes reverted back to LAHD after the developers or in one case a homeowner were unable to retain ownership because the properties were foreclosed on by the lending institution servicing the loans.

HFH has eight years of experience in building and rehabilitating safe affordable houses with the help of the future homeowner (partner) families and then selling these houses to partner families at no profit. HFH also provides zero interest home financing.

(Summary continued)

William T Fujioka
CITY ADMINISTRATIVE OFFICER

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The sale of the properties to HFH reduces the risks of vandalism, eliminates a potential nuisance in the community, guarantees that the ultimate occupant is a home buyer earning less than 60% of medium income, and reduces the LAHD staff time dedicated to this project.

The Office of the City Attorney has reviewed the proposed transaction and concurs that LAHD has the authority to transfer the property to HFH under Administrative Code Section 7.27.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, LAHD, to execute the documents necessary to effectuate the sale of the following nine City owned properties, in their as-is condition, to Habitat for Humanity:

Address	No. of Properties
10315 S. Main Street	1
2100 Hooper Avenue	2
1775 Santa Ana Blvd.	1
1829-31 105th Street	2
10507 Hickory Street	1
434-40 W. 112th Street	2

2. Approve the Ordinance, attached to the Department's transmittal, reflecting the sales price of $630,000;

3. Authorize the General Manager, LAHD, to write-off $397,952 which is the difference between the net sales proceeds of $630,000 and the amount of funds invested to date $1,009,952 and any reasonable associated cost; and,

4. Authorize the General Manager, LAHD, or designee, to prepare Controller instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer, and instruct the Controller to implement the instructions.

FISCAL IMPACT STATEMENT

The recommendations involve HOME Investment Partnership Act funds. No General Fund appropriation is required.

GK:jhl
Attachment

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Proposed Sale of Nine City Owned Properties to Habitat for Humanity

Costs	Alternative I-Continue development	Alternative II- Sell Properties to Habitat for Humanity	Difference
LAHD initial investment	$ 1,009,952	$ 1,009,952	0
Rehabilitation Cost	334,684	0	334,684
Closing Cost	193,300	18,000	175,300
Total cost to LAHD to date	**$ 1,537,936**	**$ 1,027,952**	**$ 509,984**
Less receipt of funds from sale	(1,148,000)	(630,000)	(518,000)
Total Exposure to LAHD	**($389,936)**	**($397,952)**	**$ (8,016)**

J. MICHAEL CAREY
City Clerk

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

99-2165
CW

November 15, 1999

HOUSING & COMMUNITY REDEVELOPMENT COMMITTEE
PUBLIC WORKS COMMITTEE

In accordance with Council Rules, communication from the Los Angeles Housing Department relative to the sale of 9 City-owned properties in their as-is condition to Habitat for Humanity-Los Angeles for $630,000, was referred on November 15, 1999, to the HOUSING & COMMUNITY REDEVELOPMENT COMMITTEE and PUBLIC WORKS COMMITTEE.

J. Michael Carey
City Clerk
amm

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CITY CLERK'S OFFICE
99 NOV 12 PM 1:38
CITY CLERK
BY _____ DEPUTY

TRANSMITTAL

TO	DATE	COUNCIL FILE No.
THE COUNCIL	NOV 09 1999	
FROM THE MAYOR		COUNCIL DISTRICT

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

MAYOR

HOUSING & COMMUNITY REDEVELOP

PUBLIC WORKS

CAO 649-d

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GARRY W. PINNEY
GENERAL MANAGER

City of Los Angeles

CALIFORNIA

LOS ANGELES HOUSING DEPARTMENT
111 N. Hope Street
7th Floor
Los Angeles, CA 90012
(213) 367-9166
Fax (213) 367-9176

RICHARD J. RIORDAN
MAYOR

November 4, 1999

Council File:	~~96-1520~~ ~~96-1520-S1~~
Council District:	Citywide
Contact Persons:	
Ruperto Albelda	367-9083
Doug Smith	367-9069
Paul Dolansky	367-9210

The Honorable Richard J. Riordan
Mayor, City of Los Angeles
Room 800, City Hall East

Attention: June Lagmay, Legislative Coordinator

REQUEST FOR APPROVAL OF THE SALE OF 9 CITY-OWNED PROPERTIES LOCATED AT 10315 S. MAIN ST. (1), 2100 HOOPER AVE. (2), 1775 SANTA ANA BLVD. (1), 1829-31 105TH ST. (2), 10507 HICKORY ST. (1), AND 434-40 W. 112TH ST. (2) IN THEIR AS-IS CONDITION TO HABITAT FOR HUMANITY-LOS ANGELES FOR $630,000 AND ADOPTION OF AN ORDINANCE FOR THE SALE.

The General Manager of the Los Angeles Housing Department requests that this transmittal be scheduled for consideration with all appropriate committees and scheduled for consideration by the full City Council immediately thereafter.

RECOMMENDATIONS

The General Manager of the Los Angeles Housing Department recommends that the City Council, subject to the approval of the Mayor, take the following actions:

1. The City Council authorize the General Manager, Los Angeles Housing Department, to execute documents necessary to effectuate the sale of the City owned properties located at 10315 S. Main St. (1), 2100 Hooper Ave. (2), 1775 Santa Ana Blvd. (1), 1829-31 105TH St. (2), 10507 Hickory St. (1), and 434-40 W. 112TH St. (2) in their as-is condition to Habitat for Humanity-Los Angeles;

2. The City Council approve the attached Ordinance reflecting the sales price of $630,000;

3. The City Council authorize the General Manager, Los Angeles Housing Department, to write-off the difference between net sales proceeds and the amount of funding invested to date in the 9 properties;

4. The City Council authorize the General Manager, Los Angeles Housing Department, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions and authorize the Controller to implement the instructions;

5. The Mayor concur with the actions of the City Council.

BACKGROUND:

In June 1992, the City Council approved the establishment of the Small Sites Development Program at the Los Angeles Housing Department (LAHD) in the aftermath of the 1992 civil unrest (Council File 92-O832-S26). The Program was developed to revitalize the affected communities and address the need for new jobs by building single family homes on vacant lots. The ultimate goal of the Program is to provide affordable home ownership opportunities to first time buyers earning less than 80% of the area median income. In addition to providing homes to first time homebuyers, the Program also provides development experience to start-up developers. Working with start-up developers typically tends to be riskier than working with experienced developers. Since inception, the Program has funded nearly $18,000,000 in developer loans.

The subject properties were funded under the Small Sites Development Program. Due to the circumstances listed below, ownership of the properties has reverted to LAHD. There are a total of 9 properties in 6 locations. All properties are vacant, with the exception of 1775 Santa Ana Blvd. LAHD has approximately $1,000,000 invested into these projects to date. Approving this sale transaction would result in approximately a $398,000 write-off, which represents approximately 2% of the Small Sites funded portfolio. As described below, the cost of seeing the projects through completion is approximately the same as selling them to HFH.

10315 S. Main Street (1):
The developer built 5 units, sold 4 and abandoned the project before selling the 5th unit.

2100 Hooper Avenue (2):
The developer lost the property in foreclosure by a 1st Trust Deed lender. LAHD acquired the property at the Trustee's Sale to protect its financial interest.

1775 Santa Ana Blvd (1):
This was a pilot project whereby LAHD acquired the property from HUD and rehabilitated it. The occupant took possession with a 6-month lease-purchase agreement. Shortly after taking possession, she defaulted on the lease payments and did not qualify to purchase the home.

1829-31 105th Street (2):
The developer abandoned the project in the construction phase.

10507 Hickory Street (1):
The developer lost the property in foreclosure by a 1st Trust Deed lender. LAHD acquired the property at the Trustee's Sale to protect its financial interest.

434-40 West 112th Street (2):
The developer abandoned the project in the construction phase due to health reasons.

Approximately 6 months ago HFH approached LAHD with an interest in acquiring these properties. Since then, LAHD has analyzed the cost of staying involved in the projects through completion. Issues to consider:

Financial:
Based on a financial analysis (Attachment 1), selling these properties in their as-is condition will be approximately the same cost as seeing the projects through completion ($8,016 difference).

Risk:
LAHD is exposed to less future risk due to fire and vandalism with an as-is sale.

Timing:
Because these are nuisance properties, it is important to rectify the blighted situations quickly. LAHD's association with the nuisance as an owner will be removed upon the sale to HFH. HFH's goal is to have the rehabilitation completed and the homes occupied within 6 months of taking possession.

Control over the Ultimate Occupant:
A sale to HFH will guarantee that the ultimate occupant is a homebuyer earning less than of 60% of median income. This is serving a lower income population than the 80% median income population LAHD requires.

Staff Time:
Because LAHD's involvement terminates with the sale to HFH, less LAHD staff time will be required with an as-is sale.

Relocation:
A defaulted homebuyer who is now a non-paying tenant occupies the property located at 1775 Santa Ana Blvd. HFH has indicated they will work with her qualify her to buy this house or another HFH house.

Legal:
The City Attorney has reviewed the proposed transaction and concurs LAHD has the authority to transfer the properties to HFH under Administrative Code Section 7.27. Section 7.27 states "...Council may determine that the public interest or necessity require the sale...of real property owned by the City...without public notice of sale or advertisement of bids." For the reasons listed above, LAHD staff believes it is in the public interest to sell the properties to HFH. Approval of the sale to HFH requires a 2/3 approval by City Council.

PROPOSED PURCHASER:

Habitat for Humanity-Los Angeles is celebrating its eighth year of building in the region and has completed over 80 homes. Through volunteer labor and tax-deductible donations of money and materials, HFH builds and rehabilitates safe affordable houses with the help of homeowner (partner) families. Houses are sold to partner families at no profit and are financed with no-interest loans. The homeowners' monthly mortgage payments go into a revolving Fund for Humanity that is used to provide additional HFH houses.

The 9 properties will be purchased and rehabilitated using funding provided by Habitat's financial partners. The construction work will be performed primarily by volunteers and future homeowner families, led by a team of skilled construction personnel. Families that will purchase these homes will be required to provide at least 500 hours of work on their homes or the homes of other HFH families.

PROPOSED TERMS OF SALE:

1. The price is $70,000 (cash) per unit ($630,000 for the portfolio).

2. HFH agrees to purchase the properties in their as-is condition.

3. LAHD will deliver title free and clear of liens and encumbrances (excluding item #7 below).

4. Escrow costs will be shared equally between LAHD and HFH.

5. HFH will not seek additional funding from LAHD for rehabilitation or homebuyer assistance.

6. HFH will rehabilitate and place first-time homebuyers earning less than 60% of Area Median Income into these homes within 6 months of taking possession.

7. LAHD reserves the right to maintain the Deed Restrictions currently recorded on the properties (restricting ownership to first-time homebuyers earning less than 80% of Area Median Income). These will pass on to the homebuyers for a period matching their loan term with HFH (ranging from 20 to 30 years) when the completed homes are sold by HFH.

8. The sale is contingent on LAHD receiving an as-is appraisal on the 9 properties.

FISCAL IMPACT STATEMENT:

The proposed actions will result in no reallocation of existing Home Ownership Program money. There is no fiscal impact on the General Fund.

Prepared By:

PAUL DOLANSKY
Finance Officer

Reviewed By:

DOUG SMITH
Manager, Project Finance

Submitted By:

RUPERTO ALBELDA
Assistant Director, Housing Development

Approved By:

GARRY W. PINNEY
General Manager, LAHD

GWP:RA:BS:lw

cc: All Council Offices
City Attorney
City Legislative Analyst
City Clerk
City Administration Officer

ATTACHMENT 1

Address	10315 S Main	2100 Hooper	1775 Santa Ana	1829-31 105th	10507 Hickory	434-40 112th	Total	Per Unit
Number of Units	1	2	1	2	1	2	9	
Scenario 1) Sell properties in as-is condition (Habitat for Humanity):								
Sales Price (As-is)	70,000	140,000	70,000	140,000	70,000	140,000	630,000	70,000
Closing Costs	-2,000	-4,000	-2,000	-4,000	-2,000	-4,000	-18,000	
Invested to Date	-122,623	-259,363	-78,316	-218,581	-107,949	-223,120	-1,009,952	
Gain/Loss (-)	-54,623	-123,363	-10,316	-82,581	-39,949	-87,120	-397,952	-44,217
Scenario 2) Lend additional funds to a developer to complete the projects:								
Invested to Date	$122,623	$259,363	$78,316	$218,581	$107,949	$223,120		
Additional Needed to Complete	40,645	71,781	4,000	77,925	50,950	89,383		
Total Invested to Complete	163,268	331,144	82,316	296,506	158,899	312,503		
Projected Sales Price (Completed)	120,000	270,000	120,000	258,000	120,000	260,000		
Agent, Closing	-12,000	-27,000	-12,000	-25,800	-12,000	-26,000		
Developers Fee	-7,500	-20,000	-5,000	-20,000	-6,000	-20,000		
Funds Available to Pay Off LAHD	100,500	223,000	103,000	212,200	102,000	214,000		
Total Invested to Complete	-163,268	-331,144	-82,316	-296,506	-158,899	-312,503		
Gain/Loss (-)	-62,768	-108,144	20,684	-84,306	-56,899	-98,503	-389,936	-43,326
Difference							-8,016	-891

Sec. 7.27. Private Sale.

The Council may determine that the public interest or necessity require the sale, conveyance or exchange of real property owned by the City or any department thereof, or the quitclaiming by the City or by any department thereof, of any interest in real property without notice of sale or advertisement for bids. In the event of such determination the Council may, by ordinance adopted by the vote of at least two-thirds of all of its members authorize the execution of such deed, contract or other instrument as may be necessary to effect such sale, conveyance, exchange or quitclaim at and for a price or consideration and upon the terms and conditions to be specified in such ordinance provided, however, that such ordinance shall be subject to the provisions of Section 281 of the City Charter.

SECTION HISTORY

Based on Ord. No. 56,887.
Amended by: Ord. No. 92,757; Ord. No. 150,946, Eff. 7-17-78.

ATTACHMENT 3

ORDINANCE NO._____

An Ordinance authorizing and providing for the sale of certain City-owned real property acquired to protect the City's financial interest and cannot, according to the use of funds, be used for general City purposes, and the public interest necessitates the sale thereof, without the necessity of calling for bids, to the HABITAT FOR HUMANITY-LOS ANGELES, for the sum of SIX HUNDRED AND THIRTY THOUSAND DOLLARS ($630,000.00).

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. The Council of the City of Los Angeles hereby determines that the real property owned by the City of Los Angeles, and located at the address and/or location set forth hereinafter, cannot be utilized for general City purposes due to the source of funding and that the public interest and necessity require sale. It is hereby ordered that such real property be sold, pursuant to certain conditions hereinafter set forth and without notice of sale or advertisement for bids, to HABITAT FOR HUMANITY-LOS ANGELES, or their nominees or lawful successors in interest thereof, for the sum of SIX HUNDRED AND THIRTY THOUSAND DOLLARS ($630,000.00) in accordance with the provisions of section 393 of the City Charter and Division 7, Chapter 1, Article 4 of the Los Angeles Administrative Code for nine (9) units of housing for households earning less than 60% of median income.

Locations and Legal Descriptions: See ATTACHMENTS 3-1 through 3-6.

EXCEPTING AND RESERVING unto the City of Los Angeles, all oil, gas, water and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

Together with all right, title and interest of the grantors and to the street areas adjoining said land. Subject to covenants, conditions and restrictions, reservations, easements, rights and rights of way of record or which are apparent form visual inspection of the real property and excepting and reserving to the City of Los Angeles, any interest in the fee to the adjacent streets which would otherwise pass with the conveyance of the above described parcel of land.

Section 2. The Mayor of the City of Los Angeles in the name of and on behalf of said City is hereby authorized and directed to execute a Grant Deed to the said real property described in Section 1 of this Ordinance to HABITAT FOR HUMANITY-LOS ANGELES, or their nominees or lawful successors in interest thereof, the City Clerk of said City is hereby authorized and directed to attest thereto and to affix the City Seal.

Section 3. The Los Angeles Housing Department is authorized to open escrow, issue title transfer instructions, and deliver deeds, and the Chief Accounting Employee of the Department is authorized to deposit the proceeds, of sale as an offset against previously disbursed loan proceeds.

Section 4. The City Clerk shall certify to the passage of this Ordinance and cause same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the forgoing Ordinance was passed by the Council of the City of Los Angeles by a vote of no less than two-thirds of all members at its meeting of _____.

APPROVED AS TO FORM AND LEGALITY:

James K. Hahn, City Attorney

By: _____

Date: _____

File No. _____

J. Michael Carey, City Clerk

By: _____

Date: _____

Richard J. Riordan, Mayor

By: _____

Date: _____

ATTACHMENT 3-1

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 138 OF TRACT NUMBER 3064 IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36, PAGES 1 AND 2 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR PARCEL NO.: 6074-001-900

COMMONLY KNOWN AS: 10315 S MAIN STREET

ATTACHMENT 3-2

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 71 AND 72 OF DALTON ORANGE GROVE TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 100 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 70 FEET THEREFROM.

ASSESSOR PARCEL NO.: 5118-003-900 & 5118-003-901

COMMONLY KNOWN AS: 2100 HOOPER AVENUE

ATTACHMENT 3-3

LOT 364 OF THE FARRIS, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6 PAGE 132 OF MAPS. IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR PARCEL NO.: 6065-032-901

COMMONLY KNOWN AS: 1775 SANTA ANA BOULEVARD

ATTACHMENT 3-4

LOTS 200 AND 201 OF THE FERRIS TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6 PAGE 132 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

COMMONLY KNOWN AS: 1829 & 1831 EAST 105TH STREET

ASSESSOR PARCEL NO.: 6065-029-900

ATTACHMENT 3-5

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTH 62.5 FEET OF LOTS 889, 890 OF THE FORTHMANN TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGES 158 AND 159 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR PARCEL NO.: 6066-007-904

COMMONLY KNOWN AS: 10507 HICKORY STREET

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 89 AND THAT PORTION OF LOT 88, BOTH OF BOWEN'S MAIN MONETA AND FIGUEROA TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 85 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF SAID LOT 88 WITH THE NORTHERLY CONTINUATION OF THAT CURVE DESCRIBED AS BEING CONCAVE EASTERLY, HAVING A RADIUS OF 1036.00 FEET AND AN ARC LENGTH OF 129.68 FEET IN DIRECTOR'S DEED DD 060096-01 RECORDED JUNE 11, 1987 AS INSTRUMENT NO. 87-928156 OF OFFICIAL RECORDS IN SAID OFFICE; THENCE CONTINUING NORTHERLY ALONG SAID NORTHERLY CONTINUATION FROM A TANGENT WHICH BEARS NORTH 12° 50' 38" EAST, THROUGH AN ANGLE OF 03° 18' 27" AN ARC DISTANCE OF 59.80 FEET; THENCE TANGENT NORTH 16° 09' 05" EAST 73.65 FEET TO THE EASTERLY LINE OF SAID LOT 88; THENCE NORTH 37° 07' 12" WEST 11.96 FEET TO THE NORTHERLY LINE OF SAID LOT 88; THENCE ALONG SAID NORTHERLY LINE AND THE NORTHERLY LINE OF SAID LOT 89, SOUTH 89° 36' 32" WEST, 93.16 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 89; THENCE ALONG THE WESTERLY LINE OF LAST SAID LOT SOUTH 00° 00' 49" EAST, 138.00 FEET TO THE SOUTHWESTERLY CORNER OF LAST SAID LOT; THENCE ALONG THE SOUTHERLY LINES OF SAID LOTS 89 AND 88, NORTH 89° 36' 36" EAST, 64.89 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM; ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL WATER, CLAIMS OR RIGHTS TO WATER, TOGETHER WITH APPURTENANT RIGHTS THERETO, WITHOUT, HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND AS EXCEPTED OR RESERVED BY DEED RECORDED FEBRUARY 16, 1972 IN BOOK D5354, PAGE 757 OF OFFICIAL RECORDS.

ASSESSOR PARCEL NO.: 6075-028-900

COMMONLY KNOWN AS: 434-440 W 112TH STREET