



Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / www.VeniceNC.org
Email: info@VeniceNC.org / Phone or Fax: 310.606.2015



March 1, 2009

Secretary Shaun Donovan
U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

Re: HUD-Held Mortgages of Breezes Del Mar Apartments

Dear Secretary Donovan:

I write to inform you of the following motion passed by the Venice Neighborhood Council on February 17, 2009:

Whereas the Venice Neighborhood Council (VNC) Board on August 19, 2008 heard an "urgent" request for support of prepayment and early termination of the HUD-held mortgages that were used for the purchase of Breezes Del Mar Apartments (formerly Holiday Venice Apartments). This "urgent" request was referred to a VNC Land Use and Planning Committee (LUPC) meeting scheduled for October 8, 2008, to be followed by Board action on October 21, 2008 and

Whereas representatives of Breezes Del Mar Apartments did not appear at the LUPC meeting nor at subsequent meetings of the VNC and

Whereas Breezes Del Mar Apartments (Holiday Venice Apartments) receives supplemental income from low-income tenants in the form of Section 8 vouchers (and is therefore a critical affordable housing resource in Venice) and early prepayment of its mortgages could jeopardize the continued existence of this critical resource and

Whereas Breezes Del Mar's HUD-held mortgages fall under HUD's 236 Program, which suggests that early termination of the mortgages is prohibited unless there is no longer a need for affordable housing in the area (a need amply demonstrated by the waiting list of applicants using Section-8 vouchers for apartments at Breezes Del Mar Apartments) and

Whereas Congresswoman Jane Harman and Senator Barbara Boxer sent a letter on December 8, 2008 to the Secretary of Housing and Urban Development urging the Department to deny the request for early prepayment of its mortgages (See Appendix)



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Therefore be it Resolved that the Venice Neighborhood Council Board join with Representative Harman and Senator Boxer in urging the Secretary of Housing and

Urban Development to deny early prepayment of its mortgages to the Owners of Breezes Del Mar Apartments and

Be it Further Resolved that this resolution be transmitted to the Secretary of the Department of Housing and Urban Development, Senator Barbara Boxer, Congresswoman Jane Harman, LA County Supervisor Zev Yaroslavsky, Los Angeles Mayor Antonio Villaraigosa, Los Angeles City Councilman Bill Rosendahl, and Monique Lawles (owners' representative of Breezes Del Mar Apartments)

Sincerely,

Mike Newhouse
President
Venice Neighborhood Council

Cc: Senator Barbara Boxer
Congresswoman Jane Harman
Supervisor Zev Yaroslavsky
Mayor Antonio Villaraigosa
Councilman Bill Rosendahl
Monique Lawshe
Secretary@VeniceNC.org

United States Senate

HART SENATE OFFICE BUILDING
SUITE 112
WASHINGTON, DC 20510-0505
(202) 224-3553
<http://boxer.senate.gov/contact>

December 1, 2008

The Honorable Steve Preston
Secretary of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410-0001

Re: Holiday Venice, FHA Project Nos. 122-58501-08 and 122-58514-19

Dear Mr. Secretary:

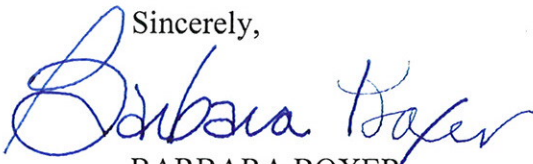
We recently learned that the owner of the Holiday Venice Apartments, a 246-unit federally assisted affordable housing development in the Oakwood neighborhood of Venice, California has applied to HUD for permission to prepay the HUD-held mortgages on those properties. Because these mortgages fall under the HUD 236 Program, we are concerned about the proposal's impact on the availability of affordable housing in the community.

This development is a critical source of affordable housing for seniors and minority families. Prepayment could put into jeopardy the status of the units' affordability and housing for more than 1,000 Holiday Venice tenants.

We understand that in order for HUD to approve prepayment the development must demonstrate that there is no longer a need for affordable housing in the area. This is directly disputed by the fact that Holiday Venice has an active waitlist, which underlines the necessity of affordable housing in this coastal neighborhood. Also, when the current owners acquired Holiday Venice in 1999, they formally agreed that they would not seek prepayment of any of the mortgages before their maturity.

The owners previously sought prepayment of the mortgages in 2001 and earlier this year. Both proposals were denied and, in the 2001 decision, HUD acknowledged that prepayment would violate the owner's contractual agreements and rightfully rejected the owner's request. We see nothing new right now which should change that decision. As a matter of fact, given the terrible recession, such a move could be extremely hurtful.

Sincerely,



BARBARA BOXER
United States Senator



JANE HARMAN
Member of Congress