

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: August 15, 2018

To: Proposition HHH Citizens Oversight Committee

From: Office of the City Administrative Officer
Housing and Community Investment Department

Subject: **QUARTERLY REPORT – FISCAL YEAR 2017-18 PROPOSITION HHH BOND ISSUANCE (APRIL 1 – JUNE 30, 2018)**

RECOMMENDATION

That the Citizens Oversight Committee (COC) review the Quarterly Report for the Fiscal Year 2017-18 Proposition HHH Bond Issuance (April 1 – June 30, 2018) and forward the report to the Administrative Oversight Committee (AOC).

SUMMARY

The first Proposition HHH (Prop HHH) bond issuance in Fiscal Year (FY) 2017-18 of \$89,739,879 included \$87,879,381 for nine (9) projects under the Prop HHH Permanent Supportive Housing (PSH) Loan Program and four (4) projects under the Prop HHH Facilities Program. An additional \$1,203,933 was included for staff costs (C.F. 17-0090).

This report describes items of note for Prop HHH projects approved in this first issuance. The attached Quarterly Report provides the following information for each Prop HHH project:

- Project Information:
 - Project name, developer, address and council district, population served;
 - Total number of units, number of PSH units, units for chronically homeless, affordable units, manager units, and non-HHH funded units (PSH Loan Program projects only); and
 - Project type (Facilities Program projects only).
- Prop HHH Project Award Amount;
- Total Development Cost;
- Loan Agreement Execution Date (PSH Loan Program projects only) and Contract Execution Date (Facilities Program projects only);
- Commitment Date (PSH Loan Program projects only);
- Cost Per Unit (PSH Loan Program projects only);
- Construction Start Date;
- Construction Completion Date;

- Permanent Loan Conversion Date (PSH Loan Program projects only);
- Prop HHH Quarterly Expenditures and Fiscal Year Totals; and
- Notes (outlining delays, concerns, etc.).

PROPOSITION HHH STATUS REPORT – ITEMS OF NOTE

Proposition HHH Permanent Supportive Housing Program

- The 88th and Vermont project began construction on April 2, 2018.
- As of June 30, 2018, \$3,751,066 has been expended on Proposition HHH PSH Loan Program projects.
- McCadden Youth/AMRC TAY and RISE Apartments projects experienced delays due to construction cost increases. Both projects are now estimated to begin construction in October 2018.
 - HCID has requested funding for the RISE Apartments from the City's allocation from the State of California Homeless Emergency Aid Program (HEAP) increased construction costs.
- The Casa del Sol project received a CDLAC allocation in May 2018 and will start construction in September 2018.
- The FLOR 401 Lofts project applied for a CDLAC bond allocation in May 2018, with funding to be provided in July 2018. These funds would cover any previously reported funding gaps. The estimated construction start date remains December 2018.
- The SP7 Apartments RECAP project received a CDLAC bond allocation in March and closed the Housing Opportunities for Persons with AIDS (HOPWA) loan in June. The estimated construction start date is now October 2018.
- The Pointe on Vermont project's CDLAC bond allocation has been delayed to October 2018 due to new funding gaps. The project applied to the HCID Pipeline and HCID has requested funding from the City's HEAP allocation to cover previously reported funding gaps, and is now awaiting the results of additional gap funding applications. The new estimated construction start date has been changed to January 2019.
 - Previous reports incorrectly noted 26 Non-HHH Funded units in this project. This number has been corrected to zero (0) in the attached Quarterly Report.

Proposition HHH Facilities Program

- The 88th and Vermont Youth and Community Center Project began construction on April 2, 2018. Funds for this project are fully encumbered and expenditures are expected in the next quarterly report.
- The South Campus project began construction on June 10, 2018. Funds for this project are fully encumbered and expenditures are expected in the next quarterly report.
- The Joshua House Health Center submitted funding draws this quarter, which are pending approval. Expenditures are expected to be reflected in the next

quarterly report.

- The City-sponsored Council District 8 Navigation Center project is now expected to begin construction in September 2018 due to a necessary redesign.

FY 2018-19 Proposition HHH Issuance

In June 2018, the Mayor and Council approved the FY 2018-19 Prop HHH Project Expenditure Plan (PEP; C.F. 17-0090-S6) and the City issued bonds in the total amount of \$276,235,694 on July 13, 2018. The FY 2018-19 PEP includes \$37,720,183 for Prop HHH Facilities Program projects, and \$238,515,511 for Prop HHH PSH Loan Program Projects. The first Quarterly Report for the FY 2018-19 Prop HHH Bond Issuance will be provided in January 2019.

Attachment – Proposition HHH Quarterly Report – June 2018

Proposition HHH Quarterly Report - June 2018

Proposition HHH Permanent Supportive Housing (PSH) Loan Program GOB Series 2017-A (Taxable)

Fiscal Year 2017-18 Expenditures

Project Name	Contract	Address	Units	Cost	YTD	Remaining	Populations	Start	End	Conversion	Actual	Original	Estimated	Actual	Original	Estimated	Actual	Original	Estimated	Notes					
88th and Vermont	WORKS	8730 S. Vermont Avenue, Los Angeles, CA 90044	8	\$ 9,680,000	\$ 34,069,046	\$ 549,501	HF, H, I, CH	62	46	23	14	14	2	6/23/2017	03/28/2018 (Actual)	04/02/2018 (Actual)	10/01/2019 (Estimated)	12/30/2019	\$ -	\$ -	\$ 838,204	\$ 838,204	\$ 8,841,797	Contract Number: C-131079. TDC revised from \$36,285,371 to \$34,069,046. Revision is based on loan closing numbers and verified.	
PATH Metro Villas II	PATH Ventures	320 North Madison Avenue, Los Angeles, CA 90004	13	\$ 3,513,721	\$ 54,278,996	\$ 444,910	H, HD, I, CH	122	90	46	30	0	2	2/27/2017	12/13/2017 (Actual)	12/20/2017 (Actual)	12/15/2019 (Estimated)	3/14/2020	\$ -	\$ -	\$ 2,826,099	\$ 2,826,099	\$ 687,622	Contract Number: C-130583	
Six Four Nine Lofts	Skid Row Housing Trust	649 S. Wall St., Los Angeles, CA, 90014	14	\$ 5,500,000	\$ 28,407,343	\$ 516,497	H, I, CH	55	28	14	26	0	1	9/25/2017	12/19/2017 (Actual)	02/01/2018 (Original)	04/18/2018 (Actual)	08/01/2019 (Estimated)	10/30/2019	\$ -	\$ -	\$ 86,763	\$ 86,763	\$ 5,413,237	Contract Number: C-130639
(McCadden Youth) AMRC TAY	Thomas Safran	1136 N. McCadden Pl., Los Angeles, CA 90038	4	\$ 5,018,298	\$ 13,068,960	\$ 502,652	Y, CH	26	25	13	0	0	1	9/25/2017	09/27/2018 (Estimated)	05/06/2018 (Original)	10/4/2018 (Estimated)	09/03/2020 (Estimated)	12/2/2020	\$ -	\$ -	\$ -	\$ -	\$ 5,018,298	Developer has requested a 90 day extension from CDLAC to close loan (new date September 2018) in order to resolve budgetary issues. There is a \$400,000 gap due to CALTRANS/DWP costs that will be bridged at closing with a permanent source to be identified prior to completion. Corrected Population Served. The project will house Homeless Youths (Y) and Chronically Homeless (CH). Previously reported Homeless Youths (Y), Homeless Seniors (HS) and Chronically Homeless (CH).
Casa del Sol	A Community of Friends	10966 W. Ratner St., Sun Valley, CA, 91352	6	\$ 8,065,143	\$ 21,789,066	\$ 495,206	HS, M, CH	44	43	22	0	0	1	9/25/2017	09/10/2018 (Estimated)	08/23/2018 (Original)	09/17/2018 (Estimated)	09/03/2020 (Estimated)	12/2/2020	\$ -	\$ -	\$ -	\$ -	\$ 8,065,143	Project received bond allocation from CDLAC on May 16 and will be ready to close construction financing on September 3rd.
FLOR 401 Lofts	Flor 401 Lofts (SRHT)	401 E. 7th St., Los Angeles, CA, 90014	14	\$ 11,980,000	\$ 51,993,340	\$ 525,185	HV, I, CH	99	49	25	49	12	1	9/25/2017	11/30/2018 (Estimated)	10/25/2018 (Original)	12/07/2018 (Estimated)	07/23/2020 (Estimated)	10/21/2020	\$ -	\$ -	\$ -	\$ -	\$ 11,980,000	Applied to CDLAC 5/18/18. Anticipated bond allocation 7/18/18. Corrected population served. The project will house non-homeless individuals (I), homeless veterans (HV) and some chronically homeless (CH). Last reported Homeless Individuals (H).
RISE Apartments	SRO Housing	4060 S. Figueroa Street, Los Angeles, CA, 90037	9	\$ 9,500,000	\$ 24,523,656	\$ 430,240	H, HV, CH	57	56	42	0	0	1	9/25/2017	10/15/2018 (Estimated)	06/08/2018 (Original)	10/25/18 (Estimated)	05/04/2020 (Estimated)	8/2/2020	\$ -	\$ -	\$ -	\$ -	\$ 9,500,000	Developer is currently working with HCID to resolve budgetary issues, has requested funds from the City's California State Homeless Emergency Aid Program (HEAP) and is estimated to begin construction 10/25/2018 after HEAP funding has been approved by the City Council and Mayor in September. Corrected population served. The project will house Homeless Individuals (H), Homeless Veterans (HV) and Chronically Homeless (CH). Previously reported only Homeless Veterans (HV).
SP7 Apartments RECAP	SP7 Apartments LP (SRHT)	513 E. 7th St., Los Angeles, CA	14	\$ 12,000,000	\$ 49,664,051	\$ 496,641	HV, IHA, I, CH	100	55	28	44	0	1	9/25/2017	09/20/2018 (Estimated)	06/28/2018 (Original)	10/01/2018 (Estimated)	09/01/2020 (Estimated)	11/30/2020	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000	HOPWA Loan Closed 6/12/18. Increase of TDC due to increase construction costs & site to change in scope of work. Construction finance closing anticipated 9/20/18.
The Pointe on Vermont	EAH Inc.	7600 S. Vermont Ave., Los Angeles, CA	8	\$ 7,900,000	\$ 26,217,722	\$ 524,354	H, I, CH	50	25	13	24	0	1	9/25/2017	01/13/2019 (Estimated)	10/25/2018 (Original)	01/21/2019 (Estimated)	06/30/2021 (Estimated)	9/28/2021	\$ -	\$ -	\$ -	\$ -	\$ 7,900,000	CDLAC bond allocation has been delayed until October 17. Non-HHH funded units has decreased to 0 as all of the units are being funded by HHH funds. Project has requested funds from the City's HEAP allocation and is estimated to begin construction 1/21/2019 after HEAP funding has been approved by the Council and Mayor in September. Project has also been recommended to be admitted into the Managed Pipeline with a budget of \$1,700,000 of HOME funds. TDC has increased due to construction costs increasing from the initial budgeted amount. Corrected population served. The project will house Homeless Individuals (H), Non-Homeless Individuals (I) and Chronically Homeless (CH). Previously reported Homeless Families (HF).
Subtotal for 2017-18 Bond Issuance				\$ 73,157,162	\$ 304,012,180			615	417	226	187	26	11												
Housing and Community Investment Department PSH Loan Program Staff Costs	N/A	N/A	N/A	\$ 1,070,674	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ 755,572	\$ 755,572	\$ 315,102	Staff costs through pay period 19 were reimbursed in the Fiscal Year (FY) 2017-18 Year-end Financial Status Report. HCID will request reimbursement for pay periods 20-26 in the FY 2018-19 First Financial Status Report.
Funds Reprogrammed for Fiscal Year 2018-19 Projects (Previously City Attorney Staff Costs Pending Reprogramming)	N/A	N/A	N/A	\$ 133,259	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	N/A	N/A	\$ -	Balance of \$133,259 was reprogrammed to various FY 2018-19 Proposition HHH Facilities projects for Bureau of Engineering environmental review costs. Funds will be reflected in the first Prop HHH quarterly report of FY 2018-19.
TOTAL for 2017-18 Bond Issuance				\$ 74,227,836	\$ 304,012,180			615	417	226	187	26	11												

Definitions

PSH Units: A development that provides permanent housing (including rental subsidy) with supportive services to extremely low income, and very low income, homeless special needs individuals and veterans, homeless families, homeless transition-aged youth (TAY), homeless seniors, homeless disabled, and homeless frequent users of Los Angeles County services.

Units reserved for individuals or families:

- (a) Experiencing chronic homelessness as defined in 24 CFR 578.3;
- (b) Residing in a transitional housing project that will be eliminated and meets the definition of chronically homeless in effect at the time in which the individual or family entered the transitional housing project;
- (c) Residing in a place not meant for human habitation, emergency shelter, or safe haven; but the individuals or families experiencing chronic homelessness as defined in 24 CFR 578.3 had been admitted and enrolled in a permanent housing project within the last year and were unable to maintain a housing placement;
- (d) Residing in transitional housing funded by a Joint Transitional Housing and Permanent Housing Rapid Re-Housing component project and who were experiencing chronic homelessness as defined in 24 CFR 578.3 prior to entering the project;
- (e) Residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last three years, but has not done so on four separate occasions; or
- (f) Receiving assistance through the Department of Veterans Affairs (VA)-funded homeless assistance programs and met one of the above criteria at intake to the VA's homeless assistance system.

Chronic PSH Units:

Affordable Units: A structure or set of structures with rental housing units restricted by department regulations and operated under landlord-tenant law, with common financing, ownership and management.

Non-HHH Funded Units: Units which are not funded by the Prop HHH PSH Loan Program (e.g. HOPWA or HOME funded units, market rate, etc.)

Commitment Date: Executed date of Commitment Letter of Prop HHH PSH Loan Program funds issued to the applicant by HCID.

Permanent Loan Conversion Date: Date by which the construction loan is converted (replaced with) the permanent financing loan.

Legend for Populations Served

- SA = Substance Abuse
- YAR = Youth at Risk of Homelessness
- I = Non-homeless Individuals
- D = Non-homeless disabled
- V = Non-homeless Veterans
- H = Homeless Individuals
- CH = Chronically Homeless
- HF = Homeless Families
- HV = Homeless Veterans
- HS = Homeless Senior
- Y = Homeless Youth
- HD = Homeless Disabled
- M = Homeless Mental Illness
- O = Other Homeless
- IHA = Homeless Individuals with HIV/AIDS
- DV = Homeless survivors of domestic violence & sex trafficking

Proposition HHH Facilities Loan Program GOB Series 2017-A (Taxable)

Fiscal Year 2017-18 Expenditures

Proposition HHH Facilities Project	Project Sponsor	Address	Council District	Project Type	Population Served	HHH Project Award	Total Project Cost	Contract Execution Date	Construction Start Date	Construction Completion Date	HHH Expenditures as of January 2018	HHH Expenditures Q3	HHH Expenditures Q4	Fiscal Year 2017-18 Total	HHH Project Funds Remaining	Notes
88th and Vermont Youth and Community Center	Community Build	8730-8550 Vermont Ave., Los Angeles CA 90044	8	Center	H, HY, YAR	\$ 3,245,154	\$ 3,792,365	3/28/2018	4/2/2018	10/2019 (Estimated)	\$ -	\$ -	\$ -	\$ -	\$ 3,245,154	Contract Number: C-131078. Full Prop HHH amount of \$3.2 million has been encumbered in the Financial Management System (FMS).
South Campus	LA Family Housing	7817 Lankershim Blvd., North Hollywood, CA, 91605	6	Center	H, CH, HF, DV, M, D, SA, V, HIV/AIDS	\$ 1,302,500	\$ 4,802,500	3/7/2018	6/10/2018	01/2019 (Estimated)	\$ -	\$ -	\$ -	\$ -	\$ 1,302,500	Contract Number: C-130925. Full Prop HHH amount of \$1.3 million has been encumbered in FMS.
Joshua House Health Center	Los Angeles Christian Health Centers	649 S. Wall St., Los Angeles, CA 90014	14	Clinic	H, CH, V, MI, SA	\$ 3,700,000	\$ 23,238,840	12/19/2017	02/15/2018	09/2019 (Estimated)	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	Contract Number: C-130640 Draws submitted and pending City Controller approval.
CD 8 Navigation Center	City of Los Angeles	729 W. Manchester Ave., Los Angeles, CA 90044	8	Center	H, CH, Y	\$ 3,245,000	\$ 3,100,000	N/A (City-sponsored)	09/2018 (Estimated)	05/29/2019 (Estimated)	\$ -	\$ 24,686	\$ 67,953	\$ 92,639	\$ 3,152,361	\$145,000 was reprogrammed to this project for Bureau of Engineering costs for environmental review, for a Fiscal Year (FY) 2017-18 budget total of \$3,245,000. An additional \$3 million was approved 2018-19 PEP, for a total project cost of \$6.245 million. This total amount will be reflected in the first quarterly report of FY 2018-19. Construction start date moved to September 2018 due to a necessary redesign to accommodate a power pole.
Subtotal for 2017-18 Bond Issuance						\$ 11,492,654	\$ 34,933,705				\$ -	\$ 24,686	\$ 67,953	\$ 92,639	\$ 11,400,015	
Reprogrammed Prop HHH Facilities Program Funds for 2018-19 Projects* (Previously Funds Pending Reprogramming)	Various	N/A	N/A	N/A	N/A	\$ 511,565	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ 511,565	\$656,565 allocated to these projects is recommended for reprogramming for Public Works, Bureau of Engineering staff costs to implement City-sponsored projects.
TOTAL for 2017-18 Bond Issuance						\$ 12,004,219	\$ 34,933,705				\$ -	\$ 24,686	\$ 67,953	\$ 92,639	\$ 11,911,580	

*Project sponsors for the Corner of Hope (\$435,800) and Homeless Vets at the Marion (\$220,765) projects withdrew from Prop HHH Facilities Program. \$145,000 was reallocated to the CD8 Navigation Center listed above as well as \$511,565 to Fiscal Year 2018-19 Prop HHH projects.