

## MOTION

On February 25, 2022, the Council and Mayor approved funding for the development of Miramar Gold (C.F. No. 22-0167) located at 1434 Miramar Street (Project). The Project will be developed by West Hollywood Community Housing Corporation (WHCHC) and consist of 94 affordable housing units, including 47 supportive housing units. On June 15, 2022, the Project was awarded a federal annual allocation of low-income housing tax credits in the amount of \$1,981,106. Subsequently, the developer obtained construction cost bids and the final bid was approximately \$6.2 million higher than originally budgeted. Additionally, the increases in interest rates are forcing the private lender to add a cushion to the blended rate, further impacting the Project's budget.

To help mitigate the funding gap, WHCHC has approached all of the Project's lenders to increase the previously approved funding amounts. The private permanent loan will be greater by increasing the targeted rents for the non-supportive housing units to 60 percent Area Median Income. WHCHC has secured a private donor contribution in the amount of \$2 million. Additionally, the Los Angeles County Community Development Authority is increasing its funding commitment.

LAHD seeks authority to increase its loan to the developer by \$2,771,075 to \$13,806,150, reduce the interest rate, and amend the Project's income mix to help address the Project's funding shortfall. To accommodate this funding request, the Department recommends that the funding commitment for WHCHC's Third Thyme project be reduced by this amount. The redirection of funds will allow Miramar Gold to close its construction financing while WHCHC seeks replacement funding from other entities to close Third Thyme by March 2023.

I THEREFORE MOVE that the City Council, subject to the approval of the Mayor, authorize the General Manager of the Los Angeles Housing Department (LAHD), or designee, to:

1. Increase funding for the Miramar Gold Apartments located at 1434 Miramar Street (Project) by \$2,771,075 from \$11,035,075 to \$13,806,150.
2. De-obligate funds as noted below

Project Name	Fund No	Account	Amount
	HOME		
Third Thyme	561	43S800	\$2,771,075

And obligate funds as noted below

Project Name	Fund No	Account	Amount
	HOME		
Miramar Gold	561	43S800	\$2,771,075

3. Approve the Project's revised unit mix to include 44 non-supportive housing units at 60 percent AMI.

PRESENTED BY:

  
GILBERT A. CEDILLO  
Councilmember, 1<sup>st</sup> District

SECONDED BY:



SEP 23 2022



ORIGINAL