

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Item 6

Date: July 3, 2023

To: Proposition HHH Administrative Oversight Committee

From: Proposition HHH Citizens Oversight Committee

Subject: **COMMUNICATION FROM THE PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE RELATIVE TO THE PROPOSITION HHH COMMITMENT LETTER EXTENSION REQUEST FOR GRANDVIEW APARTMENTS**

At its meeting on June 16, 2023, the Proposition HHH (Prop HHH) Citizens Oversight Committee (COC) considered the attached report from the Los Angeles Housing Department relative to a Prop HHH Permanent Supportive Housing Loan Program commitment extension for the Grandview Apartments. The Prop HHH COC voted to forward the report to the Prop HHH Administrative Oversight Committee for consideration.

*MWS:YC:MZ:02230169c*

Attachment

Ann Sewill, General Manager  
Tricia Keane, Executive Officer

City of Los Angeles



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Daniel Huynh, Assistant General Manager  
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Luz C. Santiago, Assistant General Manager

Karen Bass, Mayor

## INTER-DEPARTMENTAL MEMORANDUM

TO: PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE

FROM: ANN SEWILL, GENERAL MANAGER *Ann Sewill*

DATE: LOS ANGELES HOUSING DEPARTMENT, FORMERLY LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT  
JUNE 16, 2023

REGARDING: PROPOSITION HHH PERMANENT SUPPORTIVE HOUSING LOAN PROGRAM - HHH COMMITMENT EXTENSION RECOMMENDATION

## SUMMARY

On July 20, 2018, the Los Angeles Housing Department (LAHD), formerly the Los Angeles Housing + Community Investment Department (HCIDLA), issued the Proposition HHH Permanent Supportive Housing Loan Program 2018 Call for Projects Round 1 (C.F. No. 17-0090-S8). The Grandview Apartments project received an HHH Funding Commitment letter approved by Council on October 19, 2018 (C.F. 17-0090-S8). The project described herein will not be able to meet its target closing date before the expiration of its funding commitment letter.

Through this report, LAHD requests that the City Council and the Mayor authorize the extension of the HHH funding commitment for Grandview Apartments (see Table 1).

## 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 action:
  - A. AUTHORIZE LAHD to issue an extension to the HHH Funding Commitment letter for the project identified in Table 1 of this report. The recommended project is the result of the 2018 Call for Projects Round 1 and previously received an HHH Funding Commitment letter extension approved by Council on October 19, 2018 (C.F. 17-0090-S8).

**BACKGROUND**

Recipients of the HHH funding commitment received a 24-month conditional commitment. The commitment expires if the project does not obtain all the required financial and legal approvals necessary for construction loan closing within 24 months of the date of funding award.

On April 17, 2020, in response to the COVID-19 virus, the Mayor of the City of Los Angeles tolled and suspended the commitment expiration dates contained within all HHH Commitment Letters (Attachment A). On February 1, 2023, the Los Angeles City Council lifted the COVID-related local State of Emergency declaration. Consequently, the tolling (or suspension) of all LAHD financing and predevelopment deadlines, per the Mayor's Public Order dated April 17, 2020 (Mayor's Tolling Order), has been lifted as of February 1, 2023 (Attachment B).

Per the declaration and lift of the Mayor's Public Order, LAHD extended the expiration date for HHH projects by the "Tolling Period" of 1,020 days. The "Tolling Period" is defined as the number of days between the date that the Mayor's Tolling Order became effective (April 17, 2020) and the date the order was lifted (February 1, 2023), inclusive of the end date. Therefore, based on the original expiration date of October 19, 2020, and an extension of 1,020 days, the new expiration date for the Grandview Apartments is August 5, 2023.

LAHD received a request for this project seeking an extension of its HHH funding commitment. The project has a total development cost of approximately \$77 million and will provide a total of 100 units. Of this total, there are 54 Supportive Housing units for chronic and non-chronic homeless individuals and families, and 45 affordable housing units for low-income families.

Table 1, below, lists the project requesting an extension of their HHH funding commitment. LAHD recommends that this project receive the requested HHH funding commitment extensions.

TABLE 1: Project Requesting HHH Commitment Letter Extension						
No.	Project Name	Total Units	Total HHH Funding Request	HHH Per Unit Cost	Total Development Cost (TDC)	TDC Per Unit Cost
1.	Grandview Apartments	100	\$12,000,000	\$120,000	\$77,236,127	\$772,361
		<b>100</b>	<b>\$12,000,000</b>	<b>\$120,000</b>	<b>\$77,236,127</b>	<b>\$772,361</b>

**Reason for Extension**

The project underwent a lengthy delay to the project's land use and environmental approvals due to a CEQA-related lawsuit, which delayed subsequent requests for funding. Since then, the project has settled the lawsuit, secured necessary funding and secured bonds from CDLAC. The Developer requests an extended expiration date of December 31, 2023 to ensure the project has sufficient time to close their construction loan. Consequently, LAHD recommends an expiration date of December 31, 2023.

**Fiscal Impact**

There is no impact to the General Fund.

ATTACHMENT:

Attachment A: Public Order Under City of Los Angeles Emergency Authority

Attachment B: Applicable LAHD Deadlines After Tolling Order Lifted



ERIC GARCETTI  
MAYOR

## **Public Order Under City of Los Angeles Emergency Authority**

**Issue Date: April 17, 2020**

### **Subject: Tolling HCIDLA Deadlines and Revising Expiration of Emergency Orders**

To further aid in our efforts to slow the spread of the COVID-19 virus, by virtue of authority vested in me as Mayor of the City of Los Angeles under the provisions of the Los Angeles Administrative Code, Chapter 3, Section 8.29 to promulgate, issue, and enforce emergency rules, regulations, orders, and directives, I hereby declare the following order to be necessary for the protection of life and property and I hereby order, effective immediately and until the end of the emergency period, that:

All deadlines prescribed by the Los Angeles Housing and Community Investment Department (HCIDLA) related to the financing and predevelopment activities necessary to develop or rehabilitate affordable and supportive housing shall be tolled and suspended until further notice. This will ensure development of affordable housing can continue within the limits of the Safer At Home order, and after the emergency has ended, without penalties caused by missed deadlines.

This order shall apply, without limitation, to the following non-exhaustive list of circumstances:

1. **Exclusive Negotiation Agreements:** During the effective period of this order, toll the term of Exclusive Negotiation Agreements and all deadlines contained within them.
2. **Site Control:** During the effective period of this order, toll the deadline to demonstrate site control as required by the Mayor's Housing Innovation Challenge.

# Attachment B: Applicable LAHD Deadlines After Tolling Order Lifted



KAREN BASS  
MAYOR

**Issue Date:** March 14, 2023

**RE: Applicable LAHD (formerly HCIDLA) Deadlines After Tolling Order Lifted**

The Los Angeles City Council recently took action to lift the State of Emergency declaration as of February 1, 2023. As a result, the Mayor's Public Order dated April 17, 2020, addressing the Los Angeles Housing Department (LAHD, formerly HCIDLA) financing and predevelopment deadlines was rescinded, and the tolling and suspension of all LAHD deadlines related to financing and predevelopment activities necessary to develop or rehabilitate affordable and supportive housing was lifted. Except with respect to the Housing Innovation Challenge program deadlines discussed below, effective as of February 1, 2023, each applicable deadline related to financing and predevelopment activities necessary to develop or rehabilitate affordable and supportive housing are no longer suspended. Developers are encouraged to review the original deadlines associated with their financing as they existed on April 17, 2020 and apply those timelines starting as of February 1, 2023.

Notwithstanding the foregoing, projects that are a part of the Housing Innovation Challenge program shall now have until February 1, 2024, to secure all financial commitments and August 1, 2024, to close on construction financing.

Please reach out to the assigned financial development officer at LAHD for further questions or clarifications.

Sincerely,

A handwritten signature in black ink that reads 'Karen Bass'.

Mayor Karen Bass

3. Schedule of Performance: During the effective period of this order, toll all dates contained within executed Term Sheets and Disposition and Development Agreements.

4. Funding Commitments: During the effective period of this order, toll the commitment expiration dates contained within all HHH Commitment Letters and Managed Pipeline Commitment Letters.

HCIDLA is authorized to hold public hearings prescribed by the Tax Equity and Fiscal Responsibility Act (TEFRA) in a manner consistent with the Governor's Executive Order N-29-20, and any subsequent orders or published guidance, pertaining to local bodies.

Nothing in this Order prohibits HCIDLA from continuing to process applications in a reasonable and timely manner.

This Order is subject to any applicable superseding State and Federal deadlines, including but not limited to, deadlines related to Federal and State bond inducement, TEFRA, or issuance resolutions.

**Order Extending the Expirations of Prior Orders**

The expiration of the City of Los Angeles public emergency orders, dated March 15, 21, and 23, 2020, are hereby extended until the end of the local emergency period.



Eric Garcetti, MAYOR

Dated: April 17, 2020 at Los Angeles, California  
Time: 6:30pm

Filed with the City Clerk  
Date: \_\_\_\_\_  
Time: \_\_\_\_\_  
By: \_\_\_\_\_