

HOUSING COMMITTEE REPORT relative to the selection of developers for affordable housing projects and other actions related to the disposition and development of 12 City-owned properties.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:

a. Select developers for the following 12 affordable housing developments, which will include permanent supportive housing for homeless, affordable multifamily, homeownership and other types of affordable housing:

<u>Property</u>	<u>Proposed Lead Developer</u>
5623-5633 Elmer Ave.	Habitat for Humanity SF/SCV
12568 N. San Fernando Blvd.	NHS Neighborhood Redevelopment Corporation
13574 W. Foothill Blvd.	Clifford Beers Housing
6527 Crenshaw Blvd.	GTM Holdings
206 E. Washington Blvd.	AMCAL Multi-Housing
5888-5910 & 5879-5887 Crocker Street	West Angeles Community Development Corporation
5215 & 5260 S. Figueroa St.	West Angeles Community Development Corporation
6901-6915 S. Main St.	Coalition for Responsible Community Development
2375 W. Washington Blvd.	Hollywood Community Housing Corporation
4314 W. Adams Blvd.	Abode Communities
8431 Geysler Ave.	Valley Village
1637 N. Wilcox Ave. & 6518-6522 Hollywood Blvd.	Thomas Safran & Associates

b. Negotiate and execute Exclusive Negotiation Agreements with the selected developers, subject to the approval of the City Attorney as to form and legality.

c. Negotiate and execute Disposition and Development Agreements (DDA) with the selected developers, subject to the approval of the City Attorney as to form and legality.

d. In conjunction with the General Manager, Los Angeles Department of Transportation (LADOT), or designee, to negotiate and execute a Joint Development Agreement with the selected developer for the LADOT managed property located at 1637 North Wilcox Avenue and 6518-6522 Hollywood Boulevard, subject to the approval of the City Attorney as to form and legality.

- e. Request and to collaborate with the City Attorney to prepare ordinances authorizing the sale of properties, if applicable, subject to Council approval.
 - f. Execute a DDA with the selected developer for the single-family property located at 8431 Geysler Avenue, subject to the approval of the City Attorney as to form and legality.
 - g. Carry out various actions related to the disposition and development of City-owned properties, in conjunction with the General Manager, LADOT, or designee, and the City Attorney.
 - h. Prepare Controller instructions for any necessary technical adjustments consistent with this action, subject to the approval of the City Administrative Officer (CAO); and, AUTHORIZE the Controller to implement these instructions.
2. INSTRUCT the General Manager, HCIDLA, or designee, to report to the Mayor and Council relative to efforts to obtain missing documentation for a former CRA/LA promissory note with Heritage Housing Partners totaling \$509,593, and to collect an outstanding balance of \$264,347.76 for the property located at 5623-5633 Elmer Avenue prior to any consideration of a write-off.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. If the HCIDLA is able to collect all, or a portion of, Heritage Housing Partners' outstanding balance of \$264,347.76 from an unsecured loan of \$509,563 from the former Los Angeles Community Redevelopment Agency, the funds will be deposited into Fund No. 55J, Low and Moderate Income Housing Fund. As an Affected Taxing Entity under the Dissolution Statute, the City will receive into the General Fund a portion of the sales proceeds as property tax income upon the future sale of 3685 South Vermont Avenue. The HCIDLA does not know the amount of the property tax income at this time, and they are not included in the City's revenue projections. The above recommendations are in compliance with City financial policies in that there is no additional cost to the City, and no funding commitments are being made at this time. Potential project funding sources include State tax exempt bonds, State tax credits, private financing and the Affordable Housing Trust Fund, among others.

Community Impact Statement: None submitted.

SUMMARY

In a report to the Mayor and Council dated October 27, 2016, the CAO states that HCIDLA requests authority to take various actions to enter into agreements with affordable housing developers for the development of 13 City-owned properties. HCIDLA also requests authority to write-off an existing unsecured loan in the amount of \$509,593 on a property located at 5623-5633 Elmer Avenue. The CAO recommends approval of HCIDLA's request to enter into agreements for the development of the properties. However, the CAO does not approve the write off at this time. Instead, the CAO recommends that Council instruct HCIDLA to report on efforts to obtain missing documentation on a former CRA/LA loan with Heritage Housing Partners for \$509,593, and to collect an outstanding balance of \$264,347.76 for the Elmer Avenue property.

The CAO report goes on to discuss the HCIDLA Request for Proposals (RFP) and bid evaluation and appeals processes. Developers with experience in affordable housing development were sought to successfully carry out the entire development process from initial community engagement through project design, financing, and finished development for 13 City-owned properties. Ten of the sites were owned by the CRA/LA and another is currently owned by CRA/LA with an option for the City to purchase, one was acquired by HCIDLA, and one is a parking lot and building managed by LADOT.


At its meeting held November 2, 2016, the Housing Committee discussed this matter with representatives of the HCIDLA and the CAO. HCIDLA staff stated that these projects will generate 611 units of affordable housing. The land value of the proposed developments exceeds the amount of the City's Affordable Housing Trust Fund. Staff went on to discuss the RFP bid and evaluation processes. City staff and individuals from the private sector were used to evaluate the bids and appeals.

The Housing Committee recommended that Council authorize HCIDLA to enter into agreements, execute documents, and take the related actions listed above to proceed with the development of the City-owned sites contained in the HCIDLA report and as listed above, as recommended by the CAO, and as amended to remove from consideration for the time being the property located at 3685 South Vermont Avenue.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KORETZ:	YES
HUIZAR:	ABSENT
PRICE:	YES
HARRIS-DAWSON:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-