

June 16, 2020

HHH Housing Challenge Update

As recommended by the Proposition HHH Citizens Oversight Committee (COC) and Administrative Oversight Committee (AOC), the Mayor and City Council authorized a set-aside of up to \$120 million of Proposition HHH bond authorization to issue the Housing Challenge RFP, with the goal of identifying alternative housing typologies and/or innovative financial models to produce 1,000 new supportive housing units.

Six development teams were awarded a total of \$120 million for the construction of 975 new units of supportive housing (1,001 units inclusive of manager units). These awardees are: Abode Communities/Mercy Housing/LA Family Housing; Brilliant Corners, Bridge Housing, Daylight Community Development, Flyaway Homes and Restore Neighborhoods, LA. On May 12, 2020, the first seven sites under this program were approved by City Council. Pending approval by H+P, the next six sites will be reviewed by Council in August. As summarized in the table below, thirteen of 19 sites have been identified to build 705 of the estimated 975 permanent supportive housing units.

Unforeseen circumstances in Los Angeles have had a dramatic impact on development of these projects. Several developers have elected to pursue Low-Income Housing Tax Credits in their capital stack as a result of the delay of No Place Like Home monies. The Mayor's tolling order suspending development timelines as a result of the Covid pandemic has allowed developers more time to secure sites. Also as a result of the pandemic, there is increased market uncertainty. Still, these awardees continue to move forward.

Lead Developer	Project Address	Council District	Unit Mix	Total PSH Units	HHH Contribution	HHH per PSH Unit	TDC	TDC per Unit
Daylight Community Development	16015 W. Sherman Way	6	20 studios 25 1-br 1 2-br (mgr)	45	\$7,733,333	\$171,852	\$20,082,781	\$436,582
Daylight Community Development	1043-1051 South Harvard	10	38 studios 8 1-br 1 2-br (mgr)	46	\$9,693,333	\$210,725	\$18,329,642	\$389,992
Daylight Community Development	11604-11616 Vanowen	2	6 studios 42 1-br 1 2-br (mgr)	48	\$4,900,000	\$102,083	\$18,369,415	\$374,886
Flyaway	724-728 Lagoon	15	34 2-br 1 1-br (mgr)	34	\$3,400,000	\$100,000	\$12,700,000	\$362,857
Restore Neighborhoods LA	405 N Westlake	13	19 studios 1 1-br (mgr)	19	\$2,000,000	\$105,263	\$3,950,493	\$197,525
Restore Neighborhoods LA	1408 W 62nd St	8	19 studio 1 1-br (mgr)	19	\$2,000,000	\$105,263	\$3,950,493	\$197,525
Restore Neighborhoods LA	5900 Figueroa	9	39 studios 1 1-br (mgr)	39	\$4,000,000	\$102,564	\$7,900,986	\$197,525
Abode/Mercy/LA Family Housing	3554 Whittier Blvd.	14	63 studios 1 2-br (mgr)	63	\$6,125,000	\$97,222	\$27,129,841	\$423,904

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Abode/Mercy/LA Family Housing	311-345 N. Beacon St.	15	90 studios 1 2-br (mgr)	90	\$8,750,000	\$97,222	\$39,430,594	\$433,303
Abode/Mercy/LA Family Housing	7521 Lankershim Blvd.	2	72 studios 1 2-br (mgr)	72	\$7,000,000	\$97,222	\$29,322,422	\$401,677
Bridge Housing	701-719 S. New Hampshire	10	140 studios 2 2-br (mgr)	140	\$19,700,000	\$140,714	\$83,047,534	\$584,842
Flyaway Homes	7715 South San Pedro	9	41 2-br 1 1-br (mgr)	41	\$4,100,000	\$100,000	\$15,128,365	\$360,199
Flyaway Homes	828 West Anaheim Street	15	49 2-br 1 1-br (mgr)	49	\$4,900,000	\$100,000	\$17,247,272	\$344,945
Total/ *Weighted Average			719	705	\$84,301,666	\$119,577	\$296,589,838	\$412,503