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INTER-DEPARTMENTAL MEMORANDUM

TO: PROPOSITION HHH ADMINISTRATIVE OVERSIGHT COMMITTEE
FROM: LOS ANGELES HOUSING DEPARTMENT
DATE: APRIL 28, 2023
REGARDING: AMENDMENT TO PROPOSITION HHH FY 2020-2021 PROJECT EXPENDITURE PLAN FOR HOMEKEY PROJECTS

SUMMARY

The Los Angeles Housing Department (LAHD) requests authorization to amend the Fiscal Year (FY) 2020-2021 Project Expenditure Plan (PEP) for Homekey Round 2 projects, by increasing the HHH loan commitment for 10150 Hillhaven to \$1,850,000 and reducing the commitment for 740 Alvarado to \$0; and by aligning the PEP amounts for Homekey Round 2 projects with amounts approved by City Council in actions taken in July, September and October 2022 totaling \$96,328,982 (C.F. No. 21-0112).

RECOMMENDATIONS

- I. The General Manager of LAHD respectfully requests that the Proposition HHH Administrative Oversight Committee (AOC) take the following actions:
 - A. APPROVE the amendment of the FY 2020-2021 PEP to increase HHH funding to \$1,850,000 for 10150 Hillhaven.
 - B. APPROVE the amendment of the FY 2020-2021 PEP to align the PEP amounts for Homekey Round 2 projects with amounts approved by City Council, for a total decrease of \$88,901.

BACKGROUND

Prior FY 2020-2021 PEP Amendments

To date, there are 106 projects in the HHH Permanent Supportive pipeline, 98 of which have been included in the four PEPs. To date, there are 15 projects in the Innovative Housing Challenge pipeline, 6 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 total funding of \$106,516,646. There have been nine subsequent amendments, adding

Amendment to Proposition HHH FY 2020-2021 Project Expenditure Plan for Homekey Projects

Page 2

\$337,977,449 for an additional 29 projects. There has been one previous amendment for Project Homekey, adding \$96,328,982 for 13 projects (C.F. No. 21-0012). Currently, there are a total of 57 projects in the FY 2020-21 PEP, totaling \$444,494,095.

Table 1: FY 2020-2021 PEP Amendments						
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
8.	2020-2021 PEP (FY20) (Seventh Amendment Increase)	4	\$30,675,000	\$116,193	\$150,178,285	\$568,857
9.	2020-2021 PEP (FY20) (PHK Amendment Increase)	13	\$96,328,982	\$83,619	\$452,413,029	\$392,719
10.	2020-2021 PEP (FY20) (Eighth Amendment Increase)	2	\$21,200,000	\$137,662	\$98,119,434	\$637,139
11.	2020-2021 PEP (FY20) (Ninth Amendment Increase)	1	\$8,289,109	\$102,335	\$47,981,184	\$592,360
12.	2020-2021 PEP (FY20) (Current Amendment - PHK Reallocation & Rationalization)	0	\$0	\$83,619	\$452,413,029	\$392,719
	TOTAL	57	\$444,494,095	\$111,458	\$2,156,608,452	\$540,774

Current Proposed PEP Amendment

10150 Hillhaven and 740 Alvarado

On March 28, 2023, the Mayor and Council approved an amendment to the terms of HACLA's loan in order to change the number of projects receiving Homekey 2 acquisition funds from four to three, and change the amount allocated for the remaining three projects. This change was requested by HACLA in order to reallocate funds between the Homekey projects that HACLA owns and operates. At this time, LAHD recommends that the FY 2020-2021 PEP be amended and increased by \$725,000 to a new amount of \$1,850,000 for 10150 Hillhaven, as reflected in Table 2 and Attachment A.

This project is owned and operated by HACLA and received an award of \$9,265,000 from the State of California Department of Housing and Community Development (HCD). The funds will be reallocated from HACLA's 740 Alvarado project, which will no longer receive LAHD funds. The 740 Alvarado project will be removed from the PEP. There is no increase to total HACLA funding or total HHH funds allocated to Homekey.

Table 2: Proposed FY 2020-2021 PEP Amendment for Homekey Round 2 Projects Owned/Operated by HACLA				
Project Address	Prior Amount	Decrease	Increase	New Amount
5050 Pico	\$143,394	\$0	\$0	\$143,394
10150 Hillhaven	\$1,125,000	\$0	\$725,000	\$1,850,000
1044 Soto	\$4,625,000	\$0	\$0	\$4,625,000
740 Alvarado	\$725,000	\$(725,000)	\$0	\$0
TOTAL - HACLA Projects	\$6,618,394	\$(725,000)	\$725,000	\$6,618,394

Alignment of PEP Amounts with Council-Approved Amounts

On July 7, 2022, the Mayor and City Council approved an amendment to the FY 2020-2021 HHH Project Expenditure Plan (PEP) in order to increase and commit funding of \$83,000,000 for 13 Homekey sites (C.F. No. 21-0112). On September 20, 2022, City Council approved an increase of \$4,119,012 for the 18602 Vermont project, for a new total of \$4,969,012 (CF No. 21-0112-S1). On October 4, 2022, Council approved an increase in funds for acquisition of the 21121 Vanowen project of \$16,151,463, for a new total of \$20,132,519, partially offset by reductions in HHH funds for five other projects (C.F. No. 21-0112). Although the total approved amount of \$96,328,982 has been reflected in line 9 of Table 1 in previous versions of this memo, these revisions were not formally presented to the Administrative Oversight Committee and the PEP did not accurately reflect the revised amounts for six projects. Table 3 below indicates the revised amounts approved by Council, and the changes are

reflected in Attachment A. There is no change to total HHH funds allocated to Homekey. Attachment B details the original amendment request for Homekey as presented to the Citizens Oversight Committee in June 2022.

Table 3: Proposed FY 2020-2021 PEP Amendment for Homekey Round 2 Projects Owned/Operated by HACLA				
Project Address	Current PEP Amount	Original Council Approval	Revised Council Approval	Current PEP Amendment
7639 Van Nuys	\$2,772,000	\$2,772,000	\$2,772,000	\$0
1654 W Florence	\$7,009,120	\$7,010,000	\$7,010,000	\$880
2812 Temple / 916 Alvarado	\$11,457,300	\$13,100,000	\$11,474,427	\$17,127
6531 S Sepulveda	\$15,245,538	\$16,938,550	\$15,183,704	-\$61,834
18602 S Vermont	\$4,969,012	\$850,000	\$4,969,012	\$0
20205 Ventura	\$5,525,465	\$6,530,000	\$5,499,364	-\$26,101
19325 Londelius	\$14,368,535	\$15,800,000	\$14,332,435	-\$36,100
2010 Highland	\$8,320,000	\$9,400,000	\$8,337,127	\$17,127
21121 Vanowen	\$20,132,519	\$3,981,056	\$20,132,519	\$0
5050 Pico	\$143,394	\$143,394	\$143,394	\$0
10150 Hillhaven	\$1,125,000	\$1,125,000	\$1,850,000	\$725,000
1044 Soto	\$4,625,000	\$4,625,000	\$4,625,000	\$0
740 Alvarado	\$725,000	\$725,000	\$0	-\$725,000
Total	\$96,417,883	\$82,275,000	\$96,328,982	-\$88,901

Attachments:

Attachment A: Proposition HHH Project Expenditure Plan FY 2020-2021 Amendment

Attachment B: June 14, 2022 Memorandum to the Proposition HHH Citizens Oversight Committee

Attachment A.

Proposition HHH Project Expenditure Plan FY 2020-21 Tenth Amendment for PHK

No.	Project Name	Developer	Address	CD	Leverage Source	Total Units	PSH Units	Non-PSH units	Mgr Units	Total HHH Request	Population Served	Est. Date Applying to CDLAC	CDLAC Allocation Meeting	Est. Construction Loan Closing	Est. Construction Start Date	Est. Construction End Date
1	11010 Santa Monica	Weingart Center Association; Values Housing II, LLC	11010 W SANTA MONICA BLVD CA 90025	5	4%	51	50	0	1	\$ 7,000,000	HS, HV	9/24/2020 (Actual)	12/21/2020 (Actual)	6/18/2021 (Actual)	7/20/2021 (Actual)	7/7/2023
2	Amari Apartments (fka PICO)	Wakeland Housing and Development Corporation	4200 W PICO BLVD CA 90019	10	4%	54	53	0	1	\$ 11,410,000	HS, CH	1/17/2020 (Actual)	2/18/2020 (Actual)	11/5/2020 (Actual)	11/24/2020 (Actual)	7/1/2022
3	Bell Creek Apartments	Western Community Housing, Inc.; Meta Housing Corporation	6940 N OWENSMOUTH AVE CA 91303	3	4%	80	41	38	1	\$ 6,226,546	HF, H, F, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	11/17/2020 (Actual)	11/23/2020 (Actual)	11/30/2022
4	Chesterfield (fka 4719 Normandie)	Wakeland Housing and Development Corporation	4719 S NORMANDIE AVE CA 90037	8	4%	43	42	0	1	\$ 8,990,000	HS, CH	1/17/2020 (Actual)	2/18/2020 (Actual)	11/13/2020 (Actual)	11/30/2020 (Actual)	4/29/2022
5	Hope on Broadway	Hope Street Development Group, LLC; CHAPA Inc. (or affiliate)	5138 S BROADWAY CA 90037	9	4%	49	48	0	1	\$ 6,720,000	H, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	1/29/2021 (Actual)	3/4/2021 (Actual)	8/1/2022
6	Hope on Hyde Park	Hope Street Development Group, LLC; CHAPA Inc. (or affiliate)	6501 S CRENSHAW BLVD CA 90043	8	4%	98	97	0	1	\$ 9,280,000	H, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	1/29/2021 (Actual)	4/7/2021 (Actual)	8/15/2022
7	Silva Crossing (fka Link at Sylmar)	Sylmar II, LP; Meta Housing Corporation	12667 N SAN FERNANDO ROAD CA 91342	7	4%	56	55	0	1	\$ 10,900,000	H, I, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	10/16/2020 (Actual)	12/1/2020 (Actual)	4/5/2022
8	NoHo 5050	Decro Corporation; Daylight Community Development, LLC	5050 N BAKMAN AVE CA 91601	2	4%	40	32	7	1	\$ 3,833,200	DV, F, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/15/2021	5/15/2023
9	Sherman Oaks Senior	Mercy Housing California	14536 W BURBANK BLVD VAN NUYS, CA 91411	4	4%	55	54	0	1	\$ 11,880,000	HS, M, CH	6/11/2020 (Actual)	9/16/2020 (Actual)	5/12/2021 (Actual)	5/21/2021 (Actual)	1/11/2023
10	Sun King Apartments	MANY MANSIONS	12128 SHELDON ST Los Angeles, CA 91352	6	4%	26	25	0	1	\$ 5,500,000	HF, CH	6/11/2020 (Actual)	9/16/2020 (Actual)	6/18/2021 (Actual)	7/22/2021 (Actual)	1/6/2023
11	VA Building 207	Thomas Safran & Associates Development, Inc.	11301 WILSHIRE BLVD #207 Los Angeles, CA 90025	11	4%	60	59	0	1	\$ 8,260,000	HS, CH	1/17/2020 (Actual)	4/14/2020 (Actual)	11/13/2020 (Actual)	11/30/2020 (Actual)	11/30/2022
12	West Terrace (fka Silver Star II)	A Community of Friends	6576 S WEST BLVD CA 90043	8	4%	64	56	7	1	\$ 6,404,900	HF, H, I, CH	6/11/2020 (Actual)	9/16/2020 (Actual)	3/24/2021 (Actual)	4/5/2021 (Actual)	10/7/2022
13	Cadence (fka 11408 S. Central)	LINC Housing Corporation	11408 S CENTRAL AVE CA 90059	15	4%	64	63	0	1	\$ 10,112,000	H, CH	8/15/2019 (Actual)	10/16/2019 (Actual)	4/29/2020 (Actual)	5/15/2020 (Actual)	12/31/2021
14	First PEP 2 Amendment: Ambrose (fka 1615 Montana St.)	Domus	1615 W MONTANA ST CA 90026	13	9%	64	63	0	1	\$ 6,300,000	HS, CH	7/1/2020 (Actual)	10/14/2020 (Actual)	4/16/2021 (Actual)	5/19/2021 (Actual)	11/1/2022
15	First PEP 2 Amendment: 6th and San Julian	Mercy Housing	401 E 6TH ST CA 90014	14	4%	94	93	0	1	\$ 15,320,000	O, I, CH	9/24/2020 (Actual)	12/21/2020 (Actual)	7/30/2021 (Actual)	8/5/2021	1/6/2023
16	First PEP 2 Amendment: La Guadalupe (fka First and Boyle)	Many Mansions	100 S BOYLE AVE CA 90033	14	4%	44	43	0	1	\$ 9,460,000	HF, H, CH	9/24/2020 (Actual)	12/21/2020 (Actual)	9/30/2021	10/29/2021	10/30/2022
17	First PEP 2 Amendment: The Lake House fka Westlake Housing)	Community Development Partners	437 and 503 S WESTLAKE AVE CA 90057	1	4%	63	62	0	1	\$ 6,510,000	H, M, CH	9/24/2020 (Actual)	12/21/2020 (Actual)	6/9/2021 (Actual)	7/15/2021 (Actual)	7/7/2023
18	Second PEP 4 Amendment: The Wilcox (fka 4906-4926 Santa Monica)	Wakeland Housing and Development Corporation	4912 W SANTA MONICA BLVD CA 90029	13	4%	62	61	0	1	\$ 5,225,000	HS, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/15/2021	11/15/2021	5/15/2023
19	Second PEP 4 Amendment: The Quincy (fka 2652 Pico)	Wakeland Housing and Development Corporation	2652 W PICO BLVD CA 90006	1	4%	54	53	0	1	\$ 3,550,000	HS, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/15/2021	5/15/2023
20	Second PEP 4 Amendment: La Veranda	Abode Communities	2420 E CESAR E CHAVEZ AVE CA 90033	14	4%	77	38	38	1	\$ 9,120,000	HF, M, F, CH	6/11/2020 (Actual)	9/16/2020 (Actual)	7/1/2021 (Actual)	8/3/2021 (Actual)	2/3/2023
21	Second PEP 4 Amendment: Los Lirios Apartments	BRIDGE Housing Corporation	119 S SOTO ST CA 90033	14	9%	64	20	43	1	\$ 2,000,000	HF, H, F, CH	3/8/2021 (Actual)	6/16/2021 (Actual)	12/30/2021	1/31/2022	1/30/2024
22	Second PEP 4 Amendment: McDaniel House (fka South Harvard)	Daylight Community Development	1049 1/2 S HARVARD BLVD Los Angeles, CA 90006	10	4%	47	46	0	1	\$ 6,440,000	HS, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/29/2021	5/1/2023
23	Third PEP 4 Amendment: Thatcher Yard Housing	Thomas Safran & Associates Development, Inc.	3233 S THATCHER AVE CA 90292	11	4%	98	49	48	1	\$ 11,660,000	HF, HS, F, S, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/15/2021	5/15/2023
24	Third PEP 4 Amendment: Washington Arts Collective	Meta Housing Corporation	4615 W WASHINGTON BLVD CA 90016	10	4%	56	20	35	1	\$ 2,097,200	HF, F, CH	2/4/2021 (Actual)	4/28/2021 (Actual)	10/25/2021	11/15/2021	5/15/2023
25	Fourth PEP 4 Amendment: Barry Apartments	Affirmed Housing Group, Inc.	2454 S BARRY AVE CA 90064	11	4%	61	34	26	1	\$ 6,918,400	H, F, I, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/21/2022	3/21/2022	3/21/2024
26	Fourth PEP 4 Amendment: Central Apartments	Highridge Costa Development Company	2106 S CENTRAL AVE CA 90011	9	4%	57	56	0	1	\$ 7,840,000	H, HV, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/21/2022	3/21/2022	3/21/2024
27	Fourth PEP 4 Amendment: Lorena Plaza	A Community of Friends	3401 E 1ST ST CA 90063	14	9%	49	32	16	1	\$ 2,903,202	HF, H, F, CH	3/8/2021 (Actual)	6/16/2021 (Actual)	12/30/2021	1/10/2022	4/1/2024
28	Fourth PEP 4 Amendment: Lumina (fka Topanga Apartments)	Affirmed Housing Group, Inc.	10243 N TOPANGA CANYON BLVD CA 91311	12	4%	55	54	0	1	\$ 7,560,000	H, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	11/20/2021	12/1/2021	12/1/2023
29	Fourth PEP 4 Amendment: My Angel (fka The Angel)	Los Angeles Family Housing	8547 N SEPULVEDA BLVD CA 91343	6	4%	54	53	0	1	\$ 5,565,000	H, HV, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/21/2022	3/21/2022	3/21/2024
30	Fifth PEP 4 Amendment: Avalon 1355	Brilliant Corners	1355 N. AVALON BLVD LOS ANGELES, CA 90006	15	4%	54	53	0	1	\$ 7,000,000	H, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	6/30/2023
31	Fifth PEP 4 Amendment: Beacon Landing (fka Beacon PSH)	Abode/Mercy/LA Family Housing	319 N. BEACON STREET LOS ANGELES, CA 90731	15	4%	89	88	0	1	\$ 8,555,556	H, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	6/30/2023
32	Fifth PEP 4 Amendment: Lincoln Apartments	Venice Community Housing Corporation	2467 S LINCOLN BLVD LOS ANGELES, CA 90291	11	4%	40	39	0	1	\$ 5,460,000	Y, O, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	9/29/2023
33	Fifth PEP 4 Amendment: Rousseau (fka Enlightenment Plaza - Phase I)	Flexible PSH Solutions	316 N JUANITA AVE LOS ANGELES, CA 90004	13	4%	105	103	0	2	\$ 9,600,000	H, HV, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	9/29/2023
34	Fifth PEP 4 Amendment: Santa Monica & Vermont Apartments Phase I	LTSC (Little Tokyo Service Center) Community Development Corporation	4718 W SANTA MONICA BLVD LOS ANGELES, CA 90029	13	4%	94	47	46	1	\$ 12,000,000	M, O, F, I, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	2/7/2024
35	Fifth PEP 4 Amendment: Santa Monica & Vermont Apartments Phase II	LTSC (Little Tokyo Service Center) Community Development Corporation	4718 W SANTA MONICA BLVD LOS ANGELES, CA 90029	13	4%	93	47	45	1	\$ 12,000,000	M, O, F, I, CH	5/25/2021 (Actual)	8/11/2021 (Actual)	2/7/2022	3/7/2022	2/7/2024

Attachment A.

Proposition HHH Project Expenditure Plan FY 2020-21 Tenth Amendment for PHK

No.	Project Name	Developer	Address	CD	Leverage Source	Total Units	PSH Units	Non-PSH units	Mgr Units	Total HHH Request	Population Served	Est. Date Applying to CDLAC	CDLAC Allocation Meeting	Est. Construction Loan Closing	Est. Construction Start Date	Est. Construction End Date
36	Sixth PEP 4 Amendment: 4507 Main St	EAH Inc.	4507 MAIN ST LOS ANGELES, CA 90037	9	9%	61	31	29	1	\$ 6,000,000	H, I, CH	7/1/2021 (Actual)	10/20/2021 (Actual)	4/1/2022	5/1/2022	12/1/2024
37	Sixth PEP 4 Amendment: Vermont Manchester Senior (fka Vermont/Manchester)	BRIDGE Housing Corporation; Coalition for Responsible Community Development	8400 S VERMONT AVE LOS ANGELES, CA 90044	8	4%	62	60	0	2	\$ 12,400,000	HF, HS, F, CH	9/9/2021 (Actual)	12/8/2021 (Actual)	2/21/2022	2/28/2022	4/30/2024
38	Seventh PEP 4 Amendment: Whittier HHH (fka Whittier PSH)	Mercy Housing	3554 WHITTIER BLVD LOS ANGELES, CA 90023	14	4%	64	63	0	1	\$ 6,125,000	H, CH	9/9/2021 (Actual)	12/8/2021 (Actual)	6/6/2022	6/30/2022	11/30/2023
39	Seventh PEP 4 Amendment: Oak Apartments (fka 2745-2759 Francis Ave)	Koreatown Youth and Community Center	2745 W FRANCIS AVE LOS ANGELES, CA 90005	1	4%	64	63	0	1	\$ 6,610,000	HS, CH	9/9/2021 (Actual)	12/8/2021 (Actual)	6/6/2022	6/30/2022	12/31/2023
40	Seventh PEP 4 Amendment: The Banning (fka 841 N Banning)	Century Affordable Development, Inc.	841 N BANNING BLVD WILMINGTON, CA 90744	15	4%	64	63	0	1	\$ 8,000,000	H, CH	9/9/2021 (Actual)	12/8/2021 (Actual)	6/6/2022	6/30/2022	11/30/2023
41	Seventh PEP 4 Amendment: Voltaire Villas (fka Montesquieu Manor/Enlightenment Plaza-Phase II)	Flexible PSH Solutions; The Pacific Companies	316 N JUANITA AVE LOS ANGELES, CA 90004	13	4%	72	71	0	1	\$ 9,940,000	H, CH	9/9/2021 (Actual)	12/8/2021 (Actual)	6/6/2022	7/6/2022	10/30/2023
42	Eighth PEP 4 Amendment: Ambrosia	Domus Development, LLC	823 W MANCHESTER AVE LOS ANGELES, CA 90044	8	4%	90	80	9	1	\$ 11,200,000	H, I, CH	7/7/2022 (Estimated)	10/19/2022 (Estimated)	4/19/2023	4/30/2023	12/31/2024
43	Eighth PEP 4 Amendment: Confianza	Century Affordable Development, Inc.	14142 W VANOWEN ST VAN NUYS, CA 91405	2	4%	64	63	0	1	\$ 10,000,000	H, CH	7/7/2022 (Estimated)	10/19/2022 (Estimated)	4/19/2023	4/30/2023	10/31/2024
44	PHK PEP 4 Amendment: 7639 Van Nuys	Linc-Van Nuys Apts, LP	7639 Van Nuys	6	N/A	36	34	0	1	\$ 2,772,000	H,CH,at Risk H	N/A	N/A	3/15/2023 (Rehab.)	3/23/2023 (Rehab.)	7/12/2023 (Rehab.)
45	PHK PEP 4 Amendment: 1654 Florence	Linc-Florence Apts, LP	1654 W Florence	8	N/A	128	126	0	2	\$ 7,010,000	H,CH,at Risk H	N/A	N/A	3/15/2023 (Rehab.)	3/23/2023 (Rehab.)	7/12/2023 (Rehab.)
46	PHK PEP 4 Amendment: Temple/Alvarado	Alvarado & Temple, LLC	2812 Temple / 916 Alvarado	13	N/A	69	67	0	2	\$ 11,474,427	H,CH,at Risk H	N/A	N/A	3/15/2023 (Rehab.)	3/23/2023 (Rehab.)	7/12/2023 (Rehab.)
47	PHK PEP 4 Amendment: 6531 Sepulveda	6531 Sepulveda LP	6531 S Sepulveda	11	N/A	99	97	0	2	\$ 15,183,704	H,CH,at Risk H	N/A	N/A	3/15/2023 (Rehab.)	3/23/2023 (Rehab.)	7/12/2023 (Rehab.)
48	PHK PEP 4 Amendment: 18602 Vermont	CRCD Vermont LP	18602 S Vermont	15	N/A	136	134	0	2	\$ 4,969,012	H,CH,at Risk H	N/A	N/A	3/15/2023 (Rehab.)	3/23/2023 (Rehab.)	7/12/2023 (Rehab.)
49	PHK PEP 4 Amendment: 20205 Ventura	Volunteers of America of Los Angeles	20205 Ventura	3	N/A	146	144	0	2	\$ 5,499,364	H,CH,at Risk H	N/A	N/A	3/15/2023 (Rehab.)	3/23/2023 (Rehab.)	7/12/2023 (Rehab.)
50	PHK PEP 4 Amendment: 19325 Londelius	Volunteers of America of Los Angeles	19325 Londelius	12	N/A	117	115	0	2	\$ 14,332,435	H,CH,at Risk H	N/A	N/A	3/15/2023 (Rehab.)	3/23/2023 (Rehab.)	7/12/2023 (Rehab.)
51	PHK PEP 4 Amendment: 2010 Highland	Highland PSH, LLC	2010 Highland	4	N/A	62	61	0	1	\$ 8,337,127	H,CH,at Risk H	N/A	N/A	3/15/2023 (Rehab.)	3/23/2023 (Rehab.)	7/12/2023 (Rehab.)
52	PHK PEP 4 Amendment: 21121 Vanowen	Vanowen CP PSH, LLC	21121 Vanowen	3	N/A	101	99	0	2	\$ 20,132,519	H,CH,at Risk H	N/A	N/A	3/15/2023 (Rehab.)	3/23/2023 (Rehab.)	7/12/2023 (Rehab.)
53	PHK PEP 4 Amendment: 5050 Pico	HACLA	5050 Pico	10	N/A	79	78	0	1	\$ 143,394	H,CH,at Risk H	N/A	N/A	TBT	TBT	TBT
54	PHK PEP 4 Reallocation: 10150 Hillhaven	HACLA	10150 Hillhaven	7	N/A	34	33	0	1	\$ 1,850,000	H,CH,at Risk H	N/A	N/A	TBT	TBT	TBT
55	PHK PEP 4 Amendment: 1044 Soto	HACLA	1044 Soto	10	N/A	85	84	0	1	\$ 4,625,000	H,CH,at Risk H	N/A	N/A	TBT	TBT	TBT
56	Ninth PEP 4 Amendment: Western Landing	Abode/Mercy/LA Family Housing	25820-25896 S WESTERN AVE LOS ANGELES, CA 90710	15	4%	81	80	0	1	\$ 8,289,109	H, CH	8/9/2022 (Actual)	11/30/2022 (Actual)	5/30/2023	6/30/2023	1/31/2025
	TOTAL					3928	3475	387	65	\$ 444,494,095.00						
	Average					70	62	7	1	\$ 7,937,394.55						
to be removed	PHK PEP 4 Amendment: 740 Alvarado	HACLA	740 Alvarado	1	N/A	80	79	0	1	\$ -	H,CH,at Risk H	N/A	N/A	TBT	TBT	TBT

Notes:

All figures are HHH relevant unless specifically noted otherwise, and are subject to change until loan closing.
 Bold dates denote actuals.
 Proposition HHH PSH Loan Program funds are available for homeless units (PSH) as well as low-income (affordable) units.

Legend for Populations Served

F = Non-homeless Families	V = Non-homeless Veterans	HV = Homeless Veterans	M = Homeless Mental Illness
S = Non-homeless Seniors	H = Homeless Individuals	HS = Homeless Senior	O = Other Homeless
I = Non-homeless Individuals	CH = Chronically Homeless	Y = Homeless Youth	IHA = Homeless individuals with HIV/AIDS
D = Non-homeless disabled	HF = Homeless Families	HD = Homeless Disabled	DV = Homeless survivors of domestic violence & sex trafficking

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles



Eric Garcetti, Mayor

LOS ANGELES HOUSING DEPARTMENT

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INTER-DEPARTMENTAL MEMORANDUM

TO: PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE

FROM: ANN SEWILL, GENERAL MANAGER

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

DATE: JUNE 14, 2022

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

SUMMARY

The Los Angeles Housing Department (LAHD), formerly the Los Angeles Housing + Community Investment Department (HCIDLA) requests authorization to amend the Fiscal Year (FY) 2020-2021 Project Expenditure Plan (PEP), to include the revised thirteen projects from the Proposition HHH Permanent Supportive Housing Loan Program (HHH Program). The thirteen projects have total HHH loan commitments of \$83,000,000 (Attachment A).

RECOMMENDATIONS

- I. The General Manager of LAHD respectfully requests that the Proposition HHH Citizens Oversight Committee (COC) recommend to the Proposition HHH Administrative Oversight Committee (AOC), for further consideration by the City Council and the Mayor, to address the following actions:
 - A. APPROVE the FY 2020-2021 PEP to be amended and increased as follows:
 - i. \$2,772,000 for 7639 Van Nuys;
 - ii. \$7,010,000 for 1654 Florence;
 - iii. \$13,100,000 for Temple/Alvarado;
 - iv. \$16,938,550 for 6531 Sepulveda;
 - v. \$850,000 for 18602 Vermont;
 - vi. \$6,530,000 for 20205 Ventura;
 - vii. \$15,800,000 for 19325 Londelius;
 - viii. \$9,400,000 for 2010 Highland;
 - ix. \$3,981,056 for 21121 Vanowen,
 - x. \$143,394 for 5050 Pico;
 - xi. \$1,125,000 for 10150 Hilhaven;
 - xii. \$725,000 for 740 Alvarado;
 - xiii. \$4,625,000 for 1044 Soto.

An Equal Opportunity Employer

- B. AUTHORIZE the LAHD General Manager, or designee, to negotiate and execute loan documents, covenant/regulatory agreements, and any other documents necessary to implement the Proposition HHH Project Expenditure Plan Fiscal Year 2020-2021 (Attachment A) with each of the borrowers on projects selected for funding, subject to the approval of the City Attorney as to form; and
- C. AUTHORIZE the disbursement of HHH funds to take place after the sponsors obtain enforceable commitments for all proposed funding, including, but not limited to, the full amount of funding proposed.

BACKGROUND

FY 2020-2021 PEP Amendment

To date, there are 110 projects in the HHH Permanent Supportive pipeline, 92 of which have been included in the four PEPs. To date, there are 15 projects in the Innovative Housing Challenge pipeline, 5 of which have been included in the four PEPs. The FY 2020-2021 PEP was approved by City Council on September 14, 2020, (C.F. No. 17-0090-S15) for a total funding of \$106,516,646 and amended by City Council on April 20, 2021 for an additional funding of \$37,590,000, on June 28, 2021 (C.F. No 17-0090-S15) for an additional funding of \$26,335,000, on September 28, 2021 (C.F. No.17-0090-S15) for an additional funding of \$13,757,200, on October 19, 2021 (C.F. No.17-0090-S15) for an additional funding of \$30,786,602, and on November 23, 2021, 2021 (C.F. No.17-0090-S15) for an additional funding of \$54,615,556.

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

PEP FY 2020-2021 – 7639 Van Nuys

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

PEP FY 2020-2021 – 1654 Florence

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

PEP FY 2020-2021 – Temple / Alvarado

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

PEP FY 2020-2021 – 6531 Sepulveda

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

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

PEP FY 2020-2021 – 18602 Vermont

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

PEP FY 2020-2021 – 20205 Ventura

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

PEP FY 2020-2021 – 19325 Londelius

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

PEP FY 2020-2021 – 2010 Highland

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

1. PEP FY 2020-2021 – 21121 Vanowen

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

1. PEP FY 2020-2021 – 5050 Pico

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

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

1. PEP FY 2020-2021 – 10150 Hillhaven

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

1. PEP FY 2020-2021 – 740 Alvarado

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

1. PEP FY 2020-2021 – 1044 Soto

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

TABLE 3: FY 2020-2021 PEP Amendment						
No.	PEP Fiscal Year	Number of Projects	Total HHH Funding Request	HHH Per Unit Cost	Total Development Cost (TDC)	TDC Per U Cost
1.	2020-2021 PEP (FY20)	13	\$106,516,646	\$143,941	\$416,188,707	\$562,41
2.	2020-2021 PEP (FY20) (First Amendment Increase)	4	\$37,590,000	\$141,849	\$156,061,671	\$588,91
3.	2020-2021 PEP (FY20) (Second Amendment Increase)	5	\$26,335,000	\$86,628	\$202,502,949	\$666,12
4.	2020-2021 PEP (FY20) (Third Amendment Increase)	2	\$13,757,200	\$89,332	\$101,938,662	\$661,93
5.	2020-2021 PEP (FY20) (Fourth Amendment Increase)	5	\$30,786,602	\$111,546	\$170,725,756	\$618,57
6.	2020-2021 PEP (FY20) (Fifth Amendment Increase)	6	\$54,615,556	\$114,980	\$275,899,093	\$580,84
7.	2020-2021 PEP (FY20) (Sixth Amendment Increase)	2	\$18,400,000	\$149,593	\$84,599,682	\$687,802.
8.	2020-2021 PEP (FY20) (Current Amendment Increase)	9	\$83,000,000	\$111,441	\$426,778,183	\$491,68
	TOTAL	46	\$371,001,004	\$118,664	\$1,834,694,703	\$607,28

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

ATTACHMENTS:

Attachment A: Project Staff Reports

Attachment A - Project Staff Reports

STAFF REPORT
Revised as of: February 4, 2022

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

New Construction
Council District 13

PROJECT DESCRIPTION

2812 W. Temple Street is a 42-unit new construction multifamily property, with anticipated construction completion of 7/31/2021. The apartment building has 4 stories with parking garage on the first floor and the apartment units on the remaining floors. The building features forty-two (42) units, including one (1) manager's unit, eighteen (18) studios, twenty-four (24) 1BRs, onsite laundry, and one elevator. Twenty-five (25) units will be leased to be At-Risk of Homelessness units, and fifteen (15) will be Chronically Homeless. 916 North Alvarado is a 27-unit new construction multifamily property, with anticipated construction completion of 6/31/2021. The apartment building has 4 stories with parking garage on the first floor and the apartment units on the remaining floors. The building features forty-two (27) units, including one (1) manager's unit, eighteen (24) studios, twenty-four (2) 1BRs, onsite laundry, and one elevator. Units will be leased to be At-Risk of Homelessness units and Chronically Homeless.

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

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

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

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

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

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

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

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

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

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

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

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

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

18602 S Vermont Ave is a 136-unit hotel built in 1998. The property includes a four-story building with guest rooms, a lobby, office, family room, and laundry facilities, and is surrounded by a surface parking lot. Each guest room features a kitchenette with a range, sink, refrigerator, countertops and cabinets. The ground level nonresidential spaces will be used for offices, supportive service delivery, and community space for residents and staff. Forty-four (44) units will be leased as Chronic Homelessness units, and eighty-seven (87) will be targeted to persons who are at Risk of Homelessness.

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

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

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

20205 Ventura Blvd is a 146 unit hotel built in 2000. The property includes a four-story building with guest rooms, a lobby, office, family room, and laundry facilities, and is surrounded by a surface parking lot. Each guest room features a kitchenette with a range, sink, refrigerator, countertops and cabinets. The ground level nonresidential spaces will be used for offices, supportive service delivery, and community space for residents and staff. Forty-four (44) units will be leased as Chronic Homelessness units, and eighty-seven (87) will be targeted to persons who are at Risk of Homelessness.

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

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

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

19325 Londelius Street is a 117 unit hotel built in 2005. The property includes a four-story building with guest rooms, a lobby, office, family room, and laundry facilities, and is surrounded by a surface parking lot. Each guest room features a kitchenette with a range, sink, refrigerator, countertops and cabinets. The ground level nonresidential spaces will be used for offices, supportive service delivery, and community space for residents and staff. Forty-four (44) units will be leased as Chronic Homelessness units, and eighty-seven (87) will be targeted to persons who are at Risk of Homelessness.

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

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

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

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

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

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

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

Of the 101 units, 35 will have a Section 8 Project Based Voucher, secured through a HACLA NOFA released in January 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 18% of AMI for Los Angeles County on average. The Project is also requesting an HCD operating subsidy of \$1000 per unit, per month for three years to provide for supportive services, security and other eligible operating expenses. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense.

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

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

Of the 79 units, all units will have a Section 8 Project Based Voucher, secured through a HACLA NOFA released in January 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 18% of AMI for Los Angeles County on average. The Project is also requesting an HCD operating subsidy of \$1000 per unit, per month for three years to provide for supportive services, security and other eligible operating expenses. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense.

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

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

Of the 34 units, all units will have a Section 8 Project Based Voucher, secured through a HACLA NOFA released in January 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 18% of AMI for Los Angeles County on average. The Project is also requesting an HCD operating subsidy of \$1000 per unit, per month for three years to provide for supportive services, security and other eligible operating expenses. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense.

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

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

Of the 80 units, all units will have a Section 8 Project Based Voucher, secured through a HACLA NOFA released in January 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 18% of AMI for Los Angeles County on average. The Project is also requesting an HCD operating subsidy of \$1000 per unit, per month for three years to provide for supportive services, security and other eligible operating expenses. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense.

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department

STAFF REPORT
As of: February 4, 2022

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

PROJECT DESCRIPTION

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

Of the 85 units, all units will have a Section 8 Project Based Voucher, secured through a HACLA NOFA released in January 2022. It is projected, based on the applicants' experience with Homekey Round 1 properties, that residents of the Project will be able to pay rent at the level of 18% of AMI for Los Angeles County on average. The Project is also requesting an HCD operating subsidy of \$1000 per unit, per month for three years to provide for supportive services, security and other eligible operating expenses. The need for supportive services will be greatest following the initial lease-up, and it is anticipated that over the course of the first three years of operation, as residents' living situations stabilize, residents will obtain employment and public assistance income that will reduce the supportive services expense.

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

AFFORDABILITY STRUCTURE

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

FUNDING RECOMMENDATION

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

Prepared by: Los Angeles Housing Department