

TRANSMITTAL

To:

THE COUNCIL

Date: 02/12/2016

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

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February 11, 2016

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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 300, City Hall
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL TO ISSUE FINANCIAL COMMITMENTS AND/OR TAX CREDIT LETTERS OF SUPPORT FOR AFFORDABLE HOUSING TRUST FUND (AHTF) PIPELINE PROJECTS APPLYING TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE (CTCAC) IN 2016 ROUND 1 AND/OR THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) IN MARCH 2016; VARIOUS ACTIONS RELATED TO THE AHTF

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 Affordable Housing Trust Fund (AHTF) Pipeline (Pipeline).

A total of seven Pipeline projects will apply for state leverage financing in March 2016:

- Four projects will request 9% Low Income Housing Tax Credits (LIHTC) from CTCAC:
 - One (1) Permanent Supportive Housing project will apply for Tax Credits in the Statewide Homeless & Nonprofit Set-Aside
 - Three (3) Affordable Housing projects will apply for Tax Credits in the Los Angeles City Geographic Region tax credit pool
- Three projects will request 4% LIHTC from CTCAC and tax-exempt bond allocations from the California Debt Limit Allocation Committee (CDLAC).

Of the seven aforementioned projects, HCIDLA requests approval to issue \$11,779,548 in new or additional AHTF financial commitments to three projects. The additional funds consist entirely of

HOME Investment Partnerships Program (HOME) funds, which will be allocated to the Permanent Supportive Housing project applying for 9% LIHTC and two projects applying for 4% LIHTC and tax-exempt bond allocations. Funding amounts are provided in the Table under Item II-I of the Recommendations section below, and a justification for the additional funding is provided in the Background portion of this report.

HCIDLA also requests authority to issue tax credit Letters of Support to accompany the four 9% LIHTC applications that will be submitted to CTCAC. The CTCAC application deadline for 2016 Round 1 is March 2, 2016; the CDLAC deadline is March 18, 2016.

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 AHTF funding commitments to be awarded prior to the CTCAC application deadline of March 2, 2016;
- 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% tax credit Letter of Support for each project identified in Table 1 of this report;
 - B. Authorize the HCIDLA General Manager, or designee, to issue an AHTF financial commitment letter for each applicable project identified in Table 1 of this report, subject to the following conditions:
 - 1) That the final AHTF 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 AHTF funds will occur after the sponsor obtains enforceable commitments for all proposed funding;
 - C. Authorize the HCIDLA General Manager, or designee, to issue an AHTF financial commitment letter for each applicable project identified in Table 2 of this report, subject to the following conditions:
 - 1) That the final AHTF 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;
 - 3) That the disbursement of AHTF 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 Tables 1 and 2 that receives an award from the proposed leveraging source, subject to the satisfaction of all conditions and criteria stated in the AHTF application, this transmittal, and the HCIDLA letter of commitment (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 Tables 1 and 2, 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. Authorize the HCIDLA General Manager, or designee, to decrease the total number of units for the PATH Metro Villas I project from 68 to 65;
- H. De-obligate funds from the following project:

Project	Fund	Account	Account Name	Amount
King 1101	44G/43	43E213	McKinney Bond Proceeds	\$10,000

- I. Obligate new HOME funds for each project listed below:

Project	Fund	Account	Account Name	Amount
2016 CTCAC Round 1 - 9% LIHTC Applicant:				
King 1101	561/43	43M008	AHTF	\$2,190,000
Total – 2016 CTCAC Round 1 – 9% LIHTC Applicants				\$2,190,000
2016 CTCAC and CDLAC 4% LIHTC and Bond Applicants:				
PATH Metro Villas I	561/43	43L212	AHTF-PI	\$5,589,548
El Segundo Apartments	561/43	43L212	AHTF-PI	\$3,134,322
El Segundo Apartments	561/43	43M008	AHTF	\$865,678
Total – 2016 CTCAC and CDLAC –4% LIHTC and Bond Applicants				\$9,589,548
Total – All Projects				\$11,779,548

- J. Authorize the Controller to appropriate funds in Fund 561/43 Account 43L212 (Affordable Housing Trust-PI) on as needed basis, as program income is received from the Paseo at Californian, Winnetka Senior Apartments, and LDK Senior Apartments, in an amount not to exceed \$8,723,870; and
- K. Authorize the HCIDLA General Manager, or designee, to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with this action subject to

the approval of the City Administrative Officer and instruct the Controller to implement these instructions.

BACKGROUND

On October 28, 2015, HCIDLA obtained Mayor and 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 AHTF financial commitments, and/or tax credit letters of support for seven previously admitted Pipeline projects, consisting of four projects applying for 9% LIHTC from CTCAC in the 2016 Round 1 competition and three projects applying for 4% LIHTC from CTCAC and tax-exempt bond allocations from CDLAC.

The seven projects will result in the addition of 419 affordable rental housing units in the City, of which 176 units will be set aside for low-income, large families, 49 units for seniors, and 194 units for Permanent Supportive Housing (23 units for homeless, 111 units for chronically homeless, 13 units for veterans, and 47 units for special needs populations). Six of the seven projects include AHTF funding commitments totaling \$26.4 million; the seventh project requested LIHTC from the Los Angeles City Geographic Region with no request of AHTF funds. The total development cost for the six AHTF-funded projects is approximately \$137.1 million, which will leverage an estimated \$110.7 million in other public and private funds, equating to a leverage ratio of approximately \$4.19 for every dollar invested by the AHTF.

Funding and Tax Credit Recommendations

A total of seven Pipeline projects are moving forward for state leverage source financing, and HCIDLA recommends tax credit letters of support for each of the four 9% LIHTC projects, as these letters serve as one of the tie-breakers in the 9% LIHTC competition. In addition, HCIDLA recommends commitments of an additional \$11,779,548 in HOME funds to three projects: one project proposing 9% LIHTC and two proposing 4% LIHTC in combination with tax-exempt bonds. Additional funding is not required for the other four projects as they either received a sufficient amount of previous AHTF funding or requested LIHTC from the City's Geographic Region exclusive of AHTF funding.

9% LIHTC Projects

Four projects are applying for 9% LIHTC in CTCAC's 2016 Round 1. HCIDLA recommends \$2.18 Million in additional funding for the King 1101 project. The increased funding will improve the project's financial structure, reduce its reliance on tax credit financing and increase its competitiveness in the statewide tax credit competition for Homeless Housing projects. The department's recommendation is consistent with the City's goal of prioritizing the financing of Permanent Supportive Housing Projects that serve homeless. The remaining three projects will submit applications under the Los Angeles City Geographic Region, and do not require additional funding.

4% LIHTC/Tax-Exempt Bond Projects

Three projects will apply for 4% LIHTC from CTCAC and tax-exempt bond allocations from CDLAC. Of these three projects, HCIDLA proposes an initial funding allocation of \$4.0 Million for the El Segundo Apartments, and an additional \$5.6 Million in funding for PATH Metro Villas I. The

additional funding for PATH Metro Villas I will enable the project to convert to a 4% tax credit structure, and will add greater certainty to the financing timeline. The proposed increase in funding is in line with the City's goal of prioritizing Permanent Supportive Housing Projects for the homeless. The third project, 127th Street Apartments, received previous AHTF allocations and no additional funding is required.

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 seven AHTF-funded Pipeline projects, categorized by state leveraging source program.

**TABLE 1:
 9% LIHTC PROJECTS COMPETING IN CTCAC 2016 ROUND 1**

Project Name	CD	Units	Previously Committed HOME Funds	Previously Committed McKinney Savings Funds	Previously Committed CDBG Funds	New/ Additional HOME Funds	TOTAL HCIDLA FUNDS
Nonprofit Set-Aside, Homeless Apportionment							
King 1101 (TOD)*	14	26	\$1,740,000	\$10,000	\$0		\$1,750,000
				(\$10,000) †		\$2,190,000	2,180,000
SUBTOTAL		26	\$1,740,000	0	0	\$2,190,000	\$3,930,000
Los Angeles City Geographic Region							
Crenshaw Villas (TOD)	10	49	\$0	\$0	\$2,517,000	\$0	\$2,517,000
RHF Crenshaw Gardens (TOD)	10	49	\$0	\$0	\$3,075,000	\$0	\$3,075,000
Rolland Curtis East (TOD)**	8	70	\$0	\$0	\$0	\$0	\$0
SUBTOTAL		168	\$0	\$0	\$5,592,000	\$0	\$5,592,000
TOTAL		194	\$1,740,000	0	\$5,592,000	\$2,190,000	\$9,522,000

*Previously competed for 9% LIHTC in the same Set-Aside in 2015 Round 2 but did not receive a tax credit award.

† McKinney funds for King 1101 will be de-obligated upon approval of the recommendations herein.

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

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

Project Name	CD	Units	Previously Committed HOME Funds	Previously Committed McKinney Savings Funds	Previously Committed CDBG Funds	New/ Additional HOME Funds	TOTAL HCIDLA FUNDS
PATH Metro Villas Phase I (TOD)*	13	65	\$2,883,000	\$0	\$0	5,589,548	\$8,472,548
127 th Street Apartments (Non-TOD)	15	85	\$2,017,000	\$0	\$2,433,000	\$0	\$4,450,000
El Segundo Apartments (Non-TOD)	15	75	\$0	\$0	\$0	\$4,000,000	\$4,000,000
TOTAL – CTCAC 2016 ROUND 1, 4% LIHTC		225	\$4,900,000	\$0	\$2,433,000	\$9,589,548	\$16,922,548

*Previously competed in 9% CTCAC 2015 Round 2 but did not receive tax credit award.

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

CATEGORY	Projects	Units	Previously Committed HOME Funds	Previously Committed McKinney Savings Funds	Previously Committed CDBG Funds	New/ Additional HOME Funds	TOTAL HCIDLA FUNDS
9% LIHTC: Nonprofit Set-Aside, Homeless Apportionment	1	26	\$1,740,000	\$10,000*	\$0	\$2,190,000	\$3,930,000
9% LIHTC: Los Angeles City Geographic Region	3	168	\$0	\$0	\$5,592,000	\$0	\$5,592,000
4% LIHTC and Tax-Exempt Bonds	3	225	\$4,900,000	\$0	\$2,433,000	\$9,589,548	\$16,922,548
TOTAL	7	419	\$6,640,000	\$0*	\$8,025,000	\$11,779,548	\$26,444,548

*McKinney funds will be de-obligated upon approval of the recommendations herein.

Changes in Funding Levels and Financing Strategies

Two Pipeline projects (King 1101 and PATH Metro Villas I) are ready to proceed to the state for leverage source financing but require additional AHTF funding to ensure that they continue to progress through the development process. Both projects are Permanent Supportive Housing Projects serving homeless and special needs clients. Based on the City’s desire to prioritize housing for homeless individuals, HCIDLA is recommending an increase in local funding in order to ensure greater certainty in leveraging outside funds this year.

King 1101

The King 1101 project received Mayor and Council authority for AHTF funding (C.F. #15-0219-S1) and competed in the July 2015 CTCAC Round 2; however, the project was not successful in obtaining tax credits in the highly competitive Homeless Apportionment of the Nonprofit Set-Aside category. As a result, HCIDLA recommends additional AHTF funding in the amount of \$2.18 million, and approval for the project to resubmit its application in the Nonprofit Set-Aside Homeless Apportionment in the March 2016 CTCAC Round 1.

The oversubscription of the set-asides, in which tax credit requests far exceed available resources, results in the high levels of competition for 9% LIHTC in these categories. Based on an evaluation of the Pipeline projects that have achieved readiness and are eligible to compete in the set-aside categories, it was determined that only one project should be resubmitted; King 1101 was chosen based on its likelihood to successfully obtain an award. Because projects in the set-aside categories must compete with other projects throughout the state and one of the scoring criteria consists of the amount of public funding, it is imperative that City financial commitments are appropriately sized to give these projects a competitive advantage. The additional funding amount was determined by HCIDLA to be necessary in order for the project to achieve a final score that is expected to be successful in the set-aside competition.

PATH Metro Villas I

The PATH Metro Villas I project previously obtained an AHTF funding commitment on March 3, 2015 (C.F. #15-0219) and competed in the July 2015 CTCAC Round 2; however, the project was unsuccessful in obtaining tax credits in the Special Needs Set-Aside category. In order to uphold HCIDLA's commitment to assist projects in progressing through the Pipeline, it is recommended that the project be allocated an additional \$5.6 million in AHTF funds to convert its financing to a 4% LIHTC/Tax-Exempt Bond structure.

Unlike LIHTC in the 9% set-asides, allocations of federal 4% LIHTC can be obtained on a non-competitive basis. Thus, a project which meets the City's housing goals and is ready to proceed but is hindered in the 9% set-aside competition can continue to move forward by restructuring its financing. However, in order for a 9% LIHTC project to convert to 4% LIHTC/Tax-Exempt Bond financing, additional funding is necessary to compensate for the lower equity that corresponds with the 4% tax credit.

In addition to the restructuring of its financing, HCIDLA requests authority to allow the project sponsor to reduce the number of units in the project from 68 to 65. At the time the project received its initial funding allocation, it included 68 units of special needs housing. After discussions between the project sponsor and supportive services staff, the auxiliary space was reconfigured to include the addition of a health care clinic on the ground floor. In order to provide the additional space necessary to accommodate the clinic, three units were removed from the plans. Although the number of housing units has been reduced, it is believed that the new layout maximizes the usefulness of the space to better serve the needs of the tenants, resulting in improved outcomes for the project's target population.

Sources of Funding Transactions

To fund the transactions in this report, HCIDLA will use currently available funds in the amount of \$3,055,678 in combination with PY 2015-16 HOME program income and the HOME additional program income received from the Paseo at Californian, Winnetka Senior Apartments, and LDK Senior Apartments, in an amount not to exceed \$8,723,870. An analysis of available capital and the amount of 9% LIHTC apportioned for the L.A. City Geographic Region indicated that AHTF resources were sufficient for seven projects at this time. Approval of the recommendations contained herein would facilitate the production of affordable housing in the City, while specifically addressing the impediments to the development of Permanent Supportive Housing that is caused by the scarcity of 9% LIHTC resources available for these types of projects.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this report will authorize HCIDLA to fund 419 affordable housing units and issue new or additional commitments in HOME funds totaling \$11,779,548.


Prepared by:


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Finance Development Officer II
Program Management & Development Section


Reviewed by:


TIMOTHY ELLIOTT
Community Housing Program Manager
Multifamily Finance & Development Unit


Reviewed by:


EDWIN GIPSON
Director of Finance and Development

Reviewed by:


HELMI HISSERICH
Assistant General Manager

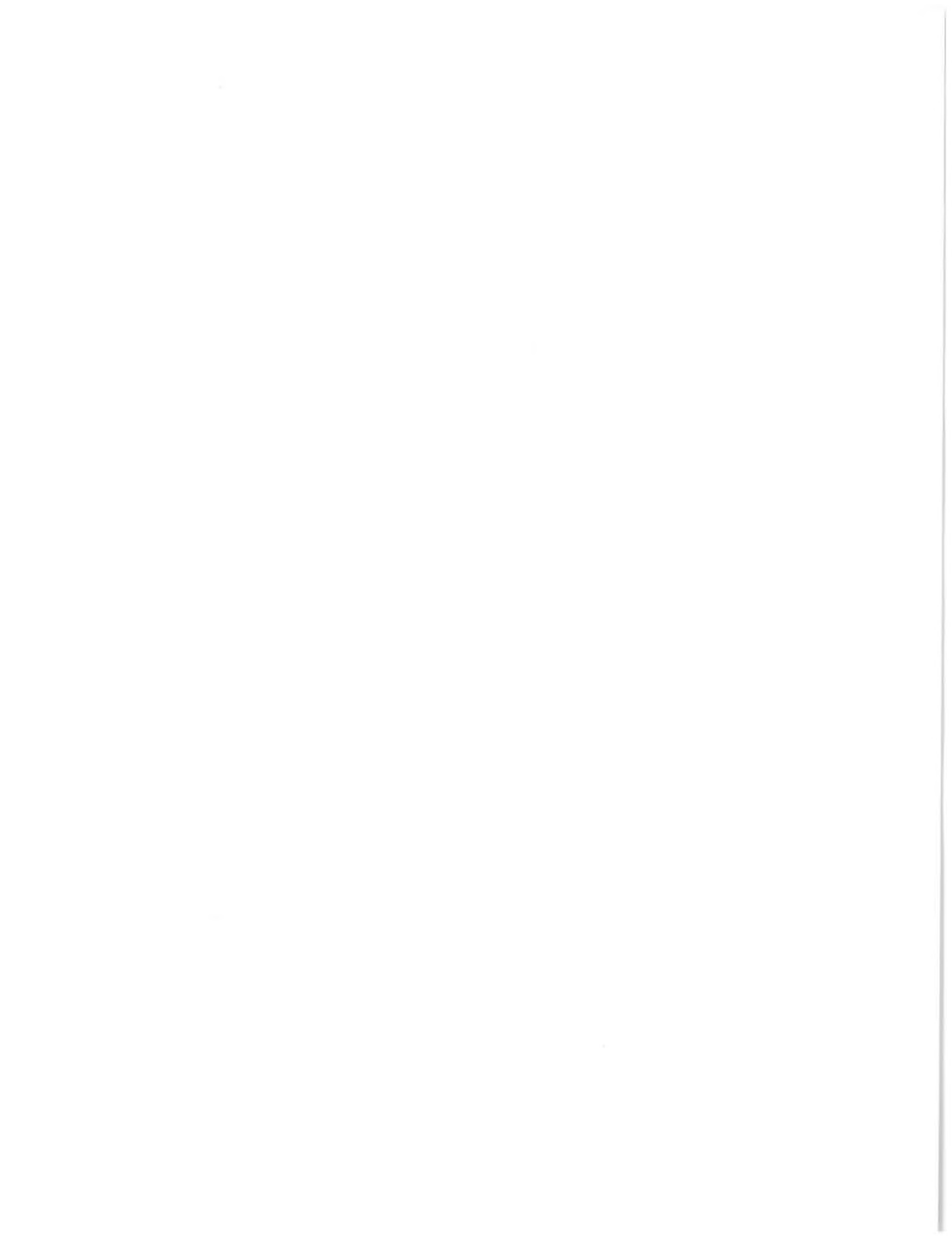
Reviewed by:


LAURA K. GUGLIELMO
Executive Officer

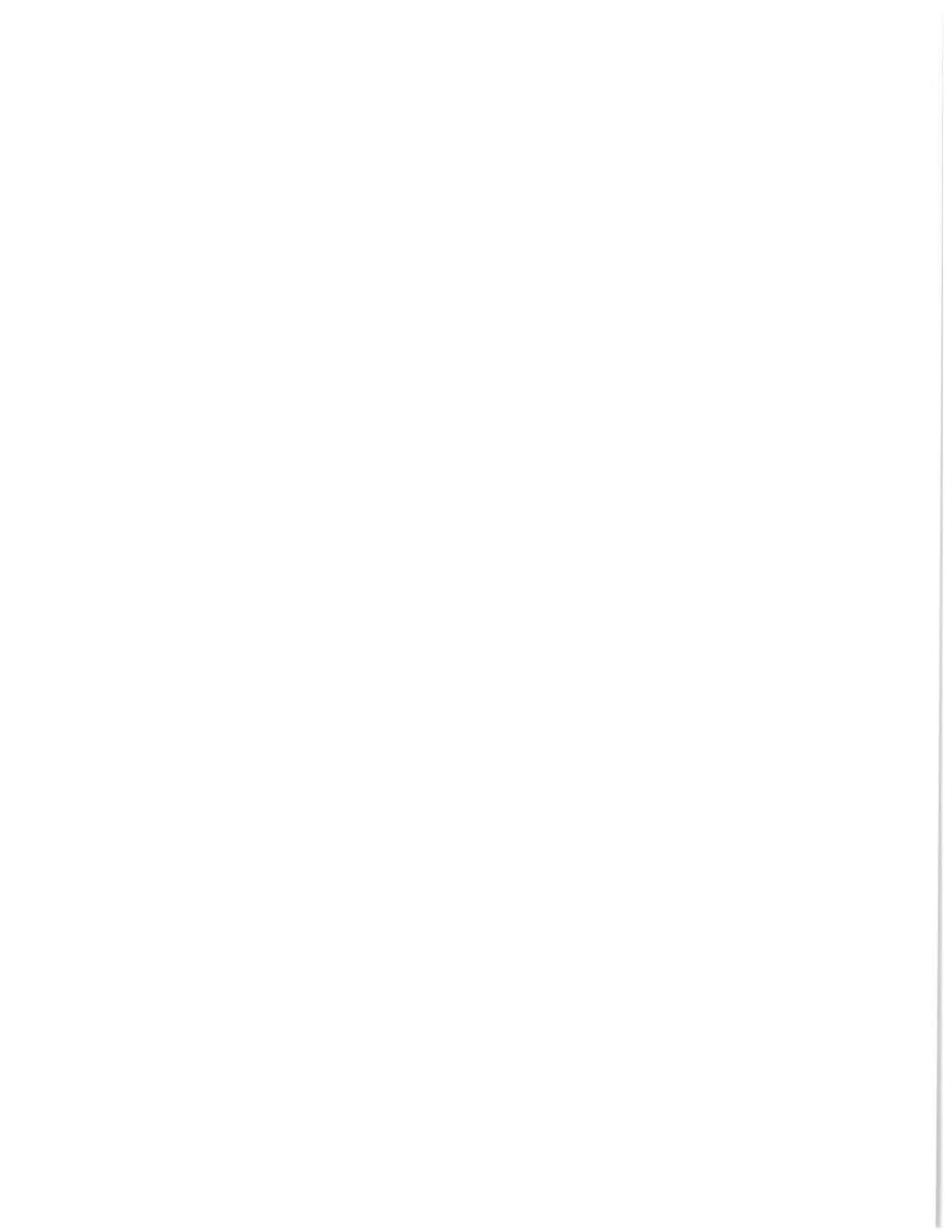
Approved by:


RUSHMORE D. CERVANTES
General Manager

Attachment A: Pipeline Calendar
Attachment B: Summary Reports



Attachment A



**AHTF STAFF REPORT
May 20, 2015**

**127 Street Project
536-548 W. 127th Street
Los Angeles, CA 90044**

**New Construction
Council District No: 15**

PROJECT DESCRIPTION

127 Street Apartments will be the new construction of 81 rental apartments for chronically homeless in the Willowbrook neighborhood, adjacent to the Interstate 110 Harbor Freeway. 127 Street Apartments will be designed to complement the historical architecture of the neighborhood with a modern theme, all while providing a high-quality and safe environment for its residents. The common area consists of a community room, tech room, 2 bathrooms, mail room, laundry, and management office area. There are 2 additional offices provided for on-site resident service providers. An open courtyard is provided outside of the main community room. The current property is a flat vacant lot and will not require the demolition of any existing housing units.

PROJECT FINANCE SUMMARY

127 Street Apartments, LP has received commitment for a conventional loan. The conventional loan for the construction financing from US Bank will be in first position, with subordinate financing from the Housing and Community Investment Department of Los Angeles (“HCIDLA”), MHSA, AHP, Tax Credit Equity, and Housing and Community Investment IIG Funds (“IIG”). Deferred sources will provide the balance of the necessary sources for the project during construction. The permanent financing will consist of conventional loan committed by DHS & PBV Overhang Loans, plus from HCD – IIG, HCIDLA, MHSA, MHP, AHP and Cap and Trade. Other permanent financing sources include tax credit equity and deferred sources. In addition, the property has received 40 project based vouchers from HACLA’s permanent supportive housing NOFA.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The applicant/developer for the project is Meta Housing Corporation. The proposed borrower/owner is 127 Street Apartments, LP. The partnership will be comprised of two general partners. The Managing General Partner (which has not been admitted yet), will be an Los Angeles-based non-profit 501 (C)3 organization focused on developing permanent supportive housing and strong supportive services to its residents. The proposed name of the Administrative General Partner will be 127 Street Apartments, LLC, a single-purpose entity formed to develop the 127 Street Apartments. John M. Huskey is the manager and sole member of 127 Street Apartments, LLC and is also the CEO/Chairman of Meta Housing Corp., the project developer.

FUNDING SOURCES

Construction Sources	Amount
Chase Bank	\$17,000,000
HCID Construction Loan	2,433,000
HCD - IIG	1,300,000
AHSC	150,575
Tax Credit Equity	1,348,702
Deferred Sources	<u>2,715,150</u>
Total	\$24,947,427

Permanent Sources	Amount
Conventional Loan	\$ 3,163,890
HCD- IIG Loan	1,300,000
HCIDLA	4,450,000
MHSA	1,800,000
MHP – supportive housing	2,500,000
AHSC	1,500,000
Deferred Developers Fee/costs	1,242,191
Tax Credit Equity	<u>8,991,346</u>
Total	\$24,947,427

AFFORDABILITY STRUCTURE

Unit Type	Mgr.	30% AMI	60% AMI	TOTAL
0 Bedroom		20	20	40
1 Bedroom		20	20	40
2 Bedroom	1			1
Total	1	40	40	81

FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$4,450,000 was previously approved. HCIDLA funds will represent \$54,938 per unit or approximately 17.8% of the total development cost. The HCIDLA commitment will be leveraged with 4% Federal and State low income housing tax credits, the DHS/PBV Overhang loan, and funds from HCD-IIG, MHSA, MHP, AHSC, Deferred sources, and conventional loan financing.

Prepared By: Los Angeles Housing and Community Development Department

Date: 5/20/15

**STAFF REPORT
January 19, 2016**

**RHF Crenshaw Gardens
3411 S Crenshaw Blvd
Los Angeles, CA 90016**

**New Construction
Council District No: 10**

PROJECT DESCRIPTION

RHF Crenshaw Gardens will be a newly constructed single building development consisting of 49 units; 22 one-bedroom units, 7 two-bedroom units, 19 three-bedroom units and 1 two bedroom on-site manager's unit. The building will be comprised of 5 levels over a subterranean level of parking. All units will have balconies. The amenities will include a large community room, a second smaller community room, manager's office, central courtyard, roof deck, as well as ground floor retail and restaurant space. A total of 50 parking spaces will be provided for the residents and an additional 18 spaces for the commercial component of the development. RHF Crenshaw Gardens will house low income families. This site is located in the Crenshaw Corridor and thus addresses the transit oriented focus of the City's new consolidated plan.

PROJECT FINANCE SUMMARY

The financing is comprised of the State of California Department of Housing and Community Development's Proposition 1C Funds, City of Los Angeles – Council Office AB 1290 and CDBG Funds, conventional loan, grants, general partner and limited partner equity and deferred developer fee. These funds will be leveraged with 9% low-income housing tax credits from the California Tax Credit Allocation Committee (CTCAC).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Crenshaw RHF Partners, L.P will be the borrower, consisting of Crenshaw RHF Housing, Inc. as the managing general partner. Retirement Housing Foundation, Inc. is the sole member of the managing general partner.

The site is currently owned by Crenshaw RHF Partners, LP

FUNDING SOURCES-PERMANENT

Sources	Amount
Conventional Loan	\$ 2,320,207
HCID	\$ 3,075,000
HCD Prop 1C	\$ 2,400,000
AB 1290	\$ 400,000
UNIDAD Grant	\$ 100,000
Angelus Trust Loan	\$ 1,000,000
Deferred Developer Fee	\$ 600,000
GP Equity	\$ 1,570
Tax Credit Equity	\$ <u>15,695,957</u>
Total	\$ 25,592,734

AFFORDABILITY STRUCTURE

Unit Type	Area Median Income (AMI)						Mgr.	Total
	30 %	35%	40%	45%	50%	60%		
1 Bedroom	2	0	0	8	7	5	0	22
2 Bedroom	1	0	0	3	2	1	1	8
3 Bedroom	2	0	0	7	6	4	0	19
Total	5	0	0	18	15	10	1	49

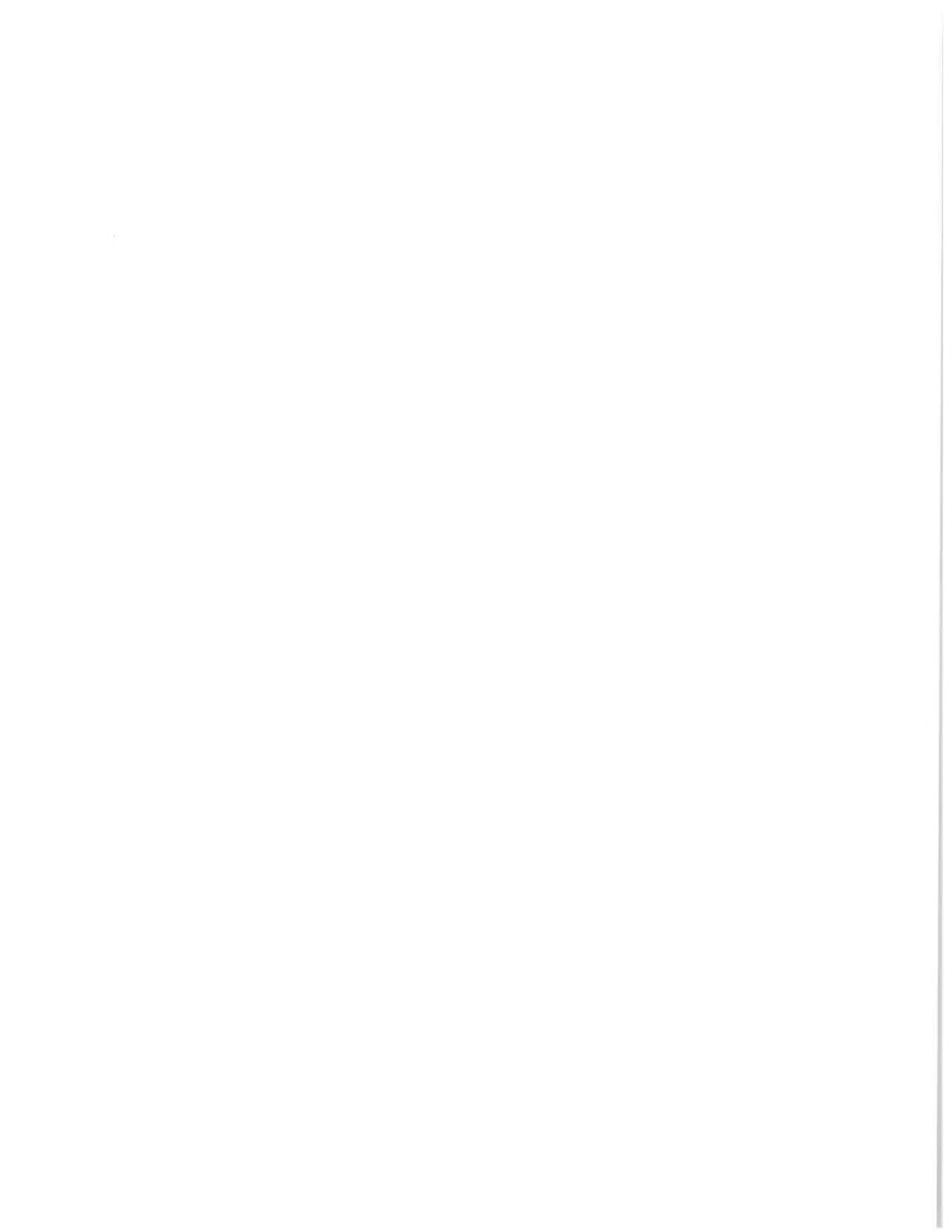
PROJECTED SCORING ANALYSIS (9% Tax Credits)

<u>Criterion</u>	<u>Max. Points</u>	<u>Projected Points</u>
A) Cost Efficiency, Credit Reduction & Public Funds	20	20
B) General Partner & Management Company Experience	9	9
C) Housing Needs	10	10
D) Site & Service Amenities	25	25
E) Sustainable Building Methods	10	10
F) Lowest Income & 10% of Units Restricted at 30% AMI	52	52
G) Readiness to Proceed	20	20
H) Miscellaneous Federal and State Policies	2	2
Negative Points (if any)		
Total	148	148

FUNDING RECOMMENDATION

A 9% Tax Credit Letter of Support is recommended for this project to compete in CTCAC 2016 Round 1. An AHTF funding commitment in the amount of up to \$3,075,000 was previously approved. The AHTF funding represents \$62,755 per unit or approximately 12% of the total development cost. The HCID commitment will be leveraged with 9% low income housing tax credits and HCD loans.

Prepared by: Los Angeles Housing and Community Investment Department



**STAFF REPORT
January 19, 2016**

**Crenshaw Villas
2631 ½ S Crenshaw Blvd
Los Angeles, CA 90016**

**New Construction
Council District No: 10**

PROJECT DESCRIPTION

Crenshaw Villas will be a newly constructed mixed-use development consisting of 50 affordable housing units, a secure bicycle storage room, two-multi-purpose spaces and one community/computer room. In the 50-unit mixed use project, with the exception of one manager's unit, 100% of the proposed residential units will set aside for seniors earning 50% of the area median income or below. The population that the projects intends to serve are seniors aged 62 and above. The development will also include courtyards, terraces, patios, a lobby, on-site laundry, manager's office, parking and vehicle/pedestrian circulation. The parking will have one level of subterranean parking and one level of on-grade parking. A total of 53 parking spaces will be provided, of which 38 spaces will be for residential use and 15 spaces will be available for multi-purpose use. There will also be bicycle parking racks/spaces indoors and outdoors. The site is located near the new MTA Expo Line and the MTA Crenshaw Corridor, thus addressing the transit oriented focus of the City's new consolidated plan.

PROJECT FINANCE SUMMARY

The financing is comprised of the State of California Department of Housing and Community Development's Proposition 1C funds and Affordable Housing and Sustainable Communities (AHSC) program, City of Los Angeles – Council Office AB 1290 Funds, conventional loan, limited partner equity, and deferred developer fee. These funds will be leveraged with 9% low-income housing tax credits from the California Tax Credit Allocation Committee (CTCAC).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Crenshaw Villas Partners, LP will be the borrower, consisting of Crenshaw Villas Developers, LLC as the general partner and Crenshaw Villas RHF Housing, Inc. as the managing general partner. An equity investor as a limited partner will be admitted into the partnership at a later date.

The site was acquired by Crenshaw Villas Partners, LP with funding from the New Generation Fund.

FUNDING SOURCES

Permanent Sources	Amount
Conventional Loan	\$ 1,825,000
Prop 1C	\$ 2,000,000
HCD AHSC	\$ 2,200,000
AB 1290	\$ 500,000
Deferred Developer Fee	\$ 401,993
Tax Credit Equity	\$ <u>15,436,698</u>
Total	\$ 22,363,691

AFFORDABILITY STRUCTURE

Unit Type	Area Median Income (AMI)						Mgr.	Total
	30 %	35%	40%	45%	50%	60%		
1 Bedroom	3	0	0	15	20	0	0	38
2 Bedroom	2	0	0	3	6	0	1	12
Total	5	0	0	18	26	0	1	50

PROJECTED SCORING ANALYSIS (9% Tax Credits)

<u>Criterion</u>	<u>Max. Points</u>	<u>Projected Points</u>
A) Cost Efficiency, Credit Reduction & Public Funds	20	20
B) General Partner & Management Company Experience	9	9
C) Housing Needs	10	10
D) Site & Service Amenities	25	25
E) Sustainable Building Methods	10	10
F) Lowest Income & 10% of Units Restricted at 30% AMI	52	52
G) Readiness to Proceed	20	20
H) Miscellaneous Federal and State Policies	2	2
Negative Points (if any)		
Total	148	148

FUNDING RECOMMENDATION

A 9% Tax Credit Letter of Support is recommended for this project to compete in CTCAC 2016 Round 1. An AHTF funding commitment in the amount of up to \$2,517,000 was previously approved. The project is competing for 9% low income tax credits. The funding will be leveraged with 9% low income housing tax credits, HCD loans and conventional financing. A 9% Tax Credit Letter of Support is recommended for this project to compete in CTCAC 2016 Round 1.

Prepared by: Los Angeles Housing and Community Investment Department

AHTF STAFF REPORT
February 4, 2016

El Segundo Project
535-609 W. El Segundo Blvd.
Los Angeles, CA 90044

New Construction
Council District No: 15

PROJECT DESCRIPTION

El Segundo Apartments will be the new construction of 75 rental apartments in the Willowbrook neighborhood of South Los Angeles targeting special needs and low-income population. 24 of the units will be studios, 13 of the units will be one-bedroom units, 14 of the units will be two-bedroom units, 23 of the units will be 3-bedroom units, and the project will have 1 two-bedroom unit for the manager. 19 of the units will be reserved for chronically homeless tenants with special needs, and all of these units will be lightly furnished. El Segundo Apartments will be designed to complement the historical architecture of the neighborhood with a modern theme, all while providing a high-quality and safe environment for its residents. The proposed affordable project is located on a 1.39 acre site in the Willowbrook neighborhood of South Los Angeles, adjacent to the Interstate 110 Harbor Freeway. This high density affordable project will be reserved for residents with limited income and residents with special needs. The entire project will be in full compliance with Section 504 disability access requirements, and is designed to comply with the accessibility requirements of the current California Building Code, 2010 Standards for The current property is a flat vacant lot and will not require the demolition of any existing housing units.

PROJECT FINANCE SUMMARY

El Segundo Apartments, LP has received commitment for a conventional loan. The conventional loan for the construction financing from JP Morgan Chase will be in first position, with subordinate financing from the Housing and Community Investment Department of Los Angeles ("HCIDLA"), MHSA, Tax Credit Equity, and Housing and Community Investment IIG Funds ("IIG"). Deferred sources will provide the balance of the necessary sources for the project during construction. The permanent financing will consist of conventional loan from JP Morgan Chase plus from HCD – IIG, HCIDLA, SHMHP, and Cap and Trade. Other permanent financing sources include tax credit equity and deferred sources. In addition 22 units expected to receive supportive services and rental subsidy from DHS. Furthermore, additional 15 units expected to receive project based voucher from HACLA's permanent supportive housing NOFA.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Borrower/owner is El Segundo Apartments, LP. The partnership will be comprised of two general partners. The Managing General Partner will be WCH XII, a subsidiary of Western Community Housing. Western Community Housing is a Los Angeles-based non-profit 501(C)3 organization focused on developing permanent supportive housing and strong supportive services to residents. The proposed name of the Administrative General Partner will be El Segundo Apartments, LLC, a single-purpose entity formed to develop the El Segundo Apartments. John M. Huskey is the manager and sole member of El Segundo Apartments, LLC and is also the CEO/Chairman of Meta Housing Corp., the project developer. An Investor Limited Partner will purchase a 99% interest in the limited partnership and be admitted prior to commencement of construction.

FUNDING SOURCES

Sources	Construction
JP Morgan Chase	\$16,500,000
HCIDLA Construction Loan	4,000,000
HCD - IIG	1,300,000
Tax Credit Equity	2,290,743
Deferred Sources	2,103,620
Total	\$26,194,363

Sources	Permanent
JPMorgan Chase	2,075,508
HCD- IIG Loan	1,300,000
HCIDLA	4,000,000
VHHP	3,750,000
SHMHP	3,200,000
Cap and Trade	1,900,000
Deferred Developers Fee/costs	805,882
Tax Credit Equity	9,162,972
Total	26,194,363

AFFORDABILITY STRUCTURE

Unit Type	Mgr.	20% AMI	30% AMI	45% AMI	50% AMI	Total
0 Bedroom		12	12			24
1 Bedroom		3	10			13
2 Bedroom	1			4	10	15
3 Bedroom				15	8	23
Total	1	15	22	19	18	75

FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$4,000,000 is recommended. HCIDLA funds will represent \$53,333 per unit or approximately 15% of the total development cost. The HCIDLA commitment will be leveraged with 4% Federal and State low income housing tax credits, HCD-IIG, SHMHP, Cap and Trade, Deferred sources, and conventional loan financing

Prepared By: Los Angeles Housing and Community Development Department

Date: 2/4/16

STAFF REPORT

January 19, 2016

**King 1101 Apartments
1107 W Martin Luther King Jr, Blvd
Los Angeles, CA 90037**

**New Construction
Council District No: 8**

PROJECT DESCRIPTION

Clifford Beers Housing, Inc. (CBH) intends to transform a vacant, blighted lot located at 1101-1107 Martin Luther King Boulevard, in Los Angeles, CA into an affordable, multifamily community for up to 26 individuals and families. The development of King 1101 will require the acquisition of two contiguous parcels and the construction of a new, four-story apartment community with seven efficiency units, eleven one-bedroom units and eight three-bedroom units.

The project design, which will complement the surrounding neighborhood, is in a California contemporary style; it will provide open and functional spaces for all users, including ample natural light and ventilation throughout. The architect has configured King 1101 to respond to its local context through careful massing that does not overwhelm the surrounding uses, yet allows for a generous amount of indoor and outdoor community space.

King 1101 will feature gated parking, a secured pedestrian entry, management offices, outdoor green space, a community room, a community kitchen, and a community garden. The ground floor of the project will include the secure pedestrian entry, parking, a designated trash room, a community room with a community kitchen, and street front retail/commercial space.

The green roof community garden, located on the second floor will offer residents a green space for relaxing, recreating and gardening. All rental units will be located on floors two through four, which will be served by an elevator. The residential units will include kitchens and bathrooms, a living area, energy star appliances, air conditioning, window coverings, spacious closets, and furnishings. An entrance to the on-grade parking lot will be located away from the street, in the alleyway at the rear of the project and will offer 27 parking spaces. In total, King 1101 will be approximately 32,000 square feet.

Of the 26 units, one will be designated as a manager's unit and 75% of the remaining units (20 units) will be reserved for special needs households. Of these 20 units, 13 will be reserved for homeless households and of these 13 units, 9 will be reserved for chronically homeless households that have a member living with mental illness. The remaining 5 units will be reserved for low-income households.

PROJECT FINANCE SUMMARY

Construction and permanent financing will be provided through a conventional construction loan, Governor’s Homeless Initiative (GHI), Capitalized Rent Subsidy (CRS) from HCD, and funds from the Affordable Housing Trust Fund (AHTF) program. These funds would be leveraged with 9% low-income housing tax credit equity from an investor (Tax Credit Equity).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The current owner of the property is King 1101 Apartments, L.P., a California Limited Partnership. The proposed borrower will be King 1101 Apartments, L.P. The borrower is currently comprised of King 1101 Apartments, LLC as the Administrative General Partner.

FUNDING SOURCES

Sources	Permanent
GHI	\$ 1,100,000
Tax Credit Equity	7,146,535
CRS	75,000
GP Equity	100
LA COUNTY	1,600,000
HCIDLA	3,930,000
Total	\$ 13,851,635

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	40% AMI	50% AMI	Total
0 Bedroom		7			7
1 Bedroom	1	7	3		11
3 Bedroom		1	2	5	8
Total	1	15	5	5	26

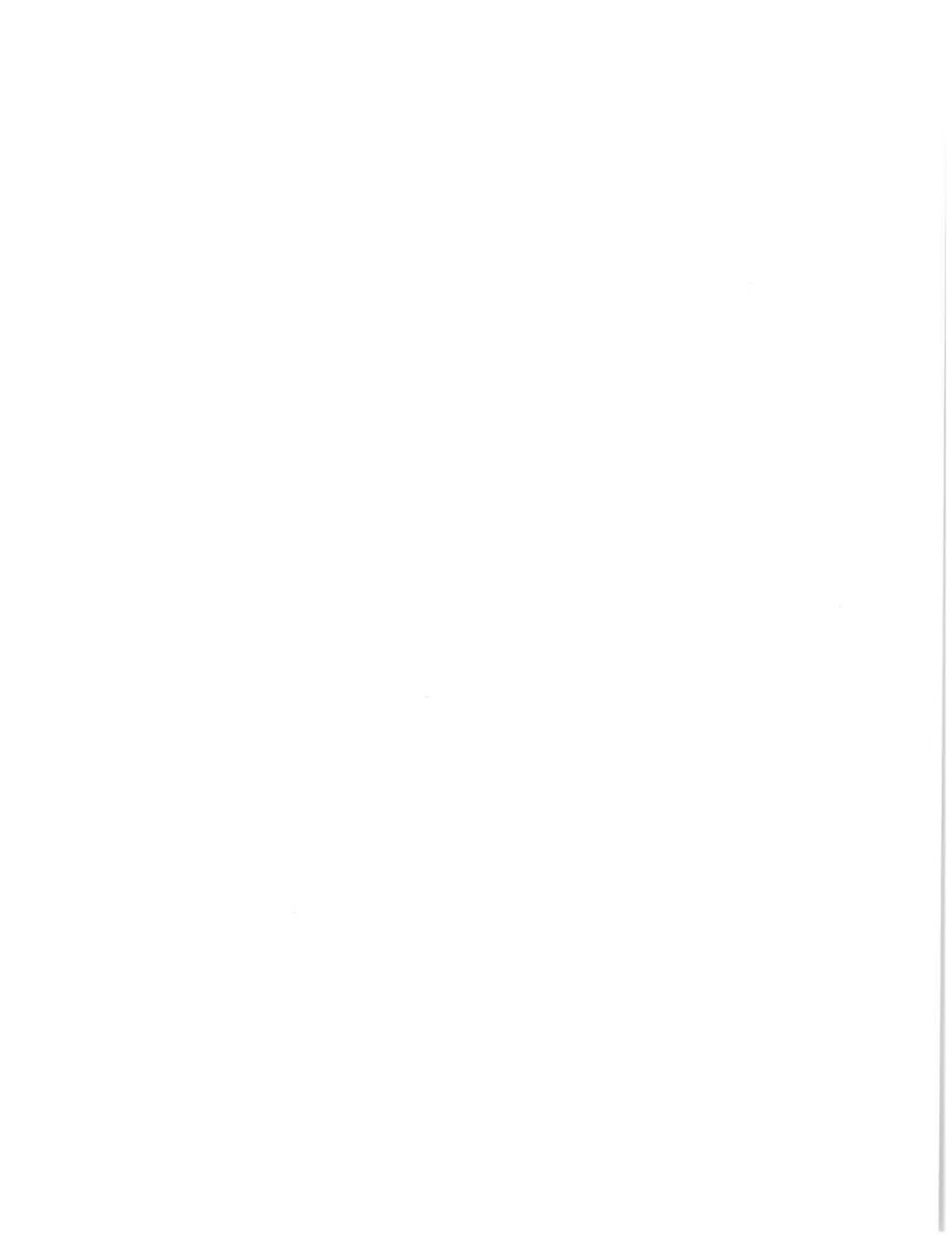
PROJECTED SCORING ANALYSIS (9% Tax Credits)

<u>Criterion</u>	<u>Max. Points</u>	<u>Projected Points</u>
A) Cost Efficiency, Credit Reduction & Public Funds	20	20
B) General Partner & Management Company Experience	9	9
C) Housing Needs	10	10
D) Site & Service Amenities	25	25
E) Sustainable Building Methods	10	10
F) Lowest Income & 10% of Units Restricted at 30% AMI	52	52
G) Readiness to Proceed	20	20
H) Miscellaneous Federal and State Policies	2	2
Negative Points (if any)		
Total	148	148

FUNDING RECOMMENDATION

An AHTF funding commitment of \$1,740,000 from HOME Funds was previously approved. An additional AHTF funding commitment of \$2,190,000 for a total amount of up to \$3,930,000 is recommended. Total AHTF Funds will represent \$151,153 per unit and 28.4% of the total development cost. A 9% Tax Credit Letter of Support is also recommended for this project to compete in CTCAC 2016 Round 1.

Prepared by: Los Angeles Housing and Community Investment Department



**STAFF REPORT
February 1, 2016**

**PATH Metro Villas
345 N. Westmoreland Ave
Los Angeles, CA**

**New Construction
Council District No: 13**

PROJECT DESCRIPTION

PATH Metro Villas will be a permanent supportive housing project and will provide affordable housing for low-income individuals who are homeless, chronically homeless or living in poverty with a significant rent burden. Some of the housing units will be designated as supportive housing units and other units will be targeted to individuals living in poverty or with a high rent burden which creates a threat of displacement. The development will contain social service programming space and parking spaces. Site amenities will include a communal kitchen, a rooftop deck, relaxing lounges on each residential floor, laundry facilities, bicycle parking, security cameras, a large community facility, and a two-story community room with significant natural light.

PROJECT FINANCE SUMMARY

In addition to the Affordable Housing Trust Fund (AHTF) loan, the financing will include funds from the State of California HCD- MHP Program and low-income housing tax credit equity. The project has also received a funding award from HACLA's Project Based Voucher (PBV) program.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The owner of the property is P.A.T.H., also known as People Assisting the Homeless, a California non-profit corporation. The borrower will be Metro Villas 345 L.P., a California limited partnership. The limited partnership will enter into a 99 year lease with the owner in order to allow for the development of the project. The limited partnership is comprised of PATH Ventures Metro 345, LLC, its Managing General Partner, AHG Metro 345, LLC, its Administrative General Partner. Affirmed Housing Group, Inc. is the Sole Member of the Administrative General Partner.

FUNDING SOURCES

Sources	Permanent
State HCD- MHP	5,581,877
HCIDLA (AHTF)	8,472,548
GP Equity Contribution	1,393,262
Deferred Developer Fee	589,100
Tax Credit Equity 4%	10,256,685
Total	\$26,293,472

AFFORDABILITY STRUCTURE

Unit Type	30% AMI	40% AMI	60% AMI	Mngr's	Total
0 BR/ Studio	20	6	7		33
1 Bedroom	18	7	6		31
2 Bedroom				1	1
Total	38	13	13	1	65

FUNDING RECOMMENDATION

An AHTF funding commitment of up to \$8,472,548 is recommended and represents \$130,347 per unit or approximately 32% of the total development cost. The HCIDLA commitment will be leveraged with 4% low income housing tax credits and a State HCD- MHP loan.

Prepared By: Los Angeles Housing and Community Investment Department Date: 02/01/2016

STAFF REPORT

February 3, 2016

**Rolland Curtis East
1077 W 38th Street
Los Angeles, CA 90037**

**New Construction
Council District No: 8**

PROJECT DESCRIPTION

The Rolland Curtis East will be a newly constructed 70 unit development serving low and very low income families, located one block from the University of Southern California campus and Exposition Park. The 70 units will be comprised of 6 one-bedroom units, 43 two-bedroom units, and 21 three-bedroom units. The project will include an open space community use area that will have seating, walking paths, a community garden, tot-lot, and community kitchen. The roof decks will also serve as a secondary outdoor area with seating and garden beds, providing a view of downtown and the surrounding area. On site laundry will be located on every floor. Other amenities include a multi-purpose community room, an office for the residential supportive service provider, and property management staff offices on the ground floor. The Rolland Curtis East will be one phase of the larger Rolland Curtis Gardens development, a mixed use development comprised of the Rolland Curtis East located on the eastern side of the site and the Rolland Curtis West, an additional 70 unit development located on the west side of the site.

PROJECT FINANCE SUMMARY

The financing is comprised of the State of California Department of Housing and Community Development's Infill Infrastructure Grant (IIG) and Affordable Housing and Sustainable Communities (AHSC) program, conventional loan, limited partner and seller equity, and deferred developer fee. These funds will be leveraged with 9% low-income housing tax credits from the California Tax Credit Allocation Committee (CTCAC).

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Rolland Curtis East, L.P will be the borrower, consisting of Rolland Curtis East, LLC as the general partner, and Abode Community Housing (ACH), an affiliate of Abode Communities, as the temporary limited partner until awarded Low Income Housing Tax Credits in which a to be determined tax credit investor is admitted and replaces ACH in the partnership.

The site is currently owned by Rolland Curtis Partners, LLC. The limited partnership, Rolland Curtis East L.P, will enter into a 99-year ground lease with Rolland Curtis Partners, LLC at construction closing. The limited partnership will own the improvements until expiration of the ground lease, at which point the ownership of the improvements will transfer to Rolland Curtis Partners, LLC.

PERMANENT FUNDING SOURCES

Sources	Amount
Conventional Loan	\$ 2,468,800
HCD IIG	\$ 2,280,000
HCD AHSC	\$ 2,753,170
HCD AHSC HRI Grant + Planning	\$ 801,830
Sellers Equity	\$ 750,000
Deferred Developer Fee	\$ 600,000
Capital Contributions GP	\$ 100
Tax Credit Equity	\$ 22,453,668
Total	\$ 32,107,568

AFFORDABILITY STRUCTURE

Unit Type	Area Median Income (AMI)						Mgr.	Total
	30 %	35%	40%	45%	50%	60%		
1 Bedroom	1	0	1	0	3	1	0	6
2 Bedroom	9	0	4	0	17	12	1	43
3 Bedroom	4	0	2	0	8	7	0	21
Total	14	0	7	0	28	20	1	70

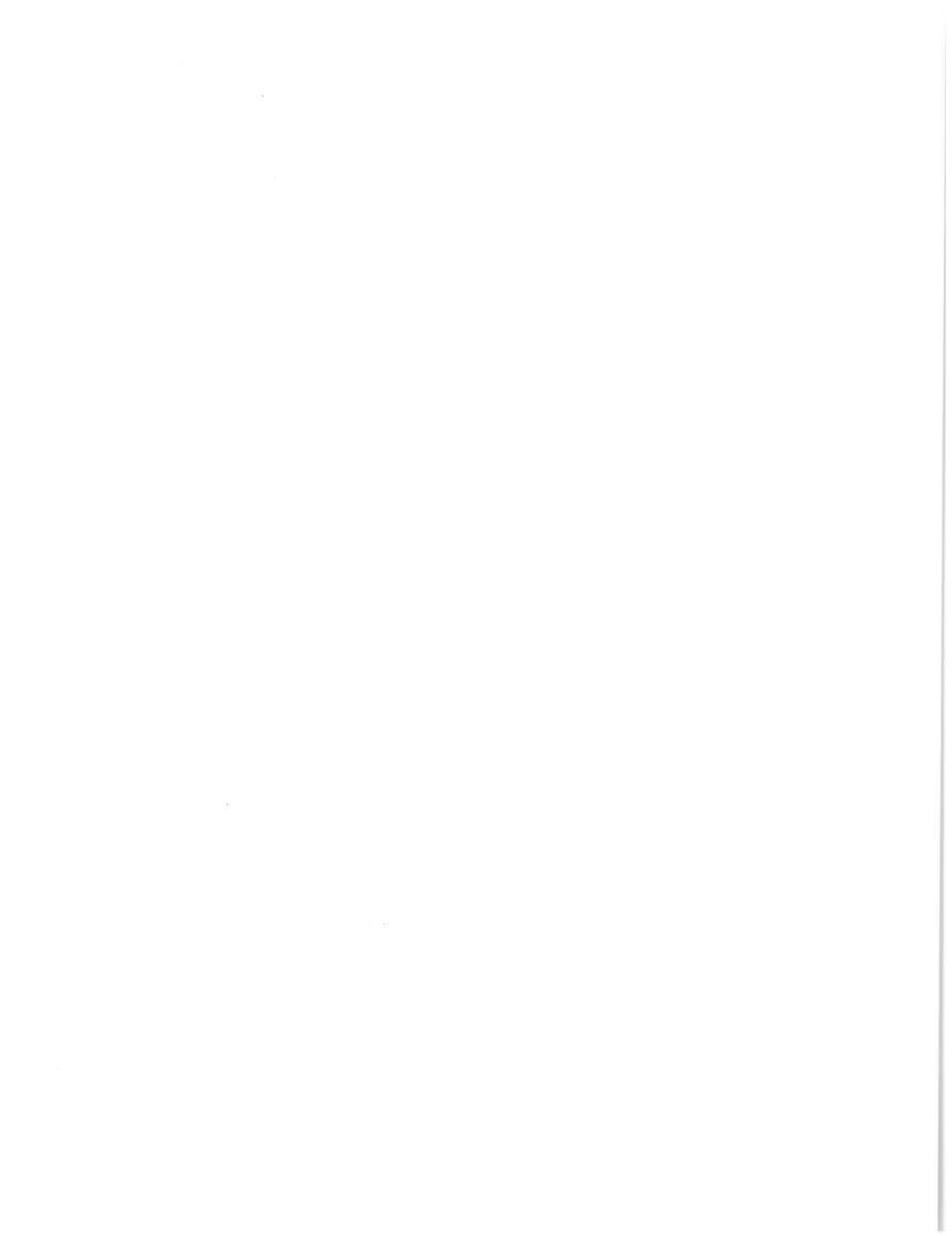
PROJECTED SCORING ANALYSIS (9% Tax Credits)

<u>Criterion</u>	<u>Max. Points</u>	<u>Projected Points</u>	<u>Remarks</u>
Cost efficiency & leverage of public funds	20	20	
Experience of developer and property manager	9	9	
Resident target meets defined housing need	10	10	
Site & Service Amenities	25	25	
Sustainable Building Methods	10	10	
Income Targets	52	52	
Readiness to proceed	20	20	
Willingness to accept state credit exchange	2	2	
Total	148	148	

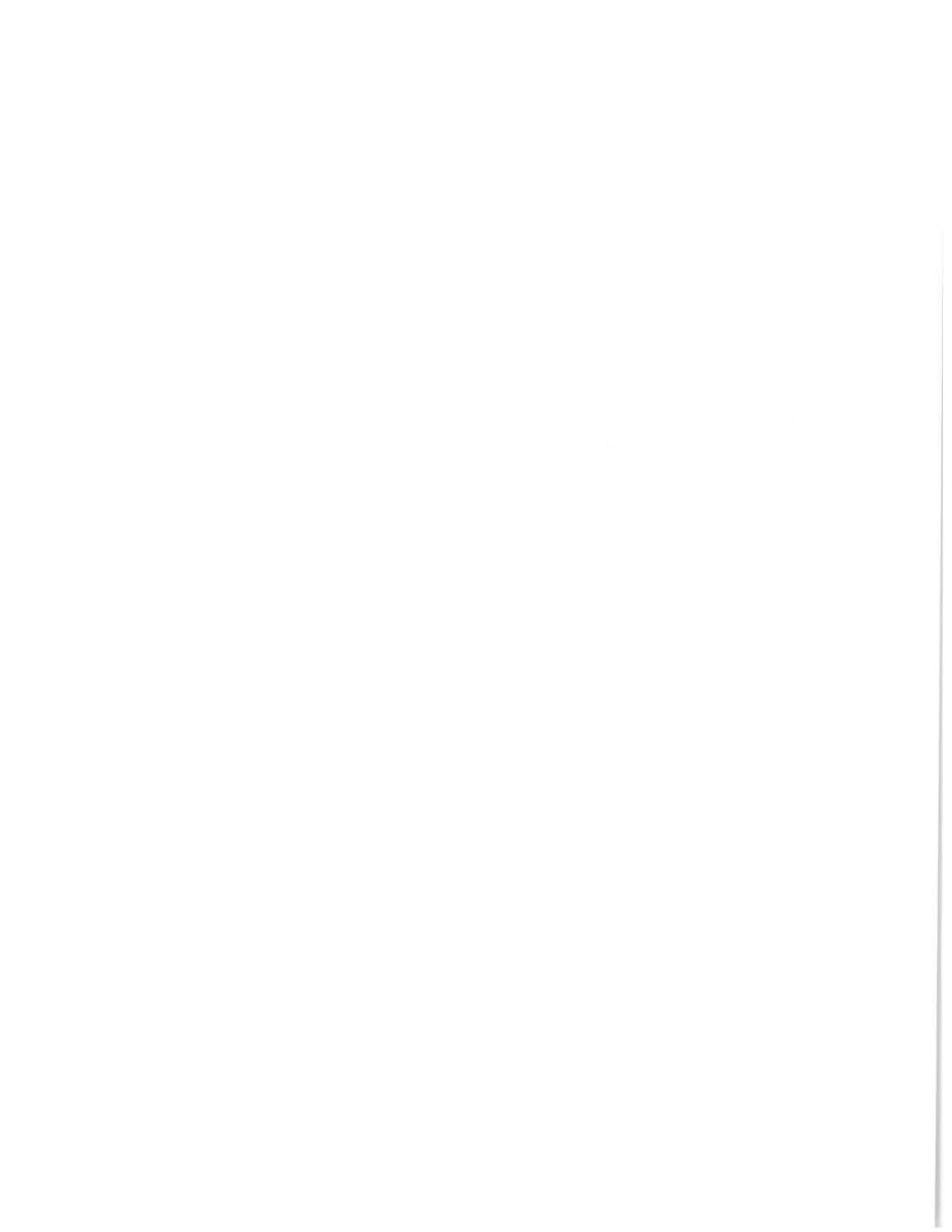
RECOMMENDATION

The project is not requesting an AHTF funding commitment. A 9% Tax Credit Letter of Support is recommended for this project to compete in CTCAC 2016 Round 1. The funding will be leveraged with conventional financing and tax credit equity.

Prepared by: Los Angeles Housing and Community Investment Department



Attachment B



PRELIMINARY 9% LOW INCOME HOUSING TAX CREDIT CALENDAR

2016 ROUND 1	2016 ROUND 2	2017 ROUND 1	2017 ROUND 2
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
		PATH METRO VILLAS II (TOD), CD 13, 122 Units PATH Ventures	
NON-PROFIT SET-ASIDE			
KING 1101 (TOD), CD 14, 26 Units Clifford Beers		VISTA DE LOS ANGELES (TOD), CD 1, 56 Units Clifford Beers	TEMPLE STREET APTS (NON-TOD), CD 13, 35 Units LTSC Community Devt Corp
		SUN VALLEY SR VETS APTS (TOD), CD 6, 96 Units ELACC	ROSA DE CASTILLA APTS (NON-TOD), CD 14, 90 Units ELACC
		HARTFORD VILLA APTS (TOD), CD 1, 94 Units SRO Housing Corporation	
		WESTMORE-LINDEN (TOD), CD 1, 93 Units West Hollywood CHC	ELDEN-ELMS (TOD), CD 1, 93 Units West Hollywood CHC
LOS ANGELES GEOGRAPHIC SET-ASIDE			
CRENSHAW VILLAS (TOD), CD 10, 49 Units Crenshaw Villas Partners, LP	PAUL WILLIAMS FAM APTS (NON-TOD), CD 9, 41 Units Hollywood CHC	FLORENCE MILLS (TOD), CD 9, 54 Units Hollywood CHC	HIGHLAND PARK TRANSIT VILLAGE (TOD), CD 1, 60 Units McCormack Baron Salazar
RHF CRENSHAW GARDENS (TOD), CD 10, 49 Units Crenshaw RHF Partners, LP	1 ST & SOTO APTS PHASE II (TOD), CD 14, 30 Units ELACC	METRO AT WESTERN (TOD), CD 8, 31 Units Meta Housing	PICO ROBERTSON SR COMMUNITY (TOD), CD 5, 48 Units Mercy Housing
ROLLAND CURTIS EAST (TOD), CD 8, 70 Units Abode Communities	CORONEL APTS (TOD), CD 13, 54 Units Hollywood CHC		ROSA PARKS PHASE II (TOD), CD 10, 54 Units The Related Co. of California & WEDC
	Alternate: TBD	Alternate: TBD	Alternate: TBD

PRELIMINARY BOND/4% LOW INCOME HOUSING TAX CREDIT CALENDAR

2016 Q1	2016 Q2	2016 Q3	2016 Q4
127 th STREET APTS (NON-TOD), CD 15, 85 Units Meta Housing	EL SEGUNDO APTS (NON-TOD), CD 15, 75 Units Meta Housing	SIX FOUR NINE LOFTS (TOD), CD 14, 55 Units Skid Row Housing Trust	ARMINTA SQUARE (NON-TOD), CD 6, 110 Units Arminta Square, LP
SYLMAR COURT (TOD), CD 7, 101 Units Meta Housing	ROLLAND CURTIS WEST (TOD), CD 8, 70 Units Abode Communities	54 th STREET CRENSHAW (TOD), CD 8, 69 Units West Angeles Community Devt Corp	
PATH METRO VILLAS I (TOD), CD 13, 65 Units PATH Ventures	CASA CARMEN (NON-TOD), CD 1, 25 Units 1010 Devt Corp	RAMPART APTS (TOD), CD 13, 23 Units West Hollywood CHC	

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: Affordable Housing and Sustainable Communities (AHSC) funding commitments are not expected to be announced prior to TCAC's 2016 Round 2 application deadline. The attached calendar is subject to modifications due to changes in AHSC funding timeline.

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