

**TRANSMITTAL**


TO The City Council	DATE 11-10-21	COUNCIL FILE NO. 17-0090-S15
FROM The Proposition HHH Administrative Oversight Committee	COUNCIL DISTRICT 11, 13, 15	

At its meeting on November 4, 2021, the Proposition HHH (Prop HHH) Administrative Oversight Committee (AOC) considered the attached Los Angeles Housing Department (LAHD) report relative to requesting approval of an Amendment to the Prop HHH Permanent Supportive Housing (PSH) Fiscal Year (FY) 2020-21 Project Expenditure Plan (PEP), which is hereby transmitted to Council for consideration.

**RECOMMENDATIONS**

That the Council, subject to approval by the Mayor:

1. AUTHORIZE LAHD to issue letters of financial commitment not to exceed \$15,555,556, per the breakdown provided in Table 1 of the LAHD report, for two Prop HHH Housing Challenge projects:
  - i. \$7,000,000 for Avalon 1355;
  - ii. \$8,555,556 for Beacon Landing (formerly known as Beacon PSH);
2. APPROVE the FY 2020-2021 PEP to be amended and increased as follows (Attachment A of the LAHD report):
  - i. \$7,000,000 for Avalon 1355;
  - ii. \$8,555,556 for Beacon Landing (formerly known as Beacon PSH);
  - iii. \$5,460,000 for Lincoln Apartments;
  - iv. \$9,600,000 for Rousseau (formerly known as Enlightenment Plaza - Phase I);
  - v. \$12,000,000 for Santa Monica & Vermont Apartments Phase I;
  - vi. \$12,000,000 for Santa Monica & Vermont Apartments Phase II;
3. AUTHORIZE the LAHD General Manager, or designee, to negotiate and execute loan documents, covenant/regulatory agreements, and any other documents necessary to implement the Prop HHH FY 2020-2021 Project Expenditure Plan (Attachment A of the LAHD report) with each of the borrowers on projects selected for funding, subject to the approval of the City Attorney as to form; and,
4. AUTHORIZE the disbursement of Prop HHH funds to take place after the sponsors obtain enforceable commitments for all proposed funding, including, but not limited to, the full amount of funding and/or tax credits proposed.

  
 for Matthew W. Szabo  
 City Administrative Officer

Chair, Proposition HHH Administrative Oversight Committee


REPORT FROM

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: October 25, 2021

To: Proposition HHH Administrative Oversight Committee

From: Matthew W. Szabo, City Administrative Officer 

Subject: **COMMUNICATION FROM THE PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE RELATIVE TO A REPORT FROM THE LOS ANGELES HOUSING DEPARTMENT REQUESTING APPROVAL OF AN AMENDMENT TO THE PROPOSITION HHH FISCAL YEAR 2020-21 PROJECT EXPENDITURE PLAN**

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**SUMMARY**

At its meeting on October 15, 2021, the Proposition HHH (Prop HHH) Citizens Oversight Committee (COC) considered the attached Los Angeles Housing Department (LAHD) report relative to a proposed amendment to the Prop HHH Fiscal Year (FY) 2020-21 Project Expenditure Plan. A quorum of the Prop HHH COC voted to forward the report to the Prop HHH Administrative Oversight Committee (AOC) for consideration.

**RECOMMENDATIONS**

That the Prop HHH AOC recommend that the Council, subject to the approval of the Mayor:

1. AUTHORIZE LAHD to issue letters of financial commitment not to exceed \$15,555,556, per the breakdown provided in Table 1 of the LAHD report, for two Prop HHH Housing Challenge projects:
  - i. \$7,000,000 for Avalon 1355;
  - ii. \$8,555,556 for Beacon Landing (formerly known as Beacon PSH);
2. APPROVE the FY 2020-2021 PEP to be amended and increased as follows (Attachment A of the LAHD report):
  - i. \$7,000,000 for Avalon 1355;
  - ii. \$8,555,556 for Beacon Landing (formerly known as Beacon PSH);
  - iii. \$5,460,000 for Lincoln Apartments;
  - iv. \$9,600,000 for Rousseau (formerly known as Enlightenment Plaza - Phase I);
  - v. \$12,000,000 for Santa Monica & Vermont Apartments Phase I;
  - vi. \$12,000,000 for Santa Monica & Vermont Apartments Phase II,
3. AUTHORIZE the LAHD General Manager, or designee, to negotiate and execute loan documents, covenant/regulatory agreements, and any other documents necessary to implement the Prop HHH FY 2020-2021 Project Expenditure Plan (Attachment A of the LAHD report) with each of the borrowers on projects selected for funding, subject to the approval of the City Attorney as to form; and,

4. AUTHORIZE the disbursement of Prop HHH funds to take place after the sponsors obtain enforceable commitments for all proposed funding, including, but not limited to, the full amount of funding and/or tax credits proposed.

Attachment: LAHD Report - Proposed Amendment to the Prop HHH Fiscal Year 2020-21 PEP

*MWS:YC:JL:EMM:02220047*

Ann Sewill, General Manager  
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager  
Anna E. Ortega, Assistant General Manager  
Luz C. Santiago, Assistant General Manager

## City of Los Angeles



## LOS ANGELES HOUSING DEPARTMENT

1200 West 7th Street, 9th Floor  
Los Angeles, CA 90017  
Tel: 213.808.8808

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

Eric Garcetti, Mayor

### INTER-DEPARTMENTAL MEMORANDUM

TO: PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE

FROM: ANN SEWILL, GENERAL MANAGER *Ann Sewill*

LOS ANGELES HOUSING DEPARTMENT, FORMERLY LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT

DATE: OCTOBER 15, 2021

REGARDING: ISSUANCE OF FINAL LOAN COMMITMENTS FOR HHH INNOVATIVE HOUSING CHALLENGE PROJECTS; AMENDMENT TO PROPOSITION HHH FY 2020-2021 PROJECT EXPENDITURE PLAN

### SUMMARY

On May 9, 2019, the Mayor's Office and the Los Angeles Housing Department (LAHD), formerly the Los Angeles Housing + Community Investment Department (HCIDLA), issued the Proposition HHH Housing Challenge Request for Proposals (RFP). On September 2, 2020 (C.F. No. 20-0388), the City Council granted LAHD authority to issue HHH Permanent Supportive Housing Loan Program conditional financial commitments in a total amount not to exceed \$43,575,000 for five projects. On November 25, 2020 (C.F. No. 20-0388), the City Council granted LAHD authority to issue HHH Permanent Supportive Housing Loan Program conditional financial commitments in a total amount not to exceed \$7,000,000 for one project. Through this report, LAHD is requesting authority to issue final letters of commitment for two Proposition HHH Innovative Housing Challenge (Housing Challenge) projects (see Table 1).

The Los Angeles Housing Department (LAHD), formerly the Los Angeles Housing + Community Investment Department (HCIDLA) requests authorization to amend the Fiscal Year (FY) 2020-2021 Project Expenditure Plan (PEP), to include two projects from the HHH Innovative Housing Challenge and four projects from the Proposition HHH Permanent Supportive Housing Loan Program (HHH Program). The six projects have total HHH loan commitments of \$54,615,556 (Attachment A).

### RECOMMENDATIONS

- I. The General Manager of LAHD respectfully requests that the Proposition HHH Citizens Oversight Committee (COC) recommend to the Proposition HHH Administrative Oversight Committee (AOC), for further consideration by the City Council and the Mayor, to address the following actions:

- A. AUTHORIZE LAHD to issue letters of financial commitment for the projects identified in Table 1. The recommended projects, Avalon 1355 and Beacon Landing (formerly known as Beacon PSH), are the result of the Housing Challenge RFP, and the final Housing Challenge HHH financial commitment will not exceed \$15,555,556, per the breakdown provided in Table 1;
- B. APPROVE the FY 2020-2021 PEP to be amended and increased as follows:
- i. \$7,000,000 for Avalon 1355 (Attachment A);
  - ii. \$8,555,556 for Beacon Landing (fka Beacon PSH) (Attachment A);
  - iii. \$5,460,000 for Lincoln Apartments (Attachment A);
  - iv. \$9,600,000 for Rousseau (fka Enlightenment Plaza - Phase I) (Attachment A);
  - v. \$12,000,000 for Santa Monica & Vermont Apartments Phase I (Attachment A);
  - vi. \$12,000,000 for Santa Monica & Vermont Apartments Phase II (Attachment A)
- C. AUTHORIZE the LAHD General Manager, or designee, to negotiate and execute loan documents, covenant/regulatory agreements, and any other documents necessary to implement the Proposition HHH Project Expenditure Plan Fiscal Year 2020-2021 (Attachment A) with each of the borrowers on projects selected for funding, subject to the approval of the City Attorney as to form; and
- D. AUTHORIZE the disbursement of HHH funds to take place after the sponsors obtain enforceable commitments for all proposed funding, including, but not limited to, the full amount of funding and/or tax credits proposed.

## **BACKGROUND**

### **Housing Challenge RFP**

On May 9, 2019, the Housing Challenge RFP was released and six proposals were selected. The proposal teams for Avalon 1355, Brilliant Corners, and for Beacon Landing (fka Beacon PSH), Abode/Mercy/LA Family Housing, received a Housing Challenge award (C.F. No. 17-0090-S4). On November 25, 2020 (C.F. No. 20-0388), the City Council approved site selection and granted LAHD authority to issue conditional financial commitments in a total amount not to exceed \$7,000,000 for the project at 1355 Avalon. On September 2, 2020, the City Council approved site selections and granted LAHD authority to issue conditional financial commitments in a total amount not to exceed \$43,575,000 for five projects, including the project at 311-345 N. Beacon Street (C.F. No. 20-0388). The projects now known as Avalon 1355 and Beacon Landing (formerly known as Beacon PSH), have received their background check review approval, has been underwritten by LAHD staff, and expects to close their construction financing by the third quarter of FY 2021-2022. The staff reports for the projects are provided in Attachment B.

#### **1. Avalon 1355**

The project is located at 1355 N. Avalon Boulevard in Los Angeles in Council District 15 and involves the construction of 54 units (including 53 supportive housing units). The project received a conditional HHH loan commitment up to \$7,000,000 and passed a background check review on February 4, 2021. The project's financing plan is compliant with the Council-approved Housing Challenge RFP and requires no waivers from the Council approved HHH Regulations (C.F. No. 17-0090-S8).

## 2. Beacon Landing (fka Beacon PSH)

The project is located at 319 N. Beacon Street in Los Angeles in Council District 15 and involves the construction of 89 units (including 88 supportive housing units). The project received a conditional HHH loan commitment up to \$8,750,000 and passed a background check review on August 18, 2021. The project's financing plan is compliant with the Council-approved Housing Challenge RFP and requires no waivers from the Council approved HHH Regulations (C.F. No. 17-0090-S8).

Therefore, LAHD is requesting authority to issue final financial letters of commitment for two projects, totaling \$15,555,556 in HHH funds. The two proposed Housing Challenge projects represent a total of 143 units (141 supportive housing units and 2 manager's unit).

TABLE 1: HHH Housing Challenge Project Seeking Final Loan Commitment						
No.	Project Name	Total Units	Total HHH Funding Request	HHH Per Unit Cost	Total Development Cost (TDC)	TDC Per Unit Cost
1.	Avalon 1355	54	\$7,000,000	\$129,630	\$30,856,598	\$571,418
2.	Beacon Landing (fka Beacon PSH)	89	\$8,555,556	\$96,130	\$45,982,886	\$516,662
		<b>143</b>	<b>\$15,555,556</b>	<b>\$108,780</b>	<b>\$76,839,484</b>	<b>\$537,339</b>

### FY 2020-2021 PEP Amendment

To date, there are 110 projects in the HHH Permanent Supportive pipeline, 83 of which have been included in the four PEPs. To date, there are 15 projects in the Innovative Housing Challenge pipeline, 3 of which have been included in the four PEPs. The FY 2020-2021 PEP was approved by City Council on September 14, 2020, (C.F. No. 17-0090-S15) for a total funding of \$106,516,646 and amended by City Council on April 20, 2021 for an additional funding of \$37,590,000, on June 28, 2021 (C.F. No 17-0090-S15) for an additional funding of \$26,335,000, and on September 28, 2021 (C.F. No.17-0090-S15) for an additional funding of \$13,757,200.

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$54,615,556 (Table 3 and Attachment A). This amount is comprised of the six projects described below. Staff reports for the six projects are provided in Attachment B.

#### 1. PEP FY 2020-2021 – Amendment for Avalon 1355

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$7,000,000. The Project received a Housing Challenge award (C.F. No. 17-0090-S4) and received the authority to issue a HHH Program conditional financial commitment approved by City Council (C.F. No. 20-0388). This project submitted for an allocation of LIHTCs and tax-exempt bonds from CDLAC and TCAC. The project received an award for tax-exempt bonds and LIHTCs on August 11, 2021, and is targeted to close construction financing by February 7, 2022. Both CDLAC and TCAC require that projects close within 180 days of their respective award dates. In order to close, the Project must be in a PEP. A TEFRA resolution was approved by the City Council on June 23, 2021 (C.F. No 21-0677).

## 2. PEP FY 2020-2021 – Amendment for Beacon Landing

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$8,555,556. The Project received a Housing Challenge award (C.F. No. 17-0090-S4) and received the authority to issue a HHH Program conditional financial commitment approved by City Council (C.F. No. 20-0388). This project submitted for an allocation of LIHTCs and tax-exempt bonds from CDLAC and TCAC. The project received an award for tax-exempt bonds and LIHTCs on August 11, 2021, and is targeted to close construction financing by February 7, 2022. Both CDLAC and TCAC require that projects close within 180 days of their respective award dates. In order to close, the Project must be in a PEP. A TEFRA resolution was approved by the City Council on June 23, 2021 (C.F. No 21-0679).

## 3. PEP FY 2020-2021 – Amendment for Lincoln Apartments

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$5,460,000. The Project received an HHH Program award as part of the 2018-2019 Proposition HHH Call for Projects Round 3 and received an HHH loan commitment approved by City Council (C.F. No. 17-0090-S8). This project submitted for an allocation of LIHTCs and tax-exempt bonds from CDLAC and TCAC. The project received an award for tax-exempt bonds and LIHTCs on August 11, 2021, and is targeted to close construction financing by February 7, 2022. Both CDLAC and TCAC require that projects close within 180 days of their respective award dates. In order to close, the Project must be in a PEP.

## 4. PEP FY 2020-2021 – Amendment for Rousseau (fka Enlightenment Plaza – Phase I)

The Project initially applied for HHH funds proposing 105 units and received an HHH award of \$9,600,000. Post HHH award, the developer later decided to phase the project into two phases and the HHH award was split among the two phases. The first phase kept the name of Rousseau Residences and will consist of 52 units and the second phase was named Montesquieu Manor consisting of 53 units. As a result, the developer has created two separate entities and two separate financing structures. The Table 2 below breaks out the split of the HHH award and the units. The remainder of the staff report will reference Montesquieu Manor as a separate project.

Table 2: Comparison of Projects				
Project Names:	Previous Units	Previous HHH Loan		Current Units Current HHH Loan
Rousseau (fka Enlightenment Plaza Phase I)	105	\$9,600,000		0 \$0
Rousseau Residences	0	\$0		52 \$4,648,000
Montesquieu Manor	0	\$0		53 \$4,952,000
<b>Total</b>	<b>105</b>	<b>\$9,600,000</b>		<b>105</b> <b>\$9,600,000</b>

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$9,600,000. The Project received an HHH Program award as part of the 2018-2019 Proposition HHH Call for Projects Round 2 and received an HHH loan commitment approved by City Council (C.F. No. 17-0090-S8). This project submitted for an allocation of LIHTCs and tax-exempt bonds from CDLAC and TCAC. The project received an award for tax-exempt bonds and LIHTCs on August 11, 2021, and is targeted to close construction financing by February 7, 2022. Both CDLAC and TCAC require that projects close within 180 days of their respective award dates. In order to close, the Project



must be in a PEP. A TEFRA resolution was approved by the City Council on July 1, 2021 (C.F. No 21-0693 and 21-0697).

5. PEP FY 2020-2021 – Amendment for Santa Monica & Vermont Apartments Phase I

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$12,000,000. The Project received an HHH Program award as part of the 2018-2019 Proposition HHH Call for Projects Round 2 and received an HHH loan commitment approved by City Council (C.F. No. 17-0090-S8). This project submitted for an allocation of LIHTCs and tax-exempt bonds from CDLAC and TCAC. The project received an award for tax-exempt bonds and LIHTCs on August 11, 2021, and is targeted to close construction financing by February 7, 2022. Both CDLAC and TCAC require that projects close within 180 days of their respective award dates. In order to close, the Project must be in a PEP. A TEFRA resolution was approved by the City Council on March 2, 2021 (C.F. No 21-0241).

**NOTE:** Little Tokyo Service Center, developer of the Project, chose to merge Phase I and Phase II and apply to CDLAC and TCAC as one project. By merging the SMV project into one application the cost of bond financing and other associated costs are reduced providing a lower Total Development Cost, and smoother transaction and coordination for closing. This is reflected in one Staff Report in Attachment B for the combined Santa Monica & Vermont projects.

6. PEP FY 2020-2021 – Amendment for Santa Monica & Vermont Apartments Phase II

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$12,000,000. The Project received an HHH Program award as part of the 2018-2019 Proposition HHH Call for Projects Round 2 and received an HHH loan commitment approved by City Council (C.F. No. 17-0090-S8). This project submitted for an allocation of LIHTCs and tax-exempt bonds from CDLAC and TCAC. The project received an award for tax-exempt bonds and LIHTCs on August 11, 2021, and is targeted to close construction financing by February 7, 2022. Both CDLAC and TCAC require that projects close within 180 days of their respective award dates. In order to close, the Project must be in a PEP. A TEFRA resolution was approved by the City Council on June 28, 2021 (C.F. No 21-0241).

**NOTE:** Little Tokyo Service Center, developer of the Project, chose to merge Phase I and Phase II and apply to CDLAC and TCAC as one project. By merging the SMV project into one application the cost of bond financing and other associated costs are reduced providing a lower Total Development Cost, and smoother transaction and coordination for closing. This is reflected in one Staff Report in Attachment B for the combined Santa Monica & Vermont projects.

TABLE 3: FY 2020-2021 PEP Amendment

No.	PEP Fiscal Year	Number of Projects	Total HHH Funding Request	HHH Per Unit Cost	Total Development Cost (TDC)	TDC Per Unit Cost
1.	2020-2021 PEP (FY20)	13	\$106,516,646	\$143,941	\$416,188,707	\$562,417
2.	2020-2021 PEP (FY20) (First Amendment Increase)	4	\$37,590,000	\$141,849	\$156,061,671	\$588,912
3.	2020-2021 PEP (FY20) (Second Amendment Increase)	5	\$26,335,000	\$86,628	\$202,502,949	\$666,128



4.	2020-2021 PEP (FY20) (Third Amendment Increase)	2	\$13,757,200	\$89,332	\$101,938,662	\$661,939
5.	2020-2021 PEP (FY20) (Fourth Amendment Increase)	5	\$30,786,602	\$111,546	\$170,725,756	\$618,572
6.	2020-2021 PEP (FY20) (Current Amendment Increase)	6	\$54,615,556	\$114,980	\$275,899,093	\$580,840
	<b>TOTAL</b>	<b>35</b>	<b>\$269,601,004</b>	<b>\$121,771</b>	<b>\$1,323,316,838</b>	<b>\$597,704</b>

To summarize the above, LAHD recommends that the FY 2020-2021 Project Expenditure Plan be amended to include six projects from the Proposition HHH Permanent Supportive Housing Loan Program.

ATTACHMENTS:

Attachment A: Proposition HHH Project Expenditure Plan FY 2020-2021 Amendment

Attachment B: Project Staff Reports

# Attachment A.

## Proposition HHH Project Expenditure Plan FY 2020-21 Fifth Amendment

No.	Project Name	Developer	Address	CD	Leverage Source	Total Units	PSH Units	Non-PSH units	Mgr Units	Total HHH Request	Population Served	Est. Date Applying to CD/LAC	CD/LAC Allocation Meeting	Est. Construction Loan Closing	Est. Construction Start Date	Est. Construction End Date
1	11010 Santa Monica	Weingart Center Association; Values Housing II, LLC	11010 W SANTA MONICA BLVD CA 90025	5	4%	51	50	0	1	\$ 7,000,000	HS, HV	9/24/2020 (Actual)	12/21/2020 (Actual)	6/18/2021 (Actual)	7/20/2021 (Actual)	7/7/2023
2	Amani Apartments (fka PICO)	Wakeland Housing and Development Corporation	4200 W PICO BLVD CA 90019	10	4%	54	53	0	1	\$ 11,410,000	HS, CH	1/17/2020 (Actual)	2/18/2020 (Actual)	11/5/2020 (Actual)	11/24/2020 (Actual)	7/1/2022
3	Bell Creek Apartments	Western Community Housing, Inc.; Meta Housing Corporation	6940 N OWENSMOUTH AVE CA 91303	3	4%	80	41	38	1	\$ 6,226,546	HF, H, F, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	11/17/2020 (Actual)	11/23/2020 (Actual)	11/30/2022
4	Chesterfield (fka 4719 Normandie)	Wakeland Housing and Development Corporation	4719 S NORMANDIE AVE CA 90037	8	4%	43	42	0	1	\$ 8,990,000	HS, CH	1/17/2020 (Actual)	2/18/2020 (Actual)	11/13/2020 (Actual)	11/30/2020 (Actual)	4/29/2022
5	Hope on Broadway	Hope Street Development Group, LLC; CHAPA Inc. (or affiliate)	5138 S BROADWAY CA 90037	9	4%	49	48	0	1	\$ 6,720,000	H, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	1/29/2021 (Actual)	3/4/2021 (Actual)	8/1/2022
6	Hope on Hyde Park	Hope Street Development Group, LLC; CHAPA Inc. (or affiliate)	6501 S CRENSHAW BLVD CA 90043	8	4%	98	97	0	1	\$ 9,280,000	H, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	1/29/2021 (Actual)	4/7/2021 (Actual)	8/15/2022
7	Silva Crossing (fka Link at Sylmar)	Sylmar II, LP; Meta Housing Corporation	12667 N SAN FERNANDO ROAD CA 91342	7	4%	56	55	0	1	\$ 10,900,000	H, I, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	10/16/2020 (Actual)	12/1/2020 (Actual)	4/5/2022
8	NoHo 5050	Decro Corporation; Daylight Community Development, LLC	5050 N BAKMAN AVE CA 91601	2	4%	40	32	7	1	\$ 3,833,200	DV, F, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/15/2021	5/15/2023
9	Sherman Oaks Senior	Mercy Housing California	14536 W BURBANK BLVD VAN NUYS, CA 91411	4	4%	55	54	0	1	\$ 11,880,000	HS, M, CH	6/11/2020 (Actual)	9/16/2020 (Actual)	5/12/2021 (Actual)	5/21/2021 (Actual)	1/11/2023
10	Sun King Apartments	MANY MANSIONS	12128 SHELTON ST Los Angeles, CA 91352	6	4%	26	25	0	1	\$ 5,500,000	HF, CH	6/11/2020 (Actual)	9/16/2020 (Actual)	6/18/2021 (Actual)	7/22/2021 (Actual)	1/6/2023
11	VA Building 207	Thomas Safran & Associates Development, Inc.	11301 WILSHIRE BLVD #207 Los Angeles, CA 90025	11	4%	60	59	0	1	\$ 8,260,000	HS, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	11/13/2020 (Actual)	11/30/2020 (Actual)	11/30/2022
12	West Terrace (fka Silver Star II)	A Community of Friends	6576 S WEST BLVD CA 90043	8	4%	64	56	7	1	\$ 6,404,900	HF, H, I, CH	6/11/2020 (Actual)	9/16/2020 (Actual)	3/24/2021 (Actual)	4/5/2021 (Actual)	10/7/2022
13	Cadence (fka 11408 S. Central)	LINC Housing Corporation	11408 S CENTRAL AVE CA 90059	15	4%	64	63	0	1	\$ 10,112,000	H, CH	8/15/2019 (Actual)	10/16/2019 (Actual)	4/29/2020 (Actual)	5/15/2020 (Actual)	12/31/2021
14	First PEP 2 Amendment: Ambrose (fka 1615 Montana St.)	Domus	1615 W MONTANA ST CA 90026	13	9%	64	63	0	1	\$ 6,300,000	HS, CH	7/1/2020 (Actual)	10/14/2020 (Actual)	4/16/2021 (Actual)	5/19/2021 (Actual)	11/1/2022
15	First PEP 2 Amendment: 6th and San Julian	Mercy Housing	401 E 6TH ST CA 90014	14	4%	94	93	0	1	\$ 15,320,000	O, I, CH	9/24/2020 (Actual)	12/21/2020 (Actual)	7/30/2021 (Actual)	8/5/2021	1/6/2023
16	First PEP 2 Amendment: La Guadalupe (fka First and Boyle)	Many Mansions	100 S BOYLE AVE CA 90033	14	4%	44	43	0	1	\$ 9,460,000	HF, H, CH	9/24/2020 (Actual)	12/21/2020 (Actual)	9/30/2021	10/29/2021	10/30/2022
17	First PEP 2 Amendment: The Lake House fka Westlake Housing)	Community Development Partners	437 and 503 S WESTLAKE AVE CA 90057	1	4%	63	62	0	1	\$ 6,510,000	H, M, CH	9/24/2020 (Actual)	12/21/2020 (Actual)	6/9/2021 (Actual)	7/15/2021 (Actual)	7/7/2023
18	Second PEP 4 Amendment: The Wilcox (fka 4906-4926 Santa Monica)	Wakeland Housing and Development Corporation	4912 W SANTA MONICA BLVD CA 90029	13	4%	62	61	0	1	\$ 5,225,000	HS, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/15/2021	11/15/2021	5/15/2023
19	Second PEP 4 Amendment: The Quincy (fka 2652 Pico)	Wakeland Housing and Development Corporation	2652 W PICO BLVD CA 90006	1	4%	54	53	0	1	\$ 3,550,000	HS, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/15/2021	5/15/2023
20	Second PEP 4 Amendment: La Veranda	Abode Communities	2420 E CESAR E CHAVEZ AVE CA 90033	14	4%	77	38	38	1	\$ 9,120,000	HF, M, F, CH	6/11/2020 (Actual)	9/16/2020 (Actual)	7/1/2021 (Actual)	8/3/2021 (Actual)	2/3/2023
21	Second PEP 4 Amendment: Los Lirios Apartments	BRIDGE Housing Corporation	119 S SOTO ST CA 90033	14	9%	64	20	43	1	\$ 2,000,000	HF, H, F, CH	3/8/2021 (Actual)	6/16/2021 (Actual)	12/30/2021	1/31/2022	1/30/2024
22	Second PEP 4 Amendment: McDaniel House (fka South Harvard)	Daylight Community Development	1049 1/2 S HARVARD BLVD Los Angeles, CA 90006	10	4%	47	46	0	1	\$ 6,440,000	HS, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/29/2021	5/1/2023
23	Third PEP 4 Amendment: Thatcher Yard Housing	Thomas Safran & Associates Development, Inc.	3233 S THATCHER AVE CA 90292	11	4%	98	49	48	1	\$ 11,660,000	HF, HS, F, S, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/15/2021	5/15/2023
24	Third PEP 4 Amendment: Washington Arts Collective	Meta Housing Corporation	4615 W WASHINGTON BLVD CA 90016	10	4%	56	20	35	1	\$ 2,097,200	HF, F, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/15/2021	5/15/2023
25	Fourth PEP 4 Amendment: Barry Apartments	Affirmed Housing Group, Inc.	2454 S BARRY AVE CA 90064	11	4%	61	34	26	1	\$ 6,918,400	H, F, I, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/21/2022	3/21/2022	3/21/2024
26	Fourth PEP 4 Amendment: Central Apartments	Highridge Costa Development Company	2106 S CENTRAL AVE CA 90011	9	4%	57	56	0	1	\$ 7,840,000	H, HV, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/21/2022	3/21/2022	3/21/2024
27	Fourth PEP 4 Amendment: Lorena Plaza	A Community of Friends	3401 E 1ST ST CA 90063	14	9%	49	32	16	1	\$ 2,903,202	HF, H, F, CH	3/8/2021 (Actual)	6/16/2021 (Actual)	12/30/2021	1/10/2022	4/1/2024
28	Fourth PEP 4 Amendment: Lumina (fka Topanga Apartments)	Affirmed Housing Group, Inc.	10243 N TOPANGA CANYON BLVD CA 91311	12	4%	55	54	0	1	\$ 7,560,000	H, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	11/20/2021	12/1/2021	12/1/2023
29	Fourth PEP 4 Amendment: My Angel (fka The Angel)	Los Angeles Family Housing	8547 N SEPULVEDA BLVD CA 91343	6	4%	54	53	0	1	\$ 5,565,000	H, HV, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/21/2022	3/21/2022	3/21/2024
30	Current PEP 4 Amendment: Avalon 1355	Brilliant Corners	1355 N. AVALON BLVD LOS ANGELES, CA 90006	15	4%	54	53	0	1	\$ 7,000,000	H, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	6/30/2023
31	Current PEP 4 Amendment: Beacon Landing (fka Beacon PSH)	Abode/Mercy/LA Family Housing	319 N. BEACON STREET LOS ANGELES, CA 90731	15	4%	89	88	0	1	\$ 8,555,556	H, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	6/30/2023
32	Current PEP 4 Amendment: Lincoln Apartments	Venice Community Housing Corporation	2467 S LINCOLN BLVD LOS ANGELES, CA 90291	11	4%	40	39	0	1	\$ 5,460,000	Y, O, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	9/29/2023
33	Current PEP 4 Amendment: Rousseau (fka Enlightenment Plaza Phase I)	Flexible PSH Solutions	316 N JUANITA AVE LOS ANGELES, CA 90004	13	4%	105	103	0	2	\$ 9,600,000	H, HV, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	9/29/2023
34	Current PEP 4 Amendment: Santa Monica & Vermont Apartments Phase I	LTSC (Little Tokyo Service Center) Community Development Corporation	4718 W SANTA MONICA BLVD LOS ANGELES, CA 90029	13	4%	94	47	46	1	\$ 12,000,000	M, O, F, I, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	2/7/2024
35	Current PEP 4 Amendment: Santa Monica & Vermont Apartments Phase II	LTSC (Little Tokyo Service Center) Community Development Corporation	4718 W SANTA MONICA BLVD LOS ANGELES, CA 90029	13	4%	93	47	45	1	\$ 12,000,000	M, O, F, I, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	2/7/2024
						<b>2214</b>	<b>1829</b>	<b>349</b>	<b>36</b>	<b>\$ 269,601,004.00</b>						
						<b>63</b>	<b>52</b>	<b>10</b>	<b>1</b>	<b>\$ 7,702,885.83</b>						

### Notes:

All figures are HHH relevant unless specifically noted otherwise, and are subject to change until loan closing.

Bold dates denote actuals.

Proposition HHH PSH Loan Program funds are available for homeless units (PSH) as well as low-income (affordable) units.

### Legend for Populations Served

F = Non-homeless Families

S = Non-homeless Seniors

I = Non-homeless Individuals

D = Non-homeless disabled

V = Non-homeless Veterans

H = Homeless Individuals

CH = Chronically Homeless

HF = Homeless Families

HV = Homeless Veterans

HS = 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

# **Attachment B – Project Staff Reports**

## **STAFF REPORT**

**October 4, 2021**

**Avalon 1355**

**1355 N. Avalon Boulevard**

**Los Angeles, CA 90006**

**New Construction**

**Council District 15**

### **PROJECT DESCRIPTION**

The Avalon 1355 (project), located at 1355 N. Avalon Boulevard in Los Angeles, will be a supportive housing development consisting of 54 total units for homeless individuals, chronically homeless individuals, including those with mental illness and one manager's unit. Twelve parking space will be provided to staff.

The project involves the new construction of a four-story building (Type V) and the adaptive reuse of an existing vacant single story building (Type V). The building will be a slab building, with 54 residential housing units and 12 uncovered parking spaces for staff. The project will consist of 37 studio units, 16 one-bedroom units; and a two-bedroom manager's unit. The Project will provide 27 units for persons experiencing homelessness and 26 units for persons experiencing chronic homelessness. Each unit will include amenities such as: kitchen and bathroom, fully furnished with a bed, dining room, table and chairs, oven and stovetop, nightstand, dishware set, and one set of linens for the bedroom and bathroom. The onsite amenities will include a community room and kitchen for residents and staff to host resident workshops, trainings and community events. These areas and the service and management staff offices will be used to provide client service plans, life skills education, and community resources. Bike storage will be available to residents to promote walkable communities and access to public transit. New perimeter fencing with secured gate entry and exits will be installed around the entire site.

The project will target homeless and chronically homeless individuals. The project is located in close proximity to various public amenities including a park, health care center, adjacent metro stops, grocery store, and other key amenities within walking distance.

The development site is currently owned by Arnulfo and Rosa Estrada. Brilliant Corners holds a Purchase Sale Agreement as site control evidence. Surrounding uses include commercial and residential development. The project is located in Council District 15 and is currently zoned [Q]C2-VL.

### **BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The ownership structure is a limited partnership (**Avalon 1355 Partners, LP**) that will consist of Avalon 1355 BC, LLC, as Managing General Partner and Avalon 1355 GP, LLC, as the Administrative General Partner. At Closing, the Limited Partnership will admit The Richman Group of California Development Company, LLC as the Investor Limited Partner. The long-term ownership structure will consist of the following:

1. Avalon 1355 BC, LLC, as Managing General Partner (0.0049%)
2. Avalon 1355 GP, LLC, as Administrative General Partner (.0051%)
3. The Richman Group of California Development Company, LLC, as Investor Limited Partner (99.99%)

## PROJECT FINANCE SUMMARY

The borrower has secured a construction loan in the amount of \$15,675,000, and has been awarded an allocation of 4% federal Low Income Housing Tax Credits that will generate approximately \$12,362,782 in tax credit equity to partially finance the construction of the project. The \$15,675,000 construction loan will convert to a \$3,005,748 permanent loan when the project is completed and operating.

## PERMANENT FUNDING SOURCES

Permanent	Total	Per Unit	% Total
LAHD – HHH	\$7,000,000	\$129,630	23%
Permanent Loan	\$3,005,748	\$55,662	10%
LACDA – NPLH *	\$7,000,000	\$129,630	23%
LACDA – AHTF **	\$580,000	\$10,740	2%
General Partner Capital Contribution	\$908,068	\$16,816	3%
Tax Credit Equity	\$12,362,782	\$228,940	40%
<b>Total</b>	<b>\$30,856,598</b>	<b>\$571,418</b>	<b>100%</b>

\* Los Angeles County Development Authority (“LACDA”) No Place Like Home Program (“NPLH”)

\*\* Los Angeles County Development Authority (“LACDA”) Affordable Housing Trust Fund (“AHTF”)

## CONSTRUCTION FUNDING SOURCES

Construction	Total	Per Unit	% Total
LAHD – HHH	\$1,850,066	\$34,260	6%
Construction Loan	\$15,675,000	\$290,278	51%
LACDA – NPLH *	\$7,000,000	\$129,629	22%
LACDA – AHTF **	\$530,000	\$9,815	2%
Cost Deferred Until Completion	\$3,947,115	\$73,095	13%
Tax Credit Equity	\$1,854,417	\$34,341	6%
<b>Total</b>	<b>\$30,856,598</b>	<b>\$571,418</b>	<b>100%</b>

\* Los Angeles County Development Authority (“LACDA”) No Place Like Home Program (“NPLH”)

\*\* Los Angeles County Development Authority (“LACDA”) Affordable Housing Trust Fund (“AHTF”)

## USES OF FUNDS

Uses of Funds	Total Uses	Cost/Unit	%Total
Acquisition Costs	\$2,726,440	\$50,490	9%
Construction Costs	\$17,304,192	\$320,448	56%
Soft Costs	\$5,728,675	\$106,087	19%
Financing Costs	\$1,689,223	\$31,281	5%
Developer Fee	\$3,408,068	\$63,112	11%
<b>Total</b>	<b>\$30,856,598</b>	<b>\$571,418</b>	<b>100%</b>

## PROJECT COST JUSTIFICATION

The total development cost of \$571,418 per unit reflects several factors, including the cost of construction. With increased construction throughout the Los Angeles area, competition for a limited number of subcontractors has increased rates and driven up construction costs.

## AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	50% AMI Units	Manager Unit	Total Units	HHH Units
Studio	19	18	-	37	37
1 Bedroom	8	8	-	16	16
2 Bedroom	-	-	1	1	-
<b>Total</b>	<b>27</b>	<b>26</b>	<b>1</b>	<b>54</b>	<b>53</b>

## FUNDING RECOMMENDATION

The recommended HHH loan in the amount of \$7,000,000 represents \$132,075, per LAHD restricted unit, or approximately 23% of the total development cost.

## CONSTRUCTION TIMELINE

Construction is currently estimated to start in March 2022 and anticipated to be completed by June 2023.

Prepared by: Los Angeles Housing Department

**STAFF REPORT**  
**October 7, 2021**

**Beacon Landing**  
**319 N. Beacon Street,**  
**Los Angeles, CA 90731**

**New Construction,**  
**Council District 15**

**PROJECT DESCRIPTION**

Beacon Landing, the proposed supportive housing development, will be located at 319 N. Beacon Street, San Pedro, CA 90731 in Council District 15. The Project involves the new construction of 89 total units (88 studios for residents and 1 two-bedroom manager's unit), with three stories of Type V modular construction over a concrete podium containing at-grade parking, property management and resident services offices, and community space. In addition to a private landscaped outdoor recreation area for residents, a 5,000 square foot publicly-accessible open space will also be provided along Beacon Street, as required by the site's existing zoning. The modular studio units will be 305 square feet, while the two-bedroom manager's unit is 810 net square feet.

The Project site is currently improved with a vacant two-story industrial/office building. The site is bordered by West O'Farrell Street to the north, North Beacon Street to the east, a one-story commercial/industrial building to the south, and several two-story Habitat for Humanity homes on a bluff overlooking the site from the west. Adjacent neighborhood uses are generally low-scale and consist of single-family homes, two- to three-story multifamily residential, and one- to two-story commercial. The Project site is rectangular and located at the southwest corner of West O'Farrell Street and North Beacon Street.

The Project will provide 88 units of housing for homeless and chronically homeless households. In an effort to maximize efficiency, the property only has 7 automobile parking stalls located in the ground floor garage, as well as 68 long-term bicycle parking spaces in a secured room within the garage and 6 short-term bicycle stalls along the building's Beacon Street frontage. The amenities will include a common laundry room, management offices, social and supportive services offices, a community room/kitchen, and outdoor patio, and landscaped grounds with outdoor recreational space.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The Borrower is Beacon Landing, L.P., a California limited partnership, which is currently comprised of Beacon Landing GP, LLC, as General Partner (GP), and Abode Community Housing as the Limited Partner (LP). Prior to, or concurrently with the close of the construction financing and issuance of the note, the current LP will be replaced by a TBD limited partner (the selected tax credit equity investor) as the limited partner who will own 99.99% of the limited partnership

and the GP ownership stake will be 0.01%. The future ownership structure will consist of the following:

1. Beacon Landing GP, LLC (0.01%)
2. TBD Limited Partner (99.90%)

## PROJECT FINANCE SUMMARY

The borrower will secure tax-exempt bond financing from a TBD construction lender in the approximate amount of \$23 million and \$2.3 of Equity from a TBD equity investor to partially finance the construction of the project. In addition, the conversion will consist of a tax-exempt permanent loan of approximately \$6.9 million, \$18.9 million of 4% tax credit equity and \$4.4 million of State Tax Credits.

## PERMANENT FUNDING SOURCES

Permanent	Total Sources	Per Unit	% Total
Permanent Loan Tax – Exempt	\$6,906,000	\$77,596	15.02%
LAHD HHH Loan	\$8,555,556	\$96,130	18.61%
LACDA – NPLH	\$6,020,000	\$67,640	13.09%
GP Certificated Credit Sale Loan (State Tax Credits)	\$4,440,361	\$49,892	9.66%
Deferred Fees	\$130,923	\$1,471	0.28%
General Partner Contribution	\$1,000,000	\$11,236	2.17%
Tax Credit Equity (4% Federal Tax Credits)	\$18,930,046	\$212,697	41.17%
<b>Total</b>	<b>\$45,982,886</b>	<b>\$516,662</b>	<b>100.00%</b>

## CONSTRUCTION FUNDING SOURCES

Construction	Total Sources	Per Unit	% Total
Tax-Exempt Loan	\$23,043,032	\$258,910	50.11%
Taxable Loan	\$3,928,638	\$44,142	8.54%
LAHD HHH Loan	\$8,555,556	\$96,130	18.61%
LACDA – NPLH	\$5,929,700	\$66,626	12.90%
Accrued Interest	\$130,923	\$1,471	0.28%
Costs Deferred Until Conversion	\$2,057,996	\$23,124	4.48%
Tax Credit Equity (4% Federal Tax Credits)	\$2,337,041	\$26,259	5.08%
<b>Total</b>	<b>\$45,982,886</b>	<b>\$516,662</b>	<b>100.00%</b>



## USES OF FUNDS

Uses of Funds	Total Uses	Cost/Unit	% Total
Acquisition Costs	\$4,332,839	\$48,684	9.42%
Construction Costs	\$27,123,299	\$304,756	58.99%
Other Soft Costs	\$1,125,709	\$12,648	2.45%
Architecture & Engineering	\$1,759,243	\$19,767	3.83%
Total Hard & Soft Contingency Costs	\$2,880,583	\$32,366	6.26%
Legal Costs, Title / Recording	\$173,650	\$1,951	0.38%
Permit & Inspection fees	\$936,868	\$10,527	2.04%
Financing Costs	\$1,245,103	\$13,990	2.71%
Taxes & Insurance	\$345,625	\$3,883	0.75%
Reserves	\$1,301,479	\$14,623	2.83%
Construction interest & Fees	\$1,258,488	\$14,140	2.74%
Developer Fee	\$3,500,000	\$39,326	7.61%
<b>Total</b>	<b>\$45,982,886</b>	<b>\$516,662</b>	<b>100.00%</b>

## PROJECT COST JUSTIFICATION

The total development cost of \$516,662 per unit reflects several factors, including:

- Developing on a site with a steep slope, adjacent to a hillside. Building a stable foundation/podium requires a cantilevered shoring system, which is anticipated to add roughly \$300,000 (\$3,371 per unit) to the Project's Shoring & Grading costs.
- Stabilizing the hillside slope requires the use of a TECCO mesh system, which has been estimated at \$350,000 (\$3,933 per unit) but is more cost efficient than re-grading/filling the slope to ensure surficial stability.
- The 5,000 SF of publicly-accessible space, as required by the Project's location in the San Pedro Community Plan Implementation Overlay, adds landscape/hardscape costs of an expected \$200,000 (\$2,247 per unit).
- The Project budget includes an estimated \$500,000 allowance for potential DWP-related costs, if any power/infrastructure improvements are needed in the area surrounding the site.
- The Project is subject to the Proposition HHH Project Labor Agreement, which has been estimated to add a 5-10% premium beyond prevailing wage costs and is reflected in the Project's hard cost budget.

## AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	50% AMI Units	Manager Unit	Total Units	HHH Units
Studio	88	-	-	88	88
1 Bedroom		-	-		
2 Bedroom		-	1	1	
3 Bedroom		-			
<b>Total</b>	<b>88</b>	<b>-</b>	<b>1</b>	<b>89</b>	<b>88</b>

## FUNDING RECOMMENDATION

The recommended HHH loan in the amount of \$8,555,556 represents \$96,130 per unit, or approximately 18.61% of the total development cost.

## CONSTRUCTION TIMELINE

Construction is currently estimated to start in March 2022 and anticipated to be completed by June 2023.

Prepared by: Los Angeles Housing Department

**STAFF REPORT**  
**September 2, 2021**

**Lincoln Apartments**  
**2471 Lincoln Boulevard,**  
**Los Angeles, CA 90291**

**New Construction,**  
**Council District 11**

**PROJECT DESCRIPTION**

The proposed affordable and supportive housing development for people experiencing homelessness and chronic homelessness will be located at 2471 Lincoln Boulevard, Los Angeles, CA 90291 in Council District 11. The Project involves the new construction of one 40-units four-story building. The site is currently improved with an automotive shop and commercial office. The building construction calls for three stories of Type V construction over a concrete podium. Of the 40 units, 39 will be permanent supportive housing, which are comprised of 28 studios, 9 one-bedroom, and 2 two-bedroom units. There is 1 two-bedroom manager unit. The project also includes resident amenities such as a laundry room, a small rooftop balcony, a third-floor open space community garden, a second-floor shaded courtyard, and ground floor residential courts leading from a public plaza. The unit's sizes are approximately 378 square feet for studio units, 524 square feet for one-bedroom units, and 705 square feet for two-bedroom units.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The Borrower is 2471 Lincoln, LP a California limited partnership. Prior to, or concurrently with the close of the construction financing and issuance of the note, the borrower structure is expected to be comprised of 2471 Lincoln, LLC, as the General Partner (AGP). Venice Community Housing Corporation is the Sole Member/Manager of the GP. The current Limited Partner will be replaced by a to be determined tax credit equity investor (or its assignees) as the limited partner who will own 99.99% of the limited partnership. The GP ownership stake will be 0.01%. The future ownership structure will consist of the following:

1. 2471 Lincoln, LLC, as General Partner (0.01%)
2. TBD, Limited Partner (99.99%)

**PROJECT FINANCE SUMMARY**

The borrower will secure tax-exempt bond financing from Banner Bank in the amount of \$20 million and \$6.9 of Equity from a to be determined tax credit equity investor to partially finance the construction of the project. In addition, the conversion will consist of permanent financing sources in the amount of \$6.5 million of tax-exempt perm loan and \$23 million of 4% tax credit equity.

## PERMANENT FUNDING SOURCES

Permanent	Total	Per Unit	% Total
LAHD HHH Loan	\$5,460,000	\$136,500	20%
Permanent Loan Tax – Exempt	\$1,375,078	\$34,377	5%
Tax Credit Equity	\$10,213,845	\$255,346	38%
HCD TOD Loan	\$6,656,633	\$166,416	24%
LACDA AHTF Loan	\$2,000,000	\$50,000	7%
LACDA NPLH Loan	\$1,500,000	\$37,500	6%
<b>Total</b>	<b>\$27,205,556</b>	<b>\$680,139</b>	<b>100%</b>

## CONSTRUCTION FUNDING SOURCES

Construction	Total	Per Unit	% Total
LAHD HHH Loan	\$5,187,000	\$129,675	19%
Tax-Exempt Construction Loan	\$13,855,452	\$346,386	51%
Taxable Construction Loan	\$749,901	\$18,748	3%
Tax Credit Equity	\$1,942,769	\$48,569	7%
LACDA AHTF Loan	\$1,950,000	\$48,750	7%
LACDA NPLH Loan	\$1,462,500	\$36,563	5%
Deferred Costs	\$307,934	\$7,698	1%
Deferred Developer Fee	\$1,750,000	\$43,750	7%
<b>Total</b>	<b>\$27,205,556</b>	<b>\$680,139</b>	<b>100%</b>

## USES OF FUNDS

Uses	Total Uses	Cost/Unit	% Total
Acquisition Costs	\$4,376,820	\$109,421	16%
Construction Costs	\$15,250,716	\$381,268	56%
Other Soft Costs	\$429,443	\$10,736	2%
Architecture & Engineering	\$983,838	\$24,596	4%
Total Hard & Soft Contingency Costs	\$978,036	\$24,451	4%
Legal Costs Title/Recording	\$281,500	\$7,037	1%
Permit & Inspection Fees	\$433,054	\$10,826	2%
Permanent Financing	\$38,751	\$969	0%
Taxes & Insurance	\$367,497	\$9,187	1%
Reserves	\$266,943	\$6,674	1%
Construction Interest & Fees	\$1,298,958	\$32,474	5%
Developer Fee	\$2,500,000	\$62,500	9%
<b>Total</b>	<b>\$27,205,556</b>	<b>\$680,139</b>	<b>100%</b>

## PROJECT COST JUSTIFICATION

The total development cost of \$680,139 per unit reflects several factors including being located in a highest resource area in West Los Angeles, construction type, and TOD funding requirements. Land in this area is expensive, and resulted in a high land price per unit for the project. Although the land was expensive, this project is located in a prime neighborhood, near amenities, resources, and jobs for residents to be able to utilize and enjoy. A big driver of the hard costs at Lincoln Apartments is that given the small site, a concrete podium deck is necessary. Concrete construction is significantly more expensive than wood, adding approximately \$400,000 to a fully wood framed building. The tight site on a state highway also adds costs of \$225,000 for challenging logistics such as staging and construction parking and encroachment permits through CalTrans. The development cost per unit is also indicative of the challenging development landscape of Venice. The timeline to obtain local and coastal approvals for a permanent supportive housing project in a highest resource area has been challenging. The project has faced three appeals and scheduling delays at the start of COVID-19. These delays have increased holding costs by \$210,000, and made it more cumbersome to secure our financing in a timely manner. Due to the HCD-TOD funding, the total project costs also includes scope for a full ADA path of travel from the project site to the closest qualifying transit station. The total costs to make these improvements is \$516,000 and includes significant demolition and new sidewalk construction along the Pacific Coast Highway.

## AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	HHH Units
SRO	28	-	28	28
1 Bedroom	9	-	9	9
2 Bedroom	2	1	3	2
<b>Total</b>	<b>39</b>	<b>1</b>	<b>40</b>	<b>39</b>

## FUNDING RECOMMENDATION

The recommended HHH loan in the amount of \$5,460,000 represents \$136,500 per unit, or approximately 20% of the total development cost.

## CONSTRUCTION TIMELINE

Construction is currently estimated to start in March 2022 and anticipated to be completed by September 2023.

Prepared by: Los Angeles Housing Department

## STAFF REPORT

September 1, 2021

**Rousseau Residences  
(fka Rousseau – Enlightenment Plaza Phase I)  
316 N Juanita Ave.,  
Los Angeles, CA 90004**

**New Construction,  
Council District 13**

### PROJECT DESCRIPTION

Rousseau Residences is a proposed, fully financed, shovel-ready, affordable and supportive housing development for (formerly) homeless and chronically homeless adults. The project will be located at 316 N Juanita Ave, Los Angeles, CA 90004 in Council District 13. The project initially applied for HHH funds proposing 105 units and received an HHH award of \$9,600,000. The developer decided to phase this project into two phases and the award was split between the two phases. The first phase kept the name of Rousseau Residences and will consist of 52 units and the second phase was named Montesquieu Manor consisting of 53 units. As a result, the developer has created two separate entities and two separate financing structures. The table below breaks out the split of the HHH award and the units. The remainder of the staff report will reference Rousseau Residences as a separate project.

	Comparison of Projects				
Project Names:	Previous Units	Previous HHH Loan		Current Units	Current HHH Loan
Rousseau (fka Enlightenment Plaza Phase I)	105	\$9,600,000		0	\$0
Rousseau Residences	0	\$0		52	\$4,648,000
Montesquieu Manor	0	\$0		53	\$4,952,000
Total	105	\$9,600,000		105	\$9,600,000

The Rousseau Residences project involves the new construction of 52 units on a currently vacant site. The project will be five stories of Type III construction that will house 52 apartments and residential amenities. There will be 51 studio apartments and 1 two-bedroom manager's apartment. The project also includes a community room, on-site supportive services, as well as outdoor common areas. The units range in size from 346 square feet average for studio units, and 608 square feet for the two-bedroom manager's unit.

Rousseau Residences will provide 51 units of housing for homeless and chronically homeless households, 38 of which will be for chronically homeless adults and 13 of which will be for homeless adults. The amenities will include a common laundry room, management offices, social

and supportive services offices, a community room, and outdoor patio, and landscaped grounds with outdoor recreational spaces.

## BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The Borrower is Rousseau Residences Associates, a California Limited Partnership, which is currently comprised of Flexible PSH Solutions, Inc. as Managing General Partner (MGP), TPC Holdings IX, LLC as Administrative General Partner (AGP), and Pacific West Communities, Inc. as the Limited Partner (LP). Pacific West Communities, Inc. will be replaced by Boston Financial Investment Management as the limited partner who will own 99.99% of the limited partnership and the GP ownership stake will be 0.01%. The future ownership structure will consist of the following:

1. Flexible PSH Solutions, Inc. as Managing General Partner (0.0051%)
2. TPC Holdings IX, LLC, as Administrative General Partner (0.0049%)
3. Boston Financial Investment Management as Limited Partner (99.99%)

## PROJECT FINANCE SUMMARY

The borrower will secure tax-exempt bond financing from California Bank & Trust in the amount of \$14 million and \$1 million of Equity from Boston Financial to partially finance the construction of the project. In addition, \$10 million of 4% tax credit equity will be used for permanent conversion.

## PERMANENT FUNDING SOURCES

Permanent	Total	Per Unit	% Total
LAHD HHH Loan	\$4,648,000	\$89,385	17%
LACDA No Place Like Home Loan	\$11,220,000	\$215,769	41%
Tax Credit Equity	\$10,084,401	\$193,931	36%
Deferred Developer Fee	1,691,611	\$32,531	6%
<b>Total</b>	<b>\$27,644,012</b>	<b>\$531,616</b>	<b>100%</b>

## CONSTRUCTION FUNDING SOURCES

Construction	Total	Per Unit	% Total
California Bank & Trust Construction Loan	\$14,000,000	\$269,231	51%
LACDA No Place Like Home	\$9,180,000	\$176,538	33%
Deferred Developer Fee/Contributed Equity	\$2,441,611	\$46,954	9%
Deferred Costs	\$945,315	\$18,179	3%
Tax Credit Equity	\$1,077,086	\$20,713	4%
<b>Total</b>	<b>\$27,644,012</b>	<b>\$531,616</b>	<b>100%</b>



## USES OF FUNDS

Uses	Total Uses	Cost/Unit	% Total
Acquisition Costs	\$4,298,000	\$82,654	16%
Construction Costs	\$13,708,942	\$263,634	50%
Other Soft Costs	\$488,307	\$9,391	2%
Architecture & Engineering	\$975,000	\$18,750	4%
Total Hard & Soft Contingency Costs	\$2,340,000	\$45,000	8%
Legal Costs Title/Recording	\$70,000	\$1,346	0%
Permit & Inspection Fees	\$380,037	\$7,308	1%
Permanent Financing	\$115,000	\$2,212	0%
Taxes & Insurance	\$421,800	\$8,112	2%
Reserves	\$945,315	\$18,179	3%
Construction Interest & Fees	\$960,000	\$18,462	3%
Developer Fee	\$2,941,611	\$56,569	11%
<b>Total</b>	<b>\$27,644,012</b>	<b>\$531,616</b>	<b>100%</b>

## PROJECT COST JUSTIFICATION

The total development cost of \$531,616 per unit reflects the high cost of multifamily housing development in Central Los Angeles, as well as several additional factors outlined herein:

The developer fee being requested for purposes of generating eligible basis to ensure the financial feasibility of the project is split between the amount paid (\$1,250,000 or 43%) and the amount contributed back to the project as General Partner Equity (\$1,691,611 or 57%).

Additionally, the nature of the project as a 100% special needs/permanent supportive housing development includes Project Based Section 8 vouchers. To ensure the financial feasibility of the project, the Investor is requiring the creation of a Transition Reserve should the operating subsidy not be renewed in year 20. This \$573,000 reserve is capitalized and kept with the project until such time that it is utilized to fund any operating deficit caused by the loss of subsidy. This is a unique project cost that does not exist in non-special needs/PSH projects.

## AFFORDABILITY STRUCTURE

Unit Type	20% AMI Units	30% AMI Units	Manager Unit	Total Units	HHH Units
SRO	38	13	-	51	51
1 Bedroom	-	-	-	0	-
2 Bedroom	-	-	1	1	-
3 Bedroom	-	-	-	-	-
<b>Total</b>	<b>38</b>	<b>13</b>	<b>1</b>	<b>52</b>	<b>51</b>

## **FUNDING RECOMMENDATION**

The recommended HHH loan in the amount of \$4,648,000 represents \$89,385 per unit, or approximately 17% of the total development cost.

## **CONSTRUCTION TIMELINE**

Construction is currently estimated to start in March 2022 and anticipated to be completed by September 2023.

Prepared by: Los Angeles Housing Department

## STAFF REPORT

September 1, 2021

**Montesquieu Manor  
(fka Rousseau - Enlightenment Plaza Phase I)  
316 N Juanita Ave.,  
Los Angeles, CA 90004**

**New Construction,  
Council District 13**

### PROJECT DESCRIPTION

Montesquieu Manor is a proposed, fully financed, shovel-ready, affordable and supportive housing development for (formerly) homeless and chronically homeless adults. The project will be located at 316 N Juanita Ave, Los Angeles, CA 90004 in Council District 13.

The project initially applied for HHH funds proposing 105 units and received an HHH award of \$9,600,000. The developer decided to phase the project into two phases and the award was split among the two phases. The first phase kept the name of Rousseau Residences and will consist of 52 units and the second phase was named Montesquieu Manor consisting of 53 units. As a result, the developer has created two separate entities and two separate financing structures. The table below breaks out the split of the HHH award and the units. The remainder of the staff report will reference Montesquieu Manor as a separate project.

	Comparison of Projects				
<b>Project Names:</b>	<b>Previous Units</b>	<b>Previous HHH Loan</b>		<b>Current Units</b>	<b>Current HHH Loan</b>
Rousseau (fka Enlightenment Plaza Phase I)	105	\$9,600,000		0	\$0
Rousseau Residences	0	\$0		52	\$4,648,000
Montesquieu Manor	0	\$0		53	\$4,952,000
<b>Total</b>	<b>105</b>	<b>\$9,600,000</b>		<b>105</b>	<b>\$9,600,000</b>

The Project involves the new construction of 53 units on a currently vacant site. The project will include 53 units over a Type I podium that will house the non-residential building amenities.

There will be 52 studio apartments and 1 two-bedroom Manager's apartments. The project also includes a community room, fitness center, computer lab, as well as outdoor common areas. The units range in size from 346 square feet average for studio units, and 608 square feet for two-bedroom Manager's unit.

Montesquieu Manor will provide 52 units of housing for homeless and chronically homeless households, 30 of which will be for chronically homeless adults and 22 of which will be for homeless adults. The property will contain 42 bike parking stalls. The amenities will include a

common laundry room, a fitness room, management offices, social and supportive services offices, a community room, and outdoor patio, and landscaped grounds with outdoor recreational spaces.

## BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The Borrower is Montesquieu Manor Associates, a California Limited Partnership, which is currently comprised of Flexible PSH Solutions, Inc. as Managing General Partner (MGP), TPC Holdings IX, LLC as Administrative General Partner (AGP), and Pacific West Communities, Inc. as the Limited Partner (LP). Pacific West Communities, Inc. will be replaced by a to-be-determined investor Boston Financial Investment Management as the limited partner who will own 99.99% of the limited partnership and the GP ownership stake will be 0.01%. The future ownership structure will consist of the following:

1. Flexible PSH Solutions, Inc. as Managing General Partner (0.0051%)
2. TPC Holdings IX, LLC, as Administrative General Partner (0.0049%)
3. Boston Financial Investment Management as Limited Partner (99.99%)

## PROJECT FINANCE SUMMARY

The borrower will secure tax-exempt bond financing from California Bank & Trust in the amount of \$15 million and \$1 million of Equity from Boston Financial to partially finance the construction of the project. In addition, \$11.9 million of 4% tax credit equity will be used for permanent conversion.

## PERMANENT FUNDING SOURCES

Permanent	Total	Per Unit	% Total
LAHD HHH Loan	\$4,952,000	\$93,434	17%
LACDA No Place Like Home Loan	\$10,340,000	\$195,094	36%
Tax Credit Equity	\$11,921,765	\$224,939	41%
Deferred Developer Fee/Contributed Equity	1,897,514	\$35,802	6%
<b>Total</b>	<b>\$29,111,279</b>	<b>\$549,269</b>	<b>100%</b>

## CONSTRUCTION FUNDING SOURCES

Construction	Total	Per Unit	% Total
Cal Bank & Trust Construction Loan	\$15,000,000	\$283,019	52%
LACDA No Place Like Home	\$9,792,000	\$184,755	34%
Deferred Developer Fee/Contributed Equity	\$2,647,514	\$49,953	9%
Costs Deferred Until Construction	\$712,184	\$13,437	2%
Tax Credit Equity	\$959,581	\$18,105	3%
<b>Total</b>	<b>\$29,111,279</b>	<b>\$549,269</b>	<b>100%</b>

## USES OF FUNDS

Uses	Total Uses	Cost/Unit	% Total
Acquisition Costs	\$3,692,000	\$69,660	13%
Construction Costs	\$15,470,307	\$291,893	53%
Other Soft Costs	\$579,281	\$10,930	2%
Architecture & Engineering	\$935,000	\$17,642	3%
Total Hard & Soft Contingency Costs	\$2,378,000	\$44,868	8%
Legal Costs Title/Recording	\$70,000	\$1,321	0%
Permit & Inspection Fees	\$378,073	\$7,133	1%
Permanent Financing	\$115,000	\$2,170	0%
Taxes & Insurance	\$437,800	\$8,260	2%
Reserves	\$712,184	\$13,437	2%
Construction Interest & Fees	\$1,195,120	\$22,549	4%
Developer Fee	\$3,148,514	\$59,406	12%
<b>Total</b>	<b>\$29,111,279</b>	<b>\$549,269</b>	<b>100%</b>

## PROJECT COST JUSTIFICATION

The total development cost of \$549,269 per unit reflects the high cost of multifamily housing development in Central Los Angeles, as well as several additional factors outlined herein:

The nature of the project as a 100% special needs/permanent supportive housing development includes Project Based Section 8 vouchers. To ensure the financial feasibility of the project, the Investor is requiring the creation of a Transition Reserve should the operating subsidy not be renewed in year 20. This \$457,000 reserve is capitalized and kept with the project until such time that it is utilized to fund any operating deficit caused by the loss of subsidy. This is a unique project cost that does not exist in non-special needs/PSH projects.

## AFFORDABILITY STRUCTURE

Unit Type	20% AMI Units	30% AMI Units	Manager Unit	Total Units	HHH Units
SRO	30	22	-	52	52
1 Bedroom	-	-	-	0	-
2 Bedroom	-	-	1	1	-
3 Bedroom	-	-	-	-	-
<b>Total</b>	<b>30</b>	<b>22</b>	<b>1</b>	<b>53</b>	<b>52</b>

## **FUNDING RECOMMENDATION**

The recommended HHH loan in the amount of \$4,952,000 represents \$93,434 per unit, or approximately 17% of the total development cost.

## **CONSTRUCTION TIMELINE**

Construction is currently estimated to start in March 2022 and anticipated to be completed by September 2023.

Prepared by: Los Angeles Housing Department

**STAFF REPORT**  
**October 5, 2021**

**Santa Monica & Vermont Apartments Phase I  
and  
Santa Monica & Vermont Apartments Phase II  
4718 W. Santa Monica Boulevard, Los Angeles, CA 90029**

**New Construction  
Council District 13**

**PROJECT DESCRIPTION**

The Santa Monica & Vermont Apartments (“SMV”) project is new construction of a transit oriented development, with a total of 187 affordable units. Initially, the project was separated into 2 phases, called SMV Phase I (94 units) and SMV Phase II (93 units) for the purpose of applying to and receiving the maximum allowable amount of the City’s Proposition HHH Permanent Supportive Housing Loan Program (“HHH”) funds. Both SMV Phase I and Phase II received an HHH award of \$12,000,000, for a total of \$24,000,000 for the project. However, in order to receive just one award from the California Debt Limit Allocation Committee (“CDLAC”) and California Tax Credit Allocation Committee (“TCAC”), the Little Tokyo Service Center, developer of the SMV project, chose to merge Phase I and Phase II and apply to CDLAC and TCAC as one project. By merging the SMV project into one application the cost of bond financing and other associated costs are reduced providing a lower Total Development Cost, and smoother transaction and coordination for closing.

	<b>Comparison of Projects</b>			
<b>Project Names:</b>	<b>Previous Units</b>	<b>Previous HHH Loan</b>		<b>Current Units</b> <b>Current HHH Loan</b>
Santa Monica & Vermont Apartments Phase I	94	\$12,000,000		0 \$0
Santa Monica & Vermont Apartments Phase II	93	\$12,000,000		0 \$0
Santa Monica & Vermont Apartments	0	\$0		187 \$24,000,000
<b>Total</b>	<b>187</b>	<b>\$24,000,000</b>		<b>187</b> <b>\$24,000,000</b>

**PROPOSITION HHH FUNDING SOURCE PHASE I and II (187 units)**

The SMV project is new construction of a transit oriented development, with a total of 187 affordable units. SMV is mixed use, with commercial space and 100% deeply affordable housing units located within the East Hollywood Metro Transit Center. The first step of project construction will begin with the relocation of existing commercial businesses to one block away, within the neighborhood, and the demolition of all existing structures to make way for the new construction of two buildings tied into one system, constructed simultaneously on the 50,000 square foot infill site. The project site fronts three streets: New Hampshire Avenue, Santa Monica Boulevard and Vermont Avenue. The SMV project is a collaboration with The Los Angeles County Metropolitan Transportation Authority (“LACMTA”), and is adjacent to and located above the East Hollywood, Vermont/Santa Monica Red



Line Metro Station. At construction closing SMV will be acquiring the four (4) LACMTA owned parcels.

Project buildings A and B, will consist of a total of 170,000 sf; both buildings will have six floors, of which five floors will be residential. Construction will be a combination of Type IA and Type IIIA, with the basement and ground floor concrete podium Type IA, and floors two to six Type IIIA wood frame construction. The project will have one level of subterranean parking with 69 vehicle parking spaces, 41 for commercial use and 23 for resident and staff use, and 94 long-term, and 14 short-term bicycle parking spaces.

In total, SMV will have a total of 187 affordable units consisting of 57 studio units (approx. 445 sf), 81 one bedroom units (approx. 633 sf), 44 two bedroom units, 2 of which are manager's units (approx. 800 sf), and 5 three bedroom units (approx. 1,396 sf). Specifically, Building A will contain approximately 87,477 sf of residential floor area, and include 38 studio units, 66 one-bedroom units, 29 two bedroom units, one of which is reserved as the Manager's unit, and 5 three-bedroom units. Building B will contain approximately 30,790 sf of residential floor area, and include 19 studio units, 15 one-bedroom units, and 15 two-bedroom units, one of which is reserved as the Manager's unit. The target population of the project will be low income households and chronically homeless individuals, including transition age youth (TAY) and victims of domestic violence. Supportive services staff from Housing Works will be on-site and available to provide assistive services to all residents. Project residents will have access to elevators, laundry rooms (each building), and every unit will have a private balcony and come equipped with energy efficient fixtures and appliances such as a refrigerator and stove. Supportive Housing units will come fully furnished, including bed and linens, desk, tables, chairs, kitchenware, and bathroom necessities. As planned, the project will have approximately 20,000 sf. of commercial and community space, including a federally qualified health center, supportive services offices, community rooms and outdoor resident spaces such as private courtyards, gardens, barbecue areas, a community art gallery and public dining terrace open to the Metro Station Public Plaza. The project will seek LEED certification in construction, and include urban greening components, comprehensive transit infrastructure improvements such as bus shelters, first/last mile bicycle improvements, and improved streetscape in front of the project. The project is designed to reduce auto use, greenhouse gas emissions, and intended to support increased mass transit ridership through the improvements. Additionally, SMV will provide generational opportunity to co-locate affordable housing with transit, new job opportunities, community services, and other beneficial amenities to the area. The community's local legacy businesses will be given priority as prospective tenants of the available commercial spaces.

## **BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The project site includes eight (8) parcels; four (4) of which are owned by SMV Housing, L.P., whose managing member is SMV Housing, LLC, of which LTSC Community Development Corporation ("LTSC") is the sole member, and four (4) parcels are owned by LACMTA. A Purchase and Sale Agreement ("PSA") is currently in place with LACMTA and SMV Housing, L.P. for the four (4) LACMTA owned parcels; the purchase will be consummated at the time of construction closing. The ownership structure currently consists of the following:

1. SMV Housing, LLC as Managing General Partner (0.01%)
2. LTSC Community Development Corporation as Initial Limited Partner (99.99%)

## PROJECT FINANCE SUMMARY

The borrower will secure tax-exempt bond financing up to \$56 million, and taxable bond financing in the amount of \$12,041,729 from Bank of America, N.A, \$13,301,147 million in investor equity, a \$24 million loan from the Los Angeles Housing Department Proposition HHH Loan Program (“HHH”), a \$20,000,000 loan from California Department of Housing and Community Development (“HCD”) Affordable Housing Sustainable Communities program (“AHSC”), a \$6,366,216 loan from HCD Infill Infrastructure Grant program (“IIG”), and a \$10,000,000 loan from HCD Transit Oriented Development (“TOD”) program. In addition, permanent financing will include \$21,928,776 in tax-exempt bond financing from California Community Reinvestment Corporation (“CCRC”) and \$32,803,770 in 4% tax credit equity.

### PERMANENT FUNDING SOURCES PHASE I and II (187 units)

Permanent	Total	Per Unit	Commercial	% of Total
Tax-Exempt Permanent Loan	\$21,928,776	\$117,266	\$2,384,833	19%
LAHD HHH Loans Phase I & II	\$24,000,000	\$128,342		21%
State HCD AHSC	\$20,000,000	\$106,952	-	17%
State HCD TOD	\$10,000,000	\$53,476	-	9%
State HCD IIG	\$6,366,216	\$34,044	-	6%
Tax Credit Equity	\$32,803,770	\$175,421	\$11,628,859	28%
<b>Total</b>	<b>\$115,098,762</b>	<b>\$615,501</b>	<b>\$14,013,692</b>	<b>100%</b>

### CONSTRUCTION FUNDING SOURCES PHASE I and II (187 units)

Construction	Total	Per Unit	Commercial	% of Total
Tax-Exempt Construction Loan	\$56,000,000	\$299,465	\$14,013,692	49%
Taxable Construction Loan	\$12,041,729	\$64,394	-	10%
LAHD HHH Loans Phase I & II	\$22,800,000	\$121,925	-	20%
State HCD IIG	\$6,366,216	\$34,044	-	6%
Tax Credit Equity	\$13,301,147	\$71,129	-	12%
Deferred Expenses	\$2,839,670	\$15,185	-	2%
Deferred Developer Fee	\$1,750,000	\$9,358	-	1%
<b>Total</b>	<b>\$115,098,762</b>	<b>\$615,501</b>	<b>14,013,692</b>	<b>100%</b>

**USES OF FUNDS PHASE I and II (187 units) (this format was just approved for use recent in transmittals)**

Uses of Funds	Total Uses	Cost/Unit	%Total
Acquisition Costs	\$8,995,000	\$48,102	8%
Construction Costs	\$73,215,566	\$391,527	64%
Other Soft Costs	\$3,862,267	\$20,654	3%
Architecture & Engineering	\$4,515,923	\$24,149	4%
Total Hard & Soft Contingency Costs	\$6,073,163	\$32,477	5%
Legal Costs Title/Recording	\$710,000	\$3,797	1%
Permit & Inspection Fees	\$350,000	\$1,872	0%
Permanent Financing	\$3,013,999	\$16,118	3%
Taxes & Insurance	\$1,567,245	\$8,381	1%
Reserves	\$2,155,671	\$11,528	2%
Construction Interest & Fees	\$8,139,928	\$43,529	7%
Developer fee	\$2,500,000	\$13,369	2%
<b>Total</b>	<b>\$115,098,762</b>	<b>\$615,501</b>	<b>100%</b>

**PROJECT COST JUSTIFICATION**

The Total Development Cost of the Santa Monica and Vermont Apartments Phase I and Phase II project is \$615,501 per unit. The TDC per unit is inflated by the cost of over 20,000 square feet of ground floor commercial space and off-site transit improvements required as conditions of acquiring Metro station property. Together those costs account for \$74,940 per unit. The residential per unit cost is \$540,562.

Per unit residential cost are attributed to:

Program Funding requirements: Requirements including LEED Gold and energy efficiency standards substantially in excess of Title 24 standards as required by the AHSC program, and Davis-Bacon/commercial prevailing wage and Project Labor Agreements with the City of Los Angeles and LA County Metro are increasing costs above \$35,348;

Holding costs: Holding costs for owning and maintaining sites adjacent to a major Metro station and transit hub and ENA/PSA fee payments to Metro of \$11,247;

Site conditions: A ten-foot grade change, irregularly shaped site requiring two separated building structures and construction above and adjacent to an underground Metro station portal have added greatly to the complexity of designing and engineering the project. Such costs add over \$15,000 to project costs;

Subterranean parking: Structures in excess of requirements in order to accommodate community concerns and priorities. The Total Development Cost per unit is further inflated by the addition of significant ground floor commercial square footage and off-site transit improvements: \$10,695;

Together, these added residential costs total \$72,290 per unit. If subtracted from the total residential cost per unit of \$540,562, the remaining cost of \$468,272 is less than the weighted average of per unit limit shown in the Project Financing Information section of the Application.

#### **AFFORDABILITY STRUCTURE PHASE I (94 units)**

The Santa Monica & Vermont Apartments provide 94 units for extremely low and very low income households at 30% AMI. The Housing Authority of the City of Los Angeles (“HACLA”) has committed to providing a total of 94 Section 8 Project Based Vouchers (“PBV”) for the entire project encompassing a total of 187 affordable units. The target population of the SMV project will be low income households and chronically homeless individuals. The balance of the 187 units will be 91 general affordable units at 50% AMI, and 2 unrestricted manager’s units.

Unit Type	30% AMI Units	50% AMI Units	Manager Unit	Total Units	HHH Units
Studio	43	14	-	57	43
1 Bedroom	51	30	-	81	51
2 Bedrooms	-	42	2	44	-
3 Bedrooms	-	5	-	5	-
<b>TOTAL</b>	<b>94</b>	<b>91</b>	<b>2</b>	<b>187</b>	<b>94</b>

#### **FUNDING RECOMMENDATION**

The recommended HHH loan in the amount of \$24,000,000 represents \$128,342 per unit, or approximately 21% of the total development cost.

#### **CONSTRUCTION TIMELINE**

Construction is currently estimated to start in March 2022, and to be completed by February 2024.

Prepared by: Los Angeles Housing Department