

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

Eric Garcetti, Mayor

June 13, 2022

Council File: 21-0112
Council Districts: Citywide
Contact Persons: Steven Swede: (213) 808-8664
Douglas Swoger: (213) 808-8948

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 AND RECOMMENDATIONS RELATED TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT HOMEKEY PROGRAM

SUMMARY

This report outlines the necessary recommendations to effectively 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 928 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 be purchased, 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. APPROVE the revised list of Homekey projects for purchase, Attachment 1 of this report;
 - B. RESCIND the approved Recommendation H from LAHD's Report, dated February 7, 2022 (C.F. 21-0112), and replace with the following recommendations:
 - i. OBLIGATE and disburse all \$212.9 million in funding sources for HOMEKEY projects

| FUNDING SOURCES | FUND ACCOUNT | AMOUNTS |
|--------------------------|---------------------|---------------------|
| HHH | TBD | 83,000,000 |
| CDBG | 424/21V209 | 22,252,486 |
| HOME-ARP | 65M/43VB79 | 58,000,000 |
| Reserve Fund Loan | TBD | \$49,647,103 |
| TOTAL | | 212,899,589 |

ii. AUTHORIZE LAHD to wire all \$212.9 million committed funds to escrow company not to exceed the CITY MATCH amount:

| # | CD | PROJECTS | CITY MATCH |
|----------|-----------|----------------------------|--------------------|
| 1 | 6 | 7639 Van Nuys | 11,139,980 |
| 2 | 8 | 1654 W Florence | 29,562,840 |
| 3 | 13 | 2812 Temple / 916 Alvarado | 20,201,400 |
| 4 | 11 | 6531 S Sepulveda | 31,001,350 |
| 5 | 15 | 18602 S Vermont | 15,072,700 |
| 6 | 3 | 20205 Ventura | 21,943,600 |
| 7 | 12 | 19325 Londelius | 28,150,850 |
| 8 | 4 | 2010 Highland | 16,755,600 |
| 9 | 3 | 21121 Vanowen | 41,534,000 |
| | | TOTAL | 215,362,320 |

iii. AUTHORIZE LAHD to increase, decrease, and/or replace funding sources for each HOMEKEY project given that the total funding does not exceed the total allocation of the Funding Source or the City Match.

iv. 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;

C. AUTHORIZE LAHD to transfer up to \$11,260,000 to the Housing Authority of the City of Los Angeles, for reimbursement of due diligence reports, property management, and real estate services related for the acquisition of the Homekey properties as outlined in the executed Professional Services Agreement between HACLA and the City

D. AUTHORIZE the disbursement of \$15 million loan to Housing Authority of the City of Los Angeles to assist in the acquisition of Homekey properties. Funds are not to exceed the amounts outlined below:

- i. 5050 Pico - City loan not to exceed \$4,525,000

| <u>Fund</u> | <u>Account</u> | <u>Amount</u> |
|-------------|----------------|---------------|
| CDBG-R | 21V209 | \$4,381,606 |
| HHH | 17E | \$143,394 |

- ii. 10150 Hilhaven - City loan not to exceed \$3,125,000

| <u>Fund</u> | <u>Account</u> | <u>Amount</u> |
|-------------|----------------|---------------|
| CDBG-CV | 21V209 | \$2,000,000 |
| HHH | 17E | \$1,125,000 |

- iii. 740 Alvarado – City loan not to exceed \$2,725,000

| <u>Fund</u> | <u>Account</u> | <u>Amount</u> |
|-------------|----------------|---------------|
| CDBG-CV | 21V209 | \$2,000,000 |
| HHH | 17E | \$725,000 |

- iv. 1044 Soto - City loan not to exceed \$4,625,000

| <u>Fund</u> | <u>Account</u> | <u>Amount</u> |
|-------------|----------------|---------------|
| HHH | 17E | \$4,625,000 |

- E. ADOPT the revised 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 projects;
- F. APPROVE the FY 2020-2021 HHH Property Expenditure Plan, Attachment 3 of this report, to be amended with the revised properties;
- G. AUTHORIZE by resolution the addition of the following positions (1) Financial Development Officer II, (2) Financial Development Officer I, (2) Management Analyst, and (1) Accountant for the purpose of researching and getting properties under contract, purchasing properties, executing loans, submitting required annual reports, and enforcing regulations for Project Homekey, for the term of July 1, 2022 through June 30, 2025, with an estimated start date of no earlier than July 1, 2022, subject to pay grade determination by the City Administrative Officer (CAO), Employee Relations Division.

BACKGROUND

Revised List of Properties

In earlier reports, LAHD identified and submitted nine applications for Homekey sites totaling 868 units. Upon much consideration, LAHD allowed the substitution of HACLA as the purchaser and owner of 6521 Brynhurst to HACLA in exchange for 160 project-based vouchers to make the City sites operationally feasible. LAHD identified 21121 Vanowen, a 101 unit new construction apartment building in Council District 3, and has successfully applied to the Homekey NOFA. LAHD also identified 6001 Pico, a 48 unit new construction apartment building in CD 5; however HACLA and LAHD were not able to come to acceptable terms with that seller. The Homekey round two NOFA closed on May 2, 2022, and below is a table of projects that will be approved by the State for Homekey round two.

Table 1, below, identifies the Homekey sites.

| TABLE 1, LAHD SITES WITH TOTAL UNITS | | | |
|---|--------------------------|-----------|--------------|
| # | Site | CD | Units |
| 1 | 7639 Van Nuys | 6 | 36 |
| 2 | 1654 W Florence | 8 | 128 |
| 3 | 2812 Temple/916 Alvarado | 13 | 69 |
| 4 | 6531 Sepulveda | 11 | 133 |
| 5 | 18602 Vermont | 15 | 136 |
| 6 | 20205 Ventura | 3 | 146 |
| 7 | 19325 Londelius | 12 | 117 |
| 8 | 2010 Highland | 4 | 62 |
| 9 | 21121 Vanowen | 3 | 101 |
| TOTAL | | | 928 |

In April 2022, LAHD acquired 7639 Van Nuys and 1654 W Florence. Currently the properties are being held by HACLA who is managing the sites with their asset management team, The properties will be held by HACLA until LAHD has identified an owner operator through the procurement process. Upon an owner operator being awarded, and adopted by Council, the properties will be transferred to the owner operator with a residual receipt loan.

Remaining Shortfall

In the latest report to Council and Mayor, LAHD identified funding to support the acquisition, rehabilitation, and operation of 868 units in nine properties. LAHD also identified other properties that required additional match and vouchers.

One of the original nine projects, 6521 Brynhurst, was transferred and acquired by HACLA in exchange for additional project-based vouchers. With the additional vouchers, LAHD could seek additional sites. There were two alternate sites approved by the City Council, and one of those has proved feasible. The remaining match needed for this additional project is \$17,462,731.

Authorizing Matching Funding Sources

The recommended City match for Project HomeKey Round 2 comes from five sources: Measure HHH, CDBG – Reprogrammed Funds, CDBG – Cares Act, HOME-ARP, and a Reserve Fund loan to be repaid from FEMA reimbursement. The table below shows the total amount of each source approved by the Council and Mayor to date:

| | |
|--------------------|----------------------|
| HHH | \$83,000,000 |
| CDBG-R | \$11,763,938 |
| CDBG-CV | \$10,488,548 |
| HOME-ARP | \$58,000,000 |
| Reserve Fund Loan | \$49,647,103 |
| Total Match | \$212,899,589 |

In the earlier transmittal each proposed project’s funding sources were spelled out in detail. This is challenging as there are often limitations on the ability to draw funds from the HUD system, or on the availability of funds awaiting HUD plan approval. Therefore, staff recommends that the Council and Mayor authorize LAHD with approval of the CAO to mix funds as required to meet funding timelines and program goals, as long as the overall funding drawn from each source does not exceed the total approved.

HACLA Loans

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 348 supportive housing units, which will be supported with project-based rental vouchers. All supportive housing units will be used for individuals or families experiencing homelessness or at-risk of homelessness.

The table below indicates the current loan amounts for the HACLA Homekey properties.

| TABLE 2, HACLA PROPOSED SITES | | | | |
|--------------------------------------|-----------------|-----------|--------------|---------------------|
| | Site | CD | Units | City Loan |
| 1 | 5050 Pico | 10 | 79 | \$4,250,000 |
| 2 | 10150 Hillhaven | 7 | 34 | \$3,125,000 |
| 3 | 1044 Soto | 14 | 85 | \$6,250,000 |
| 4 | 740 Alvarado | 1 | 80 | \$2,725,000 |
| 5 | 14949 Roscoe | 6 | 29 | \$0 |
| 6 | 6521 Brynhurst | 8 | 41 | \$0 |
| TOTAL | | | 348 | \$15,000,000 |

LAHD Staffing

The Project Homekey program requires that LAHD expand its usual role from lender, or covenant administrator, to oversee the acquisition of the sites, develop the financing plans, procure proposals from qualified property owners and operators, negotiate with HCD, and otherwise to establish, implement, and effectively monitor the program. Staff must support the overall design of the program, set up reporting mechanisms to prepare the mandated annual reports, implement the necessary systems to properly track funding.

LAHD has identified the need for one (1) new Financial Development Officer 2 position (code 1571-2), two (2) Financial Development Officer 1 positions (code 1571-1), (2) Management Analyst positions (code 9184), and (1) Accountant (code 1513) to carry out Homekey program requirements.

The Financial Development Officer 2 would need to oversee the negotiation, review, interpretation, and guide execution of development-related agreements, including ground leases, development agreements, exclusive negotiation agreements, loan agreements, and regulatory agreements. Help resolve legal, contractual, and technical issues with internal counsel. In addition, the Financial Development Officer 2 would need to monitor and evaluate the efficiency and effectiveness of the Homekey program, including Homekey round one sites, Homekey round two sites, and potential Homekey round three sites. Moreover, interact at and lead at council meetings, at community meetings, and professional meetings that need participation. Create procedures, supervise and coordinate activities of staff members, consult with and assist various officials and agency representatives in the resolution of problems, and make recommendations or take corrective action as appropriate.

The Financial Development Officer 1 would need to identify acquisition opportunities, develop project acquisition and funding opportunities, and complete feasibility analysis of new development projects. Analyzes and interpret real estate appraisals, development proformas, project budgets, and other financial information related to development projects and uses such analysis and interpretation to inform development related agreements, including working with consultants to complete review and negotiations. Execute development-related agreements, including ground leases, development agreements, exclusive negotiation agreements, loan agreements, and regulatory agreements. Monitor compliance and complete annual reports for Homekey sites.

The Management Analyst would be responsible for program design and implementation, metrics formulation and analysis, and individual funding program progress reporting. Monitors on-going compliance and disbursement of funds during the improvement phase of the project. Prepare transmittals and detailed and comprehensive project staff reports with analyses and recommendations for City Council and committees. Establish budgets, schedules and performance reports. Lastly, the Management Analyst would coordinate and assist with preparation of all documents with a Financial Development Officer.

The Accountant would be responsible for conducting professional accounting work in the analysis, preparation, maintenance, control, and reconciliation of financial records and reports in accordance with the principles of governmental and public accounting for all Homekey sites and future LAHD acquisition projects. In addition, the Accountant would assist to establish budget reports and outstanding loan compliance reports.

The additional staff will enable the department to fulfill its responsibilities under the Homekey Program and support similar acquisition and rehabilitation strategies. The HOME-ARP budget approved by Council, pending approval by HUD, in January 2022, includes an administrative allocation of \$2,639,330 to be used over the next four years. The annual cost for these six positions would be \$1,319,665, to be increased by 3% annually.

FISCAL IMPACT

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

Approved By:

A handwritten signature in cursive script, appearing to read "Ann Sewill".

ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENT 1
REVISED LIST OF PROJECTS

| # | CD | PROJECTS |
|---|----|----------------------------|
| 1 | 6 | 7639 Van Nuys |
| 2 | 8 | 1654 W Florence |
| 3 | 13 | 2812 Temple / 916 Alvarado |
| 4 | 11 | 6531 S Sepulveda |
| 5 | 15 | 18602 S Vermont |
| 6 | 3 | 20205 Ventura |
| 7 | 12 | 19325 Londelius |
| 8 | 4 | 2010 Highland |
| 9 | 3 | 21121 Vanowen |
| | | TOTAL |

ATTACHMENT 2
REVISED RESOLUTIONS

AUTHORIZING RESOLUTION

RESOLUTION NO. 1

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 **\$12,000,000**
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 **\$12,000,000**, 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**”).
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 June, 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)

CLERK'S NAME

AUTHORIZING RESOLUTION

RESOLUTION NO. 2

1654 Florence

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

WHEREAS:

- D. 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.).
- E. **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.
- F. 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:

- 5. 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 **\$40,000,000**
- 6. 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 **\$40,000,000**, 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**”).
- 7. 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.

8. **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 June, 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)

CLERK'S NAME

AUTHORIZING RESOLUTION

RESOLUTION NO. 3

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:

- G. 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.).
- H. **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.
- I. 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:

- 9. 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 **\$21,000,000**
- 10. 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 **\$21,000,000**, 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**”).
- 11. 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.

12. **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 June, 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)

CLERK'S NAME

AUTHORIZING RESOLUTION

RESOLUTION NO. 4

6531 Sepulveda Blvd

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

WHEREAS:

- J. 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.).
- K. **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.
- L. 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:

- 13. 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 **\$42,000,000**
- 14. 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 **\$42,000,000**, 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**”).
- 15. 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.

16. **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 June, 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)

CLERK'S NAME

AUTHORIZING RESOLUTION

RESOLUTION NO. 5

18602 Vermont

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

WHEREAS:

- M. 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.).
- N. **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.
- O. 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:

- 17. 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 **\$42,000,000**
- 18. 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 **\$42,000,000**, 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**”).
- 19. 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.

20. **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 June, 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)

CLERK'S NAME

AUTHORIZING RESOLUTION

RESOLUTION NO. 6

20205 Ventura

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

WHEREAS:

- P. 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.).
- Q. **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.
- R. 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:

- 21. 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 **\$45,000,000**
- 22. 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 **\$45,000,000**, 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**”).
- 23. 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.

24. **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 June, 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)

CLERK'S NAME

AUTHORIZING RESOLUTION

RESOLUTION NO. 7

19325 Londelius

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

WHEREAS:

- S. 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.).
- T. **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.
- U. 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:

- 25. 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 **\$36,000,000**
- 26. 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 **\$36,000,000**, 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**”).
- 27. 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.

28. **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 June, 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)

CLERK'S NAME

AUTHORIZING RESOLUTION

RESOLUTION NO. 8

2010 Highland

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

WHEREAS:

- V. 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.).
- W. **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.
- X. 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:

- 29. 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 **\$19,000,000**
- 30. 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 **\$19,000,000**, 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**”).
- 31. 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.

32. **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 June, 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)

CLERK'S NAME

AUTHORIZING RESOLUTION

RESOLUTION NO. 9

21121 Vanowen

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

WHEREAS:

- Y. 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.).
- Z. **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.
- AA. 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:

- 33. 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 **\$30,000,000**
- 34. 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 **\$30,000,000**, 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**”).
- 35. 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.

36. **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 June, 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)

CLERK'S NAME

ATTACHMENT 3

REVISED HHH PROPERTY EXPENDITURE PLAN

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
Tel: 213.808.8808

housing.lacity.org

INTER-DEPARTMENTAL MEMORANDUM

TO: PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE

FROM: ANN SEWILL, GENERAL MANAGER

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

DATE: JUNE 14, 2022

REGARDING: AMENDMENT TO PROPOSITION HHH FY 2020-2021 PROJECT EXPENDITURE PLAN

SUMMARY

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 the revised thirteen projects from the Proposition HHH Permanent Supportive Housing Loan Program (HHH Program). The thirteen projects have total HHH loan commitments of \$83,000,000 (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. APPROVE the FY 2020-2021 PEP to be amended and increased as follows:
 - i. \$2,772,000 for 7639 Van Nuys;
 - ii. \$7,010,000 for 1654 Florence;
 - iii. \$13,100,000 for Temple/Alvarado;
 - iv. \$16,938,550 for 6531 Sepulveda;
 - v. \$850,000 for 18602 Vermont;
 - vi. \$6,530,000 for 20205 Ventura;
 - vii. \$15,800,000 for 19325 Londelius;
 - viii. \$9,400,000 for 2010 Highland;
 - ix. \$3,981,056 for 21121 Vanowen,
 - x. \$143,394 for 5050 Pico;
 - xi. \$1,125,000 for 10150 Hilhaven;
 - xii. \$725,000 for 740 Alvarado;
 - xiii. \$4,625,000 for 1044 Soto.

An Equal Opportunity Employer

- B. 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
- C. 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 proposed.

BACKGROUND

FY 2020-2021 PEP Amendment

To date, there are 110 projects in the HHH Permanent Supportive pipeline, 92 of which have been included in the four PEPs. To date, there are 15 projects in the Innovative Housing Challenge pipeline, 5 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, on September 28, 2021 (C.F. No.17-0090-S15) for an additional funding of \$13,757,200, on October 19, 2021 (C.F. No.17-0090-S15) for an additional funding of \$30,786,602, and on November 23, 2021, 2021 (C.F. No.17-0090-S15) for an additional funding of \$54,615,556.

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$83,000,000 (Table 3 and Attachment A). This amount is comprised of the thirteen projects described below. Staff reports for the projects are provided in Attachment B.

PEP FY 2020-2021 – 7639 Van Nuys

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$2,772,000. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$9,750,000. The project will go through a procurement process to be transferred to a selected operator in late August 2022. Once transferred to the selected operator, the project will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

PEP FY 2020-2021 – 1654 Florence

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$7,010,000. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$34,960,000. The project will go through a procurement process to be transferred to a selected operator in late August 2022. Once transferred to the selected operator, the project will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

PEP FY 2020-2021 – Temple / Alvarado

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$13,100,000. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$18,410,000. The project will go through a procurement process to be transferred to a selected operator in late August 2022. Once transferred to the selected operator, the project will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

PEP FY 2020-2021 – 6531 Sepulveda

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$16,938,550. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$37,078,750. The project will go through a procurement process to be transferred to a selected operator in late August 2022. Once transferred to the selected operator, the project will need three to six months to perform

necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

PEP FY 2020-2021 – 18602 Vermont

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$850,000. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$38,412,500. The project will go through a procurement process to be transferred to a selected operator in late August 2022. Once transferred to the selected operator, the project will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

PEP FY 2020-2021 – 20205 Ventura

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$6,530,000. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$40,740,000. The project will go through a procurement process to be transferred to a selected operator in late August 2022. Once transferred to the selected operator, the project will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

PEP FY 2020-2021 – 19325 Londelius

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$15,800,000. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$32,518,750. The project will go through a procurement process to be transferred to a selected operator in late August 2022. Once transferred to the selected operator, the project will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

PEP FY 2020-2021 – 2010 Highland

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$9,400,000. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$17,666,250. The project will go through a procurement process to be transferred to a selected operator in late August 2022. Once transferred to the selected operator, the project will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

1. PEP FY 2020-2021 – 21121 Vanowen

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$3,981,056. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$25,925,000. The project will go through a procurement process to be transferred to a selected operator in late August 2022. Once transferred to the selected operator, the project will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

1. PEP FY 2020-2021 – 5050 Pico

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$143,394. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$20,447,579. The

project is a HACLA site and will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

1. PEP FY 2020-2021 – 10150 Hillhaven

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$5,132,555. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$9,265,000. The project is a HACLA site and will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

1. PEP FY 2020-2021 – 740 Alvarado

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$5,132,555. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$20,125,000. The project is a HACLA site and will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

1. PEP FY 2020-2021 – 1044 Soto

LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$21,000,000. The Project submitted an application for Project Homekey, which is currently under review by the State of California Department of Housing and Community Development. Upon approval, the project will receive an award for \$11,400,000. The project is a HACLA site and will need three to six months to perform necessary upgrades. Within ninety days of completion of the rehabilitation, the project will have full occupancy.

| 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 U Cost |
| 1. | 2020-2021 PEP (FY20) | 13 | \$106,516,646 | \$143,941 | \$416,188,707 | \$562,41 |
| 2. | 2020-2021 PEP (FY20) (First Amendment Increase) | 4 | \$37,590,000 | \$141,849 | \$156,061,671 | \$588,91 |
| 3. | 2020-2021 PEP (FY20) (Second Amendment Increase) | 5 | \$26,335,000 | \$86,628 | \$202,502,949 | \$666,12 |
| 4. | 2020-2021 PEP (FY20) (Third Amendment Increase) | 2 | \$13,757,200 | \$89,332 | \$101,938,662 | \$661,93 |
| 5. | 2020-2021 PEP (FY20) (Fourth Amendment Increase) | 5 | \$30,786,602 | \$111,546 | \$170,725,756 | \$618,57 |
| 6. | 2020-2021 PEP (FY20) (Fifth Amendment Increase) | 6 | \$54,615,556 | \$114,980 | \$275,899,093 | \$580,84 |
| 7. | 2020-2021 PEP (FY20) (Sixth Amendment Increase) | 2 | \$18,400,000 | \$149,593 | \$84,599,682 | \$687,802. |
| 8. | 2020-2021 PEP (FY20) (Current Amendment Increase) | 9 | \$83,000,000 | \$111,441 | \$426,778,183 | \$491,68 |
| | TOTAL | 46 | \$371,001,004 | \$118,664 | \$1,834,694,703 | \$607,28 |

To summarize the above, LAHD recommends that the FY 2020-2021 Project Expenditure Plan be amended to include nine projects from Project Homekey.

ATTACHMENTS:

Attachment A: Project Staff Reports

Attachment A - Project Staff Reports

STAFF REPORT
Revised as of: February 4, 2022

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

New Construction
Council District 13

PROJECT DESCRIPTION

2812 W. Temple Street is a 42-unit new construction multifamily property, with anticipated construction completion of 7/31/2021. 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 North Alvarado is a 27-unit new construction multifamily property, with anticipated construction completion of 6/31/2021. 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 (27) units, including one (1) manager's unit, eighteen (24) studios, twenty-four (2) 1BRs, onsite laundry, and one elevator. Units will be leased to be At-Risk of Homelessness units and 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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | 42 | - | 42 | 42 | - |
| 1 Bedroom | 26 | 1 | 27 | 26 | - |
| 2 Bedroom | - | 1 | 1 | - | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 67 | 2 | 69 | 67 | - |

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$13,100,000 in HHH funds.

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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| SRO | | - | | | - |
| 1 Bedroom | 8 | - | 8 | 8 | - |
| 2 Bedroom | 27 | 1 | 28 | 27 | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 35 | 1 | 36 | 35 | - |

FUNDING RECOMMENDATION

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

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.

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$7,010,000 in HHH funds

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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | 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

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 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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | 134 | 2 | 136 | 134 | - |
| 1 Bedroom | - | - | - | - | - |
| 2 Bedroom | - | - | - | - | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 134 | 2 | 136 | 131 | - |

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$850,000 in HHH funds

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 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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | 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

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-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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | 115 | 2 | 117 | 115 | - |
| 1 Bedroom | - | - | - | - | - |
| 2 Bedroom | - | - | - | - | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 115 | 2 | 17 | 115 | - |

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$15,800,000 in HHH funds

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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 1 Bedroom | 60 | 2 | 62 | 60 | - |
| 1 Bedroom | - | - | - | - | - |
| 2 Bedroom | - | - | - | - | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 60 | 2 | 62 | 60 | - |

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$9,400,000 in HHH funds

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

21121 Vanowen
21121 Vanowen St, Los Angeles, CA 91303
New Construction
101 Units
Council District 3

PROJECT DESCRIPTION

21121 Vanowen is a 101-unit new construction multifamily property. All units will serve Homeless populations at 30% AMI or lower.

Of the 101 units, 35 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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | 41 | - | 41 | 41 | - |
| 1 Bedroom | 46 | - | 46 | 46 | - |
| 2 Bedroom | 12 | 2 | 14 | 12 | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 99 | 2 | 101 | 99 | - |

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$3,981,056 in HHH funds

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

5050 Pico
5050 W Pico, Los Angeles, CA 90019
New Construction
79 Units
Council District 10

PROJECT DESCRIPTION

5050 Pico is a 79-unit new construction multifamily property. All units will serve Homeless populations at 30% AMI or lower.

Of the 79 units, all units 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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | 6 | - | 6 | 6 | - |
| 1 Bedroom | 72 | 1 | 73 | 72 | - |
| 2 Bedroom | - | - | - | - | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 78 | 1 | 79 | 78 | - |

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$143,394 in HHH funds

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

10150 Hillhaven
10150 Hillhaven, Los Angeles, CA 91042
New Construction
34 Units
Council District 7

PROJECT DESCRIPTION

10150 Hillhaven is a 34-unit new construction multifamily property. All units will serve Homeless populations at 30% AMI or lower.

Of the 34 units, all units 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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | - | - | - | - | - |
| 1 Bedroom | 7 | - | 7 | 7 | - |
| 2 Bedroom | 26 | - | 26 | 26 | - |
| 3 Bedroom | - | 1 | 1 | - | - |
| Total | 33 | 1 | 34 | 33 | - |

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$1,125,000 in HHH funds

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

740 Alvarado
740 S Alvarado St, Los Angeles, CA 90057
New Construction
80 Units
Council District 1

PROJECT DESCRIPTION

740 Alvarado is a 80-unit new construction multifamily property. All units will serve Homeless populations at 30% AMI or lower.

Of the 80 units, all units 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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | 42 | - | 42 | 42 | - |
| 1 Bedroom | 33 | - | 33 | 33 | - |
| 2 Bedroom | 4 | 1 | 5 | 4 | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 79 | 1 | 80 | 79 | - |

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$725,000 in HHH funds

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

1044 Soto
1044 Soto St, Los Angeles, CA 90033
New Construction
85 Units
Council District 14

PROJECT DESCRIPTION

1044 Soto is a 85-unit new construction multifamily property. All units will serve Homeless populations at 30% AMI or lower.

Of the 85 units, all units 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.

AFFORDABILITY STRUCTURE

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|------------------|----------------------|---------------------|--------------------|-------------------|-----------------------|
| 0 Bedroom | 84 | 1 | 85 | 84 | - |
| 1 Bedroom | - | - | - | - | - |
| 2 Bedroom | - | - | - | - | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 84 | 1 | 85 | 84 | - |

FUNDING RECOMMENDATION

LAHD funding commitment of up to \$4,625,000 in HHH funds

Prepared by: Los Angeles Housing Department