

TRANSMITTAL

To:

THE COUNCIL

Date: 2/9/2017

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Los Angeles
HOUSING+COMMUNITY
 Investment Department
Housing Development Bureau
 1200 West 7th Street, Los Angeles, CA 90017
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Eric Garcetti, Mayor
 Rushmore D. Cervantes, General Manager

February 8, 2017

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Honorable Eric Garcetti
 Mayor, City of Los Angeles
 200 N. Spring Street
 Room 300, City Hall
 Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL TO ISSUE FINANCIAL COMMITMENTS AND LOW INCOME HOUSING TAX CREDIT LETTERS OF SUPPORT FOR LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT PIPELINE PROJECTS APPLYING TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE (CTCAC) IN 2017 ROUND 1 AND/OR THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) IN MARCH 2017; VARIOUS ACTIONS RELATED TO THE HCIDLA PIPELINE

SUMMARY

The Los Angeles Housing and Community Investment Department (HCIDLA) requests authority to implement the recommendations contained in this report related to affordable housing projects admitted into HCIDLA’s Pipeline (Pipeline).

A total of eight Pipeline projects will apply for State leverage financing in March 2017:

- Six projects will request 9% Low Income Housing Tax Credits (LIHTC) from CTCAC:
 - One Permanent Supportive Housing (PSH) development will apply for LIHTC Tax Credits in the Statewide Special Needs Set-Aside(s).
 - Two Affordable Housing developments will apply for LIHTC Tax Credits in the Non-Profit/Homeless Set-Aside category.
 - Three Affordable Housing developments will apply for LIHTC in the City of Los Angeles Geographic Region (Geographic Region) tax credit apportionment.
- Two projects will request 4% LIHTC from CTCAC and tax-exempt bond allocations from the CDLAC.

Of the eight aforementioned developments, HCIDLA requests approval to issue \$12,489,400 in new financial commitments using HOME Investment Partnerships Program (HOME) funds to four developments. Funding amounts are provided in the Table under Item II-G of the Recommendations section contained in this report, and a justification for the additional funding is provided in the Background portion of this report.

HCIDLA also requests authority to issue LIHTC Letters of Support to accompany the six 9% LIHTC applications that will be submitted to CTCAC. The CTCAC application deadline for 2017 Round 1 is March 1, 2017; the CDLAC deadline is March 17, 2017.

RECOMMENDATIONS

HCIDLA respectfully requests that:

- I. Your office schedule this transmittal at the next available meeting(s) of the appropriate Council Committee(s) and forward it to the City Council for review and approval immediately thereafter, in order for funding commitments to be awarded prior to the CTCAC application deadline of March 1, 2017;
- II. The City Council, subject to the approval of the Mayor, take the following actions:
 - A. Authorize the HCIDLA General Manager, or designee, to issue a 9% LIHTC Letter of Support for each project identified in Table 1 of this report;
 - B. Authorize the HCIDLA General Manager, or designee, to issue a financial Commitment Letter for each applicable project identified in Table 1 of this report, subject to the following conditions:
 - 1) That the final financial commitment not exceed the amount listed;
 - 2) That the project sponsor apply to CTCAC in the next 9% LIHTC allocation round; and,
 - 3) That the disbursement of funds will occur after the sponsor obtains enforceable commitments for all proposed funding;
 - C. Authorize the HCIDLA General Manager, or designee, to issue a financial Commitment Letter for each applicable project identified in Table 2 of this report, subject to the following conditions:
 - 1) That the final financial commitment not exceed the amount listed;
 - 2) That the project sponsor apply in the next CTCAC and CDLAC rounds for 4% LIHTC and tax-exempt bond allocations; and
 - 3) That the disbursement of funds will take place after the sponsor obtains enforceable commitments for all proposed funding;
 - D. Authorize the HCIDLA General Manager, or designee, to negotiate and execute an acquisition/predevelopment/construction/permanent loan agreement with the legal owner of each project identified in Table 1 that receives an award from the proposed leveraging source, subject to the satisfaction of all conditions and criteria stated in the HCIDLA application, this

transmittal, and the HCIDLA Commitment Letter (if applicable); subject to the review and approval by the City Attorney as to form;

- E. Authorize the HCIDLA General Manager, or designee, to execute Subordination Agreements for each of the projects in Table 1 wherein the City Loan and Regulatory agreements are subordinated to their respective conventional or municipally funded construction and permanent loans, as required;
- F. Authorize the HCIDLA General Manager, or designee, to allow the transfer of the City's financial commitment to a limited partnership or other legal entity formed solely for the purpose of owning and operating the project in accordance with City and federal requirements;
- G. Obligate HOME funds for the projects listed below:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
7 th & Witmer Apt.	561/43	43M008	AHTF	\$1,500,000.00
Pico Robertson	561/43	43M008	AHTF	\$2,383,135.19
	561/43	43M010	AHTF-PY	\$ 406,264.81
New Directions	561/43	43M010	AHTF-PY	\$ 376,175.00
	561/43	43N008	AHTF	\$1,623,825.00
PATH Metro Villas II	561/43	43N008	AHTF	<u>\$6,200,000.00</u>
				\$12,489,400.00

- H. Authorize the General Manager of HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer, and request the Controller to implement these instructions.

BACKGROUND

On November 3, 2015, HCIDLA obtained Mayor and City Council authority to admit 25 new projects into the Pipeline, which were selected from the May 2015 Call for Projects and Request for Proposals (C.F. #13-0303). Consistent with this authority, HCIDLA proposes to issue financial commitments, and/or tax credit Letters of Support for six projects previously admitted into the HCIDLA Pipeline. The six projects are applying for 9% LIHTC from CTCAC in the 2017 Round 1 competition. Additionally, two projects are applying for 4% LIHTC Tax- Exempt bonds, for a total of eight developments.

The eight developments will provide a total of 561 affordable rental housing units in the city, of which 89 units will be set aside for low-income families and single individuals, 180 units for low-income seniors, 257 units of permanent supportive housing for homeless persons, and 35 for homeless veterans. Four of the eight developments include new HCIDLA funding commitments totaling \$12,489,400. One of these developments, the New Directions West Adams (formerly South West View), received a previous HCIDLA funding commitment in the amount of \$2.6 million. Four other developments have requested LIHTC support with no request of HCIDLA funds. The eight projects

have a combined total development cost of approximately \$245 million. The four -funded projects have a total development cost of approximately \$145 million. The \$15 million of HCIDLA investment will leverage an estimated \$130 million in other public and private funds, equating to a leverage ratio of approximately \$9.80 for every dollar invested by the HCIDLA.

Funding and Tax Credit Recommendations

A total of eight Pipeline projects are moving forward for State leveraging financing and will be applying for 9% and 4% LIHTC in CTCAC's 2017 Round 1. HCIDLA recommends tax credit Letters of Support for the six 9% LIHTC projects, as these letters serve as one of the tie-breakers in the 9% LIHTC competition. HCIDLA recommends commitments of \$12,489,400 in new funds to four projects: three projects proposing 9% LIHTC and one proposing 4% LIHTC in combination with tax-exempt bonds. The recommendation includes the additional \$2,000,000 to one project proposing 9% LIHTC known as New Directions West Adams (a description of the analysis is included at the end of this section). New or additional funding is not required for the other three projects as they have only requested LIHTC support from the City exclusive of HCIDLA funding. The proposed recommendations for the CTCAC 2017 Round 1 projects include one project in the Special Needs Set-Aside category, two projects in the Non-Profit/Homeless Set-Aside, and three projects in the City of Los Angeles Geographic Region category.

Tables 1 and 2 list the respective 9% and 4% LIHTC projects, reflecting the amounts of previously allocated funds and the proposed additional funding amounts. Table 3 provides aggregate totals of the funding allocated to the eight Pipeline projects, categorized by State leveraging source program.

**TABLE 1:
9% LIHTC PROJECTS COMPETING IN CTCAC 2017 ROUND 1**

Project Name	CD	Total Units	PSH Units	Chronically Homeless Units	Previously Committed HCIDLA Funds	New/ Additional HCIDLA Funds	TOTAL HCIDLA FUNDS
Special Needs Set-Aside							
7 th & Witmer Apartments (TOD)	1	76	66	50	\$0	\$1,500,000	\$1,500,000
SUBTOTAL		76	66	50	\$0	\$1,500,000	\$1,500,000
Non-Profit/Homeless Set-Aside							
New Directions West Adams (TOD)*	10	64	36	0	\$2,600,000	\$2,000,000	\$4,600,000
Cielito Lindo Apts Phase II ** (aka 1 st & Soto II) (TOD)	14	29	14	0	\$0	\$0	\$0
SUBTOTAL		93	50	0	\$2,600,000	\$2,000,000	\$4,600,000
Los Angeles City Geographic Region							
Pico Robertson Senior Community (TOD)	5	48	12	0	\$0	\$2,789,400	\$2,789,400
Metro at Western (TOD)**	8	33	16	8	\$0	\$0	\$0
Westmore Linden (TOD)**	1	93	9	4	\$0	\$0	\$0
SUBTOTAL		174	37	12	\$0	\$2,789,400	\$2,789,400
TOTAL		343	153	62	\$2,600,000	\$6,289,400	\$8,889,400

*Previously received an HCIDLA commitment.

**The project requested a Letter of Support to accompany their CTCAC application; no HCIDLA financing requested.

**TABLE 2:
4% LIHTC/TAX-EXEMPT BOND PROJECTS**

Project Name	CD	Total Units	PSH Units	Chronicall y Homeless Units	Previously Committed HCIDLA Funds	New/ Additional HCIDLA Funds	TOTAL HCIDLA FUNDS
PATH Metro Villas Phase II (TOD)	13	122	56	28	\$0	\$6,200,000	\$6,200,000
Sun Valley Senior Veterans Apartments (TOD)*	6	96	48	24	\$0	\$0	\$0
TOTAL		218	104	52	\$0	\$6,200,000	\$6,200,000

* The project requested a Letter of Support to accompany their CTCAC application; no financing requested.

**TABLE 3:
AGGREGATE TOTALS BY CTCAC PROGRAM**

CATEGORY	Projects	Total Units	PSH Units	Chronicall y Homeless Units	Previously Committed HCIDLA Funds	New/ Additional HCIDLA Funds	TOTAL HCIDLA FUNDS
9% LIHTC: Special Needs Set-Aside	2	76	66	50	\$0	\$1,500,000	\$1,500,000
9% LIHTC: Non-Profit/ Homeless Set-Aside	1	93	50	0	\$2,600,000	\$2,000,000	\$4,600,000
9% LIHTC: Los Angeles City Geographic Region	3	174	37	12	\$0	\$2,789,400	\$2,789,400
4% LIHTC and Tax-Exempt Bonds	2	218	104	52	\$0	\$6,200,000	\$6,200,000
TOTAL		561	257	114	\$2,600,000	\$12,489,400	\$15,089,400

Changes to Projects Competing for LIHTC

New Directions West Adams

HCIDLA recommends additional funding to the New Directions West Adams development for its application to the 2017 CTCAC Round 1. The project previously received a commitment of \$2.6 million in HOME funds from HCIDLA. The project has been unsuccessful in previous attempts to secure LIHTC. The development team has reorganized and a new general partner has stepped in to manage the partnership. The new development team has requested additional financing to cover increased construction and holding costs. HCIDLA has analyzed the updated proforma and verified the need for additional financing. All other financing commitments remain in place. HCIDLA recommends \$2 million in additional HOME funding for a total of \$4,600,000. The increased funding will not only assist in covering the increased costs but it will also ensure a successful score in the LIHTC set-aside competition. Approval of the additional funding will support the construction of the 64-unit project, which includes 36 units of permanent supportive housing.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this report will authorize HCIDLA to fund 561 affordable housing units and issue new commitments in HOME funds totaling \$12,489,400. HOME funds are allocated from the federal HOME entitlement funds and Program Income.

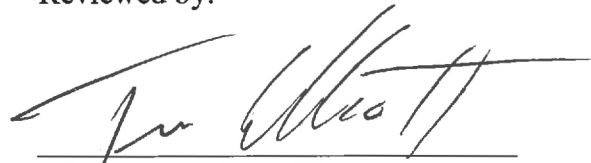
Prepared by:


ERIK DEPAZ
Management Assistant
Program Management & Development Section

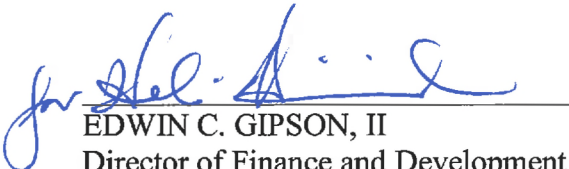
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Attachment A:

Tax Credit Calendar

ATTACHMENT A

PRELIMINARY 9% LOW INCOME HOUSING TAX CREDIT CALENDAR

(updated on 2.1.17)

2016 ROUND 1 (March 2016)	2016 ROUND 2 (July 2016)	2017 ROUND 1 (March 2017)	2017 ROUND 2 (July 2017)
SPECIAL NEEDS SET-ASIDE			
		7 TH & WITMER APTS (TOD), CD 1, 76 Units Deep Green Hsg & Comm Dev	88 th & VERMONT (TOD), CD 8, 62 Units W.O.R.K.S
NON-PROFIT SET-ASIDE			
KING 1101 (TOD), CD 8, 26 Units Clifford Beers <i>FUNDED</i>		NEW DIRECTIONS WEST ADAMS* (TOD), CD 10, 64 Units Cesar Chavez Foundation	HARTFORD VILLA APTS (TOD), CD 1, 94 Units SRO Housing Corporation
		1 ST & SOTO APTS PHASE II (TOD), CD 14, 30 Units ELACC	ROSA DE CASTILLA APTS (NON-TOD), CD 14, 90 Units ELACC
LOS ANGELES GEOGRAPHIC SET-ASIDE			
CRENSHAW VILLAS (TOD), CD 10, 49 Units Crenshaw Villas Partners, LP <i>FUNDED</i>	PAUL WILLIAMS FAM APTS (NON-TOD), CD 9, 41 Units Hollywood CHC <i>FUNDED</i>	PICO ROBERTSON SR COMMUNITY (TOD), CD 5, 48 Units Mercy Housing	FLORENCE MILLS (TOD), CD 9, 54 Units Hollywood CHC
RHF CRENSHAW GARDENS (TOD), CD 10, 49 Units Crenshaw RHF Partners, LP <i>FUNDED</i>	CORONEL APTS (TOD), CD 13, 54 Units Hollywood CHC <i>FUNDED</i>	METRO AT WESTERN (TOD), CD 8, 31 Units Meta Housing	ROSA PARKS PHASE II (TOD), CD 10, 54 Units The Related Co. of California & WEDC
ROLLAND CURTIS EAST (TOD), CD 8, 70 Units Abode Communities	MACARTHUR PARK PHASE B (TOD), CD 1, 82 Units MPM Apartments II, LP <i>FUNDED</i>	WESTMORE LINDEN SENIOR (TOD), CD 1, 93 Units West Hollywood CHC	HIGHLAND PARK TRANSIT VILLAGE (TOD), CD 1, 60 Units McCormack Baron Salazar
		<i>Alternate: TBD</i>	<i>Alternate: TBD</i>

PRELIMINARY BOND/4% LOW INCOME HOUSING TAX CREDIT CALENDAR

2016 Q1 (Jan, Mar)	2016 Q3 (Jul, TBD)	2017 Q1 (Jan, Mar)	2017 Q3 (Jul, TBD)
PATH METRO VILLAS I (TOD), CD 13, 65 Units PATH Ventures <i>FUNDED</i>	RAMPART APTS (TOD), CD 13, 23 Units West Hollywood CHC <i>Pending</i>	PATH METRO VILLAS II (TOD), CD 13, 122 Units PATH Ventures	54 th STREET CRENSHAW (TOD), CD 8, 69 Units West Angeles Community Devt Corp
	CASA CARMEN (NON-TOD), CD 1, 25 Units 1010 Devt Corp <i>Pending</i>	SUN VALLEY SR VETS APTS (TOD), CD 6, 96 Units ELACC	
2016 Q2 (May)	2016 Q4 (Oct)	2017 Q2 (May)	2017 Q4 (Oct)
EL SEGUNDO APTS (NON-TOD), CD 15, 75 Units Meta Housing <i>FUNDED</i>	ROLLAND CURTIS WEST (TOD), CD 8, 70 Units Abode Communities <i>FUNDED</i>	SIX FOUR NINE LOFTS (TOD), CD 14, 55 Units Skid Row Housing Trust	ARMINTA SQUARE (NON-TOD), CD 6, 110 Units Arminta Square, LP

9% / 4% LOW INCOME HOUSING TAX CREDIT CALENDAR (*cont.*) – updated 2.1.2017

NOTE 1: This Preliminary Tax Credit Calendar is not an indication of funding. The Tax Credit Calendar will be updated at least quarterly, but certainly after every Tax Credit Allocation Committee (TCAC) round. Developments that contain permanent supportive housing units may shift depending on when an individual project receives PBV, VASH or other operating subsidy commitment and in accordance with Section 9.2 of Affordable Housing Trust Fund Regulations.

NOTE 2: TOD defined as developments located within ½ miles of an existing or fully-funded transit corridor. Transit Corridors are defined as both heavy and light rail and Bus Rapid Transit (BRT) lines. Transit Corridors includes all areas within ½ of the transit corridor; and not exclusively areas ½ miles from rail station stops or bus station hubs.

NOTE 3: The Bond/4% LIHTC Calendar will be updated at least quarterly, but certainly after every TCAC round.

NOTE 4: Vista De Los Angeles and Temple Street Apartments withdrew their applications from the Pipeline.

NOTE 5: Westmore Elden 2- Elms will be moved to 2018 due to a TCAC regulation disallowing two separate phases from applying in one calendar year.

(*) Formerly known as South West View Apartments

Attachment B:

Summary Reports

STAFF REPORT

January 23, 2017

**7th and Witmer Apartments
1301 W. 7th Street
Los Angeles, CA 90017**

**New Construction
76 Units
Council District 1**

PROJECT DESCRIPTION

The 7th & Witmer Apartments proposes the new construction of 76 units of permanent supportive housing (28 efficiency and 48 one-bedroom units) in the Westlake neighborhood of Los Angeles. Sixty-six of the units will be designated as permanent supportive housing for the homeless, including the chronically homeless and other individuals with special needs. Nine units will be available to very low income individuals who may not have special needs, and one unit will be set aside for the on-site manager. Supportive services to be provided include access to health care, education, employment support, and assistance in addressing substance abuse and mental health issues.

Each unit will include an electric stove/oven, refrigerator, garbage disposal, low flow water utilities, individual heating and air conditioning units, and window coverings. In addition, high speed data outlets and high speed internet service will be provided at no charge to the residents.

The 65,000 square foot, four-story structure will be designed as an L-shaped building constructed over podium parking with spaces for 38 vehicles and 86 bicycles. Security features include gated parking, a key card entry, a telecom entry for visitors, and CCTV security cameras. Situated on the ground floor are laundry facilities, and a kitchenette, in addition to office, community, and commercial space. Outdoor patio and recreation areas will be located in the center of the project in the large landscaped courtyard and on the landscaped roof deck. The landscaping plan will include drought-resistant native plants, and numerous trees. It is expected that the completed development will achieve LEED Gold Level certification.

The surrounding neighborhood is a mix of multifamily housing, offices, and commercial uses. The site is currently underutilized with a one-story commercial building of approximately 7,000 square feet and 13,000 square feet of vacant land. The proposed project will increase residential density while fitting in with the character of the neighborhood and the massing of adjacent buildings. Five Metro bus stops are within a few steps of the proposed project, and bus rapid transit and Metro rail stations are within a half mile of the site.

Located in the Central City West Specific Plan area, the project's proposed neighborhood commercial use of the ground floor is designed to further the commercial character of 7th Street, to encourage pedestrian access, and to increase bicycling, especially along the dedicated bicycle lanes on 7th Street. In addition to the planned neighborhood market and internet cafe, 1,934 square feet of community rooms and other informal gathering spaces on the ground floor will be accessible to tenants and community residents.

PROJECT FINANCE SUMMARY

In addition to the AHTF loan, the proposed financing assumes conventional debt, equity from the sale of 9% Low Income Housing Tax Credits (LIHTC), and funds from the Affordable Housing and Sustainable Communities (AHSC) Program. The project has received an operating subsidy in the form of 50 Project-Based Section 8 Vouchers from the Housing Authority of the City of Los Angeles (HACLA).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

7th & Witmer, LP, the developer and the ultimate owner of the 7th & Witmer Apartments, is a newly formed California Limited Partnership that is comprised of Deep Green Housing and Community Development, a California nonprofit public benefit corporation as the Managing General Partner, and Brook Financial Corporation, a California corporation, as Administrative General Partner. An investor limited partner will be admitted on or about the date of the closing of the construction financing, anticipated to be in December 2016.

If the project is successful in obtaining an award of LIHTC in the upcoming tax credit round, a tax credit investor will be admitted into the partnership as the Limited Partner prior to the closing of the construction financing.

PERMANENT FUNDING SOURCES

Source	Amount
HCID-AHTF	\$1,500,000
AHSC Grant	2,092,000
AHSC Loan	6,256,000
Tax Credit Equity	14,768,354
Conventional Loan	2,040,926
Deferred Developer Fee	252,195
Total	\$26,909,475

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	40% AMI	50% AMI	60% AMI	Total
0 Bedroom		20	6	2	0	28
1 Bedroom	1	30	10	7	0	48
Total	1	50	16	9	0	76

FUNDING RECOMMENDATION

The AHTF contribution represents \$19,737 per unit or approximately 6% of the total development cost. HCID recommends the \$1,500,000 loan to allow the project to compete for 9% LIHTC in 2017 Round 1 of the California Tax Credit Allocation Committee’s Nonprofit Set-Aside Homeless Apportionment.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT
January 20, 2017

Cielito Lindo Phase II
2423-2432 E. 1st Street
Los Angeles, CA 90033

New Construction
Council District No: 14

PROJECT DESCRIPTION

The Cielito Phase II is a proposed new construction of 29 affordable housing units with an approximate square footage of 33,000. The project will be located at 2423 – 2432 E. 1st Street, Los Angeles, 90033 in the Boyle Heights community. The site was chosen due to its close proximity to the LA Metro Goldline Soto Street Station. The 29 affordable units will consist of 12 studios, 6 one bedroom, 3 two bedroom, 7 three bedroom, and 1 manager’s unit. The units will serve low and very low individuals and families earning between 30% and 50% of AMI.

The property will be energy efficient and LEED Silver certified. The common spaces feature a 697 square foot community room, a tenant services office, a 2,237 square feet central courtyard, on-site underground parking, laundry facilities, a community room with a kitchenette, a 1,415 square footage roof top community garden with storage space, a tenant services office, and a computer room. Other features include storage and parking for 38 bicycles, outlets for low-emission/electric vehicles, and 1000 square feet retail space on the first floor.

PROJECT FINANCE SUMMARY

The proposed financing is comprised of tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC), and funds from the California Department of Housing and Community Development (HCD) Affordable Housing and Sustainable Communities Program (AHSC). The project has received an operating subsidy in the form of Project-Based Section 8 Vouchers from the Housing Authority of the City of Los Angeles (HACLA).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The project site is currently owned by the East LA Community Corporation (ELACC). ELACC will become the managing General Partner of the to-be-formed 1st and Soto TOD Apartments Phase II, Limited Partnership.

PERMANENT FUNDING SOURCES

Source	Amount
HCD AHSC	2,485,440
General Partner Equity	100
Tax Credit Equity	11,820,078
Total	<u>\$14,305,618</u>

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	40% AMI	50% AMI	60% AMI	Total
Studio	0	12	0	0	0	12
1 Bedroom	0	4	1	2	0	7
2 Bedroom	1	2	0	0	0	3
3 Bedroom	0	3	1	3	0	7
Total	1	21	2	5	0	29

FUNDING RECOMMENDATION

The project is not seeking funding from the AHTF and will only compete for tax credits in 2017 Round 1 of the California Tax Credit Allocation Committee 9% LIHTC allocation round.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT
January 20, 2017

Metro at Western
3651, 3665, 3675 South Western Ave
Los Angeles, CA 90018

New Construction
Council District No: 8

PROJECT DESCRIPTION

Metro @ Western will be the new construction of 33 one-, two-, and three-bedroom rental apartments for low-income families, at an overall density of 59 dwelling units per acre. The development will be a modern four-story building, 56,910 square feet inclusive of parking. The residential component is type V construction, atop a type I parking podium structure. The first level will contain a 340 square foot entry lobby, and at grade parking spaces. The remaining four levels will be apartment units, laundry rooms, community spaces, residential units, and a roof deck with a play structure and a picnic area. The site is located within ¼ mile of the Metro Expo Line.

PROJECT FINANCE SUMMARY

The proposed financing is comprised of a Tranche B and Tranche C term loan, tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC), and funds from the California Department of Housing and Community Development (HCD) Veterans Housing and Homelessness Prevention Program (VHHP), the Federal Home Loan Bank of San Francisco Affordable Housing Program (AHP), and the Community Development Commission of Los Angeles County (LACDC). The project has received an operating subsidy in the form of 14 Project-Based Section 8 VASH Vouchers and 2 Project-Based Section 8 Vouchers from the Housing Authority of the City of Los Angeles (HACLA).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The ownership structure contemplated for the project will consist of to-be-formed Metro @ Western, LP in which John M. Huskey will be the initial Limited Partner with 99.99% interest in the Partnership. He will be replaced at the close of the construction financing by a tax credit investor. To-be-formed Metro @ Western, LLC is the administrative general partner with 0.00499% ownership interest in the Partnership and WCH Affordable IX, LLC will be the managing general partner with 0.005001% interest in the partnership.

PERMANENT FUNDING SOURCES

Source	Amount
Tranche B Loan – Citibank	\$109,532
Tranche C Loan - Citibank	993,616
HCD VHHP	1,850,000
Tax Credit Equity	13,125,949
LACDC	1,511,550
AHP	480,000
Total	\$18,070,647

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	50% AMI	60% AMI	Total
1 Bedroom		16	0	0	16
2 Bedroom	1	2	6	0	9
3 Bedroom		2	2	4	8
Total	1	20	8	4	33

FUNDING RECOMMENDATION

This project is not requesting any funds from the AHTF. However, a 9% Tax Credit Letter of Support is recommended for this project to compete in CTCAC 2017 Round 1.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT

January 23, 2017

**New Directions West Adams
(formerly South West View Apartments)
3015 – 3031 South West View Street
Los Angeles, CA 90016**

**New Construction
64 Units
Council District 10**

PROJECT DESCRIPTION

The New Directions West Adams project (formerly South West View) entails the new construction of two mid-rise structures with 64 residential units consisting of 51 one-bedroom units and 13 two-bedroom units, one of which will be designated for the resident manager. Thirty-six units will be designated as permanent supportive housing for homeless veterans and their partners, spouses, dependent children and/or caregivers, and 27 units will be provided for seniors, with a preference for senior veterans.

The development will be designed to meet LEED Gold Certification standards and incorporate Universal Design concepts. The proposed architectural style is Spanish/Mediterranean, to blend with the character of the 1920's homes in the surrounding area. The site is located within ¼ mile of the Metro Expo Line's La Brea Station, in an area that includes commercial uses along West Jefferson Boulevard and South La Brea Avenue, in addition to low and medium density residential uses along West View Street.

Project amenities include independent community spaces for each target population, a kitchen, computer room, fitness facility, laundry facility, pet park, and a total of 53 parking spaces (including five accessible spaces) and 31 bicycle spaces. Unit amenities include an oven/stove, refrigerator, dishwasher, microwave, upgraded cabinetry, central air conditioning and heating, ceiling fans, and a patio or balcony.

PROJECT FINANCE SUMMARY

In March 2016, an AHTF loan agreement in the amount of \$2,600,000 was executed with the Borrower. Subsequent to the execution of the agreement, HCID was informed of a financing gap, and the project was unable to close its construction financing. The project's financing was restructured to include a \$1 million increase in permanent debt, a \$4.5 million increase in equity, and a \$2 million increase to the Affordable Housing Trust Fund (AHTF) loan. The \$2 million in additional AHTF funds will be committed on the condition that the project is successful in achieving a LIHTC award in the Homeless Apportionment of the Non-profit Set Aside.

In addition to the AHTF loan, the proposed financing assumes conventional debt, equity from the sale of 9% Low Income Housing Tax Credits (LIHTC), funds from the California Department of Housing and Community Development (HCD) Infill Infrastructure Grant (IIG) and Veterans Housing and Homelessness Prevention (VHHP) Programs, and a loan from the Federal Home Loan Bank's Affordable Housing Program (AHP). The project has received an operating subsidy in the form of 32 Project-Based Section 8 VASH Vouchers from the Housing Authority of the City of Los Angeles (HACLA).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The project will be owned by Los Angeles New Directions West Adams LP, a California limited partnership, consisting of PC Los Angeles South West View LLC as its Administrative General Partner

(Vista del Monte Affordable Housing Inc., which is an affiliate of Cesar Chavez Foundation, being its Sole Member and Manager), and New Directions West Adams LLC as its Managing General Partner (New Directions, Inc. being its Sole Member and Manager).

PERMANENT FUNDING SOURCES

Source	Amount
HCID-HOME (previously committed)	\$2,600,000
HCID-HOME (additional)	2,000,000
HCD IIG	1,600,000
HCD VHHP	2,340,000
HCD VHHP Operating Reserve Offset Tranche	301,536
Tax Credit Equity	24,815,570
Conventional Loan	2,234,684
AHP	630,000
Total	\$36,521,790

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	40% AMI	50% AMI	60% AMI	Total
1 Bedroom		14	9	15	13	51
2 Bedroom	1	3	1	4	4	13
Total	1	17	10	19	17	64

FUNDING RECOMMENDATION

The total AHTF contribution represents \$71,875 per unit or approximately 13% of the total development cost. HCID recommends the increase in AHTF financing to assist the project in successfully competing statewide in 2017 Round 1 of the California Tax Credit Allocation Committee's 9% LIHTC round, contingent upon the project achieving a tie-break score that is sufficient to obtain an award in the Nonprofit Set-Aside's Homeless Apportionment.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT

February 3, 2017

**PATH Metro Villas Phase 2
320 N. Madison Avenue, Los Angeles, CA 90004, and
333 N. Westmoreland Avenue, Los Angeles, CA 90004**

**New Construction
Council District No: 13**

PROJECT DESCRIPTION

The PATH Metro Villas Phase 2 project entails demolition and new construction in order to provide a total of 122 residential units (including two manager's units). The development will provide permanent supportive housing for homeless and chronically homeless individuals and veterans, low income individuals and veterans. Site amenities will include: subterranean parking, social programming space, a health clinic, mental health clinic, several community rooms, 9 washing machines and dryers.

PROJECT FINANCE SUMMARY

In addition to the Affordable Housing Trust Fund (AHTF) loan, the proposed financing is comprised of a conventional loan, 4% Low Income Housing Tax Credit (LIHTC) equity, funds from the State of California Department of Housing and Community Development (HCD) Veterans Housing and Homelessness Prevention Program (VHHP), HCD Affordable Housing and Sustainable Communities (AHSC) Program, and the Los Angeles County's Mental Health Services Act (MHSA) Housing Program. In addition, the project has been awarded Project Based Vouchers from the Housing Authority of the City of Los Angeles (HACLA) and a rental subsidy through the Los Angeles County Department of Health Services (DHS).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The project will be owned by Metro Villas Phase 2 Los Angeles, LP, a California limited partnership, which includes PV Metro Villas Phase 2 GP, LLC, a California limited liability company, its general partner, and PATH Ventures, a California non-profit corporation, its limited partner. PATH Ventures is the sole member of the general partner. PATH Ventures' Board of Directors includes: David Alden, Co-President; Terry Bird, Co-President; and Julie Downey, Co-Vice President. Amy Anderson is the Executive Director of PATH Ventures.

PERMANENT FUNDING SOURCES

Source	Amount
HCID-AHTF	\$6,200,000
MHSA	1,500,000
4%Tax Credit Equity	20,869,722
Conventional Loan	1,470,000
VHHP	6,173,180
GP Contribution	200,000
Deferred Dev. Fee	900,000
AHSC (Sustain. Transp.)	1,192,345
AHSC (Afford. Hsng)	12,413,648
Total	\$50,918,895

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	45% AMI	60% AMI	Total
Studio		30	15	15	60
1 Bedroom		31	15	14	60
2 Bedroom	2				2
Total	2	61	30	29	122

FUNDING RECOMMENDATION

An AHTF funding commitment in the amount of up to \$6,200,000 is recommended. The AHTF contribution represents \$50,820 per unit or approximately 12.18% of the total development cost. It is anticipated that the AHTF commitment in combination with the other sources of public funding will leverage approximately \$21 million in tax credit equity.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT
February 3, 2017

Pico Robertson Senior Community
8866 – 8876 W. Pico Blvd
Los Angeles, CA 90035

New Construction
Council District No: 5

PROJECT DESCRIPTION

Pico Robertson Senior Community (PRSC), will be a new construction development and will provide 47 affordable 1-bedroom apartments for seniors and 1 two-bedroom managers unit. PRSC is the result of a joint RFP issued by HCID and LADOT specifically for affordable senior housing. This location is ideal for senior and veteran senior housing as it is located near high quality transit, medical services including close proximity to the West LA VA, community services, a library, a pharmacy, and other community amenities.

PRSC will feature a community room and fitness room available to residents and others in the community. The development will also replace 39 existing public parking spaces and provide 8 additional public parking spaces for a total of 47 public parking spaces. In addition to the 47 public parking spaces the project will provide 27 residential only parking spaces per code. PRSC will be of high quality design with an appealing aesthetic that is pedestrian oriented and sensitive to the neighborhood.

The in unit amenities will include, a stove, refrigerator, window coverings, high quality durable finishes with low or no VOCs, energy efficient fixtures and appliances, a full bathroom, a bedroom, a kitchen, and a living area, and will include green design with a focus on indoor air quality. Common amenities will include, landscaped and active outdoor space, a community room with a kitchen, and a fitness room.

PROJECT FINANCE SUMMARY

In addition to the Affordable Housing Trust Fund (AHTF) loan, the proposed financing is comprised of a conventional loan, tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC) funds from the California Department of Housing and Community Development (HCD) Veterans Housing and Homelessness Prevention Program (VHHP), the Federal Home Loan Bank of San Francisco Affordable Housing Program (AHP), and the Los Angeles Department of Transportation (LADOT). The project has received an operating subsidy in the form of ten, Project-Based Section 8 VASH Vouchers and two Project-Based Section 8 Vouchers from the Housing Authority of the City of Los Angeles (HACLA).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The project will be owned by a tax credit Limited Partnership with Mercy Housing Calwest as the General Partner and a to be determined tax credit investor as the limited partner. Mercy Housing Calwest is single member 501 c3 non-profit, the single member is Mercy Housing California.

PERMANENT FUNDING SOURCES

Source	Amount
HCID-HOME	\$2,789,400
HCD-VHHP	1,652,240
LADOT - Parking	1,430,000

LADOT -- Ground Lease	4,460,000
Tax Credit Equity	17,363,227
Conventional Loan	231,000
AHP	470,000
Deferred Dev Fee	286,411
GP Equity	100
Total	\$ 28,664,378

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	45% AMI	50% AMI	60% AMI	Total
0 Bedroom		2	1	0	0	3
1 Bedroom		10	4	19	11	44
2 Bedroom	1	0	0	0	0	1
Total	1	12	5	19	11	48

FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$2,789,400 is recommended. The project is competing for TCAC funds. HCID funds will represent \$58,112 per unit and 9.7% of the total development cost. The HCID funding is leveraged with conventional financing, state and local funds, and tax credit equity.

Prepared By: Los Angeles Housing and Community Investment Department

**STAFF REPORT
January 19, 2017**

Sun Valley Senior Veterans Apartments

**9041 N. Laurel Canyon Boulevard
Los Angeles, CA 91352**

**New Construction
Council District No: 6**

PROJECT DESCRIPTION

The Sun Valley Senior Veterans Apartments project entails the new construction of 96 residential units consisting of 88 one-bedroom units and 8 two-bedroom units, two of which will be designated for the resident managers. The development will consist of one six-story building providing 94 units of permanent supportive housing for veterans and their partners, spouses, dependent children and/or caregivers, of which 54 units will be designated for chronically homeless veterans. The development will be designed to meet LEED Silver Gold Certification, and will incorporate Universal Design concepts.

The site is located within ¼ mile of the Metro Bus Line #230, servicing a north/south route from Sylmar to Studio City in the San Fernando Valley, with significant access to other Metro and DASH lines. In addition, the site is within 5.3 miles from the Burbank-Bob Hope Airport Metro link station. The architectural style will be contemporary, to blend with the character of the newer multifamily properties and the 1970s homes in the surrounding area.

Site amenities include a community room and library on the second floor, and a recreation room on the third floor, and a fitness center, media room, and computer lab on the fourth floor. In addition, there are laundry rooms on each residential floor. Open space includes the entry court, rear yard, and recreation rooms. A total of 56 parking spaces are available, as is a pedestrian walkway connecting the building lobby to Lauren Canyon Boulevard. Unit amenities include an oven/stove, refrigerator, dishwasher, central air conditioning and heating, ceiling fans, and a patio or balcony.

PROJECT FINANCE SUMMARY

The proposed financing is comprised of direct-purchased tax-exempt bonds in two series (Series A for \$26,250,000 and Series B for \$3,050,000), a conventional loan, tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC), funds from the California Department of Housing and Community Development (HCD) Affordable Housing Sustainable Communities (AHSC) (Cap & Trade) funds and AHSC HRI Grant funds, and HCD Veterans Housing and Homelessness Prevention Program (VHHP). The project has received an operating subsidy in the form of Project-Based Section 8 VASH Vouchers (54 units) from the Housing Authority of the City of Los Angeles (HACLA).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The project will be owned by Sun Valley Senior Veterans, LP, a California limited partnership, consisting of East LA Community Corporation as Managing General Partner, and an equity investor limited partner will be identified at a later time.

PERMANENT FUNDING SOURCES

Source	Amount
Permanent Loan (Tranche B)	\$2,460,315
AHSC (Cap & Trade)	7,520,531
AHSC HRI Grant	1,148,938
HCD VHHP	8,000,000
Tax Credit Equity	14,100,043
GP Capital Contribution	100
Deferred Developer Fee	1,140,336
Total	\$34,370,263

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	35% AMI	40% AMI	50% AMI	60% AMI	Total
1 Bedroom		50	0	0	38	0	88
2 Bedroom	2	4	0	0	2	0	8
Total	2	54	0	0	40	0	96

FUNDING RECOMMENDATION

Subject to a satisfactory bond application, an inducement for tax-exempt bonds in the amount of \$29,300,000 will be requested via a CDLAC bond allocation application in March 2017, for consideration at CDLAC's May 2017 Allocation Meeting. The development team structured the project's financing to include a request of 9% LIHTC with no AHTF funds required. With the issuance of the tax-exempt bonds and success in obtaining the sources of financing, it is recommended that the project utilize its bond inducement commitment to compete for tax credits in 2016 Round 2 of the California Tax Credit Allocation Committee 9% LIHTC allocation round.

Prepared By: Los Angeles Housing and Community Investment Department

**STAFF REPORT
January 20, 2017**

**Westmore Linden
1250 S. Westmoreland Street
Los Angeles, CA 90006**

**New Construction
Council District No: 1**

PROJECT DESCRIPTION

The proposed project is phase one of a greater development that will include a total of 184 units of affordable housing on an approximate 1.75 acre site in the Koreatown/Pico Union neighborhood. Phase 1, the Westmore Linden will be located at 1250 S. Westmoreland Street, Los Angeles, CA 90006 and will consist of 93 affordable rental units for low and very low income families between 30% and 60% of AMI. 10% of all units will be reserved as Permanent Supportive Housing for homeless households. The project consists of 13 studios, 81 one-bedroom units, and 1 two-bedroom manager's unit.

The Westmore Linden will include a 1,347 sq. ft. community room with communal kitchen, a fitness center, computer room, laundry room, and two social services offices. Outdoor amenities include an approximate 2,725 sq. ft. courtyard with barbecue, tables and seating. Each unit will come with a complete kitchen with Energy Star appliances, full bathroom, and private balcony.

PROJECT FINANCE SUMMARY

The proposed financing is comprised of a conventional loan, tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC), and funds from the County of Los Angeles Department of Mental Health. The project has also received an operating subsidy in the form of Project-Based Section 8 VASH Vouchers from the Housing Authority of the City of Los Angeles (HACLA).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

West Hollywood Community Housing Corp is the developer. A limited partnership will be established as owner and operator of each phase. West Community Hollywood Housing Corp will be its sole and Managing General Partner.

PERMANENT FUNDING SOURCES

Source	Amount
Tax Credit Equity	24,284,364
Capital One	3,000,000
West Hollywood Community Housing	242,557
County of Los Angeles DMH	1,425,000
Total	\$28,951,921

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	40% AMI	50% AMI	60% AMI	Total
Studio	0	5	7	1		13
1 Bedroom	0	10	16	39	16	81
2 Bedroom	1	0	0	0	0	1
Total	1	15	23	40	16	95

FUNDING RECOMMENDATION

The project is not requesting funds from the AHTF and will compete for tax credits in 2017 Round 1 of the California Tax Credit Allocation Committee 9% LIHTC allocation round.

Prepared By: Los Angeles Housing and Community Investment Department