

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 16, 2017

CAO File No. 0220-05363-0000

Council File No. 17-0090

Council District: All

To: The Mayor
The City Council

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

Reference: Proposition HHH

Subject: **PROPOSITION HHH ADMINISTRATIVE OVERSIGHT COMMITTEE
RECOMMENDATIONS RELATIVE TO THE PERMANENT SUPPORTIVE HOUSING
LOAN PROGRAM AND FACILITIES PROGRAM FISCAL YEAR 2017-18 PROJECT
EXPENDITURE PLANS AND PROPOSED PROGRAMS FOR THE NEXT FISCAL
YEAR**

RECOMMENDATIONS

The Proposition HHH Administrative Oversight Committee considered the recommendations submitted by the Proposition HHH Citizens Oversight Committee in relation to the bond program implementation by the Housing and Community Investment Department and the Office of the City Administrative Officer, at their February 23, March 23, and April 25, 2017 meetings. These recommendations were amended and adopted by the Administrative Oversight Committee, and now being forwarded to the City Council and Mayor for consideration, as outlined below:

1. Relative to the Proposition HHH Permanent Supportive Housing Loan Program:
 - a. Approve the Proposition HHH Permanent Supportive Housing Project Expenditure Plan Fiscal Year 2017-18 (Attachment 1), including \$73,157,162 for project costs; and \$1,203,933 for staffing costs;
 - b. Authorize the HCIDLA General Manager, or designee, to negotiate and execute loan documents, covenant/regulatory agreements, and any other documents necessary to implement the Proposition HHH Permanent Supportive Housing Project Expenditure Plan Fiscal Year 2017-18 (Attachment 1) with each of the borrowers on projects selected for funding, subject to the approval of the City Attorney as to form; and
 - c. Approve the proposed Proposition HHH Permanent Supportive Housing Loan Program for Fiscal Year 2017-18.

2. Relative to the Proposition HHH Facilities Program:

- a. Approve the proposed Proposition HHH Facilities Program Project Expenditure Plan for Fiscal Year 2017-18 (Attachment 2) in the amount of \$12,004,219, subject to the City's review and determination of the useful life to establish the service repayment period for each project and the ability to reach satisfactory final agreements in connection with such projects;
- b. Authorize the City Administrative Officer, or designee, to negotiate and execute service payback loan documents, covenant/regulatory agreements, and any other documents necessary to implement the Proposition HHH Facilities Program Project Expenditure Plan Fiscal Year 2017-18 (Attachment 2) with each of the borrowers on projects selected for funding, subject to the approval of the City Attorney as to form;
- c. Approve the proposed policy recommendations for the Proposition HHH Facilities Program Request for Proposals Fiscal Year 2018-19 Bond Issuance, and the process for identifying City-sponsored facilities; and
- d. Authorize the City Administrative Officer to release the Proposition HHH Facilities Program Request for Proposals for Fiscal Year 2018-19 Bond Issuance, subject to City Attorney review and approval.

SUMMARY

This report outlines the recommendations submitted by the Proposition HHH (Prop HHH) departmental sponsors for consideration by the Prop HHH Citizens Oversight Committee (COC) and approved by the Administrative Oversight Committee (AOC). These include:

- Housing and Community Investment Department's (HCID)
 - Recommended Prop HHH Permanent Supportive Housing Program (PSH Program) Fiscal Year (FY) 2017-18 Project Expenditure Plan (PEP)
 - Proposed Prop HHH Permanent Supportive Housing Loan Program (PSH Loan Program) for FY 2017-18
- City Administrative Officer's (CAO)
 - Recommended Prop HHH Facilities Program (Facilities Program) FY 2017-18 Project Expenditure Plan (PEP)
 - Recommendations for the Request for Proposals (RFP) for the FY 2018-19 Facilities Program
- Recommendations and policy issues affecting both the PSH Program and the Facilities Program

BACKGROUND

On February 10, 2017 the City Council approved recommendations from the CAO, the Chief Legislative Analyst (CLA), and HCID relative to the PSH Program and Facilities Program implementation requirements (C.F. 17-0090). These recommendations included designating HCID as the departmental sponsor for the PSH Program and the CAO as the departmental sponsor for the

Facilities Program. The recommendations also provided authority for two (2) positions for HCID and one (1) position in the Office of the City Attorney to support the initial implementation of the PSH Program. HCID and the CAO were instructed to present program recommendations, staffing needs, and FY 2017-18 PEPs to the Prop HHH COC and AOC. To accomplish this, HCID was authorized to identify projects for the FY 2017-18 PEP that could be funded with the first Prop HHH General Obligation Bond (Prop HHH Bond) issuance, as authorized by the voters, and were already approved in the Affordable Housing Managed Pipeline. The CAO was also given authority to issue an expedited Request for Proposals (RFP), after approval by the COC and AOC, to identify eligible homeless facilities projects for the first Prop HHH Bond issuance.

HCID: PROP HHH PERMANENT SUPPORTIVE HOUSING PROGRAM FOR THE FY 2017-18 BOND ISSUANCE

FY 2017-18 PEP

On February 23, 2017, HCID released a funding notice to sponsors with projects or applications in the Affordable Housing Managed Pipeline. As a requirement of the PSH Loan Program eligibility, project sponsors were required to provide sufficient evidence of the ability to secure entitlements and close construction financing by the end of FY 2017-18.

The nine housing developments being recommended for the FY 2017-18 PEP will provide a total of 615 units, of which 416 will be designated as permanent supportive housing units. Of the 416 units that are designated as supporting housing units, approximately 225 of them (54 percent) will be set aside for the chronically homeless (Attachment 1). Staff reports for each recommended project and a map describing project locations are provided in Attachments 3 and 4, respectively

At its meeting of March 23, 2017, the AOC recommended amending the PEP for the PSH Loan Program to hold approval of the Pointe on Vermont project pending confirmation that all contingencies for approval of this project are satisfied prior to City Council consideration of the PEP. HCID has worked with the developer to revise the scope of the project to address the outstanding issues. As such, HCID has reduced the project's funding request to reflect the new scope of the project (Attachment 1), and recommends approval of the revised project.

HCID: PROPOSED PROP HHH PSH LOAN PROGRAM FOR FY 2017-18

HCID's proposed PSH Loan Program would provide early funding commitments to PSH projects that demonstrate the ability to provide well-managed, service-enriched housing for the homeless. The proposed program is designed to leverage existing and future City, County, State and Federal funding streams. It will also function as a program that is separate and apart from HCID's existing Affordable Housing Managed Pipeline Program. Attachment 5 includes the proposed PSH Loan Program Term Sheet and Approval Process.

The PSH Loan Program differs from the City's existing Affordable Housing Managed Pipeline program in three (3) key ways:

1. **TRIENNIAL CALL FOR PROJECTS** – The PSH Loan Program proposes accepting applications for new PSH projects three times per FY on a fixed schedule - July, October and February. This will enable project sponsors to plan ahead for land acquisition and financing.
2. **THRESHOLD REVIEW** – The PSH Loan Program allocations will be based on an established scoring threshold for funding consideration. Projects that meet the scoring threshold requirements of the PSH Loan Program will be recommended for a two (2) year conditional loan commitment.
3. **CONDITIONAL COMMITMENT LETTER** – The PSH Loan Program proposes to make conditional funding commitments to qualified PSH projects early in the development process, before all other financing sources have been secured. By making funding commitments early in the development process, the City puts qualified projects in a strong position to secure non-City funding.

According to the proposed PSH Loan Program, project sponsors must have demonstrated experience constructing and operating PSH projects. They must also demonstrate site control and the ability to obtain financing and entitlements within two years of the PSH loan commitment. These projects must commit 50 percent of their units as PSH for homeless individuals and families with half of these PSH units reserved for the chronically homeless. Applications that meet these threshold requirements for a PSH Loan will be recommended to the COC, AOC, City Council and Mayor for a conditional funding approval and the issuance of commitment letter, which will remain in effect for two (2) years.

Supplemental Funding

HCID's proposed per unit subsidy was initially up to \$140,000 for projects with 4 percent Low Income Housing Tax Credits (LIHTC) and \$100,000 for projects with 9 percent LIHTC. However, due to the unavailability of a number of key PSH funding sources (e.g. LA County Mental Health Funds, "No Place Like Home" Program) until 2018, the decrease of tax credit equity pricing and the rise in construction costs, substantial financing gaps have occurred and are expected to continue into the next year.

To address these funding concerns, the recommended PSH Loan Program provides short-term additional supplemental funding of an amount not to exceed \$80,000 for both 4 percent LIHTC projects and 9 percent LIHTC projects. Accordingly, the combined not to exceed total for 4 percent LIHTC projects and 9 percent LIHTC projects is \$220,000 and \$180,000, respectively, for projects applying in calendar year 2017. The \$80,000 in supplemental funding will follow the PSH Loan Program funding requirements. The supplemental commitment will have the same two (2) year conditional term. At the beginning of 2018, HCID will re-evaluate whether to recommend supplemental funding for future application rounds.

Innovative Approaches

HCID welcomes the development of new approaches to PSH. With the passage of Prop HHH, HCID has been contacted about new ideas to reduce the cost and/or time to develop PSH, including hotel/motel conversion, housing built from shipping containers and micro-units. HCID reports that annual updates to program regulations also provide regular opportunities to adjust program requirements to reflect lessons learned. As requested by the COC, the Prop HHH PSH Loan Program term sheet has been updated to reflect HCID's openness to innovative approaches and annual program regulation updates (Attachment 5). It is important to note that innovative approaches to PSH development must also comply with the City's established policies for affordable housing construction, such as prevailing wage construction, relocation of tenants, environmental review, fair housing, and compliance with the Americans with Disabilities Act (ADA).

Prop HHH PSH Loan Program Staffing Plan

City Council approved three positions needed to implement the Prop HHH PSH Loan Program's initial operational, legal and regulatory monitoring requirements on February 10, 2017 (C.F. 17-0090). These three positions included one (1) Financial Development Officer I, one (1) Management Analyst and one (1) Deputy City Attorney. The COC recommended and the AOC approved HCID's plan to add five (5) additional positions, which have been included in HCID's FY 2017-18 Proposed Budget, for a total of eight (8) new positions. These include:

- One (1) Community Housing Program Manager;
- Two (2) Financial Development Officers I; and
- Two (2) Management Analysts.

The additional staff will be responsible for running the Prop HHH PSH Loan Program, underwriting projects, structuring loans, obtaining loan commitments and reporting. For example, when projects begin closing construction loans, the added HCID staff will engage in architectural review, and construction and wage compliance monitoring. Closing new PSH loans will also require additional legal support in the City Attorney's Office. In addition, the PSH Loan Program is expected to greatly impact HCID's Conduit Bond Unit's workload. It is important to note that although staff costs directly associated with project development can be paid from the Prop HHH Bond proceeds, such bond proceeds cannot pay the staff costs for monitoring projects for the 55-year compliance period. The ongoing monitoring costs will thus need to be addressed. HCID will report back regarding all future staffing impacts.

CAO: PROP HHH FACILITIES PROGRAM FY 2017-18 BOND ISSUANCE

Prop HHH Facilities Program PEP

On February 23, 2017 the AOC approved the COC's recommendations to authorize the CAO to release an expedited RFP to identify projects for the FY 2017-18 Facilities Program PEP. Eligible

projects had to:

1. Request funds for the development, acquisition or improvement of facilities used to provide supportive services or goods to or otherwise benefit those who are homeless, chronically homeless or at risk of homelessness;
2. Demonstrate full funding commitments from other sources, except for a funding gap that may be filled by Prop HHH Bond proceeds;
3. Demonstrate funding to support services and operations at the proposed facility for the life of the project;
4. Demonstrate the ability to start construction within 12 months following execution of the funding agreement; and
5. Demonstrate the ability to expend Prop HHH Bond proceeds within 24 months.

The CAO received twenty-five (25) proposals in response to the FY 2017-18 Prop HHH Facilities Program expedited RFP for a total request of \$78,214,916. Five of the proposals, representing \$34,594,700 did not meet basic threshold requirements. Twenty (20) proposals were reviewed requesting a total of \$43,620,216 (not including the proposed City facility).

The FY 2017-18 Prop HHH Facilities Program PEP recommends \$12,004,219 in Prop HHH funding for six (6) projects. One of the projects is a proposed City Service Center that would provide storage, bathrooms, showers and service space (Attachments 2 and 6). The five (5) non-City recommended facilities represent the highest scoring proposals. Five (5) of the facilities will or serve multiple homeless populations and one (1) serves homeless veterans. Attachment 7 shows the location of the recommended facilities.

Service Repayment

All Prop HHH funding to non-City facilities will be made available as loans under a service repayment agreement (Service Agreement) with a term corresponding to the useful life of the facility. Applicants will be required to certify the useful life of the facility and describe the basis for such certification (e.g., Modified Accelerated Cost Recovery System [MACRS] or Generally Accepted Accounting Principles [GAAP]). Prior to award, the City, in its sole discretion, will then determine if the service provider's useful life certification is reasonable. If the useful life described in the proposal is determined to be unreasonable, the City can propose a different useful life calculation to the applicant or reject the proposal.

Under the Service Agreement, at a minimum, an awarded applicant (or provider) would be required to provide supportive services, goods, or other benefits to persons who are homeless for the greater of 10 years or 50 percent of the facility's useful life. Any "change-in-use" following this period (not in accordance with Prop HHH) and prior to the expiration of the Service Agreement would only be permitted if the provider makes a monetary payment to the City. The monetary payment to be made will be based on the following formula: $\{[(\text{Useful Life}) - (\text{Years in Service})]/(\text{Useful Life})\} \times (\text{Prop HHH bond funds provided}) + (\text{interest based on the interest rate of related Prop HHH bonds})$. Payments collected by City due to change in use of the facility would be used to fund additional Prop HHH

projects or to pay off outstanding Prop HHH Bonds.

The provider must covenant to the service requirements and "change-in-use" provisions by recording the agreement with the County Recorder that must run with the land to ensure that any purchaser or successor honors the terms and covenants of the Service Agreement.

CAO: PROPOSED PROP HHH FACILITIES PROGRAM RFP FOR FY 2018-19 BOND ISSUANCE

Based on the lessons learned through the expedited RFP process, the CAO recommends the following policy changes for the Proposed Prop HHH Facilities Program RFP for FY 2018-19:

1. Cap for the Facilities Program

The twenty-five (25) responses to the expedited RFP totaled over \$78 million, confirming high demand for homeless facilities funding. However, the CAO recommends that Prop HHH proceeds be prioritized for PSH units. Therefore, a five (5) percent cap is proposed on total funds available for non-City facilities for the first five (5) issuances. This amounts to \$60 million of the \$1.2 billion authorized by Prop HHH. The cap could be re-evaluated as the next four (4) issuances progress. If this recommendation is approved, there would be \$51 million remaining under this cap for the next four issuances. Again, this cap would only apply to non-City homeless facilities projects.

2. Required Minimum Leverage

Many of the proposals received under the Expedited RFP requested one hundred (100) percent of the total development costs for the project from Prop HHH. Projects recommended for funding through the expedited RFP provided approximately fifteen (15) percent or greater of the total project costs as leverage. In order to ensure that service providers bring some funding to Prop HHH-funded projects and to allow the City to maximize the number of facilities projects funded, a minimum of 15 percent leverage per project, regardless of project type, is recommended.

3. Minimum/Maximum Request

Based on the range of funding requests received through the Expedited RFP, it is clear that guidance on the minimum and maximum funding amounts would be helpful for the applicants. Such a requirement would also help to ensure a greater number of projects can be funded under the proposed cap for the facilities program. The CAO recommends that the minimum Prop HHH funding request be set at \$100,000 and a maximum request be set at \$3.5 million.

4. Ensuring the Applicant's Ability to Provide Proposed Services

The Expedited RFP generated proposals for a variety of facilities, providing a variety of services. Since Prop HHH Bond proceeds cannot be used for operating costs, it is critical that any facility funded with such proceeds demonstrates operational stability and capacity to provide services. Because many of the other proposal reviewers were not familiar with homeless services funding, the support the Los Angeles Services Authority (LAHSA) provided during the proposal review process was invaluable. As such, the CAO recommends a new threshold requirement that applications include a letter of good standing from LAHSA (or other service funding agency, if

service funding is not provided through LAHSA).

5. Coordinating with HCID on Projects Applying For PSH and Facilities Programs

Two of the projects being recommended for FY 2017-18 funding are receiving awards under both the PSH and Facilities Programs. To ensure efficient coordination between HCID and the CAO in the future, the Facilities Program RFP will require proposers to indicate whether they are also applying for funds under the PSH Program.

6. Multiple Proposals

A number of service providers submitted more than one proposal under the Expedited RFP. While the CAO does not recommend limiting the number of applications a proposer may submit, it is important to ensure that any project selected for funding can be effectively implemented. Therefore, the CAO recommends that any proposer submitting more than one proposal include a plan for carrying out multiple projects within the required timeframes, in the event the proposer is awarded more than one project for funding.

7. Bonus Points

In order to promote an appropriate geographic distribution of facilities providing homeless services, the CAO proposes that the FY 2018-19 Facilities Program RFP provide bonus points for projects in geographic areas with high need but a lack of appropriate services. Proposals will be required to demonstrate that the project will provide services in an area with high established need and a documented lack of currently available/appropriate level of services.

8. Mandatory Attendance for Proposers Conference

Many of the proposals received in the expedited FY 2017-18 RFP were not project-ready as outlined in the RFP, or not well-developed due to the limited time frame, resulting in many proposals receiving very low scores. To ensure proposers understand the RFP requirements, the RFP will make attendance of at least one Proposers Conference mandatory. The CAO will host two Proposers Conferences during the proposal period.

9. Letter of Acknowledgement from Council Office

To ensure that Council Offices are aware of the agencies applying in their District, the RFP will require a letter of acknowledgement from the appropriate Council Office as a threshold requirement.

These recommendations are reflected in the proposed FY 2018-19 RFP eligibility requirements outlined below.

- **Eligible Applicants/Proposers**

- Nonprofit entities, private entities, or other public entities that are providing services on behalf of the City and within the City boundaries. City-sponsored facilities will not be identified through the RFP process (see page 10).
- Applicants must have a minimum of two years of experience operating facilities similar

- to the one for which they are applying.
 - Applicants must be qualified to conduct business in California and in good standing with applicable regulatory oversight agencies.
 - Applicants must have attended at least one (1) Proposers Conference.
- Eligible Projects
 - Funds may be requested to rehabilitate and/or expand existing sites, or for the acquisition of property and/or the construction of new sites.
 - All facilities must be in compliance with all building and accessibility codes.
 - Applicant must demonstrate capacity and operational stability.
 - Applicant must demonstrate fiscal and budgetary capacity to operate the facility for the term of the Services and Maintenance obligation.
 - Applicant must demonstrate site control.
 - Proposal must demonstrate that the project can begin construction during FY 2018-19.
 - Proposal must demonstrate that the project can expend all Prop HHH Facilities Program funds within twenty-four (24) months of contract execution.
 - Project must demonstrate funding commitments from other sources amounting to at least 15 percent of the total project cost.
 - Proposal must not request less than \$100,000 or more than \$3.5 million.
 - Applicant must include a letter of good standing from LAHSA or other service funder if LAHSA does not fund services.
 - Proposal must include a letter of acknowledgment from the Councilmember representing the district in which the project is located.
- Ineligible Uses of Prop HHH Bond Proceeds
 - Prop HHH Bond proceeds may not be used for program and operational expenses. Applicants must secure funding for programs and operations from other sources.
 - Prop HHH Bond proceeds may not be used to pay for expenditures that are not “brick and mortar” type expenditures. For example, expenditures for equipment, clothing, toiletries, and other consumable goods are not eligible.
 - Prop HHH Bond proceeds may not be used for costs incurred prior to the execution of the Prop HHH Facilities Program Funding Agreement.

Prop HHH Facilities Program FY 2018-19 RFP Review Process

When the review process is complete, the CAO will report to City Council with the list of projects for review. Following City Council review, the CAO will prepare and present the FY 2018-19 PEP to the COC for review and recommendation to the AOC. The PEP will set forth the list of qualified projects, including a description of each project, its location, and population(s) served. The PEP will describe project costs proposed for Prop HHH Bond financing including loan amounts and eligible City staff costs directly tied to project construction. Further, in order to ensure that the projects adhere to applicable City, State, and Federal guidelines related to the eligible use of bond proceeds, project

descriptions will detail how non-eligible costs will be financed. Following COC review, the PEP will be submitted to the AOC. The AOC will forward the final recommendations to the City Council and Mayor for final approval and for Prop HHH Bond issuance approval, as outlined in the table below.

RFP Implementation Calendar

<u>Task</u>	<u>Estimated Date</u>
RFP is released on BAVN	July 14, 2017
1st Proposers Conference	July 26, 2017
2nd Proposers Conference	August 23, 2017
Business Inclusion Program (BIP) Outreach Deadline	October 20, 2017
Proposal Due Date	November 3, 2017
Proposers Notified of Determination	Early December 2017
Appeals Process	Mid-December 2017
City Council Review complete	January-February 2018
PEP to COC	March 16, 2018
PEP to AOC	March 29, 2018
PEP to City Council	April-June 2018
City Council and Mayor approve PEP and bond issuance	By June 15, 2018

Funding Process for City-Sponsored Facilities

City-sponsored facilities projects will not be identified through the RFP process. The CAO recommends using the existing process for identifying City-sponsored facilities. This process begins when a Councilmember introduces a motion identifying a site for a potential facility. The Council Office, LAHSA, the Board of Public Works Bureau of Engineering (BOE), the CLA and the CAO will evaluate the construction costs and service funding required to develop the proposed facility. Once the facility is deemed viable, staff will recommend that the CAO include the project in the next Prop HHH Facilities Program PEP presented to the COC.

Prop HHH Facilities Program Staffing Plan

The CAO has requested an Administrative Analyst position in its FY 2017-18 budget request to support Prop HHH implementation. If the position is approved, the CAO will include a salary reimbursement request in the FY 2018-19 Prop HHH Facilities Program PEP for any eligible staff costs associated with FY 2017-18 Prop HHH Facilities Program projects.

Department of Public Works Bureau of Engineering

The Department of Public Works Bureau of Engineering (BOE) will provide technical, construction and contracting expertise as necessary to facilitate projects as they have for other GO bond efforts. The CAO also will submit BOE's eligible salary reimbursement for work on projects in the FY 2017-18 Prop HHH Facilities Program PEP as part of the FY 2018-19 bond issuance PEP.

Other Staffing Needs

The City Council requested that the CAO confirm with the Departments of City Planning and Building and Safety if they required additional staff to support the Prop HHH developments (C.F. 17-0090). These departments have confirmed that they do not need additional staff at this time for work on Prop HHH. Since these departments' work associated with development projects is on a fee-for-service basis, salary reimbursement from bond proceeds is not applicable.

POLICY ISSUES THAT IMPACT BOTH THE PROP HHH PSH LOAN PROGRAM AND PROP HHH FACILITIES PROGRAM

Proposed Underwriting Fee

This is the first time that the City will use General Obligation Bonds (GO Bonds) for housing and facilities that are not owned and operated by the City. One of the questions that City Attorney and Bond Counsel have been assessing is how GO Bond proceeds can pay for staff time directly linked to the construction of a housing or facility project funded from of Prop HHH Bonds. The State Constitution requires that the proceeds of voter approved GO Bonds must be used for the acquisition or improvement of real property. To ensure that the City complies with this requirement, Bond Counsel has recommended that the City assess an underwriting fee to each Prop HHH Bond funded project to cover City staff costs that are unambiguously necessary to the acquisition and construction of the project. This recommendation is being evaluated.

In the event such an underwriting fee is imposed, such fees are expected to cover City staff costs that are necessary for the acquisition and construction of the project, beginning with the FY 2018-19 PEP. As part of the evaluation process and pursuant to a cost analyses conducted by HCID and the CAO, with BOE's assistance, all CAO, BOE, HCID and City Attorney staff will charge eligible time worked to project-specific Work Orders in order to track eligible salary expenditures. This data would be used as part of the analyses to determine the amount of any underwriting fee recommended to the COC and AOC for consideration and approval.

Any underwriting fee requirement will be noted in the PSH Loan Program regulations and the Facilities Program 2018-19 RFP. Applicants will be permitted to include this fee as a cost of the project and therefore included as part of their Prop HHH funding request in the PEP.

Reporting

The Prop HHH departmental sponsors, HCID and CAO, will submit their first report to the CAO Debt Group and the COC and AOC six months after the first issuance and quarterly thereafter. These reports will also be submitted to the City Council and Mayor for review. At minimum, these reports will describe projects that have closed (executed loan documents/agreements), including, but not limited to, expenditures per project, explanations of any unforeseen delays, and the estimated date of completion.

The City Controller will conduct an annual financial audit for each fiscal year Prop HHH Bonds are outstanding or remain unspent. The first audit will be conducted one year after the first Prop HHH Bond issuance and will be made available to the public.

Priorities, Set-Asides, or Caps on Prop HHH Bond Proceeds

In the first meeting of the COC, the CAO was instructed to report back on whether Prop HHH Bond proceeds should provide for set-asides based on types of homeless populations for both facilities and housing. Upon review by the City Attorney, it was determined that setting aside funds for specific populations would not satisfy applicable legal requirements. In spite of this legal limitation, it would be allowable to set priorities for housing type or facility type to meet the needs of certain populations when the City issues future requests for proposals. It would also be allowable to set a cap on the amount of bond proceeds expended on facilities versus housing.

At this time, the CAO is recommending a cap on the facilities funding for the first five (5) bond issuances, but HCID and the CAO are not recommending establishing priorities for types of housing or facility projects. The Prop HHH Bond Program is in its initial implementation phase and as the departmental sponsors, HCID and the CAO need more time to assess the program requirements and guidelines.

FISCAL IMPACT

There is no impact on the General Fund.

Attachments:

1. Proposition HHH Permanent Supportive Housing Program Fiscal Year 2017-18 Project Expenditure Plan
2. Proposition HHH Facilities Program Fiscal Year 2017-18 Project Expenditure Plan
3. Staff Reports for Proposition HHH Permanent Supportive Housing Program Fiscal Year 2017-18 Projects
4. Map of Proposition HHH Permanent Supportive Housing Program Fiscal Year 2017-18 Projects
5. Proposition HHH Permanent Supportive Housing Loan Program Term Sheet and Approval Process
6. Proposition HHH Facilities Program Fiscal Year 2017-18 Project Summaries
7. Map of Proposition HHH Facilities Program Fiscal Year 2017-18 Projects

RHL:YC:MB

1. Proposition HHH Permanent Supportive Housing Program Fiscal Year 17-18 Project Expenditure Plan

PSH Loan Program
05.10.2017

County	Project Name	Address	CD	9% or 4%?	Total Units	PSH Units	PSH Chronic	Non-PSH Units	Mgrs. Unit	HHH PSH Units	HHH Non-PSH	TDC	TDC / Unit	HHH \$ / HHU Unit	HHH \$ / Total Units	HHH Request	HCID HOME Request	HCID HOPWA	TOTAL Request	HHH % of TDC	Project Type	Location Type	Applicant Name	Estimated Date of Approval of Entitlement	Estimated Construction Loan Closing Date	Estimated Construction Start Date	Estimated Construction End Date
PIPELINE PROJECTS																											
1	88th & Vermont	8730 S. Vermont Ave	8	9%	62	46	23	14	2	46	14	36,285,371	585,248	161,333	156,129	5,680,000	1,900,000		11,580,000	31.9%	New Construction	TOD	WORKS	Approved	1-Dec-17	1-Jan-18	1-Nov-20
2	PATH Metro Villas II	320 N MADISON AVE	13	4%	122	90	46	30	2	16	0	53,717,019	440,303	219,506	28,601	3,513,721	4,200,000		7,713,721	14.4%	New Construction	TOD	PATH Ventures	Approved	1-Nov-17	1-Nov-17	1-Nov-19
3	Six Four Nine Lofts	649 S. WALL ST.	14	4%	55	27	14	27	1	25	0	25,478,534	481,426	229,000	100,000	5,500,000	0		5,500,000	20.8%	New Construction	TOD	Skid Row Housing Trust	1-Aug-17	1-Oct-17	31-Oct-17	31-Oct-19
		Subtotal			239	163	83	71	5	87	14	116,480,924				18,693,721	6,100,000		24,793,721								
CALL FOR PROJECTS APPLICANTS																											
4	AMRC Tay	1136 N MCCADDEN PI	4	4%	25	25	12	0	1	25	0	10,036,556	369,023	200,732	193,011	3,019,298	500,000		5,518,298	55.0%	New Construction	TOD	Thomas Soltran	Approved	1-Oct-17	1-Nov-17	1-Nov-19
5	Casa del Sol	10966 W RATNER ST	6	4%	44	43	22	0	1	43	0	19,655,765	446,722	157,551	183,299	3,065,143	0		3,065,143	41.0%	New Construction	TOD	A Community of Friends	1-Jul-17	1-Mar-18	31-Mar-18	31-Mar-20
6	FLOR 407 Lofts	401 E 7TH ST	14	4%	99	49	25	49	1	49	12	39,389,986	397,677	155,353	121,010	11,990,000	1,001,892		12,991,892	33.0%	New Construction	TOD	Flor 407 Lofts LP (SRHT)	1-Sep-17	1-May-18	1-Jun-18	1-Jun-20
7	RISE Apartments	4050 S FIGUEROA ST	9	4%	57	56	42	0	1	56	0	21,038,303	389,104	155,643	166,667	3,500,000	0		9,500,000	45.2%	New Construction	TOD	SRO Housing	1-Jul-17	1-Oct-17	1-Oct-17	1-Oct-19
8	SP7 Apartments RECAP	513 E 7TH ST	14	4%	160	55	28	44	1	55	0	35,036,594	350,395	218,182	129,000	12,000,000	0	3,000,000	15,000,000	42.8%	Rehab & New	TOD	SP7 Apartments LP (SRHT)	1-Sep-17	1-Jul-18	1-Jul-18	1-Jul-20
9	The Pointe on Vermont	7600 S VERMONT AVE	8	4%	50	25	13	24	1	25	24	20,744,880	414,900	161,224	158,000	7,500,000	0		7,500,000	36.1%	New Construction	TOD	EAH Inc.	1-Jul-17	17-Jan-18	22-Jan-18	1-Jul-19
		Subtotal			376	253	142	117	6	253	36	145,861,846				54,463,441	1,501,892	3,000,000	58,965,333								
												Avg	430,196	192,742	136,324												
		TOTALS			615	416	225	188	11	340	50	262,362,770				73,157,162	7,601,892	3,000,000	83,759,054								

2. Proposition HHH Facilities Program Fiscal Year 17-18 Project Expenditure Plan

Submitting Agency/Organization	Project Type	Population Served	Council District	HHH Funds Recommended	Other Funds Committed	Total Project Cost	% HHH Funds/ Total Cost	Estimated Start	Estimated Completion	Project Name	Const. Type	Address
88th & Vermont Youth &												
Community Build	Center	Multiple	CD8	\$ 3,245,154	\$ 547,211	\$ 3,792,365	86%	12/2017	07/2017	Community Center	New	8730-8550 Vermont Ave., Los Angeles, CA 90044
JWCH Institute	Clinic	Multiple	CD14	\$ 435,800	\$ 886,607	\$ 1,322,407	33%	10/2017	04/2018	Corner of Hope	Rehab	500 S. San Pedro St., Los Angeles, CA 90013
LA Family Housing	Center	Multiple	CD6	\$ 1,302,500	\$ 3,500,000	\$ 4,802,500	27%	07/2017	08/2018	South Campus	Rehab	7817 Lankershim Blvd., North Hollywood, CA 91605
Los Angeles Christian Health Centers	Clinic	Multiple	CD14	\$ 3,700,000	\$ 19,538,840	\$ 23,238,840	16%	10/2017	05/2019	Joshua House Health Center	New	649 S. Wall St., Los Angeles, CA 90014
Volunteers of America Los Angeles	Transitional Housing	Veterans	CD14	\$ 220,765	\$ 130,435	\$ 351,200	63%	10/2017	06/2017	Homeless Vets at the Marion	Rehab	642 S. Crocker St., Los Angeles, CA 90021
Non-City Total				\$ 8,904,219	\$ 24,603,093	\$ 33,507,312						
City of Los Angeles	Center	Multiple	CD8	\$ 3,100,000	\$ -	\$ 3,100,000	100%	10/2017	09/2018	Service Center	New	729 W. Manchester Ave., Los Angeles, CA 90044
City Total				\$ 3,100,000	\$ -	\$ 3,100,000						
Grand Total				\$ 12,004,219	\$ 24,603,093	\$ 36,607,312						

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

STAFF REPORT

88th & Vermont

8730-8738 & 8742-8752 S. Vermont Ave., Los Angeles, CA 90044

8707 S. Menlo Ave., Los Angeles, CA 90044

Council District No: 8

PROJECT DESCRIPTION

The 88th & Vermont apartments entails a demolition and new construction of 62 units. The development sits on five parcels of primarily City- owned vacant land and will include 46 permanent supportive housing units designated for homeless and chronically homeless individuals, and transition aged youth. The development will consist of two buildings and a semi-subterranean parking garage. Site amenities will include: elevators, courtyard, laundry rooms, and offices for onsite tenant services and case management, including a family and youth source center. The project sponsors are Woman Organizing Resources, Knowledge and Services, and Community Build, Inc., both California non-profit corporations.

AFFORDABILITY STRUCTURE

Unit Type	PSH Total	PSH Chronically	Non-PSH	Mgrs.	Total	HHH PSH funded	HHH Non-PSH funded
Studio	12	8	0	0	12	12	0
1 Bedroom	15	15	5	0	20	15	5
2 Bedroom	17	0	5	2	24	17	5
3 Bedroom	2	0	4	0	6	2	4
Total	46	23	14	2	62	46	14

PERMANENT FUNDING SOURCES

Source	Amount
Proposition HHH PSH	\$8,280,000
Proposition HHH Non-PSH	1,400,000
HCIDLA- HOME	1,900,000
9% Tax Credit Equity	15,310,217
Proposition HHH Facilities or CDBG	3,245,154
Conventional Loan	1,650,000
Land Value – LADOT/LA R&P Parcels	4,500,000
Total	\$36,285,371

USES

	Total	Per Unit
Acquisition Costs	\$ 5,700,000	\$ 91,935
Hard Construction Costs	22,912,266	369,553
Soft Costs	7,673,105	123,760
Total Development Cost	\$36,285,371	\$585,248

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

Staff Report: 88th & Vermont

March 2017

Page 2 of 2

FUNDING RECOMMENDATION

A funding commitment in the amount of up to \$9,680,000 in Proposition HHH funds is recommended.

CONSTRUCTION TIMELINE

Construction is currently estimated to start on January 2018, and be completed by January 2020.

Prepared: March 9, 2017; Revised: March 17, 2017

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

STAFF REPORT

PATH Metro Villas Phase 2

320 & 333 N. Madison Avenue, Los Angeles, CA 90004,
Council District No: 13

PROJECT DESCRIPTION

The PATH Metro Villas Phase 2 project entails demolition and new construction in order to provide a total of 122 residential units (including two manager's units). The development will provide permanent supportive housing for homeless and chronically homeless individuals and veterans, low income individuals and veterans. Site amenities will include: subterranean parking, social programming space, a health clinic, mental health clinic, several community rooms, 9 washing machines and dryers. The project sponsor is PATH Ventures, a California non-profit corporation.

AFFORDABILITY STRUCTURE

Unit Type	PSH Total	PSH Chronically	Non-PSH	Mgrs.	Total	HHH PSH funded	HHH Non-PSH funded
Studio	45	23	15	0	60	8	
1 Bedroom	45	23	15	0	60	8	
2 Bedroom	0	0	0	2	2	0	
Total	90	46	30	2	122	16	

PERMANENT FUNDING SOURCES

Source	Amount
Proposition HHH	\$ 3,513,721
HCID-HOME	4,200,000
4%Tax Credit Equity	21,845,123
Conventional Loan	1,200,000
VHHP	6,173,180
MHSA	1,500,000
AHSC (Sustain. Transp.)	1,192,345
AHSC (Afford. Hsng)	12,413,648
GP Contribution	200,000
Deferred Dev. Fee	900,000
Foundation Grants	55,000
City of LA Fee Waiver	524,000
Total	\$53,717,019

USES

	Total	Per Unit
Acquisition Costs	\$ 4,655,800	\$ 38,162
Hard Construction Costs	32,412,749	265,678
Soft Costs	16,648,470	136,463
Total Development Cost	\$53,717,019	\$440,303

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

Staff Report: PATH Metro Villas Phase 2

March 2017

Page 2 of 2

FUNDING RECOMMENDATION

A funding commitment in the amount of up to \$3,513,721 in Proposition HHH funds is recommended.

CONSTRUCTION

Construction is currently estimated to start on November 2017, and be completed by November 2019.

Prepared By: March 9, 2017

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

STAFF REPORT

Six Four Nine Lofts

649 South Wall Street, Los Angeles, CA 90014

Council District No: 14

PROJECT DESCRIPTION

The Six Four Nine Lofts project entails demolition and new construction in order to provide a total 55 residential units (including 1 manager's unit). The development will provide permanent supportive housing to individuals experiencing homelessness and/or chronic homelessness, and individuals with special needs. This residential development will be located within a multi-use building that contains both residential units and a federally qualified health clinic. Site amenities will also include: supportive services offices, spaces designed for resident case management, a group therapy space, a community room with a large kitchen, laundry facilities, community gardens and open exterior space. The project sponsor is Skid Row Housing Trust, a California non-profit corporation.

AFFORDABILITY STRUCTURE

Unit Type	PSH Total	PSH Chronically	Non-PSH	Mgrs.	Total	HHH PSH funded	HHH Non-PSH funded
Studio	27	14	up to 27	0	54	25	0
2 Bedroom	0	0	0	1	1	0	0
Total	27	14	up to 27	1	55	25	0

PERMANENT FUNDING SOURCES

Source	Amount
Proposition HHH	\$5,500,000
4% Tax Credit Equity	8,280,002
MHP - committed	3,898,032
LACDC - committed	1,500,000
AHSC - committed	3,200,000
AHP	1,340,000
Permanent Loan	1,262,000
GP Equity	200,000
Deferred Developer Fee	1,298,500
Total	\$26,478,534

USES

	Total	Per Unit
Acquisition Costs	\$ 2,238,530	\$ 40,701
Hard Construction Costs	13,906,292	252,842
Soft Costs	10,333,712	187,886
Total Development Cost	\$26,478,534	\$481,428

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

Staff Report: Six Four Nine Lofts

March 2017

Page 2 of 2

FUNDING RECOMMENDATION

A funding commitment in the amount of up to \$5,500,000 in Proposition HHH funds is recommended.

CONSTRUCTION TIMELINE

Construction is currently estimated to start on October 2017, and be completed by October 2019.

Prepared: March 2, 2017

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

STAFF REPORT

AMRC McCadden Campus - TAY Housing

1119 N. McCadden Place, Los Angeles, CA 90038

Council District No: 4

PROJECT DESCRIPTION

The Anita May Rosenstein Center (AMRC)/McCadden Campus TAY Housing project, entails the new construction of 25 studio residential units and 1 one-bedroom manager's unit. The development will provide supportive housing for low income transition age youth, ages 18 through 24. Site amenities will include: subterranean parking, community room, computer room, and laundry facilities. The project will also have outdoor space with landscaped areas and pathways. TAY Housing will be directly across the street from the LGBT Center campus' service center. Project residents will have access to the comprehensive supportive services, job training, counseling, media classrooms, administrative offices, retail, theater and galleries at the campus. Project sponsors are Los Angeles LGBT Center, a California non-profit corporation, and Thomas Safran and Associates Development, Inc.

AFFORDABILITY STRUCTURE

Unit Type	PSH Total	PSH Chronically	Non-PSH	Mgrs.	Total	HHH PSH funded	HHH Non-PSH funded
Studio	25	12	0	0	25	25	0
1 Bedroom	0	0	0	1	1	0	0
Total	25	12	0	1	26	25	0

PERMANENT FUNDING SOURCES

Source	Amount
Proposition HHH	\$5,018,298
Land Contribution	1,425,000
4% Tax Credit Equity	2,683,988
HCIDLA-HOME	500,000
AHP	250,000
Deferred Developer Fee	159,310
Total	\$10,036,596

USES

	Total	Per Unit
Acquisition Costs	\$1,498,850	\$ 57,648
Hard Construction Costs	5,639,094	216,888
Soft Costs	<u>2,898,652</u>	<u>111,487</u>
Total Development Cost	\$10,036,596	\$386,023

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

Staff Report: AMRC McCadden TAY

March 2017

Page 2 of 2

FUNDING RECOMMENDATION

A funding commitment in the amount of up to \$5,018,298 in Proposition HHH funds is recommended.

CONSTRUCTION TIMELINE

Construction is currently estimated to start on November 2017, and be completed by November 2019.

Prepared: March 9, 2017

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

STAFF REPORT

Casa del Sol

10966 W. Ratner St. Sun Valley, CA 91352

10970 W. Ratner St. Sun Valley, CA 91352

Council District No: 6

PROJECT DESCRIPTION

The Casa del Sol project will be new construction of a 3-story residential building consisting of 43 affordable units, including 17 studio apartments and 26 one-bedroom units, and 1 manager's unit. The development will provide permanent supportive housing for homeless and chronically homeless individuals who are experiencing mental illness. Site amenities will include: a community room with shared kitchen, lounge areas, a gym, and laundry facilities. Units will include energy star appliances along with room furnishings. Onsite supportive services will be provided to tenants free of charge. The project sponsor is A Community of Friends, a California non-profit corporation.

AFFORDABILITY STRUCTURE

Unit Type	PSH Total	PSH Chronically	Non-PSH	Mgrs.	Total	HHH PSH funded	HHH Non-PSH funded
Studio	17	17	0	0	17	17	0
1 Bedroom	26	5	0	0	26	26	0
2 Bedroom	0	0	0	1	1	0	0
Total	43	22	0	1	44	43	0

PERMANENT FUNDING SOURCES

Source	Amount
Proposition HHH	\$8,065,143
Bank of America	1,232,100
SNHP (CalHFA)	1,400,000
LACDC	1,500,000
FHLB-SF (AHP)	1,000,000
4% Tax Credit Equity	6,458,542
Total	\$19,655,785

USES

	Total	Per Unit
Acquisition Costs	\$ 1,900,000	\$ 43,182
Hard Construction Costs	10,893,009	247,568
Soft Costs	6,862,776	155,972
Total Development Cost	\$19,655,785	\$446,722

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

Staff Report: Casa del Sol

March 2017

Page 2 of 2

FUNDING RECOMMENDATION

A funding commitment in the amount of up to \$8,065,143 in Proposition HHH funds is recommended.

CONSTRUCTION TIMELINE

Construction is currently estimated to start on March 2018, and be completed by March 2020.

Prepared: March 9, 2017; Revised: March 17, 2017

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

STAFF REPORT

Flor 401 Lofts

401 East 7th Street, Los Angeles, CA 90014

Council District No: 14

PROJECT DESCRIPTION

The Flor 401 Lofts project entails new construction providing a total of 99 residential units (including 1 manager's unit). The development will provide permanent supportive housing for homeless and chronically homeless individuals who are veterans, and low-income individuals with special needs. The project will adaptively reuse an existing industrial warehouse as its ground floor space. A minor demolition is planned for the existing building, but project design will retain the majority of the current industrial warehouse. Site amenities will include: at-grade parking, on-site supportive services, office space, maintenance workshop, and a second-floor courtyard and community kitchen and lounge space. The project sponsor is Skid Row Housing Trust, a California non-profit corporation.

AFFORDABILITY STRUCTURE

Unit Type	PSH Total	PSH Chronically	Non-PSH	Mgrs.	Total	HHH PSH funded	HHH Non-PSH funded
Studio	49	25	49	0	98	49	12
2 Bedroom	0	0	0	1	1	0	0
Total	49	25	49	1	99	49	12

PERMANENT FUNDING SOURCES

Source	Amount
Proposition HHH PSH	\$10,780,000
Proposition HHH Non-PSH	\$1,200,000
HCIDLA-HOME	1,001,892
4% Tax Credit Equity	12,961,457
HCD- VHHP	5,715,639
Permanent Loan	2,871,000
LACDC	1,500,000
AHP	2,000,000
Commercial Rent During Hold Period	240,000
Deferred Developer Fee	1,100,000
Total	\$39,369,988

USES

	Total	Per Unit
Acquisition Costs	\$ 5,050,000	\$ 51,010
Hard Construction Costs	21,132,329	213,458
Soft Costs	13,187,659	133,209
Total Development Cost	\$39,369,988	\$397,677

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

Staff Report: Flor 401 Lofts

March 2017

Page 2 of 2

FUNDING RECOMMENDATION

A funding commitment in the amount of up to \$11,980,000 Proposition HHH funds is recommended.

CONSTRUCTION TIMELINE

Construction is currently estimated to start on June 2018, and be completed by June 2020.

Prepared: March 9, 2017

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

STAFF REPORT

RISE Apartments

4060 S. Figueroa St. Los Angeles, CA 90037

Council District No: 9

PROJECT DESCRIPTION

The RISE Apartments is new construction of a 5-story, affordable residential development with a subterranean parking garage. The new development will provide 56 studio apartment units of permanent supportive housing for homeless individuals and chronically homeless veterans, and 1 manager's unit. Site amenities will include: fully furnished units, indoor community recreation space, community kitchen and lounge area, laundry room, a bicycle storage room, and onsite social service offices for tenants. The project sponsors are SRO Housing, and California non-profit corporation, and Highridge Costa Development Company.

AFFORDABILITY STRUCTURE

Unit Type	PSH Total	PSH Chronically	Non-PSH	Mgrs.	Total	HHH PSH funded	HHH Non-PSH funded
Studio	56	42	0	0	56	56	0
1 Bedroom	0	0	0	1	1	0	0
2 Bedroom	0	0	0	0	0	0	0
Total	56	42	0	1	57	56	0

PERMANENT FUNDING SOURCES

Source	Amount
Proposition HHH	\$9,500,000
Bank of America	3,913,192
Developer Fee Note	754,266
4% Tax Credit Equity	6,871,444
Total	\$21,038,903

USES

	Total	Per Unit
Acquisition Costs	\$ 1,989,423	\$ 34,902
Hard Construction Costs	12,934,379	226,919
Soft Costs	<u>6,115,101</u>	<u>107,282</u>
Total Development Cost	\$21,038,903	\$369,104

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

Staff Report: RISE Apartments

March 2017

Page 2 of 2

FUNDING RECOMMENDATION

A funding commitment in the amount of up to \$9,500,000 Proposition HHH funds is recommended.

CONSTRUCTION TIMELINE

Construction is currently estimated to start on October 2017, and be completed by October 2019.

Prepared: March 9, 2017

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

STAFF REPORT

SP7 Apartments

519 E. 7th St., Los Angeles, CA 90014

647 S. San Pedro St., Los Angeles, CA 90014

Council District No: 14

PROJECT DESCRIPTION

The SP7 Apartments will include rehabilitation and new construction of an affordable housing development, with a total of 99 permanent supportive housing units for homeless and chronically homeless individuals plus 1 manager's unit. The development consists of two sites: Site 1 will include 79 units, and site 2 will consist of 19 units. Each unit will be equipped with bedroom and living room furnishings and appliances. Site amenities will include: ground floor space for case management and service providers, laundry facilities, bicycle storage, onsite parking, an outdoor courtyard with community garden, and onsite property management office space. The project sponsor is Skid Row Housing Trust, a California non-profit corporation.

AFFORDABILITY STRUCTURE

Unit Type	PSH Total	PSH Chronically	Non-PSH	Mgrs.	Total	HHH PSH funded	HHH Non-PSH funded
Studio	55	28	44	0	99	55	0
1 Bedroom	0	0	0	0	0	0	0
2 Bedroom	0	0	0	1	1	0	0
Total	55	28	44	1	100	55	0

PERMANENT FUNDING SOURCES

Source	Amount
Proposition HHH	\$12,000,000
HCIDLA-HOPWA	3,000,000
LA County DMH	2,000,000
LA County CDC	1,500,000
HCIDLA Recast	950,000
City National Bank – AHP	1,500,000
Deferred Developer Fee	500,000
Permanent Loan – Union Bank	1,766,000
4% Tax Credit Equity	11,819,594
Total	\$35,035,594

USES

	Total	Per Unit
Acquisition Costs	\$ 4,150,000	\$ 41,500
Hard Construction Costs	17,348,364	173,484
Soft Costs	13,537,230	135,372
Total Development Cost	\$35,035,594	\$350,356

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

Staff Report: SP7 Apartments

March 2017

Page 2 of 2

FUNDING RECOMMENDATION

A funding commitment in the amount of up to \$12,000,000 in Proposition HHH funds is recommended.

CONSTRUCTION TIMELINE

Construction is currently estimated to start on July 2018, and be completed by July 2020.

Prepared: March 9, 2017

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

STAFF REPORT

The Pointe on Vermont

7600 S. Vermont Avenue, Los Angeles, CA 90044

Council District No: 8

PROJECT DESCRIPTION

The Pointe on Vermont project entails the demolition of a single story retail building and one single family home, to be replaced by the new construction of a 4-story, mixed-use 100% affordable development with commercial space on the ground floor. The new development will provide 49 units and 1 manager's unit, and will provide permanent supportive housing for homeless and chronically homeless individuals. Site amenities will include onsite parking, community room with kitchen and restroom, two offices, a residential lobby, and a fitness room. The project sponsors are EAH, Inc., a California non-profit corporation, and Christian Landlord Association Serving Society, LLC.

AFFORDABILITY STRUCTURE

Unit Type	PSH Total	PSH Chronically	Non-PSH	Mgrs.	Total	HHH PSH funded	HHH Non-PSH funded
Studio	11	6	11	0	22	11	12
1 Bedroom	14	7	13	0	27	14	12
2 Bedroom	0	0	0	1	1	0	0
Total	25	13	24	1	50	25	24

PERMANENT FUNDING SOURCES

Source	Amount
Proposition HHH PSH	\$5,500,000
Proposition HHH Non-PSH	2,400,000
4% Tax Credit Equity	7,019,333
LA County CDC	1,500,000
Permanent Loan	3,309,471
GP Equity	324,012
Deferred Developer Fee	692,164
Total	\$20,744,980

USES

	Total	Per Unit
Acquisition Costs	\$ 1,210,000	\$ 24,200
Hard Construction Costs	12,980,941	259,619
Soft Costs	6,554,039	131,081
Total Development Cost	\$20,744,980	\$414,900

FUNDING RECOMMENDATION

3. Staff Reports for Proposition HHH PSH Program Fiscal Year 17-18 Projects

Staff Report: The Pointe on Vermont
May 2017
Page 2 of 2

A funding commitment in the amount of up to \$7,900,000 in Proposition HHH funds is recommended.

CONSTRUCTION TIMELINE

Construction is currently estimated to start on January 2018, and be completed by July 2019.

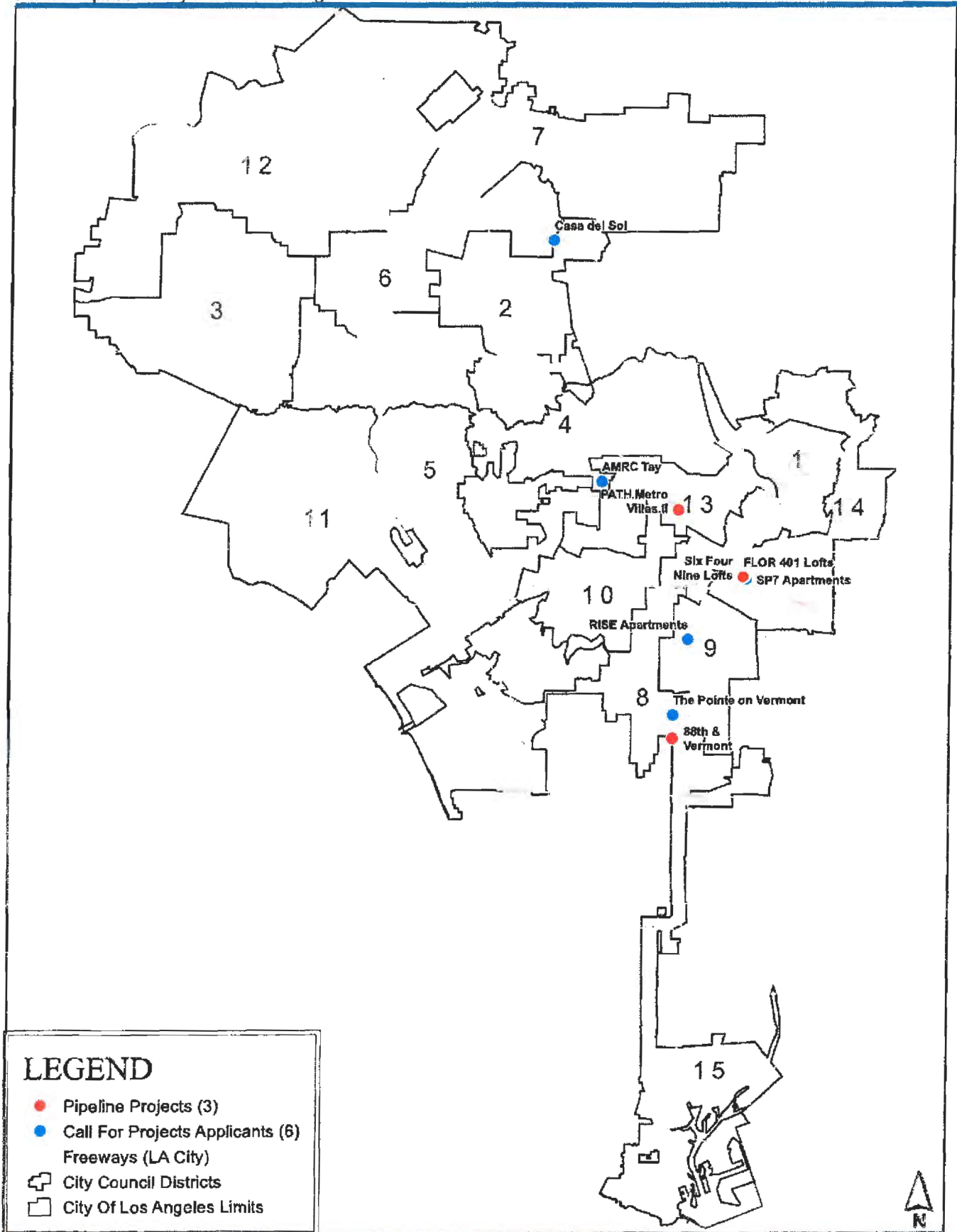
Prepared: May 11, 2017

4. Map of Proposition HHH PSH Program Fiscal Year 17-18 Projects

CITY OF LOS ANGELES



HHH Proposed Projects for Funding



5. Proposition HHH PSH Loan Program Term Sheet and Approval Process

OVERVIEW	<p>The Prop HHH Permanent Supportive Housing Loan Program (Prop HHH) is designed to develop permanent supportive housing for homeless individuals and those at risk of homelessness throughout the City. Currently there are over 25,000 homeless individuals in the City of Los Angeles; citywide there is a shortage of affordable housing units. The program emphasis is on reducing homelessness by creating safe and affordable housing units; and increasing accessibility to a variety of necessary services and treatment programs.</p> <p>Prop HHH invites proposals for innovative approaches. Program rules and regulations are updated annually.</p>
THRESHOLD REQUIREMENTS	<ul style="list-style-type: none"> • Demonstrated Site Control • Minimum Project size 25 units • Project must commit the greater of 25 PSH units or 50% of the units within the project for PSH for homeless individuals and families • 50% of the PSH Units, must be designated for chronically homeless • Acknowledgement from the Council Office
DEVELOPER REQUIREMENTS	<ul style="list-style-type: none"> • Developers who have successfully built and operated Permanent Supportive Housing with Supportive Services. (Development partnerships where at least one developer has met the above requirement) • Commitment to providing services necessary for the successful treatment and long term stability of tenants • Lead developer and managing general partner must clear HCIDLA's background check
PSH SERVICE REQUIREMENTS	<ul style="list-style-type: none"> • Project team must include a service provider with at least 24 months' experience providing services to the proposed target populations(s) in permanent supportive housing • Service Provider must be in good standing with LA County Department of Health Services
QUALIFICATIONS	<ul style="list-style-type: none"> • New Construction or Rehabilitation projects • Available to non-profit, and for profit sponsors • PSH Loan Program may be used with or without Low Income Housing Tax Credits (LIHTC) • 4% LIHTC projects shall use HCIDLA as the bond issuer • 9% LIHTC projects shall apply to the HCIDLA Affordable Housing Pipeline for an allocation of tax credits from the City.
LOAN AMOUNT	<ul style="list-style-type: none"> • Maximum Loan Amount \$12,000,000 (Minimum Loan Amount \$500,000) • Up to \$140,000 per PSH unit for 4% tax credit transactions • Up to \$100,000 per PSH unit for 9% tax credit projects • Up to \$100,000 per PSH unit for non-tax credit projects • Up to \$80,000 in Supplemental funding per unit for 2017 4% & 9% HHH funding rounds (July 2017 & October 2017) to enable quick start production despite lack of other available PSH funding.
FEES	<ul style="list-style-type: none"> • Loan Fee: TBD (Bond conduit issuer fees are separate)

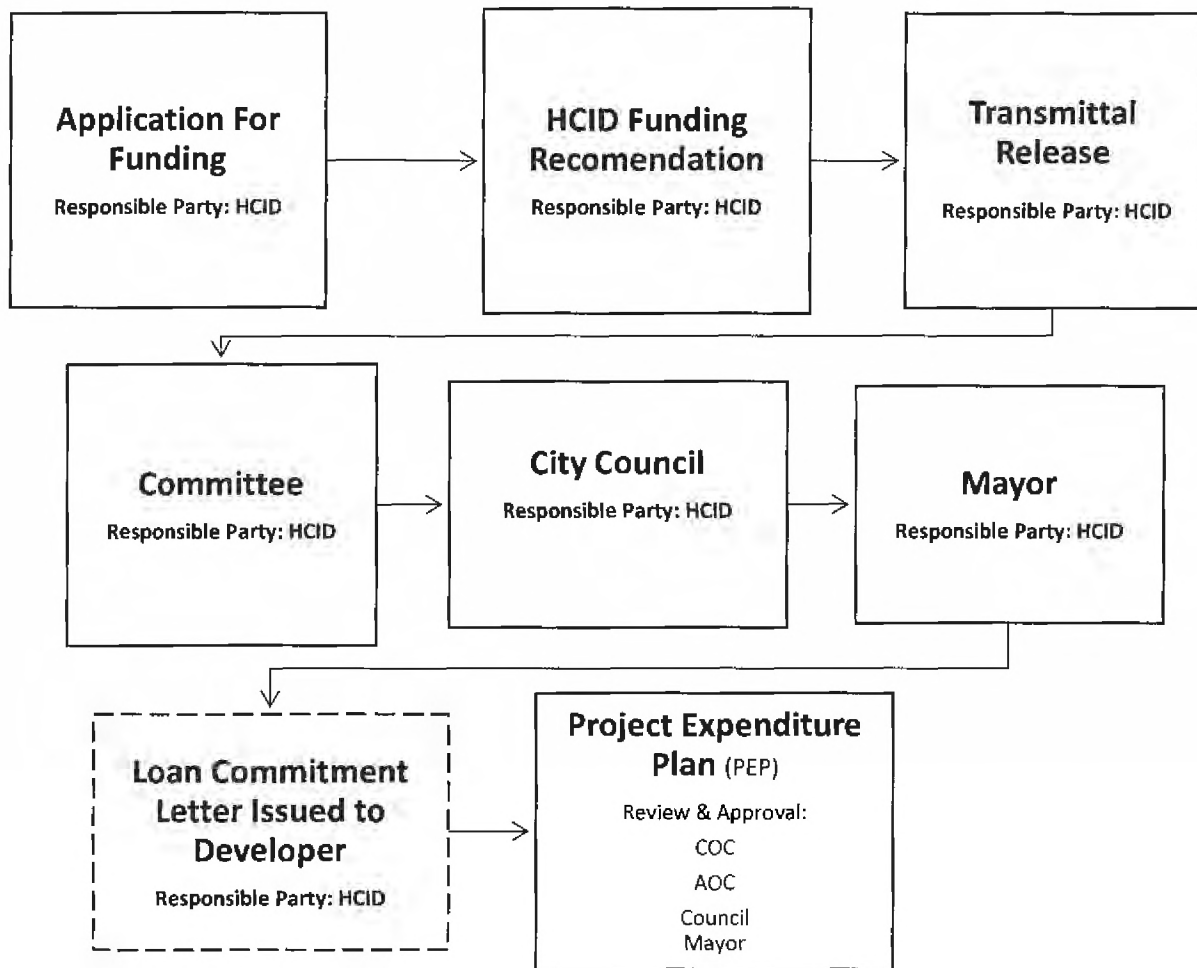
5. Proposition HHH PSH Loan Program Term Sheet and Approval Process

RATES & TERMS	<ul style="list-style-type: none"> • 3% interest rate, residual receipts, 55 year term/covenant • 2 year conditional commitment
OTHER FINANCING	<ul style="list-style-type: none"> • Loans and grants are encouraged from local government and third parties to leverage funds and achieve project feasibility • If amortizing debt on project, minimum 1.15 debt service coverage ratio (additional reserves may be required)
OCCUPANCY REQUIREMENTS	<ul style="list-style-type: none"> • Permanent Supportive housing units for individuals and families who are homeless or chronically homeless, and either <ul style="list-style-type: none"> ○ (1) "extremely low income" up to 30% of the Area Median Income ○ (2) "very low income" up to 50% of the Area Median Income as established and revised from time to time by HUD • Affordable Housing units for individuals and families who are <ul style="list-style-type: none"> ○ (1) "extremely low income" up to 30% of the Area Median Income, or ○ (2) "very low income," and/or; ○ (3) "low income" which includes income up to 80% Area Median Income; however, no more than 20% of funds shall be used for such purposes
TENANT SELECTION	<ul style="list-style-type: none"> • Use of the LA County Coordinated Entry System (CES) or similar system to preference vulnerable populations • Comply with all applicable tenant guidelines and regulations
HCIDLA PRIORITIES	<ul style="list-style-type: none"> • Projects with more than 50% Permanent Supportive Housing units; 1/2 of which designated for Chronically Homeless • Projects containing 50+ total units preferred • Projects located near Transit Oriented Development (TOD) areas • Prioritize projects requesting less than 75% of maximum funding allowed; followed by 85% and 95% respectively (thus maximizing leveraging of funds) • Access to services • Geographic distribution throughout the City of Los Angeles

5. Proposition HHH PSH Loan Program Term Sheet and Approval Process

DEFINITIONS	<ul style="list-style-type: none">• Affordable Housing Development: 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• Permanent Supportive Housing Projects (PSHP): A development that provides permanent housing and 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.• Homeless: An individual who lacks a fixed, regular, and adequate nighttime residence• Chronically Homeless: An individual who has been homeless for at least 1 year, or on 4 separate occasions in the last 3 years• Homeless at risk: An individual or family who has income below 60% of the AMI and has insufficient resources immediately available to maintain housing stability• Assisted Unit: A housing unit that is subject to specific rent, occupancy and other restrictions per the funding program regulations• MHSA eligible tenants: A homeless or at risk of homeless individual who has a mental illness• Veterans: Any person who actively served in any US military branch and who has been released regardless of discharge status
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5. Proposition HHH PSH Loan Program Term Sheet and Approval Process



6. Proposition HHH Facilities Program Fiscal Year 17-18 Project Summaries

Submitting Agency/Organization	Community Build
Project Name	88th & Vermont Youth and Community Center
Project Type	Service Center
Population Served	Homeless Individuals, Homeless Youth, and Individuals and Youth At Risk of Homelessness
Council District	CD8
HHH Funds Requested	\$3,245,154
Other Funds Committed	\$547,211
Total Project Cost	\$3,792,365
% HHH Funds/Total Cost	86%
Estimated Start	12/2017
Estimated Completion	07/2018
New or Rehab	New construction
Address	8730-8550 Vermont Ave., Los Angeles, CA 90044

Project Summary:

The 88th & Vermont Youth and Community Center project proposed by Community Build will serve homeless individuals, homeless youth, and individuals and youth at risk of homelessness. It will be built in conjunction with a larger development that also contains Permanent Supportive Housing and affordable housing units. The project will provide case management, wraparound services, tutoring, workshops, training, counseling, and other services to 1,250 clients annually. The project is requesting \$3,245,154 in funding from the Prop HHH Facilities Program, which leverages a \$1,650,000 conventional loan and represents 66% of the total construction budget.

6. Proposition HHH Facilities Program Fiscal Year 17-18 Project Summaries

Submitting Agency/Organization	JWCH Institute
Project Name	Corner of Hope
Project Type	Clinic
Population Served	Homeless, Chronically Homeless, Families, Homeless affected by Domestic Violence, Mental Illness, Disability, HIV/AIDS, and/or Substance Abuse
Council District	CD14
HHH Funds Requested	\$435,800
Other Funds Committed	\$886,607
Total Project Cost	\$1,322,407
% HHH Funds/Total Cost	33%
Estimated Start	10/2017
Estimated Completion	04/2018
New or Rehab	Rehabilitation
Address	500 S. San Pedro St., Los Angeles, CA 90013

Project Summary:

The Corner of Hope project proposed by JWCH Institute is a clinic serving homeless and chronically homeless families and individuals affected by domestic violence, mental illness, physical disability, HIV/AIDS, and substance abuse. The project will add an additional 1,800 primary care patients to reach a total of 7,200 primary care patients, and overall will provide medical services to 68,133 annually through the rehabilitation of the newly acquired 500 S. San Pedro facility, adjacent to the Center for Community Health. The project is requesting \$435,800 in funding from the Prop HHH Facilities Program, which represents 35% of the total construction budget of \$1,261,775.

6. Proposition HHH Facilities Program Fiscal Year 17-18 Project Summaries

Submitting Agency/Organization	LA Family Housing
Project Name	South Campus
Project Type	Service Center & Transitional Housing
Population Served	Homeless, Chronically Homeless, Families, Veterans, Homeless affected by Domestic Violence, Mental Illness, Disability, HIV/AIDS, and/or Substance Abuse
Council District	CD6
HHH Funds Requested	\$1,302,500
Other Funds Committed	\$3,500,000
Total Project Cost	\$4,802,500
% HHH Funds/Total Cost	27%
Estimated Start	07/2017
Estimated Completion	08/2018
New or Rehab	Rehabilitation
Address	7817 Lankershim Blvd., North Hollywood, CA 91605

Project Summary:

The South Campus project proposed by LA Family Housing is a center serving homeless and chronically homeless families and individuals, veterans, and individuals affected by domestic violence, mental illness, physical disability, HIV/AIDS, and substance abuse. The project will improve the comprehensive homeless and navigation services provided by the center, including rehabilitating on-site bridge and crisis units for families and individuals, and will improve the quality of services that reach approximately 6,400 clients annually. The project is requesting \$1,302,500 in funding from the Prop HHH Facilities Program, which represents 27% of the total construction budget of \$4,802,500.

6. Proposition HHH Facilities Program Fiscal Year 17-18 Project Summaries

Submitting Agency/Organization	Los Angeles Christian Health Centers
Project Name	Joshua House Health Center
Project Type	Clinic
Population(s) Served	Homeless, Chronically Homeless, Veterans, Homeless affected by Mental Illness and/or Substance Abuse
Council District	CD14
HHH Funds Requested	\$3,700,000
Other Funds Committed	\$19,538,840
Total Project Cost	\$23,238,840
% HHH Funds/Total Cost	16%
Estimated Start	10/2017
Estimated Completion	05/2019
New or Rehab	New construction
Address	649 S. Wall St., Los Angeles, CA 90014

Project Summary:

The Joshua House Health Center (JHHC) proposed by Los Angeles Christian Health Centers serves homeless and chronically homeless individuals, those affected by mental illness, those affected by substance abuse, and veterans. This facility will be built in conjunction with a Permanent Supportive Housing development and provide medical, dental, mental, and substance abuse services, expanding current service capacity to serve at least 2,200 additional homeless individuals annually. The project is requesting \$3,700,000 in funding from the Prop HHH Facilities Program, which represents 16% of the total construction budget of \$23,238,840.

6. Proposition HHH Facilities Program Fiscal Year 17-18 Project Summaries

Submitting Agency/Organization	Volunteers of America Los Angeles
Project Name	Homeless Vets at the Marion
Project Type	Transitional Housing
Population Served	Veterans
Council District	CD14
HHH Funds Requested	\$220,765
Other Funds Committed	\$130,435
Total Project Cost	\$351,200
% HHH Funds/Total Cost	63%
Estimated Start	10/2017
Estimated Completion	06/2018
New or Rehab	Rehabilitation
Address	642 S. Crocker St., Los Angeles, CA 90021

Project Summary:

The Homeless Vets at the Marion proposed by Volunteers of America Los Angeles is a transitional housing project serving homeless and chronically homeless veterans who are affected by mental health issues, substance abuse, mental health issues, and domestic violence. The project will expand transitional housing and other services focused on helping veterans obtain stabilized housing and will increase the facility's clients served from 50 to a total of 75 veterans annually. The project is requesting \$220,765 in funding from the Prop HHH Facilities Program, which represents 63% of the total construction budget of \$351,200.

6. Proposition HHH Facilities Program Fiscal Year 17-18 Project Summaries

Submitting Agency/Organization	City of Los Angeles
Project Name	Service Center
Project Type	Center
Population Served	Homeless and Chronically Homeless
Council District	CD8
HHH Funds Requested	\$3,100,000
Other Funds Committed	\$0
Total Project Cost	\$3,100,000
% HHH Funds/Total Cost	100%
Estimated Start	10/2017
Estimated Completion	09/2018
New or Rehab	New construction
Address	729 W. Manchester Ave., Los Angeles, CA 90044

Project Summary:

The former site of the old Fire Station 57 is being proposed by the City of Los Angeles as a service center for homeless and chronically homeless families and individuals. The project will provide storage facilities, shower and bathroom facilities, navigation services, and other homeless services and is projected to serve a least 500 clients annually. The project is requesting \$3,100,000 in funding from the Prop HHH Facilities Program, which represents 100% of the total construction budget of \$3,100,000. Funding is recommended subject to operating funds being committed from another source.

7. Map of Proposition HHH Facilities Program Fiscal Year 17-18 Recommended Projects by Council District

