

In 2016, the City Council and voters in our communities supported Proposition HHH and the issuance of up to \$1.2 billion in bond proceeds to address the homelessness crisis. In 2017, the Los Angeles Housing Department (LAHD) launched the Proposition HHH Permanent Supportive Housing Loan Program ("Prop HHH Program") to help meet the City's goal of facilitating 10,000 affordable and permanent supportive housing over a 10 year period. While LAHD has expeditiously financed and moved projects into the construction phase, it now faces the challenge of processing payment requests in a timely manner.

The Prop HHH Program has achieved significant outcomes. Fourteen projects (804 units) are completed and/or occupied and LAHD plans to house the program's 1,000th tenant before the end of the year. Currently, there are 127 Prop HHH-funded projects in the pipeline comprising 8,241 total housing units, with at least one project in every Council District. A total of 54 projects (3,402 units) are under construction and 22 projects (1,408 units) are expected to close their construction financing by the end of 2021 and begin construction shortly thereafter. In addition, 37 projects are assembling financing and targeted to close by the end of 2022. Overall, LAHD expects to have exceeded the 10,000 unit goal by more than 1,000 units, to do so two years early, and with an average HHH subsidy of \$135,000 per unit.

Due to the increasing number of Prop HHH affordable housing projects under construction, and a reduced level of staffing, LAHD is requesting that additional resources be allocated to an existing Prevailing Wage contract to allow for timely processing of the on-going workload. LAHD reports that the FY 2021-22 General Fund appropriation for the Prevailing Wage Compliance contract is insufficient to cover the on-going and growing demand for Prevailing Wage Compliance work during this fiscal year. Additionally, LAHD requests authority to adopt a revised fee schedule for the Prevailing Wage compliance contract.

It is the top priority of Angelenos to house and assist people experiencing homelessness. The timely payment to HHH partners is important, especially the small business contractors, all of whom rely on timely payments to build thousands of units. This is an obligation and duty that the city must fulfill.

I THEREFORE MOVE that Council instruct LAHD, in consultation with the City Administrative Officer and other appropriate departments, to report in 45 days on the standard timing for similar payments in other jurisdictions; recommendations on how to improve the payment request review process for Proposition HHH-funded affordable and permanent supportive housing projects; and the resources needed to process payments within 30 days.

I FURTHER MOVE that Council authorize the Controller to:

- A. Disencumber \$112,500 from Fiscal Year 2020-21 within Los Angeles Housing Department's Fund 100/43, Account 003040 Contractual Services for Contract No. C-135759 RLS Compliance, LLC and revert to Reserve Fund 101, and reappropriate therefrom to the Fiscal Year 2021-22 Los Angeles Housing Department's Fund 100/43, Account 003040 Contractual Services for Contract No. C-135759 RLS Compliance, LLC.
- B. Establish a new account 43V728 - LAHD program delivery within the Home Investment Partnership Program Fund No. 561.
- C. Transfer \$100,000 from 43V143 - Los Angeles Housing Dept to 43V728 - LAHD program delivery within the Home Investment Partnership Program Fund No. 561.
- D. Decrease \$100,000 from Salaries General Account 001010 appropriation within LAHD Fund 100/43;

I FURTHER MOVE that Council authorize the LAHD General Manager, or designee, to adopt a revised fee schedule, as appropriate, with RLS Compliance, LLC for the prevailing wage compliance services.

PRESENTED BY:


MITCH O'FARRELL

Councilmember, 13th District

SEP 01 2021

SECONDDED BY: