

City of Los Angeles
Proposition HHH
Administrative Oversight Committee (AOC)
Minutes for the Meeting held on:
Thursday, February 28, 2019

AOC members in attendance:

Richard H. Llewelyn, CAO
Karen Kalfayan for Sharon Tso, CLA
Matt Szabo, Mayor's Office

The meeting was called to order at 2:06 p.m. by City Administrative Officer, Richard H. Llewelyn.

1. General Public Comment, Multiple Agenda Item Comment

- Public Comment was heard from 3 speakers:
Fernando Chacon, Irene Peña, Aydin Akbarut

2. Approval of Minutes for January 31, 2019 AOC Meeting

- The minutes were approved without objection.

3. Update on Fiscal Year (FY) 2017-18 and 2018-19 Proposition HHH (Prop HHH) Bond Issuance Projects

- Verbal Presentation by Tim Elliot and Ed Gipson from the Housing and Community Investment Department (HCID) and Elyse Matson, Office of the City Administrative Officer (CAO).

4. Consideration of Prop HHH Permanent Supportive Housing (PSH) Loan Program Commitments –FY 2018-19 Round 2 Call for Projects

- Report and Verbal Presentation by Rushmore Cervantes, Sean Spear, Ed Gipson, and Tim Elliot, HCID.
- The AOC forwarded the report and recommended that the City Council authorize the Housing and Community Investment Department to issue letters of commitment as outlined in the attached report Table 2A, subject to the following conditions:
 1. The final Proposition HHH Permanent Supportive Housing Loan Program financial commitment will not exceed \$244,520,000, per the breakdown of projects listed in Table 2A of the report;
 2. The disbursement of Proposition HHH program funds will take place after the project sponsor obtains enforceable commitments for all

proposed project funding, including, but not limited to, the full amount of funding and/or tax credits proposed in the Call for Projects application, and the project has been approved on the annual Proposition HHH Project Expenditure Plan (PEP); and,

3. Approve the following two conditional waivers of the Proposition HHH Permanent Supportive Housing Program Regulations for the 410 E. Florence Avenue (CD 9) project:
 - a. Waive the per unit loan limit for non-tax credit supported units; and,
 - b. Waive the requirement that Proposition HHH loans cannot exceed 50 percent of the project's total development cost.
4. Additionally, Table 4 in the report was revised as provided below with the correct Prop HHH Facilities Program Commitment and Staffing amounts:

TABLE 4: PROPOSITION HHH SUPPORTIVE HOUSING & HHH FACILITIES PROGRAM STATUS

Commitments	Amount of Prop HHH Committed	Number of Projects	Total Number of Units	Prop HHH Average Per-Unit Subsidy
FY 17-18 PEP	\$73,157,162	9	615	\$118,954
FY 18-19 PEP	\$238,515,511	24	1517	\$157,228
Letters of Commitment Issued to Date	\$245,080,750	22	1579	\$155,935
FY 18-19: 2 nd Call for Projects/Letters of Commitment Recommended (2/15/19)	*\$256,920,000	*24	*1677	*\$180,253
Prop HHH Pilot Bond Authority Reservation	\$120,000,000			
Funds Committed to Facilities (FY 17-18 and 18-19)	\$49,857,661		N/A	N/A
Staffing	\$1,070,672		N/A	N/A
Total Encumbrances	\$984,601,756	79 projects	5,388 units	

* Totals include \$12,400,000 and 180 units from previously approved Vermont/Manchester per C.F. No. 17-0090-S12

5. Proposed Prop HHH Pilot Program

- Report and Verbal Presentation by Rushmore Cervantes, Sean Spear, and Ed Gipson from HCID, and Ben Winter from the Mayor's Office.
- The AOC recommended that the City Council approve HCID's report and authorize HCID to release the RFP, which was amended as follows:

1. The RFP scoring process includes the following steps:

- a. Initial review of minimum threshold requirements;
 - b. A panel review with applicants that meet threshold requirements to review their applications and provide feedback; and
 - c. Numerical scoring process of applications that received a panel review.
2. The requirement that a lead developer or managing general partner must have “been the lead developer of at least two affordable housing projects placed in services for a period of more than one year within the last three years” has been moved to the Evaluation Criteria Section III.D;
 3. The Evaluation Criteria Section III.D to allow applicants to receive points for experience with any type of multifamily housing has been broadened;
 4. The addition of a contracting requirement that awardees must indemnify the City if claiming an exception to Prevailing Wage; and
 5. The addition of a requirement that any project that entails permanent displacement of existing tenants is not eligible.

6. Next Scheduled Meeting – March 28, 2019

7. Adjournment – Meeting adjourned at 3:05 P.M.