

## TRANSMITTAL

To: **THE COUNCIL**

Date: **03/20/2025**

From: **THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**

A handwritten signature in black ink, appearing to read 'Carolyn Webb de Macias', is centered on the page.

(Carolyn Webb de Macias for)

**KAREN BASS**

**Mayor**

City of Los Angeles

Tiena Johnson Hall, General Manager  
Tricia Keane, Executive Officer

Anna E. Ortega, Assistant General Manager  
Luz C. Santiago, Assistant General Manager  
Craig Arceneaux, Acting Assistant General Manager



Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT  
1910 Sunset Blvd, Ste 300  
Los Angeles, CA 90026  
Tel: 213.808.8808

[housing.lacity.gov](http://housing.lacity.gov)

March 4, 2025

Council File: 22-0876  
Council Districts: Citywide  
Contact Persons: Timothy Elliott: (213) 808-5877  
Elizabeth Selby: (213) 256-2336

Honorable Karen Bass  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

Attention: Thomas Arechiga, Legislative Coordinator

**COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REQUEST FOR AUTHORITY TO EXTEND FINANCING COMMITMENTS TO AFFORDABLE HOUSING MANAGED PIPELINE (AHMP) PROJECTS FOR AN ADDITIONAL ONE-YEAR TERM, AND AUTHORITY TO ISSUE SUPPORT LETTERS TO EXISTING AHMP PROJECTS APPLYING TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE IN 2025 OR HCD MULTIFAMILY SUPER NOFA, AND VARIOUS ACTIONS RELATED TO OTHER EXISTING AHMP PROJECTS**

**SUMMARY**

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, LAHD requests authority to extend financial commitments for previously approved Affordable Housing Managed Pipeline (AHMP) projects, to ensure that projects admitted to the Pipeline are guaranteed the City's financial commitment.

Four (4) projects from the 2021 and 2022 AHMP NOFA cycles have been admitted into the pipeline, but will not be able to meet their target closing date before the expiration of their funding commitment letter. Locke Lofts and Menlo Avenue Apartments project both require LAHD-issued commitment letters.

**RECOMMENDATIONS**

- I. That the Mayor review this transmittal and forward to the City Council for further action;
- II. That the City Council, subject to the approval of the Mayor:

- A. AUTHORIZE the General Manager of LAHD, or designee, to issue an extension to the AHMP funding commitment letter for the projects identified in Table 1 of this report;

TABLE 1: Projects Requesting Commitment Letter Extension							
No.	Project Name	Project Address	Council District	Total Units	Total AHMP Amount	Current Extension Date	Recommended Commitment Extension Date
1	Grace Villas	224 S Avenue 24 Los Angeles, CA 90031	1	48	\$ 5,706,050	6/28/2024	9/28/2025
2	Locke Lofts	345 N Madison Ave Los Angeles, CA 90004	13	148	\$ 12,995,146	4/25/2025	4/25/2026
3	Menlo Avenue Apartments	1224 S Menlo Ave Los Angeles, CA 90006	1	127	\$ 6,300,000	12/3/2023	12/3/2025
4	Oune House	545 S San Julian St Los Angeles, CA 90013	14	57	\$ 7,056,000	6/31/2025	6/31/2026
	<b>TOTAL</b>			<b>380</b>	<b>\$ 32,057,196</b>		

- B. AUTHORIZE the General Manager of LAHD, or designee, to issue a funding recommendation letter for Locke Lofts and Menlo Avenue Apartments, as identified in Table 2 of this report, subject to the following conditions:
- i. The final funding commitment will not exceed the amount listed;
  - ii. The project sponsor must apply to the California Tax Credit Allocation Committee (CTCAC) in the next available Low Income Housing Tax Credit allocation round; and
  - iii. The disbursement of LAHD funds will occur only after the sponsor obtains enforceable commitments for all proposed funding.
- C. AUTHORIZE the General Manager of LAHD, or designee, subject to review and approval of the City Attorney as to form, to negotiate and execute, or amend, an acquisition/ predevelopment/ construction/ permanent loan agreement and supporting documents with the legal owner of each applicable project identified in Table 1, which receives awards from the proposed leveraging sources, subject to the satisfaction of all conditions and criteria contained in the LAHD Pipeline application, this transmittal, and the LAHD Award Letter (if applicable);
- D. AUTHORIZE the General Manager of LAHD, or designee, to execute subordinate agreements of the City's financial commitment, wherein the City Loan and Regulatory Agreements are subordinated to their respective conventional or municipally funded construction and permanent loans, as required;
- E. AUTHORIZE the General Manager of LAHD, or designee, to allow the transfer of the City's financial commitment to a limited partnership or other legal entity formed solely for the purpose of owning and operating the project in accordance with City and federal requirements;

- F. AUTHORIZE the General Manager of LAHD, or designee, to issue CTCAC tie-breaker letters to the 9% LIHTC projects in the Geographic Apportionment set-aside;
- G. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions;
- H. AUTHORIZE the General Manager of LAHD, or designee to
- i. Obligate and disburse funds for the projects below:

Table 2: Funding Recommendations			
Project Name	Fund Name/No	Appr Acct/Name	Amount
	<b>HOME</b>		
Grace Villas	HOME/561	43V800 - Affordable Housing Managed Pipeline	\$754,136
Grace Villas	HOME/561	43W800 - Affordable Housing Managed Pipeline	\$4,951,914
Menlo Avenue Apts	HOME/561	43W800 - Affordable Housing Managed Pipeline	\$ 6,300,000
Oune House	HOME/561	43Y800 – Affordable Housing Managed Pipeline	\$(4,342,041)
Oune House	HOME/561	43Y800 – Affordable Housing Managed Pipeline	\$ 6,951,349
<b>Sub-Total</b>			<b>\$ 14,615,358</b>
	<b>Senate Bill 2</b>		
Oune House	SB2/64R	43A724 – Rental Preservation	\$104,651.00
Oune House	SB2/64R	43W723 – Rental New Construction	\$ (2,713,959.00)
Locke Lofts	SB2/64R	43A723 – Rental New Construction	\$ 3,990,794.00
Locke Lofts	SB2/64R	43W723 – Rental New Construction	\$ 9,004,352.00
11604 Vanowen	SB2/64R	43W723 – Rental New Construction	\$ (343,004.12)
11604 Vanowen	SB2/64R	43A723 - Rental New Construction	\$ 343,004.12
Orange Delongpre/Prisma	SB2/64R	43W723 – Rental New Construction	\$(3,000,000.00)
Orange Delongpre/Prisma	SB2/64R	43A723 - Rental New Construction	\$ 3,000,000.00
<b>Sub-Total</b>			<b>\$ 10,385,838.00</b>
<b>TOTAL</b>			<b>\$ 25,001,196.00</b>

- I. Authorize the Controller to establish a new account 43A010 - Affordable Housing Trust Prior Year and increase/(decrease) the following accounts within the HOME Investment Partnership Program Fund No. 561.

Account	Account Name	Amount
43N628	Technical RFP Year 1	(13,000.00)
43N844	Technical Service	(80,000.00)

43P143	Housing and Community Investment	(205,431.09)
43P299	Reimbursement of General Fund Costs	(211,505.65)
43R594	Environmental Consultant	(78,207.62)
43R722	Technical Contracts	(123,731.02)
43R143	Housing and Community Investment	(1,088,426.93)
43R243	Occupancy Monitoring	(18.40)
43R299	Reimbursement of General Fund Costs	(490,021.76)
43R844	Technical Service	(282,363.00)
43S143	Housing and Community Investment	(1,346,370.12)
43S243	Occupancy Monitoring	(45,000.00)
43S299	Reimbursement of General Fund Costs	(363,356.51)
43S594	Environmental Consultant	(8,103.20)
43S722	Technical Contracts	(2,000.00)
43S844	Technical Service	(120,000.00)
43T143	Housing and Community Investment	(15,796.47)
43T158	Unappropriated Balance	(402,290.00)
43T166	Personnel	(1,580.55)
43T299	Reimbursement of General Fund Costs	(204,364.80)
43A010	Affordable Housing Trust – Prior Year	5,081,567.12
	<b>Total:</b>	<b>0.00</b>

- J. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions;

### **BACKGROUND**

One of the most important features of the AHMP program is the ability to leverage and attract the investment dollars of other public and private entities for the development of affordable housing with the City, based on the ability to coordinate the development process of AHMP projects. In order to obtain additional sources of funding at the state-level at the time of the application deadline, the aforementioned projects must complete their capital stack, demonstrating financial commitments, including their local jurisdiction award. The

construction completion and ultimate occupancy of these units hinges on the City's timely disbursement of these funds.

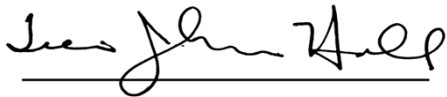
Recipients of the AHMP funding commitment receive a 12-month conditional commitment. The commitment expires if the project does not obtain all the required financial and legal approvals necessary for construction loan closing within 12 months of the date of the funding award.

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

**FISCAL IMPACT**

There is no impact to the General Fund.

Approved By:

A handwritten signature in black ink, appearing to read "Tiena Johnson Hall", is written over a horizontal line.

TIENA JOHNSON HALL  
General Manager  
Los Angeles Housing Department