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City of Los Angeles



LOS ANGELES HOUSING DEPARTMENT
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Karen Bass, Mayor

June 9, 2023

Council File: 21-0112
Council Districts: Citywide
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Honorable Members of the City Council

City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REPORT AND RECOMMENDATIONS RELATED TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT HOMEKEY PROGRAM ROUND 3; AND VARIOUS OTHER ACTIONS RELATED TO THE HOMEKEY PROGRAM

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully seeks approval and requests authority to approve the list of proposed co-applicants selected in response to the Request for Qualifications (RFQ) for the Homekey Program Round 3; authorize LAHD to provide award recommendations and execute necessary documents related to the applications to the State of California Department of Housing and Community Development (HCD) and discuss the actions necessary to implement the Homekey Program projects.

Additionally, LAHD requests authority to provide funding to the Housing Authority of the City of Los Angeles (HACLA). As part of a unified City strategy and to maximize the funding the state has made available, LAHD will provide a loan to HACLA to be used as Homekey local match for the projects that HACLA intends to acquire and apply for funds from the HCD Homekey Program Round 3. The deadline to apply to the HCD Homekey Program is July 28, 2023.

RECOMMENDATIONS

- I. That the City Council, subject to the approval of the Mayor:
 - A. APPROVE the recommended list of developers selected as potential co-applicants in response to the RFQ, listed in Attachment A;
 - B. AUTHORIZE the General Manager of LAHD, or designee to apply to the HCD Homekey NOFA

as co-applicants in partnership with the development teams listed in Table 2 of this report;

- C. AUTHORIZE the General Manager of LAHD, or designee to execute, on behalf of the City, a Standard Agreement, a Joint Application Agreement, and all related application documents for each of the projects selected in Table 2 that met the HCD Homekey Program requirements, subject to the City Attorney approval as to form and legality;
- D. ADOPT the Resolutions, provided in substantial final form as Attachment B, approving the LAHD’s participation as a co-applicant in the HCD Homekey Program Round 3, as required by the HCD, in order to submit the funding applications
- E. AUTHORIZE the General Manager of LAHD, or designee, to issue a funding recommendation letter for the projects requesting funds as identified in Table 2 of this report, subject to the following conditions:
 - a. The final commitment will not exceed the amount listed;
 - b. The project sponsor must apply to the HCD Homekey Program Round 3, and;
 - c. The disbursement of LAHD funds will occur only after the sponsor obtains enforceable commitments for all proposed funding.
- F. AUTHORIZE the General Manager of LAHD, or designee, subject to review and approval of the City Attorney as to form, to negotiate and execute the acquisition/ predevelopment/ construction/ permanent loan agreements with the legal owner of the properties identified in Table 2, subject to the conditions obtained in the LAHD Award Letter and this transmittal.
- G. AUTHORIZE the General Manager of LAHD, or designee, to execute subordination agreements of the City’s financial commitment, wherein the City and Regulatory Agreements are subordinated to their respective conventional or municipally funded construction and permanent loans, as required for;
- H. AUTHORIZE the General Manager of LAHD, or designee, to allow the transfer of the City’s financial commitment to a limited partnership or other legal entity formed solely for the purpose of owning and operating the project in accordance with the City, State and federal requirements for the projects identified in Table 2;
- I. AUTHORIZE the City Controller, to:
 - a. Obligate funds for the project listed below:

Project Name	Account Name	Fund No	Account	Amount
Motel 6 North Hills	HOME ARP	65M	43VB79- HOME ARP-Homekey	\$12,940,000
Cheviot- Shelby	General Fund			\$31,567,800

- b. APPROVE Homeless Housing, Assistance and Prevention Program (HHAP) funds for the projects listed in Table 2 of this report as follows:

Project Name	Account Name	Amount
Motel 6- North Hills	HHAP- 3, Permanent Supportive Housing	\$15,000,000
Oak Tree Inn	HHAP- Youth Set-Aside	\$7,630,200
	TOTAL	\$22,630,200

- J. AUTHORIZE the City Controller, to obligate and transfer funds to HACLA, as listed below:

Fund No	Account Name	Account	Amount
561	HOME	43V800-AHMP	\$7,000,000
561	HOME	43W800-AHMP	\$3,000,000
		SUB-TOTAL	\$10,000,000
65M	HOME ARP	43VB79- HOME ARP- Homekey	\$4,567,519
		SUB-TOTAL	\$4,567,519
64R	SB2	43V723- Rental New Construction	\$5,252,761
		43V724- Rental Preservation	\$5,768,306
		43W724- Rental Preservation	\$4,411,414
		SUB-TOTAL	\$15,432,481
		TOTAL	\$30,000,000

- K. AUTHORIZE the General Manager of LAHD, or designee to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

BACKGROUND

Request for Qualifications (RFQ) Procurement Process and Results

On February 28, 2023, LAHD released the RFQ to select development teams for Homekey Program Round 3 via the Regional Alliance Marketplace for Procurement (RAMP). A proposer’s conference was conducted virtually on March 8, 2023. A total of 53 entities registered and 45 individuals attended the conference. LAHD received a total of 31 proposals from 25 agencies by the submission date of March 28, 2023. First, all proposals were reviewed to ensure that they met the minimum requirements for eligibility and included all information critical for the RFQ review. The HCD Homekey Round 3 NOFA was not available at the time of the LAHD application timeframe and therefore, the HCD Round 2 regulations were used as guidance. Second, the proposals were scored using the evaluation criteria published in the RFQ documents, and the points matrix is listed below:

Evaluation Criteria	Maximum Score
1. Demonstrated Experience and Capacity	45
a. Acquisition and Building Improvements (20 points)	
b. Asset and Property Management (5 points)	
c. Supportive Services (10 points)	
d. Fiscal and Budgetary Experience (10 points)	
2. SITE SPECIFIC PROPOSAL	5
a. Plans for Acquisition and Building Improvements	
TOTAL POINTS	50

In order to be considered for selection, proposals must receive a score of 35 or higher out of a maximum 50 total points. The demonstrated experience and capacity points were awarded for demonstrating the ability to manage and operate permanent or interim supportive housing. The site specific points were awarded based on the proposer’s ability to demonstrate a strong understanding of the necessary work for the project and what services could be provided once the project was operational. A total of 14 development teams achieved at least 35 total points.

Appeals

LAHD sent point score letters to all applicants and allowed five business days to appeal the results. LAHD received appeal requests from seven applicants. After review of the appeals, no changes were made to the final results. A list of the development teams which scored at least the minimum 35 points was posted on the City’s RAMP website. All proposers that were not selected were notified of the outcome of the RFP review process. All appeals were processed in accordance with procurement procedures.

Site Selection Phase

On May 5, 2023, after the appeal period expired, the development teams that passed the minimum score threshold, were invited to participate in the second phase of the selection process. Teams were asked to submit site specific information as well as submit a self-score sheet based on the HCD Round 3 NOFA. The applicants were given until May 23, 2023 to submit the documents. The intent is to select the sites which meet the HCD requirements and are deemed to be highly competitive for HCD Homekey funds. A total of twelve site proposals were submitted by the deadline. Seven sites are proposing interim housing and five sites are proposing permanent supportive housing. Table 1, below, lists the proposed sites and site details.

#	Proposer Name	Permanent/ Interim	# of Units	Site Address	CD	Existing Bldg. Type
1	Hope the Mission/ CDRG	Interim	111	15711 Roscoe Blvd, 91343	12	Motel
2	Hope the Mission/ CDRG	Interim	26	17748 Ventura Blvd, 91316	4	Motel
3	Weingart	Interim	76	3340 Shelby Dr., 90034	5	Residential Facility
SITES NOT SELECTED						
4	LA Family Housing	Interim	60	14530 W Sylvan St, 91411	6	Health Facility

5	CRCD	Interim	23	1415-1419 W 65th Pl	8	New Construction
6	Dignity Moves/ Metro	Interim	24	Slauson & Holmes	8	New Construction
7	Bueno Group	Interim	37	417 S Kenmore Ave, 90020	10	Shared MF
7	Weingart / Valued Housing	Interim	122	19200 Harborage Way, 90501	15	Hotel
8	The People Concern	Permanent	64	13561 Sherman Way, Van Nuys, 91406	2	Multifamily
9	VOALA	Permanent	80	20205 W Ventura Blvd	3	New Construction
10	Affordable Living for the Aging/ Primestor	Permanent	24	5879 Crenshaw Blvd, 90043	8	New Construction
11	CRCD	Permanent	28	3716 Venice Blvd	10	Multifamily
12	VOALA	Permanent	63	19325 W Londelius St	12	New Construction

After reviewing the submittals, three sites were selected based on the development team's experience, potential scoring, site amenities and proposed timeline. A project summary for each of the sites with additional details including, affordability and target population, is included as Attachment C. A summary of the funding recommendations is included in this report as Table 2.

Motel 6- 15711 W Roscoe Blvd., North Hills

Hope the Mission (HTM) scored 42 out of 50 points in the initial phase of the process. HTM has previous experience with the HCD Homekey program. In Homekey Round 2, HTM submitted an application in coordination with the County of Los Angeles HTM will partner with Community Development Resource Group (CDRG) to prepare and submit the State application. CDRG also has extensive experience with applying and developing Homekey program sites.

HTM submitted a proposal for the site located at 15711 West Roscoe Boulevard, North Hills, CA 91343 in Council District 12. It will be an acquisition and rehabilitation of an existing Motel 6, built in 1979 with 114 rooms. The goal of the project is to convert the motel into an interim housing development with 110 units of supportive housing, one manager's unit, and supportive service area. It is situated within ½ mile from a rapid bus station and within one mile from a grocery store, library, health facility and pharmacy. The proposal to rehabilitate will take approximately eight months, which is within the requirements of the HCD Homekey program requirements.

Additionally, the HCD Homekey program awards operating subsidies if projects can demonstrate a commitment of four or more years of non-Homekey operating funds for assisted units, the HCD will provide operating funds for three years. Therefore, in order to apply for these subsidies, the project will require approximately \$16,060,000 in operating subsidies for four years from LAHD. The project's budget requests approximately \$11,000,000 in capital funding, however, the development team is still completing due diligence and cost estimating is ongoing, therefore, LAHD recommends awarding an amount not to exceed \$11,880,000 in match funds in order to cover any cost increases discovered prior to the submission of the HCD Homekey application. The project will provide 111 interim housing units.

Oak Tree Inn- 17748 Ventura Blvd

The second site is also a proposal submitted by the HTM and CDRG development team. As previously described, the development team has extensive experience with the operation of supportive housing and more specifically, using the HCD Homekey program. The Oak Tree Inn is located at 17748 Ventura Blvd, Encino CA 91316 in Council District 4. It will be an acquisition and rehabilitation of an existing Motel built in 1949 with 26 rooms and one manager's unit. The goal of the project is to convert the motel into an interim Transition Age Youth (TAY) housing development with 26 units of interim housing, while converting the manager's unit and lobby into a supportive service area. It is an excellent location for TAY interim housing, as the youth will be in a pedestrian oriented environment with easy access to retail and service jobs, high quality transit, and other youth amenities. This project is in a well located area with many surrounding amenities along Ventura Blvd in Encino. It serves the dual purpose of removing blight and providing safe, well managed interim housing for transition age youth. The garden-style motel is a perfect fit for youth to gain independence in a supportive environment. The project is shovel ready, with preliminary plans, preliminary budget, appraisal and environmental reports. Finally, this is a comparatively small project compared to other HomeKey projects. Smaller projects like this have a potential competitive advantage as the HomeKey funds are allocated, as they can potentially squeeze in ahead of other larger projects to fill up the round.

The developer intends to leverage its current TAY contract with LAHSA to generate an additional \$1,310,400 in HomeKey operating subsidy to create a four year operating reserve. However, in order prepare for further commitment required by the HCD program, LAHD recommends to obligate \$3,796,000 in operating subsidy. Additionally, the project's budget requests \$3,550,100 in capital funds, currently, the development team is still completing due diligence and cost estimating is ongoing, therefore, LAHD recommends awarding an amount not to exceed \$3,834,200 in match funds in order to cover any cost increases discovered prior to the HCD Homekey application. The project will provide 26 interim housing units.

Cheviot Hills- 3340 Shelby Drive

Property is located at 3340 Shelby Drive, Los Angeles, CA 90034, in Council District 5. It will be an acquisition and rehabilitation of an existing Assisted Living facility built in 1968 with 76 rooms. The goal of the project is to convert the facility into an interim housing development with 76 units of interim housing while converting office and other common areas into supportive service area and community amenities. It is an excellent location for interim housing, as the occupants will be in a pedestrian-oriented environment with easy access to retail and service jobs, high-quality transit, and other amenities. The facility consists of one wood-construction three-story building (two stories wood, 1 story concrete/parking). The three-story building has guest units, common areas, and offices on the first and second floors with underground parking, storage, laundry, and utility areas on the first floor parking garage. Rooms will be upgraded with new floor and wall coverings as needed, new windows and doors as needed, new bathroom fixtures such as toilet and shower as needed. ADA and other code upgrades will be made as needed. Security and site upgrades will be completed. Some offices and common areas will be reconfigured in order to create resident services and management offices. No units will be taken offline.

The developer, Weingart, will be targeting chronically homeless individuals. In order to generate \$3,780,000 in HomeKey operating subsidy, the developer is requesting \$11,096,000 in LAHD operating subsidy, to create a four year operating reserve. Additionally, the project’s budget requests \$18,955,290 in capital funds, currently, the development team is still completing due diligence and cost estimating is ongoing, therefore, LAHD recommends awarding an amount not to exceed \$20,471,800 in match funds in order to cover any cost increases discovered prior to the HCD Homekey application. The project will provide 76 interim housing units.

TABLE 2, LIST OF LAHD RECOMMENDATIONS						
Project Name	# of Units	Capital Match Requested	LAHD Recommended Amount	HCD Funding (Leverage)	LAHD Operating Match	HCD Operating Subsidies
Motel 6- North Hills	111	\$11,000,000	\$11,880,000	\$28,100,000	\$16,060,000	\$3,960,000
Oak Tree Inn	26	\$3,550,100	\$3,834,200	\$7,150,000	3,796,000	\$1,310,400
Cheviot Hills- Shelby	76	\$18,955,290	\$20,471,800	\$22,800,000	\$11,096,000	\$3,780,000
TOTAL	213		\$36,186,000		\$30,952,000	

The sites were reviewed with the intent of following the Mayor's strategy to end homelessness. The Mayor's focus is to work with urgency to create effective solutions to get people out of encampments, into interim housing, and then eventually into permanent housing. A key goal with these acquisitions is to help build a permanent infrastructure for interim housing so that we can have a place to get people off the streets, while strategically investing in our Housing Authority to help them acquire as many permanent housing units supported by long term operating subsidies as possible. An important part of the selection of these sites was to target high opportunity areas that have not benefited from Homekey resources in previous funding rounds. It is important for this program and these funds, to complement other City efforts aimed at reducing the number of people experiencing homelessness. Sites that had a large number of units or could support a large number of beds were prioritized. In addition, any sites that were intended for the transitional age youth population with minimal costs were also prioritized.

Sites not selected

The remaining ten sites were not selected to continue with the application process. Out of the ten sites, five are proposing interim housing and five are proposing permanent supportive housing. In reviewing the interim housing proposals, LAHD carefully considered the changes HCD made to the 2023 Homekey NOFA Round 3, specifically the addition of a new section outlining new requirements for interim housing proposals. The NOFA states; HCD, in its sole discretion may fail on threshold any interim housing project application that does not sufficiently demonstrate a need for interim housing, therefore, LAHD is limiting the submittal of interim housing applications. Additionally, the interim housing proposals would require operating subsidies in addition to capital financing, which in combination with the capital funds, increases the total amount requested. Due to the limited funding available, LAHD is not recommending any other interim housing sites.

Additionally, five site proposals are proposing new construction housing types; two interim sites and three permanent housing. The HCD Homekey NOFA states awardees will be subject to the following deadlines: 1. Acquisition, Rehabilitation, and/or construction must be completed 12 months from the date of award letter; 2. Capital expenditure must be completed within eight (8) months, or up to 15 months from the date of award if requesting an expenditure deadline extension; and, 3. Full occupancy must be achieved by 15 months from the date of award letter. Each of the narratives describe a very aggressive construction schedule, however, it was determined the risk in selecting these sites is too high and would jeopardize the HCD Homekey funding and more importantly the scarce LAHD matching funds.

Lastly, LAHD did not select any of the permanent supportive housing proposals because they all needed project based vouchers (PBV) and at this time, the inventory of PBVs is very limited and awards would not be available in time to apply by the July 28, 2023 deadline. To note, some of the proposals included narratives which describe tenant based vouchers, which are vouchers that “travel” with the individual rather than stay with the project. In looking at the long-term financing for these proposals, LAHD determined that it is not financially feasible to underwrite the projects with those types of operating subsidies. Additionally, private lenders have also not been able to fund private permanent loans using those subsidies which then results in a higher loan request from LAHD. Therefore, LAHD did not move forward with an award to the permanent housing proposals.

VARIOUS OTHER ACTIONS

As part of a unified City strategy to maximize the funding the state has made available, LAHD will provide a loan to the Housing Authority of the City of Los Angeles (HACLA) to help fund properties that would qualify for the HCD Homekey program. HACLA has been an active participant in the HCD Homekey program, both as an applicant and as a conduit partner. HACLA is an eligible entity to apply for HCD funding, but they still need financial assistance to close the funding gaps to acquire the properties. HACLA will allocate the project based vouchers needed to make the permanent supportive housing financially feasible. This partnership between the two organizations will ensure that the City creates permanent supportive housing units. HACLA is reviewing existing properties to acquire in order to convert them into permanent supportive housing. HACLA estimates they will need approximately \$30 million in order to purchase three newly constructed multi-family buildings and with approximately 95 permanent supportive housing units. Currently, however, HACLA is still completing due diligence and cost estimating is ongoing, therefore, LAHD recommends providing a loan directly to HACLA and HACLA will purchase the eligible properties and apply to the HCD Homekey program directly. The loan will be repaid through residual receipts and will be monitored by LAHD on an annual basis.

FISCAL IMPACT

The recommendations in this report will authorize LAHD to fund a total of three developments consisting of 213 interim housing units and approximately 95 permanent housing units with \$31,567,800 of General Fund from the Mayor’s Homelessness Budget and \$65,570,200 from non-general fund sources.

Approved By:

A handwritten signature in black ink, appearing to read "Ann Sewill". The signature is written in a cursive style with a horizontal line underneath.

ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENTS:

- Attachment A- List of Developers
- Attachment B- Resolutions
- Attachment C- Summaries

LAHD Project Homekey Round 3 RFQ

***List of Developers meeting the minimum point score requirement**

1. Brilliant Corners
2. Abbey Road Inc.
3. Venice Community Housing Corp.
4. The People Concern
5. PATH Ventures
6. Coalition for Responsible Community Development
7. Hope The Mission/CDRG
8. Abode Communities
9. Volunteers of America Los Angeles
10. Weingart Center Association/Valued Housing
11. DignityMoves
12. LA Family Housing
13. Bueno Group

**Pending approval from City Council and Mayor.*

ATTACHMENT B

AUTHORIZING RESOLUTION

RESOLUTION NO. 2023-01

15711 W Roscoe Blvd

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

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated March 29, 2023 (“**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 jointly apply for Homekey grant funds with **HOPE THE MISSION** (“**Corporation**”). Therefore, Co-Applicant is joining Corporation in the submittal of 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 **\$32,060,000**.
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 **\$32,060,000**, 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 _____, 202_, 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. 2023-02

17748 Ventura Blvd

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

WHEREAS:

- D. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated March 29, 2023 (“**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 jointly apply for Homekey grant funds with **HOPE THE MISSION** (“**Corporation**”). Therefore, Co-Applicant is joining Corporation in the submittal of 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 **\$8,460,400**.
- 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 **\$8,460,400**, 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 _____, 202_, 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. 2023-03

3400 Shelby Dr

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

WHEREAS:

- G. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated March 29, 2023 (“**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 jointly apply for Homekey grant funds with **WEINGART CENTER ASSOCIATION** (“**Corporation**”). Therefore, Co-Applicant is joining Corporation in the submittal of 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 **\$26,580,000**.
- 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 **\$26,580,000**, 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 _____, 202_, by the following vote:

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

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

DATE

SEAL

CLERK'S NAME

Attachment C- Project Summary

PROJECT SUMMARY

Oak Tree Inn – 17748 Ventura Blvd, Encino CA 91316

PROJECT DESCRIPTION

The Oak Tree Inn is located at 17748 Ventura Blvd, Encino CA 91316 in Council District 4. It will be an acquisition and rehabilitation of an existing Motel built in 1949 with 26 rooms and one manager's unit. The goal of the project is to convert the motel into an interim Transition Age Youth (TAY) housing development with 26 units of interim housing, while converting the manager's unit and lobby into a supportive service area. It is an excellent location for TAY interim housing, as the youth will be in a pedestrian oriented environment with easy access to retail and service jobs, high quality transit, and other youth amenities. The motel consists of one wood construction two-story building and two wood construction one-story buildings around a central motor court. The two-story building has guest units on the second floor and the manager's unit, storage, and lobby on the ground floor. Guest rooms will be upgraded with new floor and wall coverings, new windows and doors where needed, new bathroom fixtures such as toilet and shower, and energy upgrades. The exterior of the site will be upgraded with ADA improvements, and a portion of the motor court area will be converted to outdoor gathering space. The motel has two other planted areas – on the west side and on the north side facing Ventura Blvd—that can be converted to verdant outdoor gathering areas.

The property has only one vehicular entry through a portal in the two-story building, and that portal will be upgraded with a gate to secure the entire site. Cameras will be installed throughout, ensuring a safe environment for residents and staff. We anticipate a fair amount of site work across the site, with opportunities to convert the motor court into outdoor gathering space. Solar panels will be installed on the roof, and a new energy efficient boiler will be installed. Other amenities will include a common gathering areas throughout and planted courtyards throughout the large site.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Hope the Mission (HTM) is the only owner and developer and will not form any partnerships.

POPULATION SERVED

Twenty-six (26) units will be reserved for homeless transition aged youth (TAY) individuals aged 18-24. Hope the Mission (HTM) provides comprehensive array of services to support individuals in moving them across the housing continuum. For youth services, HTM partners with Village Family Services(VFS), the lead Coordinated Entry System entity for TAY in this region. VFS will provide youth-specific services on site and has additional resources at their main campus a short drive away in North Hollywood. Services include intake & assessment, case management, housing navigation, referral & linkages, and basic needs (e.g., food, showers, clothing, laundry). We foster partnerships with other community providers to enhance our interim housing programs and include specialized services such as substance use, physical health services, mental health services with the Department of Mental Health and San Fernando Community Mental Health Center Inc. HTM will make extra effort to promote housing navigation to align with the Mayor's Inside Safe campaign.

AFFORDABILITY STRUCTURE

Unit Type	30% AMI	50% AMI	Mgr	Total
Studio/SRO	26	0	0	26
1- Bdrm	0	0	0	0
2 Bdrm	0	0	0	0
Total	26	0	0	26

PERMANENT SOURCES

Permanent	Total Sources	Per Unit	% Total
HCD Project Homekey Funds	\$ 7,150,000	\$ 275,000	67%
LAHD- HOME/ARP	\$3,550,100	\$ 136,542	33%
TOTAL	\$10,700,100	\$411,543	100%

USES

Uses of Funds	Total Uses	Cost/Unit	% TDC
Acquisition Costs	\$ 7,310,000	\$281,154	2.6%
Construction Hard Costs	\$ 1,825,000	\$70,192	0.7%
Hard Cost Contingency	\$200,000	\$7,692	0.1%
Architecture & Engineering	\$250,000	\$9,615	0.1%
Financing/ Legal	\$5,000	\$192	0.0%
Capitalized Reserves	\$9,100	\$350	0.0%
Soft Costs	\$272,000	\$10,462	0.1%
Soft Cost Contingency	\$50,000	\$1,923	0.0%
Developer Fee	\$ 780,000	\$30,000	0.3%
Non- Residential			
TOTAL	\$39,100,000	\$411,581	100%

OPERATING SUBSIDIES

Per the HCD Homekey regulations, if Projects can demonstrate a commitment of four or more years of non-Homekey operating funds for Assisted Units, the Department will provide an operating award sized for three years. The project will use its existing LAHSA contract approximately for four years to meet the requirements of the Homekey program. The project is eligible for \$1,310,400 in HomeKey operating subsidy.

PROJECT SITE AMENITIES

	Distance	Name	Address
Proximity to Transit	Within ½ mile of a bus rapid station	Metro route 240	Ventura Blvd and Encino Ave Encino CA 91316
Grocery Store	Within 1/2 mile radius	Sabzee Market	17461 Ventura Blvd Encino CA 91316
Health Facility	Within ½ mile radius	Family Urgent Care and Industrial Medical Clinic	16542 Ventura Blvd Encino CA 91316
Library	Within 1 mile radius	Encino – Tarzana Branch Library	18231 Ventura Blvd Encino CA 91316
Pharmacy	Within 1/2 mile radius	CVS Pharmacy	17230 Ventura Blvd Encino CA 91316
Park	Within 1 mile radius	Encino Park	16953 Ventura Blvd Encino CA 91316

TIMELINE

Milestone	Estimated Date
Open Escrow	2/24/2023
Apply to HomeKey	5/20/2023
HomeKey Award	7/30/2023
Standard Agreement finalized	10/30/2023
Funds received, Construction begins	12/1/2023
Construction end	7/30/2024
Placed in service	7/30/2024
Project meets HomeKey occupancy requirements	10/31/2024

PROJECT SUMMARY

Motel 6 North Hills - 15711 W. Roscoe Blvd, North Hills, CA 91343

PROJECT DESCRIPTION

Motel 6 North Hills is located at 15711 West Roscoe Boulevard, North Hills, CA 91343 in Council District 12. It will be an acquisition and rehabilitation of an existing Motel built in 1979 with 114 rooms. The goal of the project is to convert the motel into an interim housing development with 110 units of supportive housing, one manager’s unit, and supportive service area. The current building is a two-story wood-framed stucco “L” shaped building with guest rooms on both floors in both wings. Guest rooms will be upgraded with new floor and wall coverings, new windows and doors where needed, new bathroom fixtures such as toilet and shower, and energy upgrades.

The property will be upgraded with fences or barriers for security where appropriate, and cameras will be installed throughout, ensuring a safe environment for residents and staff. We anticipate a fair amount of site work across the site, with opportunities to fill the pool in and convert some of the parking to usable outdoor space. Solar panels will be installed on the roof, and a new energy efficient boiler will be installed. Parking is located on the ground floor and the developer will look for mental and behavioral health uses to be installed on the underutilized parking lot in the future. Other amenities will include a common gathering areas throughout and planted courtyard in place of the swimming pool on the southern portion of the site. The building already has fire sprinklers.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Hope the Mission (HTM) is the developer, and will not form any partnerships.

POPULATION SERVED

One-Hundred and Ten (110) units will be reserved for homeless individuals (interim). Hope the Mission (HTM) provides comprehensive array of services to support individuals in moving them across the housing continuum. Services include intake & assessment, case management, housing navigation, referral & linkages, and basic needs (e.g., food, showers, clothing, laundry). We foster partnerships with other community providers to enhance our interim housing programs and include specialized services such as substance use, physical health services, mental health services with the Department of Mental Health and San Fernando Community Mental Health Center Inc. HTM will make extra effort to promote housing navigation to align with the Mayor’s Inside Safe campaign.

AFFORDABILITY STRUCTURE

Unit Type	30% AMI	50% AMI	Mgr	Total
Studio/SRO	110			110
1- Bdrm				
2 Bdrm			1	1
Total	110		1	111

PERMANENT SOURCES

Permanent	Total Sources	Per Unit	% Total
HCD Project Homekey Funds	\$ 28,100,000	\$ 250,893	72%
LAHD- HOME/ARP	11,000,000	98,214	28%
TOTAL	\$39,100,000	\$464,974	100%

USES

Uses of Funds	Total Uses	Cost/Unit	% TDC
Acquisition Costs	\$ 24,010,000		
Construction Hard Costs	\$ 10,757,000		
Hard Cost Contingency	\$200,00		
Architecture & Engineering	750,000		
Financing/ Legal	380,000		
Capitalized Reserves	100,000		
Soft Costs	\$903,000		
Soft Cost Contingency	\$100,000		
Developer Fee	\$ 1,890,000		
Non- Residential			
TOTAL	\$39,100,000		

OPERATING SUBSIDIES

Per the HCD Homekey regulations, if Projects can demonstrate a commitment of up to three years of non-Homekey operating funds for Assisted Units, the Department will provide an operating award sized for two years. The project will require approximately \$16,060,000 in LAHD operating subsidies for three years in order to meet the requirements of the Homekey program. The project is eligible for \$3,960,000 in HCD Homekey operating subsidy.

PROJECT SITE AMENITIES

	Distance	Name	Address
Proximity to Transit	Within ½ mile of a bus rapid station	Metro route 152	Roscoe and Haskell Van Nuys CA
Grocery Store	Within 1 mile radius	Food 4 Less	16208 Parthenia St North Hills CA 91343
Health Facility	Within ½ mile radius	Mission City Community Network	8527 Sepulveda Blvd North Hills, CA 91343
Library	Within 2 mile radius	Mid Valley Regional Library	16244 Nordhoff St North Hills, CA 91343
Pharmacy	Within 1 mile radius	Metro Pharmacy	8660 Woodley Ave North Hills, CA 91343
Park	Within 1 mile radius	North Hills Community Park	8756 Parthenia Pl North Hills, CA 91343

TIMELINE

Milestone	Estimated Date
Open Escrow	2/24/2023
Apply to HomeKey	5/20/2023
HomeKey Award	7/30/2023
Standard Agreement finalized	10/30/2023
Funds received, Construction begins	12/1/2023
Construction end	7/30/2024
Placed in service	7/30/2024
Project meets HomeKey occupancy requirements	10/31/2024

PROJECT SUMMARY

Cheviot Hills – 3340 Shelby Dr, Los Angeles, CA 90034

PROJECT DESCRIPTION

Shelby Drive Interim Housing is located at 3340 Shelby Dr, Los Angeles, CA 90034, in Council District 5. It will be an acquisition and rehabilitation of an existing Assisted Living facility built in 1968 with 76 rooms and multiple common and amenity areas. The goal of the project is to convert the facility into an interim housing development with 76 units of interim housing while converting office and other common areas into supportive service area and community amenities. It is an excellent location for interim housing, as the occupants will be in a pedestrian-oriented environment with easy access to retail and service jobs, high-quality transit, and other amenities. The facility consists of one wood-construction three-story building (two stories wood, 1 story concrete/parking). The three-story building has guest units, common areas, and offices on the first and second floors with underground parking, storage, laundry, and utility areas on the first floor parking garage. Rooms will be upgraded with new floor and wall coverings as needed, new windows and doors as needed, new bathroom fixtures such as toilet and shower as needed. ADA and other code upgrades will be made as needed. Security and site upgrades will be completed. Some offices and common areas will be reconfigured in order to create resident services and management offices. No units will be taken offline.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Weingart Center Association (Weingart) is the only owner and developer and may form an LLC which would be the ownership entity.

POPULATION SERVED

Seventy-six (76) units will be reserved for homeless individuals. Weingart provides a comprehensive array of services to support individuals in moving them across the housing continuum.

AFFORDABILITY STRUCTURE

Unit Type	30% AMI	50% AMI	Mgr	Total
Studio/SRO	76	0	0	76
1- Bdrm	0	0	0	0
2 Bdrm	0	0	0	0
Total	76	0	0	76

PERMANENT SOURCES

Permanent	Total Sources	Per Unit	% Total
HCD Project Homekey Funds	\$22,800,000	\$0	0%
LAHD- HOME/ARP	\$18,955,290	\$0	0%
TOTAL	\$41,755,290	\$0	0%

USES

Uses of Funds	Total Uses	Cost/Unit	% TDC
Acquisition Costs	\$ 30,440,000	\$ 400,526	72.9%
Construction Hard Costs	\$ 5,959,065	\$ 78,409	14.27%
Hard Cost Contingency	\$ 893,860	\$ 11,761	2.14%
Architecture & Engineering	\$ 375,000	\$ 4,934	0.90%
Financing/ Legal	\$ 776,365	\$ 10,215	1.86%
Capitalized Reserves	\$ 200,000	\$ 2,632	0.48%
Soft Costs	\$ 1,376,000	\$ 18,105	3.30%
Soft Cost Contingency	\$ 200,000	\$ 2,632	0.48%
Developer Fee	\$ 1,535,000	\$ 20,197	3.68%
Non- Residential	\$0		
TOTAL	\$ 41,755,290	\$ 549,412	100%

OPERATING SUBSIDIES

The developer will be targeting chronically homeless individuals. In order to generate \$3,780,000 in HomeKey operating subsidy, the developer is requesting \$11,096,000 in LAHD operating subsidy, to create a four year operating reserve.

PROJECT SITE AMENITIES

	Distance	Name	Address
Proximity to Transit	Within ½ mile of a bus rapid station	Metro E Line	Palms Station (Manning and National)
Grocery Store	Within ½ mile radius	Vons Supermarket	9860 National Blvd Los Angeles, CA 90034
Health Facility	Within ½ mile radius	Exer Medical Corp	8985 Venice Blvd., Los Angeles, CA 90034
Library	Within 1 mile radius	Palms-Rancho Park Branch Library	Palms Park, 2920 Overland Ave, Los Angeles, CA 90064
Pharmacy	Within ½ mile radius	CVS Pharmacy	3010 S Sepulveda Blvd, Los Angeles, CA 90034
Park	Within ½ mile radius	Woodbine Park	3409 Vinton Ave, Los Angeles, CA 90034

TIMELINE

Milestone	Estimated Date
Open Escrow	6/23/2023
Apply to HomeKey	7/7/2023
HomeKey Award	9/30/2023
Standard Agreement finalized	10/30/2023
Funds received, Construction begins	11/30/2023
Construction end	4/30/2024
Placed in service	5/1/2024
Project meets HomeKey occupancy requirements	7/1/2024