



Eric Garcetti, Mayor
Ann Sewill, General Manager



Administration Bureau

1200 West 7th Street, 9th Floor, Los Angeles, CA 90017
tel 213.928.9071 | fax 213.808.8999
hcidla.lacity.org

INTER-DEPARTMENTAL MEMORANDUM

TO: PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE

FROM: ANN SEWILL, GENERAL MANAGER
LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT

DATE: JULY 17, 2020

REGARDING: SITE APPROVAL AND AUTHORITY TO ISSUE PROPOSITION HHH
PERMANENT SUPPORTIVE HOUSING LOAN PROGRAM
COMMITMENTS

SUMMARY

In accordance with Executive Directive No. 3, the General Manager of the Los Angeles Housing and Community Investment Department (HCIDLA) respectfully requests that your office review and approve this request and forward it to the City Council for further consideration. Through this memorandum, HCIDLA requests site approval and authority to issue Proposition HHH Permanent Supportive Housing Loan Program (HHH) conditional financial commitments in a total amount not to exceed \$50,575,000 for six projects.

On May 9, 2019, the Mayor's Office and HCIDLA issued the Proposition HHH Housing Challenge Request for Proposals (RFP). On October 16, 2019, the Mayor and City Council authorized HCIDLA to enter into a Memorandum of Understanding (MOU) with each of the six development teams selected through the RFP. These Memoranda were executed by the development teams on January 10, 2020.

As part of the October 16, 2019, action (C.F No. 17-0090-S4), the City Council requested that HCIDLA within 180 days after development teams secured site control return with the individual projects for approval of a projects' final terms.

A previous action was passed to approve the first seven sites under this program (C.F. No. 20-0388). Now, three of the six selected development teams have secured site control of an additional six sites. HCIDLA is seeking approval for these sites prior to negotiating conditional funding commitments for each of them.

Staff reports for each of the six new sites are attached to this memorandum (Attachment A).

RECOMMENDATIONS

- I. The General Manager of HCIDLA 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 actions:
 - A. APPROVE the site selections for six Proposition HHH Housing Projects at the addresses and within the Council districts listed in Table 1;
 - B. AUTHORIZE the General Manager of HCIDLA, or designee, to issue conditional financial commitments for six Proposition HHH Housing Challenge projects totaling a maximum of \$50,575,000 with each project's address and maximum project financial commitment as listed in Table 1; and,
 - C. AUTHORIZE the General Manager of HCIDLA, or designee to negotiate acquisition/ predevelopment/ construction/ permanent loan agreements for each applicable project identified in Table 1, subject to the satisfaction of all conditions and criteria contained in the HHH Housing Challenge RFP, this transmittal, and the HCIDLA Award Letter (if applicable), subject to the following condition:
 - i. HHH financial project commitments are subject to review and approval by the Proposition HHH Citizens Oversight Committee and the Administrative Oversight Committee before recommendations are forwarded City Council and Mayor.

BACKGROUND

As recommended by the Proposition HHH Citizens Oversight Committee (COC) and Administrative Oversight Committee (AOC), the Mayor and City Council authorized a set-aside of up to \$120 million of Proposition HHH bond authorization to issue the Housing Challenge RFP, with the goal of identifying alternative housing typologies and/or innovative financial models to produce 1,000 new supportive housing units. The highest-ranking proposals would reduce the typical cost and time of development, while offering a model that could be scaled and replicated. Specifically, this program set out to fund proposals that clearly respond to the urgency of the City's homelessness crisis.

Six development teams were awarded a total of \$120 million for the construction of 975 new units of supportive housing (1,001 units inclusive of manager units). Among the six HHH Housing Challenge development teams, there will be an estimated 19 project sites. Per the terms of the MOUs effective January 10, 2020, developers must secure all remaining financing within 12 months of site approval (the site approval was originally set for four months after MOU execution) and projects must be complete with construction within 18 months of the loan agreement execution (subject to tolling as directed by the Mayor). On September 18, 2019, Council instructed HCIDLA to report back for approval within 180 days, for those projects that have secured site control; and for which due diligence had been performed. HCIDLA was to return to Council for approval to negotiate deal terms for the balance of the Housing Challenge projects.

On April 17, 2020, Mayor Garcetti issued a public notice, which tolled and suspended until further notice all deadlines related to financing and predevelopment activities necessary to develop or rehabilitate affordable and supportive housing (primarily driven by COVID 19).

Construction starts for the transactions in this memo begin during 2Q 2021 and in January of 2022 and May of 2022. The delays are COVID related but there are other factors contributing to the delay including:

- 1) CDLAC pushed back the March 2020 and May 2020 bond award dates (as a direct result of COVID);
- 2) HCD signaled that future NOFA's may be delayed;
- 3) Uncertainty around No Place Like Home (NPLH) funding and the availability of Vouchers;
- 4) In addition, investors are indicating credit pricing reductions and limited interest in new business relationships for 2021.

On May 12, 2020, the first seven sites under this program were approved (C.F. No. 20-0388). Each of the developers of those projects are continuing to move their projects forward through the development process.

As referenced on Table 1, at this time three of the six Housing Challenge developers have obtained site control on an additional six project sites and are both requesting project-specific conditional commitments and authority to begin negotiating the HHH loan agreements with HCIDLA. The estimated average total development cost per unit for these six recommended projects is \$457,372. If the recommendations of this report are accepted, these potential projects represent 455 units of Supportive Housing (SH) under the Housing Challenge Program. Combined with the 250 units approved under C.F. 20-0388, this would bring the total units approved under the program to 705.

Lead Developer	Project Address	Council District	Unit Mix	Total PSH Units	HHH Contribution	HHH Contribution per PSH Unit	TDC	TDC per Unit
Abode/Mercy/LA Family Housing	3554 Whittier Blvd.	14	63 studios 1 2-br (mgr)	63	\$6,125,000	\$97,222	\$27,129,841	\$423,904
Abode/Mercy/LA Family Housing	311-345 N. Beacon St.	15	90 studios 1 2-br (mgr)	90	\$8,750,000	\$97,222	\$39,430,594	\$433,303
Abode/Mercy/LA Family Housing	7521 Lankershim Blvd.	2	72 studios 1 2-br (mgr)	72	\$7,000,000	\$97,222	\$29,322,422	\$401,677
BRIDGE Housing	701-719 S. New Hampshire	10	50 studios; 55 1bd; and 36 2bd plus 2 2-br (2 mgr)	141	\$19,700,000	\$140,000	\$83,047,534	580,752
Flyaway Homes	7715 South San Pedro	9	41 2-br 1 1-br (mgr)	41	\$4,100,000	\$100,000	\$15,128,365	\$360,199
Flyaway Homes	828 West Anaheim Street	15	49 2-br 1 1-br (mgr)	49	\$4,900,000	\$100,000	\$17,247,272	\$344,945
Total/ *Weighted Average			462	455	\$50,575,000	\$111,154*	\$211,306,028	\$457,372*

FISCAL IMPACT

There is no impact to the General Fund.

ATTACHMENTS:

Attachment A: Proposition HHH Housing Challenge Staff Reports

STAFF REPORT
As of: June 15, 2020

Whittier PSH
3554 Whittier Blvd.
Los Angeles, CA 90023

New Modular Construction
Council District 14

PROGRAM DESCRIPTION

The Abode Communities, Mercy Housing and LA Family Housing (collectively, “the Collaborative”) have been awarded a Proposition HHH Reservation award of \$40 million. The Collaborative’s program works to develop supportive housing faster and at a lower cost by standardizing modular design, cutting entitlement time, utilizing a financing plan with modular construction in mind, and demonstrating cost savings with replicable modular construction. The collaboration will build 100% permanent supportive housing projects with no less than 360 units (including manager units not funded by HHH proceeds).

PROJECT DESCRIPTION

Whittier PSH (developed by Mercy), located at 3554 Whittier Boulevard in Boyle Heights, will be a supportive housing development consisting of 63 affordable housing units for people experiencing homelessness. The 29,678 SF development will offer indoor and outdoor communal spaces, onsite property management with 24-hour front desk staff, and Resident Services programming which will provide much-needed support services to residents. The building construction will be Type V, with 4-stories of stacked modular units over a podium.

The developer will partner with Los Angeles Family Housing (LAFH) to provide case management services to formerly homeless residents. LAFH has a long history of providing wrap around services for homeless and chronically homeless individuals. Mercy will provide an on-site Resident Services Coordinator.

The 17,944 square foot site of two contiguous parcels currently consists of a one-story commercial space with surface parking that will be vacated before construction and subsequently demolished. All applicable relocation regulations will be followed.

The project is located in Council District 14 is currently zoned C1.5-1. Using the PSH Ordinance gives unlimited density and no parking requirement for PSH units. Surrounding uses include apartment buildings, single story retail and single-family homes.

POPULATION SERVED

Formerly Homeless, Homeless, and chronically homeless individuals.

UNIT MIX

	PSH Total	Non-PSH	Manager	Total
Studio	63			63
1 Bedroom				
2 Bedroom			1	1
Total	63		1	64

PROPOSED FUNDING SOURCES

	Construction	Permanent
Construction/Perm Loan	\$14,707,418	\$1,051,424
Tranche B Perm Loan	\$0	\$679,351
HHH	\$690,497	\$6,125,000
NPLH	\$6,940,209	\$6,940,209
4% Tax Credit Equity	\$1,343,040	\$8,953,603
LACDA	\$2,000,000	\$2,000,000
AHP	\$756,000	\$756,000
Deferred Expenses	\$635,251	\$50,000
GP Equity/Excess Fee (contributed back to Project)	\$57,425	\$574,254
Total	\$27,129,841	\$27,129,841

PROPOSED DEVELOPMENT USES

Acquisition	\$2,008,500
Construction	\$17,052,160
Developer Fee	\$2,444,411
GP Equity/Excess Fee (contributed back to Project)	\$574,254
Soft Costs	\$5,624,771
Total	\$27,129,841

FUNDING RECOMMENDATION

Mercy Housing is requesting \$6.125 million of the Collaborative's \$40 million HHH Challenge commitment to support **3554 Whittier Blvd.** This represents \$97,222 per PSH unit and 22.6% of the total development cost of \$27,130,000. The total development cost per unit is \$423,904.

CONSTRUCTION TIMELINE

Construction is currently estimated to start in January 2022 and anticipated to be completed by April 2023.

STAFF REPORT
As of: June 15, 2020

Beacon PSH
311-345 N. Beacon Street
San Pedro, CA 90731

New Modular Construction
Council District 15

PROJECT DESCRIPTION

The Abode Communities will develop the Beacon PSH, a new modular construction development located at 311-345 N. Beacon Street in San Pedro. The project will consist of 90 studio units designated for individuals experiencing homelessness or chronic homelessness. A two-bedroom unit will be reserved for on-site management staff. The project will consist of a four-story modular apartment building and project amenities will include resident-serving community space (indoor lounge and outdoor space), onsite property management with 24/7 desk coverage, and dedicated space for provision of supportive services in both group settings and more individualized arrangements. Parking includes up to 10 vehicular parking spaces for staff.

Los Angeles Family Housing (LAFH) will be the service provider. LAFH provides case management services to residents and has a long history of providing wrap around services for homeless and chronically homeless individuals. The first floor of the development will be designed to include ample space for the successful provision of supportive services - gathering space for community meetings, interview rooms for one-on-one or small group sessions, and administrative space for staff.

The 33,000 square foot project site is located in Council District 15 and is currently zoned C2 which allows for multifamily residential development. Surrounding uses include one and two-story commercial and apartments and single-family homes. Based on an initial review, Abode Communities staff anticipates utilizing density and design incentives available under the City of Los Angeles' Permanent Supportive Housing Ordinance (PSHO). It is expected that the PSHO will provide a CEQA exemption, as well as an increase in density, open space reduction, and parking space reduction. Should the PSHO not be a viable option for this site, the property is designated Tier 2 under the City's Transit-Oriented Communities program, which would offer increased density, reduced parking, and other incentives.

Abode Communities will pursue LEED for Homes certification at the Silver level, and the development will feature energy- and water-efficient technologies such as Energy Star appliances and lighting fixtures, low-flow showers and faucets, dual-flush toilets, as well as a high-efficiency central water heater.

POPULATION SERVED

Homeless and Chronically homeless individuals.

UNIT MIX

	PSH Total	Non-PSH	Manager	Total
Studio	90			90
1 Bedroom				
2 Bedroom			1	1
Total	90		1	91

PROPOSED FUNDING SOURCES

	Construction	Permanent
Construction/Perm Loan	\$27,318,081	\$5,511,600
HHH	\$8,750,000	\$8,750,000
NPLH		\$11,872,649
4% Tax Credit Equity	\$1,169,826	\$11,698,259
GP Equity/Excess Fee (contributed back to Project)	\$100	\$1,598,086
Deferred Fee/Costs	\$2,192,587	\$0
Total	\$39,430,594	\$39,430,594

PROPOSED DEVELOPMENT USES

Acquisition	\$4,327,500
Construction	\$23,718,260
Soft Costs	\$7,286,748
Developer Fee	\$2,500,000
GP Equity/Excess Fee (contributed back to Project)	\$1,598,086
Total	\$39,430,594

FUNDING RECOMMENDATION

Abode Community is requesting \$8.75 million of the Collaborative’s \$40 million HHH Challenge commitment to support **311-345 N. Beacon Street**. This represents \$97,222 per PSH unit and 22.1% of the total development cost of \$39,431,000. The total development cost per unit is \$433,303.

CONSTRUCTION TIMELINE

Construction is currently estimated to start in January 2022 and anticipated to be completed by April 2023.

**STAFF REPORT
As of: June 15, 2020**

**Lankershim PSH
7521 Lankershim Blvd.
Los Angeles, CA 91605**

**New Modular Construction
Council District 2**

PROJECT DESCRIPTION

LA Family Housing will develop Lankershim PSH, a new modular construction development located at 7521 Lankershim Blvd. in North Hollywood. The project will consist of 72 studio units, of which 36 units will be designated for chronically homeless individual. The remaining 36 units will be for individuals experiencing homelessness. A two-bedroom unit will be reserved for on-site management staff. The project will consist of a four-story modular apartment building and project amenities will include lobby/waiting area, community room for residential services (workshops, movie nights, arts and crafts, etc.) and resident services offices, kitchen, onsite laundry, restrooms and outdoor seating. Parking includes 12 vehicular parking spaces for staff and 7 short term and 68 long term bicycle parking spaces.

The project will promote sustainable living by incorporating energy efficient systems and appliances, recycled materials, local and low-VOC materials, renewable energy through solar PV and solar thermal systems, as well as reduced and efficient water usage throughout the project.

Los Angeles Family Housing provides case management services to formerly homeless residents. LAFH has a long history of providing wrap around services for homeless and chronically homeless individuals. Additionally, the site will have full access to LAFH's The Irmas Campus, a comprehensive service center and health clinic which are .5 of mile from the site.

The project is located in Council District 2 is currently zoned C2-1VL which allow for a by right development and has a Tier 1 TOC designation. The site is currently occupied by Avis/Budget car rental operations whose lease has expired. Using the PSH Ordinance gives unlimited density and no parking requirement for PSH units. Surrounding uses include single story retail and an adjacent four-story apartment building.

POPULATION SERVED

Homeless and Chronically homeless individuals.

UNIT MIX

	PSH Total	Non-PSH	Manager	Total
Studio	72			72
1 Bedroom				
2 Bedroom			1	1
Total	72		1	73

PROPOSED FUNDING SOURCES

	Construction	Permanent
Construction/Perm Loan	\$19,817,927	\$4,018,300
HHH	\$7,000,000	\$7,000,000
AHP	\$1,079,992	\$1,079,992
NPLH		\$7,480,000
4% Tax Credit Equity	\$924,403	\$9,244,030
GP Capital Contribution	\$100	\$100
Deferred Fee	\$500,000	\$500,000
Total	\$29,322,422	\$29,322,422

PROPOSED DEVELOPMENT USES

Acquisition	\$3,475,206
Construction	\$18,118,973
Developer Fee	\$2,500,000
Soft Costs	\$5,228,243
Total	\$29,322,422

FUNDING RECOMMENDATION

LA Family Housing is requesting \$7 million of the Collaborative’s \$40 million HHH Challenge commitment to support **7521 Lankershim Blvd**. This represents \$97,222 per PSH unit and 23.9% of the total development cost of \$29,322,000. The total development cost per unit is \$401,677. HHH funding is leveraged with private equity.

CONSTRUCTION TIMELINE

Construction is currently estimated to start in May 2022 and anticipated to be completed by August 2023.

STAFF REPORT
As of: June 15, 2020

New Hampshire PSH
701-719 S. New Hampshire Avenue
Los Angeles, CA 90005

Opportunity Zone Funding
Council District 10

PROGRAM DESCRIPTION

BRIDGE Housing Corporation (BRIDGE) has been awarded a HHH Reservation of \$19.7 million to develop 140 supportive housing units. As described in its HHH Housing Challenge proposal, BRIDGE's program model focuses on the development of 140 units of 100% permanent supportive housing projects utilizing Opportunity Zone investment. The project will also be constructed using a light gauge steel framing product called Prescient, which will expedite the construction timeline.

BRIDGE proposed to use Los Angeles County Development Authority's (LACDA) No Place Like Home (NPLH) funds as a source of financing. However, LACDA, which administers NPLH, announced that the next round of NPLH funding would not be made available until much later than anticipated by BRIDGE. Instead, BRIDGE will pursue alternative competitive sources including the State HCD Multifamily Housing Program in addition to Opportunity Zone investment, 4% tax credits, and tax exempt bonds.

PROJECT DESCRIPTION

New Hampshire PSH, located at 701-719 S New Hampshire Avenue in Koreatown, will be a supportive housing development consisting of up to 144 total units with up to 141 affordable housing units for individuals, families, and transitioned-aged youth experiencing homelessness. The non-affordable units will be reserved as manager's units. The approximately 120,000 SF development will offer City-required short and long-term bike parking stalls and minimal vehicular parking.

The 32,250 square foot site is currently owner-occupied by two 1-2 story commercial buildings that will be vacated before construction and subsequently demolished. All applicable relocation regulations will be followed. Overland, Pacific and Cutler (OPC) has been hired to ensure compliance with relocation laws.

Surrounding uses include two to five-story apartment buildings. The project is located in Council District 10 is currently zoned R4-2 and the Transit Oriented Communities Guidelines (TOC) designation is Tier 3, without affordable housing. As affordable housing, the site will be TOC Tier 4 and the developer expects to gain entitlements through the TOC program.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The ownership structure will be a to-be-determined limited partnership, of which a BRIDGE Housing affiliate entity will be the General Partner A tax credit investor will assume the role of the Limited Partner at construction loan close. The future ownership structure - at tax credit closing - will consist of the following:

1. BRIDGE Housing Corporation or related entity, as Managing General Partner (0.01%)
2. Limited Partner, who has yet to be determined (99.99%)

POPULATION SERVED

The developer will partner with PATH to provide services to the residents. PATH has a long history of providing wrap around services for homeless and chronically homeless individuals.

UNIT MIX

	PSH Total	Non-PSH	Manager	Total
Studio	50			50
1 Bedroom	55			55
2 Bedroom	36		2	38
Total	141		2	143

PROPOSED FUNDING SOURCES

	Construction	Permanent
Construction Loan	\$51,103,793	\$0
Permanent Loan		\$11,351,000
HHH	\$17,730,000	\$19,700,000
Opportunity Zone Fund		\$750,000
MHP		\$20,000,000
4% Tax Credit Equity	\$5,040,734	\$24,453,669
GP Equity/Excess Fee (contributed back to Project)		\$6,522,865
Deferred Developer Fee		\$270,000
Deferred Costs	\$9,173,007	
Total	\$83,047,534	\$83,047,534

PROPOSED DEVELOPMENT USES

Acquisition	\$6,930,000
Construction	\$52,510,512
Soft Costs	\$14,584,157
Developer Fee	\$2,500,000
GP Equity/Excess Fee (contributed back to Project)	\$6,522,865
Total	\$83,047,534

FUNDING RECOMMENDATION

BRIDGE Housing Corporation is requesting their total \$19.7 million HHH Housing Challenge Reservation. This represents up to \$140,000 per supportive housing unit and 23.7% of the total development cost of \$83,047,534. The total development cost per unit is \$580,752. HHH funding is leveraged with MHP financing, Opportunity Zone investment, 4% tax credit equity, and a conventional bank loan. The developer will pursue project-based vouchers through the Housing Authority of the City of Los Angeles (HACLA).

CONSTRUCTION TIMELINE

Construction is currently estimated to start in June 2021 and anticipated to be completed by December 2022. The development team will be applying for 4% tax credits in the January 2021 round.

STAFF REPORT
As of: June 15, 2020

South San Pedro PSH
7715 South San Pedro
Los Angeles, CA 90003

New Modular Construction
Council District 9

PROGRAM DESCRIPTION

FlyAway Homes' (in collaboration with Gensler, CBRE, The People's Concern, and West Builders) model includes plans to leverage \$19.5 million of HHH funding through a Reservation along with \$41M of private debt and equity capital to produce 400 supportive beds in 24 months. The beds will be distributed across 200 two-bedroom/two-bath (inclusive of manager units) at approximately 5 developments across the City of Los Angeles. By limiting the size of developments to no more than 50 units (possibly up to 65 units under SB 35), Flyaway can use zoning ordinances such as AB 2162 and the TOC ordinances to build by right, reducing development risk and time, parking requirements, uncertainty, and costs. In addition, Flyaway, along with Gensler, is developing repeatable unit and building designs across possible land sizes and shapes using wood or steel modules manufactured by bonded suppliers. This reduces the cost and time of design and construction of Flyaway developments. As each development will be approximately 70% funded with private capital, Flyaway is requesting that HHH's Residual Receipts Note ("HHH Note") be subordinate to all private capital until such capital has received its stated or preferred return.

PROJECT DESCRIPTION

South San Pedro PSH (project), located at 7715 South San Pedro in South Los Angeles, will be a supportive housing development consisting of no less than 41 2-bedroom units of PSH for homeless and chronically homeless households and one manager's unit. The project will include community room offices for services, outdoor sitting and BBQ areas, and a dog run.

The 16,236 square foot site is located in Council District 9 and is zoned C2. Currently the property has a single story commercial building with a parking lot. The tenant occupant will relocate before construction commences. Surrounding uses include Fremont High School, two-story apartment buildings, single family homes and single-story retail.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Flyaway Homes LLC (100%).

POPULATION SERVED

The project will provide housing to chronically homeless households including family members with a disability: mental illness, substance abuse disorder, and/or chronic physical illness or disability. Flyaway will be working with The People Concern to provide supportive services.

UNIT MIX

	PSH Total	Non-PSH	Manager	Total
1 Bedroom			1	1
2 Bedroom	41			41
Total	41		1	42

PROPOSED FUNDING SOURCES

	Construction
Private Senior Secured Capital	\$0
HHH	\$4,100,000
LP Equity	\$11,028,365
Total	\$15,128,365

PROPOSED DEVELOPMENT USES

Acquisition	\$1,948,260
Construction	\$11,210,307
Developer Fee	\$605,135
Soft Costs	\$1,364,663
Total	\$15,128,365

FUNDING RECOMMENDATION

Flyaway is requesting \$4.1 million of their \$19.5 million HHH Challenge commitment to support this project. This represents \$100,000 per PSH unit and 27.1% of the total development cost of \$15,128,000. The total development cost per unit is \$360,199. HHH funding is leveraged with private equity.

CONSTRUCTION TIMELINE

Construction is currently estimated to start in 2Q 2021 and anticipated to be completed by 4Q 2021.

STAFF REPORT
As of: June 15, 2020

West Anaheim PSH
828 West Anaheim Street
Los Angeles, CA 90744

New Modular Construction
Council District 15

PROJECT DESCRIPTION

Flyaway Homes will develop West Anaheim PSH (project), located at 828 West Anaheim Street in the Wilmington neighborhood, a supportive housing development consisting of no less than 49 2-bedroom units of PSH for homeless households and chronically homeless households and one manager’s unit. The project will include community room offices for services, outdoor sitting and BBQ areas, and a dog run.

The 19,690 square foot site is located in Council District 15 and is zoned C2. Currently the 4 contiguous parcels have a small single-story commercial building with a parking lot. The owner occupant is selling the property to relocate. Surrounding uses include two-story apartment buildings, single family homes and single-story retail.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Flyaway Homes LLC (100%).

POPULATION SERVED

The project will provide housing to chronically homeless households including family members with a disability: mental illness, substance abuse disorder, and/or chronic physical illness or disability. Flyaway will be working with The People Concern to provide supportive services.

UNIT MIX

	PSH Total	Non-PSH	Manager	Total
1 Bedroom			1	1
2 Bedroom	49			49
Total	49		1	50

PROPOSED FUNDING SOURCES

	Construction
Private Senior Secured Capital	\$0
HHH	\$4,900,000
LP Equity	\$12,347,272
Total	\$17,247,272

PROPOSED DEVELOPMENT USES

Acquisition	\$1,379,168
Construction	\$13,392,247
Developer Fee	\$689,891
Soft Costs	\$1,785,966
Total	\$17,247,272

FUNDING RECOMMENDATION

Flyaway is requesting \$4.9 million of their \$19.5 million HHH Challenge commitment to support this project. This represents \$100,000 per PSH unit and 28.4% of the total development cost of \$17,247,000. The total development cost per unit is \$344,945. HHH funding is leveraged with private equity.

CONSTRUCTION TIMELINE

Construction is currently estimated to start in 2Q 2021 and anticipated to be completed by 4Q 2021.