

Date: 2/27/13

Submitted in HCED Committee

Council File No: 11-1920

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER 2

~~Deputy:~~ Report from the CAO

Date: February 27, 2013

CAO File No. 0220-00540-1029
Council File No. 11-1920, 11-1920-S1
Council District: Various

To: The Council
The Mayor

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Transmittal from the Los Angeles Housing Department dated February 21, 2013; electronic transmittal from the Mayor received by the CAO on February 26, 2013

Subject: **REQUEST FOR AUTHORITY TO ISSUE LETTERS OF COMMITMENT FOR ROUND 3 OF THE 2012 AFFORDABLE HOUSING TRUST FUND (AHTF) NOTICE OF FUNDING AVAILABILITY (NOFA)**

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) requests authority to issue Letters of Commitment in accordance with Round 3 of the 2012 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA). The Letters of Commitment must be issued prior to the California Tax Credit Allocation Committee (TCAC) application deadline of March 6, 2013. The LAHD also requests authority to issue "Oppose" determinations for projects applying to the 2013 Round 1 of TCAC's City of Los Angeles Geographic Apportionment, if those projects have not already been awarded LAHD Letters of Commitment.

BACKGROUND

In December 2011, the Council and Mayor approved the 2012 AHTF NOFA, authorized LAHD to release up to three rounds of the 2012 AHTF NOFA, and instructed LAHD to report to the Council and Mayor for approval of funding recommendations (C.F. 11-1920). The AHTF NOFAs are issued to fund the rehabilitation, construction and preservation of multifamily rental housing for low and very-low income households throughout the City. The AHTF awards are used to fill the financing gap between the Total Development Cost (TDC) of a project and other available sources of funding. Since 2003, a total of \$646 million in AHTF and Permanent Supportive Housing Program (PSHP) project funding has been allocated to 185 projects comprised of 11,573 affordable units. The LAHD provides additional detail as to previous AHTF and PSHP awards in Attachment 3 of the LAHD Transmittal.

Round 1

For Round 1 of the 2012 AHTF NOFA, LAHD received 28 applications which were evaluated and scored according to the criteria described in the NOFA. In March 2012, LAHD requested and received Mayor and Council approval to issue Letters of Commitment for the following seven projects for the AHTF Round 1 NOFA:

Project Name	Council District
Day Street Apartments	2
New Pershing Apartments	9
Rosslyn Hotel	9
Banning Villa	15
Rio Vista	1
Riverwalk at Reseda	3
Sage Park	15

Funding in the amount of \$21.2 million was available for Round 1 from HOME Investment Partnerships Program funds (HOME) to be divided among three types of projects: PSHP serving homeless individuals and families, Preservation/At-Risk projects and Affordable Housing projects. After reviewing the applications, LAHD recommended changes to the distribution of the \$21.2 million. The table below compares the distribution of funding before and after the Round 1 review process:

Type of Project	Proposed Funding	Recommended Funding
Permanent Supportive Housing	\$10,000,000	\$13,400,000
Affordable Housing	8,200,000	6,300,000
Preservation/At-Risk	3,000,000	1,500,000
Total	\$21,200,000	\$21,200,000

In addition to the redistribution of funds, LAHD proposed changes in the 2012 AHTF NOFA after Round 1, including contractor accountability, supportive services coordination, an online NOFA application, a funding collaborative, and the sunseting of the LAHD/LADWP Sustainable Building Incentive Program due to depletion of funds. These changes were approved by Council and the Mayor.

Round 2

In March 2012, LAHD released the 2012 Round 2 AHTF NOFA, with a total of \$10 million available for Permanent Supportive Housing projects. Less funding was made available during Round 2 compared to Round 1 due to the uncertainty surrounding the availability of Community Redevelopment Agency (CRA/LA) funds that had been committed to previous projects. New applications were solicited for projects proposing Nine Percent tax credits, Four Percent Low Income Housing Tax Credits (LIHTC), Multifamily Housing projects (MHP), and other private or public sources of funding. The Department received seven applications which were reviewed and scored. The LAHD requested approval to issue Letters of Commitment to the following five projects for the Round 2 NOFA:

Project Name	Council District
Beswick Senior Apartments	14
Eagle Vista	14
Knob Hill Apartments	1
Michael's Village	4
Moonlight Villas	7

The total amount of funding recommended for the five projects was \$8.6 million. The LAHD stated that remaining balance of \$1.4 million could be used to fund a future round, or, if necessary, to backfill current AHTF projects that had received an LAHD commitment comprised of CRA/LA funds.

In the recommendations for the Round 2 NOFA, LAHD also requested authority to replace \$3.1 million in CRA/LA funds with HOME and/or Housing Opportunities for Persons with HIV/AIDS (HOPWA) funds for one PSHP project and three AHTF projects with executed loan agreements. In addition, the Department requested authority to exchange funding sources and amend the AHTF commitments for the Broadway Villas to meet Neighborhood Stabilization Program (NSP2) deadlines. One of the recommendations included authority to enter into a Disposition and Development Agreement (DDA) for the development of the Broadway Villas project because commitment to the project had expired and authority to extend the commitment was requested.

The Mayor and Council approved the AHTF Round 2 NOFA recommendations in July 2012.

Round 3

In November 2012, the LAHD released the 2012 AHTF Round 3 NOFA, with \$10 million available for Affordable Housing projects and \$4.5 million for Permanent Support Housing projects for a total of \$14.5 million. Applications were accepted for projects that had previously received funding from the City and/or Project Based Vouchers (PBV) from the Housing Authority of the City of Los Angeles (HACLA). Projects submitted under this NOFA were to be structured using Nine Percent LIHTC only. A bidder's conference was held on November 28, 2012. The application deadline was December 17, 2012. The timeline corresponds with the upcoming TCAC deadline of March 6, 2013.

The LAHD received three applications which were reviewed and scored consistent with the 2012 AHTF NOFA selection process adopted by the Mayor and Council. The LAHD requests approval to issue Letters of Commitment to the following three projects for the Round 3 NOFA:

Project Name	Council District	Recommended Funding
Blossom Plaza	1	\$5,300,000
Linda Vista Apartments Phase II	14	8,500,000
Navy Village	15	2,673,764
Total		\$16,823,764

Staff reports with descriptions and funding details for each recommended project are provided as Attachment 2 to the LAHD Transmittal. The total AHTF funding would be \$16.8 million, which is \$2.3

million more than the NOFA notice. Funds to close the gap are available in HOME. The proposed distribution of the funds is identified in the table above.

Geographic Apportionment and "Oppose" Determinations

In January 2013, TCAC created a City of Los Angeles Geographic Apportionment for Nine Percent LIHTC. Consequently, LAHD was allocated 16.7 percent of the total number of statewide tax credits in 2013, which equates to \$7.8 million in tax credits and could generate approximately \$78 million in equity investments. From 2014 forward, the LAHD apportionment from TCAC will be 17.6 percent of statewide tax credits, or \$8.2 million in tax credits which could generate an estimated \$82 million in equity investments.

The LAHD states that the new Geographic Apportionment will allow the City to leverage LIHTC allocations resulting in an increase in the creation and preservation of affordable housing consistent with the priorities of the Consolidated Plan and the City's Housing Element. It is anticipated that the apportionment will also create a level of financial certainty in the affordable housing development community. The LAHD states that it will continue to work with the TCAC and the State regarding the apportionment agreement and proposes to report to the Mayor and Council with recommended policies and procedures to manage the apportionment.

In the past, affordable housing developers and other cities could submit requests to TCAC for tax credit allocations for projects based in Los Angeles without AHTF funding commitments. For Round 3 of the 2012 AHTF NOFA, LAHD requests that the apportionment of City tax credits be limited to the three proposed projects due to the sizeable investments already made by the City for Blossom Plaza, Linda Vista Apartments and Navy Village. Furthermore, if progress is not made and the projects are not finished within their grant periods, the City may be required to return funds and properties to their sources, which could have a significant impact to the General Fund. Therefore, to ensure adequate funding for the three projects, LAHD requests authority to issue "Oppose" determinations to any other applications for projects based in Los Angeles competing in Round 1 of the TCAC 2013 Apportionment that have not been recommended for AHTF funding. Some affordable housing developers have prepared applications for the upcoming 2013 TCAC funding round. By issuing "Oppose" determinations, LAHD is signaling that tax credits for Los Angeles will only be available for the three recommended projects and that other organizations will not receive tax credit allocations if they submit applications for projects in Los Angeles during the upcoming TCAC process. The Department states that future NOFAs will be more open and competitive and that affordable housing developers and other organizations will be able to apply to TCAC for PSHP and tax credit allocations at that time. The next competitive TCAC application is due in July 2013.

City Financial Policies

Approval of the recommendations in this report will result in no additional impact on the General Fund. The recommendations comply with City Financial Policies in that dedicated funding sources will fully fund any resulting commitments to projects selected under the NOFA.

RECOMMENDATIONS

That the Mayor and Council:

1. Authorize the General Manager, Los Angeles Housing Department (LAHD), or designee, to:
 - a. Issue Letters of Commitment from the Affordable Housing Trust Fund (AHTF) for the projects listed below, in the amounts identified, subject to the following conditions: 1) that the project sponsors, except those whose projects are otherwise fully funded, apply to the proposed leveraging source in the next available funding round; and 2) that disbursement take place after sponsors receive the full amount requested therein:

Table 1 – Recommended Affordable Housing Projects

Project Name	Type	Units	Council District	AHTF Amount	City Tax Credits	Project Based Vouchers Awarded
Blossom Plaza	Family	53	1	\$5,300,000	\$2,346,646	N/A
Linda Vista Apartments Phase II	Senior	97	14	8,850,000	986,429	N/A
Subtotal		150		\$14,150,000	\$3,333,075	

Table 2 – Recommended Homeless Housing Project

Project Name	Type	Units	Council District	AHTF Amount	Statewide Tax Credits	Project Based Vouchers Awarded
Navy Village	Family	73	15	\$2,673,764	N/A	50

Table 3 – Total Recommended Projects

Units	AHTF Amount	City Tax Credits	Project Based Vouchers Awarded
223	\$16,823,764	\$3,333,075	50

- b. Negotiate and execute an acquisition/predevelopment/construction/permanent loan agreement for each project identified in Recommendation 1.a. above that receives a funding award from its respective leveraging source, if applicable, subject to the satisfaction of all conditions and criteria stated in the AHTF application, the LAHD transmittal dated February 21, 2013 (C.F. 11-1920) and LAHD's Letter of Commitment, subject to approval by the City Attorney as to form;
- c. Negotiate and execute a lease option agreement, authorize execution of a Development and Disposition Agreement (DDA), and negotiate a ground lease and other associated documents for the Blossom Plaza project, subject to approval by the City Attorney as to form;

- d. Execute subordination agreements for the projects identified in Recommendation 1.a. above wherein the City loan and regulatory agreements are subordinated to their respective conventional construction and permanent loans, subject to approval by the City Attorney as to form;
 - e. Execute agreements allowing the transfer to and/or execution of the City loans by a limited partnership to enable admittance of tax credit investors, subject to approval by the City Attorney as to form;
 - f. Report back to the Mayor and Council with proposed policies and procedures to manage the new City of Los Angeles Geographic Apportionment created by the California Tax Credit Allocation Committee (TCAC), and include in the proposed policies and procedures how LAHD will ensure that future NOFAs are open and competitive;
 - g. Issue "Oppose" determinations to TCAC for projects that have not been approved by the Mayor and Council for AHTF commitments for projects competing in Round 1 of TCAC's 2013 City of Los Angeles Geographic Apportionment;
 - h. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions on these matters, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions; and,
2. Authorize the City Controller to allocate and expend funds from the following funds and accounts for the 2012 AHTF Round 3 NOFA projects:

Project	Fund	Account	Account Name	Amount
Blossom Plaza	561	43G212	AHTF	\$192,561.00
	561	43H212	AHTF	1,211,584.09
	561	43J007	AHTF	3,895,854.91
			<i>Subtotal</i>	\$5,300,000.00
Linda Vista Phase II	561	43J007	AHTF	\$3,045,138.09
	561	43K007	AHTF	5,804,861.91
			<i>Subtotal</i>	\$8,850,000.00
Navy Village	561	43K007	AHTF	\$2,673,764.00
			Total	\$16,823,764.00

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Approval of the recommendations in this report authorizes the Los Angeles Housing Department (LAHD) to issue Letters of Commitment totaling \$16,823,764 to projects selected through the 2012 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA) Round 3. Funding is available and provided from approved Home Investment Partnerships Program (HOME) funds. The recommendations in this report comply with City Financial Policies in that dedicated funding sources will fully fund any resulting commitments to projects selected under the NOFA.

MAS:ACA:02130086C



Antonio R. Villaraigosa, Mayor
Mercedes M. Márquez, General Manager

February 21, 2013

Council File: C.F. # 11-1920
Council District: Citywide
Contact Person: Timothy Elliott / 213-808-8596
Manuel Bernal / 213-808-8901

Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales
Legislative Coordinator

**COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT (LAHD)
REQUEST FOR APPROVAL TO ISSUE LETTERS OF COMMITMENT FOR ROUND
3 OF THE 2012 AFFORDABLE HOUSING TRUST FUND (AHTF)**

SUMMARY:

The General Manager of the Los Angeles Housing Department (LAHD) requests authority to issue Letters of Commitment in accordance with Round 3 of the 2012 Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA). The commitments must be issued prior to the California Tax Credit Allocation Committee (TCAC) application deadline of March 6, 2013.

Authority is also requested to issue "Oppose" determinations for projects applying in 2013 Round 1 of TCAC's Los Angeles City Geographic Apportionment, if those projects have not been awarded LAHD commitments.

2012 AHTF Round 3

On December 7, 2011, the Mayor and Council approved the issuance of the 2012 AHTF NOFA and authorized up to three funding rounds (C.F. #11-1920). Subsequent to the approval of the 2012 NOFA, TCAC approved the creation of the City of Los Angeles Geographic Apportionment for the purpose of allocating 9% Low Income Housing Tax Credits (LIHTC). As a result, LAHD is prepared to award capital funding and recommend tax credit allocations to three 2012 Round 3 projects. A summary of the applications received and projects recommended for AHTF commitments is included as Attachment 1; staff reports for each

recommended project are included as Attachment 2, and a summary of AHTF financial activity is provided as Attachment 3.

RECOMMENDATIONS:

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that:

1. Your office schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) and forward it to City Council for review and approval immediately thereafter;
2. The City Council, subject to the approval of the Mayor, authorize the LAHD General Manager or designee to:
 - A. Issue a Letter of Funding Commitment from the Affordable Housing Trust Fund for each of the projects identified in Tables 1 and 2 below, in the amounts identified, subject to the following conditions: (1) that the project sponsors (except those whose projects are otherwise fully funded) apply to the proposed leveraging source in the next available funding round; and, (2) that disbursement take place after sponsors receive the full amount requested therein;

TABLE 1 – RECOMMENDED AFFORDABLE HOUSING PROJECTS

	Project Name	Type	Units	C.D.	AHTF Amount	L.A. City LIHTC	PBVs Awarded
1	Blossom Plaza	Family	53	1	\$5,300,000	\$2,346,646	N/A
2	Linda Vista Apts. Phase II	Senior	97	14	\$8,850,000	\$986,429	N/A
	TOTAL		150		\$14,150,000	\$3,333,075	

TABLE 2 – RECOMMENDED HOMELESS HOUSING PROJECTS

	Project Name	Type	Units	C.D.	AHTF Amount	Statewide LIHTC	PBVs Awarded
1	Navy Village	Family	73	15	\$2,673,764	N/A	50

TABLE 3 – TOTAL RECOMMENDED PROJECTS

Projects	Units	AHTF Amount	LIHTC	PBVs Awarded
3	223	\$16,823,764	\$3,333,075	50

- B. Issue "Oppose" determinations to TCAC for projects that have not been recommended for AHTF commitments, beginning with those competing in Round 1 of TCAC's 2013 Los Angeles City Geographic Apportionment;

- C. Negotiate and execute an acquisition/predevelopment/construction/permanent loan agreement for each project identified in Tables 1 and 2 that receives a funding award from its respective leveraging source (if applicable), subject to the satisfaction of all conditions and criteria stated in the AHTF application, this transmittal, and LAHD's Letter of Commitment; subject to approval by the City Attorney as to form;
 - D. Negotiate and execute a lease option agreement for the Blossom Plaza project, subject to approval by the City Attorney as to form;
 - E. Execute subordination agreements for each of the aforementioned projects wherein the City loan and regulatory agreements are subordinated to their respective conventional construction and permanent loans;
 - F. Execute agreements allowing the transfer to and/or execution of the City loans by a limited partnership, to enable admittance of tax credit investors;
 - G. Prepare Controller's Instructions and any necessary technical adjustment(s), consistent with Mayor and Council actions, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions;
 - H. 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.
3. The General Manager also requests that the City Council, subject to the approval of the Mayor, authorize the City Controller to:

Allocate and expend funds from the following funds and accounts for the 2012 Round 3 projects below:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
Blossom Plaza	561	43G212	AHTF	\$192,561.00
	561	43H212	AHTF	1,211,584.09
	561	43J007	AHTF	<u>3,895,854.91</u>
				\$5,300,000.00
Linda Vista Phase II	561	43J007	AHTF	\$3,045,138.09
	561	43K007	AHTF	<u>5,804,861.91</u>
				\$8,850,000.00
Navy Village	561	43K007	AHTF	\$2,673,764.00
TOTAL				\$16,823,764.00

BACKGROUND:

2012 Round 3 AHTF NOFA

In November 2012, LAHD released the 2012 Round 3 AHTF NOFA, with a total of \$14.5 million available for Affordable and Permanent Supportive Housing projects: \$10 million for affordable and \$4.5 million for permanent supportive housing.

Applications were accepted for projects that previously received funding from the City and/or Project Based Vouchers from the Housing Authority of the City of Los Angeles, and:

- Did not receive leveraged financing in 2012; and
- Were at risk of recapture or loss of State or Federal funding if unsuccessful in obtaining an award of 9% Low Income Housing Tax Credits (LIHTC) in TCAC's first round of 2013.

Projects submitted under this NOFA were to be structured utilizing 9% LIHTC only. A bidder's conference was held on November 28, 2012. The deadline to submit applications was December 17, 2012.

A total of three applications were received, requesting \$16.8 million in funding. All eligible applications were reviewed and scored by LAHD staff using criteria and guidelines approved by the Mayor and Council as outlined in the NOFA.

Los Angeles City Geographic Apportionment

On January 23, 2013, TCAC released its 2013 LIHTC Regulations, which included the creation of a City of Los Angeles Geographic Apportionment for 9% low income housing tax credits. The new apportionment was allocated 16.7% of the total number of tax credits statewide in 2013, equating to \$7.8 million in tax credits, which would generate approximately \$78 million in equity investments. In 2014 onward, the apportionment will be allocated 17.6% of statewide tax credits, equating to \$8.2 million in tax credits, generating approximately \$82 million in equity investments. Prior to the creation of the new apportionment, developments located in the City were required to compete against other developments located within the County, which had been allocated 33% of LIHTC statewide. Los Angeles now joins the ranks of San Francisco, New York, Chicago and other major cities with a dedicated housing tax credit apportionment.

The new apportionment will allow the City to more efficiently leverage the LIHTC allocations with other sources of funds, resulting in an increased ability to align the creation and preservation of affordable housing to be consistent with the priorities of the Consolidated Plan and the City's Housing Element. It will also create a level of financial certainty within the affordable housing development community and foster targeted long-range planning. LAHD will continue to work with the State to effectuate the agreement and report to the Mayor and

Council with pertinent details, along with a proposed set of policies and procedures to manage the apportionment.

Because the three 2012 Round 3 projects will be applying for LIHTC in TCAC's first round of funding for 2013, they will be competing in the new City apportionment. To ensure that these projects receive the tax credit allocations necessary to avoid the loss or recapture of other funding, it is imperative that projects without AHTF commitments are prevented from successfully diverting tax credits away from the Round 3 projects. In addition, LAHD must have some measure of control to effectively manage the pipeline of future projects that will compete in the new geographic apportionment, including the projects to be transferred to LAHD as the Successor Agency to the former Community Redevelopment Agency.

Therefore, authority is requested that LAHD, in its capacity as the Local Reviewing Agency for TCAC, be granted to reserve the right to oppose projects without AHTF commitments, not only to projects competing in the City's geographic apportionment, but to projects competing in the set-aside categories. This is because a project competing in one of the set-asides could conceivably receive a final score from TCAC that is too low to receive tax credits in the set-aside, but under certain conditions, the TCAC regulations could allow the amount of the tax credit award to be counted against the amounts available from the geographic apportionment in which the project is located. In these instances, such projects would receive priority over other projects in the geographic apportionment, effectively jeopardizing the chances for these other projects to receive a tax credit award.

Selection Process / Competitive Considerations

Projects were evaluated based on LAHD's determination of the financing gap and the amount necessary to be successful in the TCAC Non-Profit/Homeless or Special Needs/SRO Set-Asides, or TCAC's Los Angeles City Geographic Apportionment. The results are included in Attachment 1.

It is recommended that these projects receive AHTF commitments in order to avoid the loss of City funds that have been committed and/or expended to date. The AHTF capital and LIHTC required to fund the projects is \$16,823,764 and \$3,333,075, respectively.

Recommended Projects and Funding Sources

LAHD is recommending Letters of Commitment for the three projects listed in Tables 1 and 2 of this report, comprising a total of 223 affordable housing units, for a total of \$16,823,764 in funding and a recommendation of \$3,333,075 in LIHTC. AHTF funding for the three recommended projects is over the \$14.5 million allocated for 2012 Round 3; however, there is a sufficient amount of current year funds to cover the difference.

FISCAL IMPACT:

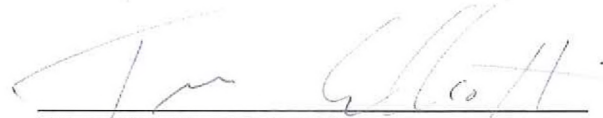
The proposed actions regarding the 2012 Round 3 projects will allocate a total of \$16,823,764 in HOME funds and recommend \$3,333,075 in LIHTC for the development of three housing developments consisting of 223 units. The three projects will create approximately 1,332 jobs.

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Prepared by:

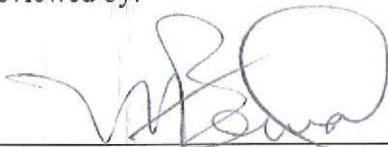


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Director of Housing

Approved by:



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Assistant General Manager



RUSHMORE D. CERVANTES
Executive Officer



MERCEDES MÁRQUEZ
General Manager

Attachments:

- 1) 2012 Round 3 AHTF Project Summary
- 2) 2012 Round 3 AHTF Staff Reports
- 3) AHTF Summary of Activity

AHTF 2012 ROUND 3 PROJECT SUMMARY

ATTACHMENT 1

Project Name	CD	Total Units	Project Type*	Hsg Type	Homeless?	Applicant	Leverage Source	9% LIHTC Requested	9% LIHTC Recommended	TDC	Per-unit Cost	AHTF Requested	Maximum Eligible LAHD Subsidy	LAHD Score (%)	AHTF Committed	AHTF Per-unit Subsidy
Blossom Plaza	1	53	NC	Family	N	Forest City Blossom, LLC	9% Tax Credit (TCAC)	\$2,346,646	\$2,346,646	\$96,417,277.00	\$401,738.65	\$5,300,000.00	\$5,321,410.00	99.60%	\$5,300,000.00	\$100,000.00
Linda Vista Apartments (Phase II)	14	97	NC	Senior	N	AMCAL Multi-Housing, Inc.	9% Tax Credit (TCAC)	\$986,429	\$986,429	\$34,149,627.00	\$352,058.01	\$8,850,000.00	\$9,428,076.00	93.87%	\$8,850,000.00	\$91,000.00
Navy Village	15	74	R	Family	Y	Volunteers of America Natl Svcs	(TCAC) SRO/Special Needs	N/A	N/A	\$29,679,402.00	\$401,073.00	\$2,673,764.00	\$9,531,200.00	28.05%	\$2,673,764.00	\$36,131.95
TOTAL # OF PROJECTS: 3		224						\$3,333,075	\$3,333,075			\$16,823,764.00			\$16,823,764.00	

* NC = New Construction; R = Rehabilitation

ATTACHMENT 2

STAFF REPORTS

**STAFF REPORT
February 13, 2013**

**Blossom Plaza
900 N. Broadway
Los Angeles, CA 90012**

**New Construction
Council District No. 1**

PROJECT DESCRIPTION

Blossom Plaza is a 1.9 acre site in the Chinatown neighborhood of Downtown Los Angeles owned by the City of Los Angeles. The developer, Forest City, was selected through a competitive RFP process issued by the City of Los Angeles to develop Blossom Plaza into a mixed-use residential, cultural, and transit-oriented development. The developer is currently engaged in negotiations with the City under an ENA and plan to enter into a DDA to acquire the project through a ground lease.

The proposed project will consist of approximately 200,000 square feet of new construction and include 240 apartments in a Type V wood-frame structure over roughly 20,000 square feet of Type I retail. 53 affordable units will be placed into a separate ownership structure within the larger development as a 9% tax credit project, and will be allocated across varying income levels from 30% to 60% of AMI. The project will also include a public cultural plaza, and a 175-space public parking structure for the adjacent Metro Gold Line Station. The residential rental property will include a swimming pool, Jacuzzi, exercise facility, parking, controlled access entry and surveillance cameras. Also included will be bike amenities, an enhanced bus shelter, and commuter parking.

PROJECT FINANCE SUMMARY

The financing proposal assumes conventional construction and permanent funding, a Federal Transit Administration grant from the US Department of Transportation (DOT), a Prop 1C grant from the California Department of Housing and Community Development (HCD), and a loan from the Affordable Housing Trust Fund. The proposal also anticipates receiving tax credits from the California Tax Credit Allocation Committee (TCAC) Low Income Housing Tax Credit program.

BORROWER

The applicant, as well as the Developer, is Forest City Blossom, LLC. Hearthstone Housing Foundation is the non-profit Managing General Partner.

PERMANENT FUNDING SOURCES

LAHD-AHTF	\$5,300,000
Citibank	\$32,052,419
Prop 1C IIG/TOD Grant	\$10,904,240
FTA Grant	\$4,600,000
LIHTC	\$20,239,111
GP Equity	\$23,321,507
Total	\$96,417,277

AFFORDABILITY STRUCTURE

Unit type	Mgrs	60% AMI	50% AMI	40% AMI	35% AMI	30% AMI	TOTAL
SRO/Studio	0	4	8	4	0	1	17
1 Bedroom	0	2	6	3	0	1	12
2 Bedroom	0	2	2	2	0	2	8
3 Bedroom	0	6	6	2	0	2	16
Total	0	14	22	11	0	6	53

SCORING ANALYSIS (9% Tax Credits)

<u>Criterion</u>	<u>Max. Points</u>	<u>Projected Points</u>
1) Cost Efficiency, Credit Reduction & Public Funds	20	20
2) General Partner & Management Company Characteristics	9	9
3) Negative Points		
4) Housing Needs	10	10
5) Site and Service Amenities	25	25
6) Sustainable Building Methods	10	10
7) Lowest Income Table	52	52
8) Readiness to proceed	20	20
9) State Credit Substitution	2	2
Total	148	148

FUNDING RECOMMENDATION

With the LAHD commitment, the project should be competitive in the upcoming TCAC competition. LAHD funds will represent \$99,000 per unit or approximately 5.4% of the total development cost.

Prepared by: Rick Tonthat
 Los Angeles Housing Department

STAFF REPORT
February 11, 2013

Linda Vista
610 South St. Louis Street
Los Angeles, CA 90023

Adaptive Reuse/Rehabilitation
Council District No. 14

PROJECT DESCRIPTION

Linda Vista Hospital Building, a 2.66 acre site in the Boyle Heights neighborhood of East Los Angeles, is owned by AMCAL Hollenbeck, L.P. The developer, AMCAL Multi-Housing, was selected through a competitive RFP process issued by the City of Los Angeles to develop Linda Vista Hospital Building into an affordable senior residential development. AMCAL Hollenbeck Fund, L.P., has entered into a lease agreement with the owner, AMCAL Linda Vista Fund, L.P.

The proposed site is currently zoned RD1.5. The RD1.5 underlying zone allows for the proposed creation of 96 rental units for seniors. The subject site is located in a residential neighborhood with existing single family homes to the North, East, and South of the project. Hollenbeck Park is located directly west/northwest of the site. The proposed project is within walking distance of amenities, such as a Smart & Final grocery store, pharmacy, medical clinic, and the Roosevelt High School.

The development contemplates the preservation of the Hospital's historic character; the building will provide four studio units, 82 one-bedroom apartments and 10 two-bedroom apartments for senior households, age 55+ with household incomes at or below 60% of the Los Angeles Area Median Income. A single two-bedroom unit will also be provided for the on-site property manager. In addition to new apartments with modern amenities, the building will provide over 5,000 square feet of community space concentrated primarily on the second floor. These community spaces will be used for the delivery of free resident services and include a library, lounge, community room, kitchen, and computer room. Parking will be provided on site at a ratio of 0.5 spaces per unit as provided under the City's affordable housing incentives. The residential development will be located on floors one through six of the building. The adaptive reuse plan will convert the hospital into residential uses which are allowable under the current underlying zoning. Construction will begin in December 2013 and will take approximately fourteen months to complete.

The development scope for the main hospital building includes abatement of all hazardous materials, replacement of all major systems, and demolition of interior walls to create apartment units with private baths and kitchens. The adaptive reuse and rehabilitation will be completed to LEED Silver standards and will exceed Title 24 by 17.5%. Specifically, the proposed project will incorporate the most current green building elements in accordance with the NSP2 Green Communities rehabilitation standard. The design of the units and the on-site amenities will reflect innovative standards that promote long-term viability.

Andersen Environmental performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice 1527-05 of 610 South Saint Louis Street (CD 1). This assessment revealed one underground storage tank (UST) and a Phase II will be required.

PROJECT FINANCE SUMMARY

The financing proposal assumes conventional construction and permanent funding, previously committed NSP2 Funds from Restore Neighborhoods Los Angeles (site acquisition), additional funds from the anticipated deferral of Quimby Fees, deferral of a portion of the Developer Fee, and a loan from the Affordable Housing Trust Fund. The proposal also anticipates receiving tax credits from the California Tax Credit Allocation Committee (TCAC) Low Income Housing Tax Credit program, and Federal Historic Tax Credits.

BORROWER

The applicant, as well as the Developer, is AMCAL Multi-Housing. East Los Angeles Community Corporation is the non-profit Managing General Partner.

PERMANENT FUNDING SOURCES

LAHD-AHTF	\$8,850,000
LAHD/RNLA NSP 2	\$4,785,675
Union Bank- Débt,	\$3,524,437
Union Bank- Historic Tax Credits	\$5,470,191
Quimby Fee Deferral	\$561,824
LIHTC Equity	\$10,357,500
AMCAL Deferred Dev. Fee	\$600,000
Total	\$34,149,627

AFFORDABILITY STRUCTURE

Unit type	Mgrs	60% AMI	50% AMI	45% AMI	40% AMI	30% AMI	TOTAL
SRO/Studio	0	1		2		1	4
1 Bedroom	0	13	39	22		8	82
2 Bedroom	0	9				1	10
MGR	1						1
Total	1	23	39	24		10	97

SCORING ANALYSIS (9% Tax Credits)

<u>Criterion</u>	<u>Max. Points</u>	<u>Projected Points</u>
1) Cost Efficiency, Credit Reduction & Public Funds	20	20
2) General Partner & Management Company Characteristics	9	9
3) Negative Points		
4) Housing Needs	10	10
5) Site and Service Amenities	25	25
6) Sustainable Building Methods	10	10
7) Lowest Income Table	52	52
8) Readiness to proceed	20	20
9) State Credit Substitution	2	2
Total	148	148

FUNDING RECOMMENDATION

With the LAHD commitment, the project should be competitive in the upcoming TCAC competition. LAHD-AHTF funds will represent \$91,237 per unit or approximately 25.9% of the total development cost.

Prepared by: Colin Miller
Los Angeles Housing Department

STAFF REPORT

February 11, 2013

**Navy Village
1556 West Palos Verdes Drive North
Los Angeles, CA 90732**

**Rehabilitation
Council District No: 15**

PROJECT DESCRIPTION

Navy Village will provide permanent supportive housing to very low income families that are chronically homeless or homeless. The project will be a renovation of 15 existing two-story buildings to provide 74 two-bedroom units of housing, plus one manager's unit and common areas for homeless families. Each unit will have appliances, window coverings, individual washers and dryers, a fenced patio and covered parking. Common areas will consist of two playground areas with a tot lot, basketball hoops and sports courts, and a community building, which will be created inside one of the existing units. Picnic tables and barbecue areas will also be provided.

PROJECT FINANCE SUMMARY

The financing is comprised of Department of Mental Health (DMH) funds, the Federal Home Loan Bank (AHP) funds, a land donation, deferred developer funds, and limited partner equity in addition to Affordable Housing Trust Fund (AHTF) funds. These funds will be leveraged with 9% low-income housing tax credits from the California Tax Credit Allocation Committee (TCAC). The applicant will sell the tax credits to an equity investor at a later date.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The property is presently owned by Volunteers of America of Los Angeles (VOALA). Navy Village VOA Affordable Housing, L.P., a limited partnership, will be formed at a later date. The limited partnership will be the borrower. The two general partners, VOALA and Volunteers of America National Services (VANS) will have a .01% interest of the partnership. A limited partner will be selected and will have a 99.99% interest in the partnership.

FUNDING SOURCES-PERMANENT

LAHD- AHTF	\$ 2,673,764
DMH/CalHFA	1,257,960
Federal Home Loan Bank	1,000,000
Land Donation	6,550,000
Deferred Developer Fee	600,000
Limited Partner Equity	17,597,678
Total	\$ 29,679,402

AFFORDABILITY STRUCTURE

Unit Type	30% AMI	40% AMI	50% AMI	Mgr.	Total
2 Bedroom	8	57	8	1	74
Total	8	57	8	1	74

PROJECTED SCORING ANALYSIS (9% Tax Credits)

<u>Criterion</u>	<u>Max. Points</u>	<u>Projected Points</u>	<u>Remarks</u>
1) Cost Efficiency, Credit Reduction & Public Funds	20	20	
2) General Partner & Management Company Characteristics	9	9	
3) Negative Points			
4) Housing Needs	10	10	
5) Site and Service Amenities	25	25	
6) Sustainable Building Methods	10	10	
7) Lowest Income Table	52	52	
8) Readiness to proceed	20	20	
9) State Credit Substitution	2	2	
Total	148	148	

FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$2,673,764 is recommended. LAHD funds will represent approximately \$36,132 per unit and 9% of the total development cost. The LAHD funding is leveraged with conventional financing and tax credit equity.

Prepared by: Los Angeles Housing Department

ATTACHMENT 3

AFFORDABLE HOUSING TRUST FUND
and
PERMANENT SUPPORTIVE HOUSING PROGRAM

SUMMARY OF ACTIVITY – 2003 through 2012 Round 3

AHTF AND PSHP COMBINED TOTAL					
Projects	Units	Amount Committed*	Amount Leveraged*	Total Dev. Cost	Leverage Ratio (dollars)
185	11,573	\$646,520,669	\$2,861,422,954	\$3,507,943,623	\$4.43

AFFORDABLE HOUSING TRUST FUND (AHTF)						
	Projects	Units	Amount Committed	Amount Leveraged*	Total Development Cost	Leverage Ratio (dollars)
Total:	149	9,285	\$508,951,570	\$2,239,525,871	\$2,748,477,441	\$4.40

PERMANENT SUPPORTIVE HOUSING PROGRAM (PSHP)									
	Projects	Total Units	PBV Units*	PBV Value*	Capital Committed	Total Commitment (Capital & PBV*)	Total Dev. Cost	Amount Leveraged**	Leverage Ratio (dollars)
Total:	36	2,288	1,558*	\$229,528,690	\$137,569,099	\$367,376,025	\$759,466,182	\$621,897,083	\$4.52

*Total amounts leveraged are for Capital funds only. The PBV indirectly leverages social service funds that are secured as the project is constructed. The Round 3 PBV data was not available as of the filing of this report.

TRANSMITTAL

To:

THE COUNCIL

Date:

FEB 21 2013

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Mercedes Marquez)

for ANTONIO R. VILLARAIGOSA
Mayor