

MOTION

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On June 28, 2022 the Mayor approved Council File 21-0550-S1 which awarded \$800,000 in supplemental funds to the Vermont Corridor Apartments ("The Project"), a 72 unit, permanent supportive housing (PSH) apartment complex located at 433 South Vermont Avenue in Council District 10. The supplemental funds were a result of the construction supplemental Notice of Funding Availability (NOFA) which LAHD made available to assist affordable and supportive housing projects experiencing financial challenges.

The initial \$800,000 in supplemental funding was composed of HOME funds from the Los Angeles Housing Department (LAHD). Not including the supplemental funds, the project currently has \$8,700,000 in LAHD funding made up of: \$7,200,000 in Proposition HHH Permanent Supportive Housing Loan Program funds and \$1,500,000 Low-Moderate Income Housing Financing (LMIHF). The Project has completed construction and is now seeking to convert its construction financing to permanent financing. Achieving the permanent financing milestone is also when the \$800,000 in supplemental funding were to be made available to the Project.

To be consistent with LAHD's current funding sources for the Project, the Department recommends switching the \$800,000 in supplemental HOME funds for \$800,000 in LMIHF funds. Since the Project does not currently have HOME funds as a financial source, a new loan agreement would need to be drafted to accommodate the HOME funds as well as an additional environmental clearance conducted. In incorporating this new funding source, the project risks missing milestones and delaying the conversion process.

I THEREFORE MOVE that the City Council, subject to the approval of the Mayor,

AUTHORIZE the Controller to:

- a) Increase appropriation account 43P681 - 433 Vermont Apartments by \$800,000 from the available cash balance within the Low and Moderate Income Housing Fund 55J/43.
- b) Prepare Controller Instructions and make any necessary technical adjustments consistent with Mayor and City Council action on this matter, subject to approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.
- c) Deobligate \$800,000 in HOME funding for Vermont Corridor Apartments 561/ 43 43S800.
- d) Increase appropriation account 43P681 - 433 Vermont Apartments by \$800,000 from the available cash balance within the Low and Moderate Income Housing Fund 55J/43.

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- e) Prepare Controller Instructions and make any necessary technical adjustments consistent with Mayor and City Council action on this matter, subject to approval of the CAO, and instruct the Controller to implement the instructions.

PRESENTED BY:



NITHYA RAMAN

Councilmember, 4th District

SECONDED BY:



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