

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-00540-0904

Date: June 30, 2010

Date: 6/30/10To: The Mayor
The CouncilSubmitted in HCED CommitteeCouncil File No: 09-2841Item No.: 9Deputy: CAO/CLA report

From: Miguel A. Santana, City Administrative Officer

Gerry F. Miller, Chief Legislative Analyst

Subject: **RESULTS OF 2010 AFFORDABLE HOUSING TRUST FUND – ROUND 2,
REQUEST FOR APPROVAL TO ISSUE LETTERS OF COMMITMENT AND
OTHER RELATED ACTIONS**

SUMMARY

On June 16, 2010, the Los Angeles Housing Department (LAHD) released a transmittal (Transmittal) with a recommendation to issue 13 Letters of Commitment (LOCs) to projects throughout the City totaling \$35,578,036 following the 2010 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA) – Round 2 (C.F. 09-2841). On January 27, 2010, the Council and Mayor authorized LAHD to release three rounds under the 2010 AHTF NOFA (C.F. 09-2841-S2). The Department also requests various approvals on behalf of previously approved AHTF projects necessary to: a) recognize the receipt by three project sponsors of \$200,000 each in Los Angeles Department of Water and Power funding from the Sustainable Design and Economic Development Guidelines Program; b) authorize an extension to the LOC funding commitment term for one project which is necessary for the project sponsor to secure full financing; and c) authorize a change in funding sources between two projects, where the net change is zero dollars. The City Administrative Officer and Chief Legislative Analyst were instructed to report on these requests. The Findings Section of this report contains additional information relative to the NOFA. Project descriptions and funding details for the recommended AHTF projects are included in Attachments 1 and 2 of the Transmittal. Our Offices recommend approval of the LAHD requests, including approval of corresponding Controller instructions.

In addition, subsequent to the release of the Transmittal, LAHD received notification that the California Housing and Community Development Department issued a NOFA for the Multi-Family Housing Program (MHP) and that the submission deadline is July 23, 2010. The MHP provides deferred payment loans to assist in the financing of new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households. It was earlier reported that the State would discontinue MHP. In response to this news, LAHD has requested an additional authority, and our Offices recommend approval, to allow projects sponsors to apply through the MHP funding round, in addition to applying for Tax Credits from the California Tax Credit Allocation Committee (TCAC). The TCAC, with a deadline of July 7, 2010, was initially anticipated to be the only remaining leveraging source available for the year.

The recommendations contained in this report comply with the City Financial Policies in that LOCs are fully funded through the identified grant and special funds and require no obligation of General Funds.

Background

The purpose of the AHTF Program is to finance the gap between the projected Total Development Cost (TDC) of the project and other available funding sources. Funds are available for acquisition and pre-development expenses (such as financial feasibility analyses, market studies, hazardous materials studies and permits and fees), for construction and permanent financing expenses (such as demolition, off-site public improvements and construction bonds), and refinancing for at-risk projects (where refinancing is necessary to preserve an existing 100 percent affordable project). Activities that may not be used for AHTF funding include all other refinancing of existing debt, reapplying for the same project using another leveraging source while an existing AHTF commitment is pending and payment of delinquent taxes.

The LAHD released the Round Two AHTF NOFA on April 9, 2010, with a deadline of April 26, 2010. A bidder's conference was held on April 12, 2010. Of 26 proposals submitted, 13 are recommended for funding. The recommended AHTF awards totaling \$35.6 million would leverage an estimated \$271.3 million in outside funding sources. The proposed developments would result in the completion of approximately 854 units of affordable housing for families and seniors, representing TDCs of \$306.9 million. The average subsidy per unit will be \$364,244.

In the past, the Permanent Supportive Housing Program (PSHP) was issued by LAHD in collaboration with various City partners, including the Housing Authority of the City of Los Angeles (HACLA). The PSHP was the vehicle by which project sponsors applying for LAHD financing could simultaneously compete for federal Section Eight Project-Based Vouchers (PBVs) from HACLA. In lieu of PSHP, HACLA has issued a separate but parallel PBV NOFA. The two NOFAs were structured differently for technical and administrative reasons. However, both LAHD and HACLA worked closely together in evaluating proposal submissions. As a result, five of the recommended AHTF NOFA recipients (plus one previous AHTF recipient) are slated to receive a total of 250 PBVs. Additional information relative to HACLA's NOFA is provided in Section Four of this report.

The LAHD expects to release a third round of the 2010 AHTF NOFA, however, the date of its release is unknown at this time. The LAHD will return to Council prior to issuing Round 3 to provide information relative to proposed funding priority recommendations. Our Offices recommend that this report be provided to the Council at least 30 days prior to the release of the NOFA.

RECOMMENDATIONS

The City Council:

1. Authorize the General Manager, Los Angeles Housing Department (LAHD), or designee, to:

- A. Issue Affordable Housing Trust Fund (AHTF) Letters of Commitment in the amounts identified in Attachment A of this report for the projects detailed in Attachments 1 and 2 of the LAHD transmittal dated June 16, 2010 (Transmittal), subject to the condition that the project sponsors apply to the identified leveraging source, including the California Housing and Community Development Department's (State HCD) Multifamily Housing Program (MHP), in the next available funding round and receive the full amount requested therein;
- B. Negotiate and execute acquisition, predevelopment, construction and permanent loan agreements for each project identified in Attachment A of this report and detailed in the Transmittal Attachments 1 and 2 that receives an award of California Tax Credit Allocation Committee (TCAC) or MHP financing from the State HCD, subject to the satisfaction of all conditions and criteria stated in the AHTF application, this report, and LAHD's Letter of Commitment, and subject to approval by the City Attorney as to form and compliance with the City's contracting requirements;
- C. Execute subordination agreements wherein the City loan and regulatory agreements on all projects recommended are subordinated to their respective conventional construction and permanent loans;
- D. Execute agreements allowing the transfer to and/or execution of the City loans by a limited partnership to enable admittance of tax credit investors; and,
- E. Use uncommitted funds from prior year accounts within Fund No. 561, HOME Investment Partnership Program (HOME), prior to using current year funds and accounts, as needed, to close out old accounts for projects related to AHTF and PSHP Programs.

Relative to Amendments to Existing Projects:

The City Council, subject to the approval of the Mayor:

2. Authorize the General Manager, LAHD, or designee, to:

- A. Execute amendments to the Loan Agreements for the projects identified below by adding \$200,000 each to reflect funding awards subsequently approved by the Los Angeles Department of Water and Power (DWP) through the Sustainable Design and Economic Development Guidelines Program:

Project Name	Contract No.	Award
Miramar Village Project	C-114785	\$200,000
Montecito Terrace Project	C-116756	200,000
Mosaic Apartments	Contract Pending; C.F. 09-0143	200,000
	Totals	\$600,000

- B. Retroactively extend the term of the funding commitment awarded to the P H & D Apartments Project under the 2008 AHTF NOFA - Round 2 (C.F. 07-3466), from March 20, 2010 to expire on September 2, 2011;

C. Reallocate \$1,600,000 in HOME funds from the Rosa Parks Villas project to the MacArthur Park Metro Apartments Phase A project;

3. Authorize the Community Redevelopment Agency of Los Angeles to transfer \$1,600,000 in 20 percent set-aside funds from the MacArthur Park Metro Apartments Phase A project, to the Rosa Parks Villas project;

4. Authorize the Controller to:

A. Allocate and expend funds from the following funds and accounts for the 2010 Round 2 projects:

Project	Fund	Acct. No.	Account Name	Amount
28th St. YMCA Residences	561/43	F212	AHTF	\$3,098,431.00
	561/43	G212	AHTF	181,503.00
Caroline Severance Manor	561/43	G212	AHTF	6,545,887.00
Menlo Family Hsg	561/43	G212	AHTF	2,425,965.00
N. Hollywood Sr. Villas	561/43	G212	AHTF	390,596.00
	44G/43	F214	CRA TI 09-10	705,000.00
Osborne Place Apts.	561/43	G212	AHTF	757,795.00
	44G/43	F214	CRA TI 09-10	567,000.00
Willis Av. Apts	561/43	G212	AHTF	3,574,850.00
5555 Hollywood	44G/43	E214	CRA TI 08-09	900,920.00
	44G/43	F214	CRA TI 09-10	1,304,000.00
Broadway Villas	561/43	G212	AHTF	1,502,729.00
Del Rey Sr. II	561/43	G212	AHTF	3,290,703.00
La Coruña	561/43	G212	AHTF	1,556,930.00
	44G/43	F214	CRA TI 09-10	567,000.00
PWC	561/43	G212	AHTF	2,313,381.00
Sherman Village	561/43	G212	AHTF	2,295,346.00
Valerio Woods	561/43	G212	AHTF	3,600,000.00
			Total	\$35,578,036.00

B. Reallocate funds for the MacArthur Park Metro Apartments Phase A and Rosa Parks Villas projects as follows:

	Project Name	Fund No.	Account No.	Account Name	Amount
From:	MacArthur Park Metro Apts., Phase A	44G/43	F914	CRA TI 20%- Rosa Parks	\$1,600,00.00
To:	Rosa Parks Villas	44G/43	F914	CRA TI 20%-	\$1,600,00.00

				Rosa Parks	
From:	Rosa Parks Villas	561/43	A211	Housing Development	\$1,600,00.00
To:	MacArthur Park Metro Apts., Phase A	561/43	A211	Housing Development	\$1,600,00.00

C. Allocate and expend funds from the following funds and accounts for the DWP approved projects, upon proper written demand from the LAHD General Manager or designee:

<u>Project Name</u>	<u>Fund No.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
Miramar Village	44G/43	A215	LADWP	\$ 50,000.00
	44G/43	C215	LADWP	150,000.00
			Total	\$200,000.00
Montecito Terraces	44G/43	F215	LADWP	\$200,000.00
Mosaic Apartments	44G/43	F215	LADWP	\$200,000.00

5. Authorize the General Manager, LAHD, or designee, to:

- A. Use uncommitted funds from prior years' accounts within Fund No. 561 first, before current year funds and accounts, as needed, to close out old accounts for projects related to this report;
- B. Prepare Controller instructions, and/or make any technical adjustments that may be required and are consistent with these actions, subject to the approval of the City Administrative Officer and instruct the Controller to implement these instructions; and
- C. Report to the Council at least 30 days prior to the release of the AHTF NOFA - Round 3 with information relative to proposed funding priorities, other recommended policy changes and an overall AHTF project status summary.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Approval of these recommendations will result in the issuance of Letters of Commitment as part of the 2010 Affordable Housing Trust Fund Notice of Funding Availability (NOFA) Round 2 totaling approximately \$35,578,036 consisting of previously approved HOME Investment Partnership Program (HOME) funds (\$31,534,116) and Community Redevelopment CRA Five Percent Set-Aside Funds (\$4,043,920). Additional recommendations will authorize the Los Angeles Housing Department to execute amendments to loan agreements to recognize \$600,000 in Department of Water and Power funds issued through the Sustainable Design and Economic Development Guidelines Program. These recommendations comply with City Financial Policies as dedicated special funding sources will fully fund commitments to projects.

Attachments

FINDINGS

1. Background

In a transmittal dated June 16, 2010 (Transmittal), the Los Angeles Housing Department (LAHD) requested Council and Mayor authority to issue Letters of Commitment (LOC) to projects recommended for funding through the 2010 Affordable Housing Trust Fund (AHTF), Round 2 Notices of Funding Availability (NOFA) and other related actions (C.F. 09-2841). The City Administrative Officer and Chief Legislative Analyst were requested to report on these requests.

2. 2010 AHTF Round 2 NOFA Funding Resources

The LAHD recommends funding awards to 13 projects (consisting of 854 units) totaling Letters of Commitment (LOC) awards of approximately \$35.6 million including \$31.5 million in HOME funds and approximately \$4.1 million in CRA Five Percent Set-Aside funds. This represents approximately \$18.3 million for permanent supportive housing projects and approximately \$17.3 million for affordable housing projects.

The LAHD released the 2010 AHTF Round 2 NOFA on April 9, 2010 and designated April 26, 2010 as the submission deadline. In response, LAHD reports that 26 proposals were submitted, representing approximately \$85.5 million in funding requests. Projects were evaluated and scored according to the criteria established by the respective leveraging funding source that was selected by the applicant, pursuant to the NOFA guidelines and the proposed guidelines discussed in Section Three below. Pages five through eight of the Department's Transmittal provide a detailed summary of the proposal review process.

The timeline for the NOFA corresponds with the upcoming Tax Credit Allocation Committee's (TCAC) 2010 Round 2 deadline of July 7, 2010. NOFA applications are received and reviewed, and recommendations awarded so that applicants may apply in the upcoming TCAC round with an AHTF commitment in place. The Department recommends awards that exceed the amount posted in the NOFA announcement letter due to a high number of projects that will be competitive in the TCAC round. Sufficient funds are available to fully fund all awarded projects. Funding for projects that do not receive tax credits will revert back to the AHTF for future NOFA rounds.

The LAHD will not issue LOCs until a National Environmental Policy Act (NEPA) environmental review has been completed and the City receives a Release of Funds document from the U.S. Department of Housing and Urban Development.

3. Funding Criteria and Selection Methodology

Under Round One of the 2010 AHTF NOFA, the Department did not recommend funding to projects that included State financing commitments, such as TCAC which is backed by Proposition 1C (Prop 1C) bonds, due to the State's uncertain bonding capacity and lack of confidence among the lending community to purchase the bonds. State financing sources (Prop 1C and Multifamily Housing Program) were given priority consideration under the Round 2 NOFA because of assurances from the State that Prop 1C bonds will sell. A total of five proposals that submitted applications under Round 1 that included Prop 1C funds reapplied in Round 2: 5555 Hollywood, Broadway Villas, La Coruña,

Valerio Woods, and Sherman Village. In addition, local public funding commitments (CRA commitments and Housing Authority of the City of Los Angeles [HACLA] Project-Based Vouchers [PBVs]) were also recognized, as were Los Angeles County Mental Health Services Act (MHSA) funds, which can be used for capital or operating subsidies.

Consistent with the NOFA selection process adopted by the Mayor and Council (C.F. 09-2841-S2), projects were ranked according to the lowest ratio of calculated gap financing relative to the maximum eligible LAHD loan amount, including the following five percent LAHD subsidy boosts:

- Transit Oriented Developments;
- Projects located in South Los Angeles;
- Projects achieving a Balanced Communities objective; and
- Projects with New Generation Fund/Supportive Housing Loan Fund commitments

Funding commitments were based on the amount necessary to achieve a score and tie breaker that is reasonably perceived to ensure the application competes successfully in the next TCAC round. According to the LAHD, some awards were adjusted below the requested amount based on the Department's analysis of financial need.

Projects were ranked and funded until all available monies were committed. LAHD identifies three projects (Bamboo Court, Jefferson Park Terrace, and Star Apartments) that were not recommended for funding either because the project was not considered to be competitive at the State level based on its TCAC self-score (Bamboo Court), or because the projects did not receive the anticipated Community Development Block Grant funding (Jefferson Park Terrace) or HACLA vouchers (Star Apartments) that were projected in the proposals. Ten additional projects were not recommended for funding because there were a sufficient number of higher scoring projects that obligated all of the funds available.

Applicants who were not recommended for funding had an opportunity to appeal LAHD's recommendations to an outside panel. The panel considered one appeal on June 11, 2010, which was denied.

4. Award of Project-Based Vouchers

It was originally anticipated that a Permanent Supportive Housing Program (PSHP) NOFA would be issued separately later this year (C.F. 09-2841). However, during deliberation of the City's 2010-11 Budget, the Housing Authority of the City of Los Angeles (HACLA) and LAHD advised the Budget and Finance Committee that the agencies would be running separate but parallel NOFAs. The HACLA's legal counsel opined that the separate NOFAs would mitigate potential issues that have previously arisen due to the fact that the two programs each have separate and distinct conditions and requirements that must be followed by both proposers and HACLA and LAHD staff. The two NOFAs will ensure that each administering agency can maintain full responsibility and accountability over its own program.

The HACLA released the Section Eight Project-Based Vouchers (PBVs) NOFA on April 9, 2010 with applications due on April 26, 2010. Of the PBVs available, 130 were available to projects that address permanent supportive housing needs, while 120 were available to

projects that meet affordable housing and de-concentration of poverty needs. As in previous years, the total requests (467) exceeded the number of PBVs available (250). Five projects recommended for funding through the AHTF NOFA – Round 2 were awarded a total of 207 PBVs. A sixth project, Del Rey Senior Phase I Project, is a recipient of the 2010 AHTF NOFA – Round 1 and received 43 PBVs. These projects are identified in the table below.

Project Name	Type / Criteria	C.D	Total Units	PBV	2010 AHTF Funding
PBVs Awarded to 2010 AHTF – Round 2 Projects					AHTF Round 2
Osborne Place Apartments Project	Special Needs / Permanent Supportive Housing	7	64	59	\$1,324,795
Menlo Family Housing Project	Family, Homeless / Permanent Supportive Housing	1	60	30	2,425,965
Willis Avenue Apartments Project	Special Needs / Permanent Supportive Housing	7	42	41	3,574,850
Valerio Woods Project	Senior & Special Needs / De-concentration of Poverty	4	83	41	3,600,000
Del Rey Square Project - Phase II	Senior / De-concentration of Poverty	11	50	36	3,290,703
Subtotal – PBVs Awarded to AHTF - Round 2 Recipients			299	207	\$14,216,313
PBVs Awarded to 2010 AHTF – Round 1 Project					AHTF Round 1
Del Rey Senior Project Phase I	Senior/ De-concentration of Poverty	11	76	43	\$3,098,431
Totals			375	250	\$17,314,744

In the past, PBVs were awarded through the Permanent Supportive Housing Program (PSHP) NOFA, which was issued by LAHD in collaboration with HACLA. The PSHP was established to provide financing to support the development of permanent supportive housing for homeless and chronically homeless single adults and their families, homeless transition-aged youth and emancipated foster youth. Developers would submit to LAHD two applications: 1) an LAHD application and 2) a separate HACLA application. The LAHD would review the applications based on threshold requirements and other financial criteria. The LAHD would then forward the findings, along with the PBV application, to HACLA for its review and determination relative to the PBV awards.

The separate PBV NOFA conducted by HACLA included financing opportunities for other housing categories that are outside of the scope of the PSHP but still comply with the Section Eight Program requirements. The Section Eight Program may be used to support housing assistance to extremely low and very low-income individuals, families, senior citizens, and persons with disabilities. The decision to shift funding across all eligible categories helps HACLA comply with the goals of de-concentrating poverty and expanding housing and economic opportunities, in accordance with the Section Eight Administrative Plan and U.S. Department of Housing and Urban Development (HUD) regulations. Also, in the past, HACLA issued a separate NOFA, outside of the City's selection process in order to reach the non-PSHP projects. Through the new PBV NOFA, three of the awarded projects listed above (Valeria Woods Project, Del Rey Square Phase II Project and Del Rey Senior Project - Phase I) received funding to complete housing for seniors. The projects would not be eligible for vouchers through the PSHP.

The LAHD's AHTF NOFA-Round 2 funding recommendations took into consideration the PBV awards to ensure that all projects would receive funding and be fully leveraged.

5. Amendments to Existing Loan Contracts and/or Previously Approved Projects

The LAHD requests authority to implement changes affecting existing projects. Our Offices recommend approval of the proposed amendments as requested.

A. Additional Grant Funds from DWP. The LAHD/DWP Sustainable Design and Economic Development Guidelines (SDED) Program provides incentives to projects that provide energy efficient building products. The maximum funding allowed for each project is \$200,000. The DWP informed LAHD that three projects awarded under earlier AHTF NOFAs have each received \$200,000 grants. The LAHD has not yet executed loan agreements with one of the projects. The table below summarizes these grant awards.

Project Name	Contract No.	Developer	Award
Miramar Village Project	C-114785; AHTF 2008 - Round 1; C.F. 07-3466	Enhanced Affordable Dev. Co.	\$200,000
Montecito Terrace Project	C-116756; AHTF 2008 - Round 2; C.F. 07-3466	AMCAL Multi-Housing, Inc.	200,000
Mosaic Apartments	Contract Pending; 2009 - Round 1; C.F. 09-0143	AMCAL Multi-Housing, Inc.	200,000
Totals			\$600,000

B. Amendment to existing Agreement for the Rosa Parks Villas Project. The LAHD requests authority to reverse an action that was taken by the Council and Mayor to exchange (or swap) funds between two AHTF-funded projects. In August 2009, the Council and Mayor authorized LAHD to transfer \$1.6 million in Community Redevelopment Agency Tax Increment 20 Percent (CRA TI) funds from the Rosa Parks Villas Project to the MacArthur Park Metro Apartments Phase A Project and to transfer \$1.6 million in HOME funds to the MacArthur Park Metro Apartments Phase A Project to the Rosa Parks Villas Project (C.F. 08-2855). This action was taken to resolve identified technical issues concerning regulatory restrictions on how the fund sources could be used.

The LAHD has since determined that the fund exchange is not necessary and now seeks to transfer back the \$1.6 million in CRA TI funds from the MacArthur Park Metro Phase A Project to the Rosa Parks Villas Project. Also, \$1.6 million in HOME funds will be transferred from the Rosa Parks Villas Project to the MacArthur Park Metro Phase A Project. The result is a net gain of zero funding for each project.

C. Contract Extension for the Professional Housing and Development Apartments (PH&D) Project. The LAHD requests authority to amend an existing funding commitment for this project to retroactively extend the term through September 2, 2011. The funding commitment expired on March 20, 2010. The PH&D Project experienced numerous delays due to financing issues since it received a commitment of \$4.6 million under the 2008 AHTF NOFA - Round 2 (C.F. 07-3466). The Department reports that a federal financing source has since been secured. The extension would allow HUD sufficient time to finalize and process a Federal Housing Administration loan for this project. The loan agreement has not yet been executed but will be executed once the extension is granted.

6. Availability of Financing from State Multi-Family Housing Program

On June 8, 2010, LAHD notified developers of the recommendations for funding through the AHTF NOFA – Round 2. They were advised that funding commitments are subject to the award of Nine Percent Tax Credits from the California Tax Credit Allocation Committee (TCAC). Subsequent to this notification, LAHD was informed that the California Housing and Community Development Department had issued a Notice of Funding Availability for the Multi-Family Housing Program (MHP). MHP provides deferred payment loans to assist in the financing of new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households. In consideration of the availability of new MHP funds, and given the limited number of tax credits available for certain housing types (for instance, only 15 percent of tax credits will be allocated Statewide for senior projects), it is recommended that AHTF Round 2 recipients be provided with an option to apply for MHP funding by the July 23, 2010 deadline, in addition to applying for TCAC. Developers choosing to exercise the MHP option will be required to submit revised budgets to LAHD. Our Offices recommend approval of this request.

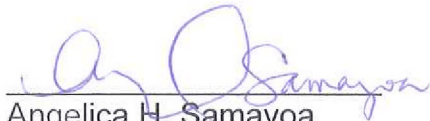
7. Establishment of Recruitment Radius

In March 2010, LAHD was instructed to report relative to its efforts to establish a recruitment radius for AHTF-financed housing, specifically to provide residents of communities where new housing is being built the first opportunity to access such housing. The Department investigated the feasibility of establishing priority registration and/or a leasing policy to provide community residents such an opportunity. As a result of its investigation, and in consideration of certain restrictions, the Department proposes modifying the AHTF Affirmative Marketing Plan to include a requirement that developers perform increased local outreach efforts.

According to Section 8212.2 of the State of California's HOME Program Regulations, (which incorporates Section 8305 of the Department of Housing and Community Development's [HCD] Uniform Multifamily Underwriting and Program Regulations [UMR]), the City cannot give preference to tenants based on residency except where accompanied by an equal preference for employment in the local area and applied to areas not smaller than municipal jurisdictions. In addition, the HOME Program Regulations stipulate that a deviation from the UMR may be requested on a case-by-case basis. However, the HCD has sole discretion to approve or disapprove such requests. The applicable sections of the California HOME Program Regulations and HCD Uniform Multifamily Underwriting and Program Regulations are included as Attachments B and C in this report.

In order to allow residents an opportunity to apply for affordable housing in their immediate communities while complying with the aforementioned regulations, LAHD will modify its Affirmative Marketing Plan to include a requirement that developers perform increased local outreach efforts by advertising upcoming leasing opportunities in various spaces such as, but not limited to, faith-based organizations, post offices, and markets within a to-be-determined radius of the development. This amendment to the Affirmative Marketing Plan will be incorporated into the 2010 AHTF NOFA - Round 3. The LAHD reported that developers will be notified of the change in policy and that LAHD's

Occupancy Monitoring Unit will review the submittals to ensure compliance with the new requirement.


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Los Angeles Housing Department
2010 Affordable Housing Trust Fund-- Round 2
Recommended Projects

	Project Name	Developer	Units	CD	Housing Type	Target Area	LAHD Proposed	CRA/LA 5% TI Available	Total Funds Recommended	HACLA Vouchers
Non-Profit Homeless Apportionment										
1	North Hollywood Senior Villas	Clifford Beers Housing, Inc.	49	4	Spec Needs	Permanent Supportive Housing & De-concentration of Poverty	\$390,596	\$705,000	\$1,095,596	0
2	Osborne Place Apartments	A Community of Friends	64	7	Spec Needs	PSHP	757,795	567,000	1,324,795	59
3	Menlo Family Housing	Little Tokyo Service Center Community Development Corporation	60	1	Family, Homeless TAY	n/a	2,425,965	-	2,425,965	30
4	28th St. YMCA Residences	Clifford Beers Housing, Inc.	49	9	Spec Needs	Permanent Supportive Housing	3,279,934	-	3,279,934	0
5	Caroline Severance Manor	Mercy Housing California	85	1	Spec Needs-Lg Family	n/a	6,545,887	-	6,545,887	0
6	Willis Avenue Apartments	A Community of Friends	42	7	Special Needs	Permanent Supportive Housing	3,574,850	-	3,574,850	41
Subtotal Homeless Apportionment			349				\$ 16,975,027	\$ 1,272,000	\$ 18,247,027	130

	Project Name	Developer	Units	CD	Housing Type	Target Area	LAHD Proposed	CRA/LA 5% TI Available	Total Funds Recommended	HACLA Vouchers
L.A. County General Pool										
1	5555 Hollywood	Meta Housing Corporation	120	4	Senior	n/a	\$0	\$2,204,920	\$2,204,920	0
2	La Coruña Senior Apartments	Western Community Housing, Inc.; Meta Housing Corporation	87	6	Senior	n/a	1,556,930	567,000	2,123,930	0
3	Sherman Village Apartments	Sherman Village Apartments, LP; Western Community Housing, Inc.	73	3	Large Family	n/a	2,295,346	-	2,295,346	0
4	Broadway Villas	AMCAL Multi-Housing, Inc.	48	8	Senior	n/a	1,502,729	-	1,502,729	0
5	Valerio Woods	Meta Housing Corporation	83	4	Senior/Special Needs	De-concentration of Poverty	3,600,000	-	3,600,000	41
6	PWC Family Housing	Little Tokyo Service Center Community Development Corporation	44	13	Large Family	n/a	2,313,381	-	2,313,381	0
7	Del Rey Square Phase II	Thomas L. Safran & Associates	50	11	Senior	De-concentration of Poverty	3,290,703	-	3,290,703	36
Subtotal L.A. County General Pool			505				\$ 14,559,089	\$ 2,771,920	\$ 17,331,009	77

Grant Total - AHTF Round 2			854				\$31,534,116	\$4,043,920	\$35,578,036	207
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Los Angeles Housing Department
State of California HOME Regulations

§ 8212.2. Uniform Multifamily Underwriting and Program Rules

(a) The following sections of title 25, Division 1, Chapter 7, Subchapter 19 are hereby incorporated by reference into this subchapter and shall apply to rental housing developments.

State Recipients may request a deviation from these rules on a case by case basis. Such a request will be evaluated to determine its impact on project feasibility. The Department at its sole discretion may or may not approve such a request.

- (1) Section 8303. Site Control Requirements;
- (2) Section 8304. Unit Standards;
- (3) Section 8305. Tenant Selection;
- (4) Section 8306. Tenant Recertification and Unit Mix Maintenance;
- (5) Section 8307. Rental Agreement and Grievance Procedure;
- (6) Section 8308. Operating Reserves.
- (7) Section 8309. Replacement Reserves.
- (8) Section 8310. Underwriting Standards;
- (9) Section 8311. Limits on Development Costs;
- (10) Section 8312. Developer Fee;
- (11) Section 8313. Reserved.
- (12) Section 8314. Use of Operating Cash Flow.
- (13) Section 8315. Subordination Policy
- (14) Section 8316. Leasehold Security

(b) For purposes of this Section 7239 the definitions found in Section 8301 shall apply.

(c) In the event of a conflict or a perceived conflict between the provisions of this section and the other sections of this subchapter, the provisions of this section shall be construed to further the purposes of this subchapter.

Los Angeles Housing Department
State of California HCD Uniform Multifamily Regulations

Section 8305. Tenant Selection

(a) Sponsors shall select only Eligible Households as tenants of vacant Assisted Units, using procedures approved by the Department that include:

(1) reasonable criteria for selection or rejection of tenant applications which shall not discriminate in violation of any federal, state or local law governing discrimination, or any other arbitrary factor;

(2) prohibition of local residency requirements;

(3) prohibition of local residency preferences, except where accompanied by an equal preference for employment in the local area and applied to areas not smaller than municipal jurisdictions or recognized communities within unincorporated areas;

(4) tenant selection procedures that include the following components, and that are available to prospective tenants upon request:

(A) selection of tenants based on order of application, lottery or other reasonable method approved by the Department;

(B) notification to tenant applicants of eligibility for residency and, based on turnover history for Units in the Rental Housing Development, the approximate date when a Unit may be available;

(C) notification of tenant applicants who are found ineligible to occupy an Assisted Unit of their ineligibility and the reason for the ineligibility, and of their right to appeal this determination;

(D) maintenance of a waiting list of applicant households eligible to occupy Assisted Units and Units designated for various tenant income levels, which shall be made available to prospective tenants upon request;

(E) targeting specific special needs populations in accordance with the Regulatory Agreement and applicable laws; and

(F) affirmative fair housing marketing procedures as specified in the Affirmative Fair Housing Marketing Plan Compliance Regulations of the United States Department of Housing and Urban Development, (24) CFR part 200.620 (a)-(c), or similar affirmative fair marketing housing plan as approved by the Department.

(b) Sponsors shall rent vacant units to households with no less than the number of people specified in the following schedule:

Unit Size Minimum Number of Persons in Household

SRO 1
0-BR 1
1-BR 1
2-BR 2
3-BR 4
4-BR 6
5-BR 8

A Sponsor may assign tenant households to Units of sizes other than those indicated as appropriate in the table above if the Sponsor reasonably determines that special circumstances warrant such an assignment and the reasons are documented in the tenant's file. The Sponsor's determination is subject to approval by the Department.

Through the Project's tenant selection or management plan, a sponsor may receive advance Department approval of categorical exceptions to the above schedule

NOTE: Authority cited: Sections 50406(n); 50517.5(a)(1), (3); 50675.1(c); 50675.11; 50896.1(a) and 50896.3(b), Health and Safety Code. Reference: Sections 50517.5(a)(1), (d)(3), (d)(5), (e)(2); 50671.5(c); 50675.8(a)(1); 50896.1(a) Health and Safety Code, and 24 CFR Sections 92.303, 92.350 and 92.351.