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INTER-DEPARTMENTAL MEMORANDUM

TO: Proposition HHH Citizens Oversight Committee
FROM: Los Angeles Housing Department
DATE: April 28, 2022
REGARDING: **Proposition HHH-Funded Project Homekey 2.0 Status Report**

RECOMMENDATION

That the Committee review this report, and Note and File.

SUMMARY

On May 10, 2022, LAHD released a Request for Proposals (RFP) to solicit proposals to operate nine pre-selected sites as Permanent Supportive Housing as part of Homekey Program Round 2 (Project Homekey 2.0) sponsored by the California Department of Housing & Community Development (HCD). Since the Owner/Operators were selected and approved by Council in September 2022, LAHD has been working with HCD, the Owner/Operators, and the Housing Authority of the City of Los Angeles (HACLA) to meet State and City program requirements and prepare for the transfer and rehabilitation of these properties.

On April 5, 2023, Linc Housing informed LAHD that it would no longer be moving forward with the 7639 Van Nuys project due to the anticipated rehabilitation cost. As of that date, no agreements between the City and Linc Housing had been executed.

At this time, due to the urgency to initiate rehabilitation work and begin leasing in the project, LAHD recommends that the project remain under its current ownership with HACLA and that the City enter into loan and regulatory agreements with HACLA to provide acquisition and rehabilitation funding for the project. HACLA has conceptually agreed to take on the project, pending the approval of its Board of Commissioners on May 25, 2023. City Council approval of this change will also be sought in May 2023.

HACLA anticipates beginning rehabilitation work at Van Nuys by July 1 and completing it within 90 days, and plans to begin lease-up during rehabilitation with full occupancy expected by August 31. HACLA, which owns and operates nearly 7,000 units of public housing and has a standardized process for rehabilitation work, anticipates that the approved funding for rehabilitation at 7639 Van Nuys will be sufficient.

LAHD is now finalizing loan agreements with each Owner/Operator and preparing to transfer properties to their Owner/Operators with an estimated date for all properties of May 31. Owner/operators have been directed to prepare plans and seek permits with an expected construction start date of July 1. Projects are expected to begin leasing units not undergoing construction by August 1 and achieve 50% lease-up by December 31 or sooner. Construction on the remaining units, common areas, office/service spaces and other items as needed is expected to be completed on the schedules provided by the Owner/Operators. 100% lease-up is expected one month after the completion of construction.

| Project Homekey 2.0 Timelines as of April 28, 2023 | | | | | | |
|--|----|-------|----------------------|---|----------------------------|---------------------------|
| Address | CD | Units | Anticipated Transfer | Anticipated Construction Completion for Accessibility | Anticipated Lease Up Ready | Anticipated 100% Lease Up |
| 7639 Van Nuys | 6 | 36 | 5/31/23* | 9/30/23 | 5/1/2023 | 8/31/23 |
| 1654 W Florence | 8 | 128 | 5/31/23 | 3/31/24 | 8/1/2023 | 4/30/24 |
| 2812 W Temple | 13 | 42 | 5/31/23 | 4/30/24 | 8/1/2023 | 5/30/24 |
| 916 N Alvarado | 13 | 27 | 5/31/23 | 4/30/24 | 8/1/2023 | 5/30/24 |
| 6531 S Sepulveda | 11 | 124 | 5/31/23 | 1/31/24 | 8/1/2023 | 2/28/24 |
| 18602 S Vermont | 15 | 136 | 5/31/23 | 2/28/24 | 8/1/2023 | 3/31/24 |
| 20205 Ventura | 3 | 146 | 5/31/23 | 3/31/24 | 8/1/2023 | 4/30/24 |
| 19325 Londelius | 12 | 117 | 5/31/23 | 3/31/24 | 8/1/2023 | 4/30/24 |
| 2010 Highland | 4 | 62 | 5/31/23 | 7/31/24 | 8/1/2023 | 8/30/24 |
| 21121 Vanowen | 3 | 101 | 5/31/23 | 1/31/24 | 8/1/2023 | 2/28/24 |
| HACLA-Owned | | | | | | |
| 5050 W Pico | 15 | 79 | N/A | 1/28/2022 | 11/30/2022 | 91% leased |
| 10150 Hillhaven | 7 | 34 | N/A | 11/22/2022 | 12/20/2022 | 100% leased |
| 1044 N Soto | 14 | 85 | N/A | 5/15/2023 | 5/15/2023 | 8/15/2023 |
| 740 S Alvarado** | 1 | 80 | N/A | 8/4/2022 | 11/15/2022 | 91% leased |

*HACLA Board and City Council authority is required to approve HACLA as ongoing owner/operator for this project, anticipated in May. If approved, this project will remain under HACLA's ownership.

**Per the PEP amendment under review at the May 4, 2023 AOC meeting, this project will no longer receive HHH funds.

PROJECT DESCRIPTIONS

7639 Van Nuys

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



The Van Nuys Boulevard property is a newly-constructed, four-story, 36-unit multifamily property located at 7639 Van Nuys Blvd, Van Nuys, CA 91405. The building will be adapted focusing on two areas: 1) repairs to ensure habitability, health and safety, and ADA improvements; and 2) repairs to improve functionality given the target population. The majority of the renovations will be focused on improving ADA accessibility at the property. Four ADA mobility units will be created as well as two audio/visual communication units, and the remainder of the units will be renovated to meet ADA adaptability standards. Additional ADA improvements in common areas are also planned, including an accessible path of travel throughout the building and grounds, installing fully ADA-compliant signage, and adding two-way communication upgrades at elevators on each floor.

The property currently consists of eight 1-bedroom units and 28 2-bedroom units. Two 2-bedroom units will be repurposed to serve as community/office space and as a property manager's unit. Additionally, an existing rooftop deck and interior courtyard will be modified to meet ADA and population-specific needs. Once completed, the project will offer a community room, case management offices and meeting rooms, and a property manager's office at the ground floor lobby as well as a community courtyard and rooftop patio for outdoor recreation. Parking is available at the property via secured ground level and subterranean parking garages. Additional building amenities include an elevator, trash chutes, mail area, bike storage area, and security features including security cameras and an electronically secured front door. All units will contain a full kitchen including a range, refrigerator, and garbage disposal. All units will also include air conditioning and heating and in-unit washer and dryer. Half of the units on site will be set aside for homeless households and the remaining units will be designated for households who are at-risk of homelessness.

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 | - |

HHH Funding

Up to \$5,282,287 including revolving loan
Up to \$2,772,000 per the PEP

1654 W Florence Ave

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



1654 Florence is a 128-unit new construction multifamily property completed in 2021. The building has five stories with a parking garage on the first floor and apartment units on the remaining floors. The building features one 128 units, including one manager's unit, one maintenance staff unit, two deck spaces, balconies, onsite laundry, and two elevators. Eighty-two units will serve the Homeless and 45 will serve Chronically Homeless, with one manager's unit. The scope of rehabilitation will include 15 units made fully accessible to mobility-impaired individuals and 6 units with communication features for hearing and visually impaired residents.

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 | - |

HHH Funding

Up to \$12,264,075 including revolving loan

Up to \$7,009,120 per the PEP

2812 W Temple / 916 Alvarado

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

New Construction

Council District 13



2812 W. Temple Street is a 42-unit new construction multifamily property completed in 2021. The building has four stories with a parking garage on the first floor and apartment units on the remaining floors. The building features 42 units, including one manager's unit, 18 studios, 24 one-bedroom units, onsite laundry, and one elevator. Twenty-five units will serve those At-Risk of Homelessness, and 15 will serve Chronically Homeless.

916 North Alvarado is a 27-unit new construction multifamily property completed in 2021. The building has four stories with a parking garage on the first floor and apartment units on the remaining floors. The building features 27 units, including one manager's unit, 24 studios, 2

one-bedroom units, onsite laundry, and one elevator. Units will serve those At-Risk of Homelessness and Chronically Homeless.

Affordability Structure

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|--------------|---------------|--------------|-------------|------------|----------------|
| 0 Bedroom | 41 | - | 41 | 42 | - |
| 1 Bedroom | 26 | 1 | 27 | 26 | - |
| 2 Bedroom | - | 1 | 1 | - | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 67 | 2 | 69 | 67 | - |

HHH Funding

Up to \$15,199,613 including revolving loan

Up to \$11,457,300 per the PEP

6531 S Sepulveda Blvd

6531 S Sepulveda Blvd, Los Angeles, CA 90045

Extended Stay Hotel

133 Units (proposed reduction to 101 units)

Council District 11



The Extended Stay Hotel located at 6531 Sepulveda Blvd. was constructed in 1999. The developer plans to add one-bedroom units, community space, office space and space for supportive service staff, reducing the unit count to 101. The scope of work also includes meeting accessibility requirements for common areas, units fully accessible to mobility-impaired individuals, and units with communication features for hearing and visually impaired residents.

LAHD has worked with HACLA and its relocation consultant, ESA on relocation plans and for hotel guests currently staying on-site. HCD awarded relocation funds in the amount of \$818,750, and LAHD has negotiated with the sellers to set aside relocation funds in escrow in the amount of \$511,717. The total amount available for relocation is \$1,330,467 and the relocation consultant has estimated relocation benefits to total \$1,265,190.

Affordability Structure

| Unit Type | 30% AMI Units | Manager Unit | Total Units | PSH Funded | Non-PSH Funded |
|--------------|---------------|--------------|-------------|------------|----------------|
| SRO | - | - | - | - | - |
| 1 Bedroom | 99 | 2 | 101 | 99 | - |
| 2 Bedroom | - | - | - | - | - |
| 3 Bedroom | - | - | - | - | - |
| Total | 99 | 2 | 101 | 99 | - |

HHH Funding

Up to \$22,162,454 including revolving loan
 Up to \$15,245,538 per the PEP

18602 S Vermont Ave

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



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 units will serve the Chronically Homeless, and 87 will serve those At Risk of Homelessness.

LAHD has worked with HACLA and its relocation consultant, ESA on relocation plans and for hotel guests currently staying on-site. HCD has awarded relocation funds in the amount of \$1,172,500 and LAHD has negotiated with the sellers to set aside relocation funds in escrow as needed in the amount of \$1,030,495. The total amount available for relocation is \$2,202,995. The relocation consultant has estimated relocation benefits to total \$1,587,396.

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 | 134 | - |

HHH Funding

Up to \$11,795,149 including revolving loan
Up to \$4,969,012 per the PEP

20205 Ventura Blvd

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



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 units will serve the Chronically Homeless, and 87 will serve those at Risk of Homelessness.

LAHD has worked with HACLA and its relocation consultant, ESA on relocation plans and for hotel guests currently staying on-site. HCD has awarded relocation funds in the amount of \$900,000 and LAHD has negotiated with the sellers to set aside relocation funds in escrow as needed in the amount of \$3,879,131. The total amount available for relocation is \$4,779,131. The relocation consultant has estimated relocation benefits to total \$1,595,614.

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 | - |

HHH Funding

Up to \$12,311,028 including revolving loan

Up to \$5,525,465 per the PEP

19325 Londelius

19325 Londelius, Los Angeles, CA 91324

Extended Stay Hotel

117 Units

Council District 12



19325 Londelius St. 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.

LAHD has worked with HACLA and its relocation consultant, ESA, on relocation plans and for hotel guests currently staying on-site. HCD has awarded relocation funds in the amount of \$718,750 and LAHD has negotiated with the sellers to set aside relocation funds in escrow as needed in the amount of \$1,813,644. The total amount available for relocation is \$2,532,394. The relocation consultant has estimated relocation benefits to total \$866,306.

Affordability Structure

| Unit Type | 30% AMI Units | Manage 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 | - |

HHH Funding

Up to \$19,447,515 including revolving loan

Up to \$14,368,535 per the PEP

BLVD Hotel

2010 N Highland Ave, Los Angeles, CA 90068

New Construction

62 Units

Council District 4



2010 N Highland Ave. is a 62-room hotel property located in Hollywood. The building has four stories with a 45-space parking garage, 400-square foot lobby on the ground floor, and hotel rooms on the remaining floors. The building features 62 rooms, 60 of which will be converted to studio units and two two-bedrooms; business centers on each residential floor which will be converted to office space; and one elevator. Thirty-nine units will serve those At-Risk of Homelessness, and 28 will serve the Chronically Homeless.

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 | - |

HHH Funding

Up to \$13,222,032 including revolving loan

Up to \$8,320,000 per the PEP

21121 Vanowen

21121 Vanowen St, Los Angeles, CA 91303

New Construction

101 Units

Council District 3



21121 Vanowen is a 101-unit new construction multifamily property completed in 2022. The building has five stories with a parking garage on the first floor and apartment units on the remaining floors. The building features 101 units, including 2 manager's units, 41 studios, 46 one-bedroom units. Sixty-four units will serve those At-Risk of Homelessness, and 35 will serve Transitional Age Youth.

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 | - |

HHH Funding

Up to \$24,489,732 including revolving loan

Up to \$20,132,519 per the PEP

HACLA SITES

Three sites to be owned and operated by HACLA will receive a \$15-million loan of HHH funds for rehabilitation. HACLA's original proposal was for four sites, but in February 2022 they submitted a request that the loan be used to fund three sites. This request is pending City Council approval and a subsequent revision to the HHH Project Expenditure Plan. The three sites are detailed below.

5050 W Pico

5050 W Pico Blvd., Los Angeles, CA 90019

New Construction

79 Units

Council District 10



5050 Pico is a 79-unit new-construction multifamily property. All units will serve Homeless populations at 30% AMI or lower. LAHD will provide a loan to HACLA to fund rehabilitation. Currently, HACLA is working on a rehabilitation design and accessibility requirements for the site.

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 | - |

HHH Funding

Up to \$143,394

10150 Hillhaven

10150 Hillhaven Ave., Los Angeles, CA 91042

New Construction

34 Units

Council District 7



10150 Hillhaven is a 34-unit new construction multifamily property. All units will serve Homeless populations at 30% AMI or lower. LAHD will provide a loan to HACLA to fund rehabilitation. Currently, HACLA is working on a rehabilitation design and accessibility requirements for the site.

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 | - |

HHH Funding

Up to \$1,125,000 per PEP Amendment 4. Change to \$1,850,000 requested in PEP Amendment 10.

1044 Soto

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



1044 Soto is an 85-unit new construction multifamily property. All units will serve Homeless populations at 30% AMI or lower. Currently, HACLA is working on a rehabilitation design and accessibility requirements for the site.

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 | - |

HHH Funding

Up to \$4,625,000