TRANSMITTAL

To:	**THE COUNCIL**	Date:	**03/21/24**
From:	**THE MAYOR**		

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

Carolyn Webb de Macias

(Carolyn Webb de Macias for)
KAREN BASS
Mayor

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles

Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

March 11, 2024

Council File:	23-0038	
Council Districts:	Citywide	
Contact Persons:	Elizabeth Selby:	213-256-2336
	Daniel Huynh:	213-808-8901

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

Attention: Heleen Ramirez, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REQUEST FOR AUTHORITY TO MAKE AWARDS UNDER THE UNITED TO HOUSE LA (ULA) ACCELERATOR PLUS PROGRAM AS A RESULT OF THE 2023 NOTICE OF FUNDING AVAILABILITY, TO DESIGNATE ALTERNATES, AND TO ISSUE FUNDING AWARDS AND SUPPORT LETTERS TO NEW AND EXISTING PROJECTS

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. Through this transmittal, LAHD requests the authority to admit nine (9) projects into the new United to House LA (“ULA”) Accelerator Plus Program; and to approve the recommendations contained in this report.

The purpose of the ULA Accelerator Plus program is to expedite the development of affordable housing. The program issued a 2023 Notice of Funding Availability for a total of $56.8 million from the ULA program to provide supplemental loans not to exceed $15 million per project to close financing gaps for projects that fall into one of the two categories:

- Category A: Projects that need Accelerator Plus as a sole source of supplemental funds to start or complete construction;
- Category B: Projects that need Accelerator Plus as a sole source of supplemental funds to apply for Low Income Housing Trust Fund (LIHTC) financing.

Projects in Category A have already secured LIHTC financing. These projects have secured all expected funding sources, but due to cost or scope changes, need additional funds to begin or complete construction. The Department recommends awarding funds to all qualified projects in Category A.

Projects in Category B have funding commitments from the City, and some have at least one County or State housing program award, but all of them need just one additional source of supplemental funds to be ready to apply for an allocation of Low Income Housing Tax Credits to complete their funding stack and to begin construction. The Department evaluated and scored these projects according to a set of criteria provided in the ULA Accelerator Plus Notice of Funding Availability made available on November 3, 2023.

A total of nineteen (19) projects applied of which eight (8) met the criteria for Category A and eleven (11) for Category B. The Department recommends that four (4) qualified projects of Category A receive funding; and that five (5) qualified projects from Category B receive funding.

RECOMMENDATIONS

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

II. That the City Council, subject to the approval of the Mayor:

   A. AUTHORIZE the General Manager of LAHD, or designee, to admit the nine projects selected from the 2023 Notice of Funding Availability applications, listed in Table 2 of this report, into the ULA Accelerator Plus Program;

   B. AUTHORIZE the General Manager of LAHD, or designee, to issue Award Letters into the ULA Accelerator Plus Program for the nine projects identified in Table 2 of this report;

   C. AUTHORIZE the General Manager of LAHD, or designee, to include three projects in the list of Alternates as identified in Table 3 of this report;

   D. AUTHORIZE the General Manager of LAHD, or designee, subject to review and approval of the City Attorney as to form, to negotiate and execute the acquisition/predevelopment/construction/permanent loan agreements with the legal owners of the projects identified in Table 2, which received awards from the proposed source, subject to the satisfaction of all conditions and criteria contained in the ULA Accelerator Plus Program NOFA application, this transmittal, and the LAHD Award Letter as applicable;

   E. AUTHORIZE the General Manager of LAHD, or designee, to execute subordination agreements of the City's financial commitment, wherein the City Loan and Regulatory Agreements are subordinated to their respective conventional or municipally funded construction and permanent loans, as required for projects identified in Table 2;

   F. AUTHORIZE the General Manager of LAHD, or designee, to allow the transfer of the City's financial commitment to a limited partnership or other legal entity formed solely for the purpose of owning and operating the project in accordance with City and Federal requirements for projects identified in Table 2;

   G. AUTHORIZE the General Manager of LAHD, or designee, to prepare the Controller 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;

H. AUTHORIZE the General Manager of LAHD, or designee, to:

i. OBLIGATE funds for the project listed below:

TABLE 1 – Funding Recommendation			
Project Name	**Fund #**	**Account**	**Amount**
Category A			
Rousseau Residences	66M	43Y00C	$424,391
Montesquieu Manor	66M	43Y00C	$608,997
Santa Monica Vermont Apartments	66M	43Y00C	$2,526,000
Voltaire Villas	66M	43Y00C	$1,000,000
Category A Subtotal			**$4,559,388**
Category B			
Alveare Family	66M	43Y00C	$10,559,557
Peak Plaza (aka 306 E Washington)	66M	43Y00C	$10,080,000
The Main	66M	43Y00C	$7,812,000
Chavez Gardens	66M	43Y00C	$15,000,000
Grace Villas	66M	43Y00C	$6,720,000
Category B Subtotal			**$50,171,557**
TOTAL			**$54,730,945**

BACKGROUND

The City's ULA Accelerator Plus Program was established by the Mayor and City Council in December 2023 (C.F. No. 23-0038). The Mayor and City Council authorized LAHD to issue a Notice of Funding Availability (NOFA) to enable an open competition of new projects and existing projects selected for the ULA Accelerator Plus Program on a one-time basis. For projects that fall into Category A, loans will be created reflecting current project costs and underwriting of the project as reflected in the attached Staff Reports. For projects that fall into Category B, a commitment letter will be provided for Tax Credit Financing. The ULA Accelerator Plus Program will not remain a mainstay within the ULA program guidelines; it is a one-time, gap financing program for projects with specific criteria, similar to the recent Fast Track Program created by the Department in response to market conditions and impacts related to COVID.

2023 Notice of Funding Availability

The Department released the ULA Accelerator Plus Final Regulations Posted/Open Notice of Funding Availability on November 3, 2023 with an application due date of December 15, 2023. LAHD received 19 applications requesting approximately $104,369,807 in ULA Accelerator Plus funds. A complete list of the 19 projects and their respective scores will be published on the LAHD website.

LAHD staff reviewed the applications based on a two-step process described in the Council approved regulations (C.F. No. 23-0038). First, LAHD reviewed the threshold items and category distinction– mainly, site control and due diligence items, including environmental issues, tenant relocation, development team capacity, compliant project labor agreement (PLA) and competitiveness in the proposed leveraging source program. If the application included submission of the threshold items, the application moved to the second step of the review process. Project applications were then scored and ranked using the published scoring and ranking regulations, also discussed at the Bidder's Conference held on November 13, 2023. Once staff scored projects, LAHD issued scoring letters to all applicants, and applicants were given time to appeal. The appeals process closed on January 29, 2024.

Should these recommendations be adopted, the nine (9) recommended projects will facilitate or accelerate the production of 795 new housing units, consisting of 331 supportive housing units and 454 units of affordable housing. The nine newly admitted projects will be the first projects in the program. A detailed list of the new projects is provided in Table 2, below.

TABLE 2 – DETAILED PROJECT LIST							
Project Name	**Category**	**Applicant Name**	**CD**	**Total Units**	**SH Units**	**Non-SH Units**	**Leveraging Source**
Rousseau Residences	A	Flexible PSH Solutions	13	52	51	0	4% LIHTC
Montesquieu Manor	A	Flexible PSH Solutions	13	53	52	0	4% LIHTC
Santa Monica Vermont Apartments	A	LTSC Community Development Corporation	13	187	94	91	4% LIHTC
Voltaire Villas	A	Flexible PSH Solutions	13	72	71	0	4% LIHTC
Alveare Family	B	Related Housing	8	105	0	104	4% LIHTC
Peak Plaza (aka 306 E Washington)	B	Hollywood Community Housing Corporation	9	104	0	102	4% LIHTC
The Main	B	Abbey Road, Inc.	6	64	33	31	4% LIHTC
Chavez Gardens	B	Abode Communities	14	110	30	79	4% LIHTC
Grace Villas	B	WORKS	1	48	0	47	9% LIHTC
TOTAL				**795**	**331**	**454**	

<u>ULA Accelerator Plus Program and Tax Credit Recommendations</u>

Similar to the Affordable Housing Managed Pipeline ("AHMP"), the Department will issue ULA Accelerator Plus Program funding award letters which will leverage and attract the investment dollars of other public and private entities to develop affordable housing within the City. For the five Category B recommended projects, the Department seeks to support them with a commitment of funds which will provide a competitive advantage to a California Tax Credit Allocation Committee Tax Credit Application by providing a source of project funds.

For the four Category A projects, the process will be different. Since these projects already have their tax credit awards, the Department will enter into a Loan Agreement to fund gap financing to enable these projects to begin or complete construction.

Alternates Based On Project Financing

LAHD staff may identify alternate awardees of the ULA Accelerator Plus funds pending HCD Multifamily Finance Super NOFA; Los Angeles County Development Authority; Tax Credit Allocation Committee or California Debt Limit Allocation Committee award announcements. Alternate projects are identified in Table 3, below. The Department will return to the City Council and Mayor if and when alternate projects are recommended for funding. All alternate projects will be required to meet the scoring criteria identical to all other projects.

TABLE 3 – ALTERNATE PROJECT LIST

Project Name	Category	Applicant Name	CD	Total Units	SH Units	NON-SH Units	Leveraging Source
87th and Western Apartments (Sola @ 87th)	B	Innovative Housing Opportunities, Inc.	8	160	51	106	4% LIHTC
Hope on 6th	B	1010 Development Corporation	15	54	33	20	9% LIHTC
Prisma (Orange & Delongpre)	B	Affirmed Housing Group, Inc.	13	98	72	24	4% LIHTC
TOTAL				**312**	**156**	**150**	

FISCAL IMPACT

There is no current impact on the General Fund. As of January 31, 2024 the ULA Fund has receipts of $191,716,846. If the City were not to prevail in the litigation regarding United to House LA and was required to repay the ULA funds using General Fund, that would create an impact. This has been anticipated by the City Council and Mayor.

Approved By:

Ann Sewill

ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENT:

ULA Accelerator Staff Reports

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles

Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

Rousseau Residences
Staff Report

Recommended Loan

The ULA Accelerator Loan being recommended for Rousseau Residences is $424,391 for a total LAHD loan investment of $4,482,391. The ULA Accelerator Loan amount will represent a cost of $8,161 per unit and 1.49% of the total development cost. The LAHD funds are leveraged primarily by equity proceeds from 4% low-income housing tax credits and the other permanent funding sources outlined below.

Project Description

Rousseau Residences (the "Project") is currently in construction with an expected completion of July 2024. The building is located at 316 N. Juanita Ave., Los Angeles in Council District 13. The building consists of 51 affordable studio units and one two-bedroom manager's unit. Thirty-eight (38) of the units will be occupied by formerly chronically homeless individuals at or below 30% Area Median Income (AMI), using the Permanent Supportive Housing (PSH) model of care. The remaining thirteen (13) units are restricted to homeless individuals at or below 30% AMI. 50 PSH units are subsidized by project-based vouchers administered by the Housing Authority of the City of Los Angeles (HACLA).

The addition of the ULA Accelerator Loan will help to relieve the additional burden on the project and developer from the cost increases discussed below.

Project Cost Increase

Since the project's construction financing closed in February of 2022 there have been several key factors that have contributed to a rise in the project's budget, including:

Rousseau Residences sustained substantial delays, damages, and cost impacts due to the site flooding while preparing the project foundation. During excavation work on December 19, 2022 for the foundation and basement level of Rousseau Residences, construction crews encountered an elevated water table which caused water seepage in the excavated section and halting excavation and concrete work. This problem persisted into early 2023 and was exacerbated by record-setting precipitation levels as a result of the 31 atmospheric rivers that hit California during the winter months, which caused the project site to continue flooding and fail to dry out between rain events.

Rain was recorded at the site for 34 days from December 2022 to May 2023, often with insufficient time between precipitation events to allow for drying to the soil sufficient to stabilize foundations. This not only had a substantial effect on the construction timeline but also a financial impact on project finances and reserves. The Borrower is applying for $424,391 in Accelerator Plus funding to help mitigate cost overruns and maintain appropriate reserves, with additional cost coverages available from additional tax credit equity.

Project Eligibility

Rousseau Residences meets the following criteria for Group A:

1. Project needs Accelerator Plus as a sole source of supplemental funds to start or complete construction.
2. Project has secured all expected funding sources including a funding commitment or loan from LAHD, but due to cost or scope changes, need additional funds to begin or complete construction.
3. Project will have secured commitments of all funding sources with the exception of Accelerator Plus.
4. Project requested loan meets the maximum loan limit which is the lesser of up to $100,000/unit or $10 million per project.

Priority

The project anticipates completing construction in July 2024. The developer is working to expedite the completion of construction closing in a timely manner given the delays.

(The project's financials follow this report)

Construction Sources

Construction Sources	Construction Closing Sources (February 2022)	REVISED Sources (Jan 2024)	Revised Sources/unit	$ Variance	% Variance
Tax Exempt Bond Loan	$14,000,000	$ 14,000,000	$269,231	$0	0%
LAHD Prop HHH Loan	$2,467,418	$ 2,808,000	$54,000	$340,582	14%
ULA Accelerator Loan	$0	$ 424,391	$8,161	$424,391	N/A
Costs deferred	$2,153,200	$ 978,200	$18,812	$(1,175,000)	-55%
Deferred Developer Fee	$0	$0	$0	$0	0%
GP Equity	$1,767,000	$1,767,000	$33,981	$0	0%
NPLH	$5,955,582	$6,790,000	$130,577	$834,418	14%
Tax Credit Limited Partner Equity	$1,161,000	$1,761,000	$33,865	$600,000	52%
Total	**$27,504,200**	**$ 28,528,591**	**$548,627**	**$1,024,391**	**3.72%**

Permanent Sources

Permanent Sources	Permanent Closing Sources (February 2022)	REVISED Sources (Jan 2024)	Revised Sources/unit	$ Variance	% Variance
Tax Exempt Bond Perm Loan	$1,994,000	$1,994,000	$38,346	$0	0%
LAHD Prop HHH Loan	$4,058,000	$4,058,000	$78,038	$0	0%
ULA Accelerator Loan	$0	$424,391	$8,161	$424,391	N/A
NPLH	$9,942,000	$9,942,000	$191,075	$0	0%
Deferred Developer Fee	$0	$0	$0	$0	0%
GP Equity	$1,767,000	$1,767,00	$33,981	$0	0%
Tax Credit Limited Partner Equity	$9,743,200	$10,343,200	$198,908	$600,000	6%
Total	**$27,504,200**	**$28,528,591**	**$548,627**	**$1,024,391**	**3.72%**

Uses

Uses of Funds	Total Uses (February 2022)	REVISED Sources (Jan 2024)	Revised Sources/Unit	$ Variance	% Variance
Acquisition Costs	$3,086,405	$2,350,000	$45,192	$(736,405)	-24%
Construction Hard Costs	$13,878,942	$15,625,533	$300,491	$1,746,591	13%
Architecture & Engineering	$975,000	$975,000	$18,750	$0	0%
Construction Interest Fees/ Expenses	$2,058,550	$1,784,900	$34,325	$(273,650)	-13%
Permanent Financing Costs	$37,500	$37,500	$721	$ 0	0%
Total hard & Soft Contingency Costs	$1,665,800	$1,651,800	$31,765	$(14,000)	-1%
Legal Costs	$172,000	$ 222,000	$ 4,269	$50,000	29%
Capitalized Reserves	$966,000	$1,034,000	$19,885	$68,000	7%
Permits and Local Fees	$550,893	$428,671	$8,244	$(122,222)	-22%
Developer Fee	$1,250,000	$1,250,000	$24,038	$0	0%
GP Equity	$1,767,000	$1,767,000	$33,981	$ 0	0%
Other Project Costs	$1,096,110	$1,402,187	$26,965	$306,077	28%
Total	**$27,504,200**	**$28,528,591**	**$548,627**	**$1,024,391**	**3.72%**

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

Montesquieu Manor
Staff Report

Recommended Loan

The ULA Accelerator Loan being recommended for Montesquieu Manor is $608,997 for a total LAHD loan investment of $5,355,997. The ULA Accelerator Loan amount will represent a cost of $11,491 per unit and 1.96% of the total development cost. The LAHD funds are leveraged primarily by equity proceeds from 4% low-income housing tax credits and the other permanent funding sources outlined below.

Project Description

Montesquieu Manor (the "Project") is currently in construction with an expected completion of July 2024. The building is located at 316 N. Juanita Ave., Los Angeles in Council District 13. The building consists of 52 affordable studio units and one two-bedroom manager's unit. Thirty (30) of the units will be occupied by formerly chronically homeless individuals at or below 30% Area Median Income (AMI), using the Permanent Supportive Housing (PSH) model of care. The remaining twenty-two (22) units are restricted to homeless individuals at or below 30% AMI. Forty PSH units are subsidized by project-based vouchers administered by the Housing Authority of the City of Los Angeles (HACLA).

The addition of the ULA Accelerator Loan will help to relieve the additional burden on the project and developer from the cost increases discussed below.

Project Cost Increase

Since the project's construction financing closed in February of 2022 there have been several key factors that have contributed to a rise in the project's budget, including:

Montesquieu Manor sustained substantial delays, damages, and cost impacts due to the site flooding while preparing the project foundation. During excavation work on December 19, 2022 for the foundation and basement level of Montesquieu Manor, construction crews encountered an elevated water table which caused water seepage in the excavated section and halting excavation and concrete work. This problem persisted into early 2023 and was exacerbated by record-setting precipitation levels as a result of the abundant rains that hit California during the winter months. Rain was recorded at the site for 34 days from December 2022 to May 2023, often with insufficient time between precipitation events to allow for drying to the soil sufficient to stabilize foundations.

This not only had a substantial effect on the construction timeline but also a financial impact on project finances and reserves. The Borrower is applying for $608,997 in Accelerator Plus funding to help mitigate cost overruns and maintain appropriate reserves, with additional cost coverages available from additional tax credit equity.

Project Eligibility

Montesquieu Manor meets the following criteria for Group A:

1. Project needs Accelerator Plus as a sole source of supplemental funds to start or complete construction.
2. Project has secured all expected funding sources including a funding commitment or loan from LAHD, but due to cost or scope changes, need additional funds to begin or complete construction.
3. Project will have secured commitments of all funding sources with the exception of Accelerator Plus.
4. Project requested loan meets the maximum loan limit which is the lesser of up to $100,000/unit or $10 million per project.

Priority

The project expects to complete construction in July 2024. The developer is working to expedite the completion of construction closing in a timely manner given the delays.

(The project's financials follow this report)

Construction Sources

Construction Sources	**Construction Closing Sources (February 2022)**	**REVISED Sources (Jan 2024)**	**Revised Sources/unit**	**$ Variance**	**% Variance**
Tax Exempt Bond Loan	$15,000,000	$15,000,000	$283,019	$0	0%
LAHD Prop HHH Loan	$3,008,661	$3,385,000	$63,868	$376,339	13%
ULA Accelerator Loan	$0	$608,997	$11,491	$608,997	N/A
Costs deferred	$2,122,000	$946,400	$17,857	$(1,175,600)	-55%
Deferred Developer Fee	$0	$0	$0	$0	0%
GP Equity	$1,920,000	$1,920,000	$36,226	$0	0%
NPLH	$6,388,639	$7,187,300	$135,609	$798,661	13%
Tax Credit Limited Partner Equity	$1,370,700	$1,982,100	$37,398	$611,400	45%
Total	**$29,810,000**	**$ 31,029,797**	**$585,468**	**$1,219,797**	**4.09%**

Permanent Sources

Permanent	Construction Closing Sources (February 2022)	REVISED Sources (Jan 2024)	Revised Sources/unit	$ Variance	% Variance
Tax Exempt Bond Perm Loan	$1,497,000	$1,497,000	$28,245	$0	0%
LAHD Prop HHH Loan	$4,747,000	$4,747,000	$89,566	$0	0%
ULA Accelerator Loan	$0	$608,997	$11,491	$608,997	N/A
NPLH	$10,074,000	$10,074,000	$190,075	$0	0%
Deferred Developer Fee	$0	$0	$0	$0	0%
GP Equity	$1,920,000	$1,920,00	$36,226	$0	0%
Tax Credit Limited Partner Equity	$11,572,000	$12,182,800	$229,864	$610,800	5%
Total	**$29,810,000**	**$31,029,797**	**$ 585,468**	**$1,219,797**	**4.09%**

Uses

Uses of Funds	Total Uses (February 2022)	Revised Uses (Jan 2024)	Revised Uses/Unit	$ Variance	% Variance
Acquisition Costs	$3,444,900	$2,862,600	$54,011	$(582,300)	-17%
Construction Hard Costs	$15,377,627	$17,147,424	$323,536	$1,769,797	12%
Architecture & Engineering	$975,000	$975,000	$18,396	$0	0%
Construction Interest Fees/ Expenses	$2,058,650	$1,926,650	$36,352	$(132,000)	-6%
Permanent Financing Costs	$ 29,750	$ 29,750	$561	$0	0%
Total hard & Soft Contingency Costs	$1,806,086	$1,793,150	$33,833	$(12,936)	-1%
Legal Costs	$172,000	$220,000	$4,189	$50,000	29%
Capitalized Reserves	$947,000	$1,001,000	$18,887	$54,000	6%
Permits and Local Fees	$550,800	$396,230	$7,476	$(154,570)	-28%
Developer Fee	$1,250,000	$1,250,000	$23,585	$0	0%
GP Equity	$1,920,000	$1,920,000	$36,226	$0	0%
Other Project Costs	$1,278,187	$1,505,993	$28,792	$227,806	18%
Total	**$29,810,000**	**$31,029,797**	**$585,468**	**$1,219,797**	**4.09%**

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles

Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

Santa Monica and Vermont Apartments
Staff Report

Recommended Loan

The ULA Accelerator Loan being recommended for the Santa Monica and Vermont Apartments is $2,526,000 for a total LAHD loan investment of $26,526,000. The ULA Accelerator Loan amount will represent a cost of $13,508 per unit and 2.01% of the total development cost. The LAHD funds are leveraged primarily by equity proceeds from 4% low-income housing tax credits and the other permanent funding sources outlined below.

Project Description

Santa Monica and Vermont Apartments (the "Project") will be two six-story buildings with subterranean parking located at 1021 North Vermont Avenue (formerly known as 4718 W. Santa Monica Boulevard), Los Angeles, CA 90029 in Council District 13. The Project will have 187 supportive and affordable housing units dispersed between two buildings. Of the total units, 185 units will be targeted toward households at or below 50% of the Area Median Income ("AMI") and 94 of the units will be for people with Special Needs. Project plans include 57 studio units (approx. 445 square feet "sf"), 81 one-bedroom units (approx. 633 sf), 44 two-bedroom units, 2 of which are manager's units (approx. 888 sf), and 5 three-bedroom units (approx. 1,396 sf).

The Project area consists of a total of 170,000 sf. Each building will have six floors, five of which will be residential floors. The Project will also have approximately 20,000 sf. of commercial and community space, including a federally qualified health center, a community art gallery and a public dining terrace open to the adjacent Metro Station Public Plaza. The project is currently under construction and expects to complete construction in the summer of 2024.

The addition of the ULA Accelerator Loan will help to relieve the additional burden on the Project and developer from the cost increases discussed below.

Project Cost Increase

Since the project's construction financing closed in February 2022, there has been one key factor contributing to the increase in the project's overall budget:

Higher Construction Loan Interest: When the Project closed its construction loan and began construction in March of 2022, the construction loan interest rate was 2.7%. However, the construction loan interest rate has since increased to 7.5%. The Project budget interest reserve at construction closing was funded at $6.75 million, and the developer did not anticipate an unprecedented increase to loan rates in the period of time between construction loan close and permanent conversion, and therefore was inadequately funded. The Project now anticipates needing an interest reserve of $13.23 million versus the original $6.75 million in order to complete construction. Bank of America, the construction lender and Tax Credit Investor ("BofA") temporarily approved the reallocation of budget funds, freeing up funds to cover the loan interest overrun.

In addition, the Project sought to increase the BofA Perm Loan to partially fill the gap based on increased HACLA Voucher Payment Standard rents. However, BofA determined that they could not underwrite the requested revised loan amount based on a recent appraisal of the Project. Concurrent to the BofA request, and in anticipation of an increased Permanent Loan, the Project applied for Supplemental Bond funds in the amount of $2,845,000 to ensure that the Project would not fail the CDLAC 50% test. CDLAC granted the supplemental award of private activity bond volume cap ("Supplemental Bond funds") on August 23, 2023. With adjustments to the budget, and the addition of Supplemental Bond funds, it is not enough to sustain the Project through to permanent conversion. Therefore, the Project is seeking ULA funds to fill the remaining shortfall.

<u>Project Eligibility</u>

Santa Monica and Vermont meets the following criteria for Group A:

1. Project needs Accelerator Plus as a sole source of supplemental funds to start or complete construction.
2. Project has secured all expected funding sources including a funding commitment or loan from LAHD, but due to cost or scope changes, needs additional funds to begin or complete construction.
3. Project will have secured commitments of all funding sources with the exception of Accelerator Plus.
4. Project requested loan meets the maximum loan limit which is the lesser of up to $100,000/unit or $10 million per project.

<u>Priority</u>

The Project anticipates construction completion by mid-2024, with a placed-in-service date of July 2024, followed by a permanent loan conversion in December 2024.

<u>(The Project's financials follow this report)</u>

Construction Sources:

Construction Sources	Construction Closing (Feb. 2022)	REVISED Sources (Jan. 2024*)	Revised Sources/unit	$ Variance	% Variance
Construction Loan – BofA TE	$56,000,000	$58,845,000	$314,679	$2,845,000	5.1%
Construction Loan – BofA Taxable	$12,853,767	$13,900,559	$74,335	$1,046,792	8.1%
LAHD HHH Loan	$22,800,000	$22,800,000	$121,925	$0	0%
LAHD HHH Accrued Deferred Interest	$0	$43,000	$230	$43,000	N/A
ULA Accelerator Loan	$0	$2,526,000	$13,508	$2,526,000	N/A
FHLB AHP (GP Loan)	$0	$1,000,000	$5,348	$1,000,000	N/A
State HCD-IIG	$6,366,216	$6,366,216	$34,044	$0	0%
State HCD TOD Grant	$2,000,000	$2,000,000	$10,695	$0	0%
State HCD AHSC Grant	$249,200	$249,200	$1,333	$0	0%
Deferred Costs (until conversion)	$4,600,686	$3,793,940	$20,288	($806,746)	-17.5%
Deferred Developer Fee	$0	$300,000	$1,604	$300,000	N/A
GP Equity	$0	$0	$0	$0	0%
Tax Credit Equity	$13,679,715	$13,679,715	$73,154	$0	0%
Total	**$118,549,584**	**$125,503,630**	**$671,142**	**$6,954,046**	**5.9%**

* The revised Sources includes $2,845,000 in a Supplemental Bond funds awarded by CDLAC on August 23, 2023.

Permanent Sources:

Permanent	Construction Closing (Feb. 2022)	REVISED Sources (Jan. 2024*)	Revised Sources/unit	$ Variance	% Variance
Tax Exempt Bond Perm Loan BofA (Tranche A-Residential)	$19,572,082	$19,572,082	$104,664	$0	0%
Tax Exempt Bond Perm Loan BofA (Tranche A-Commercial)	$2,377,918	$2,377,918	$12,716	$0	0%
Taxable Bond Perm Loan BofA (Tranche B)	$0	$2,670,000	$14,278	$2,670,000	N/A
LAHD HHH Loan	$24,000,000	$24,000,000	$128,342	$0	0%
LAHD HHH Accrued Deferred Interest	$0	$43,000	$230	$43,000	N/A
ULA Accelerator Loan	$0	$2,526,000	$13,508	$2,526,000	N/A
FHLB AHP (GP Loan)	$0	$1,000,000	$5,348	$1,000,000	N/A
State HCD AHSC AHD Loan	$20,000,000	$20,000,000	$106,952	$0	0%
State HCD TOD Loan	$10,000,000	$10,000,000	$53,476	$0	0%
State HCD-IIG Grant	$6,366,216	$6,366,216	$34,044	$0	0%
State HCD TOD Grant	$2,000,000	$2,000,000	$10,695	$0	0%
State HCD AHSC Grant	$249,200	$249,200	$1,333	$0	0%
Deferred Developer Fee	$0	$300,000	$1,604	$300,000	N/A
GP Equity	$0	$0	$0	$0	0%
Tax Credit Equity	$33,984,168	$34,399,214	$183,953	$415,046	1.2%
Total	**$118,549,584**	**$125,503,630**	**$671,142**	**$6,954,046**	**5.9%**

* The revised Sources includes $2,845,000 in a Supplemental Bond funds awarded by CDLAC on August 23, 2023.

Uses:

Uses of Funds	Total Uses (June 2020)	Revised Uses (August 2023)	Revised Uses/Unit	$ Variance	% Variance
Acquisition Costs	$ 9,405,511	$9,213,563	$49,270	($191,948)	-2.0%
Construction Hard Costs	$75,880,686	$78,110,970	$417,706	$2,230,284	2.9%
Architecture & Engineering	$4,566,563	$4,842,211	$25,894	$275,648	6.0%
Construction Interest Fees/ Expenses	$8,419,162	$15,229,662	$81,442	$6,810,500	80.9%
Permanent Financing Costs	$246,292	$267,992	$1,433	$21,700	8.8%
Total hard & Soft Contingency Costs	$6,706,826	$4,350,000	$ 23,262	($2,356,826)	-35.1%
Legal Costs	$233,733	$313,730	$1,678	$79,997	34.2%
Capitalized Reserves	$2,487,688	$1,952,759	$10,443	($534,929)	-21.5%
Permits and Local Fees	$2,930,000	$1,992,232	$10,654	($937,768)	-32.0%
Developer Fee	$2,500,000	$2,500,000	$13,369	$0	0%
GP Equity	$0	$0	$0	$0	0%
Other Project Costs	$5,173,123	$6,730,511	$35,992	$1,557,388	30.1%
Total	**$118,549,584**	**$125,503,630**	**$671,142**	**$6,954,046**	**5.9%**

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles

Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

Voltaire Villas
Staff Report

Recommended Loan

The ULA Accelerator Loan being recommended for Voltaire Villas is $1,000,000 for a total LAHD loan investment of $10,940,000. The ULA Accelerator Loan amount will represent a cost of $13,888 per unit and 3% of the total development cost. The LAHD funds are leveraged primarily by equity proceeds from 4% low-income housing tax credits and the other permanent funding sources outlined below.

Project Description

Voltaire Villas (the "Project") is currently in construction with an expected completion of July 2024. The building is located at 316 N. Juanita Ave., Los Angeles in Council District 13. The building consists of the 66 affordable studio units, 5 one-bedroom units and one two-bedroom manager's unit. Thirty-two (32) of the units will be occupied by formerly chronically homeless individuals at or below 30% Area Median Income (AMI), using the Permanent Supportive Housing (PSH) model of care. The remaining thirty-nine (39) units are restricted to homeless individuals at or below 30% AMI. Twenty (20) PSH units are subsidized by project-based vouchers administered by the Housing Authority of the City of Los Angeles (HACLA).

Project Cost Increase

Since the project's construction financing closed in June of 2022 there have been several key factors that have contributed to a rise in the project's budget, including:

Voltaire Villas sustained substantial delays, damages, and cost impacts due to the site flooding while preparing the project foundation. During excavation work on December 19, 2022 for the foundation and basement level of Voltaire Villas, construction crews encountered an elevated water table which caused water seepage in the excavated section and halting excavation and concrete work. This problem persisted into early 2023 and was exacerbated by record-setting precipitation levels. Rain was recorded at the site for 34 days from December 2022 to May 2023, often with insufficient time between precipitation events to allow for drying to the soil sufficient to stabilize foundations. This not only had a substantial effect on the construction timeline but also a financial impact on project finances and reserves. The Borrower is applying for $1,000,000 in Accelerator Plus funding to help mitigate cost overruns and maintain appropriate reserves, with additional cost coverages available from additional tax credit equity.

Project Eligibility

Voltaire Villas meets the following criteria for Group A:

1. Project needs Accelerator Plus as a sole source of supplemental funds to start or complete construction.
2. Project has secured all expected funding sources including a funding commitment or loan from LAHD, but due to cost or scope changes, need additional funds to begin or complete construction.
3. Project will have secured commitments of all funding sources with the exception of ULA Accelerator Plus.
4. The project requested loan amount meets the maximum loan limit which is the lesser of up to $100,000/unit or $10 million per project.

Priority

The project anticipates completion of construction in July 2024. The developer is working to expedite the completion of construction closing in a timely manner given the delays.

(The project's financials follow this report)

Construction Sources

Construction Sources	Construction Closing Sources (June 2022)	REVISED Sources (January 2024)	Revised Sources/unit	$ Variance	% Variance
Tax Exempt Bond Loan	$ 19,000,000	$19,000,000	$263,889	$0	0%
LAHD Prop HHH Loan	$9,940,000	$9,940,000	$138,056	$0	0%
ULA Accelerator Loan	$0	$1,000,000	$13,889	$1,000,000	N/A
Costs deferred	$423,037	$423,037	$5,876	$0	0%
Deferred Developer Fee	$3,300,000	$3,300,000	$45,833	$0	0%
Tax Credit Limited Partner Equity	$3,992,600	$4,200,500	$58,340	$207,900	5%
Total	**$36,655,637**	**$37,863,537**	**$525,882**	**$1,207,900**	**3.2%**

Permanent Sources

Permanent	Construction Closing Sources (June 2022)	REVISED Sources (Jan 2024)	Revised Sources/unit	$ Variance	% Variance
Tax Exempt Bond Perm Loan	$0	$0	$ 0	$ 0	N/A
LAHD Prop HHH Loan	$9,940,000	$9,940,000	$138,056	$0	0%
ULA Accelerator Loan	$0	$1,000,000	$13,889	$1,000,000	N/A
HCD TOD Loan	$3,137,237	$3,137,237	$43,573	$0	0%
HCDE HHC Loan	$8,078,000	$8,078,000	$112,194	$0	0%
Deferred Developer Fee	$1,330,000	$1,000,000	$13,889	$(330,000)	-25%
Tax Credit Limited Partner Equity	$14,170,400	$14,708,300	$204,282	$537,900	4%
Total	**$36,655,637**	**$37,863,537**	**$ 525,882**	**$1,207,900**	**3.2%**

Uses

Uses of Funds	Total Uses (June 2022)	Revised Uses (Jan 2024)	Revised Uses/Unit	$ Variance	% Variance
Acquisition Costs	$4,765,000	$4,765,000	$66,181	$0	0%
Construction Hard Costs	$21,941,159	$23,149,059	$321,515	$1,207,900	6%
Architecture & Engineering	$1,100,0000	$1,100,0000	$15,278	$0	0%
Construction Interest Fees/ Expenses	$1,788,700	$1,788,700	$24,843	$0	0%
Permanent Financing Costs	$0	$0	$0	$0	N/A
Total hard & Soft Contingency Costs	$1,590,000	$1,590,000	$22,083	$0	0%
Legal Costs	$145,000	$145,000	$2,014	$0	0%
Capitalized Reserves	$393,037	$393,037	$5,459	$0	0%
Permits and Local Fees	$910,000	$910,000	$12,639	$0	0%
Developer Fee	$3,500,000	$3,500,000	$48,611	$0	0%
GP Equity	$0	$0	$0	$0	N/A
Other Project Costs	$522,741	$522,741	$7,260	$0	0%
Total	**$36,655,637**	**$37,863,537**	**$525,882**	**$1,207,900**	**3.2%**

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles

Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

Alveare Family
Staff Report

Recommended Loan

The ULA Accelerator Loan being recommended for Alveare Family is $10,559,557 for a total LAHD loan investment of $10,559,557. The ULA Accelerator Loan amount will represent a cost of $100,534 per unit and 14.6% of the total development cost. The LAHD funds are leveraged primarily by equity proceeds from 4% low-income housing tax credits and the other permanent funding sources outlined below.

Project Description

Alveare Family (the "Project") is a new construction project located on excess state-owned property at 1405 S. Broadway / 1400 S. Hill St. in Downtown Los Angeles, developed by The Related Companies of California, LLC, in Council District 14. This project is the first phase of a larger three-phased 305-unit development, which will include housing for senior, permanent supportive housing and family housing on the same site. This Project will consist of one hundred and five (105) family housing units consisting of six (6) studio units, thirty-eight (38) one-bedroom units, thirty-one (31) two-bedroom units (including one manager's unit), and thirty (30) three-bedroom units for households. The project aims to develop affordable homes for large families earning between 20% and 60% AMI. Additionally, the Housing Authority of the City of Los Angeles (HACLA) will enter into a Rental Assistance Demonstration ("RAD") contract providing rental assistance for sixty-two (62) family units. and are subsidized by project-based vouchers administered by HACLA.

The Project will provide residential parking in a subterranean garage below a Type I two-story podium as well as CALGreen-compliant onsite bicycle and electric vehicle (EV) parking. At the ground level, Alveare Family features a lobby entrance, resident community space, and mail/laundry facilities. Alveare Family will also offer approximately 24,000 square feet of exterior, publicly accessible and resident-only open space located both along Hill Street and within a podium amenity courtyard in the site's interior respectively.

The Related Companies of California ("TRCC") and The Weingart Center ("Weingart"), together Alveare Family Housing Partners, L.P. ("The Partnership"), will develop Alveare Family in cooperation with the State of California's Department of General Services ("The State"). The State will provide a long-term ground lease of The Site to provide additional affordable housing opportunities near public transportation and other amenities under Executive Order N-06-19.

The addition of the ULA Accelerator Loan will help the developer when applying for an allocation of Low-Income Housing Tax Credit (LIHTC) financing and to relieve the additional burden on the Project and developer from the cost increases as discussed below.

Project Cost Increase

Since the Project applied to AHMP in 2022, there have been several key factors that have contributed to the need for supplemental funding:

Overall, the development costs increased by approximately $1.86 million. With respect to variances in development costs, three key areas have shown the most considerable changes. The first area of change was the increase in the construction loan interest rate and fees. The costs increased by 20% equivalent to approximately $870,000. Project costs have been notably affected by the increasing interest rates on construction loans. At the time of the AHMP application, the Project was underwritten with a 7.62% loan interest rate. The Project now has a construction loan interest rate of 8.93%. The second area of change was the increase in the permanent loan origination fee. The permanent financing costs increased to approximately 1% of the permanent loan, which essentially doubled the costs associated with permanent financing since the project's initial application to TCAC in October of 2022. The third area of change was an increase in construction hard costs and corresponding permit and local fees. These line items together total $138,381, a 6.3% increase. The increase in construction costs and fees primarily stems from inflation as well as supply chain challenges, which have significantly elevated labor and material expenses as well as processing and impact fees in recent years. With interest rates at levels not seen in decades, affordable housing projects have experienced a reduction in supportable permanent financing, which necessitates more gap financing for financial viability.

<u>Project Eligibility</u>

Alveare Family meets the following criteria for Group B:

1. Project needs Accelerator Plus as a sole source of supplemental funds to apply for LIHTC financing.
2. Project has funding commitments from City, County and/or State housing funding programs but needs a single source of supplemental funds to be ready to apply for an allocation of Low Income Housing Tax Credits ("LIHTCs") to complete the funding stack and to begin construction.
3. Project will have secured all funding sources with the exception of LIHTCs and Accelerator Plus.
4. Project requested loan amount meets the maximum loan limit which is the lesser of up to $140,000/unit or $15 million per project.

<u>Priority</u>

The Project anticipates to re-apply to TCAC/CDLAC in March 2024 with an estimated closing date of December 2024. The developer will rely on this additional loan to complete the capital stack. The Project is estimated to be completed by June 2026 followed by a permanent loan conversion date of May 2027.

<u>*(The Project's financials follow this report*</u>

Construction Sources

Construction Sources	NOFA 2022	REVISED Sources (ULA 2023)	Revised Sources/unit	$ Variance	% Variance
Tax Credit Equity (4%)	$9,362,677	$6,687,583	$63,691.27	($2,675,094)	-28.57%
Construction Loan - Taxable	$4,925,433	$4,925,433	$47,360	$0	0%
Construction Loan - Tax Exempt	$38,020,000	$38,020,000	$365,577	$0	0%
State of California Seller Carryback Note	$7,025,435	$0	$0	($7,025,435)	-100.00%
ULA Accelerator Loan	$0	$10,559,557	$100,534	$10,559,557	0%
State HCD-IIG	$8,431,896	$7,230,000	$69,519	($1,201,896)	-14.25%
State HCD-Other (Local Gov. Matching Grant)	$0	$2,078,154	$19,982	$2,078,154	0%
GP Equity	$100	$100	$1	$0	0%
Deferred Developer Fee	$1,400,000	$2,400,000	$23,077	$1,000,000	71.43%
Deferred Costs to Stabilization	$1,274,197	394,902	$3,797	(879,295)	-69.01%
Total	**$70,439,738**	**$72,295,729**	**$695,151**	**$1,855,991**	**2.63%**

Permanent Sources

Permanent	NOFA 2022	REVISED Sources (ULA 2023)	Revised Sources/unit	$ Variance	% Variance
Tax Credit Equity (4%)	$35,992,307	$33,437,918	$321,518	($2,554,389)	-7.10%
Permanent Financing TCAC	$4,930,000	$3,930,000	$37,788	($1,000,000)	-20.28%
Permanent Financing RAD/PBS8 Overhang	$13,760,000	$13,760,000	$132,308	$0	0%
State of California Seller Carryback Note	$7,025,435	$0	$0	($7,025,435)	-100.00%
ULA Accelerator Loan	$0	$10,559,557	$100,534	$10,559,557	0%
State HCD-IIG	$8,431,896	$7,230,000	$69,519	($1,201,896)	-14.25%
State HCD-Other (Local Gov. Matching Grant)	$0	$2,078,154	$19,982	$2,078,154	0%
Deferred Developer Fee	$300,000	$1,300,000	$12,500	$1,000,000	333.33%
GP Equity	$100	$100	$1	$0	0%
Total	**$70,439,738**	**$72,295,729**	**$695,151**	**$1,855,991**	**2.63%**

Uses

Uses of Funds	Total Uses	Revised Uses (December 2023)	Revised Uses/Unit	$ Variance	% Variance
Acquisition Costs	$99	$99	$1	$0	0%
Construction Hard Costs	$50,433,905	$50,457,286	$485,166	$23,381	0.05%
Architecture & Engineering	$2,854,070	$2,861,070	$27,510	$7,000	0.25%
Construction Interest Fees/ Expenses	$4,353,620	$5,224,281	$50,233	$870,661	20.00%
Permanent Financing Costs	$90,000	$180,000	$1,731	$90,000	100.00%
Total Hard & Soft Contingency Costs	$5,501,312	$5,501,312	$52,897	$0	0%
Legal Costs	$480,000	$480,000	$4,615	$0	0%
Capitalized Reserves	$419,953	$394,902	$3,797	($25,051)	-5.97%
Permits and Local Fees	$1,839,479	$1,954,479	$18,793	$115,000	6.25%
Developer Fee	$2,500,000	$3,500,000	$33,654	$1,000,000	40.00%
Other Project Costs	$1,967,300	$1,742,300	$16,753	($225,000)	-11.44%
Total	**$70,439,738**	**$72,295,729**	**$695,151**	**$1,855,991**	**2.63%**

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

Peak Plaza
Staff Report

Recommended Loan

The ULA Accelerator Loan being recommended for Peak Plaza is $10,080,000 for a total LAHD loan investment of $14,080,000. The ULA Accelerator Loan amount will represent a cost of $96,923 per unit and 12.77% of the total development cost. In addition, LAHD construction period interest is being deferred. The LAHD funds are leveraged primarily by equity proceeds from 4% low-income housing tax credits and the other permanent funding sources outlined below.

Project Description

Peak Plaza Apartments (the "Project") will be a seven-story building with one level of subterranean parking located at 316 E. Washington Boulevard, Los Angeles in Council District 1. The building consists of 104 affordable studios, one, two and three-bedroom rental apartment units, and one two-bedroom and one three-bedroom managers' unit. Twenty-seven (27) of the units will be occupied by individuals at or below 30% Area Median Income (AMI). The remaining seventy-five (75) units are restricted to families at or below 60% AMI.

The addition of the ULA Accelerator Loan will help to relieve the additional burden on the Project and developer from the cost increases discussed below.

Project Cost Increase

Since the Project applied to AHMP in 2022, there have been several key factors that have contributed to a rise in the Project's budget, including:

Reduction of the AHSC funds: The AHSC request was reduced from $24,000,000 to $20,000,000 due to the Los Angeles Department of Transportation removing itself from the AHSC partnership program which reduced the scope and scoring for the Project. In order to maintain competitiveness against other projects, the funding request was reduced.

Interest Rate Increase: At the time of the AHMP application, the Project estimated construction loan interest rate between 5.25% and 5.75%. Based on HCHC's current developments in construction, the Project now estimates a construction loan interest rate between 8.1% to 8.4% which is approximately $6,900,000 in construction loan interest over a projected 34-months to allow a longer 28-month construction period which accounts for the potential delay in the delivery of the electrical switchgear and/or meter stack, both of which are delaying projects across LA County.

Construction and Labor Cost Increase: The Project will be seven stories making it subject to commercial prevailing wage requirements. This increases total construction cost by 10% or approximately $4,000,000. The Project will include 51 residential parking spaces, four located at ground level and 47 located on one level of subterranean parking. The one level subterranean parking increases the overall construction cost approximately $6,000,000. The Project Labor Agreement will add $3,970,428 to the development cost. The Project still faces concerns about high labor and material costs affected by national inflation.

Project Eligibility

Peak Plaza meets the following criteria for Group B:

1. Project needs Accelerator Plus as a sole source of supplemental funds to apply for LIHTC financing.
2. Project has funding commitments from City, County and/or State housing funding programs but needs a single source of supplemental funds to be ready to apply for an allocation of Low Income Housing Tax Credits ("LIHTCs") to complete the funding stack and to begin construction.
3. Project will have secured all funding sources with the exception of LIHTCs and Accelerator Plus.
4. Project requested loan amount meets the maximum loan limit which is the lesser of up to $140,000/unit or $15 million per project.

Priority

The Project anticipates applying to TCAC/CDLAC in April 2024 with an estimated closing date of December 2024. The Project completion is estimated to be by April 2027 followed by a permanent loan conversion date of December 2027.

(The project's financials follow this report)

Construction Sources

Construction Sources	**AHMP 2022**	**REVISED Sources (ULA 2023)**	**Revised Sources/unit**	**$ Variance**	**% Variance**
Tax Exempt Bond Loan	$34,898,083	$40,746,592	$391,765	$5,845,509	16.75%
Taxable Loan	$19,918,752	$15,237,179	$146,511	-$4,681,573	-23.50%
LAHD AHMP Loan	$4,000,000	$4,000,000	$38,462	0	0.00%
ULA Accelerator Loan	$0	$10,080,000	$96,923	$10,080,000	0.00%
State HCD-IIG	$0	$2,391,252	$22,993	$2,391,252	0.00%
Costs deferred	$1,992,915	$1,823,544	$17,534	-$169,371	-8.50%
Deferred Developer Fee	$300,000	$300,000	$2,885	$0	0.00%
GP Equity	$100	$100	$1	$0	0.00%
Tax Credit Equity	$9,364,167	$3,581,258	$34,435	-$5,782,909	-61.76%
Total	**$70,474,017**	**$78,159,925**	**$751,509**	**$7,682,908**	**10.90%**

Permanent Sources

Construction Sources	**AHMP 2022**	**REVISED Sources (ULA 2023)**	**Revised Sources/unit**	**$ Variance**	**% Variance**
Tax Exempt Bond Perm Loan	$4,380,856	$5,573,000	$53,586	$1,192,144	27.21%
State HCD-AHSC	$24,336,394	$20,000,000	$192,307	-$4,336,394	-17.82%
LAHD AHMP Loan	$4,000,000	$4,000,000	$38,462	$0	0.00%
ULA Accelerator Loan	$0	$10,080,000	$96,923	$10,080,000	0.00%
State HCD-IIG	$0	$2,391,252	$22,993	$2,391,252	0.00%
Deferred Developer Fee	$300,000	$300,000	$2,885	$0	0.00%
GP Equity	$100	$100	$1	$0	0.00%
Tax Credit Equity	$37,456,667	$35,812,573	$344,352	-$1,644,094	-4.39%
Total	**$70,474,017**	**$78,156,925**	**$ 751,509**	**$7,682,908**	**10.90%**

Uses

Uses of Funds	**Total Uses (AHMP 2022)**	**Revised Uses (ULA 2023)**	**Revised Uses/Unit**	**$ Variance**	**% Variance**
Acquisition Costs	$6,375,000	$6,375,000	$61,298	$0	0.00%
Construction Hard Costs	$41,062,179	$50,340,502	$484,043	$9,278,323	22.60%
Architecture & Engineering	$1,548,000	$1,658,180	$15,944	$110,180	7.11%
Construction Interest Fees/ Expenses	$4,623,499	$6,963,957	$66,961	$2,340,458	50.62%
Permanent Financing Costs	$58,809	$100,730	$969	$41,921	71.28%
Total hard & Soft Contingency Costs	$4,778,018	$3,160,675	$30,391	-$1,617,343	-33.85%
Legal Costs	$220,000	$150,000	$1,442	-$70,000	-31.82%
Capitalized Reserves	$423,287	$340,904	$3,278	-$82,383	-19.46%
Permits and Local Fees	$1,341,865	$710,000	$6,827	-$631,865	-47.09%
Developer Fee	$2,500,000	$2,500,000	$24,038	$0	0.00%
GP Equity					
Other Project Costs	$7,543,360	$5,856,977	$56,751	-1,686,383	-22.35%
Total	**$70,474,017**	**$78,156,925**	**$751,509**	**$7,682,908**	**10.90%**

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles

Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

The Main
Staff Report

Recommended Loan

The ULA Accelerator Loan being recommended for The Main Apartments is $8,680,000. It will be combined with the original HHH Commitment of $6,795,000 for a total LAHD loan investment of $15,475,000. The ULA Accelerator Loan amount will represent a cost of $135,625 per unit and 14.6% of the Total Development Cost. The HHH Commitment represents a cost of $106,172 per unit and 11.4% of the Total Development Cost. The aggregate LAHD funding commitments per unit is $241,797 and represents 26% of the Total Development Cost. LAHD construction period interest will be paid at conversion to permanent financing. The LAHD funds are leveraged primarily by equity proceeds from 9% low-income housing tax credits and the other permanent funding sources outlined below.

Project Description

The Main (the "project"), located at 15032 W. Rayen St. in the North Hills area of San Fernando Valley, will be new construction of a four-story supportive housing development of 64 units consisting of 62 affordable units. The project will accommodate homeless and chronically homeless transition-aged youth, homeless families, and low-income families; with two manager's units and subterranean parking for 53 cars. HACLA vouchers will support 33 contract units with 17 units reserved for the chronically homeless.

The site is owned and operated by Penny Lane Centers as a youth residential substance abuse disorder treatment home, Penny Lane will be the service provider on the project and has entered into a purchase and sale agreement with the developer, Abbey Road, Inc. The structures on the site will be demolished prior to construction.

The addition of the ULA Accelerator Loan will fill a large gap experienced by the Project due to increased project costs and the unsuccessful outcome on the application they submitted for the HCD-MHP program. As a result, the other small gap funders, LACDC, AHP withdrew since HCD declined to provide funding.

Project Cost Increase

Since the Project applied to AHMP in 2022, there have been several key factors that have contributed to a rise in the Project's budget, including:

Reduction of the AHSC funds: The AHSC request was reduced from $24,000,000 to $20,000,000 due to the Los Angeles Department of Transportation removing itself from the AHSC partnership program which reduced the scope and scoring for the project. In order to maintain competitiveness against other projects, the funding request was reduced.

Interest Rate Increase: At the time of the AHMP application, the Project estimated construction loan interest between 5.25% and 5.75%. Based on HCHC's current developments in construction, the Project now estimates a construction loan interest rate between 8.1% to 8.7% which is approximately $3,000,000 of additional construction loan interest over a projected 34-months. The construction timeline was extended from a 28-month construction schedule to account for the potential delay in the delivery of the electrical switchgear and/or meter stack, both of which are causing projected delays across LA county.

Construction and Labor Cost Increase: The project's four-story design, coupled with material and labor cost increases affect the total construction cost by 20% or approximately $9,000,000.

Besides the cost increases in Construction Materials, Labor and Financing, the other driver related to the developer's need to apply for the ULA Accelerator funds stem from the developer being turned down in their scoring application from receiving HCD's MHP program funds in the amount of $12,908,114. Their predicament was exacerbated by receiving declinations in their application for $2,000,000 in LACDC AHTF funds and $980,000 in AHP funds as these funding sources were contingent on receiving approval from HCD's MHP program.

Project Eligibility

The Main meets the following criteria for Group B:

1. Project needs Accelerator Plus as a sole source of supplemental funds to apply for LIHTC financing.
2. Project has funding commitments from City, County and/or State housing funding programs, but needs a single source of supplemental funds to be ready to apply for an allocation of Low Income Housing Tax Credits ("LIHTCs") to complete the funding stack and begin construction.
3. Project will have secured all funding sources with the exception of LIHTCs and ULA Accelerator Plus.
4. The Project requested Accelerator Plus loan amount meets the maximum loan limit which is the lesser of up to $140,000/unit or $15,000,000 per project.

Priority

The Project anticipates construction closing on the project by August 2025 with completion of construction by July 2027, followed by a permanent loan closing date of December 2027.

(The Project's financials follow this report)

Construction Sources

Construction Sources	Construction Closing Sources (Dec 2020)	REVISED Sources (ULA 2023)	Revised Sources/unit	$ Variance	% Variance
Taxable Construction Loan	$27,536,148	$38,688,854	$604,513	$11,152,706	40.5%
LACDC	$1,950,000	$0	$0	$0	0%
LACDC Accrued Deferred Interest	$89,659	$0	$0	$0	0%
State Tax Credits	$0	$1,385,670	$0	$0	0%
LAHD HHH	$7,520,000	$6,115,500	$95,555	($1,404,500)	(-18.7%)
LAHD Accrued Deferred Interest	$93,093	$0	$0	$0	0%
LAHD ULA	$0	$7,812,000	96,923	$0	0%
AHP	$960,000	$0	$0	$0	0%
Costs deferred until conversion	$1,804,481	$1,811,678	$28,307	$7,197	.3%
Deferred Developer Fee	$519,654	$0	$0	$0	0%
GP Capital Contribution	$2,509,405	$0	$0	$0	0%
GP Equity	$100	$0	$0	$0	0%
Capital Contributions Limited Partners	$1,565,057	$3,450,000	$53,906	$1,884,943	120%
Total	**$44,547,597**	**$ 59,263,702**	**$930,683**	**$14,716,105**	**33%**

Permanent Sources

Permanent	NOFA 2019	REVISED Sources (ULA 2023)	Revised Sources/unit	$ Variance	% Variance
Conventional Perm Loan- A Tranche	$2,297,000	$6,932,000	$108,313	$4,635,000	202%
State Tax Credits	$0	$13,856,702	$0	$0	0%
State HCD-MHP	$12,908,114	$0	$0	$0	0%
LAHD HHH Loan	$7,520,000	$6,795,000	$106,172	($725,000)	(-9.6%)
LAHD ULA	$0	$8,680,000	$0	$0	0%
LAHD Accrued Deferred Interest	$93,093	$0	$0	$0	0%
LACDC AHTF	$2,000,000	$0	$0	$0	0%
LACDC Accrued Deferred Interest	$89,659	$0	$0	$0	0%
AHP	$960,000	$0	$0	$0	0%
Deferred Developer Fee	$519,654	$0	$0	$0	0%
GP Capital Contribution	$2,509,405	$0	$0	$0	0%
GP Equity	$100	$0	$0	$0	0%
Tax Credit Equity	$15,650,572	$23,000,000	$359,375	$7,349,428	47%
Total	**$44,547,597**	**$59,263,702**	**$ 925,995**	**$14,716,105**	**33%**

Uses

Uses of Funds	**Total Uses. (NOFA 2019)**	**Revised Uses (Nov 2023)**	**Revised Uses/Unit**	**$ Variance**	**% Variance**
Acquisition Costs	$3,421,700	$3,568,638	$55,760	$146,938	4.3%
Construction Hard Costs	$25,970,203	$34,916,589	$ 545,571	$8,946,836	34.4%
Architecture & Engineering	$ 835,000	$935,000	$14,609$	$100,000	12%
Construction Interest Fees/ Expenses	$3,893,929	$6,849,117	$107,017	$2,955,188	75.9%
Permanent Financing Costs	$83,970	$91,990	$1,437	$8,020	9.5%
Total Hard & Soft Contingency Costs	$2,835,648	$3,028,130	$47,315	$192,482	6.8%
Legal Costs	$275,000	$263,457	$ 4,117	($11,543)	-4.2%
Capitalized Reserves	$687,598	$645,438	$10,085	($42,160)	-6%
Permits and Local Fees	$818,144	$1,403,565	$21,931	$585,421	71.5%
Developer Fee	$5,009,405	$2,200,000	$34,375	($ 2,809,405)	-56%
Other Project Costs	$717,000	$5,361,778	$87,997	$4,644,778	648%
Total	**$44,547,597**	**$59,263,702**	**$925,995**	**$14,716,105**	**33%**

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles

Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

Chavez Gardens
Staff Report

Recommended Loan

The ULA Accelerator Loan being recommended for Chavez Gardens is $15,000,000 for a total LAHD loan investment of $21,300,000. The ULA Accelerator Loan amount will represent a cost of $136,364 per unit and 16.66% of the total development cost. The HHH Commitment will represent a cost of $39,975 per unit and 4.88% of total development costs. The aggregate LAHD funding commitments per unit is $176,339 and represents 21.54% of the total development costs. In addition, LAHD construction period interest is being deferred. The LAHD funds are leveraged primarily by equity proceeds from 4% low-income housing tax credits and the other permanent funding sources outlined below.

Project Description

Chavez Gardens (the "Project") will include two, four-story residential buildings located at 2518-2536 E. Cesar Chavez Avenue, 335-349 N. Fickett Street, and 334-344 Matthews Street, in the Boyle Heights neighborhood of Los Angeles in Council District 14. The Project site is owned by The Los Angeles County Metropolitan Authority and comprises of eight parcels of land totaling 68,069 square feet. The buildings will consist of 110 affordable studios, one, two and three-bedroom rental apartment units, and one two-bedroom managers' unit. Thirty-seven (37) of the units will be occupied by individuals at or below 30% Area Median Income (AMI). The remaining seventy-two (72) units are restricted to families at or below 50% AMI. The Project will also include 3,000 square feet of commercial space.

Chavez Gardens initially received an award of $6,300,000 in Prop HHH funds in 2020. The addition of the ULA Accelerator Loan will help to relieve the additional burden on the Project and developer from the cost increases discussed below.

Project Cost Increase

The project applied to the City's AHMP NOFA in 2022, but was not awarded funds. Since the Project applied to AHMP in 2022, there have been several key factors that have contributed to a rise in the Project's budget, including:

Interest Rate Increase: At the time of the AHMP application, the Project estimated construction loan interest of 6.8%. Based on the current developments in construction, the Project now estimates a construction loan interest rate of 7.77% which is approximately $7,491,404 in construction loan interest over a projected 20-months to allow a longer 24-month construction period which accounts for the potential delay in the delivery of the electrical switchgear and/or meter stack, both of which are delaying projects across LA County.

Construction and Labor cost Increase: The Project will be four stories making it subject to prevailing wage requirements. This increases total construction cost by 10% or approximately $7,098,420. The Project Labor Agreement will add to the development cost. The Project still faces concerns about high labor and material costs affected by national inflation.

Increased Competitiveness for Soft Costs Financing: At the time of AHMP NOFA application, the Project anticipated funding from the State's Affordable Housing and Sustainable Communities NOFA. The State's 2023 SuperNOFA was oversubscribed by a ratio of 10:1. The Project was unsuccessful in securing this funding source which contributed to Project delays and rising costs.

Project Eligibility

Peak Plaza meets the following criteria for Group B:

1. Project needs Accelerator Plus as a sole source of supplemental funds to apply for LIHTC financing.
2. Project has funding commitments from City, and State housing funding programs but needs a single source of supplemental funds to be ready to apply for an allocation of Low-Income Housing Tax Credits ("LIHTCs") to complete the funding stack and to begin construction.
3. Project will have secured all funding sources with the exception of LIHTCs and Accelerator Plus.
4. Project requested loan amount meets the maximum loan limit which is the lesser of up to $140,000/unit or $15 million per project.

Priority

The Project anticipates applying to TCAC/CDLAC in May 2024 with an estimated closing date of February 2025. The Project is estimated to be completed by October 2026 followed by a permanent loan conversion date of May 2027.

(The Project's financials follow this report)

Construction Sources

Construction Sources	AHMP NOFA 2022	REVISED Sources (January 2024)	Revised Sources/unit	$ Variance	% Variance
Construction Loan	57,614,583	46,678,000	424,345	-10,936,583	-18.98%
LAHD HHH Loan	6,300,000	4,394,234	39,975	-1,902,766	-30.20%
LAHD AHMP	11,268,551	$0	$0	-11,268,551	-100.00%
ULA Accelerator Loan	$0	15,000,000	136,364	15,000,000	100.00%
State HCD-IIG	3,845,977	3,845,977	34,963	$0	0%
Metro Land	4,140,000	6,900,000	62,727	2,760,000	66.67%
Deferred Costs	2,208,100	2,778,337	25,258	570,000	25.82%
Deferred Developer Fee	$0	300,000	$2,727	300,000	100.00%
Tax Credit Equity	3,549,885	10,137,406	$92,159	6,587,521	186.00%
Total	**$88,927,096**	**$ 90,036,954**	**$818,518**	**$1,109,858**	**1.25%**

Permanent Sources

Permanent	AHMP NOFA 2022	REVISED Sources (ULA 2023)	Revised Sources/unit	$ Variance	% Variance
Construction Loan	4,254,000	6,622,882	60,209	2,368,882	55.69%
HCD-AHSC	17,577,600	$0	$0	-17,577,600	-100.00%
LAHD HHH Loan	6,300,000	6,300,000	57,273	$0	0%
LAHD AHMP Loan	11,268,551	$0	$0	-11,268,551	-100.00
ULA Accelerator Loan	$0	15,000,000	136,364	15,000,000	100%
State HCD-IIG	3,845,977	3,845,977	34,963	$0	0%
Metro Land	4,140,000	6,900,000	67,727	2,760,000	66.67%
Deferred Developer Fee	$0	300,000	2,727	300,000	100.00%
Deferred Costs	$0	381,067	3,464	381,067	100.00%
Tax Credit Equity	41,540,968	50,687,028	460,791	9,146,060	22.02%
Total	**$88,927,096**	**$90,036,954**	**$818,518**	**$1,109,858**	**1.25%**

Uses

Uses of Funds	Total Uses (HHH 2019)	Revised Uses (August 2023)	Revised Uses/Unit	$ Variance	% Variance
Acquisition Costs	$13,800,000	$10,350,000	$73,486	-$3,630,000	-25.97%
Construction Hard Costs	$51,002,504	$55,378,097	$503,437	$4,375,593	8.58%
Architecture & Engineering	$2,481,844	$3,186,271	$33,330	$704,427	168.20%
Construction Interest Fees/ Expenses	$9,516,740	$9,762,953	$88,754	$246,213	2.59%
Permanent Financing Costs	$30,000	$94,672	$861	$64,672	215.57%
Total hard & Soft Contingency Costs	$5,385,250	$3,318,905	$9,156	-$2,066,345	-38.37%
Legal Costs	$220,000	$220,733	$34,767	$733	0.33%
Capitalized Reserves	$818,000	$1,007,170	$733	$189,170	23.13%
Developer Fee	$2,200,000	$2,500,000	$22,727	$300,000	13.64%
Other Project Costs	$3,277,758	$4,179,653	$38,142	$917,895	28.00%
Total	**$41,989,592**	**$90,036,954**	**$818,518**	**$48,047,362**	**1.25%**

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles

Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.org

Grace Villas
Staff Report

Recommended Loan

The ULA Accelerator Loan that is being recommended is $6,459,465 for a total LAHD loan investment of $12,165,515. The ULA Accelerator Loan amount will represent a $134,572 subsidy per unit and 13.86% of the total development cost. In addition, LAHD construction period interest is being deferred. The LAHD funds are leveraged primarily by equity proceeds from 9% Low-Income Housing Tax Credits (LIHTC) and the other permanent funding sources outlined below.

Project Description

Grace Villas (the "Project") is a proposed new construction of a six-story building for 48 units consisting of 47 affordable housing units plus one manager's unit for families with special needs. The unit mix includes 21 one-bedroom units, 15 two-bedroom units and 12 three-bedroom units. One of the two-bedroom units will be for the on-site resident manager. The site is located at 216-224 S Avenue 24, in the Lincoln Heights community, East of downtown Los Angeles. It is currently a Los Angeles Department of Transportation (LADOT, Lot # 658) with low parking utilization. The development will be of Type III housing on top of a Type I ground level parking and a subterranean parking garage. The building will have a style of Spanish Colonial Revival architecture with smooth off-white exterior cement plaster, recessed windows and door openings, as well as arched wall openings. The massing of the building is broken up to provide a variety of shapes to express the volume of the building. Along the street facade the building steps back to allow for a lower building height at street level. The Project will also include 47 parking spaces, a community room, service office space, bike parking, computer area, and a landscaped courtyard with activity and seating areas.

Each unit will have HVAC, vinyl planking flooring, closets, built in kitchen and bathroom cabinets with solid surface countertops, light fixtures, and operable windows with blinds. The community-serving spaces will include community rooms, manager's office, a service office suite with offices and meeting room, laundry facilities, area for computer use. Outside, on the 2nd floor at the courtyard level, there will be open space with a tot lot, seating area and landscaping. On the 5th floor will be a roof deck with outdoor furnishings and landscaping. The project as currently proposed will have 47 residential parking spaces, with 29 spaces provided in a subterranean parking garage and 18 spaces provided at-grade. A bicycle parking area will also be provided at the ground floor level.

The Grace Villas Apartments initially received on June 28, 2023 an award of $5,706,050 in HOME Funds through the AHMP for its 2023 Super NOFA application. The addition of the ULA Accelerator Loan will help to relieve the additional burden on the Project and developer from the cost increases discussed below.

Project Cost Increase

Since the Project applied to AHMP in 2023, the costs have increased by $4.9 million or 12% of the Total Development Cost (TDC) due to several key factors outlined below:

- The requirement for a Project Labor Agreement under the ULA program, which increases construction costs by approximately 10% which adds approximately $165,000 in additional soft costs to cover the added cost of a consultant to manage the hiring and monitoring;

- Increased costs related to electrification and for stepbacks required for the building as a result of power lines along the north and east sides of the building. Based on the recent mandate, the building will be all-electric, which while it is more expensive up front, will reduce tenant utility costs and property operating costs and benefit the environment over the long term. While a fully electric building is anticipated, the design has become more defined in the 15 months since the AHMP application. In addition, both design and construction incentives were initially included in the costs calculation through the BUILD program offered by LADWP; however, it was recently revealed that BUILD requires that solar power cover a minimum of 5% of tenant utilities, whereas a multi-story infill project such as this one cannot meet that requirement because of limited roof space. Accordingly, all design and building costs were included without the offsetting incentives;

- The increase in insurance costs, as result of market forces; insurance costs have generally increased by 400% - the anticipated increase for builder's risk insurance is from $476,750 to $795,000, a 66% increase;

- Increased interest rate for the construction loan, based on market forces, from 7.1% to 8.9% along with the increase in the size the construction loan as costs increased. This increased the interest cost from $2.24 million to $3.197 million;

- There are other smaller adjustments, including an increase from $777,000 to $1,174,000 in permits and fees, school fees, and impact fees, due to higher construction costs as well as corrected, more accurate estimates; increase in hard cost contingency to maintain a 6.5% contingency;

This project has always had relatively higher costs for the following reasons:

- Large Family Project – The project has 1, 2 and 3-bedroom units, with 56% larger units;

- Increased costs as a result of providing 47 parking spaces – The developer and the Council Office have done more than two years of community outreach. While the development is within ½ mile a high-volume bus route, the community, and especially the business along Broadway St., have expressed during the outreach their serious concern regarding the elimination of the LADOT lot and the potential for cars from the new development to use up the limited street parking. While replacement parking is not required for the surface parking that was there, since the current parking lot had relatively low utilization, the community has stated that the project needs to provide parking for its residents to avoid placing more vehicles on the streets for street parking in an area that is already congested;

- Increased costs associated with the types of construction - The two parking levels (podium and subterranean) will be Type I construction and the five levels of residential housing above will be Type III construction, both of which are more expensive than Type V construction. The construction of five stories above the parking requires commercial prevailing wages and higher cost of building materials.

<u>Project Eligibility</u>

Grace Villas meets the following criteria for Group B:

1. Project needs Accelerator Plus as a sole source of supplemental funds to apply for LIHTC financing.
2. Project has funding commitments from City, County and/or State housing funding programs but needs a single source of supplemental funds to be ready to apply for an allocation of Low Income Housing Tax Credits ("LIHTCs")

to complete the funding stack and to begin construction.

3. Project will have secured all funding sources with the exception of LIHTCs and Accelerator Plus.
4. Project requested loan amount meets the maximum loan limit which is the lesser of up to $140,000/unit or $15 million per project.

Priority

The Project anticipates applying to TCAC/CDLAC in July 2024 with an estimated closing date of April 2025. The Project is estimated to be completed by December 2027 followed by a permanent loan conversion date of June 2028.

(The Project's financials follow this report)

Construction Sources

Construction Sources	AHMP NOFA 2022	REVISED Sources (ULA 2023)	Revised Sources/unit	$ Variance	% Variance
Construction Loan	$26,500,000	$23,250,000	$484,375	($3,250,000)	(12%)
LAHD - AHMP	$5,706,050	$5,706,050	$118,876	$0	0%
LAHD – ULA Accelerator	$0	$6,459,465	$134,572	$6,459,465	100+%
LACDA (LA County)-AHTF	$2,700,000	$0	$0	($2,700,000)	100+%
LAHD Land	$2,250,000	$2,250,000	$46,875	$0	0%
Deferred Developer Fee	$902,031	$569,860	$11,872	($332,171)	(37%)
Deferred Costs	$292,261	$292,261	$6,089	$0	0%
Tax Credit Equity	$3,318,418	$8,090,316	$168,548	$4,771,898	144%
Total	**$41,668,760**	**$46,617,952**	**$971,207**	**$4,949,192**	**12%**

Permanent Sources

Permanent	AHMP NOFA 2022	REVISED Sources (ULA 2023)	Revised Sources/unit	$ Variance	% Variance
Permanent Loan	$1,040,000	$4,370,000	$91,042	$3,330,000	320%
LAHD - AHMP	$5,706,050	$5,706,050	$118,876	0	0%
LAHD – ULA Accelerator	$0	$6,459,465	$134,572	$6,459,465	100+%
LACDA (LA County)-AHTF	$3,000,000	$0	$0	($3,000,000)	(100+%)
LAHD - Land	$2,250,000	$2,250,000	$46,875	0	0%
HCD - MHP	$7,549,923	0	0	($7,549,923)	(100+%)
Deferred Developer Fee	$0	$263,762	$5,495	$263,762	100+%
Tax Credit Equity 9%	$22,122,787	$27,568,675	$574,347	$5,445,888	25%
Total	**$41,668,760**	**$46,617,952**	**$971,207**	**$4,949,192**	**12%**

Uses of Funds

Uses of Funds	Total Uses (2022)	Revised Uses (2023)	Revised Uses/Unit	$ Variance	% Variance
Acquisition Costs	$2,275,000	$2,250,000	$46,875	-$25,000	-1%
Construction Costs	$27,091,300	$30,218,946	$629,561	$3,127,646	12%
Architectural Costs	$761,000	$762,257	$15,880	$1,257	0%
Survey & Engineering	$668,900	$635,970	$13,249	-$32,930	-5%
Construction & Interest Fees	$3,265,292	$4,607,500	$95,990	$1,342,208	41%
Permanent Financing Costs	$55,400	$120,000	$2,500	$64,600	117%
Legal Fees	$305,000	$310,000	$6,458	$5,000	2%
Reserve Costs	$292,261	$293,010	$6,104	$749	0%
Appraisal Costs	$10,000	$10,000	$208	$0.00	0%
Contingency Costs	$2,210,935	$2,414,231	$50,296	$203,296	9%
Other Costs	$2,533,672	$2,796,038	$58,251	$262,366	10%
SUBTOTALS	$39,468,760	$44,417,952	$925,374	$4,949,192.	13%
Total - Developer Costs	$2,200,000	$2,200,000	$45,833	$0.00	0%
TOTAL	**$41,668,760**	**$46,617,952**	**$971,207**	**$4,949,192**	**12%**