

HOUSING AND HOMELESSNESS COMMITTEE REPORT relative to extending interim housing periods, reducing loan amounts and amending legal documents for Project Homekey1 Program (Homekey1) projects; and related matters.

Recommendations for Council action:

1. APPROVE the extension of the interim housing period for three (3) years through December 10, 2028, with the option to extend for an additional three (3) years through December 10, 2031, for the Homekey1 projects identified on the table contained under Recommendation No. 1 of the City Administrative Officer (CAO) report dated May 7, 2025, attached to Council file No. 20-0941, that have the option to convert to permanent housing at a later date.
2. APPROVE reductions in the loan amounts to include only the City-funded portion of the acquisition costs, as the State of California Housing and Community Development Department portions of the acquisition costs are considered grant funding and should be excluded from the loans for the Homekey1 projects identified on the table contained under Recommendation No. 2 of the CAO report dated May 7, 2025, attached to the Council file.
3. APPROVE the following terms for Homekey1 sites that have been approved as permanent interim housing sites, the owner/operators will be required to provide interim housing for 30 years, with a portion of the loan to be forgiven annually, until fully forgiven at the end of the 30-year term, through December 10, 2055 for the Homekey1 projects identified on the table contained under Recommendation No. 3 of the CAO report dated May 7, 2025, attached to the Council file.
4. INSTRUCT the CAO, with the assistance of the City Attorney, to add the language previously approved by the Mayor and Council to the Woodman/Arleta site legal documents, designating this site as an interim housing site which provides recuperative care to homeless seniors, age 55 years or older, with chronic illnesses.
5. APPROVE the change in ownership for the Good Nite Inn/Encinitas, located at 12835 Encinitas Avenue in Council District Seven, from LA Family Housing to LAFH Builds, Inc., a California nonprofit public benefit corporation, its sole member/manager, or such other entity controlled by LAFH Builds and approved by the CAO to hold title to and operate the property.
6. INSTRUCT the CAO to inform all owner/operators of sites continuing as interim housing that approval for conversion to permanent housing will only be granted when either project-based vouchers or an alternative operating source that ensures the City homeless households will be housed in the converted permanent units, have been secured.
7. APPROVE the change in project scope to allow demolition and new construction for the EC Motel/Restoration Apartments, located at 3501 South Western Avenue in Council District Eight (CD 8), which has been approved for early conversion to permanent supportive and affordable housing.
8. APPROVE a three-year extension of the agreement with SSG HOPICS/Special Service for Groups, Inc. to allow the owner/operator of the EC Motel/Restoration Apartments to obtain full funding to build a new permanent supportive and affordable housing site located at 3501 South Western Avenue in CD 8.
9. APPROVE a three-year extension of the agreement with Coalition for Responsible Community Development (CRDC)/Historic Lincoln Theatre LP, a California limited partnership, developer of the Lincoln Historic Theatre site located at 2300-2332 Central Avenue in Council District Nine, to allow CRCD to obtain full funding for construction of a permanent supportive, supportive and

affordable, or 100 percent affordable housing project.

10. AUTHORIZE the CAO and the City Attorney to draft, negotiate, and execute amended and restated loan documents in a form authorized by the City Attorney and consistent with the recommendations stated above.

Fiscal Impact Statement: The CAO reports that the recommendations in this report do not impact the General Fund.

Financial Policies Statement: The CAO reports that the recommendations in this report comply with the City's Financial Policies.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on May 14, 2025, your Housing and Homelessness Committee considered a CAO report relative to extending interim housing periods, reducing loan amounts and amending legal documents for Homekey1 projects; and related matters.

After an opportunity for public comment was held, the Committee recommended to move forward the recommendations contained in the CAO report, as detailed above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

HOUSING AND HOMELESSNESS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	YES
JURADO:	YES
BLUMENFIELD:	YES

LV 5.14.25

-NOT OFFICIAL UNTIL COUNCIL ACTS-