CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: April 18, 2018
To: Proposition HHH Citizens Oversight Committee
From: Office of the City Administrative Officer
Housing and Community Investment Department

Subject: QUARTERLY REPORT – FISCAL YEAR 2017-18 PROPOSITION HHH BOND ISSUANCE

RECOMMENDATION

That the Citizens Oversight Committee (COC) review the Quarterly Report for the Fiscal Year 2017-18 Proposition HHH bond issuance and forward the report to the Administrative Oversight Committee (AOC).

SUMMARY

The first Proposition HHH (Prop HHH) bond issuance in Fiscal Year (FY) 2017-18 of $89,739,879, included $87,879,381 for nine (9) projects under the Prop HHH Permanent Supportive Housing (PSH) Loan Program and four (4) projects (two (2) projects withdrew) under the Prop HHH Facilities Program. An additional $1,203,933 was included for staff costs (C.F. 17-0090).

As previously discussed, this report outlines the recommended reprogramming of $789,824 from two (2) withdrawn Facilities Program projects and ineligible City Attorney staff costs, to the Department of Public Works, Bureau of Engineering (BOE) for the implementation of City-sponsored Prop HHH Facilities Projects. The report also describes items of note for Prop HHH projects approved in the first issuance.

The attached Quarterly Report provides the following information for each Prop HHH project:

- Project Information:
  - Project name, developer, address and council district, population served;
  - Total number of units, number of PSH units, units for chronically homeless, affordable units, manager units, and non-FFF funded units (PSH Loan Program projects only); and
  - Project type (Facilities Program projects only).
- Prop HHH Project Award Amount;
- Total Development Cost;
- Loan Agreement Execution Date (PSH Loan Program projects only) and Contract
Execution Date (Facilities Program projects only);
  • Commitment Date (PSH Loan Program projects only);
  • Cost Per Unit (PSH Loan Program projects only);
  • Construction Start Date;
  • Construction Completion Date;
  • Permanent Loan Conversion Date (PSH Loan Program projects only);
  • Prop HHH Quarterly Expenditures and Fiscal Year Totals; and
  • Notes (outlining delays, concerns, etc.).

PROPOSITION HHH STATUS REPORT – ITEMS OF NOTE

Proposition HHH Permanent Supportive Housing Program

Of the nine (9) PSH projects approved in the first bond issuance, three (3) have started construction and two (2) are set to begin construction before the end of the fiscal year. These projects include, PATH Metro Villas II, Six Four Nine Lofts, 88th and Vermont, (McCadden Youth) AMRC TAY, and RISE Apartments. The remaining four (4) projects, which were delayed due to cost increases, have acquired the remaining gap funding necessary or have California Debit Limit Allocation Committee (CDLAC) (private activity bonds) allocation dates and estimated construction start dates. These projects include, Casa del Sol, SP7 Apartment RECAP, The Pointe on Vermont, and the FLOR 401 Lofts.

Other items of note include:
  • The Six Four Nine Lofts project increased the total PSH units from 27 to 28 units, decreasing the affordable units by one (1) unit.
  • The Casa del Sol project has received its CDLAC allocation and will start construction on July 5, 2018.
  • The SP7 Apartments RECAP project received a CDLAC bond allocation in March and is currently working to close other lending agreements, including a Housing Opportunities for Persons with AIDS (HOPWA) loan. The estimated construction start date is September 1, 2018.
  • The Pointe on Vermont project is applying for a CDLAC bond allocation in May 2018, with funding provided in June 2018. These funds would cover any previously reported funding gaps. The estimated construction start date is September 1, 2018.
  • The FLOR 401 Loft project also is applying for a CDLAC bond allocation in May 2018, with funding provided in June 2018. These funds would cover any previously reported funding gaps. The estimated construction start date is December 1, 2018.

Proposition HHH Facilities Program

  • The Joshua House Health Center began construction on February 15, 2018.
  • The contracts for the remaining two (2) privately sponsored Facilities Program projects were executed this quarter.
- The loan agreement with Los Angeles Family Housing, the project sponsor for the South Campus project, was executed on March 7, 2018 (C-130925). The project is expected to begin construction in June 2018.
- The loan agreement with Community Build, the project sponsor for the 88th and Vermont project, was executed on March 28, 2018 (C-131078). The project began construction on April 2, 2018.
- The City-sponsored Council District 8 Navigation Center project is expected to begin construction in June 2018. BOE is finalizing the project scope, design and construction schedule. An additional $1.8 million is recommended for this project in the FY 2018-19 Facilities Program Project Expenditure Plan (PEP) to add space for job training services, for a total project cost of $4.9 million.

REPROGRAMMING RECOMMENDATIONS

The FY 2018-19 Facilities Program PEP report included recommendations to reprogram $789,824 from the FY 2017-18 PEP to BOE for staff and consulting costs for project management, design, environmental studies and other work to implement City-sponsored Prop HHH Facilities Projects. The COC considered these recommendations on March 16, 2018. These funds will be reprogrammed from the following line items:

- **Staff costs - $133,259**
  Based on updated advice from the City Attorney regarding allowable use of Prop HHH funds for City staff costs, the $133,259 allocated for the City Attorney for staffing costs is ineligible and is being recommended for reprogramming. Eligible Housing and Community Investment Department staff costs will be reimbursed to the Department. Any remaining funds will be reprogrammed.

- **Withdrawn Facilities Program Projects:**
  - **Corner of Hope - $435,800**
    The John Wesley Community Health Institute, project sponsor for Corner of Hope, withdrew due to increased costs associated with Prop HHH funding requirements.
  - **Homeless Vets at the Marion - $220,765**
    The Volunteers of America Los Angeles, project sponsor for Homeless Vets at the Marion project, withdrew due to the former Community Redevelopment Agency’s Wiggins settlement, which disallows conversion of single room occupancy units to transitional housing.

Reprogrammed funds for BOE will be reflected in the third Quarterly Report upon Council and Mayor approval of the FY 2018-19 PEP.

Attachment – Proposition HHH Quarterly Report – March 2018
# Proposition HHH Quarterly Report - March 2018

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Development Type</th>
<th>Total Cost</th>
<th>Loan Cost</th>
<th>Construction Start (Estimated)</th>
<th>Conversion Date</th>
<th>Estimated Loan Conversion Date</th>
<th>Total Loan</th>
<th>Fiscal Year 2017-18 Expenditures</th>
<th>Fiscal Year 2017-18 Total</th>
<th>Fiscal Year 2017-18 Remaining</th>
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</tbody>
</table>

### Notes
- The Pointe on Vermont* is recommended for reprogramming for Department of Public Works, Bureau of Engineering staff costs to implement City-sponsored projects.
- Construction start dates and conversion dates are estimated.
- Remaining balances at the end of FY 2017-18 will be allocated to the bed needs of the City of Los Angeles.
- Funding for these projects is secured through Proposition HHH, a tax-credit program that prioritizes support for extremely low-income individuals and families experiencing chronic homelessness.
- **PSH** stands for Permanent Supportive Housing, a type of housing that provides permanent housing (including rental subsidy) with supportive services to extremely low-income individuals and families experiencing chronic homelessness.

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**Definitions:**
- **PSH:** Permanent Supportive Housing
- **HHH:** Homeless Housing and Services
- **IC:** Individuals with a Disability
- **IC/IC:** Individuals with a Disability/Individuals with a Disability
- **IC/V:** Individuals with a Disability/Veterans
- **IC/IC/V:** Individuals with a Disability/Individuals with a Disability/Veterans
- **IC/IC/IC:** Individuals with a Disability/Individuals with a Disability/Individuals with a Disability

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**Legends for Population Sectors:**
- **IC:** Individuals with a Disability
- **IC/IC:** Individuals with a Disability/Individuals with a Disability
- **IC/V:** Individuals with a Disability/Veterans
- **IC/IC/V:** Individuals with a Disability/Individuals with a Disability/Veterans
- **IC/IC/IC:** Individuals with a Disability/Individuals with a Disability/Individuals with a Disability

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**HHH Program and Projects:**
A development that provides permanent housing (including rental subsidy) with supportive services to extremely low-income, very low-income, formerly homeless, special needs individuals and families, families fleeing domestic violence (FVDFV), formerly incarcerated, formerly disabled, or formerly frequent users of Los Angeles County services.

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**HHH Program:**
A development that provides permanent housing with supportive services to extremely low-income, very low-income, formerly homeless, special needs individuals and families, and formerly incarcerated individuals and families. The program is funded by Proposition HHH and provides permanent supportive housing to individuals and families experiencing chronic homelessness.

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**HHH Projects:**
A development that provides permanent housing and supportive services to extremely low-income, very low-income, formerly homeless, special needs individuals and families, and formerly incarcerated individuals and families. The program is funded by Proposition HHH and provides permanent supportive housing to individuals and families experiencing chronic homelessness.

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**HHH Program Funding:**
A development that provides permanent housing and supportive services to extremely low-income, very low-income, formerly homeless, special needs individuals and families, and formerly incarcerated individuals and families. The program is funded by Proposition HHH and provides permanent supportive housing to individuals and families experiencing chronic homelessness.