Homeless Crisis in Los Angeles
The Problem

53,195 in LA County
31,285 in City of LA
L.A. CAN'T REST UNTIL EVERYONE HAS A HOME
Homeless Crisis in Los Angeles
The Roadblocks

- Construction Costs
- Long Lead Times
- Community Backlash
- Current Plans Not Enough to Meet Need
- Preconceptions of what PSH is and needs to be
- Traditional Financing Under Threat
The FlyawayHomes Team

Steaven K. Jones, Chairman
Over 50 years of development experience and a passion for helping the most vulnerable

Lawry Meister, President
Innovative real estate developer looking to make a difference in the world

Sarah Jessup
Chief Investment Officer
Excellent corporate manager and CPA, committed to ending homelessness in LA

Kevin Hirai, COO
Talented Project Manager with creativity and determination and a love of humanity
Partnership with The People Concern

- Formed by the merger of OPCC and LAMP Community
- 54 year-old social service agency
- Annual budget over $40 million
- Successfully placing its clients in permanent supportive housing for over 20 years-- 98% client retention rate vs. 50-60% national average
FlyawayHomes
A New Approach

- Modular units
- Shared living concept
- Fund projects with Social Impact Equity
- Master leased to an entity affiliated with The People Concern
- Clients pay rent with Social Security benefits, County Dept. of Health Subsidy
- The People Concern provides all support services
FlyawayHomes Pilot Project
PSH Colden, LLC

Total Cost: $3.6 million
Beds: 33
Cost/Bed: $109,000
Planning/Permitting: 3 mos.
Active Construction Time: 7 months
Est. Completion: October 2018
Projected Return: 5.0%
FlyawayHomes
4 Bedroom Unit: 800 sq. ft.
The FlyawayHomes Advantage

- No Lengthy Entitlement Process- Projects Done By Right
- Modular Construction Reduces Materials Costs and Time to Market
- Lower Labor Costs
- Simple Equity Model
- Minimal Market Risk
PSH #2: PSH 82\textsuperscript{nd} Street
837 W. 82\textsuperscript{nd} Street, Los Angeles, CA

- Closed escrow on August 6, 2018
- Funded by private investors after LA Times article and amazing support. Est. return: 5%
- Have one investor doing 1031 exchange into property
- Same design, except 2 BR units: 16 2 BR units, manager’s unit, community room. 8,640 sq. ft.
- Total people housed: 33
- Estimated Cost: $3.8 million, $115,000/person
- Estimated completion: July 1, 2019
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Recommendations to Prop HHH Oversight Committee

- Allow shared living concepts; think cost/person not cost/unit.
- Fund up to 100% of projects
- Consider financing construction only, then recirculating funds
- Fast track and facilitate PSH projects
- Allow developers to do projects “by right” without community veto, but with full disclosure and transparency
- Encourage non-traditional affordable developers to enter the PSH market
- Cap development and design fees
- Property tax abatement
- Remove prevailing wage requirement for projects under 49 units
- Advocate for measures which will provide more land for PSH and other affordable housing
- Develop funding model for not only PSH, but also ADUs and other vehicles which can be affordable housing
- Work with City to arrange for rent subsidies for affordable housing – 1/3 of funds saved by the City by having people housed vs. homeless.
FlyawayHomes Proposal

- Use HHH monies to fund a pilot project with FlyawayHomes as a public-private partnership
- HHH funds would be a loan- 100% repaid at the end of 3 years
- Term: 36 months
- Interest Rate: 3%
- HHH Monies: $64 million (80% of total project costs)
- FlyawayHomes Investors: $16 million (20% of total project costs)
- City to supply land in every council member’s district. Minimum size: 7,500 sq. ft. Maximum size: 20,000 sq. ft.: R3, R4, C2, Public Facilities
- Number of projects: 60 (20/year). Funds recycled 3 times
- At $4 million/project, estimated total construction cost $240,000
- Number of people housed: 1,980
- 2 BR units (shared housing)
- No prevailing wage requirement
The homeless crisis is the biggest blight on our city—
and we should be ashamed that we allow our
neighbors to live without shelter, without basic
human needs. We must do something. Let’s give
them a place to live, a supportive community and
help them to flyaway home, so they can start building
their lives.

- Steaven K. Jones