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INTER-DEPARTMENTAL MEMORANDUM

TO:	PROPOSITION HHH ADMINISTRATIVE OVERSIGHT COMMITTEE
FROM:	LOS ANGELES HOUSING DEPARTMENT
DATE:	JUNE 21, 2024
REGARDING:	AMENDMENT TO PROPOSITION HHH FY 2020-2021 PROJECT EXPENDITURE PLAN FOR HOMEKEY ROUND 2 PROJECTS

SUMMARY

The Los Angeles Housing Department (LAHD) requests authorization to amend the Fiscal Year (FY) 2020-2021 Project Expenditure Plan (PEP) for Homekey Round 2 projects, by reducing the commitment for two projects by \$921,104.

RECOMMENDATIONS

- I. The General Manager of LAHD respectfully requests that the Proposition HHH Administrative Oversight Committee (AOC) take the following actions:
 - A. APPROVE the amendment of the FY 2020-2021 PEP as follows:
 - a. 7639 Van Nuys -\$285,667
 - b. 1654 W Florence -\$635,437
 - B. Forward this action to the City Council for its consideration.

BACKGROUND**Prior FY 2020-2021 PEP Amendments**

To date, there are 105 projects in the HHH Permanent Supportive pipeline, 99 of which have been included in the four PEPs. To date, there are 14 projects in the Innovative Housing Challenge pipeline, all of which have been included in the four PEPs. The FY 2020-2021 PEP was approved by City Council on September 14, 2020 (C.F. No. 17-0090-S15) for total funding of \$106,516,646. There have been fifteen subsequent amendments for 68 total projects and a total of \$552,345,529.

TABLE 1: FY 2020-2021 PEP Amendments

PEP Fiscal Year	Council File	Number of Projects	Total HHH Funding Request
2020-2021 PEP (FY20)	17-0090-S15	13	\$106,516,646
First Amendment Increase	17-0090-S15	4	\$37,590,000
Second Amendment Increase	17-0090-S15	5	\$26,335,000
Third Amendment Increase	17-0090-S15	2	\$13,757,200
Fourth Amendment Increase	17-0090-S15	5	\$30,786,602
Fifth Amendment Increase	17-0090-S15	5	\$54,615,556
Sixth Amendment Increase	17-0090-S15	2	\$18,400,000
Seventh Amendment Increase	17-0090-S15	4	\$30,675,000
Homekey Amendment Increase	21-0112	13	\$96,328,982
Eighth Amendment Increase	17-0090-S15	2	\$21,200,000
Ninth Amendment Increase	17-0090-S15	1	\$8,289,109
Homekey Reallocation & Rationalization	17-0090-S15	-1	\$0
Tenth Amendment Increase	17-0090-S15	2	\$22,407,427
Eleventh Amendment Increase	17-0090-S15	2	\$8,800,000

Twelfth Amendment Deobligation	17-0090-S15	-1	-\$383,394
Thirteenth Amendment Increase	17-0090-S15	1	\$2,660,000
Second Homekey Reallocation and Increase	17-0090-S15	0	\$54,493
Fourteenth Amendment Increase	17-0090-S15	3	\$23,382,908
Fifteenth Amendment Increase	17-0090-S15	6	\$50,930,000
Current Amendment (Homekey Deobligation)	Pending Approval	0	-\$921,103
TOTAL		68	\$551,424,426

Current Proposed PEP Amendment

The original HHH PEP amount for Homekey Round 2 projects totaled \$96,328,982 (see “Homekey Amendment Increase” in Table 1). After subsequent amendments, the HHH funding for Homekey was \$96,240,082.

The current amendment is requested because in the early stages of Homekey Round 2, certain ineligible expenses were paid from HHH funds, namely administrative fees paid to HACLA for the purchase of Homekey Round 2 sites under their Professional Services Agreement. At this time, LAHD requests an amendment to the PEP for HHH funds in order to allow these ineligible expenses to be swapped with eligible expenses previously paid from the Reserve Fund, specifically the acquisition cost of 7639 Van Nuys and 1654 W Florence.

Table 2 below indicates the specific HHH amounts to be amended for each Homekey Round 2 project. Attachment A represents the proposed revision to the PEP.

Table 2: Proposed FY 2020-2021 PEP Amendment for Homekey Round 2 Projects			
Project Address	Existing PEP Amount	Proposed PEP Amendment	New PEP Amount
7639 Van Nuys	\$2,672,316.00	-\$285,667.00	\$2,386,649.00
1654 W Florence	\$6,896,041.00	-\$635,437.00	\$6,260,604.00
2812 Temple / 916 Alvarado	\$11,474,427.00	N/A	N/A
6531 S Sepulveda	\$14,169,924.00	N/A	N/A
18602 S Vermont	\$4,139,012.00	N/A	N/A

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20205 Ventura	\$4,922,044.00	N/A	N/A
19325 Londelius	\$14,332,435.00	N/A	N/A
2010 Highland	\$7,849,127.00	N/A	N/A
21121 Vanowen	\$23,309,756.00	N/A	N/A
10150 Hillhaven	\$1,850,000.00	N/A	N/A
1044 Soto	\$4,625,000.00	N/A	N/A
Total	\$96,240,082.00	-\$921,104.00	\$95,318,978.00

Attachment:

Attachment A. Prop HHH PEP FY 2020-2021 16th Amendment