

TRANSMITTAL

To: **THE COUNCIL**

Date: **03/21/2025**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in black ink, appearing to read 'Carolyn Webb de Macias', is centered on the page.

(Carolyn Webb de Macias for)

KAREN BASS

Mayor

City of Los Angeles

Tiena Johnson Hall, General Manager
Tricia Keane, Executive Officer

Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager
Craig Arceneaux, Acting Assistant General Manager



Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
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March 12, 2025

Council File: 20-0023-S1
Contact Persons: Tricia Keane (213) 272-1456

Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Thomas Arechiga, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST TO AMEND LOAN AMOUNT TO FINANCE ACCESSIBILITY RETROFIT OF EXISTING AFFORDABLE HOUSING DEVELOPMENT LOCATED AT 8740-8750 S. VERMONT AVENUE IN ACCORDANCE WITH THE AMENDED CORRECTED SETTLEMENT AGREEMENT WITH THE INDEPENDENT LIVING CENTER OF SOUTHERN CALIFORNIA, ET AL., AND VOLUNTARY COMPLIANCE AGREEMENT WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. On June 4, 2024, the City Council granted authority to LAHD to enter into loans with the first four of eight projects to proceed with accessibility retrofits in existing affordable housing developments (CF 20-0023-S1) to comply with requirements of the Accessible Housing Program (AcHP). Through this transmittal, LAHD requests approval to increase the maximum loan amount for the accessibility retrofit of the project located at 8740-8750 S. Vermont Avenue (88th & Vermont) by \$390,000. As the scope of work was finalized for 88th & Vermont, the need for additional services for temporarily displaced households was identified, along with an increase in construction costs and contingencies. It is important to ensure that existing occupants of the project, particularly those currently living in designated accessible units, are provided with all necessary relocation services during the period of time they will be temporarily displaced due to construction.

RECOMMENDATIONS

- I. That the Mayor review this transmittal and forward to the City Council for further action;

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- II. That the City Council, subject to the approval of the Mayor:
- A. AUTHORIZE the Controller to transfer \$390,000 from the Affordable Housing Trust Fund No. 44G/43 Account 43A411 Unallocated Balance to the Accessible Housing Trust Fund No. 10D/43 Account No. 43A698 Retrofit;
 - B. AUTHORIZE the General Manager of the Los Angeles Housing Department (LAHD), or designee, to increase the amount of funding obligated for the 88th & Vermont, L.P. project by \$390,000, for a total of \$1,980,000, and disburse the additional \$390,000 for the 88th & Vermont project using Fund 10D/43A698 Retrofit; and
 - C. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller's Instructions and any necessary technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

BACKGROUND

The Accessible Housing Program (AcHP) ensures that multifamily affordable housing developed with assistance from the City and/or the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) is accessible to people with disabilities. This program was established to ensure the City's compliance with and implementation of the Amended Corrected Settlement Agreement (ACSA), entered into on September 5, 2016, with Independent Living Center of Southern California, et al., and the Voluntary Compliance Agreement (VCA) entered into on August 2, 2019, with the U.S. Department of Housing and Urban Development (HUD). Under the ACSA, the City must provide 4,000 accessible units, through any combination of new construction or retrofitted unit. Under the VCA, the City must provide 4,031 accessible units, of which 3,100 must be provided through retrofitting existing properties.

On June 4, 2024, the City Council authorized the Los Angeles Housing Department to enter into loan agreements to fund the first four accessibility retrofit projects (CF 23-0023-S1). The City Council subsequently authorized accessibility retrofit loans for four additional projects on July 2, 2024 (CF 23-0023-S2).

The project located at 8740-8750 S. Vermont Avenue in Los Angeles, commonly referred to as 88th & Vermont, was one of the first four retrofit loans to be authorized. The project is a 62-unit mixed use supportive housing development that is affordable to lower-income households earning at or below 40% of Area Median Income (AMI). Although the development was completed and occupied in 2020, utilizing City financing, the project was not certified as meeting accessibility requirements due to changes in the HUD and Court-approved certification process. Therefore, it was identified as a candidate for accessibility retrofits, with a loan authorized for up to \$1,590,000 to enable accessibility barriers to be removed across the interior and exterior common areas of the development, to make 11 units fully accessible, and to ensure that the remaining 51 units be made compliant with adaptability standards.

The project is currently occupied, and the accessibility retrofit work will result in the temporary relocation of tenants in eight units as well as work in the remaining units that will impact access to kitchens and bathrooms for

a portion of a day. The project requires plumbing upgrades in the bathrooms and kitchens of 54 units. That work will take approximately four to six hours per unit. In addition to plumbing, some kitchens require minor electrical work. The work will impact the current tenants for a portion of one day, and those tenants will be able to utilize the project's common area facilities while the work is done in their units. However, the eight mobility units in the project require more extensive retrofit and will require temporarily relocating those households for approximately three to five days.

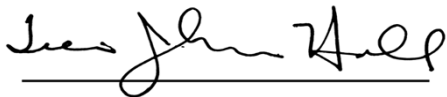
As the final scope of work and plans for managing the temporary relocation were finalized, additional costs were identified. The increased cost include an approximately 10 percent increase in construction costs and necessary contingencies, as well as increased costs related to the need for tenant relocation, such as: increased management and security for tenants and their belongings during the retrofit work; specific equipment to be rented for community rooms such as furnishings, cribs, or fencing for animals to enable tenants to use the common areas while work is done in their units during the day; and temporary relocation staffing and tenant expenses that were not calculated as part of the original bid.

The additional funding required for the refined scope of work includes construction and relocation costs, as well as a contingency amount consistent with industry standards that was not fully accounted for in the initial loan amount. The additional funding needed totals \$390,000. Therefore, LAHD requests authority to increase the previously approved loan by that amount, subject to the same terms as originally authorized.

FISCAL IMPACT

Funding for the accessibility retrofit program has already been allocated to AcHP as part of LAHD's approved budget, and the recommendations in this transmittal do not have any additional impact to the General Fund.

Approved By:

A handwritten signature in black ink, appearing to read "Tienna Johnson Hall", written over a horizontal line.

TIENA JOHNSON HALL

General Manager

Los Angeles Housing Department