

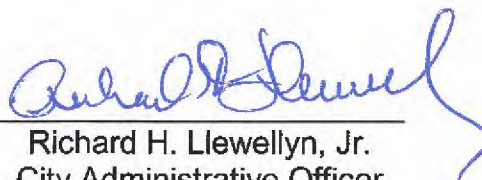
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TRANSMITTAL

TO The City Council	DATE 09-25-18	COUNCIL FILE NO. 17-0090
FROM Richard H. Llewellyn, Jr., City Administrative Officer	COUNCIL DISTRICT ALL	

At its August 30, 2018 meeting, the Proposition HHH (Prop HHH) Administrative Oversight Committee (AOC) considered the attached report from the City Administrative Officer (CAO) and the Housing and Community Investment Department (HCID) regarding the Prop HHH Fiscal Year 2017-18 Quarterly Report (April 1 – June 30, 2018).

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


Richard H. Llewellyn, Jr.
City Administrative Officer

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 24, 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 (APRIL 1 – JUNE 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, August 17, 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 (April 1 – June 30, 2018) was considered and forwarded to the Administrative Oversight Committee for review.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date:

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 (APRIL 1 – JUNE 30, 2018)**

RECOMMENDATION

That the Citizens Oversight Committee (COC) review the Quarterly Report for the Fiscal Year 2017-18 Proposition HHH Bond Issuance (April 1 – June 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

- The 88th and Vermont project began construction on April 2, 2018.
- As of June 30, 2018, \$3,751,066 has been expended on Proposition HHH PSH Loan Program projects.
- McCadden Youth/AMRC TAY and RISE Apartments projects experienced delays due to construction cost increases. Both projects are now estimated to begin construction in October 2018.
 - HCID has requested funding for the RISE Apartments from the City's allocation from the State of California Homeless Emergency Aid Program (HEAP) increased construction costs.
- The Casa del Sol project received a CDLAC allocation in May 2018 and will start construction in September 2018.
- The FLOR 401 Lofts project applied for a CDLAC bond allocation in May 2018, with funding to be provided in July 2018. These funds would cover any previously reported funding gaps. The estimated construction start date remains December 2018.
- The SP7 Apartments RECAP project received a CDLAC bond allocation in March and closed the Housing Opportunities for Persons with AIDS (HOPWA) loan in June. The estimated construction start date is now October 2018.
- The Pointe on Vermont project's CDLAC bond allocation has been delayed to October 2018 due to new funding gaps. The project applied to the HCID Pipeline and HCID has requested funding from the City's HEAP allocation to cover previously reported funding gaps, and is now awaiting the results of additional gap funding applications. The new estimated construction start date has been changed to January 2019.
 - Previous reports incorrectly noted 26 Non-HHH Funded units in this project. This number has been corrected to zero (0) in the attached Quarterly Report.

Proposition HHH Facilities Program

- The 88th and Vermont Youth and Community Center Project began construction on April 2, 2018. Funds for this project are fully encumbered and expenditures are expected in the next quarterly report.
- The South Campus project began construction on June 10, 2018. Funds for this project are fully encumbered and expenditures are expected in the next quarterly report.
- The Joshua House Health Center submitted funding draws this quarter, which are pending approval. Expenditures are expected to be reflected in the next

quarterly report.

- The City-sponsored Council District 8 Navigation Center project is now expected to begin construction in September 2018 due to a necessary redesign.

FY 2018-19 Proposition HHH Issuance

In June 2018, the Mayor and Council approved the FY 2018-19 Prop HHH Project Expenditure Plan (PEP; C.F. 17-0090-S6) and the City issued bonds in the total amount of \$276,235,694 on July 13, 2018. The FY 2018-19 PEP includes \$37,720,183 for Prop HHH Facilities Program projects, and \$238,515,511 for Prop HHH PSH Loan Program Projects. The first Quarterly Report for the FY 2018-19 Prop HHH Bond Issuance will be provided in January 2019.

Attachment – Proposition HHH Quarterly Report – June 2018

Proposition HHH Quarterly Report - June 2018

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

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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

(f) Receiving assistance through the Department of Veterans Affairs (VA)-funded homeless assistance programs and met one of the above criteria at intake to the VA's homeless assistance system.

Chronic PSH Units:

Affordable Units: 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.

Non-HHH Funded Units: Units which are not funded by the Prop HHH PSH Loan Program (e.g. HOPWA or HOME funded units, market rate, etc.)

Commitment Date: Executed date of Commitment Letter of Prop HHH PSH Loan Program funds issued to the applicant by HCID.

Permanent Loan Conversion Date: 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 V = Non-homeless Veterans

I = Non-homeless Individuals H = Homeless Individuals

CH = Chronically Homeless

HF = Homeless Families

IV = Homeless Veterans

HS = Homeless Senior

Y = Homeless Youth

HD = Homeless Disabled

M = Homeless Mental Illness

O = Other Homeless

HA = Homeless individuals with HIV/AIDS

DV = Homeless survivors of domestic violence & sex trafficking

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

											Fiscal Year 2017-18 Expenditures					Notes
Proposition HHH Facilities Project	Project Sponsor	Address	Council District	Project Type	Population Served	HHH Project Award	Total Project Cost	Contract Execution Date	Construction Start Date	Construction Completion Date	HHH Expenditures as of January 2018	HHH Expenditures Q3	HHH Expenditures Q4	Fiscal Year 2017-18 Total	HHH Project Funds Remaining	
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)	\$ -	\$ -	\$ -	\$ -	\$ 3,245,154	Contract Number: C-131078. Full Prop HHH amount of \$3.2 million has been encumbered in the Financial Management System (FMS).
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)	\$ -	\$ -	\$ -	\$ -	\$ 1,302,500	Contract Number: C-130925. Full Prop HHH amount of \$1.3 million has been encumbered in FMS.
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)	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	Contract Number: C-130640 Draws submitted and pending City Controller approval.
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)	09/2018 (Estimated)	05/29/2019 (Estimated)	\$ -	\$ 24,686	\$ 67,953	\$ 92,639	\$ 3,152,361	\$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 start date moved to September 2018 due to a necessary redesign to accomodate a power pole.
Subtotal for 2017-18 Bond Issuance						\$ 11,492,654	\$ 34,933,705				\$ -	\$ 24,686	\$ 67,953	\$ 92,639	\$ 11,400,015	
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	\$ -	\$ -	\$ -	\$ -	\$ 511,565	\$656,565 allocated to these projects is recommended for reprogramming for Public Works, Bureau of Engineering staff costs to implement City-sponsored projects.
TOTAL for 2017-18 Bond Issuance						\$ 12,004,219	\$ 34,933,705				\$ -	\$ 24,686	\$ 67,953	\$ 92,639	\$ 11,911,580	

*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.