

MOTION

The Manchester Urban Homes development at 8721-8765 S. Broadway Avenue, Los Angeles, 90003 in Council District 8, to be co-developed by Abode Communities and NHS Neighborhood Redevelopment Corporation, will build 122 affordable units. The City has approved the issuance of tax exempt bond financing and the award of State Affordable Housing and Sustainable Communities funds to partially fund this project. Since 2019 the developers have worked to secure entitlements and other funding sources including Low Income Housing Tax Credits, a Green Alley Grant from Council District 8, and other state and county funds.

The construction costs for Manchester Urban Homes increased by \$9 million between the initial bid in 2021 and the closing bid in 2022 due to supply chain disruptions, shortage of skilled labor and increased material costs. At the same time the construction loan interest rates increased such that the project costs increased by \$5.4 million. With value engineering and additional funds such as State Housing and Community Development Infill Infrastructure Grant funds, an increase in the tax exempt bond, and a deferral of the developer fee, the gap was reduced to \$7 million.

There is a deadline for the issuance of the tax exempt bonds and the Low Income Housing Tax Credits of March 1, 2023 that may be extended by ninety days if the developers can show that all funding gaps have been closed. The developers were working to secure up to \$7 million from the County's American Rescue Plan funds or other discretionary sources, but have not been awarded funds to date. The developers are continuing to secure additional County funds, but will not have commitments by March 1st. If the developers cannot secure full funding commitments the allocation of bonds and Low Income Housing Tax Credits will be forfeited, the project will not go forward and the developers will not be able to secure tax credits for this or other projects for future years as a penalty.

I THEREFORE MOVE that the City Council direct the Los Angeles Housing Department (LAHD) to commit up to \$7 million from Fund 59T – City of Los Angeles Housing Impact Trust Fund as a deferred payment loan with the terms and conditions approved by Council in the Affordable Housing Managed Pipeline guidelines (CF 22-0876).

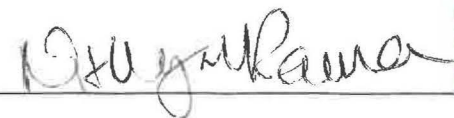
I FURTHER MOVE that LAHD reports back within 90 days on the final amount of the loan and all funding sources.

PRESENTED BY



Marqueece Harris-Dawson
Councilmember, 8th District

SECONDED BY



FEB 24 2023

ORIGINAL

PK