

0220-05151-0523

**T R A N S M I T T A L**

|  |  |                             |
|--|--|-----------------------------|
| TO<br>The City Council   | DATE<br>02-01-24                             | COUNCIL FILE NO.<br>17-0090 |
| FROM<br>The Proposition HHH Administrative Oversight Committee | COUNCIL DISTRICT<br>3, 6, 8, 10, 13, 14 & 15 |                             |

At its meeting on February 1, 2024, the Proposition HHH (Prop HHH) Administrative Oversight Committee (AOC) considered the attached report from the Los Angeles Housing Department (LAHD) relative to a request for the extension of the Prop HHH funding commitment, which is hereby transmitted for Council consideration.

**RECOMMENDATION**

The Prop HHH AOC recommends that the City Council, subject to the approval of the Mayor, AUTHORIZE the Los Angeles Housing Department (LAHD) to issue an extension to the Prop HHH Funding Commitment letter for the projects listed in Table 1 of the attached report, except for the Loma Verde project which no longer requires an extension.

  
for Matthew W. Szabo

City Administrative Officer  
Chair, Proposition HHH Administrative Oversight Committee

MSW:YC:VES:MC:02240072  
Attachment: LAHD Report Dated January 19, 2024

CAO 649-d

Ann Sewill, General Manager  
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager  
Anna E. Ortega, Assistant General Manager  
Luz C. Santiago, Assistant General Manager

City of Los Angeles




Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT  
1200 West 7th Street, 9th Floor  
Los Angeles, CA 90017  
Tel: 213.808.8808  
housing.lacity.org

INTER-DEPARTMENTAL MEMORANDUM

TO: PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE

FROM: ANN SEWILL, GENERAL MANAGER  Digitally signed by Ann Sewill  
Date: 2023.12.19 15:10:02 -08'00'

LOS ANGELES HOUSING DEPARTMENT, FORMERLY LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT

DATE: JANUARY 19, 2024

REGARDING: PROPOSITION HHH PERMANENT SUPPORTIVE HOUSING LOAN PROGRAM – HHH COMMITMENT EXTENSION RECOMMENDATION

**SUMMARY**

The Los Angeles Housing Department (LAHD) issued commitment letters to Proposition HHH Permanent Supportive Housing Loan Program and HHH Housing Challenge projects. The projects described herein will not be able to meet their target closing date before the expiration of their funding commitment letter.

Through this report, LAHD requests that the City Council and the Mayor authorize the extension of the HHH funding commitment for five (5) Proposition HHH Permanent Supportive Housing Loan Program projects and six (6) Housing Challenge projects (see Table 1).

**RECOMMENDATIONS**

- I. The General Manager of LAHD respectfully requests that the Proposition HHH Citizens Oversight Committee (COC) recommend to the Proposition HHH Administrative Oversight Committee (AOC), for further consideration by the City Council and the Mayor, to address the following action:
  - A. AUTHORIZE LAHD to issue an extension to the HHH Funding Commitment letter for the projects identified in Table 1 of this report.

TABLE 1: Project Requesting HHH Commitment Letter Extension

| No. | Project Name                            | Project Address    | Council District | Total Units | Total HHH Loan Amount | Current Extension Date | Recommended Commitment Extension Date |
|-----|---|--------------------|------------------|-------------|-----------------------|------------------------|---------------------------------------|
| 1.  | SOLA at 87 <sup>th</sup>                | 8707 S Western Ave | 8                | 160         | \$9,000,000           | 7/31/2024              | 7/31/2025                             |
| 2.  | Chavez Gardens (fka Chavez and Fickett) | 338 N Mathews St   | 14               | 110         | \$6,300,000           | 7/31/2024              | 7/31/2025                             |

| TABLE 1: Project Requesting HHH Commitment Letter Extension |   |                         |                  |             |                       |                        |                                       |
|---|---|-------------------------|------------------|-------------|-----------------------|------------------------|---------------------------------------|
| No.   | Project Name                                      | Project Address         | Council District | Total Units | Total HHH Loan Amount | Current Extension Date | Recommended Commitment Extension Date |
| 3.  | Hope on 6 <sup>th</sup>                           | 576 W 6th St            | 15               | 54          | \$6,040,000           | 7/31/2024              | 7/31/2025                             |
| 4.  | The Main  | 15302 W Rayen St        | 6                | 64          | \$6,795,000           | 7/31/2024              | 7/31/2025                             |
| 5.  | The Rigby   | 15314 W Rayen St        | 6                | 64          | \$6,795,000           | 7/31/2024              | 7/31/2025                             |
| 6.  | New Hampshire PSH                                 | 701-719 S New Hampshire | 10               | 95          | \$12,980,000          | 8/1/2024               | 8/1/2025                              |
| 7.  | 18722 Sherman Way                                 | 18722 Sherman Way       | 3                | 64          | \$6,622,908           | 8/1/2024               | 8/1/2025                              |
| 8.  | Sunnyside (fka RETHINK Housing 62 <sup>nd</sup> ) | 6205 S Normandie Ave    | 8                | 27          | \$3,780,000           | 8/1/2024               | 8/1/2025                              |
| 9.  | Loma Verde (fka RETHINK Housing Westlake)         | 405 N Westlake          | 13               | 19          | \$2,660,000           | 8/1/2024               | 8/1/2025                              |
| 10.   | Safe Harbor 1 (fka West Anaheim/PSH 3)            | 724-728 Lagoon          | 15               | 50          | \$4,900,000           | 8/1/2024               | 8/1/2025                              |
| 11.   | Safe Harbor 2 (fka Lagoon/PSH 5)                  | 828 W Anaheim St        | 15               | 40          | \$3,900,000           | 8/1/2024               | 8/1/2025                              |
|   |   |                         |                  | <b>747</b>  | <b>\$69,772,908</b>   |                        |                                       |

## **BACKGROUND**

Recipients of the HHH funding commitment received a 24-month conditional commitment. The commitment expires if the project does not obtain all the required financial and legal approvals necessary for construction loan closing within 24 months of the date of funding award.

On April 17, 2020, in response to the COVID-19 virus, the Mayor tolled and suspended the commitment expiration dates contained within all HHH Commitment Letters (Attachment A). On February 1, 2023, the City Council lifted the COVID-related local State of Emergency declaration, thereby lifting the Mayor’s Public Order dated April 17, 2020 (Mayor’s Tolling Order), which provided the tolling (or suspension) of all LAHD financing and predevelopment deadlines (Attachment B).

Per the declaration and lift of the Mayor’s Public Order, LAHD extended the expiration date for HHH projects by the “Tolling Period” of 1,020 days. The “Tolling Period” is defined as the number of days between the date that the Mayor’s Tolling Order became effective (April 17, 2020) and the date the order was lifted (February 1, 2023), inclusive of the end date. Therefore, based on the original expiration date and an extension of 1,020 days, the new expiration date for the for five (5) Proposition HHH Permanent Supportive Housing Loan Program projects and six (6) Housing Challenge projects falls between January 3, 2024 and August 1, 2024.

One (1) project received a TCAC award in July 2023 and expects to close its construction loan in January 2024. Two (2) projects have applied to TCAC and expect to receive an award in November 2023. If awarded, each project will have six months to close its construction loan. The remaining eight (8) projects expect to secure additional funding sources. Once awarded, the projects will have six months to close their construction loans.

Table 1, above, lists the projects requesting an extension of their HHH funding commitment. LAHD recommends that these projects receive the requested HHH funding commitment extensions.

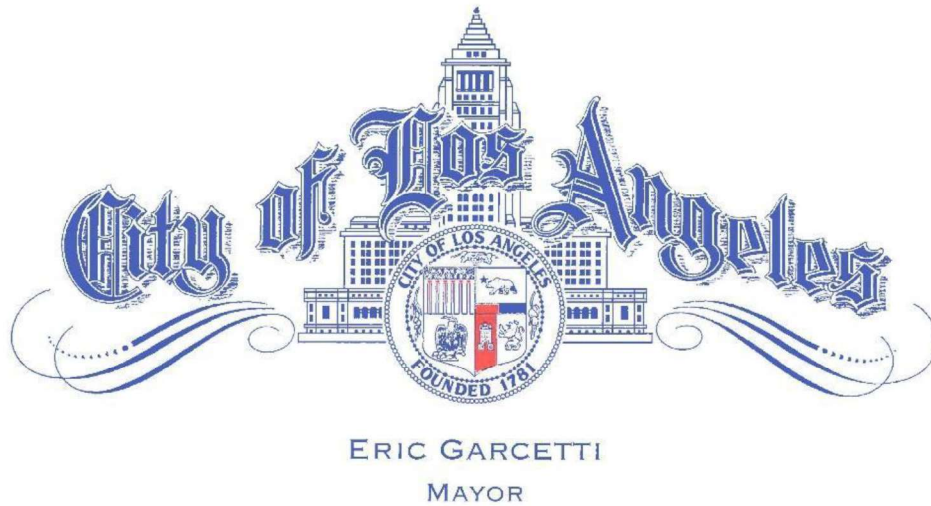
Fiscal Impact

There is no impact to the General Fund.

ATTACHMENTS:

Attachment A: Public Order Under City of Los Angeles Emergency Authority

Attachment B: Applicable LAHD Deadlines After Tolling Order Lifted



**Public Order Under City of Los Angeles Emergency Authority**

**Issue Date: April 17, 2020**

**Subject: Tolling HCIDLA Deadlines and Revising Expiration of Emergency Orders**

To further aid in our efforts to slow the spread of the COVID-19 virus, by virtue of authority vested in me as Mayor of the City of Los Angeles under the provisions of the Los Angeles Administrative Code, Chapter 3, Section 8.29 to promulgate, issue, and enforce emergency rules, regulations, orders, and directives, I hereby declare the following order to be necessary for the protection of life and property and I hereby order, effective immediately and until the end of the emergency period, that:

All deadlines prescribed by the Los Angeles Housing and Community Investment Department (HCIDLA) related to the financing and predevelopment activities necessary to develop or rehabilitate affordable and supportive housing shall be tolled and suspended until further notice. This will ensure development of affordable housing can continue within the limits of the Safer At Home order, and after the emergency has ended, without penalties caused by missed deadlines.

This order shall apply, without limitation, to the following non-exhaustive list of circumstances:

1. Exclusive Negotiation Agreements: During the effective period of this order, toll the term of Exclusive Negotiation Agreements and all deadlines contained within them.
2. Site Control: During the effective period of this order, toll the deadline to demonstrate site control as required by the Mayor's Housing Innovation Challenge.

3. Schedule of Performance: During the effective period of this order, toll all dates contained within executed Term Sheets and Disposition and Development Agreements.

4. Funding Commitments: During the effective period of this order, toll the commitment expiration dates contained within all HHH Commitment Letters and Managed Pipeline Commitment Letters.

HCIDLA is authorized to hold public hearings prescribed by the Tax Equity and Fiscal Responsibility Act (TEFRA) in a manner consistent with the Governor's Executive Order N-29-20, and any subsequent orders or published guidance, pertaining to local bodies.

Nothing in this Order prohibits HCIDLA from continuing to process applications in a reasonable and timely manner.

This Order is subject to any applicable superseding State and Federal deadlines, including but not limited to, deadlines related to Federal and State bond inducement, TEFRA, or issuance resolutions.

**Order Extending the Expirations of Prior Orders**

The expiration of the City of Los Angeles public emergency orders, dated March 15, 21, and 23, 2020, are hereby extended until the end of the local emergency period.



Eric Garcetti, MAYOR

Dated: April 17, 2020 at Los Angeles, California

Time: 6:30pm

Filed with the City Clerk

Date: \_\_\_\_\_

Time: \_\_\_\_\_

By: \_\_\_\_\_



**Issue Date:** March 14, 2023

**RE: Applicable LAHD (formerly HCIDLA) Deadlines After Tolling Order Lifted**

The Los Angeles City Council recently took action to lift the State of Emergency declaration as of February 1, 2023. As a result, the Mayor's Public Order dated April 17, 2020, addressing the Los Angeles Housing Department (LAHD, formerly HCIDLA) financing and predevelopment deadlines was rescinded, and the tolling and suspension of all LAHD deadlines related to financing and predevelopment activities necessary to develop or rehabilitate affordable and supportive housing was lifted. Except with respect to the Housing Innovation Challenge program deadlines discussed below, effective as of February 1, 2023, each applicable deadline related to financing and predevelopment activities necessary to develop or rehabilitate affordable and supportive housing are no longer suspended. Developers are encouraged to review the original deadlines associated with their financing as they existed on April 17, 2020 and apply those timelines starting as of February 1, 2023.

Notwithstanding the foregoing, projects that are a part of the Housing Innovation Challenge program shall now have until February 1, 2024, to secure all financial commitments and August 1, 2024, to close on construction financing.

Please reach out to the assigned financial development officer at LAHD for further questions or clarifications.

Sincerely,

A handwritten signature in black ink that reads 'Karen Bass'. The signature is fluid and cursive, with the first name 'Karen' and last name 'Bass' clearly distinguishable.

Mayor Karen Bass

