

## TRANSMITTAL

To:

**THE COUNCIL**

Date:

**'AUG 07 2013**

From:

**THE MAYOR**

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

*Eric Garcetti*

*by Bill*

**ERIC GAROETTI**  
Mayor



Eric Garcetti, Mayor  
Mercedes M. Márquez, General Manager

Housing Development Bureau  
1200 West 7th Street, 8th Floor, Los Angeles, CA 90017  
tel 213.808.8638 | fax 213.808.8610  
hcidla.lacity.org

August 6, 2013

Council File: C.F. # 13-0303  
Council District: Citywide  
Contact Person: Timothy Elliott / 213-808-8596  
Manuel Bernal / 213-808-8901

Honorable Eric Garcetti  
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 AND COMMUNITY INVESTMENT DEPARTMENT (HCIDLA), FORMERLY KNOWN AS THE LOS ANGELES HOUSING DEPARTMENT (LAHD), REQUEST FOR APPROVAL TO ISSUE LETTERS OF COMMITMENT FOR PROJECTS SELECTED THROUGH ROUND 2 OF THE 2013 AFFORDABLE HOUSING TRUST FUND (AHTF) NOTICE OF FUNDING AVAILABILITY (NOFA) AND VARIOUS ACTIONS RELATED TO THE AHTF**

**SUMMARY:**

The Los Angeles Housing and Community Investment Department (HCIDLA), formerly known as the Los Angeles Housing Department (LAHD), requests Mayor and Council approval to issue letters of commitment for seven affordable housing projects selected through Round 2 of the AHTF NOFA. These projects will then apply to the State of California Housing and Community Development Department (HCD) for additional funding under its Transit-Oriented Development (TOD) Housing Program. Authority is also requested that HCIDLA apply to HCD as a co-applicant with each of the project sponsors of the seven recommended developments, as applicable. In addition, HCIDLA requests authority to execute, on behalf of the City of Los Angeles, an Assignment and Assumption Agreement with the Community Redevelopment Agency of the City of Los Angeles – A Local Designated Authority (CRA/LA-DLA), for the transfer of the \$14.7 million Crenshaw/Mid-City Corridors Proposition 1C Infill Infrastructure Grant.

## **2013 Round 2 NOFA**

On April 18, 2013, HCIDLA received Mayor and City Council authority to release the 2013 AHTF NOFA and conduct up to three funding rounds. On July 5, 2013, HCIDLA announced the availability of \$10 million in funding for 2013 Round 2, and solicited proposals from project sponsors intending to apply to the State of California Housing and Community Development Department's Transit-Oriented Development (TOD) Housing Program in August 2013.

HCIDLA reviewed all proposals and now requests authority to issue \$10 million in commitments for the creation of 385 units of affordable housing in seven Transit-Oriented Developments. Round 2 commitments must be issued prior to the HCD TOD application deadline of August 14, 2013. In addition, due to HCD TOD regulations that exclusively designate public agencies as eligible grant applicants, it is required that HCIDLA apply as a co-applicant with each of the project sponsors identified in this report who are interested in pursuing infrastructure grants for their TOD projects.

A summary of the applications received and recommended is included as Attachment 1; staff reports for each project recommended to receive an AHTF commitment are included as Attachment 2, and a summary of AHTF financial activity is provided as Attachment 3.

## **Various Actions**

The \$14.7 million Crenshaw/Mid-City Corridors Proposition 1C Infill Infrastructure grant was originally awarded to the former CRA/LA to provide funding for affordable housing developments within the Project area as well as fund streetscape and infrastructure improvements. The transfer of the grant to the City was approved by the CRA/LA-DLA Governing Board and Oversight Board in 2012, and the City must effectuate the transfer by executing an Assignment and Assumption Agreement prior to August 15, 2013 in order to retain the grant proceeds (a copy of the Agreement is included as Attachment 4). For the streetscape and public infrastructure work, HCIDLA has been in discussions with the Metropolitan Transit Authority (MTA) regarding MTA's planned improvements along the Crenshaw/LAX Transit Corridor (the Blue Line extension). The various City departments, including HCIDLA, will continue to meet and negotiate with MTA the terms of a Memorandum of Understanding (MOU) for the use of approximately \$7 million of the grant proceeds and will present the final document to the Mayor and Council for approval at a later date.

## **RECOMMENDATIONS:**

The General Manager of the Los Angeles Housing and Community Investment Department (HCIDLA) respectfully requests that:

1. Your office schedule this transmittal at the next available meeting of the appropriate City Council committee 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 HCIDLA 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 Table 1 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 AHTF COMMITMENTS FOR  
TRANSIT-ORIENTED DEVELOPMENTS**

	Project Name	CD	Type	Units	AHTF Commitment	Jobs Created
1	1 <sup>st</sup> and Soto TOD Apts.	14	Family	49	959,600	204
2	5400 Hollywood Family Apts.	13	Family	40	650,000	139
3	Highland Park Transit Village	1	Family	60	1,725,083	283
4	Marmion Way Apartments	1	Veterans/ Family	49	1,533,928	167
5	The Paseo at Californian	1	Family	52	2,200,000	166
6	Santa Cecilia Apartments	14	Family	80	2,231,389	270
7	Washington 722 TOD	9	Family	55	\$700,000	178
	<b>TOTAL</b>			<b>385</b>	<b>\$10,000,000</b>	<b>1,407</b>

- B. Negotiate and execute an acquisition/predevelopment/construction/permanent loan agreement for each project identified in Table 1 that receives a funding award from its respective leveraging source, subject to the satisfaction of all conditions and criteria stated in the AHTF application, this transmittal, and HCIDLA's Letter of Commitment; subject to approval by the City Attorney as to form;
- C. Execute subordination agreements for each of the projects in Table 1 above, wherein the City loan and regulatory agreements 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;
- E. Apply for an infrastructure grant from the State of California Housing and Community Development Department (HCD) Transit-Oriented Development (TOD) Housing Program as a co-applicant with each of the project sponsors for the seven projects listed in Table 1 of this report, as applicable;

- F. Enter into negotiations with HCD, if necessary, in order to finalize the grant budgets, proposed accomplishments, or other related details of the grant agreements;
  - G. Execute grant agreements, any amendments thereto, and any other documents necessary between HCD and the City of Los Angeles for the disbursement of the TOD grant funds;
  - H. Negotiate and execute TOD pre-development/construction/permanent loan agreements, separately or as part of the AHTF loan agreements, with the sponsor of each of the projects listed in Table 1 of this report, on the condition that the sponsor successfully obtains a TOD loan, and subject to approval of the City Attorney as to form;
  - I. Accept the grants and receive deposits and/or reimbursements from the TOD Program in amounts to be determined, and deposit the funds into the Funds and Accounts to be established for each project;
  - J. 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;
  - K. 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 transactions related to this report;
  - L. Execute the attached Assignment and Assumption Agreement for the Crenshaw/Mid-City Corridors Infill Infrastructure Grant between the City of Los Angeles and the CRA/LA-DLA, in the amount of \$14,677,920.
3. The General Manager also requests that the City Council, subject to the approval of the Mayor, authorize the City Controller to:
- A. Allocate and expend funds from the following funds and accounts for the AHTF 2013 Round 2 projects below:

<u>Project</u>	<u>Fund</u>	<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
1 <sup>st</sup> and Soto TOD Apts.	561/43	43C212	AHTF	\$959,600.00
5400 Hollywood Family Apts.	561/43	43C212	AHTF	\$650,000.00
Highland Park Transit Village	561/43	43C212	AHTF	\$1,725,083.00

Marmion Way Apts.	561/43	43C212	AHTF	\$1,533,928.00
The Paseo at Californian	561/43	43C212	AHTF	\$773,621.00
	561/43	43F212	AHTF	<u>1,426,379.00</u>
				\$2,200,000.00
Santa Cecilia Apts.	561/43	43F212	AHTF	\$1,073,621.00
	561/43	43G212	AHTF	842,425.37
	561/43	43H212	AHTF	1,529.91
	561/43	43J007	AHTF	<u>313,812.72</u>
				\$2,231,389.00
Washington 722 TOD	561/43	43J007	AHTF	\$700,000.00
<b>TOTAL</b>				<b>\$10,000,000.00</b>

B. Establish a new interest bearing Fund No. XXX Crenshaw/Mid-City Corridors Prop 1C-CRA for receipts and disbursement of the housing proceeds from Crenshaw/Mid-City Corridors Prop 1C-CRA in the amount of \$14,677,920.00, to be administered by HCIDLA;

C. Establish a new account and appropriate within Crenshaw/Mid-City Corridors Prop 1C-CRA Fund No. XXX in the amount of \$14,677,920.00:

<u>Account No.</u>	<u>Account Name</u>	
43K009	Crenshaw/Mid-City Corridors Prop 1C-CRA	\$14,677,920.00

D. Expend funds, not to exceed \$14,677,920.00, upon proper written demand from the General Manager, HCIDLA, or designee;

E. Establish a grants receivable of \$14,677,920.00 for the expected receipt of funds for the Crenshaw/Mid-City Corridors.

## **BACKGROUND:**

### **2013 Round 2 AHTF NOFA**

As mentioned in the Summary section of this report, the Mayor and Council authorized HCIDLA to release the 2013 AHTF NOFA in April 2013, with approval to issue up to three funding rounds. During HCIDLA's review of the Round 1 AHTF applications, HCD announced the availability of \$60 million in TOD funds statewide, with no less than \$27 million allocated for projects located in Southern California. The HCD TOD funds will provide permanent financing for the development of housing projects and for infrastructure necessary for the development of

higher density uses within close proximity to qualifying transit stations, or to facilitate connections between proposed developments and corresponding transit stations. The initial deadline was July 31, 2013 but was extended to August 14, 2013.

The extension of the TOD NOFA deadline afforded HCIDLA the opportunity to pursue the one-time availability of state TOD funds and as a result, the Round 2 NOFA was released. In doing so, HCIDLA aligned its affordable housing funding program with one of the key goals of the City's first Transit-Oriented Consolidated Plan, which is to maximize the region's investment in transit by leveraging multiple resources, including housing resources, to transform low-income neighborhoods. On July 5, 2013, the AHTF announced the availability of \$10 million for projects meeting HCD TOD funding requirements and opened the application period with a deadline of July 22, 2013.

Projects submitted under the NOFA were to be structured to leverage HCD TOD funds and could be comprised of 9% Low Income Housing Tax Credits (LIHTC), 4% LIHTC with tax-exempt bonds, or other committed public or private sources. A total of nine applications were received, requesting \$27.7 million in funding. All eligible applications were reviewed and scored by HCIDLA staff using criteria and guidelines approved by the Mayor and Council as outlined in the NOFA.

Projects were evaluated according to: 1) the lowest ratio of calculated gap financing relative to the maximum eligible HCIDLA loan amount, including all eligible boosts; and, 2) in accordance with the evaluation criteria of the proposed leveraging source.

#### Recommended Projects and Funding Sources

Based on HCIDLA's evaluation of the proposals received, AHTF Letters of Commitment are recommended for the seven NOFA projects listed in Table 1 of this report. The projects comprise \$10,000,000 in AHTF funding and will be eligible to apply to HCD for TOD loans. However, in order to obtain infrastructure funds through the TOD Program, developer/project sponsors must co-apply with a municipal agency for a TOD *grant*, with the municipal agency as the applicant of such grants.

While housing developers may apply for TOD loans, various sections of the HCD TOD NOFA and application documents exclusively identify eligible grant applicants as a City, County, Transit Agency or City and County. Specifically, Section 105 of the TOD Housing Program Third Round Guidelines states:

"The maximum Program rental housing development loan ("TOD loan") amount awarded for a single Housing Development or to a single housing developer applicant, including any affiliates of such applicant, will be \$4 million. The maximum Program infrastructure grant ("TOD grant") awarded to a locality or transit agency applicant for an eligible Infrastructure Project will be \$4 million. However, a single Project may be awarded up to a total maximum amount of \$8

million through the combination of a TOD loan for the Housing Development awarded to a single housing developer and a TOD grant for the Infrastructure Project supporting the Housing Development awarded to the locality or transit agency. A housing developer and locality or transit agency may elect to jointly apply for a TOD loan and a TOD grant and will then be considered co-applicants.”

Project sponsors with AHTF awards that are eligible to apply for an HCD TOD loan, are also interested in pursuing TOD grants to fund the infrastructure improvements of their proposed projects, therefore HCIDLA must be named as a co-applicant on the grant applications. It is therefore requested that HCIDLA be authorized to execute the appropriate application documents as a co-applicant with each of the seven sponsors who wish to apply for TOD infrastructure grants upon receipt of an AHTF award.

For each recommended project that obtains an award of HCD TOD funding and plans to apply to the California Tax Credit Allocation Committee (TCAC) for a 9% LIHTC allocation, HCIDLA will ensure that the project receives the appropriate LIHTC allocation by exercising its authority in the upcoming 9% LIHTC round to oppose any project that did not receive a City commitment. This authority was previously granted by the Mayor and Council and will be exercised in the round(s) in which the 2013 Round 2 projects will compete.

### **Various Actions**

HCIDLA requests authority to implement actions related to the transfer of a Proposition 1C grant previously awarded to the former CRA/LA. These actions include the execution of an Assignment and Assumption Agreement between HCIDLA (on behalf of the City of Los Angeles) and the CRA/LA-DLA, for the Crenshaw/Mid-City Corridors Infill Infrastructure Grant and the execution of a Deed in Lieu of Foreclosure with Meta Housing Corporation (Meta) for the Buckingham Phase II project.

#### **Assignment of the Proposition 1C Crenshaw/Mid-City Corridors Infill Infrastructure Grant**

In 2006, California voters approved Proposition 1C, which funded and created several new housing-related grant programs. One of the programs was the Proposition 1C Infill and Infrastructure Area Grant (IIG). The former CRA/LA submitted a grant application for the contiguous portions of the Mid-City Recovery Redevelopment Project Area and the Crenshaw Amended Redevelopment Project Area, which served as the Qualifying Infill Area (QIA) under the definitions of the IIG program. To meet the grant obligations regarding new affordable housing units, various housing developments located within the QIA were included in the IIG's Project Scope of Work: Rosa Parks Villas, Buckingham Seniors Phases I and II, and Jefferson Boulevard and 5<sup>th</sup> Avenue Apartments.

In 2009, the Crenshaw/Mid-City Corridors Infill and Infrastructure Area Project (Project) received an award of \$14,677,920. The Project consists of on- and off-site public infrastructure



improvements for eligible housing developments, including but not limited to demolition, grading, utilities, parking structures and off-site improvements totaling approximately \$7 million. The remaining \$7 million of the grant is allocated for public improvements in target areas identified within the Project, such as sidewalk and crosswalk repairs and modifications (including modifications to accommodate bicyclists), ADA improvements, and pedestrian shelters that are designed to enhance crossing opportunities and safe access to transit stations, provide pedestrian refuge areas and protection, and offer a connected bikeway network for an improved livable and walkable community. HCIDLA has been in negotiations with MTA regarding the public improvements, which will be incorporated into MTA's engineering plans for the Crenshaw/LAX Transit Corridor, also known as the Blue Line extension.

Subsequent to the grant award, the CRA/LA was dissolved and the CRA/LA-DLA was formed to serve as the successor agency of the former CRA/LA. All property and assets of the former agency, including the rights to the grant, were transferred to the control of the CRA/LA-DLA. In order to preserve the value of the grant to fund the Project's infrastructure improvements and because of the need for ongoing, active management of the grant through June 30, 2017, it was mutually agreed that the CRA/LA-DLA would assign, and HCIDLA would assume, the rights, title, interests and obligations to the grant.

On June 21, 2012 and July 12, 2012, respectively, the Governing Board and the Oversight Board of the CRA/LA-DLA authorized the assignment of the grant. The final approval needed in order to effectuate the transfer was Mayor and Council approval of the City's assumption of the grant.

On July 15, 2013, the CRA/LA-DLA transmitted a correspondence to HCIDLA stating that unless the City took appropriate action to proceed with the assignment of the grant, the CRA/LA-DLA would notify HCD on August 15, 2013 that a final payment to the developer of the Jefferson Boulevard and 5<sup>th</sup> Avenue project would be the last activity by the CRA/LA-DLA on the grant and any remaining grant proceeds would be available for reprogramming by HCD.

It is therefore recommended that HCIDLA, on behalf of the City of Los Angeles, be authorized to effectuate the transfer by executing the Assignment and Assumption Agreement for the Crenshaw/Mid-City Corridors Infill Infrastructure Grant; a copy of the Agreement is provided as Attachment 4. Upon execution of the Assignment and Assumption Agreement, HCIDLA will conclude negotiations for an MOU between the City of Los Angeles and MTA in the amount of \$7.7 million for the aforementioned public improvements in the Project's targeted areas. HCIDLA will present the MOU to the Mayor and Council for approval once the document is finalized.

#### Deed in Lieu of Foreclosure – Buckingham Phase II

Under the terms of the IIG agreement for the Crenshaw/Mid-City Corridors Infill and Infrastructure Area Project, the grantee must provide a total of 299 affordable housing units, of which 295 are to be restricted in their affordability levels to accommodate households whose incomes range between 30 and 80 percent of the Average Median Income for the Los Angeles-

Long Beach-Santa Ana Metropolitan Statistical Area; therefore, in assuming the grant, the City is required to meet this obligation. To date, the Rosa Parks Villas Phase I and Buckingham Seniors Phase I projects are complete and the Jefferson Boulevard and 5<sup>th</sup> Avenue project is currently in construction, which accounts for 170 units toward the 299 unit requirement, leaving 129 units to be developed.

The Buckingham Phase II project, with a proposed 110 units of affordable housing for seniors, will bring the City closer to meeting the grant's affordable housing requirement. The site was transferred to the former CRA/LA through a foreclosure and mediation process when the original developer defaulted on the CRA/LA and senior debt prior to the completion of Phase I. As part of the foreclosure settlement, the Phase II parcel was encumbered by a first deed of trust from the senior lender, Hanmi Bank, which secured Hanmi's note in the outstanding principal amount. The remainder of Hanmi's note was purchased at a discounted rate by Meta, the developer chosen by the City to complete Phase I. In doing so, Meta assumed the first deed of trust on the Phase II property and had begun plans to construct 110 affordable housing units. Meanwhile, the transfer of the parcel from the CRA/LA-DLA to HCIDLA was pending approval by the State Department of Finance (DOF). HCIDLA and Meta agreed that if the transfer of the parcel to HCIDLA occurred prior to Meta effectuating a non-judicial foreclosure, Meta would cease the foreclosure proceedings and pursue a Deed in Lieu of Foreclosure.

On July 12, 2013, the DOF authorized the transfer of the Buckingham property housing asset from CRA/LA-DLA to HCIDLA, and as agreed, Meta has begun working with HCIDLA to pursue a Deed in Lieu of Foreclosure for the purposes of illustrating site control for the upcoming HCIDLA Managed Pipeline Initial Call for Projects, and to submit an application to the Planning Department to secure the necessary entitlements for the project.

If Meta is awarded a 9% tax credit allocation, it is anticipated that the Buckingham Phase II project can be developed without additional City funds while furthering the City's goal in meeting the affordable housing requirement of the grant.

#### **FISCAL IMPACT STATEMENT:**

HCIDLA's proposed actions total \$10 million in HOME funds for seven affordable housing projects consisting of 385 units.

Prepared by:

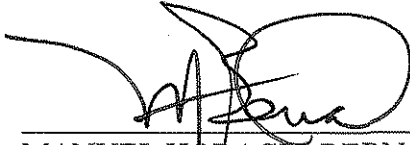


LISA SHINSATO  
Management Analyst



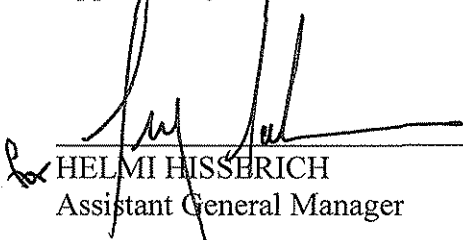
TIMOTHY S. ELLIOTT  
Manager, Affordable Housing Trust Fund

Reviewed by:



MANUEL HORACIO BERNAL  
Director of Housing

Approved by:



HELMI HISSERICH  
Assistant General Manager



RUSHMORE D. CERVANTES  
Executive Officer



MERCEDES MÁRQUEZ  
General Manager

Attachments:

- 1) 2013 Round 2 AHTF Project Summary
- 2) 2013 Round 2 AHTF Staff Reports
- 3) AHTF Summary of Activity
- 4) Assignment and Assumption Agreement between CRA/LA-DLA and the City of Los Angeles for the Crenshaw/Mid-City Corridors Infill Infrastructure Grant

## SUMMARY OF APPLICATIONS RECEIVED AND PROJECTS RECOMMENDED

ATTACHMENT 1

ProjectName	CD	Total Units	ApplicantName	Leverage Source	LAHD AHFF Amount	Maximum LAHD Subsidy	LAHD Score %	Call For Projects Point Score	LAHD Amount Available	TOD Amount Requested	TOD Amount Available (45% of \$60M)	IIG/MHP Amount Requested	IIG Amount Available (45% of \$70M)	TOD Proximity	TDC	PER UNIT COST
1 Washington 722 TOD	9	55	Meta Housing Corporation	Prop 1C - 9% LIHTC	\$ 700,000	\$ 5,882,733	11.899%	91	\$ 9,300,000	\$ 3,400,000	\$ 23,600,000	\$ 2,883,806	\$ 28,816,194	Blue Line	\$ 22,873,797	\$ 415,887
2 5400 Hollywood Family Apartments	13	40	Meta Housing Corporation	Prop 1C - 9% LIHTC	\$ 650,000	\$ 4,132,744	15.728%	106	\$ 8,650,000	\$ 2,793,345	\$ 20,806,655	\$ 2,090,912	\$ 26,725,282	Red Line	\$ 17,338,315	\$ 433,458
3 1st and Soto TOD Apartments	14	49	East LA Community Corporation	Prop 1C - 9% LIHTC	\$ 959,600	\$ 4,794,653	20.014%	99	\$ 7,690,400	\$ 2,310,405	\$ 18,496,250	\$ 2,262,136	\$ 24,463,146	Gold Line	\$ 22,281,375	\$ 454,722
4 Santa Cecilia Apartments	14	80	Santa Cecilia Apartments Limited Partnership	Prop 1C - 9% LIHTC	\$ 2,231,389	\$ 8,203,091	27.202%	80	\$ 5,459,011	\$ 2,850,000	\$ 15,646,250	\$ 1,600,000	\$ 22,863,146	Gold Line	\$ 29,729,369	\$ 371,617
5 Highland Park Transit Village	1	60	McCormack Baron Salazar, Inc.	Prop 1C - 9% LIHTC	\$ 1,725,083	\$ 6,215,887	27.753%	97	\$ 3,733,928	\$ 5,285,000	\$ 10,361,250	\$ -	\$ 22,863,146	Gold Line	\$ 30,058,063	\$ 500,968
6 The Paseo at Californian	1	52	The Californian Partners, L.P.	Prop 1C - 4% LIHTC/ Tax-Exempt Bonds	\$ 2,200,000	\$ 5,263,356	41.798%	109	\$ 1,533,928	\$ 2,200,000	\$ 8,161,250	\$ 2,600,000	\$ 20,263,146	Red Line	\$ 20,079,981	\$ 386,153
7 Marmion Way Apartments	1	49	Los Angeles Marmion Partners LP/ Palm Communities	Prop 1C - 4% LIHTC/ Tax-Exempt Bonds	\$ 3,856,369	\$ 4,786,194	80.573%	111	\$ (2,322,441)	\$ 4,000,000	\$ 4,161,250	\$ 4,850,000	\$ 15,413,146	Gold Line	\$ 19,956,894	\$ 407,284
8 Vermont TOD	13	99	AMCAL Multi-Housing, Inc.	Prop 1C - 9% LIHTC	\$ 5,780,423	\$ 10,291,945	85.314%	77	\$ (11,102,864)	\$ 4,000,000	\$ 161,250		\$ 15,413,146	Red Line	\$ 43,509,219	\$ 439,487
9 Selma Community Housing	13	66	Abode Communities	Prop 1C - 4% LIHTC/ Tax-Exempt Bonds	\$ 6,687,236	\$ 6,723,570	99.162%	133	\$ (17,770,100)	\$ 4,000,000	\$ (3,838,750)	\$ -	\$ 15,413,146	Red Line	\$ 32,348,555	\$ 490,130

# **ATTACHMENT 2**

## **STAFF REPORTS**

## **STAFF REPORT**

**July 30, 2013**

**1st and Soto TOD Apartments  
2407 - 2421 East First Street  
Los Angeles, CA 90033**

**New Construction  
Council District No: 14**

### **PROJECT DESCRIPTION**

1st and Soto TOD Apartments will be a new construction of 50-unit mixed-use residential and commercial development located in the Boyle Heights community of Los Angeles. The project site is 22,400 square feet will be approximately 65,076 square feet mixed-use and a transit oriented development, type I construction, and includes 5,000 square feet of commercial and 50 units of affordable housing for low income families.

The residential component will provide 30 one-bedroom /1 bath (640 SF Gross), 4 two-bedroom/ 1 bath (830 SF Gross), and 16 three-bedroom/ 2 baths(10,55 SF Gross). There will be 61 parking spaces for the project, comprising of 49 spaces for residential use on one level, and 14 spaces commercial use on the other. The project will have a 1,200 square feet of community room, 300 square feet of computer room and 4,000 square feet of common open space, which includes a 200 square feet of balcony on the 2nd floor outside the community room overlooking 1st Street.

1st and Soto TOD Apartments is located at the Northeast quadrant of the 1st and Soto Street intersection, in the heart of Boyle Heights. It is also situated diagonally opposite LA Metro Gold Line Light Rail Soto Street station. The site is comprised of three parcels, all zoned, commercial C-2, and totaling 22,400 Square Feet. The site faces 1st Street and is bounded by 1st Street to the east, two alleys north of 1st Street, one of which runs along the back of the site parallel to 1st Street and exists to both Soto Street and Mathews Street, and a second alley that intersects the first, which exists to Michigan Ave. In addition, Soto Street is the main cross street that runs north and south of 1st Street. 1st and Soto TOD Apartments is nestled between commercial properties; to the west of site on the northeast corner of 1st Street and Soto Street are three business that provide check cashing, beauty salon, and automotive body and repair services. To the east of property on 1st Street is a business that operates primarily in tax return services and a corner store.

### **PROJECT FINANCE SUMMARY**

The sponsor will apply for Transit Oriented Development (TOD) and Infill Infrastructure Fund Grant (IIG) Funds from the California Department of Housing and Community Development. Construction and Permanent Conventional loans will be provided through CCRC. These funds would be leveraged with 9% low-income housing tax credit equity from Enterprise and financing from the Housing and Community Investment Department of Los Angeles, (HCID). The sponsor intends to apply for 9% low-income housing tax credit allocation in spring of 2014.

## BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The development sponsor is East Los Angeles Community Corporation (ELACC), a California nonprofit public benefit corporation that was established in 1995. ELACC will act as the sole General Partner when it later forms the "1<sup>st</sup> and Soto TOD Apartments Limited Partnership" (LP). ELACC will later admit a tax credit investor into its LP structure.

## FUNDING SOURCES

Sources	Permanent
Permanent Loan	\$ 836,000
HCD TOD Grant	2,310,405
HCD IIG Grant	2,262,136
Tax Credit Equity	15,711,237
LAHD Existing loan	201,997
LAHD (HOME)	959,600
Total	\$ 22,281,375

## AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	50% AMI	40% AMI	30% AMI	Total
1 Bedroom		10	4	16	30
2 Bedroom	1	1	1	1	4
3 Bedroom		9	5	2	16
Total	1	20	10	19	50

## PROJECTED SCORING ANALYSIS (TOD)

<u>Criterion</u>	<u>Max. Points</u>	<u>Point Award (TOD)</u>
Extent Project will increase public ridership	90	85
Location in Designated infill or TOD	60	60
Affordability	30	30
Transit supportive land use	20	20
Extent incorporates Walkability & Bicycle	30	30
Parking	40	40
Readiness	38	38
Leverage	15	15
Developer Experience	30	30
Adopted Economic Plan	10	10
Qualified Employment Areas	30	30
Total	393	388

**FUNDING RECOMMENDATION**

An AHTF funding commitment of up to \$959,600 is recommended. It is anticipated that the project will be awarded TOD funding. LAHD funds will represent \$19,192 per unit or approximately 4.3% of the total development cost. The LAHD commitment will be leveraged with HCD TOD and IIG Funds, equity from 9% low income housing tax credits, and a conventional loan.

Prepared By: Mariano Napa, Finance Development Officer  
Housing & Community Investment Department of Los Angeles

Date: 7/31/2013



## **STAFF REPORT**

**July 31, 2013**

### **5400 Hollywood Family Apartments**

**5400 W Hollywood Blvd**

**Los Angeles, CA 90027**

### **New Construction**

**Council District No: 13**

#### **PROJECT DESCRIPTION**

5400 Hollywood Family Apartments will be a multifamily housing project in the Vermont/Western Transit Oriented District. The proposed project entails the new construction of forty (40) units, which will consist of twenty (20) one- bedroom units, eight (8) two-bedroom units, twelve (12) three-bedroom units of which one (1) two-bedroom will be a manager's unit. The complex will consist of five stories with 66,280 square feet of building space, common areas and 46 at grade and subterranean parking spaces. Community space will include a lobby, management and services offices, laundry rooms, a community room and kitchen, computer lab and a roof deck.

#### **PROJECT FINANCE SUMMARY**

The financing will be comprised of a permanent loan from CCRC, Transit Oriented Development (TOD) funds, Infill Infrastructure Grant (IIG) funds, deferred developer funds, tax credit equity; in addition to Affordable Housing Trust Fund (AHTF) funds. The applicant will apply for 9% low income tax credits.

#### **BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The property is presently owned by Hollywood Serrano, LLC. Meta Housing Corporation has site control. 5400 Hollywood Family Apartments, L.P. will be the borrower. 5400 Hollywood Family Apartments, LLC is the current General Partner of the partnership with 99.99% interest of the partnership. A qualified 501 (c) (3) non-profit organization will be admitted as the managing general partner and 5400 Hollywood Family Apartments, LLC will remain as administrative general partner. John M. Huskey is the temporary limited partner and has 0.01% interest of the partnership. Once a tax credit investor has been selected, it will replace John M. Huskey as the limited partner.

#### **FUNDING SOURCES-PERMANENT**

<b>Sources</b>	<b>Amount</b>
HCID AHTF	\$ 650,000
Bank Permanent Loan (CCRC)	\$ 795,000
HCD TOD	\$ 2,793,345
HCD IIG	\$ 2,090,912
Deferred Developer Fee	\$ 581,549
Tax Credit Equity	\$10,427,509
<b>Total</b>	<b>\$ 17,338,315</b>

### AFFORDABILITY STRUCTURE

Unit Type	20% AMI	30% AMI	40% AMI	45% AMI	50% AMI	55% AMI	Mgr.	Total
1 Bedroom	4	0	0	0	3	13	0	20
2 Bedroom	0	2	4	1	0	0	1	8
3 Bedroom	0	2	0	3	1	6	0	12
Total	4	4	4	4	4	19	1	40

### PROJECTED SCORING ANALYSIS (TOD)

<u>Criterion</u>	<u>Max. Points</u>	<u>Point Award (TOD)</u>
Extent Project will increase public ridership	90	90
Location in Designated infill or TOD	60	60
Affordability	30	30
Transit supportive land use	20	20
Extent incorporates Walkability & Bicycle	30	30
Parking	40	40
Readiness	38	38
Leverage	15	15
Developer Experience	30	30
Adopted Economic Plan	10	10
Qualified Employment Areas	30	30
<b>Total</b>	<b>393</b>	<b>393</b>

### FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$650,000 is recommended. It is anticipated that the project will receive TOD funds. AHTF will represent \$16,250 per unit and 4% of the total development cost. AHTF is leveraged with conventional financing and 9% low income tax credits.

Prepared by: Los Angeles Housing Department

**Highland Park Transit Village  
July 31, 2013**

**5712 Marmion Way  
Los Angeles, CA 90042**

**New Construction  
Council District No. 1**

**PROJECT DESCRIPTION**

The Highland Park Transit Village Project (HPTV) consists of 3 separate sites currently owned by the Department of Transportation (LADOT) and operated as surface parking lots used for public parking. The sites are immediately adjacent to the Metro Gold Line Highland Park Station. The proposed development is a joint public and private development with residential use and public parking use. The applicant has executed a Joint Development Agreement with the City of Los Angeles Housing Department and Department of Transportation which calls for the applicant and the City to enter into ground lease with a maximum term of 99 years. The scope of work for this funding application consists of only Sites 2 and 3, which will result in a total of 60 units, 59 of which are affordable rental housing for low income families and 1 unrestricted rental unit for the on-site property manager.

The HPTV is designed to offer a combination of high quality, energy efficient flats and townhomes for families. At least 30% of the units are designed as 3-Bedroom units for large families. Unit sizes on average are approximately 665 square feet for 1-Bedroom units, 1,000 square feet for 2-Bedroom units and 1,200 square feet for 3-Bedroom units. Unit amenities will include central air and heating, refrigerator, stove, garbage disposal, dishwasher, washer and dryer, blinds, and free high speed internet access. The project will also feature a 1,500 square foot community room with lounge area that will be available for residents to host private events, community building activities and serve as a space for social service providers. In addition, there will be 1,430 square feet of administrative offices for property management. The community room is 2 stories and opens onto a courtyard with a children's play area, raised planters with accent trees, and outdoor seating with a barbecue grill. The 4 story brick building consists of three stories of units that wrap around the courtyard. Bicycle parking is provided throughout the site and in a bicycle storage room adjacent to the community room. A total of 60 parking spaces for bicycles will be provided, one for each residential unit.

**PROJECT FINANCE SUMMARY**

The financing proposal assumes conventional construction and permanent funding as well as loans from the Affordable Housing Trust Fund and the California Department of Housing and Community Development (HCD) Prop 1C funds. The proposal also anticipates receiving tax credit equity from the California Low Income Housing Tax Credit program.

**BORROWER**

The applicant, as well as the Developer is McCormack Baron Salazar, Inc., a for-profit corporation, The General Partner is New Economics for Women, a non-profit public benefit organization. The borrowing entity will be HPTV Apartments, L.P.

## PERMANENT FUNDING SOURCES

Bank of America	\$ 2,250,000
HCD Prop IC	\$ 2,300,000
HCD Prop IC TOD Grant	\$ 2,985,000
LAHD - AHTF	\$ 1,725,083
Deferred Developer Fee	\$ 600,000
Tax Credit Equity	\$20,197,980
<b>Total</b>	<b>\$30,058,263</b>

## AFFORDABILITY STRUCTURE

Unit type	Mgrs	60% AMI	50% AMI	45% AMI	40% AMI	35% AMI	30% AMI	TOTAL
1 Bedroom	1	0	1	1	1	1	1	6
2 Bedroom	0	21	3	3	3	3	3	36
3 Bedroom	0	8	2	2	2	2	2	18
Total	1	29	6	6	6	6	6	60

## PROJECTED SCORING ANALYSIS (TOD)

Criterion	Max. <u>Points</u>	Point <u>Award</u> <u>(TOD)</u>
Extent Project will increase public ridership	90	90
Location in Designated infill or TOD	60	55
Affordability	30	30
Transit supportive land use	20	20
Extent incorporates Walkability & Bicycle	30	30
Parking	40	40
Readiness	38	38
Leverage	15	15
Developer Experience	30	30
Adopted Economic Plan	10	10
Qualified Employment Areas	30	30
<b>Total</b>	<b>393</b>	<b>388</b>

## FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$1,725,083 is recommended. It is anticipated that the project will be awarded TOD funding. LAHD funds will represent \$28,751 per unit or approximately 5.7% of the total development cost. The LAHD commitment will be leveraged with 9% low income housing tax credits, the HCD Funds, and conventional financing.

Prepared by: Rick Tonthat  
 Los Angeles Housing Department

## **STAFF REPORT**

**July 30, 2013**

**Marmion Way apartments  
3500 North Marmion Way  
Los Angeles, CA 90065**

**New Construction  
Council District No: 1**

### **PROJECT DESCRIPTION**

The Marmion Way Apartments project is new construction of a single building that includes 49 units and is located in the Cypress Park neighborhood of Los Angeles adjacent to the Heritage Square stop of the Metro Gold Line. The design of the complex was developed in conjunction with contacts from the nearby Heritage Square Board as well as the Highland Park Historic Trust. Direction to the design team from these neighborhood groups was to include elements that evoke the historic heritage of the area while not replicating a specific historic style. The resulting design includes elements sensitive to the surrounding community and provides a strong visual statement to set the tone for the adjacent rail station. Note that building details were considered for both the front and the rear building elevations since an important view of the building will be from passing trains. The complex includes 31 one-bedroom, 10 two-bedroom and 8 three-bedroom units. Building square footage is over 52,000 square feet.

The Marmion Way Apartments includes 24 units intended for veterans with dependent children who qualify for project-based HUD-VASH Vouchers in one- and two-bedroom sizes. The remaining 24 units in one-, two- and three-bedroom sizes are affordable for families with leasing preference given to veterans to the extent allowed by Fair Housing laws. The partnership of Palm Communities and PATH Ventures recognized the vast unmet need for permanent supportive housing units to serve veterans in larger unit sizes and has developed this plan to leverage HUD-VASH voucher resources along with low income housing tax credits to address the need. The site was selected due to its proximity to the nearby Veterans Affairs Ambulatory Care Center located at 351 East Temple Street in Los Angeles. This service facility providing a vast array of services for veterans is four miles by car or three train stops by rail away.

### **PROJECT FINANCE SUMMARY**

The sponsor will apply for Transit Oriented Development (TOD) and Multi-family Housing Program (MHP) Funds from the California Department of Housing and Community Development. Construction and permanent financing will be provided through JP Morgan Chase Bank, NA tax-exempt bond financing, and funds from the Affordable Housing Trust Fund (AHTF) program. These funds would be leveraged with 4% low-income housing tax credit equity from an investor.

### **BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The current owner of the property is Marmion Court, LLC. The proposed borrower and property owner will be Los Angeles Marmion Partners, L.P., a California limited partnership. The borrower is comprised of PATH Ventures as the Managing General Partner, and PC Los Angeles Marmion Developers LLC as the Administrative General Partner.

## FUNDING SOURCES

Sources	Permanent
Bond Proceeds	\$ 1,300,000
HCD TOD Grant	4,000,000
HCD MHP Loan	4,850,000
Tax Credit Equity	6,872,966
Deferred Developer Fees	1,400,000
LAHD (HOME)	1,533,928
Total	\$ 19,956,894

## AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	50% AMI	25% AMI	Total
1 Bedroom		11	20	31
2 Bedroom	1	5	4	10
3 Bedroom		8	0	8
<b>Total</b>	<b>1</b>	<b>24</b>	<b>24</b>	<b>49</b>

## PROJECTED SCORING ANALYSIS (TOD)

<u>Criterion</u>	<u>Max. Points</u>	<u>Point Award (TOD)</u>
Extent Project will increase public ridership	90	85
Location in Designated infill or TOD	60	60
Affordability	30	30
Transit supportive land use	20	20
Extent incorporates Walkability & Bicycle	30	30
Parking	40	40
Readiness	38	38
Leverage	15	15
Developer Experience	30	30
Adopted Economic Plan	10	10
Qualified Employment Areas	30	30
<b>Total</b>	<b>393</b>	<b>388</b>

## FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$1,533,928 is recommended. It is anticipated that the project will be awarded TOD funding. LAHD funds will represent \$31,305 per unit or approximately 7.68% of the total development cost. The LAHD commitment will be leveraged with HCD TOD and MHP Funds, equity from 4% low income housing tax credits, and tax-exempt bond proceeds.

Prepared By: James Bloor, Finance Development Officer  
Housing & Community Investment Department of Los Angeles

Date: 7/30/2013

## **STAFF REPORT**

**July 31, 2013**

**The Paseo at Californian  
1907 West Sixth Street  
Los Angeles, CA 90057**

**New Construction  
Council District No: 1**

### **PROJECT DESCRIPTION**

The proposed project entails the new construction of 53 residential units consisting of twenty-six one-bedroom, eleven two-bedroom, and sixteen three-bedroom units for large families. The Paseo at Californian meets the criteria of the City and State's Transit Oriented Development emphasis as it is located less than ¼ mile (walkable route) and within a ½ mile radius of the Westlake/MacArthur Park Metro Red Line. The project was designed to integrate into the area and blend with the architecture of the adjacent properties. The new building will have a Spanish design and will have five residential floors and subterranean and on grade parking. The building is configured in a U-shape enclosing an inner courtyard sanctuary. There is also a separate landscaped rear yard. The wrought iron railings, ceramic tile roof and overall mission style of the building fit its context both architecturally and historically. Amenities, including energy efficient appliances and air conditioning, will be provided in all units. In addition, each unit will be provided with free high-speed internet service. A spacious 1,347 square foot community room (with free internet service), lobby area and laundry room will be provided. The community room will have an open airy feel so it can be actively utilized by offering programs, cultural events, and educational classes for the residents. These facilities will also be available by appointment for neighborhood community meetings. There will be a play area for children in the courtyard. The complex will be located in the Westlake Recovery Redevelopment area.

### **PROJECT FINANCE SUMMARY**

The sponsor will apply for Transit Oriented Development (TOD) funds and the City will co-apply for the Infill Infrastructure Grant (IIG) funds from the California Department of Housing and Community Development under the TOD program. Construction and permanent financing will be provided through Wells Fargo tax-exempt bond financing, a City loan, and funds from the Affordable Housing Trust Fund (AHTF) program. These funds would be leveraged with the low-income housing tax credit equity from Credit Capital, LLC and financing from the Community Development Commission of the County of Los Angeles (CDC). The sponsor intends to apply for 4% low-income housing tax credits.

### **BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

The property is currently under contract and will be owned and operated by The Californian Partners, L.P., a California limited partnership (the "Partnership").

Central Valley Coalition for Affordable Housing ("Central Valley") is the managing general partner of the Partnership. Central Valley is a California non-profit public benefit 501(c)(3) corporation and City certified CHDO, with a 0.5% general partner interest in the Partnership. The Californian Developers, LLC, the administrative general partner of the Partnership, is a California limited liability company, owning the remaining 0.5% general partner interest. The 99% limited partner interest is being held by The Californian Developers, LLC until such time as the equity investor is admitted to the Partnership.

## FUNDING SOURCES

Sources	Permanent
Permanent Loan	2,570,000
TOD Funds	3,791,330
CDC Loan	1,100,000
Tax Credit Equity	6,839,913
Deferred Developer Fees	617,100
HCD/City of LA -IIG	2,600,000
HCID (HOME)	2,200,000
HCID(Housing Funds)	361,417
Total	\$20,079,760

## AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	60% AMI	50% AMI	40% AMI	35% AMI	Total
1 Bedroom		12	7	6	1	26
2 Bedroom	1	3	2	3	2	11
3 Bedroom		6	3	4	3	16
Total	1	21	12	13	6	53

## PROJECTED SCORING ANALYSIS (TOD)

<u>Criterion</u>	<u>Max. Points</u>	<u>Point Award (TOD)</u>
Extent Project will increase public ridership	90	90
Location in Designated infill or TOD	60	60
Affordability	30	30
Transit supportive land use	20	20
Extent incorporates Walkability & Bicycle	30	30
Parking	40	35
Readiness	38	38
Leverage	15	15
Developer Experience	30	30
Adopted Economic Plan	10	10
Qualified Employment Areas	30	30
Total	393	388

## FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$2,200,000 is recommended. It is anticipated that the project will be awarded TOD funding. LAHD funds will represent \$41,509 per unit or approximately 11% of the total development cost. The LAHD commitment will be leveraged with 4% low income housing tax credits, the CDC loan and tax-exempt bond financing.



## STAFF REPORT

July 31, 2013

**Santa Cecilia Apartments  
1750 E. 1<sup>st</sup> Street  
Los Angeles, CA 90033**

**New Construction  
Council District No: 14**

### PROJECT DESCRIPTION

The Santa Cecilia Apartments Project entails the new construction of a multi story development on vacant land. The development will provide affordable housing for families and 3,500 square feet of retail space. Each residential unit will include: a washer and dryer, a dishwasher, central air and heating, hard surface flooring, and carpet in the bedrooms. The Project will include: landscaped courtyards, a kids play area, a community room, a fitness center, elevator service, 89 parking spaces (81 residential), and bicycle storage in the ground floor.

The site measures 1.47 acres and is located south west across the street from the Mariachi Plaza station of the Metro Gold Line Eastside Extension. There is a structure located on the northeast portion of the subject site; the structure will be incorporated into the development. The Project architecture design is meant to complement the design of the Historic Boyle Hotel which is located north of the site.

### PROJECT FINANCE SUMMARY

The sponsor will apply for Transit Oriented Development (TOD) and Infill Infrastructure Fund Grant (IIG) Funds from the California Department of Housing and Community Development. Construction and permanent financing will be provided through JP Morgan Chase Bank, N.A. and funds from the Affordable Housing Trust Fund (AHTF) program. These funds would be leveraged with 9% low-income housing tax credit equity from Hudson Housing Capital.

### BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The subject site is currently owned by the Los Angeles County Metropolitan Transportation Authority (LACMTA), a public agency existing under the laws of the State of California. The LACMTA will ground lease (for a minimum of 68 years) the subject site to Santa Cecilia Apartments Limited Partnership for the development of the Project.

MBA Development Corporation, a for-profit corporation, is the Sole General Partner. At construction loan closing, New Economics for Women, a non-profit corporation, will be admitted as the Managing General Partner. The Developer is McCormack Baron and Associates, Inc.

### FUNDING SOURCES

Sources	Permanent
Bank Loan	2,250,000
State of CA (TOD)	2,850,000
Blank	0
Tax Credit Equity (9%)	20,197,980
Deferred Developer Fees	600,000
HCIDLA (AHTF)	2,231,389
State of CA (IIG)	1,600,000
Total	29,729,369

## AFFORDABILITY STRUCTURE

Unit Type	Mgr.	60% AMI	50% AMI	45% AMI	40% AMI	35% AMI	30% AMI	Total
1 Bedroom		14	3	3	3	3	3	29
2 Bedroom	1	11	3	3	3	3	3	27
3 Bedroom		9	3	3	3	3	3	24
<b>Total</b>	<b>1</b>	<b>34</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>80</b>

## PROJECTED SCORING ANALYSIS (TOD)

<u>Criterion</u>	<u>Max. Points</u>	<u>Point Award (TOD)</u>
Extent Project will increase public ridership	90	85
Location in Designated infill or TOD	60	60
Affordability	30	30
Transit supportive land use	20	20
Extent incorporates Walkability & Bicycle	30	30
Parking	40	40
Readiness	38	38
Leverage	15	15
Developer Experience	30	30
Adopted Economic Plan	10	10
Qualified Employment Areas	30	30
<b>Total</b>	<b>393</b>	<b>388</b>

## FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$2,231,389 is recommended. It is anticipated that the project will be awarded TOD funding. HCIDLA funds will represent \$27,892 per unit or approximately 7.51% of the total development cost. The HCIDLA commitment will be leveraged with 9% low income housing tax credits.

Prepared By: Apolinar Abrajan, Finance Development Officer  
Los Angeles Housing and Community Investment Department (HCIDLA)  
Date: 7/31/13

## **STAFF REPORT**

**July 30, 2013**

**Washington 722 TOD  
722 East Washington Boulevard  
Los Angeles, CA 90011**

**New Construction  
Council District No: 9**

### **PROJECT DESCRIPTION**

Washington 722 TOD's project site consists of four adjoining lots, approximately 29,100 square feet after dedications, and is currently zoned [T][Q]C2-1-0. The site is currently developed with three one-story warehouses and a four story light industrial and office building. The subject site is zoned [T][Q]C2-1-0 and designated for Community Commercial. The surrounding properties are a mixture of industrial, and office uses along Washington Boulevard, with mostly residential uses to the south. The project site has a 200 foot frontage on the south side of Washington Boulevard, a Major Highway Class II, and is 180 feet to the west of San Pedro Street, another Class II Major Highway.

Washington 722 TOD will gut and reuse the façade of the existing four story light industrial and office building, demolish the three one-story warehouse buildings, and newly construct a four story Type V building. The existing four story building (to be gutted and reused) was built in 1930 and is in poor condition. It has been used for garment manufacturing and is currently used by the owner. The three one-story buildings are 88, 55, and 90 years old, in poor condition, and designated to be demolished. These buildings were used for garment manufacturing.

The resulting multifamily residential building will be a four story mixed-use project to include 55 dwelling units, 1,500 square feet of ground-floor commercial space along E. Washington Boulevard, and 63 on-site parking spaces with a total floor area of approximately 68,496 sf. The 63 on-site parking spaces will be in an at-grade garage. The 55 dwelling units range from one-bedroom to three-bedrooms, and from 564 to 1440 sf.

Washington 722 will provide 55 affordable homes for families. Eighteen (18) one-bedrooms with an average size of 583 SF. Twenty (20) two-bedrooms with an average size of 835 SF. Seventeen (17) three-bedrooms with an average size of 1250 SF. Community space will include a lobby, management and services offices, laundry rooms, a community room and kitchen, computer lab, and a roof deck. Commercial space will total 1,500 SF of the first level.

### **PROJECT FINANCE SUMMARY**

The sponsor will apply for Transit Oriented Development (TOD) and Infill Infrastructure Fund Grant (IIG) Funds from the California Department of Housing and Community Development. Construction and Permanent Conventional loans will be provided through CCRC. These funds would be leveraged with 9% low-income housing tax credit equity from Red Stone Capital and financing from the Housing and Community Investment Department of Los Angeles, (HCID). The sponsor intends to apply for 9% low-income housing tax credit allocation in spring of 2014.

### **BORROWER AND PROPOSED OWNERSHIP STRUCTURE**

Washington 722, LP, a California limited partnership, is the proposed borrower, which is comprised of Western Community Housing, Inc. (the managing general partner) and Washington 722 TOD, LLC (the administrative general partner). John Huskey is the President of the LLC, as well as of Meta Housing Corporation.

Western Community Housing, Inc. is an Orange County-based non-profit organization that promotes affordable housing and provides social services to low-income individuals and households. It has been in existence since 1999 and was initially involved in social services. It focused its attention, starting in 2002, on the development and acquisition of affordable housing communities.

Meta Housing Corporation, the project sponsor and developer, is a for-profit firm that has developed numerous affordable family and senior housing apartments in the Los Angeles and Southern California area during the past 14 years.

### **FUNDING SOURCES**

<b>Sources</b>	<b>Permanent</b>
Permanent Loan	\$ 1,299,900
HCD TOD Grant	3,400,000
HCD IIG Grant	2,683,806
Tax Credit Equity	13,933,100
Deferred Developer Fees	856,991
LAHD (HOME)	700,000
<b>Total</b>	<b>\$ 22,873,797</b>

### **AFFORDABILITY STRUCTURE**

<b>Unit Type</b>	<b>Mgrs.</b>	<b>55% AMI</b>	<b>50% AMI</b>	<b>45% AMI</b>	<b>40% AMI</b>	<b>35% AMI</b>	<b>30% AMI</b>	<b>Total</b>
1 Bedroom		5	5	2	2	2	2	18
2 Bedroom	1	5	6	2	2	2	2	20
3 Bedroom		4	5	2	2	2	2	17
<b>Total</b>	<b>1</b>	<b>14</b>	<b>16</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>55</b>

### **PROJECTED SCORING ANALYSIS (TOD)**

<b><u>Criterion</u></b>	<b><u>Max. Points</u></b>	<b><u>Point Award (TOD)</u></b>
Extent Project will increase public ridership	90	85
Location in Designated infill or TOD	60	60
Affordability	30	30
Transit supportive land use	20	20
Extent incorporates Walkability & Bicycle	30	30
Parking	40	40
Readiness	38	38
Leverage	15	15
Developer Experience	30	30

Adopted Economic Plan	10	10
Qualified Employment Areas	30	30
<b>Total</b>	<b>393</b>	<b>388</b>

#### **FUNDING RECOMMENDATION**

An AHTF funding commitment of up to \$700,000 is recommended. It is anticipated that the project will be awarded TOD funding. LAHD funds will represent \$12,728 per unit or approximately 3.06% of the total development cost. The LAHD commitment will be leveraged with HCD TOD and IIG Funds, equity from 9% low income housing tax credits, and a conventional loan.

Prepared By: Fortunata Gumapac, Finance Development Officer  
Housing & Community Investment Department of Los Angeles

Date: 7/31/2013

# ATTACHMENT 3

## AFFORDABLE HOUSING TRUST FUND and PERMANENT SUPPORTIVE HOUSING PROGRAM

### SUMMARY OF ACTIVITY – 2003 through 2013 Round 1

AHTF AND PSHP COMBINED TOTAL					
Projects	Units	Amount Committed*	Amount Leveraged*	Total Dev. Cost	Leverage Ratio (dollars)
190	12,270	\$651,813,432	\$2,961,185,987	\$3,612,999,419	\$4.54

AFFORDABLE HOUSING TRUST FUND (AHTF)					
	Projects	Units	Amount Committed	Amount Leveraged*	Total Development Cost
Total:	149	9,666	\$502,624,333	\$2,260,871,902	\$2,763,496,235
					\$4.50

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:	41	2,604	1,805	\$281,466,790	\$149,189,099	\$430,655,889	\$849,503,184
							\$700,314,085
							\$4.69

\*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.

**ASSIGNMENT AND ASSUMPTION AGREEMENT**  
 (Crenshaw/Mid-City Corridors Infill Infrastructure Grant)

This Assignment and Assumption Agreement (the "Agreement"), is made as of this \_\_\_\_ day of \_\_\_\_\_, 2013 (the "Effective Date"), by and among CRA/LA-DLA, A Designated Local Authority, a public body formed under California Health & Safety Code Section 34173(d)(3) (the "Assignor" or "CRA/LA-DLA"), the City of Los Angeles, a municipal corporation acting by and through its Housing Department (the "Assignee" or the "City"), and the Department of Housing and Community Development, a public agency of the State of California (the "Grantor"), with reference to the following recitals of fact:

R E C I T A L S:

A. WHEREAS, the Community Redevelopment Agency of the City of Los Angeles (the "Former Agency") was awarded a grant in the amount of Fourteen Million Six Hundred Seventy Seven Thousand Nine Hundred Twenty and No/Hundredths Dollars (\$14,677,920.00) by the Grantor on July 1, 2009 for the Crenshaw/Mid-City Corridors Infill Infrastructure Grant Project (the "Grant").

B. WHEREAS, the Grant is evidenced by an award letter, or equivalent documentation, and/or certain agreements and documents executed by the Former Agency in favor of the Grantor regarding the Former Agency's obligation to utilize the Grant for certain specified purposes (collectively, the "Grant Documents"). Copies of all of the original executed Grant Documents are attached as **Exhibit A**.

C. WHEREAS, as of February 1, 2012, the Former Agency was dissolved pursuant to California Health & Safety Code Section 34172.

D. WHEREAS, in accordance with California Health & Safety Code Section 34173(d)(3), CRA/LA-DLA was formed to serve as the successor agency of the Former Agency. In accordance with California Health & Safety Code Section 34175(b), all property and assets of the Former Agency, including, but not limited to, the rights to the Grant, were transferred to the control of CRA/LA-DLA. As the successor-in-interest to the Former Agency, CRA/LA-DLA is a party to the Grant Documents, and has all of the Former Agency's rights, duties, and obligations thereunder.

E. WHEREAS, Assignor desires to assign its rights, title, interests and obligations in and to the Grant, as evidenced by the Grant Documents, to the Assignee, and the Assignee desires to assume Assignor's rights, title, interests and obligations in and to the Grant as more fully set forth herein.

F. WHEREAS, Assignor is authorized to enter into this Agreement pursuant to California Health & Safety Code Section 34177(i) and California Health & Safety Code Section 34177(c).

G. WHEREAS, Assignor's Governing Board approved and authorized Assignor's assignment of the Grant, as evidenced by the Grant Documents, to Assignee on June 21, 2012, and the Assignor's Oversight Board approved and authorized Assignor's assignment of the Grant, as evidenced by the Grant Documents, to Assignee on July 12, 2012.

H. WHEREAS, the City Council of the City approved and authorized the City's assumption of the Grant, as evidenced by the Grant Documents, from Assignor on \_\_\_\_\_, 2013.

I. WHEREAS, the Grantor wishes to consent to the assignment and assumption set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto hereby agree as follows:

#### A G R E E M E N T:

1. Assignment. As of the Effective Date and subject to the provisions of Section 4 hereof, Assignor hereby assigns to the Assignee all of Assignor's rights, title and interests to the Grant, and all of Assignor's obligations under the Grant Documents. In addition, Assignor hereby represents to Assignee that no Grant Proceeds have been disbursed to Assignor.

2. Assumption. As of the Effective Date and subject to the provisions of Section 4 hereof, (i) the Assignee hereby accepts the above assignment of all of the Assignor's rights, title and interests to the Grant, and all of Assignor's obligations under the Grant Documents and (ii) the Assignee hereby agrees to perform all of the terms, covenants, obligations and conditions imposed upon Assignor under the Grant Documents and as if the Assignee were the original signatory thereto to the Former Agency or the Assignor, as applicable, shall hereafter be deemed to be references to the Assignee.

3. Representations Regarding Grant. The Assignor represents that, as of the Effective Date, the undisbursed amount of the Grant is Fourteen Million Six Hundred Seventy Seven Thousand Nine Hundred Twenty and No/Hundredths Dollars (\$14,677,920.00), there is no default under the Grant Documents, and no event has occurred or failed to occur which, with the passage of time or the giving of notice or both, would constitute a default by Assignor under the Grant Documents.

4. Apportionment of Liability. Assignee shall be responsible for all claims, liabilities, obligations, costs and expenses of every kind and nature whatsoever that Assignor may suffer or incur and that arise from or are related, directly or indirectly, to conditions, actions, inactions or events that first existed or occurred from and after the Effective Date with respect to the Grant or Third Party Agreements. Assignor shall be responsible for all claims, liabilities, obligations, costs and expenses of every kind and nature whatsoever that Assignee may suffer or incur and that arise from or are related, directly or indirectly, to conditions, actions, inactions or events that first existed or occurred prior to the Effective Date with respect to the Grant or Third Party Agreements. Unless paid by Assignor from funds otherwise available, Assignor agrees to timely take all such actions as necessary to include on the appropriate Recognized Obligation Payment Schedule ("ROPS") all costs associated with its obligations under this Section 4.

5. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

6. Covenant of Further Assurances. The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the



purposes of this Agreement, including, without limitation, delivery of the original executed Grant Documents to the Assignee.

7. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

8. No Attorneys' Fees. Should any action be brought arising out of this Agreement, including, without limitation, any action for declaratory or injunctive relief, each party shall bear their own attorneys' fees and costs and expenses of investigation as may be incurred.

9. Entire Agreement. This Agreement, including and incorporating the Recitals, represents the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written agreements, understandings, representations, and covenants.

10. Exhibits. All exhibits attached to this Agreement are hereby incorporated into this Agreement by this reference.

11. Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural; and the plural shall include the singular. Titles of sections in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

*Remainder of Page Left Intentionally Blank*

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the Effective Date.

**"ASSIGNOR"**

**CRA/LA, A DESIGNATED LOCAL AUTHORITY**, a public body formed under Health & Safety Code Section 34173(d)(3), as successor to the Community Redevelopment Agency of the City of Los Angeles

By: \_\_\_\_\_  
David Riccitiello  
Chief Executive Officer

APPROVED AS TO FORM:

GOLDFARB & LIPMAN LLP

By: \_\_\_\_\_  
Thomas Webber  
CRA/LA-DLA Special  
Counsel

**"ASSIGNEE"**

**THE CITY OF LOS ANGELES**, a municipal corporation acting by and through its Housing Department

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON  
A Professional Corporation

By: \_\_\_\_\_  
Steven R. Orr  
Special Counsel to the  
City of Los Angeles

*(Signatures continue on following page)*

**"GRANTOR"**

Department of Housing and Community Development,  
A public agency of the State of California

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

Name: Eugene Lee

Its: Chief of Infill Infrastructure & Transit-Oriented  
Development Housing