



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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MEMORANDUM

TO: The Governing Board

FROM:  Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Officer

DATE: May 6, 2009

SUBJECT: **Agenda Item XII: Consideration of resolution authorizing acceptance and repayment of private loans used to make option payments on the six lots under contract at the southwest corner of Laurel Canyon Boulevard and Mulholland Drive in Hollywood.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing acceptance and repayment of private loans used to make option payments on the six lots under contract at the southwest corner of Laurel Canyon Boulevard and Mulholland Drive in Hollywood.

Background: The Mountains Recreation and Conservation Authority (MRCA) has had the six acres of open space at the intersection of Mulholland Drive and Laurel Canyon Boulevard under option since December 2007. Staff was not able to make the April \$25,000 option payment. However, a community member and frequent donor to the acquisition campaign came forward in April to risk \$9,500 on the hope that the MRCA would repay that loan based on the expected City approval of substantial funding to the MRCA in late April. The lender understood the risks.

On May 1st the City Council is agendized to vote on two Weiss-Greuel motions to contribute an additional \$97,513 to the acquisition. This funding will cover a June \$25,000 option payment, cover \$9,500 owed on the May payment, and will secure an additional conservation easement not contemplated until last month. The funding will also extend the option period into mid-July.

The proposed action would authorize repayment of the \$9,500 advance. The proposed action would also authorize repayment of future loans to pay for the property wholly contingent upon the MRCA receiving the specific project funding to reimburse the advanced funds. An additional private loan may be critical to make the May payment while the City funds are being directed to the MRCA.