

TRANSMITTAL

To:

THE COUNCIL

Date: 1/4/2018

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero) for

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

Housing Development Bureau
1200 West 7th Street, Los Angeles, CA 90017
tel 213.808.8638 | fax 213.808.8610
hcidla.lacity.org

January 2, 2018

Council File:	Council File	17 – 0900-S2
Council Districts:	Citywide	
Contact Persons:	Timothy Elliott	(213) 808-8596
	Edwin C. Gipson II	(213) 808-8597
	Sean L. Spear	(213) 808-8901

The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 300, City Hall
200 North Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR AUTHORIZATION TO ISSUE EARLY FUNDING COMMITMENTS FOR THE PROPOSITION HHH PERMANENT SUPPORTIVE HOUSING LOAN PROGRAM (HHH)

SUMMARY

The Los Angeles Housing + Community Investment Department (HCIDLA) submitted a transmittal dated November 2, 2017 (C.F. 17-0900-S2) requesting that the Mayor and City Council authorize the release of the 2017 Proposition HHH Call for Projects (CFP) to solicit developer applications for funding. In response to the CFP, 23 applications were received on December 22, 2017. Of these, six identified approximately \$32 million in funding from State housing programs as leveraging sources. To be competitive in the State's next annual funding cycle, these projects would need HHH funding commitments by the January 16, 2018 State application deadline. HCIDLA is requesting that the Mayor and City Council authorize the issuance of letters of commitment for six out of the 23 potential projects for a total of \$58.4 million in HHH funds.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully requests that:

- I. Your office schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) and forward it to the City Council for review and approval forthwith, in order for funding commitments to be awarded prior to the HCD application deadline of January 16, 2018;

II. The City Council, subject to the approval of the Mayor, authorize the HCIDLA General Manager, or designee, to issue a Financial Commitment/Support Letter for each of the projects identified in Table 1A of this report, subject to the following conditions:

- A. That the final HHH financial commitment not exceed \$58.4 million per the breakdown of projects listed in Table 1;
- B. That the project sponsor apply to the State Department of Housing and Community Department’s (HCD) Affordable Housing Sustainable Communities (AHSC) or Infill Infrastructure Grant (IIG) programs;
- C. That the disbursement of HHH funds will take place after the sponsor obtains enforceable commitments for all proposed funding, including, but not limited to, the full amount of funding and/or tax credits proposed.

BACKGROUND

The six projects will have a combined total development cost of approximately \$230 million. These projects will result in the addition of 225 Permanent Supportive Housing units for homeless and chronically homeless individuals, families, and seniors and 224 affordable housing units for low-income individuals, families, and seniors. Projects receiving commitments will leverage an estimated \$172 million in public and private funds, a leverage ratio of approximately \$ 2.94 for every dollar invested by HHH.

Table 1A lists the respective State funding-seeking projects, reflecting the amounts of previously allocated funds and the proposed additional HHH funding amounts. Table 1B provides additional details on the six recommended projects.

TABLE 1A: HHH PROJECTS APPLYING FOR 2018 AHSC OR IIG FUNDING

PROJECT No.	PROJECT NAME	CD	TOTAL UNITS	PSH UNITS	PREVIOUS CDBG FUNDS	HHH FUNDS	TOTAL HCIDLA FUNDS	TOTAL DEVELOPMENT COST
1	Adams Terrace	10	86	43	\$0	\$12,000,000	\$12,000,000	\$42,363,035
2	Depot at Hyde Park	8	43	26	\$0	\$7,200,000	\$7,200,000	\$23,256,685
3	Gramercy Place	10	62	31	\$0	\$9,920,000	\$9,920,000	\$35,315,577
4	McCadden Srs.	4	98	25	\$4,930,158	\$5,500,000	\$10,430,158	\$42,798,505
5	PATH Hollywood	13	59	49	\$0	\$11,780,000	\$11,780,000	\$33,769,951
6	Sun Commons	2	101	51	\$0	\$12,000,000	\$12,000,000	\$53,017,962
	TOTAL		449	225	\$4,930,158	\$58,400,000	\$63,330,158	\$230,521,715

TABLE 1B: HHH PROJECT INFORMATION

PROJECT No.	DEVELOPER	PROJECT ADDRESS	PROPOSED STATE FUNDING			HOMELESS POPULATION SERVED
			AHSC	IIG	TOTAL	
1	Abode Communities	4347 W. Adams	\$4,956,603	\$2,933,760	\$7,890,363	Homeless & Chronically Homeless Seniors
2	GMT Holdings	6527 S. Crenshaw	\$3,049,000	\$0	\$3,049,000	Homeless Families & Individuals, including Victims of Domestic Violence
3	Hollywood Community Housing	2375 W. Washington	\$0	\$651,545	\$651,545	Frequent Users of County Health System
4	Thomas Safran & Associates	1118 N. McCadden	\$6,000,000	\$3,087,000	\$9,087,000	Homeless & Chronically Homeless Seniors
5	PATH Ventures	5627 Fernwood	\$6,368,578	\$847,750	\$7,216,328	Homeless & Chronically Homeless Individuals, including those with Developmental Disabilities
6	Abbey Road	6329 N. Clybourn	\$0	\$4,200,000	\$4,200,000	Frequent Users of County Health System
TOTAL			\$20,374,181	\$11,720,055	\$32,094,236	

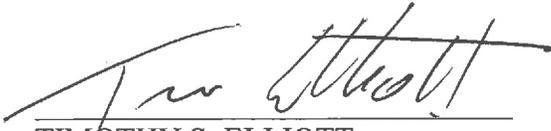
IMPLEMENTATION SCHEDULE

HCIDLA will present the full list of HHH recommendations, including Controller’s instructions, to the HHH Citizens Oversight Committee and Administrative Oversight Committee on January 19, 2018 and January 25, 2018, respectively, and to the City Council’s Homelessness and Poverty Committee on February 7, 2018. The next HHH Call for Projects is scheduled to be released in February 2018.

FISCAL IMPACT STATEMENT

There is no impact on the General Fund.

Prepared by:



TIMOTHY S. ELLIOTT
Manager
Multifamily Finance & Development

Reviewed by:



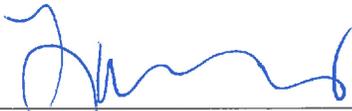
EDWIN C. GIPSON, II
Director of Finance and Development

Reviewed by:



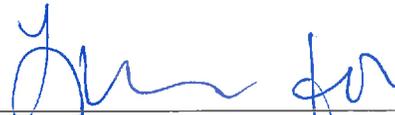
SEAN L. SPEAR
Assistant General Manager

Reviewed by:



LAURA K. GUGLIELMO
Executive Officer

Approved by:



RUSHMORE D. CERVANTES
General Manager