Date: August 15, 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 (APRIL 1 – JUNE 30, 2018)

RECOMMENDATION

That the Citizens Oversight Committee (COC) review the Quarterly Report for the Fiscal Year 2017-18 Proposition HHH Bond Issuance (April 1 – June 30, 2018) 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 under the Prop HHH Facilities Program. An additional $1,203,933 was included for staff costs (C.F. 17-0090).

This report describes items of note for Prop HHH projects approved in this 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-HHH 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

• The 88th and Vermont project began construction on April 2, 2018.
• As of June 30, 2018, $3,751,066 has been expended on Proposition HHH PSH Loan Program projects.
• McCadden Youth/AMRC TAY and RISE Apartments projects experienced delays due to construction cost increases. Both projects are now estimated to begin construction in October 2018.
  o HCID has requested funding for the RISE Apartments from the City's allocation from the State of California Homeless Emergency Aid Program (HEAP) increased construction costs.
• The Casa del Sol project received a CDLAC allocation in May 2018 and will start construction in September 2018.
• The FLOR 401 Lofts project applied for a CDLAC bond allocation in May 2018, with funding to be provided in July 2018. These funds would cover any previously reported funding gaps. The estimated construction start date remains December 2018.
• The SP7 Apartments RECAP project received a CDLAC bond allocation in March and closed the Housing Opportunities for Persons with AIDS (HOPWA) loan in June. The estimated construction start date is now October 2018.
• The Pointe on Vermont project’s CDLAC bond allocation has been delayed to October 2018 due to new funding gaps. The project applied to the HCID Pipeline and HCID has requested funding from the City’s HEAP allocation to cover previously reported funding gaps, and is now awaiting the results of additional gap funding applications. The new estimated construction start date has been changed to January 2019.
  o Previous reports incorrectly noted 26 Non-HHH Funded units in this project. This number has been corrected to zero (0) in the attached Quarterly Report.

Proposition HHH Facilities Program

• The 88th and Vermont Youth and Community Center Project began construction on April 2, 2018. Funds for this project are fully encumbered and expenditures are expected in the next quarterly report.
• The South Campus project began construction on June 10, 2018. Funds for this project are fully encumbered and expenditures are expected in the next quarterly report.
• The Joshua House Health Center submitted funding draws this quarter, which are pending approval. Expenditures are expected to be reflected in the next
quarterly report.

- The City-sponsored Council District 8 Navigation Center project is now expected to begin construction in September 2018 due to a necessary redesign.

**FY 2018-19 Proposition HHH Issuance**

In June 2018, the Mayor and Council approved the FY 2018-19 Prop HHH Project Expenditure Plan (PEP; C.F. 17-0090-S6) and the City issued bonds in the total amount of $276,235,694 on July 13, 2018. The FY 2018-19 PEP includes $37,720,183 for Prop HHH Facilities Program projects, and $238,515,511 for Prop HHH PSH Loan Program Projects. The first Quarterly Report for the FY 2018-19 Prop HHH Bond Issuance will be provided in January 2019.

Attachment – Proposition HHH Quarterly Report – June 2018
<table>
<thead>
<tr>
<th>Site Name</th>
<th>Type</th>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>Start</th>
<th>End</th>
<th>Cost</th>
<th>Notes</th>
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<tbody>
<tr>
<td>[Site 1]</td>
<td>[Type 1]</td>
<td>[Address 1]</td>
<td>[City 1]</td>
<td>[State 1]</td>
<td>[Zip Code 1]</td>
<td>[Start 1]</td>
<td>[End 1]</td>
<td>[Cost 1]</td>
<td>[Notes 1]</td>
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<td>[Site 2]</td>
<td>[Type 2]</td>
<td>[Address 2]</td>
<td>[City 2]</td>
<td>[State 2]</td>
<td>[Zip Code 2]</td>
<td>[Start 2]</td>
<td>[End 2]</td>
<td>[Cost 2]</td>
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**Footnotes:**
- A development that provides permanent housing (including rental subsidies) with supportive services to extremely low-income, and very low-income, homeless special needs individuals and veterans, homeless families, homeless transition aged youth (Y), homeless seniors, homeless disabled, and homeless frequent users of Los Angeles County services.
- A development that provides permanent housing for homeless individuals and families.
- Supported by the U.S. Department of Housing and Urban Development.
- Loan closed 6/12/18.
- [Note 1]
- [Note 2]
- [Note 3]
<table>
<thead>
<tr>
<th>Proposition HHH Facilities Project</th>
<th>Project Sponsor</th>
<th>Address</th>
<th>Council District</th>
<th>Project Type</th>
<th>Population Served</th>
<th>HHH Project Award</th>
<th>Total Project Cost</th>
<th>Contract Execution Date</th>
<th>Construction Start Date</th>
<th>Construction Completion Date</th>
<th>HHH Expenditures as of January 2018</th>
<th>HHH Expenditures 3/1/2019</th>
<th>HHH Expenditures 3/1/2019</th>
<th>Fiscal Year 2017-18 Total</th>
<th>HHH Project Funds Remaining</th>
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</thead>
<tbody>
<tr>
<td>8th and Vermont Youth and Community Center</td>
<td>Community Build</td>
<td>4750-8550 Vermont Ave, Los Angeles CA 90044</td>
<td>B</td>
<td>Center</td>
<td>H, HY, YAI</td>
<td>$3,245,000</td>
<td>$3,793,365</td>
<td>3/18/2018</td>
<td>4/1/2018</td>
<td>10/2019 (Estimated)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$3,149,234</td>
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<tr>
<td>South Campus</td>
<td>LA Family Housing</td>
<td>7817 Lankershim Blvd, North Hollywood, CA 91605</td>
<td>G</td>
<td>Center</td>
<td>H, CH, HY, RV, M, D, SA, Y, M, T</td>
<td>$1,302,000</td>
<td>$4,402,500</td>
<td>3/17/2018</td>
<td>6/10/2018</td>
<td>12/2019 (Estimated)</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$3,702,000</td>
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<tr>
<td>Jordan House Health Center</td>
<td>Los Angeles Christian Health Centers</td>
<td>6495 S. Wall St., Los Angeles CA 90044</td>
<td>14</td>
<td>Clinic</td>
<td>H, CH, V, M, SA</td>
<td>$3,700,000</td>
<td>$23,036,860</td>
<td>3/12/2018</td>
<td>9/15/2018</td>
<td>1/2019 (Estimated)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$3,700,000</td>
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<tr>
<td>CD 6 Navigation Center</td>
<td>City of Los Angeles</td>
<td>725 W. Manchester Ave, Los Angeles CA 90044</td>
<td>B</td>
<td>Center</td>
<td>H, CH, Y</td>
<td>$3,245,000</td>
<td>$3,000,000</td>
<td>N/A (City sponsored)</td>
<td>12/2018</td>
<td>06/26/2019 (Estimated)</td>
<td>$ -</td>
<td>$ -</td>
<td>$24,686</td>
<td>$57,573</td>
<td>$92,639</td>
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</table>

Proposition HHH Facilities Loan Program GDB Series 2017-A (Taxable)

<table>
<thead>
<tr>
<th>Fiscal Year 2017-18 Expenditures</th>
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<tbody>
<tr>
<td><strong>Total for 2017-18 Bond Issuance</strong></td>
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<tr>
<td>$11,400,015</td>
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<table>
<thead>
<tr>
<th>Reprogrammed Prop HHH Facilities Program Funds for 2018-19 Projects* (Previously Funds Pending Reappraisal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
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</table>

Notes:
- $345,000 was reprogrammed to this project for Bureau of Engineering costs for environmental review, for a Fiscal Year (FY) 2017-18 budget total of $3,245,000.
- An additional $3 million was approved 2018-19 PEP, for a total project cost of $6,245,000. This total amount will be reflected in the first quarterly report of FY 2018-19. Construction started in May 2018 due to a necessary redesign to accommodate a power pole.

*Project sponsors for the Corner of Hope ($455,800) and Homeless Vets at the Marion ($220,765) projects withdrew funding from Prop HHH Facilities Program. $455,000 was reallocated to the CD8 Navigation Center listed above as well as $511,565 to Fiscal Year 2018-19 Prop HHH projects.