

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As previously discussed, this report outlines the recommended reprogramming of \$789,824 from two (2) withdrawn Facilities Program projects and ineligible City Attorney staff costs, to the Department of Public Works, Bureau of Engineering (BOE) for the implementation of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-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

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

Proposition HHH Permanent Supportive Housing (PSH) Loan Program GOB Series 2017-A (Taxable)

| Proposition HHH PSH Project | Developer Name | Address | Council District | HHH Project Award | Total Development Cost | Cost Per Unit | Population Served | Total Units | Total PSH Units | Chronic PSH Units | Affordable Units | Non-HHH Funded Units | Manager Units | Commitment Date | Loan Agreement Execution Date | Construction Start Date | Construction Completion Date | Estimated Permanent Loan Conversion Date | Fiscal Year 2017-18 Expenditures | | | | HHH Project Funds Remaining | Notes |
|--------------------------------------------------------------------------|--------------------------|-------------------------------------------------|------------------|----------------------|------------------------|---------------|-------------------|-------------|-----------------|-------------------|------------------|----------------------|---------------|-----------------|-------------------------------|-------------------------|------------------------------|------------------------------------------|-------------------------------------|---------------------|---------------------|---------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | | | | | | | | | | | | | | | HHH Expenditures as of January 2018 | HHH Expenditures Q3 | HHH Expenditures Q4 | Fiscal Year 2017-18 Total | | |
| 88th and Vermont | WORKS | 8730 S. Vermont Avenue, Los Angeles, CA 90044 | 8 | \$ 9,680,000 | \$ 36,285,371 | \$ 585,248 | HF, H, I, CH | 62 | 46 | 23 | 14 | 14 | 2 | 6/23/2017 | 3/29/2018 | 4/2/2018 | 10/1/2019 (Estimated) | 1/1/2020 | \$ - | \$ - | \$ - | \$ - | \$ 9,680,000 | Contract Number: C-131079 |
| PATH Metro Villas II | PATH Ventures | 320 North Madison Avenue, Los Angeles, CA 90004 | 13 | \$ 3,513,721 | \$ 54,278,996 | \$ 444,910 | H, HD, I, CH | 122 | 90 | 46 | 30 | 0 | 2 | 2/27/2017 | 12/13/2017 | 12/20/2017 | 12/15/2019 (Estimated) | 8/1/2020 | \$ - | \$ - | \$ - | \$ - | \$ 3,513,721 | Contract Number: C-130583 |
| Six Four Nine Lofts | Skid Row Housing Trust | 649 S. Wall St., Los Angeles, CA, 90014 | 14 | \$ 5,500,000 | \$ 28,407,343 | \$ 516,497 | H, I, CH | 55 | 28 | 14 | 26 | 0 | 1 | 9/25/2017 | 12/19/2017 | 2/15/2018 | 8/1/2019 (Estimated) | 12/1/2020 | \$ - | \$ - | \$ - | \$ - | \$ 5,500,000 | Contract Number: C-130639 |
| (McCadden Youth) AMRC TAY | Thomas Safran | McCadden Pl., Los Angeles, CA 90038 | 4 | \$ 5,018,298 | \$ 10,036,596 | \$ 386,023 | Y, HS, CH | 26 | 25 | 13 | 0 | 0 | 1 | 9/25/2017 | 4/30/2018 (Estimated) | 5/6/2018 (Estimated) | 5/6/2020 (Estimated) | 8/6/2020 | \$ - | \$ - | \$ - | \$ - | \$ 5,018,298 | Number of chronic PSH units has been corrected to reflect 13 units. |
| Casa del Sol | A Community of Friends | 10966 W. Ratner St., Sun Valley, CA, 91352 | 6 | \$ 8,065,143 | \$ 19,655,785 | \$ 446,722 | HS, M, CH | 44 | 43 | 22 | 0 | 0 | 1 | 9/25/2017 | 6/29/2018 (Estimated) | 7/5/2018 (Estimated) | 2/1/2020 (Estimated) | 11/23/2020 | \$ - | \$ - | \$ - | \$ - | \$ 8,065,143 | The project is scheduled to receive bond allocation from Californian Debt Limit Allocation Committee(CDLAC)on May 16 and will be ready to close construction financing on June 29. |
| FLOR 401 Lofts | Flor 401 Lofts (SRHT) | 401 E. 7th St., Los Angeles, CA, 90014 | 14 | \$ 11,980,000 | \$ 51,995,407 | \$ 525,206 | H, HV, CH | 99 | 49 | 25 | 49 | 12 | 1 | 9/25/2017 | 12/1/2018 (Estimated) | 12/1/2018 (Estimated) | 7/23/2020 (Estimated) | 1/25/2021 | \$ - | \$ - | \$ - | \$ - | \$ 11,980,000 | The project sponsor will apply to CDLAC on May 18 and will receive bond allocation on July 18 |
| RISE Apartments | SRO Housing | 4060 S. Figueroa Street, Los Angeles, CA, 90037 | 9 | \$ 9,500,000 | \$ 21,038,903 | \$ 369,104 | HV, CH | 57 | 56 | 42 | 0 | 0 | 1 | 9/25/2017 | 6/15/2018 (Estimated) | 6/26/2018 (Estimated) | 02/28/2020 (Estimated) | 9/8/2020 | \$ - | \$ - | \$ - | \$ - | \$ 9,500,000 | |
| SP7 Apartments RECAP | SP7 Apartments LP (SRHT) | 513 E. 7th St., Los Angeles, CA | 14 | \$ 12,000,000 | \$ 35,035,594 | \$ 350,356 | I, HV, CH, IHA | 100 | 55 | 28 | 44 | 0 | 1 | 9/25/2017 | 8/1/18 (Estimated) | 9/1/2018 (Estimated) | 4/23/2020 (Estimated) | 9/28/2020 | \$ - | \$ - | \$ - | \$ - | \$ 12,000,000 | Project sponsor received CDLAC bond allocation in March and is currently closing a Housing Opportunities for Persons With AIDS (HOPWA) loan which will be followed by closing of construction financing on August 1. |
| The Pointe on Vermont* | EAH Inc. | 7600 S. Vermont Ave., Los Angeles, CA | 8 | \$ 7,900,000 | \$ 20,744,980 | \$ 414,900 | HF, CH | 50 | 25 | 13 | 24 | 24 | 1 | 9/25/2017 | 9/1/2018 (Estimated) | 9/1/2018 (Estimated) | 12/1/2019 (Estimated) | 1/25/2021 | \$ - | \$ - | \$ - | \$ - | \$ 7,900,000 | The project sponsor will apply to CDLAC on May 18 and will receive bond allocation on July 18. |
| Subtotal for 2017-18 Bond Issuance | | | | \$ 73,157,162 | \$ 277,478,975 | | | 615 | 417 | 226 | 187 | 50 | 11 | | | | | | \$ - | \$ - | \$ - | \$ - | \$ 73,157,162 | |
| Housing and Community Investment Department PSH Loan Program Staff Costs | N/A | N/A | N/A | \$ 1,070,674 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ - | \$ - | \$ - | \$ - | \$ 1,070,674 | Balance remaining at the end of FY 2017-18 will be recommended for reprogramming. |
| Funds Pending Reprogramming | N/A | N/A | N/A | \$ 133,259 | N/A | N/A | N/A | n | N/A | N/A | N/A | n | N/A | N/A | N/A | n | N/A | N/A | N/A | N/A | N/A | N/A | \$ 133,259 | Based on City Attorney advice, funds for City Attorney staff costs recommended for reprogramming for Department of Public Works, Bureau of Engineering staff costs to implement City-sponsored projects. |
| TOTAL for 2017-18 Bond Issuance | | | | \$ 74,227,836 | \$ 277,478,975 | | | 615 | 417 | 226 | 187 | 50 | 11 | | | | | | \$ - | \$ - | \$ - | \$ - | \$ 74,227,836 | |

Last reporting period listed the Prop HHH award for the Pointe on Vermont at \$10.6 Million. This was a reporting error. The Prop HHH award is \$7.9 Million.

Proposition HHH Permanent Supportive Housing (PSH) Loan Program GOB Series 2017-A (Taxable)

| Proposition HHH Facilities Project | Project Sponsor | Address | Council District | Project Type | Population Served | HHH Project Award | Total Project Cost | Contract Execution Date | Construction Start Date | Construction Completion Date | Fiscal Year 2017-18 Expenditures | | | | HHH Project Funds Remaining | Notes |
|---------------------------------------------|--------------------------------------|---------------------------------------------------|------------------|--------------|--------------------------------------|----------------------|----------------------|-------------------------|-------------------------|------------------------------|-------------------------------------|---------------------|---------------------|---------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | | | | | | | HHH Expenditures as of January 2018 | HHH Expenditures Q3 | HHH Expenditures Q4 | Fiscal Year 2017-18 Total | | |
| 88th and Vermont Youth and Community Center | Community Build | 8730-8550 Vermont Ave., Los Angeles CA 90044 | 8 | Center | H, HY, YAR | \$ 3,245,154 | \$ 3,792,365 | 3/28/2018 | Apr-18 | 10/2019 (Estimated) | \$ - | \$ - | \$ - | \$ - | \$ 3,245,154 | Contract Number: C-131078 |
| South Campus | LA Family Housing | 7817 Laniershim Blvd., North Hollywood, CA, 91605 | 6 | Center | H, CH, HF, DV, M, D, SA, V, HIV/AIDS | \$ 1,302,500 | \$ 4,802,500 | 3/7/2018 | 06/2018 (Estimated) | 01/2019 (Estimated) | \$ - | \$ - | \$ - | \$ - | \$ 1,302,500 | Contract Number: C-130925 |
| Joshua House Health Center | Los Angeles Christian Health Centers | 649 S. Wall St., Los Angeles, CA 90014 | 14 | Clinic | H, CH, V, MI, SA | \$ 3,700,000 | \$ 23,238,840 | 12/19/2017 | 02/15/2018 | 09/2019 (Estimated) | \$ - | \$ - | \$ - | \$ - | \$ 3,700,000 | Contract Number: C-130640 |
| CD 8 Navigation Center | City of Los Angeles | 729 W. Manchester Ave., Los Angeles, CA 90044 | 8 | Center | H, CH, Y | \$ 3,100,000 | \$ 3,100,000 | (City-sponsored) | 06/2018 (Estimated) | 05/2019 (Estimated) | \$ - | \$ 24,686 | \$ - | \$ 24,686 | \$ 3,075,314 | An additional \$1.8 million is recommended in the 2018-19 PEP, for a total project cost of \$4.9 million. |
| Subtotal for 2017-18 Bond Issuance | | | | | | \$ 11,347,654 | \$ 34,933,705 | | | | \$ - | \$ 24,686 | \$ - | \$ 24,686 | \$ 11,322,968 | |
| Funds Pending Reprogramming* | Various | N/A | N/A | N/A | N/A | \$ 656,565 | N/A | N/A | N/A | N/A | \$ - | \$ - | \$ - | \$ - | \$ 656,565 | Project sponsors for the Corner of Hope and Homeless Vets at the Marion projects withdrew from Prop HHH Facilities Program. \$656,565 allocated to these projects is recommended for reprogramming for Public Works, Bureau of Engineering staff costs to implement City-sponsored projects. |
| TOTAL for 2017-18 Bond Issuance | | | | | | \$ 12,004,219 | \$ 34,933,705 | | | | \$ - | \$ 24,686 | \$ - | \$ 24,686 | \$ 11,979,533 | |

* Project sponsors for the Corner of Hope and Homeless Vets at the Marion projects withdrew from Prop HHH Facilities Program. \$656,565 allocated to these projects is recommended for reprogramming for Public Works, Bureau of Engineering staff costs to implement City-sponsored projects.

Definitions
 PSH Units: A development that provides permanent housing (including rental subsidy) with supportive services to extremely low income, and very low income, homeless special needs individuals and veterans, homeless families, homeless transition-aged youth (TAY), homeless seniors, homeless disabled, and homeless frequent users of Los Angeles County services.
 Chronic PSH Units: Units reserved for individuals or families:
 (a) Experiencing chronic homelessness as defined in 24 CFR 578.3;
 (b) Residing in a transitional housing project that will be eliminated and meets the definition of chronically homeless in effect at the time in which the individual or family entered the transitional housing project;
 (c) Residing in a place not meant for human habitation, emergency shelter, or safe haven; but the individuals or families experiencing chronic homelessness as defined in 24 CFR 578.3 had been admitted and enrolled in a permanent housing project within the last year and were unable to maintain a housing placement;
 (d) Residing in transitional housing funded by a Joint Transitional Housing and Permanent Housing Rapid Re-Housing component project and who were experiencing chronic homelessness as defined in 24 CFR 578.3 prior to entering the project;
 (e) Residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last three years, but has not done so on four separate occasions; or
 (f) Receiving assistance through the Department of Veterans Affairs (VA)-funded homeless assistance programs and met one of the above criteria at intake to the VA's homeless assistance system.
 Affordable Units: A structure or set of structures with rental housing units restricted by department regulations and operated under landlord-tenant law, with common financing, ownership and management.
 Non-HHH Funded Units: Units which are not funded by the Prop HHH PSH Loan Program (e.g. HOPWA or HOME funded units, market rate, etc.)
 Commitment Date: Executed date of Commitment Letter of Prop HHH PSH Loan Program funds issued to the applicant by HCID.
 Permanent Loan Conversion Date: Date by which the construction loan is converted (replaced with) the permanent financing loan.

Legend for Populations Served
 SA = Substance Abuse D = Non-homeless disabled CH = Chronically Homeless HS = Homeless Senior M = Homeless Mental Illness DV = Homeless survivors of domestic violence & sex trafficking
 YAR = Youth at Risk of Homelessness V = Non-homeless Veterans HF = Homeless Families Y = Homeless Youth O = Other Homeless
 I = Non-homeless Individuals H = Homeless Individuals HV = Homeless Veterans HD = Homeless Disabled IHA = Homeless individuals with HIV/AIDS