

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 17, 2022

CAO File No. 0220-00540-1614

Council File No. 21-0112

Council District: All

To: The Council
The Mayor

From: *Yplenda Chavez*
for Matthew W. Szabo, City Administrative Officer

Reference: Los Angeles Housing Department transmittal dated June 13, 2022; Received by the City Administrative Officer on June 14, 2022; Additional Information Received through June 16, 2022

Subject: **LOS ANGELES HOUSING DEPARTMENT REPORT AND RECOMMENDATIONS RELATED TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT HOMEKEY ROUND 2 PROGRAM AND CITY ADMINISTRATIVE OFFICER'S RELATED RECOMMENDATIONS AND FUNDING SOURCES FOR HOMEKEY ROUND 3**

RECOMMENDATIONS

That the Council, subject to approval of the Mayor:

1. Note and file the Los Angeles Housing Department transmittal, dated June 13, 2022 (Report), relative to the State of California Department of Housing and Community Development's (HCD) Homekey 2 Program;

Relative to prior Council actions

2. Approve the revised list of Homekey 2 Program projects referenced in Table 1 of this report;
3. Adopt the revised Authorizing Resolutions, as required by the HCD, to purchase the nine Homekey 2 project sites, included as Attachment 1 of this report;
4. Approve the Amendment to the Fiscal Year 2020-21 Proposition HHH Project Expenditure Plan, which incorporates the Homekey 2 projects, and included as Attachment 2 of this Report;
5. Rescind the Council action on Recommendation H in the LAHD transmittal, dated February 7, 2022, attached to Council File 21-0112, inasmuch as the recommendations of this report will replace the previously approved action;
6. Obligate the previously identified funding in the amount of \$212.9 million from the following funding sources for the Homekey Program:

Funding Source	Fund Account	Amount
Proposition HHH	TBD	\$ 83,000,000
Community Development Block Grant	424/21V209	22,252,486
HOME Investment Partnerships Program (HOME) – American Rescue Plan	65M/43VB79	58,000,000
Approved Reserve Fund Loan	101/62	49,647,103
	Total	\$ 212,899,589

7. Authorize the General Manager of the LAHD, or designee, to:

- a. Disburse all committed funding for the Homekey 2 projects, in amounts not to exceed the City Match amount listed below for each project, including the method of a wire transfer to an escrow company:

Table 1: Homekey 2 Projects

Site #	CD	Project Name	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

- b. Increase, decrease, and/or replace the funding sources allocated for each Homekey project with the condition that the funding does not exceed the total Homekey allocation by funding source or the City Match amount of the projects;
- c. Transfer up to \$11,260,000 to the Housing Authority of the City of Los Angeles (HACLA) for reimbursement of due diligence reports, property management, and real estate services related to the acquisition of the Homekey 2 properties, as outlined in the Professional Services Agreement between the City and HACLA;
- d. Issue and disburse a \$15 million loan to the HACLA to assist in the acquisition of Homekey 2 projects. Funds are not to exceed the amounts outlined below for each project:

Funding Source	Fund No.	Account No.	Amount
<i>5050 Pico</i>			
CDBG	424	21V209	\$ 4,381,606
Prop HH	17E	TBD	\$143,394
<i>City loan subtotal</i>			\$ 4,525,000

(Table continued on next page)

<i>10150 Hillhaven</i>			
CDBG-CV	424	21V209	\$ 2,000,000
Prop HH	17E	TBD	\$ 1,125,000
<i>City loan subtotal</i>			<i>\$ 3,125,000</i>
<i>740 Alvarado</i>			
CDBG-CV	424	21V209	\$2,000,000
Prop HHH	17E	TBD	\$725,000
<i>City loan subtotal</i>			<i>\$ 2,725,000</i>
<i>1044 Soto</i>			
Prop HHH	17E	TBD	\$4,625,000
<i>City loan subtotal</i>			<i>\$4,625,000</i>
Grand Total			\$15,000,000

- e. Prepare Controller instructions and any technical corrections as necessary to the transactions included in this report, including the creation of special appropriation accounts or corrections to account names, to implement the intent of those transactions, subject to the approval of the CAO, and request the Controller to implement those instructions.

New Council Requests

8. Approve the use of up to \$50,000,000 in Proposition HHH General Obligation (Proposition HHH) bond proceeds in the Proposition HHH Construction Fund No. 17E, to serve as a revolving loan fund for a period of no more than 90 days from July 1, 2022 through September 30, 2022 to provide cash flow in order to close the acquisitions of approved projects;
9. Request that the Controller establish a new account within the Proposition HHH Construction Fund No. 17E for the revolving loan fund and appropriate \$50,000,000 from available cash into this new account;
10. Direct the General Manager of the LAHD, or designee, to ensure the Proposition HHH revolving loan is fully repaid, no later than October 14, 2022, and that upon reimbursement, transfer \$50,000,000 to the Proposition HHH Construction Fund No. 17E's cash balance;
11. Approve the use of up to \$34,000,000 in uncommitted Proposition HHH bond proceeds for the acquisition of Homekey properties and allocate it as follows:
 - a. \$16,151,463 to close the remaining gap for Homekey 2; and,
 - b. Reserve the \$17,848,537 balance for the next round of Homekey (Homekey 3);
12. Reallocate up to \$1,311,268 in Homeless Housing, Assistance and Prevention Program (HHAP) 1, Youth-Set Aside, from the Los Angeles Homeless Services Authority (LAHSA) Proposed Youth Transitional Housing allocation, to fill the Homekey 2 gap for the project located at 19325 Londelius in Council District 12;

13. Direct and authorize the General Manager of the LAHD, or designee, to amend its transitional housing contract with LAHSA to reduce the compensation amount by \$1,311,268, subject to the review and approval of the City Attorney as to form and legality;
14. Reserve \$130.48 million from the following sources for Homekey Round 3:
- \$17,848,537 - Proposition HHH uncommitted funds
 - \$30,000,000 – 2022-23 Adopted Budget, General City Purposes, Additional Homeless Services;
 - \$20,000,000 – State SB 2 Permanent Local Housing Allocation Grant
 - \$10,000,000 – HOME
 - \$20,000,000 – HOME American Rescue Plan (ARP)
 - \$3,263,400 – HHAP 2, Youth Set-Aside
 - \$14,364,000 – HHAP 3, Youth Set-Aside
 - \$15,000,000 – HHAP 3, Permanent Supportive Housing Set-Aside
15. Request that the HACLA work with the LAHD to identify rental vouchers that may available for the next round of Homekey;
16. Direct that the CAO, with the assistance of the LAHD, to report back on the final City match required and any remaining gap once the final Homekey 3 NOFA has been determined; and,
17. Instruct the City Clerk to place on the agenda of the first regular Council meeting on July 1, 2022, or shortly thereafter, the following instructions:
- a. Authorize the remaining balance of the Reserve Fund loan that was originally authorized 2021-22 for the Homekey 2 Program, totaling \$48,532,773.75, inasmuch as the funds from the original loan that were not transferred by fiscal year-end must be re-authorized in the following fiscal year. The Reserve Fund loan transfer is on an as-needed basis, for which transfers to the Los Angeles Housing Department (LAHD) will be processed upon submission of proper documentation from the LAHD, subject to approval by the City Administrative Officer (CAO). This loan will be repaid upon receipt of reimbursement from the Federal Emergency Management Agency; and,
 - b. Authorize by resolution, subject to allocation by the Board of Civil Service Commissioners and paygrade determination by the CAO Employee Relations Division, the following two positions, to be employed in the LAHD, to support the Homekey Program for the period July 1, 2022 through June 30, 2023:

Quantity	Class Code	Classification
1	1571-1	Financial Development Officer I*
1	1571-1	Financial Development Officer I

* Subject to pay grade determination at the II level.

SUMMARY

On March 11, 2022, the Mayor and Council authorized the Los Angeles Housing Department (LAHD) to apply to the State of California Department of Housing and Community Development (HCD) Homekey Program, Round 2 (Homekey 2) Notice of Funding Availability (NOFA) to acquire 10 sites, with a total 928 units. Two of the proposed Homekey sites, located in Council District 13, are being acquired under a single application, for a revised total of nine NOFA applications or sites. Since the Council and Mayor approval, the LAHD acquired two of the nine sites in April of 2022 and anticipates that the HCD will approve and fund the remaining seven applications after July 1, 2022.

In its transmittal, dated June 13, 2022 (Report), the LAHD requests various actions related to the Homekey 2 Program. This includes requests for the Council to: 1) approve the revised list of Homekey 2 projects; 2) approve corrections to the funding sources and accounts previously identified to acquire the nine sites; 3) adopt revised Authorizing Resolutions, as required by the HCD, for the purchase of the Homekey 2 sites; and, 4) approve an amendment to the 2020-21 Proposition HHH Project Expenditure Plan to include the Homekey 2 sites. The LAHD also requests resolution authority for six new positions to support the implementation of the Homekey Program.

LAHD Requests

The LAHD is requesting the aforementioned revisions to provide the Department the flexibility needed to meet acquisition or funding timelines and program goals after it encountered challenges during the acquisition of the two sites in April. Rather than limiting the funding amounts by funding source and project as outlined in its previous reports to the Council and Mayor, the LAHD is requesting authority to reallocate funding between Homekey projects with the condition that the funding does not exceed the total Homekey allocation by funding source or the City Match amount of the projects. Additional information regarding the requested revisions can be found in the LAHD Report. The CAO concurs with the revised funding approach.

The LAHD also requests resolution authority for six positions consisting of one Financial Development Officer II, two Financial Development Officer Is, two Management Analysts, and one Accountant to carry out Homekey Program requirements. The proposed duties of the requested positions are outlined in the LAHD Report. Subsequent to the release of its Report, the LAHD provided organization charts for the requested positions, which are attached to this report for reference. This Office recommends providing support for the Homekey Program with the approval of two positions consisting of one Financial Development Officer I, subject to pay grade determination by the CAO Employee Relations Division, and one Financial Development Officer I to assist with the implementation of the Program. The Homekey Program is currently supported by one existing Financial Development Officer I and other LAHD employees, as needed. The CAO recommends that the existing position continue to support the Program while the two new, recommended positions are hired for the Program. The LAHD may also choose to employ the assistance of one new Financial Development Officer I and one new Management Analyst included in the 2022-23 Adopted Budget for the Housing Strategies and Services Division to support these efforts. Once the additional sites are acquired in 2022-23, the LAHD will be able to better assess the workload associated with the Homekey Program and can request additional resources, if

needed, through a separate report to the Council or through the 2023-24 budget process.

CAO Recommendations and Report Back

In this report, this Office also recommends various actions to support the LAHD's implementation of the Homekey Program, including recommendations for Council to: 1) reauthorize the Reserve Fund Loan previously approved for Homekey 2 to fund the acquisition of Homekey 2 projects in 2022-23 (C.F. 21-0112); and, 2) approve the use of Proposition HHH (Prop HHH) General Obligation (GO) bond proceeds as the source of funds to serve as a 90-day revolving loan fund to assist the LAHD in expediting the remaining property acquisitions. This report also responds to the Council and Mayor's instruction to this Office to identify the remaining sources for the Homekey 2 gap and to provide recommendations for the City match funding sources for the third round of Homekey (Homekey 3), which are outlined in this report.

Reauthorization of the Reserve Fund Loan

On March 11, 2022, the Council authorized a Reserve Fund loan in the amount of \$49,647,103 for the Homekey Program to acquire the approved projects, which is expected to be reimbursed by the Federal Emergency Management Agency (FEMA) reimbursement, for two state homeless grants that the City used to front-fund Project Roomkey in 2020-21. To date, \$14,985,209.25 was drawn down from the approved loan to acquire two out of nine sites in April. The LAHD notes that a total of \$13,870,880 will be repaid by the first week of July 2022. This Office recommends that the balance of the 2021-22 Reserve Fund loan, up to \$48,532,773.75, be re-authorized for the Homekey Program in 2022-23, as the remaining seven projects will not be acquired until after June 30, 2022.

Revolving Loan Fund to Assist LAHD in Closing Homekey 2 Acquisitions

The LAHD requested a short-term revolving loan fund that would allow the timely closing of the remaining seven Homekey acquisitions. The LAHD notes that the revolving loan fund would enable the Department to provide a mechanism for cash flow for the acquisitions since there are limitations on the amount of daily drawdowns for federal funds from the U.S. Department of Housing and Urban Development (HUD) system. This report recommends that \$50 million in Prop HHH GO bond proceeds to serve as a 90-day revolving loan fund for the period of July 1, 2022 through September 30, 2022. This revolving loan fund will be fully repaid by October 14, 2022.

Remaining Homekey 2 Gap and Funding for Homekey 3

Lastly, this Office provides an update on the Homekey 2 gap. During the previous reports to the Council and Mayor, the Homekey 2 gap was estimated to be \$182 million. The \$182 million inadvertently excluded one additional site and HACLA fees associated with the acquisition of the nine projects. It also did not include the \$15 million in loans to HACLA for the purchase of Homekey properties to be owned and managed by HACLA. Including the HACLA loans, the revised Homekey 2 gap is \$230,362,320. Table 2 summarizes what the LAHD and the CAO previously identified to close the Homekey 2 City match and the remaining gap.

Table 2: Homekey 2 Gap Summary

<i>Funding Sources</i>	<i>Amount</i>
Prop HHH	\$ 83,000,000
CDBG-CV	10,488,548
CDBG-Reprogrammed funds	11,763,928
HOME-ARP	58,000,000
Reserve Fund Loan	49,647,103
<i>Total Identified Funds for Gap:</i>	<i>\$ 212,899,589</i>
<i>Less Homekey 2 Gap:</i>	<i>\$ 230,362,320</i>
<i>Remaining Homekey 2 Gap to Solve:</i>	<i>\$ (17,462,731)</i>

The Council and Mayor also directed this Office to identify matching funds for the next round of Homekey (Homekey 3). The HCD requested additional funding in the 2022-23 State Budget for Homekey 3, as the Homekey 2 NOFA was oversubscribed. As a result, most of the \$2.75 billion Homekey budget will be allocated to Homekey 2 projects rather than being reserved for Homekey 3. There are concerns on the availability of services and operations (rental vouchers/subsidies) funding for Homekey 3 units. This Office recommends that HACLA work with the LAHD to identify rental vouchers for Homekey 3. This Office also recommends that the Council and Mayor reserve the funds currently identified by the LAHD and this Office as potential funding sources for Homekey 3, which are outlined in this report, to allow the LAHD to start planning for the Homekey 3 as soon as the HCD secures additional funding. Since it was initially expected that HCD would issue a \$1.3 billion for the Homekey Round 3 NOFA, this Office was directed to identify the required City match to acquire up to 700 units, which the LAHD estimates to be \$190 million. As directed, this Office worked with the LAHD and the CAO's Homelessness Group to identify and assess available funding sources, including LAHD's state and federal sources, the City's General City Purpose Fund, and State homeless grants that may be used for the Homekey 3 match.

This report identifies \$147.9 million to address the remaining and potential Homekey gaps, as outlined in Table 3. The LAHD identified additional uncommitted Prop HHH funds, HOME- ARP, State SB2 Permanent Local Housing Allocation grant funding, and HOME funds as potential funding sources. Further, the CAO's Homelessness Group identified the following sources for Homekey 3: 1) Homeless Housing, Assistance and Prevention Program (HHAP) Youth-Set Aside funding, which will allow the LAHD to target units for Transition Age Youth (TAY), which includes reallocating \$1.3 million in HHAP 1 Youth Set-aside that was originally allocated to LAHSA for a TAY transitional housing in Council District 12, to the Homekey 2 site located at 19325 Londelius for TAY units; 2) HHAP reserved for Permanent Supportive Funding; and, 3) funding from the Additional Homeless Services line item in the 2022-23 Adopted Budget General City Purposes Fund. This Office recommends that \$17,462,731 of these identified funds be allocated to cover the remaining Homekey 2 gap and that \$130,475,937 be reserved for Homekey 3. The remaining gap for up to 700 units is \$59,524,063, as summarized in Table 3.

Table 3: Homekey 2 and 3 Gap Summary

Gaps	Amount
Estimated Homekey 3 Gap	\$ 190,000,000
Remaining Homekey 2 Gap	17,462,731
<i>Total Estimated Homekey Gap</i>	<i>\$ 207,462,731</i>

Potential Funding Sources	Amount
Proposition HHH	\$34,000,000
HOME ARP	20,000,000
General City Purposes – Additional Homeless Services	30,000,000
HHAP- 1 Youth Set Aside	1,311,268
HHAP -2 Youth Set-Aside	3,263,400
HHAP -3 Youth Set-Aside	14,364,000
HHAP-3 Permanent Supportive Housing Set-Aside	15,000,000
State SB 2	20,000,000
Home Program Income	10,000,000
<i>Total Sources Identified</i>	<i>\$147,938,668</i>

Gap Summary	Amount
Total Sources Identified	\$147,938,668
Less the Homekey 2 Gap	17,462,731
Funding Available for Homekey 3 Gap	\$130,475,937
Homekey 3 Gap	\$190,000,000
Less Funding Available for Homekey 3 Gap	\$130,475,937
Remaining Homekey 3 Gap	\$59,524,063

This Office will report back to the Council under a separate report on the final City match required, and any remaining gap, once the HCD has determined the allocation for the Homekey 3 NOFA.

FISCAL IMPACT STATEMENT

There is no additional impact to the General Fund at this time. The additional funding sources identified for the Homekey Program are either Proposition HHH General Obligation bond proceeds, state or federal grants, or allocations in the 2022-23 Adopted Budget for Additional Homeless Services.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.

MWS:YC:MOF:02220214c

Attachment

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 Londerius

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

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

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 Londerius;
- 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 Unit Cost
1.	2020-2021 PEP (FY20)	13	\$106,516,646	\$143,941	\$416,188,707	\$562,417
2.	2020-2021 PEP (FY20) (First Amendment Increase)	4	\$37,590,000	\$141,849	\$156,061,671	\$588,912
3.	2020-2021 PEP (FY20) (Second Amendment Increase)	5	\$26,335,000	\$86,628	\$202,502,949	\$666,128
4.	2020-2021 PEP (FY20) (Third Amendment Increase)	2	\$13,757,200	\$89,332	\$101,938,662	\$661,939
5.	2020-2021 PEP (FY20) (Fourth Amendment Increase)	5	\$30,786,602	\$111,546	\$170,725,756	\$618,572
6.	2020-2021 PEP (FY20) (Fifth Amendment Increase)	6	\$54,615,556	\$114,980	\$275,899,093	\$580,840
7.	2020-2021 PEP (FY20) (Sixth Amendment Increase)	2	\$18,400,000	\$149,593	\$84,599,682	\$687,802.29
8.	2020-2021 PEP (FY20) (Current Amendment Increase)	9	\$83,000,000	\$111,441	\$426,778,183	\$491,680
	TOTAL	46	\$371,001,004	\$118,664	\$1,834,694,703	\$607,286

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 Alavardo 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.

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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

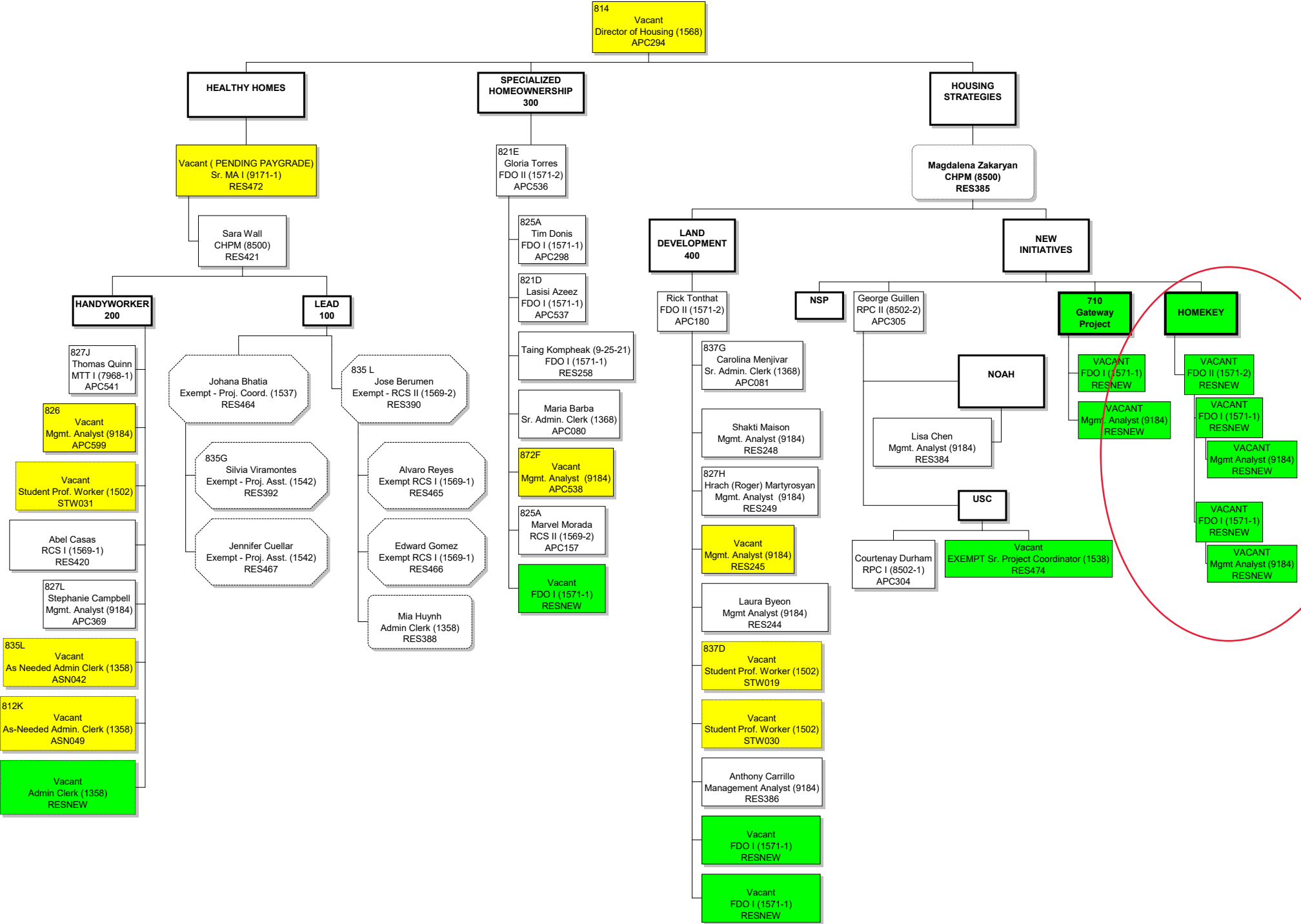
Unit Type	30% AMI Units	Manager Unit	Total Units	PSH Funded	Non-PSH Funded
0 Bedroom	84	1	85	84	-
1 Bedroom	-	-	-	-	-
2 Bedroom	-	-	-	-	-
3 Bedroom	-	-	-	-	-
Total	84	1	85	84	-

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

3925 HOUSING STRATEGIES & SERVICES DIVISION



3914 ACCOUNTING DIVISION

