



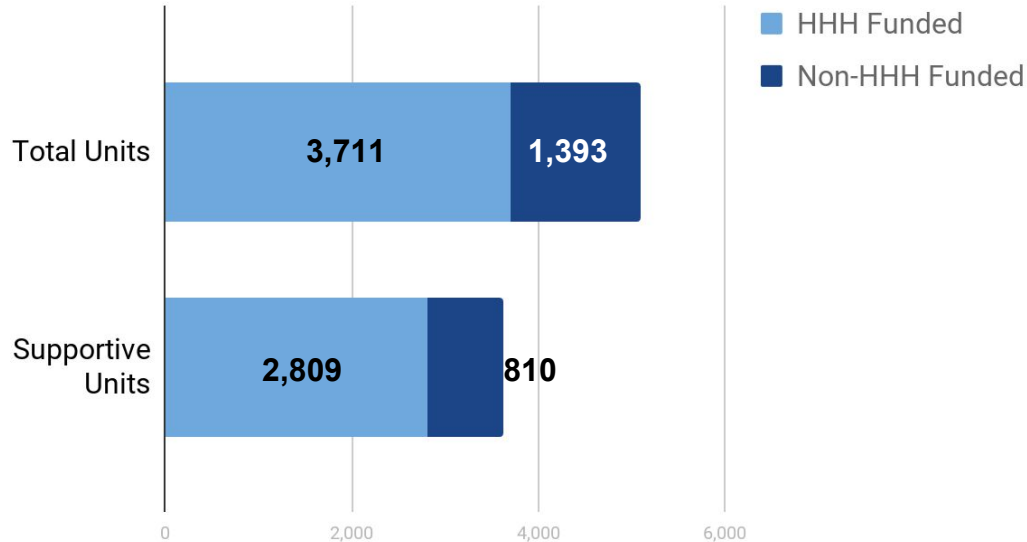
Prop HHH COC Special Meeting

Office of Mayor Eric Garcetti
12.14.2018

Eric
Garcetti
@MayorOfLA

How Far We've Come...

78 Supportive Housing Projects in Pipeline Since Nov 2016



By end Dec, 8 Prop HHH projects will be under construction, w/ more than 500 units

Making Prop HHH Work Faster

1. Executive Directive 13

Established the Mayor's Affordable Housing Cabinet and developed priority case processing for major affordable and supportive housing developments in DCP and DBS

2. Transit Oriented Communities Program

Expands a number of development incentives around major transit stations and removes regulatory barriers

3. Permanent Supportive Housing & Companion Motel Conversion Ordinances

Opens up new locations for future PSH developments and speeds up the entitlement process

4. Supportive Housing Loan Fund

Through philanthropic funding, this fund doubled to \$60m in 2017

5. 50 City-owned parcels

City approved over 50 city-owned parcels for the development of affordable and supportive housing



Where We're Going

Pilot HHH Program

\$120m program designed to produce 1,000 SHU through non-traditional models

Mayor's Housing Crisis Solutions Team

Mayoral and Department staff that expedite delivery of high-priority housing initiatives

\$4m - 5m Revolving Loan Fund

Covers unique upfront development costs for prefab construction

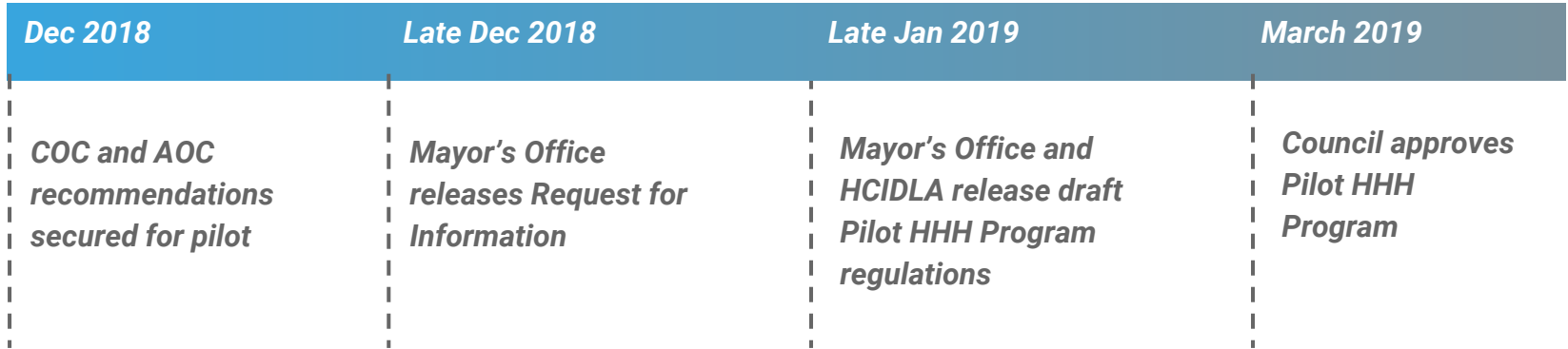
Pilot HHH Program

- Led by Mayor's Housing Crisis Solutions Team
- **\$120m** reserved for a competitive HHH pilot program w/ two parts:
 - a. **Call for Innovative HHH Projects**
 - i. Structured & administered as HCIDLA's residual receipts loan program for shovel-ready projects
 - ii. Bonus points for quicker and cheaper timeline and alternative models
 - b. **Request for Information / Qualifications**
 - i. 2-step competition, reserves \$10m-\$40m for 1-3 teams to carry out unique PSH programs, not necessarily funded with a residual receipts loan
 - ii. No site control needed to apply for Prop HHH reservation, to facilitate acquisition

Key Differences from Regular Program

- **Funding Limits & Eligibility:**
 - a. No “50% TDC” test for maximum subsidy amount, if project has at least another 1st position lender
 - b. Ability to increase per-unit / per-project funding limit if applicant can demonstrate ability to repay incremental HHH contribution within shorter time-period
 - c. Alternative applicant eligibility requirements, especially for non-tax credit deals
- **Innovation:**
 - a. The following typologies will be allowed and encouraged in this program: long-term vacant SROs, supportive shared housing models, small-scale scattered site developments that may include ADUs, prefab/modular construction typologies
 - b. Applicants may seek a waiver for program requirements specified in the proposed HHH Pilot Program
 - c. Interest rate reduction incentive

Timeline for Implementation



Recommendations Requested to be Forwarded to the AOC

1. *Reserve \$120m of Prop HHH bond proceeds for a Competitive HHH Pilot Program*
2. *Authorize HCID, the CAO, and the City Attorney to work with the Mayor's Office to develop detailed program regulations for the Competitive HHH Pilot Program in a way that ensure the program:*
 - Funds innovative production and/or financial models that produce 1,000 supportive housing units, completed within two (2) years of funding approval;
 - Produces high-quality products that can demonstrate long-term financial and physical stability;
 - Encourages long-term, permanent supportive environments for persons formerly experiencing homelessness; and
 - Complies with all Federal, State and local laws that cannot be amended within a three month period
3. *Authorize HCID to submit the draft Competitive HHH Pilot Program to the Mayor and Council for consideration by March 2019*
4. *Recommend that HCID release the final Competitive HHH Pilot Program immediately following Mayor and Council approval*

A photograph of Mayor Eric Garcetti and a woman smiling and talking outdoors. Eric is on the right, wearing a dark blue jacket with the Los Angeles City Seal and his name on it. The woman is on the left, wearing a dark hoodie with a graphic. A semi-transparent grey box with the text 'THANK YOU' is centered over the image.

THANK YOU

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