Prop HHH Housing Challenge

COC Special Meeting
8.23.2019
RFP Review Panel

Alan Greenlee, Executive Director, SCANPH
Ari Briski, City Planning Associate, City Planning
Blair Miller, Principal Project Coordinator, CAO
Emilyzen Cervantes, Senior Administrative Analyst II, CAO
Fred White, Senior Finance Officer, Mayor’s Office
Helmi Hisserich, Director of Housing Strategies & Services, HCID
Jen Kim, Housing Innovation Program Director, Mayor’s Office
Joan Ling, Professor of Urban Planning, UCLA
Lynn Katano, Director of Housing Investment & Finance, LACDA
Maria Sanchez, PSH Inventory Coordinator, LAHSA
Miguel Fernandez, PSH Coordinator, LAHSA

Cally Hardy, City Planning Associate, City Planning
David Howden, Executive Director, CSH
Donna Gallup, Consultant

Elizabeth Selby, Senior Project Manager, Mayor’s Office
William Pavao, Former Director, CTCAC
RFP Design Subcommittee

Christopher Hawthorne, Chief Design Officer, Mayor’s Office

Deborah Weintraub, Architect, Chief Deputy City Engineer, Dept. of Public Works

Julie Eizenberg, Architect, Koning Eizenberg

Milton Curry, Dean of Architecture, USC

Sharon Johnston, Architect, Johnston Marklee
RFP Results

<table>
<thead>
<tr>
<th>Applications Received</th>
<th>19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failed Threshold</td>
<td>4</td>
</tr>
<tr>
<td>Application Withdrawn</td>
<td>1</td>
</tr>
<tr>
<td>Application Disqualified</td>
<td>2</td>
</tr>
<tr>
<td>Applications Scored &lt;75</td>
<td>6</td>
</tr>
<tr>
<td><strong>Recommended Applications</strong></td>
<td>6</td>
</tr>
</tbody>
</table>

- Reasons for low scores include 1) lack of innovation or ability to scale, 2) unrealistic construction timeline, 3) construction costs unreasonably low, 4) lacked detailed information for panel to determine feasibility
Overview of Recommended Applications

- 6 proposals recommended for reservation of $120M

<table>
<thead>
<tr>
<th>Total Units</th>
<th>PSH Units</th>
<th>PSH Bedrooms</th>
<th>TDC / Unit</th>
<th>TDC / PSH Bedroom</th>
<th>HHH Subsidy / PSH Unit</th>
<th>HHH Subsidy / PSH Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,003</td>
<td>975</td>
<td>1,235</td>
<td>$351,965</td>
<td>$277,867</td>
<td>$123,000</td>
<td>$97,166</td>
</tr>
</tbody>
</table>

- Ave TDC/unit in traditional HHH pipeline is $511K
- Brings total HHH commitments to 8,625 total units; 6,848 PSH
- Proposals include innovative approaches to land use, simplified capital stacks, and new construction methods including wide usage of modular/prefab
## Recommended Applications

<table>
<thead>
<tr>
<th>Lead Developer</th>
<th>Recommended Funding</th>
<th>New PSH Units</th>
<th>Estimated HHH per Unit</th>
<th>Estimated TDC per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>RNLA*</td>
<td>$10M</td>
<td>95</td>
<td>$95,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Daylight*</td>
<td>$23.8M</td>
<td>132</td>
<td>$125,000</td>
<td>$288,444</td>
</tr>
<tr>
<td>Abode, Mercy, LAFH</td>
<td>$40M</td>
<td>360</td>
<td>$97,000</td>
<td>$436,000</td>
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<tr>
<td>Flyaway Homes*</td>
<td>$19.5M</td>
<td>195</td>
<td>$100,000</td>
<td>$322,301</td>
</tr>
<tr>
<td>Brilliant Corners*</td>
<td>$7M</td>
<td>53</td>
<td>$125,000</td>
<td>$386,042</td>
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<tr>
<td>Bridge Housing</td>
<td>$19.7M</td>
<td>140</td>
<td>$140,000</td>
<td>$479,000</td>
</tr>
<tr>
<td>Total or Average</td>
<td>$120M</td>
<td>975</td>
<td>$123,000</td>
<td>$351,965</td>
</tr>
</tbody>
</table>

*Non-LIHTC
restore neighborhoods LA
HOPICS (service provider), Genesis LA

- $10M for 95 PSH units (full funding)
- TDC estimate of $200K / unit
- “One Stop Shop” model with broad team with broad expertise
- Smaller by-right sites with conventional construction
- Capital stack: HHH and private debt
- Will serve chronically homeless, disabled, TAY, single and older adults with substance abuse disorders, those with mental health challenges
Daylight Community Development

The People Concern (service provider), Decro, Hollywood Community Housing, IndieDwell (manufacturer)

- $23.8M ($16.5M after payback) for 132 PSH units (full funding)
- TDC estimate of $288K/unit
- Capital stack: HHH and NPLH, two tranches
- $180k per PSH subsidy, w/ $55k paid back within 3 years, flexibility w/ some TBVs
- Replicable smaller sites with modular
- Will serve homeless, and chronically homeless with co-occurring disorders
Abode Communities
Mercy Housing, LA Family Housing (service provider), FactoryOS (manufacturer)

- $40M for 360 PSH units (full funding)
- TDC estimate of $436K / unit
- Standardized modular design
- Innovative fund to expedite development timeline
- By-right zoning
- Capital stack: HHH with revolving loan fund, NPLH, 4% LIHTCs
- Will serve homeless, and chronically homeless with co-occurring disorders
Flyaway Homes
The People Concern (service provider), CBRE, Gensler, TruCo Stack (manufacturer)

- $19.5M for 195 PSH units (max: $40m, min: $16m)
- TDC estimate of $322K / unit
- Modular shared housing
- Capital stack: HHH and private debt/equity
- Will serve chronically homeless single adults
Brilliant Corners

- $7M for estimated 53 PSH units (full funding)
- TDC estimate of $386K / unit
- Adaptive reuse of obsolete or underutilized buildings
- Capital stack: HHH, NPLH, AHP, LA County Trust Fund
- Will serve chronically homeless higher acuity adults age 26 or older
Bridge Housing
PATH & Social Justice Learning Center (service provider), Prescient (prefab building material)

- $19.7M award for 140 PSH units (max: $39.6m, min: $19.7m)
- TDC estimate of $479K/unit
- Innovative building system with prefab steel structure that saves 40% of construction time
- Capital stack: HHH, Opportunity Zone, NPLH, 4% LIHTCs, PBV Subsidy Debt
- Will serve formerly homeless families, TAY
## Next Steps

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>May 9</td>
<td>RFP Released</td>
</tr>
<tr>
<td>June 24, 2019</td>
<td>Proposals due</td>
</tr>
<tr>
<td>July / mid-August</td>
<td>Review period</td>
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<tr>
<td>Aug 23 / Aug 29</td>
<td>COC and AOC review</td>
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<tr>
<td>Sept 4 or 18</td>
<td>H&amp;P Committee</td>
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<tr>
<td>Oct to Nov</td>
<td>MOU Process w/ Selected Applicants</td>
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<tr>
<td>Dec 2019 to April 2020</td>
<td>HHH Reservation Period (Acquiring Site Control)</td>
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<tr>
<td>April 2020 to April 2021</td>
<td>Conditional Approval Period</td>
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<tr>
<td>April 2021 to Oct 2022</td>
<td>Construction Period</td>
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