TRANSMITTAL

To: **THE COUNCIL**

Date: 6/6/2018

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

(Ana Guerrero) for

ERIC GARCETTI
Mayor

Los Angeles
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Eric Garcetti, Mayor
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June 5, 2018

Council File: **13-0303 & 16-0677**
Council Districts: 1, 6, 8, 10, 14, 15
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The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 300, City Hall
200 North Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR AUTHORIZATION TO ISSUE COMMITMENTS AND SUPPORT LETTERS TO EXISTING MANAGED PIPELINE PROJECTS APPLYING TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE (CTCAC) IN 2018 ROUND 2; AND, VARIOUS ACTIONS RELATED TO OTHER EXISTING MANAGED PIPELINE PROJECTS

SUMMARY

The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, HCIDLA seeks approval, and requests authority to approve the recommendations contained in this report related to projects admitted into HCIDLA's Affordable Housing Managed Pipeline (AHMP).

A total of five projects will apply for Low Income Housing Tax Credits (LIHTC) in July 2018:

- One permanent supportive project (PSH) project will apply in the statewide Nonprofit/ Homeless Assistance set-aside category.
- One PSH project will apply in the statewide Special Needs Set-Aside category.
- A total of three projects will apply in the City of Los Angeles Geographic Region set-aside.

HCIDLA will not request new financial commitments for the five projects. However, HCIDLA will issue LIHTC Letters of Support to accompany the application of two of the three projects

applying in the City Geographic set-aside. The CTCAC application deadline for 2018 Round 2 is July 2, 2018.

In addition, HCIDLA requests authority to increase existing loan commitments for two projects currently under construction and commit new funds to another project also currently under construction. These projects were all previously admitted into the AHMP and were successful in obtaining LIHTC; however, during the construction phase, they have all experienced increased costs related to delays and other circumstances out of the developers' control.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully requests that the Mayor and City Council:

I. Authorize the General Manager of HCIDLA, or designee, to issue a funding commitment letter for each applicable project identified in Table 1 of this report, subject to the following conditions:
   A. The final funding commitment will not exceed the amount listed;
   B. The project sponsor must apply to the CTCAC in the next available LIHTC allocation round; and,
   C. The disbursement of HCIDLA funds will occur only after the sponsor obtains enforceable commitments for all proposed funding.

II. Authorize the General Manager of HCIDLA, or designee, to issue a 9% LIHTC Letter of Support for each project identified in Table 1 of this report.

III. Authorize the General Manager of HCIDLA, or designee, to increase the existing funding commitments for each applicable project identified in Table 2 of this report, subject to the conditions listed in the existing loan agreements.

IV. Authorize the General Manager of HCIDLA, or designee, subject to review and approval of the City Attorney as to form, to negotiate and execute acquisition/ predevelopment/ construction/ permanent loan agreements with the legal owner of each applicable project identified in Tables 1 and 2 of this report, that receives an award from the proposed leveraging source, subject to the satisfaction of all conditions and criteria contained in the HCIDLA Pipeline application, this transmittal, and the HCIDLA Award Letter (if applicable).

V. Authorize the General Manager of HCIDLA, or designee, to execute Subordination Agreements for each applicable project identified in Tables 1 and 2 of this report, wherein the City Loan and Regulatory Agreements are subordinated to their respective conventional or municipally funded construction and permanent loans, as required.

VI. Authorize the General Manager of HCIDLA, 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.

VII. Authorize the Controller to:

A. Establish a new account "***43P675 – Rolland Curtis East***" within the Rental Housing Production Fund 307/43 and appropriate $1,000,000.00 from available cash balance.

Project	Fund	Account	Amount
Rolland Curtis East	307/43	43P675	$1,000,000.00
		Total	$1,000,000.00

B. Authorize the Controller to establish a new account "***43P681 – 433 Vermont Apartments***" within the Low and Moderate Income Housing Fund 55J/43 and appropriate $1,500,000 from available cash balance.

Project	Fund	Account	Amount
433 Vermont Apts	55J/43	43P681	$1,500,000.00
		Total	$1,500,000.00

C. Obligate HOME funds for the projects listed below:

Project	Fund	Account	Amount
King 1101	561/43	43P008	$ 200,000.00
Rolland Curtis West	561/43	43P008	$ 400,000.00
		Total	$ 600,000.00

VIII. Authorize the General Manager of HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with Mayor and City Council action on this matter, subject to approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

BACKGROUND

The City's Affordable Housing Managed Pipeline (AHMP) was established by the Mayor and City Council in June 2013 (C.F. #13-0824). The Mayor and City Council authorized HCIDLA to issue a Call for Projects (CFP) to enable open competition of new projects selected for the HCIDLA AHMP on an ongoing basis. In the same year, the CTCAC had recently established a new set-aside for projects located within the City of Los Angeles boundaries. HCIDLA recognized the opportunity to set forth clear recommendations for local LIHTC priorities and hence established the selection process for management of the 9% LIHTC in the City of Los Angeles geographic set-aside. The HCIDLA Pipeline currently consists of 33 total projects; 12 projects are in the predevelopment stage, and 21 projects are fully funded and under construction.

One of the most important features of the AHMP is the ability to leverage and attract the investment dollars of other public and private entities for the development of affordable housing

within the city, based on the ability to coordinate the development process of AMHP projects. Consistent with this authority, HCIDLA proposes to issue funding commitments and/or tax credit Letters of Support for five projects. The five projects are applying for 9% LIHTC from CTCAC. The deadline for the CTCAC 2018 Round 2 is July 2, 2018.

Funding and Tax Credit Recommendations

A total of five Pipeline projects are moving forward and are ready to apply for LIHTC leveraged financing. The five projects will provide a total of 440 affordable rental housing units in the city. Of the 440 units, 194 units will be set-aside as permanent supportive housing (PSH) for homeless persons, 49 units will be reserved for seniors and 49 units will be reserved for homeless veteran households. The five projects have a combined total development cost of approximately $243.8 million, leveraging an estimated $224.5 million from other public and private funds.

HCIDLA recommends tax credit Letters of Support for two 9% LIHTC projects, as these letters will serve as one of the tie-breakers for the 9% LIHTC competition. CTCAC's regulations state a Letter of Support from the local jurisdiction will serve as the first tie-break in the geographic set-aside. The alternate project will not receive a Letter of Support at this time in order to maintain HCIDLA's proposed funding order based on AHMP regulations. The proposed recommendations for the CTCAC 2018 Round 2 projects will also include one project in the Non-Profit/Homeless Set-Aside and one project in the Special Needs set-aside. Two out of the five projects applied for and received funding commitments for the Proposition HHH Permanent Supportive Housing Loan Program earlier this year. The remaining three projects, including the alternate project, have requested LIHTC support with no request for HCIDLA funds. Table 1 below, lists the projects applying for 9% LIHTC and the amounts of HCIDLA funds committed. Attachment B includes staff reports for each project.

TABLE 1:
AHMP PROJECTS COMPETING IN CTCAC 2018 ROUND 2

Project Name	CD	Total Units	PSH Units	Chronically Homeless Units	Previously Committed HCIDLA Funds	New HCIDLA Funds	TOTAL HCIDLA FUNDS
Non-Profit/Homeless Set-Aside							
Rosa de Castilla Apartments	14	85	63	32	$12,000,000**	$0	$12,000,000
Special Needs Set-Aside							
433 Vermont Apartments	10	72	36	18	$7,200,000**	$1,500,000	$8,700,000
City of Los Angeles Geographic Set-Aside							
Jordan Downs Area Ph 2B*	15	80	0	0	$0	$0	$0
Elden Elms Apartments*	1	93	15	15	$0	$0	$0
Alternate:							
Arminta Square	6	110	45	23	$0	$0	$0
TOTAL		**440**	**159**	**65**	**$19,200,000**	**$1,500,000**	**$20,700,000**

*Projects to receive HCIDLA Letter of Support for LIHTC tie-break purposes.
** Projects already received Prop HHH Permanent Loan Funds

Additional actions related to projects in the HCIDLA Pipeline

HCIDLA requests approval of additional funding commitments related to the operation and successful completion of the following projects previously admitted into the AHMP:

King 1101 Apartments

The King 1101 Apartments is a previously approved project consisting of 26 new construction affordable housing units. Of the 26 units, 20 units will be reserved for special needs households, of which 13 will serve chronically homeless individuals. All financing closed escrow in December 2016, including an HCIDLA loan in the amount of $3,930,000. The project closed its financing immediately after the 2016 election, which brought about an uncertainty regarding the proposed corporate tax rate. In order to close the financing within the timelines set forth by the LIHTC program, the limited partner included a tax credit adjuster that would be re-evaluated at the time of any future tax reform. Tax reform passed at the end of 2017 and the reduced corporate tax rate had a significant impact. The credit adjustment is also impacted by the timing and delivery of tax credits to the investor. The project has experienced a construction delay, which has extended the construction completion date, thereby the triggering the tax credit adjustor. The developer is estimating a total funding gap of $1.6 million. They have increased the private loan and obtained a local grant, reducing the funding gap to the $200,000 currently being requested from HCIDLA. HCIDLA recommends this additional funding be approved.

Rolland Curtis East and Rolland Curtis West

The Rolland Curtis East and Rolland Curtis West Apartments are two concurrent phases out of three total phases for the mixed-use transit oriented development known as Rolland Curtis Gardens. The Rolland Curtis East (East) consists of 70 affordable housing units, targeted to low-income families. The financing included 9% LIHTC, private loans and a loan and grant from the State's Housing and Community Development Department (HCD) Affordable Housing and Sustainable Communities Program (AHSC). The Rolland Curtis West (West) also consists of 70 affordable housing units, targeted to low-income families. The financing for the West phase includes tax-exempt bonds, 4% LIHTC, private loans, an HCIDLA loan in the amount of $4,900,000 and also a loan and grant from AHSC. Most of the financing for both phases closed escrow in December 2016, including the HCIDLA loan for the West phase. The last piece of the financing included the AHSC loans and grants, which were delayed because the West phase had just received an award approval in October 2016. The timing of the award did not coordinate with the timeline required by the LIHTC and, therefore, the project did not close the AHSC financing at the same time. The delay in finalizing and executing the AHSC loans and grants caused delays in the start of construction. Concurrently with the original closings in December 2016, both projects were given commercial wage compliance determinations rather than residential wage determinations, which significantly increased the overall construction costs. In order to avoid further delay in the start of construction, the construction increases were covered by reducing the construction contingency. Based on current pending change orders, the project will deplete the construction contingency sooner than projected and will need to fill the gap with additional financing. The developer is requesting a funding increase of $1,000,000 for the East phase, which will result in a new HCIDLA loan for the project. In addition, the developer is requesting an increase of $400,000 for the West phase, increasing the total HCIDLA loan

amount to $5,300,000. HCIDLA recommends this additional funding for both phases be approved.

TABLE 2:
SUPPLEMENTAL FINANCING FOR AHMP PROJECTS

Project Name	CD	Total Units	PSH Units	Chronically Homeless	Existing HCIDLA Funds	New/ Additional HCIDLA Funds	TOTAL HCIDLA Funds
King 1101	8	26	25	13	$3,930,000.00	$200,000.00	$4,130,000.00
Rolland Curtis West	8	70	0	0	$4,900,000.00	$400,000.00	$5,300,000.00
Rolland Curtis East	8	70	0	0	-	$1,000,000.00	$1,000,000.00
Total		166	25	0	$ 8,830,000.00	$1,600,000.00	$10,430,000.00

AHMP Pipeline Update

HCIDLA currently estimates $28.2 million in available funds for new housing projects in the next fiscal year. The AHMP issued a new Call for Projects in early May and the deadline to submit applications is June 4, 2018. Approvals to admit new projects will be contingent upon the available HCIDLA funding plus the available LIHTC. Attachment C provides an updated list of recommended projects currently admitted in the Managed Pipeline.

Table 3: Estimated Available Funds for AHMP Pipeline

43rd Program Year Consolidated Plan (HOME)	$7,325,000
Estimated 44th Year Grant and Program Income (HOME) Fiscal Year 2018-2019	$20,899,327
Grand Total Estimated Funds Available	$28,224,327

FISCAL IMPACT

There is no impact to the General Fund. The recommendations in Table 1 of this report will authorize HCIDLA to fund a total of 440 new affordable housing units with $1,500,000 in direct funding commitments. Additionally, the recommendations in Table 2 request utilizing $1,600,000 in new allocations. The HCIDLA therefore requests a total of $3,100,000 in new allocations from federal HOME entitlement and condo conversion program funds.

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Attachment A: Tax Credit Calendar
Attachment B: Staff Reports

Attachment A

ATTACHMENT A *(05-21-2018)*

PRELIMINARY 9% LOW INCOME HOUSING TAX CREDIT CALENDAR

2018 ROUND 1 (March 2018)	2018 ROUND 2 (July 2018)	2019 ROUND 1 (March 2019)	2019 ROUND 2 (July 2019)
NON-PROFIT SET-ASIDE			
HARTFORD VILLA APTS (TOD), CD 1, 101 Units SRO Housing Corp	ROSA DE CASTILLA APTS (Non-TOD), CD 14, 90 Units East LA Comm Corp	*TBD*	*TBD*
SPECIAL NEEDS SET-ASIDE			
	433 VERMONT APTS (TOD), CD 10, 72 Units Western Comm Hsg/ Meta Hsg Co	*TBD*	*TBD*
LOS ANGELES GEOGRAPHIC SET-ASIDE			
FLORENCE MILLS (TOD), CD 9, 74 Units Hollywood Community Hsg Corp	JORDAN DOWNS 2B (TOD), CD 15, 80 Units Bridge Housing	*TBD*	*TBD*
Metro @ Buckingham (TOD), CD 10, 103 Units Meta Housing Corp	WESTMORE ELMS- ELDEN (TOD), CD 1, 93 Units West Hollywood Comm Hsg		
Alternate:	*Alternate:* ARMINTA SQUARE (TOD), CD 6, 110 Units Meta Housing Corp		

PRELIMINARY BOND/4% LOW INCOME HOUSING TAX CREDIT CALENDAR

2018 Q1	2018 Q2	2018 Q3	2018 Q4
	McCadden Youth Housing CD 4, 26 Units Thomas Saffran & Assoc	Flor 401 Lofts CD 14, 99 Units Skid Row Housing Trust	Lamp Lodge CD 14, 82 Units Skid Row Housing Trust
2019 Q1	**2019 Q2**	**2019 Q3**	**2019 Q4**

9% / 4% LOW INCOME HOUSING TAX CREDIT CALENDAR - Notes

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 Affordable Housing Managed Pipeline Regulations.

NOTE 2: The following projects continue to pursue additional funding and are therefore not positioned in the Calendar at this time: Highland Park Transit Village, MacArthur Park Phase 2, Rosa Park Phase II, and Sun Commons.

Attachment B

STAFF REPORT

433 Vermont Apartments
433 South Vermont Avenue, Los Angeles, CA 90020

New Construction
Council District No: 10

PROJECT DESCRIPTION

433 Vermont Apartments will be the new construction of 72 units for low-income seniors and special needs population. The 72 units will consist of 57 one bedroom units, 14 two bedroom units, and 1 two bedroom market rate manager's unit. The project will also include a resident community space, an onsite gym, and an open courtyard, exclusively for the residents. The ground floor of the building will include a 12,500 square feet community recreation space to be operated and maintained by the YMCA. The YMCA space will include two community rooms, a concession room, an office, and a meeting room.

433 Vermont Apartments project will serve three separate senior subpopulations, all of whom are 62 years or older. 18 of the units will target individuals who are chronically homeless. An additional 18 units will serve homeless seniors that currently utilize service from the County of Los Angeles, and 35 units will serve low income seniors without any additional restrictions or special needs. On-site supportive services will be provided by The People Concern (formerly OPCC/LAMP). Services will include: case management and service coordination; volunteer coordination; community building, social, and recreational activities, including resident council; outreach and engagement of residents; assistance with independent living skills, including money management; linkages to mainstream resources, healthcare, dental care, substance abuse, and mental health services; and self-help groups/peer services.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The project will be owned by a tax credit Limited Partnership with Western Community Housing and Meta Housing Corporation serving as the General Partners, and a to-be-determined tax credit investor as the limited partner.

PROJECT FINANCE SUMMARY

In addition to HCIDLA's funding from the Proposition HHH Permanent Supportive Housing Loan Program the proposed financing is comprised of a conventional loan; funding from the County of Los Angeles that includes: a long-term land lease with favorable terms, Community Development Commission, and Department of Health Services; Affordable Housing Partnership; and tax credit equity from the sale of 9% Low Income Housing Tax Credits. The project will also obtain operating subsidies from the Los Angeles County Department of Health Services in the form of annual supportive services assistance and project based rental vouchers, and from the Housing Authority of the City of Los Angeles in the form of project based rental vouchers.

The project has a high overall total development cost (TDC) primarily due to three key items; land cost, the construction type of the project, and; the construction of a commercial/ community recreation space. The land value, which is $6.8 million, is part of the overall TDC, however, the land value is being donated by the County of Los Angeles through the Community Development Commission of the County of Los Angeles, therefore, technically no extra cost to the project. In addition, the construction type will consist of five stories of Type III- A wood frame construction above two floors of subterranean parking, triggering a commercial prevailing wage. Besides the requirement to pay commercial prevailing wages, the extra subterranean parking will involve additional costs in the excavating and concrete line items. Furthermore, the development is a result of a master development. The requirement for the construction of commercial/ community space plus parking is part of the lease agreement between the County and the developer. The proposal includes a 12,500 square foot commercial space to be operated and maintained by the YMCA. The commercial space equals 20% of the overall TDC. As a result, the residential development costs minus the land value is $34.5 million, which totals to $479,167 per unit.

PERMANENT FUNDING SOURCES

Source	**Amount**
HCIDLA- HHH	$7,200,000
HCIDLA- AHMP	$1,500,000
CalHFA Tranche B – Perm Loan	$6,198,294
County Value of Leased Land	$6,850,000
County CDC	$1,500,000
County SNHP	$2,520,000
AHP	$816,500
Accumulated Interest	$188,400
Deferred Developer Fee	$89,913
Tax Credit Equity	$23,096,308
Total	**$ 49,959,415**

AFFORDABILITY STRUCTURE

Unit Type	**Mgrs.**	**30% AMI**	**50% AMI**	**60% AMI**	**Total**
1 Bedroom		34	23	0	57
2 Bedroom	1	2	1	11	15
Total	**1**	**36**	**24**	**11**	**72**

FUNDING RECOMMENDATION

A funding commitment of up to $1,500,000 from the Affordable Housing Managed Pipeline is recommended. The project is competing for a 9% Tax Credit Allocation in the highly competitive Special Needs pool. The AHMP funds will represent $41,666 per unit and 3% of the total development cost. As stated above, the HCIDLA funding is leveraged with conventional financing, funding from the County of Los Angeles, and tax credit equity.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT
May 21, 2018

Arminta Square
11050 W. Arminta Street, Los Angeles, CA 91352
New Construction
Council District No: 6

PROJECT DESCRIPTION

The proposed development is the new construction of 110 residential units. The site currently consists of three adjacent parcels, with one parcel containing an existing 18-unit multi-family building, one parcel containing a single-family home, and one parcel vacant. The multi-family building was originally rehabilitated after the Northridge earthquake with two loans using HOME and CDBG funds. The existing loans were in default and the new project was proposed as a way to bring the project to compliance and allow for the construction of new units substantially increasing the total affordable unit count. The new development proposes to demolish the existing buildings and relocate the remaining tenants. The new 4-story building; the first floor consists of a garage and common areas. Residential units are located in the upper three floors and will consist of one, two's, three's and four bedroom units. Site amenities will include a community room, on-site manager, laundry room, computer room, security gate, elevator, and surveillance camera.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The ultimate borrower will be a to-be-formed limited partnership. The project sponsor is Meta Housing Corporation. Meta will select a to-be-named nonprofit (or an affiliate to be approved by HCIDLA) who will be the managing general partner.

PROJECT FINANCE SUMMARY

The proposed financing is composed of a conventional loan, tranche B loan, tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC), and deferred developer fee.

PERMANENT FUNDING SOURCES

Source	Amount
Tax Credit Equity	36,128,002
Conventional Loan	9,434,687
Tranche B Loan	7,203,589
Deferred Developer Fee	1,155,842
Total	**$53,922,120**

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	50% AMI	60% AMI	Total
1 Bedroom	0	5	0	0	5
2 Bedroom	1	31	0	27	59
3 Bedroom	0	8	0	31	39
4 Bedroom	0	1	1	5	7
Total	**1**	**45**	**1**	**63**	**110**

FUNDING RECOMMENDATION

The project is not requesting funds from the AHMP and will compete for tax credits in 2018 Round 2 of the California Tax Credit Allocation Committee 9% LIHTC funding round.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT
May 21, 2018

Elden Elms Apartments
1255 S. Elden Avenue, Los Angeles, CA 90006
New Construction
Council District No: 1

PROJECT DESCRIPTION

The project is the second phase of Westmore Elden affordable housing project. It entails new construction of 92 affordable rental units for low income households and one manager's unit. Elden Elms will include a community hub, fitness center, computer room, laundry room, community room with communal kitchen, and two social services offices. Outdoor amenities include a courtyard with a tot lot, barbecue, tables and seating. Each unit will come with a complete kitchen with Energy Star appliances, full bathroom, and private balcony. All floors will be serviced by an elevator.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

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

PROJECT FINANCE SUMMARY

The proposed financing is composed of a conventional loan, tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC), funds from the State Infill Infrastructure Grant (IIG), Affordable Housing and Sustainable Communities Programs (AHSC), and Affordable Housing Program funds.

PERMANENT FUNDING SOURCES

Source	**Amount**
Tax Credit Equity	31,450,948
Conventional Loan	6,370,000
State IIG	4,750,000
State AHSC	12,494,593
AHP	920,000
Deferred Developer Fee	464,842
Total	**$56,450,383**

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	15% AMI	30% AMI	40% AMI	50% AMI	80% AMI	Total
1 Bedroom	0	15	0	5	20	8	48
2 Bedroom	1	0	2	2	6	4	15
3 Bedroom	0	0	3	3	12	12	30
Total	**1**	**15**	**5**	**10**	**38**	**24**	**93**

FUNDING RECOMMENDATION

The project is not requesting funds from the AHMP and will compete for tax credits in 2018 Round 2 of the California Tax Credit Allocation Committee 9% LIHTC funding round.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT
May 21, 2018

Jordan Downs Area H (Phase 2B)
2062 99th Place, Los Angeles, CA 90002
New Construction
Council District No: 15

PROJECT DESCRIPTION

The Jordan Downs Area H project (fka Jordan Downs Phase 2B) is part of the redevelopment of Jordan Downs public housing in Watts. This phase entails the new construction of 80 total units with 79 reserved as affordable housing units, and one manager's unit. The residential units will be comprised of twenty-one 1-bedroom, thirty-eight 2-bedroom, and twenty-one 3-bedroom units ranging in size from 750 to 1, 000 square feet. The development will also include a leasing office, community room, onsite laundry facilities and recreational areas including a BBQ area and a tot lot for residents. The community room will include WiFi computer access as well as community gathering space where service providers will work with the residents.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The Housing Authority of the City of Los Angeles currently owns the property and will negotiate and enter into a long- term ground lease agreement with BRIDGE Housing Corporation for a term of not less than 55 years. The development will be owned by a to-be-formed limited partnership.

A to be formed General Partner, with BRIDGE Housing Corporation or a 501(c)(3) Corporation wholly controlled by BRIDGE as its sole managing member, will own 100% of the ownership entity. The initial Limited Partner will be BRIDGE Regional Partners, Inc. which will be replaced by the tax credit equity investor when the equity funding is closed. BRIDGE Housing Corporation is the corporate parent of all the aforementioned entities.

PROJECT FINANCE SUMMARY

The proposed financing is composed of a conventional loan, tax credit equity from the sale of 9% Low Income Housing Tax Credits (LIHTC), funds from the State Infill Infrastructure Grant (IIG), value of HACLA ground lease, HACLA gap loan, Project-based and RAD vouchers, and general partner's equity.

PERMANENT FUNDING SOURCES

Source	Amount
Tax Credit Equity	23,749,999
Conventional Loan	6,743,693
State IIG	3,970,480
HACLA Gap Loan	2,345,813
HACLA Ground Lease	2,800,000
GP Equity	2,375
Total	**$39,612,360**

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	40% AMI	50% AMI	60% AMI	Total
1 Bedroom	0	2	6	7	6	21
2 Bedroom	1	20	0	0	17	38
3 Bedroom	0	9	12	0	0	21
Total	**1**	**31**	**18**	**7**	**23**	**80**

FUNDING RECOMMENDATION

The project is not requesting funds from the AHMP and will compete for tax credits in 2018 Round 2 of the California Tax Credit Allocation Committee 9% LIHTC funding round.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT
May 17, 2018

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

New Construction
Council District No: 8

PROJECT DESCRIPTION

The King 1101 project is a 32,000 square foot, four-story affordable, multifamily community for up to 26 individuals and families. The site used to be vacant and is now developed with seven efficiency units, eleven one-bedroom units and eight three-bedroom units The project design is California contemporary style, providing ample natural light and ventilation throughout, and open and functional spaces for all users. Features include gated parking, a secured pedestrian entry, management offices, outdoor green space, a community room, a community kitchen, a community garden, and street front retail/commercial space. The green roof community garden, located on the second floor, offers residents a green space for recreation and gardening. All rental units are located on floors two through four, which will be served by an elevator. The residential units include kitchens and bathrooms, a living area, energy star appliances, air conditioning, window coverings, spacious closets, and furnishings. An entrance to the 27-space on-grade parking lot is located in the alleyway at the rear of the project.

Of the 26 units, one three-bedroom unit has been 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 five units will be reserved for low-income households.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

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

PROJECT FINANCE SUMMARY

Shortly before the close of construction financing in December 2016, the project's loan from the Community Development Commission of the County of Los Angeles was reduced by $100,000. HCIDLA agreed to close the financing gap after the construction closing, using funds derived from a Public Benefit Payment paid by the developer of the Metropolis project (Metropolis Funds). The construction lender agreed to advance the amount in the interim until the Metropolis funds were allocated. Around the same time, the upper tier tax credit investor withdrew from the project due to proposed federal tax reform legislation regarding the corporate tax rate and its impact on 9% Low Income Housing Tax Credits. A new investor was found, but with the tax credit closing deadline quickly approaching, CBH was compelled to accept equity

adjuster language in the Limited Partnership Agreement, which would allow for a reduction in tax credit equity depending on the outcome of the proposed tax legislation. The corporate tax rate reduction was signed into law in December of 2017, invoking the adjuster language in the Limited Partnership Agreement. In addition, weather delays and an extension to the construction completion date will likely invoke a timing adjustor clause in the LPA due to the late delivery of tax credits, further reducing the amount of equity in the project.

In May 2018, the Borrower requested an additional $100,000 in funding, for a total supplemental request of $200,000, and provided HCIDLA with a letter from the investor stating that the equity contribution would be reduced by $846,959. The Borrower has secured other sources of funding to close the gap created by the reduced equity.

FUNDING SOURCES

Permanent Sources	**Previous**	**Current**
HCIDLA	$3,930,000	$4,130,000
Wells Fargo	100,000	0
Conventional Loan – CCRC	0	1,646,598
Home Depot Grant	0	200,000
GHI	1,100,000	1,100,000
Tax Credit Equity	8,101,350	7,206,514
CRS Grant	75,000	75,000
GP Capital	185,000	185,000
LACDC	1,500,000	1,500,000
Deferred Developer Fee	788,331	29,357
Total	**$15,879,681**	**$16,072,469**

AFFORDABILITY STRUCTURE

Unit Type	**Mgr.**	**30% AMI**	**40% AMI**	**50% AMI**	**Total**
0 Bedroom		7			7
1 Bedroom		7	4		11
3 Bedroom	1	1	2	4	8
Total	**1**	**15**	**6**	**4**	**26**

FUNDING RECOMMENDATION

A supplemental funding commitment of $200,000 in HOME Funds is recommended. The additional funding will bring the total City loan amount to $4,130,000, which is below the HOME maximum per-unit subsidy limit. The new loan amount represents $165,200 per unit and 25.7% of the total development cost.

Prepared by: Los Angeles Housing and Community Investment Department

STAFF REPORT
May 31, 2018

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.

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.

PROJECT FINANCE SUMMARY

The financing is comprised of the State of California Department of Housing and Community Development's Infill Infrastructure Grant and Affordable Housing and Sustainable Communities 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.

PERMANENT FUNDING SOURCES

Sources	Previous Amount	Proposed Amount
HCID	$0	$1,000,000
Conventional Loan	$ 2,468,800	$3,650,633
HCD IIG	$ 2,280,000	$2,280,000
HCD AHSC AHD	$ 2,753,170	$2,753,169
HCD AHSC HRI Grant + Planning	$ 801,830	$801,830
HCD AHSC	$0	$445,000
Sellers Equity	$ 750,000	$0
Deferred Developer Fee	$ 600,000	$600,000
Capital Contributions GP	$ 100	$100
Tax Credit Equity	$ 22,453,668	$23,255,585
Total	**$ 32,107,568**	**$34,786,317**

AFFORDABILITY STRUCTURE

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

RECOMMENDATION

An AHTF funding commitment of $1,000,000 is recommended. Total AHTF funds will represent $14,286 per unit and 2.87% of the total development cost.

Prepared by: Los Angeles Housing and Community Investment Department

STAFF REPORT

Rolland Curtis West Apartments
1077 W. 38th Street, Los Angeles, CA 90037

New Construction
Council District No: 8

PROJECT DESCRIPTION

The City of Los Angeles through the Los Angeles Housing and Community Investment Department (HCIDLA) issued tax-exempt multifamily conduit revenue bonds in the amount of $22,000,000, issued a taxable bond in the amount of $1,500,000, and a loan of $4,900,000 from the HCIDLA for the development of the Rolland Curtis West Apartments. Currently, the project is under construction.

The project is phase 2 of the 3-phase mixed use, transit oriented development known as Rolland Curtis Gardens. Phase 2, Rolland Curtis West, is the 70 units along the western side of the site which will utilize tax-exempt bonds and 4% Low Income Housing Tax Credit. Construction of all 3 phases must begin at the same time due to the funding of Rolland Curtis East which has to close December 5, 2016 and the complexity of the construction of both residential buildings which are attached using one common wall for the on-grade parking structure. Rolland Curtis West consists of 7 one-bedroom units, 39 two-bedroom units including the manager's unit, and 24 three–bedroom units. The amenities will include a central open space on the podium level containing benches, tables and chairs, walking paths, community kitchen, tot-lot and a community garden. Roof decks will serve as second outdoor community rooms, with space for gardening. All residential floors will have shared laundry rooms. The building will provide 57 parking and 70 bike spaces. The project will be made available to mixed population comprised of large family with income at 30%, 35%, 50%, and 60% of area median income.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The Borrower/Sponsor is Rolland Curtis West, L.P., a California limited partnership. Rolland Curtis West GP, LLC, a California limited liability company, is the General Partner. Abode Community Housing will be the temporary limited partner until construction closing at which point a TBD low income housing equity investor will be admitted into the partnership. Abode Communities (AC) is the Developer. The officers of AC include Robin Hughes, President & CEO; Rick Saperstein, Executive Vice-President & CFO; Holly Benson, Executive Vice-President & Chief Operating Officer; and, Maria Bustria-Glickman, Vice-President & Secretary.

PROJECT FINANCE SUMMARY

The bonds were issued as a privately placed single bond, and purchased by Wells Fargo Bank, N.A. (WFB). The bonds are unenhanced and unrated and subject to the HCIDLA Bond Policies. WFB will provide a construction loan to the Borrower in the amount up to $22,000,000, and an additional taxable construction loan in the amount up to $1,500,000, both with a maturity of 28 months and two three-month extension options. At conversion to permanent financing, the WFB construction loans will be paid off from available funds, and a new permanent loan to the Borrower in the amount up to $2,862,600 will be provided by California Community Reinvestment Corporation.

Existing Permanent Source		
CCRC	$2,687,300	$2,687,300
HCD - AHSC Loan	$3,911,504	$3,911,504
HCIDLA	$4,900,000	$5,300,000
HCD - AHSC STI Grant	$ 503,000	$503,000
HCD - AHSC HRI Grant	$1,208,750	$1,208,750
HCD - MHP	$5,773,538	$5,773,538
Deferred Developer Fee/Costs	$2,109,553	$2,109,553
Tax Credit Equity	$11,255,079	$11,255,079
Total Permanent Financing	$32,348,724	$ 32,748,724

AFFORDABILITY STRUCTURE

UNIT TYPE	30% AMI	35% AMI	50%AMI	60% AMI	MGR	TOTAL
1-Bdr.	3	2	2			7
2-Bdr.	9	5	14	10	1	39
3-Bdr.	6	2	5	11		24
Total	**18**	**9**	**21**	**21**	**1**	**70**

FUNDING RECOMMENDATION

A HOME funding commitment of up to $400,000 is recommended. The project is under construction and will require an additional funds to complete the project. The HOME funds will represent $75,714 per unit and 16% of the total development cost. As stated above, the HCID funding is leveraged with conventional financing, funding from State HCD, and tax credit equity.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT
May 21, 2018

Rosa De Castilla Apartments
4208 Huntington Drive South, Los Angeles, CA 90032

New Construction
Council District No: 14

PROJECT DESCRIPTION

The Rosa De Castilla Apartments will be a newly constructed 85 unit, 100% affordable housing project serving a mixed population of homeless veterans, homeless seniors, and very low/low income families. The project is located on an urban infill site, located along Huntington Drive in the El Sereno community. The development includes the construction of one subterranean parking garage and four stories of residential development. Units will include nine Studios, fifty-five 1-Bedroom, eleven 2-Bedroom, and ten 3- Bedroom units. There will be two manager's units. 63 units will reserved for special needs, of which 49 will be for homeless veterans and their families, and 14 units for homeless seniors. 20 remaining units will be reserved for families earning between 30-60% of area median income.

The Rosa de Castilla will be designed to meet Leadership and Environmental Energy and Design Certification, and will incorporate a series of sustainable building measures, including Energy Star appliances, a high efficiency irrigation system, and electric vehicle parking. The project is also designed to enhance the pedestrian experience along Huntington Drive through its aesthetic appeal and landscaping features. Amenities for each unit will include full kitchens with appliances. Common areas will feature a meditation garden, central courtyard with BBQ grills, tot lot, computer room, community room, and a support services office.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Rosa De Castilla Apartments, L.P will be the borrower, consisting of East LA Community Corporation as the managing general partner. New Directions Inc., will be the administrative general partner.

PROJECT FINANCE SUMMARY

The financing is comprised of the State of California Department of Housing and Community Development's Veteran's Housing and Homelessness Prevention (VHHP) program, County of Los Angeles Centers for Disease Control funding, City of Los Angeles Proposition HHH, 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).

FUNDING SOURCES-PERMANENT

Sources	Amount
Conventional Loan	$ 4,530,000
HCD VHHP	$ 5,943,177
LACDC	$ 1,500,000
HCIDLA- HHH	$ 12,000,000
Tax Credit Equity	$ 19,999,004
Deferred Developer Fee	$ 148,195
Capital Contributions	$ 100
Total	**$ 44,120,476**

AFFORDABILITY STRUCTURE

Unit Type	30 % AMI	40% AMI	50% AMI	60% AMI	Mgr.	Total
0 Bedroom	9	0	0	0		9
1 Bedroom	54	0	0	0	1	55
2 Bedroom	2	0	8	0	1	11
3 Bedroom	1	0	5	4	0	10
Total	**63**	**0**	**13**	**7**	**2**	**85**

FUNDING RECOMMENDATION

An HHH funding commitment in the amount of up to $12,000,000 is recommended. The AHMP funding represents $141,176 per unit or approximately 27.2% of the total development cost. The HHH commitment will be leveraged with 9% low income housing tax credits and HCD loans.

Prepared by: Los Angeles Housing and Community Investment Department