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**INTER-DEPARTMENTAL MEMORANDUM**

**TO:** PROPOSITION HHH CITIZENS OVERSIGHT COMMITTEE

**FROM:** Edwin Gipson *E. Gipson*  
Los Angeles Housing + Community Investment Department

**DATE:** April 17, 2018

**REGARDING:** PROPOSITION HHH PERMANENT SUPPORTIVE HOUSING  
LOAN PROGRAM FUNDING RECOMMENDATIONS

**SUMMARY**

On February 5, 2018 the Los Angeles Housing + Community Investment Department (HCIDLA) opened the February 2018 Proposition HHH Call for Projects (CFP) authorized by City Council and the Mayor per Council File No. 17-0090-S2. Through this report, HCIDLA is now recommending the issuance of letters of commitment for nine projects, and a conditional commitment for two projects, listed in Table 1, that applied to the Proposition HHH Permanent Supportive Housing Loan Program (HHH), February 2018 Call for Projects (CFP).

**RECOMMENDATIONS**

- I. The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that the Proposition HHH Citizens Oversight Committee recommend to the Administrative Oversight Committee for consideration and to the City Council’s Homelessness and Poverty Committee for further consideration to authorize the HCIDLA General Manager to issue a Financial Commitment/Support Letter for each of the projects identified in Table 1 of this report, subject to the following conditions:
  - a. That the final HHH financial commitment not exceed \$106,698,480 per the breakdown of projects listed in Table 1;
  - b. That the disbursement of HHH funds will take place after the sponsor obtains enforceable commitments for all proposed funding, including, but not limited to, the full amount of funding and/or tax credits proposed.

## **BACKGROUND**

The Los Angeles Housing + Community Investment Department (HCIDLA) opened the February 2018 Proposition HHH Call for Projects (CFP), on February 5, 2018, authorized by the Mayor and City Council (C.F. No. 17-0090-S2). In response to the CFP, 11 applications for projects (Attachment A) were received by the close of the call on March 5, 2018, and thereupon were reviewed by HCIDLA staff. Of the applications submitted:

- Nine projects were identified as immediately viable, and ready at this time
- Two projects are recommended to be conditionally approved pending resolution of minor issues.
  - The first project, Broadway Apartments, which HCIDLA has determined will receive HCIDLA approval upon resolution of its appraisal valuation issues, is bearing the lowest development costs of any HHH project to date.
  - The other project, 67<sup>th</sup> and Main, will be recommended pending admission into HCIDLA's Affordable Housing Managed Pipeline, which is expected to open for applications within 30 days.
- Among the nine projects recommended for immediate commitment, many demonstrate the use of innovative financing strategies, and/or are building on land previously owned by the City or the developer. Such creative financing and innovation is evidenced by the reduction in project expenses. These strategies yield positive dividends, bringing down the average cost per unit from approximately \$460,000, to \$427,000, the lowest average cost of any HHH CFP so far.

Based on the viability of the 11 recommended projects, HCIDLA requests the Mayor and City Council to authorize HCIDLA to issue letters of commitment totaling \$106,698,480 in HHH funds to the projects identified in Table 1, representing a cumulative total of 825 units, of which 657 are Permanent Supportive Housing (PSH) units, and 368 are designated as chronically homeless units. The total PSH unit count (657 units), is approximately 80% of the total unit count, and far greater than the minimum 50% required by the Proposition HHH Permanent Supportive Housing Loan Program Regulations, Policies, and Procedures ("Regulations"). If approved, these recommendations will bring the total number of units developed to 2,790 units, of which 2,123 are PSH units, 1,202 are chronic PSH units, and 620 are affordable units; the total HHH funding request will be \$381,747,673.

The 11 recommended projects are spread across six Council Districts and have an average of 75 units per project. It is important to note that:

- These projects directly or indirectly support 3,695 jobs
- Eight of the projects are Transit Oriented Developments
- One project requested an exemption to build units with two or more bedrooms in order to support larger families.
- The primary leveraging source used for the 11 projects is 4% tax credits, with only two projects proposing to leverage 9% tax credits.

## **HHH REVIEW PROCESS AND THE FEBRUARY 2018 PROJECTS**

### **THRESHOLD REVIEW**

All of the 11 submitted CFP applications underwent a thorough threshold review process to ensure compliance with HHH Regulations. Two of the major components contributing to passing threshold review included site control and overall financial feasibility/viability.

Site control, at its core, demonstrates a developer's legal control over the land, and where the project will be constructed. Demonstrating site control can include a title report showing ownership, a purchase and sale agreement, or a lease option agreement. If a project application includes documentation that is unclear, conflicting, or otherwise exhibits inconsistent site control, it is flagged though not immediately deemed ineligible. Additional investigation is required before HCIDLA will verify the site control information. If site control is positively verified and approved, HCIDLA can then proceed to recommend the project.

Financial viability constitutes evaluating all costs of a project, and ensuring adequate funding sources to cover those costs. Thus, an initial financial analysis at the threshold review stage is conducted to gain valuable insight into a project's viability. The financial analysis includes, but is not limited to: 1) reviewing the land value, construction costs, and tax credit pricing assumptions to ascertain the reasonableness of the proposed costs and/or public funding support; 2) determining if the project's rents are realistic; 3) ensuring that cash flow after debt service is positive over the course of time; 4) ensuring that the operating reserve and utility allowances are appropriate for the feasibility of the project; and, 5) certifying that the HHH subsidy per unit is within the maximum limits. The financial review also includes analysis of the developer's annual financial statements, to affirm the sustainability of the entity, and to safeguard the completion of the project.

Other critical components contributing to HCIDLA's support of a project application includes 1) a letter of support from the respective Council Office, 2) organizational documentation establishing a clear understanding of the hierarchy of all parties involved in the development, 3) a supportive services plan that meets Los Angeles County established service criteria, and 4) proper documentation showing that the development team as a whole has the requisite experience to meet the criteria set forth in the Regulations.

**TABLE 1: HHH PROJECT LIST – GENERAL INFORMATION**

No.	Project Name	CD	Total Units	PSH Units	PSH Chronic Units	Affordable Units	HHH Request	Homeless Population Served
1	Broadway Apartments	9	35	34	34	0	\$ 4,443,480	HV, CH
2	68th & Main Street	9	60	59	30	0	12,000,000	H, Y, HV, CH
3	67th & Main Street	9	52	26	13	25	5,100,000	F, Y, HV, CH
4	Metamorphosis on Foothill	7	48	47	24	0	10,340,000	H, HF, D, CH
5	Melrose Apartments	13	43	42	42	0	9,240,000	CH, H, HF, HV
6	Rosa De Castilla Apartments	14	85	63	32	20	12,000,000	HF, CH, HV, HS
7	Weingart Tower I	14	134	106	53	27	12,000,000	HV, CH
8	Weingart Tower II	14	144	122	61	20	12,000,000	HV, CH
9	Bryson II	1	68	34	17	33	10,095,000	H, I, D, HD, CH
10	Rose Apartments	11	35	34	17	0	7,480,000	H, HF, Y, CH
11	Ingraham Villa Apartments	1	121	90	45	30	\$ 12,000,000	CH, HV, M, I
	<b>TOTAL</b>		<b>825</b>	<b>657</b>	<b>368</b>	<b>155</b>	<b>\$ 106,698,480</b>	
	<b>AVERAGE</b>		<b>75</b>	<b>60</b>	<b>33</b>	<b>14</b>	<b>\$ 9,699,862</b>	

**CITY-OWNED LAND**

**DEVELOPER PREVIOUSLY-OWNED LAND**

**Legend for Populations Served**

F = Non-homeless Families

CH = Chronically Homeless

H = Homeless Individuals

Y = Homeless Youth

I = Non-homeless Individuals

HF = Homeless Families

M = Homeless Mental Illness

HS = Homeless Seniors

D = Non-homeless disabled

HV = Homeless Veterans

HD = Homeless Disabled

**TABLE 2: HHH PROJECT LIST – DEVELOPMENT COSTS**

#	Developer Name	Address	TDC	TDC/ Unit	City-owned Land Value	Developer-owned Land Value	TDC (less land)/ Donated Unit
1	Figueroa Economical Housing Devt Corp	301 W 49th St	\$ 9,841,430	\$ 281,184	\$ -	\$ -	\$ -
2	Coalition for Responsible Community Development	6714 S Main St	25,852,727	430,879	0	0	0
3	Coalition for Responsible Community Development	6706 S Main St	27,905,590	536,646	0	0	0
4	Clifford Beers	13574 W Foothill Blvd	23,725,808	494,288	1,860,000	0	455,538
5	Affirmed Housing	4766 W Melrose Ave	22,816,848	530,624	0	0	0
6	East LA Community Corp	4208 E Huntington Dr S	44,056,994	518,318	0	0	0
7	Weingart Foundation	555 1/2 S Crocker St	68,022,642	507,632	346,000	1,609,067	493,042
8	Weingart Foundation	555 1/2 S Crocker St	68,022,642	472,379	346,000	1,609,067	458,803
9	LA Housing Partnership	2701 W Wilshire Blvd	22,518,068	331,148		1,995,000	301,810
10	Venice Community Housing Corp	720 E Rose Ave	18,220,401	520,583		3,243,000	427,926
11	SRO Housing	1218 W Ingraham St	\$ 52,472,377	\$ 433,656	\$ -	\$ -	\$ -
					\$ 2,552,000	\$ 8,456,134	
	<b>TOTAL</b>		<b>\$383,455,527</b>		<b>\$</b>	<b>11,008,134</b>	
	<i>Average</i>		<i>\$ 34,859,593</i>	<i>\$ 459,758</i>			<i>\$ 427,423</i>

**CITY-OWNED LAND**

**DEVELOPER PREVIOUSLY-OWNED LAND**

## **INNOVATIVE FINANCING STRATEGIES**

### **MULTI-PHASED DEVELOPMENT**

To address recent sharply rising land and construction costs, developers are making the strategic decision to split projects into multiple phases. In this CFP, the Weingart Tower is split into two 4% projects to maximize the financing efficiency. Multiple phase financing has had historical success with simultaneous tax-exempt bond/4% tax credit projects previously developed by Chelsea Investment Corporation (CIC), co-developer of Weingart Tower, in San Diego County where CIC is based. For example, CIC's Millenia master-planned community was bifurcated into separate projects, the first consisting of 123 units and the second with 87 units, both developments sharing one parking garage. The master-planned community was partially funded by the City of Chula Vista through separate promissory notes and deeds of trusts. A second example is the Cielo project, financed by the City of San Diego. The Cielo project ultimately consisted of a total of 197 units. Just as the Millenia was bifurcated, the Cielo was similarly split into two 4% bond-financed projects simultaneously developed in 2015.

### **CITY OR DEVELOPER OWNED PROPERTY**

Five of the 11 CFP applicants are planning on utilizing the cost-cutting strategy of building on land previously owned by the City, or previously owned by the developer themselves. Metamorphosis on Foothill, and Weingart Tower will build in whole, or part on land formerly owned by the Community Redevelopment Agency of the City of Los Angeles (CRA/LA). The Rose Apartments, Bryson II project, and Weingart Tower, will be built on land previously held by the applicant, and therefore, can be contributed to the project at no, or very low cost. The \$11 million in donated value of these properties directly offsets and positively impacts the amount of HHH and other City subsidies required for these projects to be financially viable.

## **FISCAL IMPACT STATEMENT**

There is no impact on the General Fund.

### **ATTACHMENTS:**

- 1) Attachment A: HHH February 2018 Projects List
- 2) Attachment B: Staff Reports – HCIDLA Recommended Projects

## 2018 HHH Call for Projects Round 2 Project List

#	Project Name	Developer	Address	C D	Leverage Source	Total Units	PSH Units	PSH Chronic	Non- PSH (Afford- able)	Mgr Units	TDC	TDC/ Unit	Total HHH Request	Population Served	Jobs Supported	Estimated Construction Start Date
<b>PROJECTS RECOMMENDED FOR APPROVAL</b>																
447	Broadway Apts	Figuroa Economical Housing Devt Corp	301 W 49th St	9	4%	35	34	34	0	1	\$ 9,841,430	\$ 281,184	\$ 4,443,480	HV, CH	56	8/30/2018
457	68th & Main St	Coalition for Responsible Community Development	6714 S Main St	9	4%	60	59	30	0	1	25,852,727	430,879	12,000,000	H, Y, HV, CH	243	12/8/2018
463	67th & Main St	Coalition for Responsible Community Development	6706 S Main St	9	9%	52	26	13	25	1	27,905,590	536,646	5,100,000	F, Y, HV, CH	256	12/1/2019
465	Metamorphosis on Foothill	Clifford Beers	13574 W Foothill Blvd	7	4%	48	47	24	0	1	23,725,808	494,288	10,340,000	H, HF, D, CH	230	12/30/2018
462	Melrose Apts	Affirmed Housing	4766 W Melrose Ave	13	4%	43	42	42	0	1	22,816,848	530,624	9,240,000	CH, H, HF, HV	206	4/1/2019
456	Rosa De Castilla Apts	East LA Community Corp	4208 E Huntington Dr	14	9%	85	63	32	20	2	44,056,994	518,318	12,000,000	HF, CH, HV, HS	420	1/15/2019
461	Weingart Tower I	Weingart Foundation	555 1/2 S Crocker St	14	4%	134	106	53	27	1	68,022,642	507,632	12,000,000	HV, CH	703	8/1/2019
467	Weingart Tower II	Weingart Foundation	555 1/2 S Crocker St	14	4%	144	122	61	20	2	68,022,642	472,379	12,000,000	HV, CH	703	8/1/2019
458	Bryson II	LA Housing Partnership	2701 W Wilshire Blvd	1	4%	68	34	17	33	1	22,518,068	331,148	10,095,000	H, I, D, HD, CH	228	7/8/2019
460	Rose Apts	Venice Community Housing Corp	720 E Rose Ave	11	4%	35	34	17	0	1	18,220,401	520,583	7,480,000	H, HF, Y, CH	183	12/1/2019
459	Ingraham Villa Apts	SRO Housing	1218 W Ingraham St	1	4%	121	90	45	30	1	\$ 52,472,377	\$ 433,656	\$ 12,000,000	CH, HV, M, I	467	6/1/2020
<b><u>SUBTOTAL (AVERAGE)</u></b>						<b><u>825</u></b>	<b><u>657</u></b>	<b><u>368</u></b>	<b><u>155</u></b>	<b><u>13</u></b>	<b><u>\$ 383,455,527</u></b>	<b><u>\$ 459,758</u></b>	<b><u>\$ 106,698,480</u></b>		<b><u>3695</u></b>	
<b>PROJECTS PREVIOUSLY APPROVED</b>																
<b><u>SUBTOTAL (AVERAGE)</u></b>						<b><u>1965</u></b>	<b><u>1466</u></b>	<b><u>834</u></b>	<b><u>465</u></b>	<b><u>34</u></b>	<b><u>\$ 936,221,370</u></b>	<b><u>\$ 483,373</u></b>	<b><u>\$ 275,049,193</u></b>		<b><u>8593</u></b>	
<b><u>TOTAL (AVERAGE)</u></b>						<b><u>2790</u></b>	<b><u>2123</u></b>	<b><u>1202</u></b>	<b><u>620</u></b>	<b><u>47</u></b>	<b><u>\$ 1,319,676,897</u></b>		<b><u>\$ 381,747,673</u></b>		<b><u>12288</u></b>	

**Notes:**

Prop HHH funds are available for homeless units (PSH) as well as low-income (affordable) units.  
 All figures are HHH-specific unless noted otherwise, and subject to change until loan closing.  
 Bold dates denote actuals.

**Legend for Populations Served**

F = Non-homeless Families      CH = Chronically Homeless      H = Homeless Individuals      Y = Homeless Youth  
 I = Non-homeless Individuals      HF = Homeless Families      M = Homeless Mental Illness      HS = Homeless Seniors  
 D = Non-homeless disabled      HV = Homeless Veterans      HD = Homeless Disabled

**STAFF REPORT**  
**As of: April 11, 2018**

**Broadway Apartments Preservation L.P.**  
**301 W 49th Street**  
**Los Angeles, CA 90037**

**New Construction**  
**Council District No: 9**

**PROJECT DESCRIPTION**

Broadway Apartments is the transformation of a motel in South Los Angeles to a renovated modern apartment complex for homeless or chronically homeless veterans. The Broadway apartments will consist of approximately 35 units (9 one bedroom units and 26 studio units). The building will consist of a manager's unit and counseling offices. Mechanical, engineering and plumbing for each unit will be new. The design of the building will remain as is, but will be renovated and modernized. All of the surrounding landscaping and parking will be improved as well.

New amenities will be provided throughout the entire building. This includes new kitchens (stoves, cabinets, microwaves, sinks/faucets, refrigerators, dishwashers and garbage disposal), new bathrooms (sink/faucets, bath tubs, toilets and mirrors), new bedroom furniture (mattress, bed frames, fully furnished units with televisions and bedroom cabinets). New common areas including community/service rooms, laundry room, and counseling offices. Since this building has a VASH contract it will have enough counseling areas to accommodate a counselor for every 16 residents.

The population served will be homeless or chronically homeless veterans. The property will have project-based VASH, which means that the residents will only use 30% of their income on rent but also comes with social services and counseling for the veterans. Step Up On Second will be providing the social services and serve as the property manager, thus providing a comprehensive service plan for the residents.

**PROJECT FINANCE SUMMARY**

The construction financing will be financed by a combination of tax-exempt bonds, tax credit equity, and a deferral of a portion of the developer fee.

The permanent financing will involve tax-exempt bonds, tax credit equity, and HHH funds. In addition to the permanent loan, the developer will also be able defer a portion of the developer fee if necessary due to cost overruns. The deferred developer payment will be coming entirely from available cash flow.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

Broadway Apartments is currently owned by a private company and is being purchased by Broadway Apartments Preservation, L.P., which will allow the project to be redevelop into affordable housing for homeless or chronically homeless veterans. The property escrow will be closing no later than December 31, 2018. The ownership structure consists of the following:

1. Figueroa Economical Housing Development Corporation as Managing General Partner (.06%)
2. VHP, LLC as the Co-General Partner (.02%)
3. Step Up on Second Street Inc. as the Administrative General Partner (.02%)
4. Limited Partner, who has yet to be determined (99.99%)



**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 4,443,480
4% TCAC Equity	2,781,984
Other	2,615,966
<b>Total</b>	<b>\$ <u>9,841,430</u></b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	0	0	0	0	26	26
1 Bedroom	0	0	0	0	0	8	8
2 Bedroom	0	0	0	0	0	0	0
3 Bedroom	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34</b>	<b>34</b>

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

<b>Total Jobs Supported, by category</b>		<u>Construction Costs</u>	
		<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 9,841,430	# of Jobs Directly Supported	<u>32</u>
Land Acquisition	\$ 4,560,000	<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
		# of Jobs Indirectly Supported	<u>13</u>
Net Development Costs	<u>\$ 5,281,430</u>	<u>Induced Effect on Jobs Multiplier</u>	0.0000022
		# of Jobs Induced	<u>12</u>
		<b>Total Jobs Supported by Project</b>	<b><u>56</u></b>
		(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$4,443,480 is conditionally recommended. Conditional approval is subject to an acceptable appraisal which supports the purchase price. The original request from the borrower was for \$6,523,569, however HCID adjusted down the amount because the value of the property was overstated (based on the actual purchase price). HCID funds will represent \$126,956 per unit and 46% of the total development cost. The HCID funding is leveraged with tax credit equity.

Prepared By: Los Angeles Housing and Community Investment Department

**STAFF REPORT**  
**As of: March 27, 2018**

**68th and Main**  
**6714 S Main St**  
**Los Angeles, CA 90003**

**New Construction**  
**Council District No: 9**

**PROJECT DESCRIPTION**

The 68th & Main site is a flat, rectangular site, located on a corner lot in the neighborhood of Florence in South LA. The property is situated in a predominantly residential neighborhood along a major thoroughfare and is located directly across the street from Bethune Middle School. The property lies in close proximity to other commercial corridors along Slauson, Florence and Broadway.

68th & Main is a new construction project. The layout will consist of a four-story structure above 1 story of parking. The project will be designed to include community spaces, management spaces, supportive services offices and parking on the ground floor. There will be approximately 98 parking spaces included in the design (podium construction). In response to neighborhood preferences and the surrounding vernacular, the design of 68th & Main represents a modern style of architecture, incorporating a high 1st floor (15') glass window, exposed concrete, and a mixture of visually cohesive exterior finishes to break up space for added visual interest. At this time there are 2 commercial building(s) on the property. The owner of the property currently occupies the building(s) and will vacate the building(s) at closing. The buildings will be demolished as part of the demolition. The building program for 68th & Main includes 29 studio apartments and 30 one-bedroom and 1 two-bedroom Manager's unit.

Target Population: 50% of the units will be targeted to TAY populations, 25% of the units will be targeted to Homeless Adult and 25% of the units will be targeted to Veterans. 50% of the total units will be targeted to Chronically Homeless.

**PROJECT FINANCE SUMMARY**

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan, the proposed financing is comprised of Tax Exempt Bonds, 4% Tax Credit equity, LA County CDC funding, FHLBSF AHP and Deferred Developer Fee. They also will be submitting to the FHLB under their AHP program by the Fall of 2018. CRCD acknowledges to HCIDLA that it plans to utilize HCIDLA as the issuer of the bonds for this project. The financing plan also assumes PBV's for all units and a Measure H Commitment for Supportive Services.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The project is currently owned by a for-profit entity. CRCD has a valid and enforceable Purchase and Sale Agreement and will develop the project on its own. CRCD expects to create an LP structure with a Limited Partner (tax credit investor) and Coalition for Responsible Community Development (CRCD) as the General Partner.

CRCD is currently in escrow to acquire ownership of 68th & Main. CRCD is the sole sponsor and developer of 68th & Main.

**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 12,000,000
4% TCAC Equity	8,385,551
Conventional/Bank Financing	2,790,000
AHP/FHLBSF	590,000
HACOLA-COI	1,500,000
Deferred Dev Fee	587,176
<b>Total</b>	<b>\$ <u>25,852,727</u></b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	29	0	0	0	0	29
1 Bedroom	0	30	0	0	0	0	30
2 Bedroom	1	0	0	0	0	0	1
3 Bedroom	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>

**JOBS SUPPORTED**

Number of Jobs Supported through the construction financing of these projects. These jobs may be new or existing jobs.

<b>Total Jobs Supported, by category</b>	<u>Construction Costs</u>	
	<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 25,852,727	<u># of Jobs Directly Supported</u> 138
Land Acquisition	\$ 2,902,789	
	<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
	<u># of Jobs Indirectly Supported</u>	<u>55</u>
Net Development Costs	\$ <u>22,949,938</u>	
	<u>Induced Effect on Jobs Multiplier</u>	0.0000022
	<u># of Jobs Induced</u>	<u>50</u>
	<b>Total Jobs Supported by Project</b>	<b><u>243</u></b>
	(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$12,000,000 is recommended. The project is applying for TCAC funds. HCID funds will represent \$203,390 per unit and 46% of the total development cost. The HCID funding is leveraged with conventional financing and tax credit equity.

**STAFF REPORT**  
**As of: March 27, 2018**

**67th & Main Street**  
**6706 S. Main Street**  
**Los Angeles, CA 90003**

**New Construction**  
**Council District No: 9**

**PROJECT DESCRIPTION**

The 67th & Main site is a flat, irregular plot located on a corner lot in the neighborhood of Florence in South LA. The property is situated in a predominantly residential neighborhood along a major thoroughfare and is located directly across the street from Bethune Middle School. The property lies in close proximity to other commercial corridors along Slauson, Florence, and Broadway. The project is a new construction project that will include 39 two-bedroom and 13 three-bedroom units. The layout will consist of a three-story structure above one story of parking. There will be approximately 69 total parking spaces included in the design (podium construction). At this time there are 2 commercial buildings on the property and 1 residential unit. The owner of the property currently occupies the commercial buildings and will vacate the buildings at closing. The residential tenant will be relocated prior to construction. The buildings will be demolished as part of the demolition phase of the project.

Units will come with basic furnishings to eliminate moving and start-up costs for the formerly homeless low-income residents. Units are also set-aside for the audio/visually impaired. Accessible units are designed in accordance with 24 CFR 983.102, PBV and comply with accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The site will also include case management offices, outdoor open spaces, barbeque areas and a lap pool with an adjacent community room. Also on its ground floor, 67th & Main will incorporate safe, enclosed bicycle parking for residents that will include approximately 50 bike stalls.

The project will have 50% of the units targeted to low income families, 25% of the units targeted to TAY families and 25% of the units targeted to Veteran families. 50% of the PSH units will be targeted to Chronically Homeless.

**PROJECT FINANCE SUMMARY**

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan, the proposed financing is comprised of a conventional loan, tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC) funds, AHP/FHLBSF, and HACOLA-COI.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The project is currently owned by a for-profit entity. Coalition for Responsible Community Development has a valid and enforceable Purchase and Sale Agreement and will develop the project on its own. CRCD expects to create an LP structure with a Limited Partner (tax credit investor) and Coalition for Responsible Community Development (CRCD) as the General Partner.

CRCD is currently in escrow to acquire ownership of 67th & Main. CRCD is the sole sponsor and developer of 67th & Main.

**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 5,100,000
9% TCAC Equity	16,687,288
Conventional/Bank Financing	3,760,000
GP Equity	
Deferred Dev Fee	384,302
AHP/FHLBSF	510,000
HACOLA-COI	1,500,000
<b>Total</b>	<b><u>\$ 27,941,590</u></b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	0	0	0	0	0	0
1 Bedroom	0	0	0	0	0	0	0
2 Bedroom	1	24	0	0	0	14	39
3 Bedroom	0	2	0	0	0	11	13
<b>Total</b>	<b>1</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>52</b>

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

		<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 27,905,590	# of Jobs Directly Supported	<u>145</u>
Land Acquisition	\$ 3,770,965		
		<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
		# of Jobs Indirectly Supported	<u>58</u>
Net Development Costs	<u>\$ 24,134,625</u>		
		<u>Induced Effect on Jobs Multiplier</u>	0.0000022
		# of Jobs Induced	<u>53</u>
		<b>Total Jobs Supported by Project</b>	<b><u>256</u></b>
		(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$5,100,000 is recommended. The project is competing for 9% tax credits. HCID funds will represent \$100,000 per unit and 18.3% of the total development cost. The HCID funding is leveraged with conventional financing, AHP and HACOLA.

**STAFF REPORT**  
**As of: March 27, 2018**

**Metamorphosis on Foothill**  
**13574 W Foothill Blvd Los Angeles, CA 91342**

**New Construction**  
**Council District No: 7**

**PROJECT DESCRIPTION**

The Metamorphosis on Foothill development is located in the northern portion of the Valley and consists of a vacant rectangular parcel approximately 53,488 SF in size. The site is within the North Valley Area Planning Commission and zoned RD1.5-1XL. The project will consist of 48 units of permanent supportive housing, of which 25 will be studios with a minimum square footage of 350 and 23 will be one-bedroom units with a minimum square footage of 500. The project will be a 3-4 story Type-V apartment building with units organized to face a park within the site's interior. The large park is being provided as a benefit for the residents and also to the community, as it will be open the public. The project will also provide 31 surface parking spaces.

The apartment complex will feature secured entry, management and support service offices, bike storage, community garden planters, a community room, community kitchen, outdoor courtyard, and on-site laundry. Apartment amenities will include a full kitchen, bathroom, heating, air conditioning and furnishings. The building is also required to have 10% of mobility units and 4% communication feature units per HCIDLA. Metamorphosis will be developed to meet LEED Gold or higher. Environmental standards will utilize sustainable and energy-efficient features. CBH will also utilize carefully selected drought-tolerant planting throughout the numerous outdoor common areas and planting zones to mitigate air pollution.

Metamorphosis on Foothill will become home to 47 households, either individuals or small families, who have experienced homelessness. 50% (24) units will be for individuals who are chronically homeless who are severely mentally ill and/or a frequent user of DHS services. All households will have incomes at or below 40 percent of AMI. One unit will be reserved for a property manager. The decision was made to serve this population as an effort to diffuse the homeless problems throughout Los Angeles and especially the Valley where supportive housing has been lacking relative to other parts of the City

**PROJECT FINANCE SUMMARY**

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan, Metamorphosis will be structured as a traditional Tax-Exempt Bond and 4% Tax Credit Deal. Also, a AHP application has been submitted to the Federal Home Loan Bank. The project will be developed on land owned by the City of Los Angeles and ground leased to the partnership, under terms of a Disposition and Development Agreement currently being negotiated with the City.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The City of Los Angeles has executed an ENA with Clifford Beers Housing and Abbey Road for the development of the subject property into a tax-credit housing development. Concurrently, a draft DDA is being reviewed and distributed by HCIDLA. Eventually, the City will offer a ground lease to a limited partnership consisting of Metamorphosis on Foothill, LLC (as Managing General Partner), Metamorphosis Abbey Road, LLC (as Administrative General Partner), and a Limited Partner to be determined. The LP structure will be identical to a standard tax-credit limited partnership structure.

**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 10,340,000
4% TCAC Equity	8,622,726
AHP/FHLBSF	750,000
Conventional/Bank Financing	2,400,000
GP Equity	100
Deferred Dev Fee	748,982
Column Financial/DOJ Funds	864,000
<b>Total</b>	<b><u>\$ 23,725,808</u></b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	25	0	0	0	0	25
1 Bedroom	1	0	22	0	0	0	23
2 Bedroom	0	0	0	0	0	0	0
3 Bedroom	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>25</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

<b>Total Jobs Supported, by category</b>		<u>Construction Costs</u>	
		<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 23,725,808	# of Jobs Directly Supported	<u>130</u>
Land Acquisition	\$ 2,020,000		
		<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
		# of Jobs Indirectly Supported	<u>52</u>
Net Development Costs	<u>\$ 21,705,808</u>		
		<u>Induced Effect on Jobs Multiplier</u>	0.0000022
		# of Jobs Induced	<u>48</u>
		<b>Total Jobs Supported by Project</b>	<b><u>230</u></b>
		(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$10,340,000 is recommended. HCID funds will represent \$220,000 per unit and 84.36% of the total development cost. The HCID funding is leveraged with conventional financing and tax credit equity.

Prepared By: Los Angeles Housing and Community Investment Department

**STAFF REPORT**  
**As of: March 28, 2018**

**Melrose Apartments**  
**4766 W Melrose Ave**  
**Los Angeles, CA 90029**

**New Construction**  
**Council District No: 13**

**PROJECT DESCRIPTION**

Melrose Apartments will provide 42 low income units to permanently house individuals and Veterans experiencing homelessness. Looking at the overall design, the project will be a 5-story wood frame building with contemporary architecture housing 30 studios and 12 one-bedroom unit. The subject site consists of 2 platted parcels of land. The site is rectangular in shape and contains approximately 9,994 square feet or 0.23 acres. The two existing structures are both vacant and will be demolished, and relocation is not applicable. The project is located within one half mile of multiple bus stops, enhancing the connectivity and accessibility of the site.

The project will have a 1,035 square feet of open space and a garden on the first floor as well as a 2,300 square foot roof deck, which will offer additional seating and outdoor space for the residents. There will be 43 long-term and 4 short-term bike parking spaces available throughout the site for residents to use. A laundry room will be located on the first floor with 5 washers and 5 dryers to meet the ratio of 1 washer/dryer for every 10 units. The 1,000 square foot community room will offer a common kitchen, computer room and meeting space for service related activities. Additionally, the property management office and three (3) case management offices will be located on the first floor, providing tenants with the resources and support to remain permanently housed. Each residential unit will be furnished with a bed, table, chairs, sofa, and efficient appliances, including air conditioning. Kitchens will feature a refrigerator, range, kitchen sink, garbage disposal unit, and storage cabinets. A full bathroom including toilet and tub/shower will be provided.

The project intends to serve chronically homeless individuals or parents with one child for the one-bedroom units. A portion of the units, envisioned to be around 40%, will be reserved for homeless veterans who have served our country and require a stable home with high-quality services. The Housing First model, and specifically Permanent Supportive Housing, provides the necessary platform to house the chronically homeless population through both rental subsidies and intensive supportive services. Affirmed Housing has worked closely with communities to identify high need and high priority populations through the vulnerability indexes to identify homeless individuals.

**PROJECT FINANCE SUMMARY**

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan, the proposed financing is comprised of a tranche B loan, VHHP funding, general partner equity contribution, a deferred developer fee, and federal tax credit equity.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The project will be owned by a tax credit Limited Partnership with Affirmed Housing Group. An Affirmed Housing entity will be the Administrative General Partner owning 0.9% of the partnership, a to be named Managing General Partner owning 0.1%, and a to be determined investor as the limited partner owning 99% of the partnership.



**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 9,240,000
4% TCAC Equity	7,183,664
VHHP Program Funds	3,248,184
Tranche B (Sec 8 Ln)	2,670,000
GP Equity	175,000
Deferred Dev Fee	300,000
<b>Total</b>	<b>\$ <u>22,816,848</u></b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	30	0	0	0	0	30
1 Bedroom	1	12	0	0	0	0	13
2 Bedroom	0	0	0	0	0	0	0
3 Bedroom	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43</b>

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

		<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 22,816,848	# of Jobs Directly Supported	<u>117</u>
Land Acquisition	\$ 3,350,000		
		<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
		# of Jobs Indirectly Supported	<u>47</u>
Net Development Costs	<u>\$ 19,466,848</u>		
		<u>Induced Effect on Jobs Multiplier</u>	0.0000022
		# of Jobs Induced	<u>43</u>
		<b>Total Jobs Supported by Project</b>	<b><u>206</u></b>
		(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$9,240,000 is recommended. The project is competing for TCAC funds. HCID funds will represent \$220,000 per unit and 40.5% of the total development cost. The HCID funding is leveraged with tax credit equity and VHHP funds.

**STAFF REPORT**  
**As of: March 28, 2018**

**Rosa De Castilla Apartments**  
**4208 E Huntington Dr S**  
**Los Angeles, CA 90032**

**New Construction**  
**Council District No: 14**

**PROJECT DESCRIPTION**

Rosa de Castilla Apartments is a new construction of a 4 story, 108,630 square foot residential building. It is situated on an urban infill site and designed in a contemporary style reflecting its urban setting. The existing site is currently vacant and has one commercial building and on-grade parking that was previously used as a supermarket, all of which will be demolished. The project is a mixed-use development which includes 85 residential units, 100% permanent supportive and affordable housing catering to a mix of homeless veterans and seniors, and very low and low-income families. The unit mix will include 5 studios, 55 one-bedroom units, 11 two-bedroom units, and 10 three-bedroom units. The project will include a 1 story at grade parking garage with 68 spaces including 5% allocated for charging stations.

The project is designed to provide a multitude of amenities within units and in community areas. Units are designed based on universal design principles and include full kitchens with cooking range, microwave, dishwasher, and refrigerators. Most areas of the building are visible from the central open spaces to ensure a safe and secure interaction among the residents. Rosa de Castilla will include a computer room, exercise room, support services offices, and an indoor/outdoor children's space and a multi-purpose room provide many opportunities for community activities, play and rest.

Community Engagement led ELACC to making the decision to serve a mixed population. Rosa de Castilla Apartments intends to serve a mix of large families and families/individuals who have been homeless, critically homeless veterans and seniors 62+. ELACC's decision in serving homeless veterans, homeless seniors and families came as a result of wanting to alleviate the current conditions of homelessness in Los Angeles. Homeless veterans and seniors account for over 11% of the homeless population in Los Angeles.

**PROJECT FINANCE SUMMARY**

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan, the proposed financing is comprised of funding from tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC) funds, the state's Veterans Housing Homelessness Program, the County's Community Development Commission, a conventional loan, and a deferred developer fee.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

Rosa de Castilla, L.P. owns the property. The proposed ownership structure will included a limited partner, who will have ownership of 99.99% of the owner entity and two Co-General Partners who will own 0.01%. East LA Community Corporation will add a Limited Liability Company as a Co-General Partner. The second Co-General Partner will be New Directions Housing, LLC.

**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 12,000,000
9% TCAC Equity	19,890,830
VHHP Program Funds	5,943,177
Conventional/Bank Financing	4,582,000
GP Equity	100
Deferred Dev Fee	140,887
LACDC AHTF	1,500,000
<b>Total</b>	<b>\$ <u>44,056,994</u></b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	9	0	0	0	0	9
1 Bedroom	1	54	0	0	0	0	55
2 Bedroom	1	2	0	0	8	0	11
3 Bedroom	0	1	0	0	5	4	10
<b>Total</b>	<b>2</b>	<b>66</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>4</b>	<b>85</b>

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

<b>Total Jobs Supported, by category</b>	<u>Construction Costs</u>	
	<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 44,056,994	<u># of Jobs Directly Supported</u>
Land Acquisition	\$ 4,400,000	238
	<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
	<u># of Jobs Indirectly Supported</u>	95
Net Development Costs	\$ <u>39,656,994</u>	
	<u>Induced Effect on Jobs Multiplier</u>	0.0000022
	<u># of Jobs Induced</u>	87
	<b>Total Jobs Supported by Project</b>	<b><u>420</u></b>
	(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$12,000,000 is recommended. The project is competing for TCAC funds. HCID funds will represent \$144,578 per unit and 27% of the total development cost. The HCID funding is leveraged with conventional financing and tax credit equity.

**STAFF REPORT**  
**As of: March 28, 2018**

**Weingart Tower I**  
**555 1/2 S Crocker St Los Angeles, CA 90013**

**New Construction**  
**Council District No: 14**

**PROJECT DESCRIPTION**

The Weingart Tower, LP development is a portion of a single building that is owned by separate owners in the Skid Row area of downtown Los Angeles. The overall building will be new construction of an 18-story high rise designed in a striking modern style that meets or exceeds design standards of nearby market rate projects. The overall building will have a floor area of 164,070 square feet and will incorporate a wide variety of sustainable “green” construction features and will have native, drought tolerant landscaping. It will have 134 units including 106 studio units for the formerly homeless and 27 one-bedroom units for families.

The building’s amenities include resident counseling offices on the 18th floor and open space balconies on floors 6, 7, 12 and 13. The building will be equipped with a café, training rooms, classrooms, counseling offices, a career center, a computer room, fitness room, library, and exterior garden courtyard. The building will also offer a commercial grade kitchen serving 3 healthy meals (anticipated to be 3,000 meals daily) for residents and Weingart Center Association (WCA) clients and homeless persons in the Skid-Row area who are experiencing food insecurity.

WCA’s thirty-six years of housing and supportive service experience to homeless individuals in the Skid Row area led to the development of Weingart Tower. As program participants near the end of their residency, they have often been unable to transition to a supportive environment due to the lack of housing. To address this need, WCA developed a vision for creating a mix of permanent, supportive, and affordable housing for formerly homeless men and women. Residents will be referred through the Los Angeles County Coordinated Entry System (CES).

**PROJECT FINANCE SUMMARY**

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan, the proposed financing is comprised of tax credit equity from the sale of 4% Low Income Housing Tax Credits (LIHTC), general partner equity contribution, a conventional loan, and an AHSC loan.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The proposed owner and sponsor of this project is Weingart Tower LP, a limited partnership in which Weingart Center Association, the developer, is the sole Managing General Partner and will be providing the services at the facilities. Chelsea Investment Corporation is the co-developer and Administrative General Partner.

**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 12,000,000
4% TCAC Equity	30,059,283
Conventional/Bank Financing	2,857,619
GP Equity	7,615,740
AHP/FHLBSF	1,000,000
AHSC Soft Loan Interest	10,990,000
CRA-LA	3,500,000
<b>Total</b>	<b><u>\$ 68,022,642</u></b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	35% AMI	40% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	70	18	18	27	0	133
1 Bedroom	1	0	0	0	0	0	1
2 Bedroom	0	0	0	0	0	0	0
3 Bedroom	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>70</b>	<b>18</b>	<b>18</b>	<b>27</b>	<b>0</b>	<b>134</b>

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

<b>Total Jobs Supported, by category</b>		<u>Construction Costs</u>	
		<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 68,022,642	# of Jobs Directly Supported	<u>398</u>
Land Acquisition	\$ 1,666,186		
		<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
		# of Jobs Indirectly Supported	<u>159</u>
Net Development Costs	<u>\$ 66,356,456</u>		
		<u>Induced Effect on Jobs Multiplier</u>	0.0000022
		# of Jobs Induced	<u>146</u>
		<b>Total Jobs Supported by Project</b>	<b><u>703</u></b>
		(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$12,000,000 is recommended. The project is competing for TCAC funds. HCID funds will represent \$90,226 per unit and 17.6% of the total development cost. The HCID funding is leveraged with an AHSC loan and tax credit equity.

**STAFF REPORT**  
**As of: March 28, 2018**

**Weingart Tower II**  
**555 1/2 S Crocker St Los Angeles, CA 90013**

**New Construction**  
**Council District No: 14**

**PROJECT DESCRIPTION**

The Weingart Tower II, LP development is a portion of a single building that is owned by separate owners in the Skid Row area of downtown Los Angeles. The overall building will be new construction of an 18-story high rise designed in a striking modern style that meets or exceeds design standards of nearby market rate projects. The overall building will have a floor area of 164,070 square feet and will incorporate a wide variety of sustainable “green” construction features and will have native, drought tolerant landscaping. The portion of the building owned by the Weingart Tower II, LP has 144 units including 122 studio units for the formerly homeless and 20 one-bedroom units for families

The building’s amenities include resident counseling offices on the 18th floor and open space balconies on floors 6, 7, 12 and 13. The building will be equipped with a café, training rooms, classrooms, counseling offices, a career center, a computer room, fitness room, library, and exterior garden courtyard. The building will also offer a commercial grade kitchen serving 3 healthy meals (anticipated to be 3,000 meals daily) for residents and Weingart Center Association (WCA) clients and homeless persons in the Skid-Row area who are experiencing food insecurity.

WCA’s thirty-six years of housing and supportive service experience to homeless individuals in the Skid Row area led to the development of Weingart Tower. As program participants near the end of their residency, they have often been unable to transition to a supportive environment due to the lack of housing. To address this need, WCA developed a vision for creating a mix of permanent, supportive, and affordable housing for formerly homeless men and women. Residents will be referred through the Los Angeles County Coordinated Entry System (CES).

**PROJECT FINANCE SUMMARY**

Weingart Tower II is the 144-unit portion of a building containing 278 total units. Due to the size of the building and the fact that the HHH funds could be leveraged with other financing sources, HCIDLA staff and its consultants recommended that we split the ownership of the building into two projects owned by separate limited partnerships in order to maximize the HHH PSH funds available for the project. A separate application for Weingart Tower I covering the remaining units in the building has also been submitted.

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan, the proposed financing is comprised of tax credit equity from the sale of 4% Low Income Housing Tax Credits (LIHTC), general partner equity contribution, a conventional loan, and an AHSC loan.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The proposed owner and sponsor of this project is Weingart Tower II LP, a limited partnership. The Managing General Partner is WC Towers II, LLC of which Weingart Center Association is the sole and

managing member. The Administrative General Partner is CIC Weingart Tower II, LLC of which Chelsea Investment Corporation is the Manager.

**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 12,000,000
4% TCAC Equity	30,059,283
Conventional/Bank Financing	2,857,619
GP Equity	7,615,740
AHP/FHLBSF	1,000,000
AHSC Soft Loan Interest	10,990,000
CRA-LA	3,500,000
 Total	 <u>\$ 68,022,642</u>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	35% AMI	40% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	80	21	21	0	0	122
1 Bedroom	2	0	0	0	20	0	22
2 Bedroom	0	0	0	0	0	0	0
3 Bedroom	0	0	0	0	0	0	0
 Total	 2	 80	 21	 21	 20	 0	 144

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

<b>Total Jobs Supported, by category</b>		<u>Construction Costs</u>	
		<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 68,022,642	# of Jobs Directly Supported	<u>398</u>
Land Acquisition	\$ 1,666,186		
		<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
		# of Jobs Indirectly Supported	<u>159</u>
Net Development Costs	<u>\$ 66,356,456</u>		
		<u>Induced Effect on Jobs Multiplier</u>	0.0000022
		# of Jobs Induced	<u>146</u>
		<b>Total Jobs Supported by Project</b>	<b><u>703</u></b>
		(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$12,000,000 is recommended. The project is competing for TCAC funds. HCID funds will represent \$83,333 per unit and 17.6% of the total development cost. The HCID funding is leveraged with an AHSC loan and tax credit equity.

**STAFF REPORT**  
**As of: April 11, 2018**

**Bryson II**  
**2701 W Wilshire Blvd Los Angeles, CA 90057**  
**New Construction**  
**Council District No: 1**

**PROJECT DESCRIPTION**

The approximately 13,500/sf subject property is located at 2701 Wilshire Boulevard, at the NE corner of S. Lafayette Park Place and Wilshire Boulevard. The site is currently underutilized excess land used for parking. Demolition will include removal of current asphalt, property wall, and landscape improvements. The parcel is adjacent to and under the title of The Bryson Apartments, an existing low-income housing development owned by the Los Angeles Housing Partnership. While the subject property is currently encumbered with existing affordability covenants pursuant to the operation of The Bryson Apartments, there are no parking covenants obligating the existing parking spaces. It is proposed that the existing affordability covenants with the City of Los Angeles and the Tax Credit Allocation Committee will be modified to allow for more development of affordable housing.

Unit floor plans provide for 36 studios and 32 one-bedroom units. All units will have in-unit bathrooms (the studios are not SRO units). All units will also have kitchens, albeit the studios will be considerate kitchenettes. Unit amenities include: bathroom fixtures and finishes, kitchen fixtures, finishes, cabinets, energy star rated appliances including dishwashers near sinks, and garbage disposals, refrigerators, energy efficient lighting, energy efficient windows (Dual pane/ Low-E), floor and window coverings, air conditioning, exterior decks or patios, recycled carpet, and bulk storage cabinet.

The proposed 68 unit project will have 36 efficiency units and 32 one bedroom/one bath units. The proposed project will target homeless individuals and other residents earning 30% to 50% of the Area Median Income ("AMI"). The project will be 100% affordable with 17 units for the chronically homeless, 17 units for the homeless and those at risk of homelessness, and 33 at 50% CTCAC AMI plus 1 managers unit. Of the 33 units, 15 units will be reserved for the developmentally disabled. These 15 units will receive services and funding coordinated by UCP from the Lanterman Regional Center.

**PROJECT FINANCE SUMMARY**

Pursuant to its partnership with LAHP, The Richman Group is funding all predevelopment dollars up to closing and start of construction. The project will be financed with tax credit equity, a residual receipts loan from HHH, a grant from the Lanterman Regional Center, deferred fees, and permanent debt/bonds with a 35-year amortization.

Operations will be further supported by a project-based Section 8 Loan (15 year term) for the 34 HHH-sponsored permanent supportive units and the 15 units for the developmentally disabled (which will also be for homeless and those at-risk of homelessness). As well, DHS will support Affordable Living for the Aging (ALA)'s services with an annual commitment of \$194,000 and the Lanterman regional center will provide the services (and funding) to the 15 units for the developmentally disabled. Additionally, the development partnership has underwritten \$115,000 within the operations budget for social services, including but not limited to, gaps in service between DHS and the Lanterman Regional Center, but more importantly, a full time service coordinator acting on behalf of ownership for the residents that will provide much needed coordination between ALA, the agency providers and the recipients. The total developer fee for this project is estimated to be \$2,625,000 with \$2,625,000 deferred during the construction period and approximately \$125,000 permanently deferred. All required guarantees will be provided for by the development partnership.



**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

Proposed Ownership: Pursuant to a binding memorandum of understanding, LAHP and TRGCA have agreed to a future limited partnership (the "Partnership") in which TRGCA will own a .005% interest and act as the Administrative General Partner and LAHP will own a .005% interest and act as the Managing General Partner. The tax credit investor will receive the remainder interest.

**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 10,095,000
4% TCAC Equity	7,823,068
Conventional/Bank Financing	3,475,000
Lanterman Regional Center	1,000,000
Deferred Dev Fee	125,000
<b>Total</b>	<b>\$ 22,518,068</b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	34	0	0	2	0	36
1 Bedroom	1	0	15	0	16	0	32
2 Bedroom	0	0	0	0	0	0	0
3 Bedroom	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>34</b>	<b>15</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>68</b>

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

Total Jobs Supported, by category		Construction Costs	
		<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 22,518,069	# of Jobs Directly Supported	<u>129</u>
Land Acquisition	\$ 995,000	<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
		# of Jobs Indirectly Supported	<u>52</u>
Net Development Costs	\$ <u>21,523,069</u>	<u>Induced Effect on Jobs Multiplier</u>	0.0000022
		# of Jobs Induced	<u>47</u>
		<b>Total Jobs Supported by Project</b>	<b><u>228</u></b>
		(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$10,095,000 is recommended. The project is applying for TCAC funds. HCID funds will represent \$148,4562 per unit and 45% of the total development cost. The HCID funding is leveraged mostly with conventional financing and tax credit equity.

**STAFF REPORT**  
**As of: March 28, 2018**

**Rose Apartments**  
**720 E Rose Ave Los Angeles, CA 90291**

**New Construction**  
**Council District No: 11**

**PROJECT DESCRIPTION**

Rose Apartments is the proposed new construction of a thirty-five unit, four story building with an open courtyard in the center (three stories of Type V construction over a concrete podium). One bedroom and studio units will provide permanent supportive housing for formerly homeless persons. One bedroom units have 500 to 510 square feet, and studio units range from 339 to 490 square feet. The two bedroom, 828 square foot unit will house a resident manager. The modern design uses large windows, open walkways, a courtyard, and inexpensive, low maintenance exterior materials to create a welcoming, interactive community feeling.

The proposed development is located in the Venice community of the City of Los Angeles, at 718-720 Rose Avenue, 90291, near the intersection of Rose Avenue and Lincoln Boulevard. The site is rich with nearby amenities, including regular service and rapid buses, Metro bikes, varied-cost shopping (such as the 99 cent store, CVS, Smart and Final and Whole Foods), parks, Venice Family Clinic's medical and mental health clinics, St. Joseph Center's food pantry and hot meals program, as well as Venice Beach.

Venice Community Housing Corporation owns the properties and its current administrative and program team is currently located in three buildings on the site, which will be demolished for the construction of the proposed permanent supportive housing. The ground floor of the new building will replace much of the existing office and program space.

**PROJECT FINANCE SUMMARY**

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan, the proposed financing is:

- 4% tax credit equity
- LA County CDC funds (Mental Health Housing Funds)
- Federal Home Loan Bank Affordable Housing Program (City National Bank)
- Housing Authority of the City of Los Angeles (Project Based Vouchers)
- Construction lender (to be selected)
- Permanent lender (to be selected, likely CCRC)

Service coordination needs are included in the project's operating budget, but intensive case management services will be funded externally. VCHC has a commitment letter from the LA County Department of Health Services (DHS) for an estimated funding amount of up to \$183,600 per year. This commitment letter also includes DHS' intention to assist VCHC with Flexible Housing Subsidy Pool rental assistance for all 34 units if Project Based Section 8 cannot be secured. At this time, there are no non-traditional financing arrangements.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

Venice Community Housing Corporation has owned the properties at 718 and 720 Rose Avenue since 1998. The property will be sold to a to-be-formed limited partnership, in which Venice Community Housing Corporation will be the general partner and will own 0.01% of the project. A limited partner, still to be determined, will own 99.99% of the development.

**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 7,480,000
4% TCAC Equity	5,796,095
Conventional/Bank Financing	1,228,406
GP Equity	100
AHP/FHLBSF	500,000
LA CDC (Mental Health Housing Funds)	3,000,000
Deferred Dev Fee	215,800
<b>Total</b>	<b>\$ <u>18,220,401</u></b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	30	0	0	0	0	30
1 Bedroom	0	4	0	0	0	0	4
2 Bedroom	1	0	0	0	0	0	1
3 Bedroom	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35</b>

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

<b>Total Jobs Supported, by category</b>		<u>Construction Costs</u>	
		<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 18,220,401	<u># of Jobs Directly Supported</u>	<u>103</u>
Land Acquisition	\$ 1,000,000	<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
		<u># of Jobs Indirectly Supported</u>	<u>41</u>
Net Development Costs	<u>\$ 17,220,401</u>	<u>Induced Effect on Jobs Multiplier</u>	0.0000022
		<u># of Jobs Induced</u>	<u>38</u>
		<b>Total Jobs Supported by Project</b>	<b><u>183</u></b>
		(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$7,480,000 is recommended. The project is applying for TCAC funds. HCID funds will represent \$220,000 per unit and 41% of the total development cost. The HCID funding is leveraged with conventional financing, LA County funds and tax credit equity.

**STAFF REPORT**  
**As of: March 27, 2018**

**Ingraham Villa Apartments**  
**1218 W Ingraham St**  
**Los Angeles, CA 90017**

**New Construction**  
**Council District No: 1**

**PROJECT DESCRIPTION**

Single Room Occupancy Housing Corporation (SRO Housing Corp.) proposes to develop a new six-story multi-family affordable permanent supportive housing project. The proposed building will consist of 120 studio apartments and 1 one-bedroom apartment for the on-site manager, totaling 121 units. Each unit will average approximately 400 square feet and include private kitchen and bathroom.

The project will also include indoor and outdoor recreation and lounge spaces as well as a community kitchen, computer room and laundry. There will be supportive service, management, and security offices on site. There will be three levels of parking (two below grade, one at street level), with 121 parking spaces.

90 of the units (75%) will be for Chronic Homeless and Homeless Veterans (45) at or below 30% AMI levels and Chronic Homeless and Homeless Persons w/ Mental Illnesses at or below 30% AMI levels with an additional 30 units for General Low Income individuals at or below 60% AMI levels. The building and parking will have full security. There will be 2 elevators and all units will be ADA accessible and fully furnished. The site is currently vacant, so no units will be demolished. All 121 units will be new units. The proposed project will be certified LEED GOLD.

**PROJECT FINANCE SUMMARY**

In addition to Prop HHH funding, the developer will apply to the County of Los Angeles for No Place Like Home funding through the County, AHP in the next available funding round, HACLA for VASH and project based vouchers, a tax-exempt bond allocation from CDLAC, and 4% tax credits.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The site is currently owned by an unrelated third party and is under contract to be purchased by Ingraham Apartments, L.P., a California limited partnership formed for the purposes of developing and owning an affordable housing project using low income housing tax credits. The sole and managing general partner of Ingraham Apartments, L.P. is SRO Commercial, LLC, a limited liability company, whose sole and managing member is Single Room Occupancy Housing Corporation (SRO Housing Corp.). SRO Housing Corp. is a California non-profit public benefit corporation, whose mission is to develop, own and manage affordable housing in the downtown Los Angeles area.

**PERMANENT FUNDING SOURCES**

Source	Amount
HHH	\$ 12,000,000
4% TCAC Equity	19,323,345
County of LA, NPLH	11,255,000
Tranche B (Section 8 Loan)	5,545,000
GP Equity	202,590
AHP/FHLBSF	2,000,000
Deferred Dev Fee	2,146,442
<b>Total</b>	<b><u>\$ 52,472,377</u></b>

**AFFORDABILITY STRUCTURE**

Unit Type	Mgrs.	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	90	0	0	0	30	120
1 Bedroom	1	0	0	0	0	0	1
2 Bedroom	0	0	0	0	0	0	0
3 Bedroom	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>121</b>

**JOBS SUPPORTED**

Number of jobs supported through the construction financing of these projects. These jobs may be new or existing jobs.

<b>Total Jobs Supported, by category</b>		<u>Construction Costs</u>	
		<u>Direct Effect on Jobs Multiplier</u>	0.000006
TDC	\$ 52,472,376	# of Jobs Directly Supported	<u>264</u>
Land Acquisition	\$ 8,450,000		
		<u>Indirect Effect on Jobs Multiplier</u>	0.0000024
		# of Jobs Indirectly Supported	<u>106</u>
Net Development Costs	<u>\$ 44,022,376</u>		
		<u>Induced Effect on Jobs Multiplier</u>	0.0000022
		# of Jobs Induced	<u>97</u>
		<b>Total Jobs Supported by Project</b>	<b><u>467</u></b>
		(excluding Cost of Land Acquisition only)	

**FUNDING RECOMMENDATION**

A HCIDLA funding commitment of up to \$12,000,000 is recommended. The project is applying for TCAC funds. HCID funds will represent \$100,000 per unit overall and 23% of the total development cost. The HCID funding is leveraged with L.A. County funds and tax credit equity.