

0220-05151-0059

TRANSMITTAL

TO The City Council	DATE 10-29-18	COUNCIL FILE NO. 17-0090
FROM Richard H. Llewellyn, Jr., City Administrative Officer		COUNCIL DISTRICT ALL

At its October 25, 2018 meeting, the Proposition HHH (Prop HHH) Administrative Oversight Committee (AOC) considered the attached report from the City Administrative Officer and the Housing and Community Investment Department regarding the Prop HHHH Fiscal Year 2017-18 Quarterly Report (July 1 – September 30, 2018).

The AOC recommends that the City Council note and file this report inasmuch as no action is requested at this time.



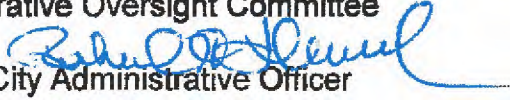
Richard H. Llewellyn, Jr.
City Administrative Officer
Chair, Proposition HHH Administrative Oversight Committee

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 22, 2018

To: Proposition HHH Administrative Oversight Committee

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Subject: **COMMUNICATION FROM THE PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE RELATIVE TO A REPORT FROM THE CITY ADMINISTRATIVE OFFICER AND THE HOUSING AND COMMUNITY INVESTMENT DEPARTMENT ON THE QUARTERLY REPORT FOR THE PROPOSITION HHH FISCAL YEAR 2017-18 BOND ISSUANCE (JULY 1 – SEPTEMBER 30, 2018)**

RECOMMENDATIONS

That the Proposition HHH Administrative Oversight Committee forward the report to the City Council with the recommendation that it be received and filed inasmuch as no action is requested at this time.

SUMMARY

The Proposition HHH (Prop HHH) Citizens Oversight Committee (COC) held a meeting on Friday, October 19, 2018. The attached report from the City Administrative Officer (CAO) and the Housing and Community Investment Department (HCID) relative to the Quarterly Report for the Prop HHH Fiscal Year 2017-18 Bond Issuance (July 1 – September 30, 2018) was considered and forwarded to the Administrative Oversight Committee for review.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 17, 2018

To: Proposition HHH Citizens Oversight Committee

From: Office of the City Administrative Officer

Housing and Community Investment Department

**Subject: QUARTERLY REPORT – FISCAL YEAR 2017-18 PROPOSITION HHH
BOND ISSUANCE (JULY 1 – SEPTEMBER 30, 2018)**

RECOMMENDATION

That the Citizens Oversight Committee (COC) review the Quarterly Report for the Fiscal Year 2017-18 Proposition HHH Bond Issuance (July 1 – September 30, 2018) and forward the report to the Administrative Oversight Committee (AOC).

SUMMARY

The first Proposition HHH (Prop HHH) bond issuance in Fiscal Year (FY) 2017-18 of \$89,739,879 included \$87,879,381 for nine (9) projects under the Prop HHH Permanent Supportive Housing (PSH) Loan Program and four (4) projects under the Prop HHH Facilities Program. An additional \$1,203,933 was included for staff costs (C.F. 17-0090).

This report describes items of note for Prop HHH projects approved in this first issuance. The attached Quarterly Report provides the following information for each Prop HHH project:

- **Project Information:**
 - Project name, developer, address and council district, population served;
 - Total number of units, number of PSH units, units for chronically homeless, affordable units, manager units, and non-HHH funded units (PSH Loan Program projects only); and
 - Project type (Facilities Program projects only).
- **Prop HHH Project Award Amount;**
- **Total Development Cost;**
- **Loan Agreement Execution Date (PSH Loan Program projects only) and Contract Execution Date (Facilities Program projects only);**
- **Commitment Date (PSH Loan Program projects only);**
- **Cost Per Unit (PSH Loan Program projects only);**
- **Construction Start Date;**
- **Construction Completion Date;**

- Permanent Loan Conversion Date (PSH Loan Program projects only);
- Prop HHH Quarterly Expenditures and Fiscal Year Totals; and
- Notes (outlining delays, concerns, etc.).

PROPOSITION HHH STATUS REPORT – ITEMS OF NOTE

Proposition HHH Permanent Supportive Housing Program

- As of September 30, 2018, \$5,794,521 (8%) has been expended on Prop HHH PSH Loan Program projects.
- Three (3) projects are under construction:
 - The 88th and Vermont project is 23% complete.
 - The Path Metro Villas project is 19% complete.
 - The 640 Lofts project is 21% complete.
- Loans closed for three (3) projects this quarter:
 - The SP7 Apartments loan closed on September 28, 2018. Construction is expected to start date on October 15, 2018.
 - The Casa del Sol loan closed on September 27, 2018. Construction is expected to start on November 16, 2018.
 - The McCadden Youth/AMRC TAY loan closed on September 24, 2018. The construction start date has been revised to December 2018 from October 2018 due to a necessary Department of Water and Power (DWP) electrical line re-routing that affects this site and neighboring property.
- RISE Apartments experienced delays due to construction cost increases. Community Redevelopment Agency (CRA) Low- and Moderate-Income Housing Funds (LMIHF) have been identified to fill the gap. These funds were approved by the Housing Committee on October 10, 2018 (C.F. 17-1244-S1) and are pending approval by the City Council and Mayor. Loan closing is now estimated for October 22, 2018. The estimated construction start date has been revised from October 2018 to November 30, 2018.
- The FLOR 401 Lofts project received a California Debt Limit Allocation Committee (CDLAC) bond allocation in July 2018, which will fill the previously reported funding gap. The estimated construction start date remains December 2018.
- The Pointe on Vermont project's CDLAC bond allocation was delayed to December 2018 due to funding gaps that will be filled with CRA funds. The new estimated construction start date has been changed to June 2019 from January 2018.

Proposition HHH Facilities Program

- As of September 30, 2018, \$2,032,384 (17%) has been expended on Prop HHH Facilities projects.
- The 88th and Vermont project 23% complete.
- The Joshua House project is 21% complete.
- The South Campus is 10% complete.

- The Council District 8 Navigation Center construction start date has been changed from September 2018 to October 2018 due to required plan check revisions. The previously reported necessary redesign of the DWP power pole has been completed.

Attachment – Proposition HHH Quarterly Report – September 2018

Proposition HHH Quarterly Report - September 2018

Proposition HHH Permanent Supportive Housing (PSH) Loan Program GOB Series 2017-A (Taxable)

Proposition HHH PSH Project	Developer Name	Address	Council District	HHH Project Award	Total Development Cost	Cost Per Unit	Population Served	Total Units	Total PSH Units	Chronic PSH Units	Affordable Units	Non-HHH Funded Units	Manager Units	Commitment Date	Loan Agreement Execution Date	Construction Start Date	Construction Completion Date	Estimated Permanent Loan Conversion Date	Fiscal Year 2017-18 Total	HHH Expenditures FY 18-19 Q1	HHH Expenditures FY 18-19 Q2	HHH Expenditures FY 18-19 Q3	HHH Expenditures FY 18-19 Q4	Fiscal Year 2018-19 Total	Total Amount Expended To Date	Notes
88th and Vermont	WORKS	8730 S. Vermont Avenue, Los Angeles, CA 90044	8	\$ 9,680,000	\$36,285,371 (Original) \$34,069,046 (Estimate)	\$ 549,501	HF, H, I, CH	62	46	23	14	14	2	6/23/2017	03/28/2018 (Actual) 04/02/2018 (Actual)	10/01/2019 (Estimated)	12/30/2019	\$ 838,204	\$ 1,208,783			\$ 1,208,783	\$ 2,046,987	Contract Number: C-131079, Construction Completion is 23%.		
PATH Metro Villas II	PATH Ventures	320 North Madison Avenue, Los Angeles, CA 90004	13	\$ 3,513,721	\$53,717,019 (Original) \$54,278,996 (Estimate)	\$ 444,910	H, HD, I, CH	122	90	46	30	0	2	2/27/2017	12/13/2017 (Actual) 12/20/2017 (Actual)	12/15/2019 (Estimated)	3/14/2020	\$ 2,826,099	\$ 308,397			\$ 308,397	\$ 3,134,496	Contract Number: C-130583, Construction completion is 19%.		
Six Four Nine Lofts	Skid Row Housing Trust	649 S. Wall St., Los Angeles, CA, 90014	14	\$ 5,500,000	\$26,478,534 (Original) \$28,407,343 (Estimate)	\$ 516,497	H, I, CH	55	28	14	26	0	1	9/25/2017	12/19/2017 (Actual) 04/18/2018 (Actual)	08/01/2019 (Estimated)	10/30/2019	\$ -	\$ 613,038			\$ 613,038	\$ 613,038	Contract Number: C-130639, Construction completion is 21%.		
(McCadden Youth) AMRC TAY	Thomas Safran	1136 N. McCadden Pl., Los Angeles, CA 90038	4	\$ 5,018,298	\$10,036,596 (Original) \$13,068,960 (Estimate)	\$ 502,652	Y,CH	26	25	13	0	0	1	9/25/2017	09/24/2018 (Actual) 12/03/2018 (Estimated)	06/03/2020 (Estimated)	9/1/2020	\$ -				\$ -	\$ -	Contract Number: C-131922. Construction Loan closed. Construction Start is delayed 8-10 weeks due to OWP power re-routing.		
Casa del Sol	A Community of Friends	10966 W. Ratner St., Sun Valley, CA, 91352	6	\$ 8,065,143	\$19,655,785 (Original) \$21,789,066 (Estimate)	\$ 495,206	HS, M, CH	44	43	22	0	0	1	9/25/2017	09/27/2018 (Actual) 11/16/2018 (Estimated)	06/11/2020 (Estimated)	9/9/2020	\$ -				\$ -	\$ -	Contract Number: C-131925. Construction Loan has closed and construction is expected to start November 16, 2018.		
FLOR 401 Lofts	Flor 401 Lofts (SRHT)	401 E. 7th St., Los Angeles, CA, 90014	14	\$ 11,980,000	\$39,369,988 (Original) \$51,993,340 (Estimate)	\$ 525,185	HV, I, CH	99	49	25	49	12	1	9/25/2017	12/05/2018 (Estimated) 12/10/2018 (Estimated)	07/14/2020 (Estimated)	10/12/2020	\$ -				\$ -	\$ -	Construction start expected to begin December 10, 2018.		
RISE Apartments	SRO Housing	4060 S. Figueroa Street, Los Angeles, CA, 90037	9	\$ 9,500,000	\$21,038,903 (Original) \$24,523,656 (Estimate)	\$ 430,240	H, HV, CH	57	56	42	0	0	1	9/25/2017	10/22/2018 (Estimated) 11/30/2018 (Estimated)	06/11/2020 (Estimated)	9/9/2020	\$ -				\$ -	\$ -	CRA funds have been identified to fill the funding GAP resulting from an increase in project construction costs. Gap funding is pending City Council and Mayor approval. Council File #17-1244-S1.		
SP7 Apartments RECAP	SP7 Apartments LP (SRHT)	513 E. 7th St., Los Angeles, CA	14	\$ 12,000,000	\$35,035,594 (Original) \$48,664,051 (Estimate)	\$ 496,641	HV, IHA, I, CH	100	55	28	44	0	1	9/25/2017	09/28/2018 (Actual) 10/15/2018 (Estimated)	04/17/2020 (Estimated)	7/16/2020	\$ -				\$ -	\$ -	Contract Number: C-131386. Construction Loan has closed and construction is expected to start October 15, 2018.		
The Pointe on Vermont	EAH Inc.	7600 S. Vermont Ave., Los Angeles, CA	8	\$ 7,900,000	\$21,236,930 (Original) \$26,217,722 (Estimate)	\$ 524,354	H, I, CH	50	25	13	24	0	1	9/25/2017	06/10/2019 (Estimated) 06/17/2019 (Estimated)	01/15/2021 (Estimated)	4/15/2021	\$ -	\$ 3,664,303	\$ 2,130,218	\$ -	\$ -	\$ -	\$ 2,130,218	\$ 5,794,521	CRA funds have been identified to fill the funding gap resulting from a loss of a funding source and an increase in project construction costs. Gap funding is pending City Council and Mayor approval. CDLAC Bond allocation will be on December 12, 2018.
Subtotal for 2017-18 Bond Issuance				\$ 73,157,162	\$ 304,012,180			615	417	226	187	26	11						\$ 3,664,303	\$ 2,130,218	\$ -	\$ -	\$ -	\$ 2,130,218	\$ 5,794,521	
Housing and Community Investment Department PSH Loan Program Staff Costs	N/A	N/A	N/A	\$ 1,070,674	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 755,572				\$ -	\$ 755,572	Staff costs through pay period 19 were reimbursed in the Fiscal Year (FY) 2017-18 Year-end Financial Status Report. HCID will request reimbursement for pay periods 20-26 in the FY 2018-19 Second Financial Status Report.	
Funds Reprogrammed for Fiscal Year 2018-19 Projects (Previously City Attorney Staff Costs Pending Reprogramming)	N/A	N/A	N/A	\$ 133,259	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A							Balance of \$133,259 was reprogrammed to various FY 2018-19 Proposition HHH Facilities projects for Bureau of Engineering environmental review costs. Project budgets will reflect these additional dollars in the first Prop HHH quarterly report of FY 2018-19.	
TOTAL for 2017-18 Bond Issuance				\$ 74,227,836	\$ -			615	417	226	187	26	11						\$ 4,419,875	\$ 2,130,218	\$ -	\$ -	\$ -	\$ 2,130,218	\$ 6,550,093	

Definitions

PSH Units:

A development that provides permanent housing (including rental subsidy) with supportive services to extremely low income, and very low income, homeless special needs individuals and veterans, homeless families, homeless transition-aged youth (TAY), homeless seniors, homeless disabled, and homeless frequent users of Los Angeles County services.
 Units reserved for individuals or families:
 (a) Experiencing chronic homelessness as defined in 24 CFR 578.3;
 (b) Residing in a transitional housing project that will be eliminated and meets the definition of chronically homeless in effect at the time in which the individual or family entered the transitional housing project;
 (c) Residing in a place not meant for human habitation, emergency shelter, or safe haven; but the individuals or families experiencing chronic homelessness as defined in 24 CFR 578.3 had been admitted and enrolled in a permanent housing project within the last year and were unable to maintain a housing placement;
 (d) Residing in transitional housing funded by a Joint Transitional Housing and Permanent Housing Rapid Re-Housing component project and who were experiencing chronic homelessness as defined in 24 CFR 578.3 prior to entering the project;
 (e) Residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last three years, but has not done so on four separate occasions; or
 A structure or set of structures with rental housing units restricted by department regulations and operated under landlord-tenant law, with common financing, ownership and management.

Chronic PSH Units:
 Affordabile Units:
 Non-HHH Funded Units:
 Commitment Date:
 Permanent Loan Conversion Date:

Units which are not funded by the Prop HHH PSH Loan Program (e.g. HOPWA or HOME funded units, market rate, etc.)
 Executed date of Commitment Letter of Prop HHH PSH Loan Program funds issued to the applicant by HCID.
 Date by which the construction loan is converted (replaced with) the permanent financing loan.

Legend for Populations Served

SA = Substance Abuse
 YAR = Youth at Risk of Homelessness
 I = Non-homeless Individuals
 D = Non-homeless disabled
 V = Non-homeless Veterans
 H = Homeless Individuals
 CH = Chronically Homeless
 HF = Homeless Families
 HV = Homeless Veterans
 H5 = Homeless Senior
 Y = Homeless Youth
 HD = Homeless Disabled
 M = Homeless Mental Illness
 O = Other Homeless
 IHA = Homeless individuals with HIV/AIDS
 DV = Homeless survivors of domestic violence & sex trafficking

Proposition HHH Quarterly Report - September 2018

Proposition HHH Facilities Loan Program GOB Series 2017-A (Taxable)

												Fiscal Year 2018-19 Expenditures					Total Amount Expended To-Date	Notes
Proposition HHH Facilities Project	Project Sponsor	Address	Council District	Project Type	Population Served	2017-18 HHH Project Award	Total Project Cost	Contract Execution Date	Construction Start Date	Construction Completion Date	Fiscal Year 2017-18 Total	HHH Expenditures Q1	HHH Expenditures Q2	HHH Expenditures Q3	HHH Expenditures Q4	Fiscal Year 2018-19 Total		
88th and Vermont Youth and Community Center	Community Build	8730-8550 Vermont Ave., Los Angeles CA 90044	8	Center	H, HY, YAR	\$ 3,245,154	\$ 3,792,365	3/28/2018	4/2/2018	10/2019 (Estimated)	\$ -	\$ 281,251				\$ 281,251	\$ 281,251	Contract Number: C-131078
South Campus	LA Family Housing	7817 Lankershim Blvd., North Hollywood, CA, 91605	6	Center	H, CH, HF, DV, M, D, SA, V, HIV/AIDS	\$ 1,302,500	\$ 4,802,500	3/7/2018	6/10/2018	01/2019 (Estimated)	\$ -					\$ -	\$ -	Contract Number: C-130925 Full Prop HHH amount of \$1.3 million has been encumbered in FMS. First draw of \$47,473 has been submitted and is being processed by the City.
Joshua House Health Center	Los Angeles Christian Health Centers	649 S. Wall St., Los Angeles, CA 90014	14	Clinic	H, CH, V, MI, SA	\$ 3,700,000	\$ 23,238,840	12/19/2017	02/15/2018	09/2019 (Estimated)	\$ -	\$ 1,573,627				\$ 1,573,627	\$ 1,573,627	Contract Number: C-130640
CD 8 Navigation Center	City of Los Angeles	729 W. Manchester Ave., Los Angeles, CA 90044	8	Center	H, CH, Y	\$ 3,245,000	\$ 3,100,000	N/A (City-sponsored)	10/2018 (Estimated)	05/29/2019 (Estimated)	\$ 92,639	\$ 84,866				\$ 84,866	\$ 177,505	\$145,000 was reprogrammed to this project for Bureau of Engineering costs for environmental review, for a Fiscal Year (FY) 2017-18 budget total of \$3,245,000. An additional \$3 million was approved 2018-19 PEP, for a total project cost of \$6.245 million. This total amount will be reflected in the first quarterly report of FY 2018-19. Construction will begin 10/5/18.
Subtotal for 2017-18 Bond Issuance						\$ 11,492,654	\$ 34,933,705				\$ 92,639	\$ 1,939,745	\$ -	\$ -	\$ -	\$ 1,939,745	\$ 2,032,384	
Reprogrammed Prop HHH Facilities Program Funds for 2018-19 Projects* (Previously Funds Pending Reprogramming)	Various	N/A	N/A	N/A	N/A	\$ 511,565	N/A	N/A	N/A	N/A	\$ -	\$ 32,483				\$ 32,483	\$ 32,483	\$511,565 allocated to these projects was reprogrammed for Public Works, Bureau of Engineering staff and consultant costs to implement 2018-19 City-sponsored projects.
TOTAL for 2017-18 Bond Issuance						\$ 12,004,219	\$ 34,933,705				\$ 92,639	\$ 1,972,228	\$ -	\$ -	\$ -	\$ 1,972,228	\$ 2,064,867	

*Project sponsors for the Corner of Hope (\$435,800) and Homeless Vets at the Marion (\$220,765) projects withdrew from Prop HHH Facilities Program. \$145,000 was reallocated to the CD8 Navigation Center listed above as well as \$511,565 to Fiscal Year 2018-19 Prop HHH projects.