

CRA/LA, A DESIGNATED LOCAL AUTHORITY  
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

MEMORANDUM

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**DATE:** JULY 19, 2012  
**TO:** GOVERNING BOARD  
**FROM:** CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER  
**STAFF:** JENNY SCANLIN, SENIOR OPERATIONS OFFICER  
JOSH ROHMER, ACTING PROJECT MANAGER

CT1030  
ROPS # N/A

**SUBJECT:** **YWCA JOB CORPS/URBAN CAMPUS – SUBORDINATION AGREEMENTS.**  
Two subordination agreements with the Department of Housing and Community Development for the previously approved 200-room affordable housing project and vocational center at 1016-1032 South Olive Street in the City Center Redevelopment Project Area.  
(SD 1; CD14)

**RECOMMENDATION**

That the Governing Board authorize the Chief Executive Officer (“CEO”) or designee to negotiate and execute:

1. A subordination agreement with the Department of Housing and Community Development of the State of California (“HCD”) for an Emergency Housing and Assistance Program (“EHAP”) loan; and
2. A subordination agreement with HCD for a Multifamily Housing Program (“MHP”) loan.

**SUMMARY**

On May 19, 2005, the Former Agency Board of Commissioners approved various actions related to a \$2,000,000 grant governed by an Owner Participation Agreement (“OPA”) with The Young Women’s Christian Association of Greater Los Angeles (“YWCA”) to allow for the development of the proposed YWCA Job Corps Residential Facility (“Project”). The Project encompasses the construction of a 7-story, 154,000 square foot facility containing 200 double-occupancy rooms of affordable housing for students, including communal facilities such as lounge areas and study spaces, a wellness clinic, a library, 8,000 square feet of classroom space, and 10,000 square feet of administration space. The Project was completed in March 2012.

Approval of the recommended actions will allow for the subordination of the CRA/LA’s affordability covenants to HCD’s construction and permanent loans to be provided to Project. HCD is providing two separate permanent loans to the YWCA for the Project. The MHP loan is a permanent loan, and the EHAP loan is a construction/permanent loan; both are scheduled to fund in Fall 2012. To comply with HCD’s requirements, the YWCA has requested that the CRA/LA agreement containing covenants be subordinated to both the EHAP and MHP loan documents.

## **DISCUSSION & BACKGROUND**

### **Developer and Project**

The YWCA has been providing services to women of diverse ethnic origins, faiths, ages, and experience for over 150 years, while the YWCA Job Corps program has provided services to 16-24 year old men and women in downtown Los Angeles since 1964. Over the last several years, the YWCA acquired land on Olive Street between Olympic Boulevard and 11st Street to construct an urban campus to consolidate its housing programs and replace older, physically obsolete residential and training facilities with a newer campus environment. (Attachment A)

The recently-completed Project provides an environment designed specifically for young adults engaged in an active training program that will enable them to enter the labor force and secure sustainable employment. The Project provides housing for 400 students, healthcare, vocational classes, and administrative support.

### **Subordination**

Subordination of the CRA/LA housing covenants and use restrictions is required by HCD as a condition of funding its MHP and EHAP construction and permanent loans. Prior to agreeing to such subordination, the CRA/LA will require that the Subordination Agreement contains notice and cure provisions which reasonably protect the CRA/LA's covenant in the event of the Developer's default under any of the senior loans.

## **ENFORCEABLE OBLIGATION**

The funds for this Project have already been completely disbursed. The Project remains an Enforceable Obligation for monitoring of construction, issuance of a certificate of completion and other requirements.

## **SOURCE OF FUNDS**

No additional funds are required for this action.

## **BASIS FOR APPROVAL OF THE RECOMMENDATION**

The recommended actions relate to an enforceable obligation, namely the Owner Participation Agreement and related instruments which were entered into by the Former Agency in 2005, and will facilitate completion of the contracted work by conforming to the requirements of the other funding sources.

## **ROPS AND ADMINISTRATIVE BUDGET IMPACT**

Not listed in ROPS.

## **ENVIRONMENTAL REVIEW**

In accordance with the California Environmental Quality Act (CEQA), and State and Agency Guidelines pursuant thereto, CRA/LA staff caused to be prepared an Initial Study and Mitigated

Negative Declaration (MND) for the proposed project. The Initial Study and MND were made available to the public for review and comment for a 30-day period from March 21, 2005 through April 19, 2005. CRA/LA Board Resolution No. 6872 adopted the MND for the project on May 19, 2005.

No further environmental review is required pursuant to Section 15162 of CEQA.

**AUTHORITY GRANTED TO CEO OR DESIGNEE**

If the recommended actions are approved, the CEO or designee would be authorized to take such actions as may be necessary to carry out two subordination agreements, including but not limited to, executing said subordination agreements with HCD.

Christine Essel  
Chief Executive Officer

By:



David Riccitiello  
Chief Operating Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

**ATTACHMENT**

Attachment A - Site Map

 1020 S. Olive St.  
Los Angeles  
APN: 5139 - 012 - 001 - 009  
and 5139 - 011 - 012

ATTACHMENT A

