

## TRANSMITTAL

To:

**THE COUNCIL**

Date:

**SEP 10 2015**

From:

**THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**



**ERIC GARCETTI**  
Mayor

Ana Guerrero



Housing Development Bureau  
1200 West 7th Street, Los Angeles, CA 90017  
tel 213.808.8638 | fax 213.808.8610  
hcidla.lacity.org



Eric Garcetti, Mayor  
Rushmore D. Cervantes, General Manager

September 1, 2015

Council File: New  
Council District: 6  
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The Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 300, City Hall  
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

**COUNCIL TRANSMITTAL: VARIOUS ACTIONS FOR THE REDEVELOPMENT OF  
LA FAMILY HOUSING HEADQUARTERS, THE CAMPUS, INCLUDING NEW MARKET  
TAX CREDIT FINANCING**

**SUMMARY**

LA Family Housing (LAFH) is a non-profit organization headquartered in North Hollywood proposing to redevelop their existing headquarters located at 7817 and 7843 Lankershim Blvd. The project is entitled "The Campus" and will occur in two phases. Phase I of The Campus will consist of the rehabilitation of an existing homeless shelter and office space. Phase II of The Campus will be redeveloped into 50 units of newly constructed Permanent Supportive Housing (PSH) for homeless and chronically homeless adults, and 26,000 square feet of commercial space for services and programs including a 6,500 square foot health clinic.

In February 2014, The Campus was admitted into HCIDLA Affordable Housing Trust Fund (AHTF) Pipeline (CF 13-0303). In June 2015, the Mayor and Council approved a \$1.9 million AHTF financial commitment and support letter for The Campus and its application to the California Tax Credit Allocation Committee 2015 Round 2 for Low Income Housing Tax Credits (LIHTC) (CF 15-0219-S1). LAFH is also applying for an allocation of New Market Tax Credits (NMTC) to facilitate the construction of The Campus. In support of its application for NMTC, HCIDLA requests for authorization to transfer and revise covenants and deeds of trust pertaining to 7817 and 7843 Lankershim Blvd. properties, both of which are currently owned by LAFH and operated as homeless shelters. Approval of the recommendations in this report will allow for additional investment in The Campus and will help leverage the \$1.9 million in AHTF funds previously committed by HCIDLA.

HCIDLA proposes various actions to optimize the amount of NMTC proceeds to be generated for both phases of The Campus development, consisting of: 1) transferring the 7817 Lankershim Blvd. HOME Deed of Trust to the 7843 Lankershim Blvd. property; 2) removing the HOME and former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) Deeds of Trust and covenant from

7843 Lankershim Blvd.; and, 3) taking a leasehold interest in the western portion of 7843 Lankershim Blvd., where the future PSH development will be located.

HCIDLA also requests for the adoption of the attached Resolution to approve the 7843 Lankershim Blvd. Replacement Housing Plan prepared by HCIDLA and the extension of the term of the former CRA/LA loan for a period of 55 years.

### **RECOMMENDATIONS**

The General Manager of HCIDLA respectfully requests the following:

- I. That your office schedule this transmittal for consideration at the next available meeting(s) of the appropriate Committee(s) of the City Council and forward it to the City Council for review and approval immediately thereafter, for the closing of the first NMTC transaction for 7817 Lankershim Blvd. in September 2015.
- II. That the City Council, subject to the approval of the Mayor, take the following actions:
  - A. Authorize the General Manager of HCIDLA, or designee, to modify the 7817 Lankershim Blvd. HCIDLA loan and regulatory document, subject to the review and approval of the City Attorney as to form, as follows:
    1. Allow for the transfer of the Deed of Trust and Promissory Note in the amount of \$1,080,000 to 7843 Lankershim Blvd. prior to the purchase of the 7817 Lankershim Blvd. property by the Qualified Active Low Income Community Business (QALICB) No. 1;
    2. Allow for the transfer of the Deed of Trust and Promissory Note to the property designated for PSH development to be located on the western portion of 7843 Lankershim Blvd. thereafter;
    3. Terminate the HOME Regulatory Agreement from the 7817 Lankershim Blvd. property; and, amend the original term and record a new HOME Regulatory Agreement in connection with a \$1,900,000 HOME loan and the \$1,080,000 loan to be assumed by the borrower of the PSH;
    4. Allow for the execution of a related service agreement between HCIDLA and LAFH that ensures the property continues its operation as a shelter; and,
    5. Approve the sale of the property from LAFH to QALICB No.1, which will be an affiliate of LAFH;
  - B. Authorize the General Manager of HCIDLA, or designee, to amend or effectuate changes to the current HCIDLA and CRA/LA loan and regulatory documents regarding the property located at 7843 Lankershim Blvd., subject to the review and approval of the City Attorney as to form, as follows:
    1. Allow for the transfer of the Deed of Trust and Promissory Note in the amount of \$1,080,000 when QALICB No. 2 purchases 7843 Lankershim Blvd., from 7843 Lankershim Blvd. to a leasehold interest on the western portion of 7843 Lankershim

- Blvd. where the future PSH project will be located;
2. Allow for the transfer of the CRA/LA Deed of Trust and Promissory Note for the amount of \$863,746.54 from 7843 Lankershim Blvd. to a leasehold interest on the western portion of 7843 Lankershim Blvd. where the future PSH project will be located;
  3. Extend the term of the CRA/LA loan for a period of 55 years;
  4. Terminate the existing CRA/LA Regulatory Agreement and record a new Regulatory Agreement that reflects 50 units of PSH and applicable income restrictions for residents;
  5. Approve the sale of the 7843 Lankershim Blvd. property to QALICB No.2, which will be an affiliate of LAFH; and,
  6. Approve a ground lease between the QALICB and the limited partnership that will own the PSH; and,
- C. Adopt the attached Resolution to approve the Valley Shelter Replacement Housing Plan prepared by HCIDLA.

### **BACKGROUND**

The Campus development proposed by LAFH will expand its homeless services in the Los Angeles region and North Hollywood. For more than 30 years, LAFH has been one of the leading homeless services agencies in the Los Angeles County Department of Public Health Service Planning Area Number Two (SPA 2), which includes the communities of the San Fernando Valley, Burbank, Glendale and La Cañada-Flintridge. LAFH provides homeless outreach, emergency and transitional shelters, and PSH. With input from community stakeholders through the San Fernando Valley Coalition to End Homelessness, neighbors, staff, and clients, the LAFH Board of Directors proposes to expand housing opportunities and increase access to homeless services with the development of The Campus.

The Campus is a mixed-use development that will: provide 50 new units of PSH; upgrade 250 shelter beds for adults and 13 crisis housing units for families; facilitate the transition from a place-based model of transitional housing for families to a scattered-site program (consistent with the LA County Continuum of Care model of transitional housing for homeless families); and, include a 6,000 square foot new homeless health care clinic with new dental and behavioral health services for the community. In addition, more than 20,000 square feet of The Campus will consist of a comprehensive service center in the areas of legal advocacy, employment, mental health, and housing placement and retention.

LAFH is the lead agency throughout SPA 2 for the Coordinated Entry System (CES) for individuals and Homeless Family Solutions System (HFSS) for families. Los Angeles County has also contributed a significant investment in The Campus development, consisting of approximately \$3.6 million to support rehabilitation of the shelter, development of the PSH and remodeling of the HFSS operations. To date, LAFH has secured more than \$5 million in funding from foundations, Los Angeles County and the City to facilitate the development of The Campus.

LAFH will be utilizing LIHTC to partially finance the project, which are competitively awarded based on development costs of a residential project. The LIHTC are sold to investors who receive credit against their federal income tax return. Similarly, NMTC are designed to attract capital investment in low-income

communities by permitting investors to receive a tax credit against their federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities.

NMTC are utilized to finance commercial development and activities, such as those proposed at The Campus. Removing the referenced encumbrances for the CRA/LA and HOME loans will optimize the amount of private dollars generated by the NMTC transactions. Furthermore, if the existing regulatory agreements remained on title, the NMTC transactions would not be consummated due to the legal requirements of the private investors.

#### 7817 Lankershim Blvd. – Sydney M. Irmas Transitional Living Center

The redevelopment of The Campus will occur in two phases. Phase I is located at 7817 Lankershim Blvd. and will consist of the rehabilitation of an existing family shelter and office space to provide a 250 bed shelter for adults and 13 units of crisis housing/emergency shelter for families. Currently, the property provides transitional housing for 65 homeless families. Of the 65 households in transitional housing at this location, 52 households will be moving into rental housing within the community, (consistent with the City's revised Continuum of Care model that seeks to de-concentrate homeless families and keep them integrated in the community) and 13 families will remain on-site in crisis housing/emergency shelter. This is a result of the modification of a place-based transitional housing model to a Transition-In-Place model per HUD. LAFH will relocate current residents of 7817 Lankershim Blvd. into scattered site housing.

The 7817 Lankershim Blvd. property has an existing loan of \$1,080,000 and a regulatory agreement that expires in 2026. Amending and terminating the HOME Regulatory Agreement and transferring the HCIDLA Deed of Trust and Promissory Note to the 7843 Lankershim Blvd. property will enable LAFH to generate additional net proceeds through NMTC financing. Additionally, the HOME Regulatory Agreement dated November 25, 1996, and recorded against this property, requires assisted units to be leased and annual income certifications for residents. LAFH has met its obligations under the 15-year HUD HOME covenant.

For the Deed of Trust on 7817 Lankershim Blvd., HCIDLA will transfer the existing deed in the amount of \$1,080,000 to the property designated for the new construction of PSH located at 7843 Lankershim Blvd. For the Regulatory Agreement on 7817 Lankershim Blvd., HCIDLA will amend the term and subsequently terminate the existing HOME Regulatory Agreement for 7817 Lankershim Blvd. The HOME Regulatory Agreement references "tenant income certification and leasing of units," which are inconsistent with the intended long-term operations of the property as a homeless shelter. A new HOME Regulatory agreement will be recorded in connection with the assumed existing debt and the new Deed of Trust mentioned above. Prior to September 2015, HCIDLA will approve LAFH's sale of property to a Qualified Active Low Income Community Business (QALICB), which will be an affiliate of LAFH.

#### 7843 Lankershim Blvd. – Trudy & Norman Louis Valley Shelter

Phase II of The Campus is located at 7843 Lankershim Blvd. and will consist of the demolition of an existing 250-bed shelter for single adults, offices and a 1,500 square foot Federally Qualified Health Center to be redeveloped into 50 units of PSH for homeless and chronically homeless adults and 26,000 square feet of program space. The program space will include a 6,500 square foot health clinic, service center and offices. Residents of the LAFH Valley Shelter will be relocated to 7817 Lankershim Blvd. after Phase I rehabilitation is complete and allow for new construction to begin. The PSH will be financed with LIHTC and the non-residential uses will be financed with NMTC.



The 7843 Lankershim Blvd. property has an existing CRA/LA loan in the amount of \$863,746.54 maturing in March 2016, and a CRA/LA Regulatory Agreement expiring in February 2041. Transferring the existing CRA/LA Deed of Trust to a leasehold interest on the western portion of 7843 Lankershim Blvd., where the future PSH development will be located, will enable LAFH to generate additional net proceeds through NMTC financing.

In addition, it is anticipated that QALICB No. 2 will purchase 7843 Lankershim Blvd. in March 2016, and will also transfer the HOME Deed of Trust and Promissory Note in the amount of \$1,080,000 from 7843 Lankershim Blvd. to a leasehold interest as mentioned above.

HCIDLA will terminate the CRA/LA Covenant dated February 18, 1986 to provide 77 shelter beds and its Amendment dated July 26, 1991 extending the original Covenant term to 55 years. The Covenant and its Amendment will no longer apply to the use of the property, which is being torn down to build the new PSH and the health clinic and service center. A new CRA/LA covenant reflecting a 50 unit PSH development will be recorded against the leasehold interest of the western portion of 7843 Lankershim Blvd. HCIDLA will approve sale of property to QALICB No.2, which will be an affiliate of LAFH. HCIDLA will approve a long-term ground lease between the QALICB No. 2, and the LIHTC limited partnership of the PSH. These actions will occur by March 2016.

The table below provides a summary of the financing and project milestones for both phases of The Campus.

Timeline for The Campus	
July 2015	Apply for LIHTC for permanent supportive housing
Sept 2015	7843 Lankershim assumes 7817 Lankershim HOME loan
Sept 2015	Terminate 7817 Lankershim HOME Regulatory Agreement
Sept 2015	HCIDLA and LAFH execute Service Agreement to continue to operate 7817 Lankershim as a shelter
Sept 2015	Sale of 7817 Lankershim to QALICB No. 1
Sept 2015	Close Phase I NMTC financing
Sept 2015	LIHTC awarded for permanent supportive housing
Dec 2015	Complete rehabilitation of The Campus Phase I
March 2016	Permanent supportive housing limited partnership assumes HOME loan and CRA/LA loan from 7843 Lankershim
March 2016	LAFH sells 7843 Lankershim to QALICB No. 2
March 2016	Permanent supportive housing limited partnership enters into ground lease with QALICB No. 2
March 2016	Start construction on The Campus Phase II
March 2016	Earliest date by which Phase II NMTC financing closes
Dec 2017	Complete construction of The Campus Phase II

### Replacement Housing Plan

HCIDLA is responsible for managing all former CRA/LA housing assets and is required to comply with California Health and Safety Code Section 33413.5, which requires the adoption of a Replacement Housing Plan (Plan). The Plan and accompanying Resolution are provided in Attachment A. The Plan outlines the redevelopment of the 7843 Lankershim Blvd. site and describes the location, timetable and


financing for the future units that will serve as the replacement units. HCIDLA has made the Plan available for public review and comment on the HCIDLA website. This project is located in the CRA/LA North Hollywood Project Area.

The CRA/LA covenant recorded on the 7843 Lankershim Blvd. property identifies 77 dwelling units restricted for use of very low- and low-income households as a homeless shelter. At this time, the replacement of the 77 dwelling units will consist of 50 PSH units through The Campus development described above and 27 PSH units provided through the HCIDLA AHTF Pipeline without using redevelopment financing within four years of the date that The Campus closes escrow. In the event that 27 permanent housing units cannot be replaced within the North Hollywood Project Area, HCIDLA will ensure a total of 54 units of permanent housing are developed within four years of close of escrow of The Campus.

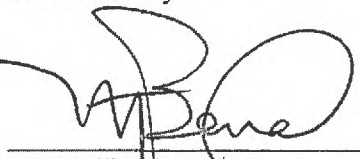
#### **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. The recommendations in this report will authorize HCIDLA to modify loans and regulatory documents for 7817 Lankershim Blvd. and 7843 Lankershim Blvd. to optimize the amount of NMTC proceeds to be generated for both phases of The Campus development without any net change to prior loan amounts.


Prepared by:

  
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GEORGE GUILLEN  
Manager  
Housing Finance and Development Unit

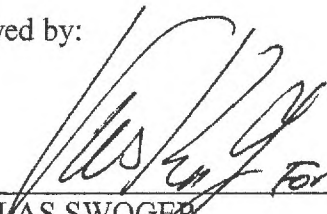
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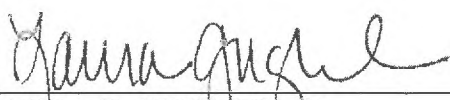
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LAURA K. GUGLIELMO  
Executive Officer

Approved by:

  
\_\_\_\_\_  
RUSHMORE D. CERVANTES  
General Manager

Attachment A-Staff Report  
Attachment B-Site Map  
Attachment C-Replacement Housing Plan  
Attachment D-Resolution



**STAFF REPORT**

May 5, 2015

**The Campus at L.A. Family Housing  
7843 Lankershim Boulevard, Los Angeles, CA 91605**

**New Construction  
Council District No: 6**

**PROJECT DESCRIPTION**

The existing project site is a rectangular shaped parcel currently occupied by a three-story commercial building and a two-story multifamily residential structure. The site is located in Council District 6 and is bordered by Arminta Street to the north, Lankershim Boulevard to the east, Simpson Avenue to the west, and by a parking lot to the south. The existing structures will be demolished and the proposed mixed-use development will consist of 50 new construction units of permanent supportive housing in addition to a 26,000 square foot commercial building that will house a health clinic, service center, and offices. The permanent supportive housing component will consist of 49 studio apartments targeting homeless adults and 1 un-restricted on-site manager's unit. The Campus will feature a large community room with kitchen, resident's lounge, fitness room, laundry room, open-air courtyard, and 54 on-site parking spaces housed in a one level subterranean garage.

**PROJECT FINANCE SUMMARY**

The financing will be comprised of permanent loans from L.A. County CDC, AHP and HCIDLA Affordable Housing Trust Funds (AHTF), as well as permanent funding from Deferred Developer Fees and Limited Partner Equity. The applicant will apply for 9% low income tax credits.

**BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The property is presently owned by the L.A. Family Housing Corporation (LAFH). LAFH will lease the property to the limited partnership, LAFH Campus, L.P., that will be formed for the purpose of developing, owning, and operating the Campus mixed-use development. In exchange for rights to the property, LAFH will receive annual lease payments in the amount of \$1.00.

**FUNDING SOURCES-PERMANENT**

Sources	Amount
Los Angeles HCIDLA (AHTF)	\$1,900,000
Los Angeles County CDC	\$1,500,000
AHP	\$1,000,000
Deferred Developer Fee	\$600,000
General Partner Equity	100
Limited Partner Equity	<u>\$11,973,387</u>
Total	\$16,973,487

#### AFFORDABILITY STRUCTURE

Unit Type	30% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Mgr.	Total
0 Bedroom	49	0	0	0	0	0	49
1 Bedroom	0	0	0	0	0	0	0
2 Bedroom	0	0	0	0	0	1	1
Total	49	0	0	0	0	1	50

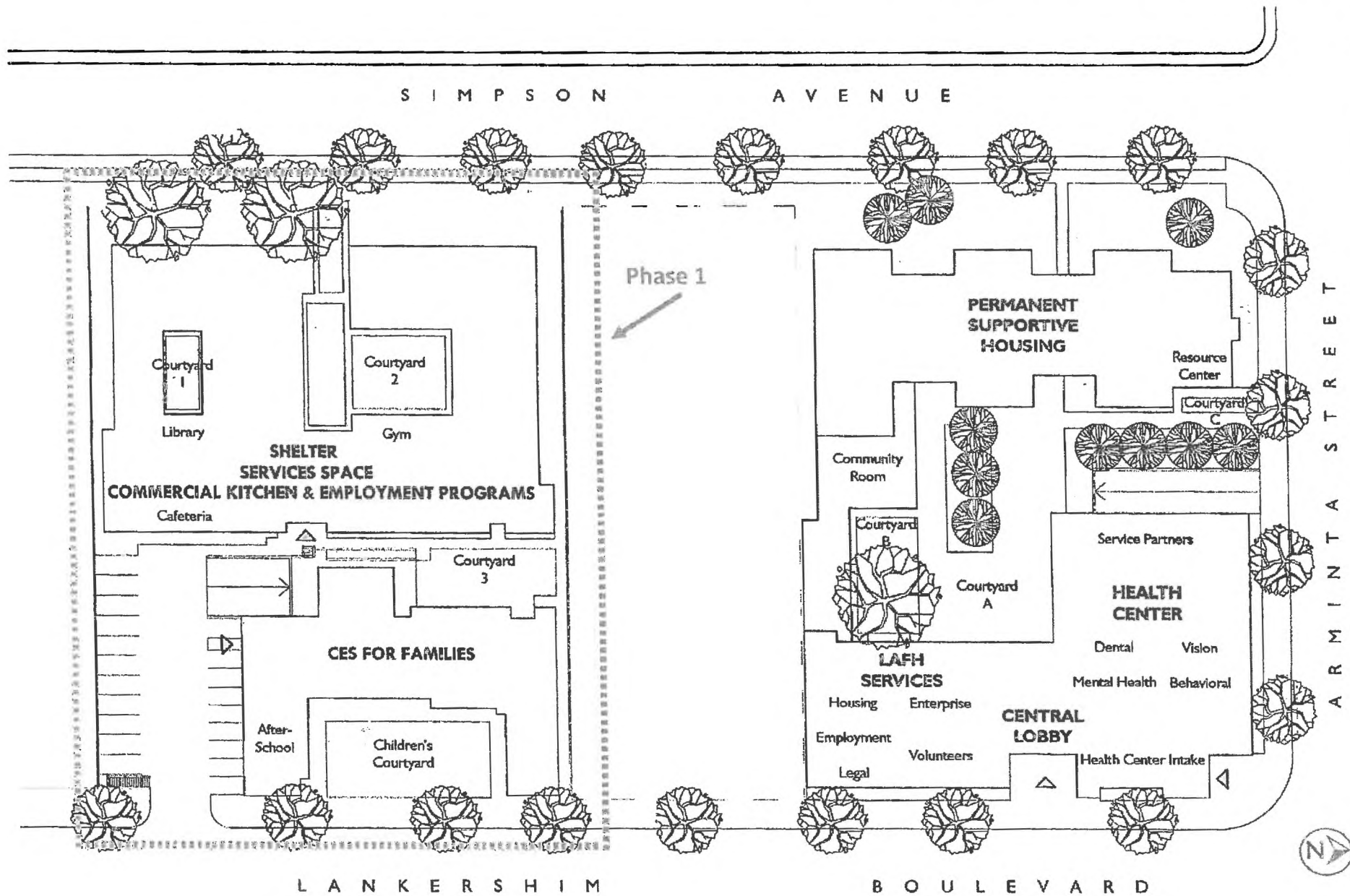
#### PROJECTED SCORING ANALYSIS (9% Tax Credits)

<u>Criterion</u>	<u>Max. Points</u>	<u>Projected Points</u>	<u>Remarks</u>
Cost efficiency & leverage of public funds	20	20	
Experience of developer and property manager	9	9	The developer has successfully completed numerous prior projects in Los Angeles
Resident target meets defined housing need	10	10	Project qualifies for the Special Needs housing type category
Site & Service Amenities	25	25	
Sustainable Building Methods	10	10	
Income Targets	52	52	
Readiness to proceed	20	20	
Willingness to accept state credit exchange	2	2	
Total	148	148	

#### FUNDING RECOMMENDATION

A recommendation to approve a funding commitment in the amount of \$1,900,000 will be made to the Mayor and City Council. A 9% Tax Credit Letter of Support will also be recommended for this project to compete in the CTCAC 2015 Round 2, Low Income Housing Tax Credits (LIHTC). Total AHTF Funds of \$1,900,000 will represent \$38,000 per unit and 11% of the total development cost.

Prepared by: Los Angeles Housing Department



## **REPLACEMENT HOUSING PLAN**

### **Trudy and Norman Louis Valley Shelter-7843 Lankershim Boulevard**

The Los Angeles Housing + Community Investment Department (HCIDLA) is the Successor Agency responsible for managing all former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) housing assets. To comply with California Health and Safety Code Section 33413.5, which requires the adoption, by resolution, of a replacement housing plan, HCIDLA has prepared this plan. As presented here, the plan will explain the planned redevelopment of the Trudy and Norman Louis Valley Shelter located at 7843 Lankershim Boulevard, and describe the location, timetable and financing for the future units that will serve as the replacement units. HCIDLA has made this document available for public review and comment on the HCIDLA website.

## **I. INTRODUCTION**

On February 18, 1986, the CRA/LA provided a loan for \$400,000 to L.A. Family Housing Corporation (LAFH) from the Agency's Low and Moderate Income Housing Fund for the acquisition and rehabilitation of a 77-unit motel consisting of 250 beds located at 7843 Lankershim Boulevard, North Hollywood, CA 91601. This loan was then increased to \$863,746.54 on July 26, 1991. This project, known as the "Trudy and Norman Louis Valley Shelter" (Valley Shelter), is located in the CRA/LA North Hollywood Project Area.

The Valley Shelter, along with another LAFH-owned property located at 7817 Lankershim Boulevard are proposed to be developed by LAFH as the Campus, a two-phase mixed-use development that will provide 50 new permanent supportive housing units to formerly homeless adults; upgrade 250 shelter beds for adults; and provide more than 26,000 square feet of homeless services and office space, including a 6500 square foot Federally Qualified Health Clinic.

To facilitate the development of the Campus, LAFH will demolish the structures at 7843 Lankershim Boulevard, including the existing 250-bed Valley Shelter, and relocate those residents into the Sydney M. Irmas Transitional Living Center (TLC) located at 7817 Lankershim Boulevard, North Hollywood, CA 91601. As part of the Campus redevelopment plan, LAFH will relocate current residents of 7817 Lankershim Boulevard into scattered site housing. The demolition and redevelopment of 7843 Lankershim Boulevard will allow LAFH to: (1) develop 50 new permanent supportive housing units to formerly homeless adults (PSH Campus); (2) upgrade 250 shelter beds for adults at the TLC property; and (3) provide more than 26,000 square feet of homeless services space and offices to support LA County's implementation of the Coordinated Entry System (CES). LAFH is the lead agency for CES in Service Planning Area 2 for individuals and families. To date, LAFH has secured more than \$5 million in funding from foundations, the City and County of Los Angeles to facilitate the development of the Campus.

### **III. DESCRIPTION OF DWELLING UNITS TO BE DEMOLISHED**

The rehabilitation work at Valley Shelter will result in the demolition or removal of 77 units at the Low Income affordability level, as shown in the following "Table 1-Replacement Housing Need." Table 1 shows the income category and bedroom counts for the 77 units to be demolished or removed, the dates the units are scheduled to be demolished or removed and the anticipated replacement date, within four years of their demolition or removal.

**Table 1**  
**REPLACEMENT HOUSING NEED**

Project Address	Dwelling Units	Bedrooms	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Anticipated Removal	Anticipated Replacement Date
7843 Lankershim Blvd.	77	50 (containing 77 units)	-	-	77	-	March 2016	March 2020

### **IV. REPLACEMENT HOUSING REQUIREMENTS**

Health and Safety Code Section 33413(a) requires that 100 percent of the replacement units shall be made available at or below the same affordability level of the destroyed or removed units. Health and Safety Code Section 33413(b)(2)(A)(ii) requires a replacement ratio of two units for every one unit removed if the replacement occurs outside of the redevelopment project area. Therefore, the required total number of Low Income replacement dwelling units will be 154, if the beds are located in a project outside the project area, and 77 if they are located within the North Hollywood Project Area. LAFH will locate 50 replacement units at 7843 Lankershim Boulevard within four years once the PSH Campus is completed. The replacement requirement for the remaining 27 units will be satisfied either by HCIDLA providing 27 replacement units in CRA/LA's North Hollywood Project Area or by HCIDLA providing 54 replacement units in the City of Los Angeles outside of this Project Area.

### **V. GENERAL LOCATION OF REPLACEMENT HOUSING, TIMETABLE AND FINANCING**

An adequate means of financing the development of replacement housing units exists. The 7817 Lankershim Boulevard property has secured all of the necessary financing, and rehabilitation is scheduled to begin in June 2015. These units will be located in the City of Los Angeles within the North Hollywood Project Area. Additionally, LAFH is preparing to develop 50 units of permanent supportive housing at 7843 Lankershim Boulevard, which will be financed by the City and County of Los Angeles, in addition to tax credit investors. All financing is expected to be secured by end of September 2015.

Furthermore, the Los Angeles Department of City Planning has projected a net gain of 500 affordable housing units by 2021 in the Housing Element that was adopted December 3, 2013. This production count is based on approximately \$25 million in Federal HOME funds made available through the City's Affordable Housing Trust Fund and \$150 million in funding from other public



## HCIDLA Request for Various Actions Related to LA Family Housing, The Campus

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES TO ADOPT THE REPLACEMENT HOUSING PLAN FOR VALLEY SHELTER, LOCATED AT 7843 LANKERSHIM BOULEVARD, NORTH HOLLYWOOD, CALIFORNIA.

**WHEREAS**, pursuant to the provisions of California Community Redevelopment Law (Health and Safety Code Section 33413.5), the City of Los Angeles, a municipal corporation (City), acting by and through the Los Angeles Housing and Community Investment Department (HCIDLA) as successor agency to the housing assets and housing functions of the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) under Section 34176(a) of the California Health and Safety Code pursuant to the agreement regarding CRA/LA Affordable Housing Assets and Functions with the effective date of April 5, 2013, has prepared a Replacement Housing Plan (Valley Replacement Housing Plan) a copy of which is attached hereto as **Exhibit A** for demolition of the existing 77-affordable unit shelter located within Council District Six, North Hollywood Project Area at 7843 Lankershim Boulevard, North Hollywood (Valley Shelter); and

**WHEREAS**, Los Angeles Family Housing Corporation (LAFH) operates Valley Shelter and has obtained more than \$5 million in funding from various foundations, the City of Los Angeles and the County of Los Angeles to implement the demolition of Valley Shelter and construction of a new 26,000 square-foot permanent supportive housing facility; and

**WHEREAS**, the demolition of Valley Shelter will allow LAFH to redevelop the property to develop 50 new permanent supportive housing units to formerly homeless adults, upgrade 250 shelter beds at a nearby LAFH-owned property, provide more than 26,000 square feet of homeless services space and offices to support Los Angeles County's implementation of the Coordinated Entry System, including creating a 6,500 square-foot federally qualified health clinic; and

**WHEREAS**, the Valley Replacement Housing Plan is consistent with the North Hollywood Redevelopment Plan; and

**WHEREAS**, for a reasonable time prior to the adoption of this Resolution, the City has made the Valley Replacement Housing Plan available to the public.

**NOW, THEREFORE, BE IT RESOLVED** that by the adoption of this Resolution, the Council of the City of Los Angeles hereby finds the proposed Valley Shelter Replacement Housing Plan to be in conformity with the provisions of the California Community Redevelopment Law and the Amended Redevelopment Plan for the North Hollywood Redevelopment Project, and hereby approves and adopts the Valley Replacement Housing Plan attached as Exhibit A.

This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED BY THE CITY COUNCIL of the City of Los Angeles this \_\_\_\_\_ day of \_\_\_\_\_, 2015 at Los Angeles, California.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held \_\_\_\_\_, 2015.

By: \_\_\_\_\_

City Clerk

(SEAL)