

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



Eric Garcetti, Mayor

LOS ANGELES HOUSING DEPARTMENT

1200 West 7th Street, 9th Floor
Los Angeles, CA 90017
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February 7, 2022

Council File: 21-0112
Council Districts: Citywide
Contact Persons: Steven Swede: (213) 808-8664
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Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REPORT BACK AND RECOMMENDATIONS RELATED TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT HOMEKEY PROGRAM

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully submits a report back to C.F. No. 21-0112. This report outlines the necessary recommendations to acquire nine (9) projects under the State of California Housing and Community Development Department's Homekey Program (Homekey). The acquisition of these properties will result in a total of 868 units of permanent supportive housing for households experiencing homeless or at-risk of homelessness. This report includes other Homekey related funding recommendations to ensure these properties can quickly initiate and sustain operations, and to highlight the appropriate next steps for the Homekey Program.

RECOMMENDATIONS

- I. That the City Council, subject to the approval of the Mayor:
 - A. AMEND the total amount of funds identified in the Los Angeles Housing Department (LAHD) report, dated October 25, 2021 (C.F. 21-0112) recommendation IA, from \$145,200,000 to \$163,252,486, reflecting revised amounts in available uncommitted HHH funds and uncommitted HOME-ARP funds, for the Homekey local match requirements for property acquisitions, closing costs, due diligence, property management, rehabilitation, and operating subsidy costs incurred for successful Homekey applications and approve the revised funding resources below:
 - i. \$83,000,000 of Proposition HHH funding;

- ii. \$10,488,548 of Community Development Block Grant CARES (CDBG-CV) Act Program;
 - iii. \$58,000,000 of HOME Investment Partnerships Program (HOME) – American Rescue Plan (ARP); and,
 - iv. \$11,763,938 in Community Development Block Grant (CDBG-R) reprogrammed funds;
- B. APPROVE the FY 2020-2021 HHH Property Expenditure Plan to be amended and increased up to \$83 million of Proposition HHH funding for properties listed in Attachment 3;
- C. AUTHORIZE the General Manager of LAHD or designee to negotiate and execute escrow instructions loan documents, regulatory agreements, and any other document necessary to implement financing for the properties listed in Attachment 1, subject to the approval of the City Attorney as to form. Loans will be made with the Selected Operator chosen through the Request for Proposals (RFP) process or temporarily with the Housing Authority of the City of Los Angeles to manage on behalf of the City of Los Angeles until transferred to Selected Operators;
- D. ADOPT the Authorizing Resolutions, Attachment 2 of this report, as required by the State of California Department of Housing and Community Development to purchase the nine Homekey Program projects consisting of 868 units;
- E. AUTHORIZE the General Manager of the Housing Department or designee to accept Homekey awards and execute the State of California Department of Housing and Community Development Standard Agreements for these awards;
- F. AUTHORIZE the Controller to:
- i. Establish a new interest-bearing fund entitled “State Homekey” to receive and disburse funds from State of California Department of Housing and Community Development in the amount of \$244,382,627, to be administered by LAHD;
 - ii. Establish new account and appropriate funds as follows:

<u>Account Name</u>	<u>Account No.</u>	<u>Amount</u>
Homekey Capital	TBD	\$240,951,250
Homekey Operating	TBD	\$3,431,377

- iii. Upon receipt of additional Homekey awards, appropriate funds into Homekey Capital;
- G. AUTHORIZE LAHD to prepare Controller instructions or make necessary technical adjustments, including to the names of the Special Fund accounts recommended for this report, consistent with the Mayor and Council action, subject to approval of the City Administrative Officer, and authorize the Controller to implement these instructions;

H. AUTHORIZE the disbursement of funds to the Housing Authority of the City of Los Angeles (HACLA) as a loan to temporarily hold the projects until the properties are transferred to a selected operator. Funds are not to exceed the amounts outlined below, and are scheduled to be disbursed at close of escrow:

i. 6521 Brynhurst - City loan not to exceed \$21,425,426

<u>Fund</u>	<u>Account</u>	<u>Amount</u>
Homekey Capital	TBD	\$11,400,000
Homekey Operating	TBD	153,426
HHH	TBD	\$1,846,245
CDBG-CV	21V209	\$4,000,000
HOME-ARP (Operating)	43VB79	\$1,632,000
HHAP	TBD	\$2,393,755

ii. 7639 Van Nuys - City loan not to exceed \$20,807,222

<u>Fund</u>	<u>Account</u>	<u>Amount</u>
Homekey Capital	TBD	\$9,765,000
Homekey Operating	TBD	137,222
HHH	TBD	\$1,846,245
CDBG-CV	21V209	\$5,000,000
HOME-ARP (Operating)	43VB79	\$1,920,000
HHAP	TBD	\$2,090,980

iii. 1654 Florence - City loan not to exceed \$63,387,544

<u>Fund</u>	<u>Account</u>	<u>Amount</u>
Homekey Capital	TBD	\$34,960,000
Homekey Operating	TBD	\$494,744
HHH	TBD	\$5,427,080
CDBG-CV	21V209	\$1,488,548

<u>Fund</u>	<u>Account</u>	<u>Amount</u>
CDBG-R	21V209	\$7,382,332
HOME-ARP (Capital)	43VB79	\$408,000
HOME-ARP (Operating)	43VB79	\$6,892,800
HHAP	TBD	\$6,334,040

iv. 2812 Temple / 916 Alvarado 7639 Van Nuys - City loan not to exceed \$30,070,600

<u>Fund</u>	<u>Account</u>	<u>Amount</u>
Homekey Capital	TBD	\$18,410,000
Homekey Operating	TBD	419,000
HHH	TBD	\$10,970,325
CDBG-CV	21V209	\$4,000,000
HOME-ARP (Capital)	43VB79	\$1,803,470
HOME-ARP (Operating)	43VB79	\$3,648,000
HHAP	TBD	\$1,723,495

I. AUTHORIZE the disbursement of funds to HACLA as a loan for Homekey properties owned by HACLA. Funds are not to exceed the amounts outlined below, and are scheduled to be disbursed at close of escrow:

i. 5050 Pico - City loan not to exceed \$5,000,000

<u>Fund</u>	<u>Account</u>	<u>Amount</u>
CDBG-R	21V209	\$4,381,606

ii. 10150 Hilhaven - City loan not to exceed \$2,000,000

<u>Fund</u>	<u>Account</u>	<u>Amount</u>
HHH	TBD	\$1,620,000

J. DIRECT LAHD to report on the results of the RFP once the selection process is complete for Mayor and Council consideration;

- K. DIRECT LAHD to review the list provided by GSD in accordance with the Site Criteria List (Attachment 4), and submit appropriate site(s) as an Interim Housing solution into HCD Project Homekey NOFA by May 2, 2022 along with other sites it has identified;
- L. INSTRUCT the City Administrative Officer to identify available funding for a total amount not to exceed \$61,139,050 to be used for local match requirements, due diligence, rehabilitation and operating reserves for projects in Table 3; and,
- M. AUTHORIZE the General Manager of LAHD, or designee, to apply on behalf of the City to the State of California Homekey Program Notice of Funding Availability, with the Housing Authority of the City of Los Angeles serving as the co-applicant, for projects in Table 3 subject to CAO identifying the appropriate resources.

BACKGROUND

In an October 25, 2021 report back to Council in response to C.F. No. 21-0112, LAHD reported that it identified sufficient funding in available HHH, HOME-American Rescue Plan, CDBG-CV and CDBG reprogramming funds for the acquisition, rehabilitation, and operating reserves for 450 Homekey units. The City Council directed the CAO and LAHD to report back with recommendations for additional funding for the acquisition, rehabilitation, and operating reserves for 300 additional units for a total 750 Homekey units.

LAHD has identified and submitted nine applications for 10 Homekey sites totaling 868 units. In a separate report back, the CAO has recommended the additional funding necessary for acquisition, rehabilitation, and operating reserves.

Table 1, below, identifies the Homekey sites for acquisition, including Site address, Council District, Total Estimated Cost, Homekey Proceeds, and City Match.

TABLE 1, LAHD PROPOSED SITES WITH TOTAL COST AND HOMEKEY PROCEEDS / CITY MATCH						
#	Site	CD	Units	Total Estimated Cost	Homekey Proceeds	City Match
1	6521 Brynhurst	8	41	\$22,317,981	\$11,553,426	\$10,764,555
2	7639 Van Nuys	6	36	\$21,685,202	\$9,902,222	\$11,782,980
3	1654 W Florence	8	128	\$64,969,584	\$35,454,744	\$29,514,840
4	2812 Temple/916 Alvarado	13	69	\$38,490,641	\$18,829,300	\$19,661,341
5	6531 Sepulveda	11	133	\$68,394,625	\$37,573,275	\$30,821,350
6	18602 Vermont	15	136	\$53,764,495	\$38,851,795	\$14,912,700
7	20205 Ventura	3	146	\$62,961,022	\$41,197,422	\$21,763,600
8	19325 Londelius	12	117	\$61,046,123	\$33,075,273	\$27,970,850
9	2010 Highland	4	62	\$33,244,520	\$17,945,170	\$15,299,350
TOTAL			868	\$426,874,193	\$244,382,627	\$182,491,566

HACLA Loans

HACLA is acting as LAHD’s acquisition agent for the purchase of Homekey properties that will be subsequently transferred to housing providers selected through LAHDs request for proposals. For those properties, LAHD will provide loans to HACLA to acquire the properties and those loans will be assumed by the housing providers selected through LAHD’s request for proposals.

In addition, LAHD will loan HACLA up to \$15 million for match funding for the purchase of Homekey properties to be owned and managed by HACLA. The loan with HACLA will be repaid through residual receipts and will be monitored annually by LAHD. HACLA will acquire up to 350 supportive housing units, which will be supported with project-based rental vouchers and secured by a regulatory agreement for fifty-five years for individuals or families experiencing homelessness or at-risk of homelessness.

The table below indicates the current loans for the HACLA Homekey properties.

TABLE 2, HACLA PROPOSED SITES WITH CITY LOAN				
	Site	CD	Units	City Loan
1	5050 Pico	10	79	\$4,381,606
2	10150 Hillhaven	7	34	\$1,620,000
3	1044 Soto	14	85	\$3,800,000
4	740 Alvarado	1	80	\$0
5	14949 Roscoe	6	29	\$0
TOTAL			307	\$9,801,606

Two Additional Homekey Sites for Submittal into Project Homekey NOFA

LAHD has identified two additional properties, 6001 Pico and 21121 Vanowen, totaling 149 units for Homekey acquisitions prior to HCD Project Homekey NOFA deadline of May 2, 2022 (see Table 3, below). In order to purchase the properties, LAHD needs to secure additional 55 project-based vouchers from HACLA and \$61,139,050 City Match from the CAO for acquisition, accessibility improvements, and operating subsidy. The CAO has already identified \$16,518,023 in available funds in the transmittal under this same Council File number, so the net increase will be \$44,621,027. If unable to secure vouchers, the City will need to pledge an additional amount for operating deficit as a backstop commitment.

TABLE 3, SITES PENDING PROJECT-BASED VOUCHERS			
	Site	CD	Units
1	21121 Vanowen	3	101
2	6001 W Pico	5	48
TOTAL			149

Request for Proposals to Select Owner Operators of the HomeKey Sites

Once the City’s Homekey applications have been approved, LAHD will issue an RFP in March 2022 to select owner operators qualified with a minimum of three years of affordable housing and permanent housing experience who can operate potential Homekey sites that would serve chronically homeless people, people

experiencing homelessness, and extremely low income people at risk of homelessness. One team member of each selected operator must have demonstrated experience working with local government initiating and facilitating community partnerships on homeless engagement and/or housing initiatives and services.

Submission of Interim Housing Solutions into HCD Project Homekey Program NOFA

In response to the amending motion related to the City's Homekey Program strategy, LAHD and the CAO requested the assistance of the General Services Department (GSD) to identify privately owned properties in the City. There are over 700,000 properties zoned for residential use in the City of Los Angeles. GSD identified over 400 properties that are at least 20,000 square feet in size. Reviewing these for zoning, site feasibility and development potential utilizing the Site Criteria list provided by LAHD in Attachment 4 will be the next step. LAHD and CAO will identify properties that could be purchased and developed as permanent or interim housing without City matching funds from this list; and submit the most suitable and appropriate sites into the HCD Project Homekey NOFA. LAHD plans to submit two sites, subject to availability of operating subsidies, by the final application due date of May 2, 2022.

Along with allowing experienced development teams to submit feasible and innovative proposals into the RFP for specific properties that demonstrate the ability to be completed within twelve months per Project Homekey guidelines, Interim Housing solution, as long as it is completed in a timely manner; is financially and operationally feasible, and conforms to the Project Homekey and City funding regulations could be an option.

To find eligible properties that can be awarded Homekey funds from the State with no City match or subsidy, the City would need to acquire interim housing solutions that meet two threshold requirements related to capital expenses and operating costs. For the capital requirement, the total cost cannot exceed \$150,000 per unit including site or property acquisition, construction, installation, and / or rehabilitation. As an example, to meet the capital test, the City could install tiny homes on low cost land, acquire and convert existing structures with minimal structural changes, or acquire and rehabilitate hotels and apartment complexes, as long as the total cost does not exceed \$150,000 per unit, and as long as it can demonstrate that the project could reasonably be expected to be completed within twelve months from date of award of funds, and occupied within three additional months.

The project would also need to demonstrate that it had a positive 15-year cash flow or operating subsidies from the City. To meet this test, the City would need either of the following or a combination of the two:

- Rental Vouchers – permanent housing units that meet the HUD standards could secure a rental voucher to pay for operating expenses and resident services; or
- Back Stop - City would need to commit to paying the operating deficits for all fifteen years.

Although it may be possible to find projects that meet the capital test without City match or subsidy, the City would need to provide the operating subsidy for interim housing of \$65 - \$95 per unit per night. Rental vouchers could be used for permanent housing that meets federal Housing Quality Standards. Finally, the State would assist in helping pay the deficit for the first three years if the City matches their contribution by paying the deficit for four years. It is important to note that Homekey does not award funds by bed, but by unit; and that interim

housing projects must adhere to a 15-year regulatory agreement with no change of use being permitted unless converting to permanent housing. If the change of use is not permanent housing, Homekey funds would be recaptured. If the interim housing project is converted to permanent housing, the project must adhere to a 55-year regulatory agreement. The cost to convert will not be provided by the State.

FISCAL IMPACT

There is no additional General Fund impact anticipated at this time.

Approved By:



ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENTS:

- Attachment 1: List of LAHD Properties
- Attachment 2: Homekey Resolutions
- Attachment 3: HHH Project Expenditure Plan
- Attachment 4: Site Criteria

Attachment 1: List of LAHD Properties

<u>No.</u>	<u>Address</u>	<u>CD</u>	<u>CM</u>	<u>Type</u>	<u>Total</u>	<u>OBR</u>	<u>1BR</u>	<u>2BR</u>	Total Estimated Cost	Homekey Proceeds	City Match
<u>1</u>	6521 Brynhurst	8	Harris-Dawson	Multifamily	41	-	-	41	\$22,317,981	\$11,553,426	\$10,764,555
<u>2</u>	7639 Van Nuys	6	Martinez	Multifamily	36	-	8	28	\$21,685,202	\$9,902,222	\$11,782,980
<u>3</u>	1654 Florence	8	Harris-Dawson	Multifamily	128	-	128	-	\$64,969,584	\$35,454,744	\$29,514,840
<u>4</u>	Temple/Alvarado	13	O'Farrell	Multifamily	69	42	26	1	\$38490,641	\$18,829,300	\$19,661,341
<u>5</u>	6531 Sepulveda	11	Bonin	Hotel	133	133	-	-	\$68,394,625	\$37,573,275	\$30,821,350
<u>6</u>	18602 Vermont	15	Buscaino	Hotel	136	136	-	-	\$53,764,495	\$38,851,795	\$14,912,700
<u>7</u>	20205 Ventura	3	Blumenfield	Hotel	146	146	-	-	\$62,961,022	\$41,197,422	\$21,763,600
<u>8</u>	19325 Londelius	12	Lee	Hotel	117	117	-	-	\$61,046,123	\$33,075,273	\$27,970,850
<u>9</u>	2010 Highland	4	Raman	Hotel	62	62	-	-	\$33,244,520	\$17,945,170	\$15,299,350
<u>TOTAL</u>					868	636	162	70	426,874,193	\$244,382,627	\$182,491,566

AUTHORIZING RESOLUTION

**RESOLUTION NO. 1
2812 Temple 916 Alvarado**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF LOS ANGELES
AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY PROGRAM**

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated September 9, 2021 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **City of Los Angeles** (“**Co-Applicant**”) desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“**Application**”) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$19,150,925.23**.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$19,150,925.23**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).

Attachment 2: Homekey Resolutions

3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. **Ann Sewill, General Manager, and Daniel Huynh, Assistant General Manager** are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of February, 2022, by the following vote:

AYES: ____ NAYES: ____ ABSTAIN: ____ ABSENT: ____

The City Council of the City of Los Angeles does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

DATE

(SEAL)

Holly L. Wolcott

AUTHORIZING RESOLUTION

**RESOLUTION NO. 2
7639 Van Nuys Blvd**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF LOS ANGELES
AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY PROGRAM**

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated September 9, 2021 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **City of Los Angeles** (“**Co-Applicant**”) desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“**Application**”) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$10,200,000**.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$10,200,000**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).

Attachment 2: Homekey Resolutions

3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. **Ann Sewill, General Manager, and Daniel Huynh, Assistant General Manager** are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of February, 2022, by the following vote:

AYES: _____ NAYES: _____ ABSTAIN: _____ ABSENT: _____

The City Council of the City of Los Angeles does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

DATE

(SEAL)

Holly L. Wolcott

AUTHORIZING RESOLUTION

**RESOLUTION NO. 3
6521 Brynhurst Ave**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF LOS ANGELES
AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY PROGRAM**

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated September 9, 2021 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **City of Los Angeles** (“**Co-Applicant**”) desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“**Application**”) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$11,800,000**.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$11,800,000**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).

Attachment 2: Homekey Resolutions

3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. **Ann Sewill, General Manager, and Daniel Huynh, Assistant General Manager** are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of February, 2022, by the following vote:

AYES: _____ NAYES: _____ ABSTAIN: _____ ABSENT: _____

The City Council of the City of Los Angeles does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

DATE

(SEAL)

Holly L. Wolcott

AUTHORIZING RESOLUTION

**RESOLUTION NO. 4
BLVD Hotel
2010 N Highland Ave**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF LOS ANGELES
AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY PROGRAM**

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated September 9, 2021 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **City of Los Angeles** (“**Co-Applicant**”) desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“Application”) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$18,190,822.45**.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$18,190,822.45**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the

Attachment 2: Homekey Resolutions

Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).

3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. **Ann Sewill, General Manager, and Daniel Huynh, Assistant General Manager** are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of February, 2022, by the following vote:

AYES: _____ NAYES: _____ ABSTAIN: _____ ABSENT: _____

The City Council of the City of Los Angeles does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

DATE

(SEAL)

Holly L. Wolcott

AUTHORIZING RESOLUTION

**RESOLUTION NO. 5
20205 Ventura Blvd**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF LOS ANGELES
AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY PROGRAM**

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated September 9, 2021 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **City of Los Angeles** (“**Co-Applicant**”) desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“**Application**”) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$42,637,422.45**.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$42,637,422.45**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).

Attachment 2: Homekey Resolutions

3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. **Ann Sewill, General Manager, and Daniel Huynh, Assistant General Manager** are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of February, 2022, by the following vote:

AYES: ____ NAYES: ____ ABSTAIN: ____ ABSENT: ____

The City Council of the City of Los Angeles does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

DATE

(SEAL)

Holly L. Wolcott

AUTHORIZING RESOLUTION

**RESOLUTION NO. 6
19325 Londelius St**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF LOS ANGELES
AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY PROGRAM**

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated September 9, 2021 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **City of Los Angeles** (“**Co-Applicant**”) desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“**Application**”) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$34,225,273.06**.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$34,225,273.06**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).

Attachment 2: Homekey Resolutions

3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. **Ann Sewill, General Manager, and Daniel Huynh, Assistant General Manager** are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of February, 2022, by the following vote:

AYES: ____ NAYES: ____ ABSTAIN: ____ ABSENT: ____

The City Council of the City of Los Angeles does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

DATE

(SEAL)

Holly L. Wolcott

AUTHORIZING RESOLUTION

**RESOLUTION NO. 7
18602 S Vermont Ave**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF LOS ANGELES
AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY PROGRAM**

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated September 9, 2021 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **City of Los Angeles** (“**Co-Applicant**”) desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“**Application**”) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$40,191,794.77**.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$40,191,794.77**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).

Attachment 2: Homekey Resolutions

3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. **Ann Sewill, General Manager, and Daniel Huynh, Assistant General Manager** are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of February, 2022, by the following vote:

AYES: ____ NAYES: ____ ABSTAIN: ____ ABSENT: ____

The City Council of the City of Los Angeles does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

DATE

(SEAL)

Holly L. Wolcott

AUTHORIZING RESOLUTION

**RESOLUTION NO. 8
6531 S Sepulveda Blvd**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF LOS ANGELES
AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY PROGRAM**

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated September 9, 2021 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **City of Los Angeles** (“**Co-Applicant**”) desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“**Application**”) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$38,883,274.82**.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$38,883,274.82**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).

Attachment 2: Homekey Resolutions

3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. **Ann Sewill, General Manager, and Daniel Huynh, Assistant General Manager** are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of February, 2022, by the following vote:

AYES: ____ NAYES: ____ ABSTAIN: ____ ABSENT: ____

The City Council of the City of Los Angeles does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

DATE

(SEAL)

Holly L. Wolcott

AUTHORIZING RESOLUTION

**RESOLUTION NO. 9
1654 W Florence Ave**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF LOS ANGELES
AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY PROGRAM**

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated September 9, 2021 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **City of Los Angeles** (“**Co-Applicant**”) desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“**Application**”) to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$36,525,588.75**.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$36,525,588.75**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).

Attachment 2: Homekey Resolutions

3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. **Ann Sewill, General Manager, and Daniel Huynh, Assistant General Manager** are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this _____ day of February, 2022, by the following vote:

AYES: ____ NAYES: ____ ABSTAIN: ____ ABSENT: ____

The City Council of the City of Los Angeles does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

DATE

(SEAL)

Holly L. Wolcott

Attachment 3: HHH Project Expenditure Plan

STAFF REPORT

As of: February 4, 2022

**6521 Brynhurst
6521 Brynhurst Ave, Los Angeles, CA 90043
New Construction
41 Units
Council District 8**

PROJECT DESCRIPTION

6521 Brynhurst is a 41-unit new construction multifamily property. The building features 41 two-bedroom apartments, one of which is a manager's unit. All units will serve populations at 30% AMI or lower. 16 units will have Section 8 Project Based Vouchers.

Of the 41 units, sixteen (16) will have a Section 8 Project Based Voucher, secured through a HACLA NOFA to be released in January 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 18% of AMI for Los Angeles County on average. The Project is also requesting an HCD operating subsidy of \$1000 per unit, per month for three years to provide for supportive services, security and other eligible operating expenses. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense.

The City of Los Angeles will match the Homekey financing with an equity contribution to cover the gap beyond the Homekey award and facilitate closing and lease-up. The City of Los Angeles will also match the Homekey operating subsidy with a commitment to support the Project for four years at the rate of \$1,000 per unit per month. Residual Receipts during this period will be deposited into the operating reserve fund to support operations following year 7. No developer or acquisition fee is proposed at closing for this project. The property manager for this property will be selected through an RFP process which the City of Los Angeles is planning to release in December. The RFP will require, and the City will ensure, that the selected manager and service provider will have 36 months or more of experience serving persons of the target population.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property will be owned by the Housing Authority of the City of Los Angeles. At the time of awarding the RFP, it will be transferred to the selected developer.

PROJECT FINANCE SUMMARY

HHH funding is leveraged with other City of Los Angeles funding and HCD Project Homekey matching funds.

Sources

Permanent	Total Sources
HCD Project Homekey Match	11,553,426
HHH	2,738,800
CDBG	4,000,000
HOME ARP	1,632,000
Other City Source	2,393,755
TOTAL	22,317,981

Uses of Funds

Uses of Funds	Total Uses
Acquisition Costs	17,440,000
Due Diligence / Closing Costs	350,000
HACLA Fee	348,800
Asset Management Fee	193,755
Rehab Costs	2,000,000
Developer Fee	200,000
Operating Reserve	1,785,426
TOTAL*	22,317,981

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
SRO	-	-	-	-	-
1 Bedroom	-	-	-	-	-
2 Bedroom	40	1	41	40	-
3 Bedroom	-	-	-	-	-
Total	40	1	41	40	-

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$2,738,800 in HHH funds.

PROJECT TIMELINE

Project is currently scheduled to be acquired by June 30, 2022 and completed and ready for occupancy by June 2023.

Prepared by: Los Angeles Housing Department

STAFF REPORT
Revised as of: February 4, 2022

Temple/Alvarado
2812 W Temple St., Los Angeles, CA 90026
916 N Alvarado St, Los Angeles, CA 90043

New Construction
Council District 13

PROJECT DESCRIPTION

2812 W. Temple Street is a 42-unit new construction multifamily property, with anticipated construction completion of 3/31/2021. The apartment building has 4 stories with parking garage on the first floor and the apartment units on the remaining floors. The building features forty-two (42) units, including one (1) manager's unit, eighteen (18) studios, twenty-four (24) 1BRs, onsite laundry, and one elevator. Twenty-five (25) units will be leased to be At-Risk of Homelessness units, and fifteen (15) will be Chronically Homeless.

916 N. Alvarado Street is a 27-unit new construction multifamily property, with anticipated construction completion of 3/31/2021. The apartment building has 4 stories with parking garage on the first floor and the apartment units on the remaining floors. The building features twenty-seven (27) units, including one (1) manager's unit (2BR), twenty-three (23) studios, two (2) 1BR, a 381 square foot studio converted to office and services space, onsite laundry, one elevator, 240 square feet of ground floor services space. Fifteen (15) units will be leased to be At-Risk of Homelessness units, and ten (10) will be Chronically Homeless.

All twenty-five (25) chronically homeless units will have a Section 8 Project Based Voucher, secured through a HACLA NOFA to be released in January 2022 and awarded in February 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 8% of AMI for Los Angeles County on average. The Project is also requesting an HCD operating subsidy to provide for supportive services, security and other eligible operating expenses in Year 1. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense. The Project also anticipates leasing twenty-five (25) units to tenants with tenant-based vouchers beginning in Year 2.

The City of Los Angeles will match the Homekey financing with an equity contribution to cover the gap beyond the Homekey award and facilitate closing and lease-up. The City of Los Angeles will also match the Homekey operating subsidy with a commitment to support the Project for four years at the rate of \$1,000 per At-Risk of Homelessness unit and \$1,400 per Chronically Homeless unit per month. The City-funded operating subsidy will be capitalized at closing for the full amount of \$3,600,000 (\$900,000 per year) and drawn down as needed throughout the life of the project.

The property managers for the sites will be selected through an RFP process which the City of Los Angeles is planning to release in February 2022. The RFP will require, and the City will ensure, that the selected manager and service provider will have 36 months or more of experience serving persons of the target population. Both sites will share the same owner/operator and service provider. A \$200,000 developer fee is proposed for the RFP-selected owner/operator. Additionally, a project administration fee of 2% of the acquisition price is included to reimburse HACLA acquisition activities.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property will be owned by the Housing Authority of the City of Los Angeles. At the time of awarding the RFP, it will be transferred to the selected developer.

PROJECT FINANCE SUMMARY

HHH funding is leveraged with other City of Los Angeles funding and HCD Project Homekey matching funds.

Sources

Permanent	Total Sources
HCD Project Homekey Match	18,829,300
HHH	12,390,366
CDBG	0
HOME ARP	5,451,470
Other City Source/GF	1,723,495
TOTAL	38,394,631

Uses of Funds

Uses of Funds	Total Uses
Acquisition Costs	29,853,300
Due Diligence / Closing Costs	350,000
HACLA Fee	597,066
Asset Management Fee	376,965
Rehab Costs	2,950,000
Developer Fee	200,000
Operating Reserve	4,067,300
TOTAL*	38,394,631

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
Studios	41	-	41	41	-
1 Bedroom	25	1	26	25	-
2 Bedroom	-	1	1	-	-
3 Bedroom	-	-	-	-	-
Total	66	2	68	66	-

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$12,390,366 in HHH funds.

PROJECT TIMELINE

Project is currently scheduled to be acquired by June 30, 2022 and completed and ready for occupancy by June 2023.

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

7639 Van Nuys
7639 Van Nuys Blvd, Los Angeles, CA 90043
New Construction
36 Units
Council District 6

PROJECT DESCRIPTION

7639 Van Nuys Blvd is a 36-unit new construction multifamily property. The building features five (5) one bedroom apartments, thirty (30) two bedroom apartments, with one (1) manager's unit. All units will serve Homeless populations at 30% AMI or lower.

Of the 36 units, 11 will have a Section 8 Project Based Voucher, secured through a HACLA NOFA released in January 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 18% of AMI for Los Angeles County on average. The Project is also requesting an HCD operating subsidy of \$1000 per unit, per month for three years to provide for supportive services, security and other eligible operating expenses. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense.

The City of Los Angeles will match the Homekey financing with a local match contribution to cover the gap beyond the Homekey award and facilitate closing and lease-up. The City of Los Angeles will also match the Homekey operating subsidy with a commitment to support the Project for four years at the rate of \$1,000 per unit per month. Residual Receipts during this period will be deposited into the operating reserve fund to support operations following year 7. No developer or acquisition fee is proposed at closing for this project. The property manager for this property will be selected through an RFP process which the City of Los Angeles is planning to release in December. The RFP will require, and the City will ensure, that the selected manager and service provider will have 36 months or more of experience serving persons of the target population.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property will be owned by the Housing Authority of the City of Los Angeles. At the time of awarding the RFP, it will be transferred to the selected developer.

PROJECT FINANCE SUMMARY

HHH funding is leveraged with other City of Los Angeles funding and HCD Project Homekey matching funds.

Sources

Permanent	Total Sources
HCD Project Homekey Match	9,902,222
HHH	2,772,000
CDBG	5,000,000
HOME ARP	1,920,000
Other City Source/GF	2,090,980
TOTAL	21,685,202

Uses of Funds

Uses of Funds	Total Uses
Acquisition Costs	16,850,000
Due Diligence / Closing Costs	350,000
HACLA Fee	337,000
Asset Management Fee	190,980
Rehab Costs	1,700,000
Developer Fee	200,000
Operating Reserve	2,057,222
TOTAL*	21,685,202

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
SRO		-			-
1 Bedroom	7	-	7	7	-
2 Bedroom	27	1	28	27	-
3 Bedroom	-	-	-	-	-
Total	34	1	35	34	-

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$2,772,000 in HHH funds.

PROJECT TIMELINE

Project is currently scheduled to be acquired by June 30, 2022 and completed and ready for occupancy by June 2023.

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

1654 W Florence Ave
1654 W Florence Ave, Los Angeles, CA 90047
New Construction
128 Units
Council District 8

PROJECT DESCRIPTION

1654 Florence is a 128-unit new construction multifamily property, with anticipated construction completion of 12/31/2021. The apartment building has 5 stories with parking garage on the first floor and the apartment units on the remaining floors. The building features one hundred twenty-eight (128) units, including one (1) manager's unit, one (1) maintenance staff unit, as well as two (2) open deck spaces, balconies, onsite laundry, and two (2) elevators. Eighty-two (82) units will be leased to be Homeless units, forty-five (45) will be Chronically Homeless, and one (1) Manager's unit.

Of the 128 units, all forty-four (44) Chronically Homeless units will have a Section 8 Project Based Voucher, secured through a HACLA NOFA to be released in January 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 8% of AMI for Los Angeles County on average. The Project anticipates 35% of units will be occupied by tenants with tenant-based vouchers beginning in Year 2. The Project is also requesting an HCD operating subsidy to provide for supportive services, security and other eligible operating expenses in Year 1. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense.

The City of Los Angeles will match the Homekey financing with an equity contribution to cover the gap beyond the Homekey award and facilitate closing and lease-up. The City of Los Angeles will also match the Homekey operating subsidy with a commitment to support the Project for four years at the rate of \$1,000 per At-Risk of Homelessness unit and \$1,400 per Chronically Homeless unit per month. The City-funded operating subsidy will be capitalized at closing for the full amount of \$3,456,600 (\$864,000 per year) and drawn down as-needed throughout the life of the Project. The property manager for this property will be selected through an RFP process which the City of Los Angeles is planning to release in February. The RFP will require, and the City will ensure, that the selected manager and service provider will have 36 months or more of experience serving persons of the target population. A \$200,000 developer fee is proposed for the RFP-selected owner/operator. Additionally, a project administration fee of 2% of the acquisition price is included to reimburse HACLA acquisition activities.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property will be owned by the Housing Authority of the City of Los Angeles. At the time of awarding the RFP, it will be transferred to the selected developer.

PROJECT FINANCE SUMMARY

HHH funding is leveraged with other City of Los Angeles funding and HCD Project Homekey matching funds.

Sources

Permanent	Total Sources
HCD Project Homekey Match	35,454,744
HHH	7,009,120
CDBG	8,870,880
HOME ARP	7,396,810
Other City Source	6,742,040
TOTAL	65,473,594

Uses of Funds

Uses of Funds	Total Uses
Acquisition Costs	49,500,000
Due Diligence / Closing Costs	350,000
HACLA Fee	990,000
Asset Management Fee	746,050
Rehab Costs	6,300,000
Developer Fee	200,000
Operating Reserve	7,387,544
TOTAL*	65,473,594

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
Studios	-	-	-	-	-
1 Bedroom	126	2	128	126	-
2 Bedroom	-	-	-	-	-
3 Bedroom	-	-	-	-	-
Total	126	2	128	126	-

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$7,009,120 in HHH funds.

PROJECT TIMELINE

Project is currently scheduled to be acquired by June 30, 2022 and completed and ready for occupancy by June 2023.

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

6531 S Sepulveda Blvd
6531 S Sepulveda Blvd, Los Angeles, CA 90045
Extended Stay Hotel
133 Units
Council District 11

PROJECT DESCRIPTION

6531 S Sepulveda Blvd is a 133-unit hotel built in 1999. The property includes a four-story building with guest rooms, a lobby, office, family room, and laundry facilities, and is surrounded by a surface parking lot. Each guest room features a kitchenette with a range, sink, refrigerator, countertops and cabinets. The ground level nonresidential spaces will be used for offices, supportive service delivery, and community space for residents and staff. Forty-four (44) units will be leased as Chronic Homelessness units, and eighty-seven (87) will be targeted to persons who are at Risk of Homelessness.

All of the Chronically Homeless units will have a Project Based Section 8 Voucher obtained in connection with Project Based Voucher Notice of Funding Availability ("PBV NOFA") Homekey Projects Only HA-2022-20, released by HACLA on January 28, 2022. HACLA and the City of Los Angeles project that, based on experience with Homekey Round 1 properties, residents of the Project will be able to pay rent at the level of 8% of the AMI for Los Angeles County on average in Year 1. Based on the number of available tenant-based Section 8 vouchers, including Emergency Housing Vouchers, the Applicants project that in Years 2 and beyond, on average, the Project will have an additional 35% of the units occupied by residents with tenant-based Section 8 vouchers. The application includes a request for an HCD Homekey operating subsidy, limited to the minimum of \$1,400 per unit per month for up to three years for Chronic Homeless units and \$1,000 per unit per month for up to three years for At Risk units or any operating deficit during the first five years of the Project's operations, in accordance with the application workbook formula. The City of Los Angeles has committed to provide a capitalized operating subsidy at the same per unit per month rates for 48 months.

Based on preliminary discussions with the current owner of the property, HACLA projects that between 20% and 35% of the guests at the hotels in the Extended Stay portfolio (including 6531 S. Sepulveda, 18602 S. Vermont, 20205 Ventura, and 19325 Londelius) may be eligible for relocation benefits. Based on discussions with the relocation consultant engaged by HACLA, HACLA estimates that the cost of relocation per eligible resident may be approximately \$50,000. The seller would not provide access to records or hotel guests prior to going under contract with the properties, and HACLA will confirm relocation costs during the 60-day due diligence period. The application includes a rehabilitation budget of \$12,500 per unit (before prevailing wage, overhead, and contingency), which is estimated to address modifications for mobility accessibility in 11% of the units and hearing/vision accessibility in 5% of the units, cosmetic upgrades to finishes and flooring in certain units due to normal wear and tear since 1998, a limited budget for any repairs needed to systems that may be revealed through the physical needs assessment that is underway and will be completed during the due diligence period, and to address any potential ventilation measures. The City of Los Angeles will also provide a capital match sized to cover the difference in total cost and the Homekey capital match, which will be contributed as cash at closing.

Subject to the approval of HCD, the Project will be transferred at or shortly after closing to an owner operator selected by the City through an RFP that will be issued in February 2022. The RFP will require compliance with the provisions of the Round 2 NOFA and will require that the selected manager and service provider will demonstrate 36 months or more of experience serving persons in the target populations. At the transfer, the City Capital Match will be converted to a residual receipt loan with terms agreed to by the City and the owner operator, including that the loan will be repaid to the City from 50% of cash flow. A \$200,000 developer fee will be paid to the RFP-selected owner/operator for managing the lease up and stabilization of the property, including the completion of the necessary capital improvements.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property will be owned by the Housing Authority of the City of Los Angeles. At the time of awarding the RFP, it will be transferred to the selected developer.

PROJECT FINANCE SUMMARY

HHH funding is leveraged with other City of Los Angeles funding and HCD Project Homekey matching funds.

Sources

Permanent	Total Sources
HCD Project Homekey Match	37,573,275
HHH	16,938,550
CDBG	0
HOME ARP	12,882,800
Other City Source	1,000,000
TOTAL	68,394,625

Uses of Funds

Uses of Funds	Total Uses
Acquisition Costs	53,614,000
Due Diligence / Closing Costs	350,000
HACLA Fee	1,052,300
Asset Management Fee	0
Rehab Costs	6,550,00
Developer Fee	200,000
Operating Reserve	7,627,325
TOTAL*	68,394,625

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
Studios	131	2	133	131	-
1 Bedroom	-	-	-	-	-
2 Bedroom	-	-	-	-	-
3 Bedroom	-	-	-	-	-
Total	131	2	133	131	-

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$16,938,550 in HHH funds.

PROJECT TIMELINE

Project is currently scheduled to be acquired by June 30, 2022 and completed and ready for occupancy by June 2023.

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

18602 S Vermont Ave
18602 S Vermont Ave, Los Angeles, CA 90248
Extended Stay Hotel
136 Units
Council District 15

PROJECT DESCRIPTION

18602 S Vermont Ave is a 136-unit hotel built in 1998. The property includes a three story building with guest rooms, a lobby, office, family room, and laundry facilities, and is surrounded by a surface parking lot. Each guest room features a kitchenette with a range, sink, refrigerator, countertops and cabinets. The ground level nonresidential spaces will be used for offices, supportive service delivery, and community space for residents and staff. Forty-eight (48) units will be leased as Chronic Homelessness units, and eighty-six (86) will be targeted to persons who are At Risk of Homelessness.

All of the Chronically Homeless units will have a Project Based Section 8 Voucher obtained in connection with Project Based Voucher Notice of Funding Availability ("PBV NOFA") Homekey Projects Only HA-2022-20, released by HACLA on January 28, 2022. HACLA and the City of Los Angeles project that, based on experience with Homekey Round 1 properties, residents of the Project will be able to pay rent at the level of 8% of the AMI for Los Angeles County on average in Year 1. Based on the number of available tenant-based Section 8 vouchers, including Emergency Housing Vouchers, the Applicants project that in Years 2 and beyond, on average, the Project will have an additional 35% of the units occupied by residents with tenant-based Section 8 vouchers. The application includes a request for an HCD Homekey operating subsidy, limited to the minimum of \$1,400 per unit per month for up to three years for Chronic Homeless units and \$1,000 per unit per month for up to three years for At Risk units or any operating deficit during the first five years of the Project's operations, in accordance with the application workbook formula. The City of Los Angeles has committed to provide a capitalized operating subsidy at the same per unit per month rates for 48 months.

Based on preliminary discussions with the current owner of the property, HACLA projects that between 20% and 35% of the guests at the hotels in the Extended Stay portfolio (including 6531 S. Sepulveda, 18602 S. Vermont, 20205 Ventura, and 19325 Londelius) may be eligible for relocation benefits. Based on discussions with the relocation consultant engaged by HACLA, HACLA estimates that the cost of relocation per eligible resident may be approximately \$50,000. The seller would not provide access to records or hotel guests prior to going under contract with the properties, and HACLA will confirm relocation costs during the 60-day due diligence period. The application includes a rehabilitation budget of \$18,000 per unit (before prevailing wage, overhead, and contingency), which is estimated to address modifications for mobility accessibility in 11% of the units and hearing/vision accessibility in 5% of the units, cosmetic upgrades to finishes and flooring in certain units due to normal wear and tear since 1998, a limited budget for any repairs needed to systems that may be revealed through the physical needs assessment that is underway and will be completed during the due diligence period, and to address any potential ventilation measures. The City of Los Angeles will also provide a capital match sized to cover the difference in total cost and the Homekey capital match, which will be contributed as cash at closing.

Subject to the approval of HCD, the Project will be transferred at or shortly after closing to an owner operator selected by the City through an RFP that will be issued in February 2022. The RFP will require compliance with the provisions of the Round 2 NOFA and will require that the selected manager and

service provider will demonstrate 36 months or more of experience serving persons in the target populations. At the transfer, the City Capital Match will be converted to a residual receipt loan with terms agreed to by the City and the owner operator, including that the loan will be repaid to the City from 50% of cash flow. A \$200,000 developer fee will be paid to the RFP-selected owner/operator for managing the lease up and stabilization of the property, including the completion of the necessary capital improvements.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property will be owned by the Housing Authority of the City of Los Angeles. At the time of awarding the RFP, it will be transferred to the selected developer.

PROJECT FINANCE SUMMARY

HHH funding is leveraged with other City of Los Angeles funding and HCD Project Homekey matching funds.

Sources

Permanent	Total Sources
HCD Project Homekey Match	38,841,795
HHH	697,500
CDBG	0
HOME ARP	11,168,120
Other City Source	3,047,080
TOTAL	53,764,495

Uses of Funds

Uses of Funds	Total Uses
Acquisition Costs	38,000,000
Due Diligence / Closing Costs	350,000
HACLA Fee	760,000
Asset Management Fee	0
Rehab Costs	6,700,00
Developer Fee	200,000
Operating Reserve	7,754,495
TOTAL*	53,764,495

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
Studios	134	2	136	134	-
1 Bedroom	-	-	-	-	-
2 Bedroom	-	-	-	-	-
3 Bedroom	-	-	-	-	-
Total	134	2	136	134	-

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$697,500 in HHH funds.

PROJECT TIMELINE

Project is currently scheduled to be acquired by June 30, 2022 and completed and ready for occupancy by June 2023.

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

20205 Ventura Blvd
20205 Ventura Blvd, Los Angeles, CA 91364
Extended Stay Hotel
146 Units
Council District 3

PROJECT DESCRIPTION

20205 Ventura Blvd is a 146 unit hotel built in 2000. The property includes a three-story building with guest rooms, a lobby, office, family room, and laundry facilities, and is surrounded by a surface parking lot. Each guest room features a kitchenette with a range, sink, refrigerator, countertops and cabinets. The ground level nonresidential spaces will be used for offices, supportive service delivery, and community space for residents and staff. Forty-eight (48) units will be leased as Chronic Homelessness units, and ninety-six (96) units will be targeted to persons who are At Risk of Homelessness.

All of the Chronically Homeless units will have a Project Based Section 8 Voucher obtained in connection with Project Based Voucher Notice of Funding Availability ("PBV NOFA") Homekey Projects Only HA-2022-20, released by HACLA on January 28, 2022. HACLA and the City of Los Angeles project that, based on experience with Homekey Round 1 properties, residents of the Project will be able to pay rent at the level of 8% of the AMI for Los Angeles County on average in Year 1. Based on the number of available tenant-based Section 8 vouchers, including Emergency Housing Vouchers, the Applicants project that in Years 2 and beyond, on average, the Project will have an additional 35% of the units occupied by residents with tenant-based Section 8 vouchers. The application includes a request for an HCD Homekey operating subsidy, limited to the minimum of \$1,400 per unit per month for up to three years for Chronic Homeless units and \$1,000 per unit per month for up to three years for at Risk units or any operating deficit during the first five years of the Project's operations, in accordance with the application workbook formula. The City of Los Angeles has committed to provide a capitalized operating subsidy at the same per unit per month rates for 48 months.

Based on preliminary discussions with the current owner of the property, HACLA projects that between 20% and 35% of the guests at the hotels in the Extended Stay portfolio (including 6531 S. Sepulveda, 18602 S. Vermont, 20205 Ventura, and 19325 Londelius) may be eligible for relocation benefits. Based on discussions with the relocation consultant engaged by HACLA, HACLA estimates that the cost of relocation per eligible resident may be approximately \$50,000. The seller would not provide access to records or hotel guests prior to going under contract with the properties, and HACLA will confirm relocation costs during the 60-day due diligence period. The application includes a rehabilitation budget of \$10,000 per unit (before prevailing wage, overhead, and contingency), which is estimated to address modifications for mobility accessibility in 11% of the units and hearing/vision accessibility in 5% of the units, cosmetic upgrades to finishes and flooring in certain units due to normal wear and tear since 1998, and a limited budget for any repairs needed to systems that may be revealed through the physical needs assessment that is underway and will be completed during the due diligence period. The City of Los Angeles will also provide a capital match sized to cover the difference in total cost and the Homekey capital match, which will be contributed as cash at closing.

Subject to the approval of HCD, the Project will be transferred at or shortly after closing to an owner operator selected by the City through an RFP that will be issued in February 2022. The RFP will require compliance with the provisions of the Round 2 NOFA and will require that the selected manager and

service provider will demonstrate 36 months or more of experience serving persons in the target populations. At the transfer, the City Capital Match will be converted to a residual receipt loan with terms agreed to by the City and the owner operator, including that the loan will be repaid to the City from 50% of cash flow. A \$200,000 developer fee will be paid to the RFP-selected owner/operator for managing the lease up and stabilization of the property, including the completion of the necessary capital improvements.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property will be owned by the Housing Authority of the City of Los Angeles. At the time of awarding the RFP, it will be transferred to the selected developer.

PROJECT FINANCE SUMMARY

HHH funding is leveraged with other City of Los Angeles funding and HCD Project Homekey matching funds.

Permanent	Total Sources
HCD Project Homekey Match	41,197,422
HHH	6,530,000
CDBG	0
HOME ARP	7,833,600
Other City Source	7,400,000
TOTAL	62,961,022

Uses of Funds

Uses of Funds	Total Uses
Acquisition Costs	46,000,000
Due Diligence / Closing Costs	350,000
HACLA Fee	920,000
Asset Management Fee	0
Rehab Costs	7,200,000
Developer Fee	200,000
Operating Reserve	8,291,022
TOTAL*	62,961,022

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
Studios	144	2	146	144	-
1 Bedroom	-	-	-	-	-
2 Bedroom	-	-	-	-	-
3 Bedroom	-	-	-	-	-
Total	144	2	146	144	-

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$6,530,000 in HHH funds.

PROJECT TIMELINE

Project is currently scheduled to be acquired by June 30, 2022 and completed and ready for occupancy by June 2023.

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

19325 Londelius
19325 Londelius, Los Angeles, CA 91324
Extended Stay Hotel
117 Units
Council District 12

PROJECT DESCRIPTION

19325 Londelius Street is a 117 unit hotel built in 2005. The property includes a four-story building with guest rooms, a lobby, office, family room, and laundry facilities, and is surrounded by a surface parking lot. Each guest room features a kitchenette with a range, sink, refrigerator, countertops and cabinets. The ground level nonresidential spaces will be used for offices, supportive service delivery, and community space for residents and staff. Forty-eight (48) units will be leased as Chronic Homelessness units, and ninety-six (96) units will be targeted to persons who are At Risk of Homelessness.

All of the Chronically Homeless units will have a Project Based Section 8 Voucher obtained in connection with Project Based Voucher Notice of Funding Availability ("PBV NOFA") Homekey Projects Only HA-2022-20, released by HACLA on January 28, 2022. HACLA and the City of Los Angeles project that, based on experience with Homekey Round 1 properties, residents of the Project will be able to pay rent at the level of 8% of the AMI for Los Angeles County on average in Year 1. Based on the number of available tenant-based Section 8 vouchers, including Emergency Housing Vouchers, the Applicants project that in Years 2 and beyond, on average, the Project will have an additional 35% of the units occupied by residents with tenant-based Section 8 vouchers. The application includes a request for an HCD Homekey operating subsidy, limited to the minimum of \$1,400 per unit per month for up to three years for Chronic Homeless units and \$1,000 per unit per month for up to three years for At Risk units or any operating deficit during the first five years of the Project's operations, in accordance with the application workbook formula. The City of Los Angeles has committed to provide a capitalized operating subsidy at the same per unit per month rates for 48 months.

Based on preliminary discussions with the current owner of the property, HACLA projects that between 20% and 35% of the guests at the hotels in the Extended Stay portfolio (including 6531 S. Sepulveda, 18602 S. Vermont, 20205 Ventura, and 19325 Londelius) may be eligible for relocation benefits. Based on discussions with the relocation consultant engaged by HACLA, HACLA estimates that the cost of relocation per eligible resident may be approximately \$50,000. The seller would not provide access to records or hotel guests prior to going under contract with the properties, and HACLA will confirm relocation costs during the 60 day due diligence period. The application includes a rehabilitation budget of \$10,000 per unit (before prevailing wage, overhead, and contingency), which is estimated to address modifications for mobility accessibility in 11% of the units and hearing/vision accessibility in 5% of the units, cosmetic upgrades to finishes and flooring in certain units due to normal wear and tear since 1998, and a limited budget for any repairs needed to systems that may be revealed through the physical needs assessment that is underway and will be completed during the due diligence period. The City of Los Angeles will also provide a capital match sized to cover the difference in total cost and the Homekey capital match, which will be contributed as cash at closing.

Subject to the approval of HCD, the Project will be transferred at or shortly after closing to an owner operator selected by the City through an RFP that will be issued in February 2022. The RFP will require compliance with the provisions of the Round 2 NOFA and will require that the selected manager and service provider will demonstrate 36 months or more of experience serving persons in the target

populations. At the transfer, the City Capital Match will be converted to a residual receipt loan with terms agreed to by the City and the owner operator, including that the loan will be repaid to the City from 50% of cash flow. A \$200,000 developer fee will be paid to the RFP-selected owner/operator for managing the lease up and stabilization of the property, including the completion of the necessary capital improvements.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property will be owned by the Housing Authority of the City of Los Angeles. At the time of awarding the RFP, it will be transferred to the selected developer.

PROJECT FINANCE SUMMARY

HHH funding is leveraged with other City of Los Angeles funding and HCD Project Homekey matching funds.

Sources

Permanent	Total Sources
HCD Project Homekey Match	33,075,273
HHH	15,771,250
CDBG	0
HOME ARP	6,249,600
Other City Source	5,950,00
TOTAL	61,046,123

Uses of Funds

Uses of Funds	Total Uses
Acquisition Costs	47,000,000
Due Diligence / Closing Costs	350,000
HACLA Fee	940,000
Asset Management Fee	0
Rehab Costs	5,750,000
Developer Fee	200,000
Operating Reserve	6,806,123
TOTAL*	61,046,123

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
Studios	115	2	117	115	-
1 Bedroom	-	-	-	-	-
2 Bedroom	-	-	-	-	-
3 Bedroom	-	-	-	-	-
Total	115	2	117	115	-

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$15,771,25 in HHH funds.

PROJECT TIMELINE

Project is currently scheduled to be acquired by June 30, 2022 and completed and ready for occupancy by June 2023.

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

BLVD Hotel
2010 N Highland Ave, Los Angeles, CA 90068
New Construction
62 Units
Council District 4

PROJECT DESCRIPTION

2010 N Highland Ave is a 62-room hotel property located in Hollywood. The building has 4 stories with a forty-five (45) space parking garage, 400 square foot lobby on the ground floor, and the hotel rooms on the remaining floors. The building features sixty-two (62) rooms, sixty (60) which will be converted to studio units and two (2) two-bedrooms, business centers on each residential floor which will be converted to office space, and one (1) elevator. Thirty-nine (33) units will be leased as At-Risk of Homelessness units, twenty-eight (28) will be Chronically Homeless, and one (1) manager's unit. The project is allocating \$75,000 per unit for the conversion of hotel rooms to studios through the installation of kitchenettes, as well as adding additional office and services space. Construction to convert the sixty-two (62) rooms into studio units will be managed by the City-selected owner operator and is anticipated to take approximately nine (9) months.

All twenty-eight (28) chronically homeless units will have a Section 8 Project Based Voucher secured through a HACLA NOFA to be released in January 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 8% of AMI for Los Angeles County on average. The Project anticipates 35% of units will be occupied by tenants with tenant-based vouchers beginning in Year 2. The Project is also requesting an HCD operating subsidy to provide for supportive services, security and other eligible operating expenses in Year 1. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense.

The City of Los Angeles will match the Homekey financing with an equity contribution to cover the gap beyond the Homekey award and facilitate closing and lease-up. The City of Los Angeles will also match the Homekey operating subsidy with a commitment to support the Project for four years at the rate of \$1,000 per At-Risk of Homelessness unit and \$1,400 per Chronically Homeless unit per month. The City-funded operating subsidy will be capitalized at closing for the full amount of \$3,456,600 (\$864,000 per year) and drawn down as-needed throughout the life of the Project. The property manager and supportive service provider for this property will be selected through an RFP process which the City of Los Angeles is planning to release in January 2022. The RFP will require, and the City will ensure, that the selected manager and service provider will have 36 months or more of experience serving persons of the target population. A \$350,000 developer fee is proposed for the RFP-selected owner/operator. Additionally, a project administration fee of 2% of the acquisition price is included to reimburse HACLA acquisition activities.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property will be owned by the Housing Authority of the City of Los Angeles. At the time of awarding the RFP, it will be transferred to the selected developer.

PROJECT FINANCE SUMMARY

HHH funding is leveraged with other City of Los Angeles funding and HCD Project Homekey matching funds.

Sources

Permanent	Total Sources
HCD Project Homekey Match	17,945,170
HHH	7,534,020
CDBG	0
HOME ARP	3,465,600
Other City Source	4,299,730
TOTAL	33,244,520

Uses of Funds

Uses of Funds	Total Uses
Acquisition Costs	25,400,000
Due Diligence / Closing Costs	350,000
HACLA Fee	500,000
Asset Management Fee	0
Rehab Costs	3,050,000
Developer Fee	200,000
Operating Reserve	3,744,520
TOTAL*	33,244,520

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
Studios	61	1	62	61	-
1 Bedroom	-	-	-	-	-
2 Bedroom	-	-	-	-	-
3 Bedroom	-	-	-	-	-
Total	61	1	62	61	-

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$7,534,020 in HHH funds.

PROJECT TIMELINE

Project is currently scheduled to be acquired by June 30, 2022 and completed and ready for occupancy by June 2023.

Prepared by: Los Angeles Housing Department

Attachment 4: Site Criteria

All sites

- Zoning: C1/C1.5/C2/R4/R3
- Not 500 feet from the freeway
- Utilities: Sewer Availability, Will Serve Letters (Water, Electricity, Gas)
- Transit (one of three options)
 - The project is located where there is a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop within 1/3 mile from the site with service at least every 30 minutes (or at least two departures during each peak period for a commuter rail station or ferry terminal) during the hours of 7-9 a.m. and 4-6 p.m., Monday through Friday, and the project's density will exceed 25 units per acre.
 - The site is within 1/3 mile of a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop with service at least every 30 minutes (or at least two departures during each peak period for a commuter rail station or ferry terminal) during the hours of 7-9 a.m. and 4-6 p.m., Monday through Friday.
 - The site is within 1/2 mile of a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop with service at least every 30 minutes (or at least two departures during each peak period for a commuter rail station or ferry terminal) during the hours of 7-9 a.m. and 4-6 p.m., Monday through Friday
- The site is within 1/2 mile of a public park or a community center
- The site is within 1/2 mile of a book-lending public library
- The site is within 1/2 mile of a full-scale grocery store/supermarket of at least 25,000 gross interior square feet where staples, fresh meat, and fresh produce are sold
- The site is within 1/2 mile of a pharmacy
- The site is located within 1/2 mile of a facility that operates to serve the homeless population

Commercial buildings

- Minimum of 15,000 square feet.

Vacant land for tiny home sites, etc.

- Minimum of 20,000 square feet.