

HOMELESSNESS AND POVERTY COMMITTEE AND HOUSING COMMITTEE JOINT REPORT relative to the Proposition HHH Permanent Supportive Housing Loan Program and Facilities Program Fiscal Year (FY) 2017-18 project expenditure plans and loan agreements, and proposed programs.

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

1. APPROVE the Proposition HHH Permanent Supportive Housing Project Expenditure Plan FY 2017-18 entitled Attachment 1 of the City Administrative Officer (CAO) report to the Mayor and Council dated May 16, 2017, including \$73,157,162 for project costs and \$1,203,933 for staffing costs.
2. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to negotiate and execute loan documents, covenant/regulatory agreements, and any other documents necessary to implement the Proposition HHH Permanent Supportive Housing Project Expenditure Plan FY 2017-18 with each of the borrowers on projects selected for funding, subject to the approval of the City Attorney as to form and legality.
3. APPROVE the proposed Proposition HHH Facilities Program Project Expenditure Plan for FY 2017-18 entitled Attachment 2 of the CAO report to the Mayor and Council dated May 16, 2017, in the amount of \$12,004,219, subject to the City's review and determination of the useful life to establish the service repayment period for each project and the ability to reach satisfactory final agreements in connection with such projects.
4. AUTHORIZE the CAO, or designee, to negotiate and execute service payback loan documents, covenant/regulatory agreements, and any other documents necessary to implement the Proposition HHH Facilities Program Project Expenditure Plan FY 2017-18 with each of the borrowers on projects selected for funding, subject to the approval of the City Attorney as to form and legality.
5. DELETE the Facilities Request for Proposals (RFP) Implementation Calendar requirement for Council review prior to review by the Administrative (AOC) and Citizens Oversight Committees (COC).
6. DIRECT the CAO, the HCIDLA, and the Chief Legislative Analyst (CLA) to report the Homelessness and Poverty Committee and the Housing Committee relative to Recommendation Nos. 1c, 2c, and 2d of the CAO report to the Mayor and Council dated May 16, 2017, regarding the proposed Proposition HHH Permanent Supportive Housing Loan Program for FY 2017-18; policy recommendations for the Proposition HHH Facilities Program RFP FY 2018-19 Bond Issuance, and the process for identifying City-sponsored facilities; and, the release of the Proposition HHH Facilities Program RFP for FY 2018-19 Bond Issuance.
7. DIRECT the CAO and the CLA to perform public outreach for the Facilities Program, and DIRECT the HCIDLA and the CLA to perform outreach for the Housing Program.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund.

Community Impact Statement: None submitted.

**(Budget and Finance Committee waived consideration of the above matter)**

### SUMMARY

In a report to the Mayor and Council dated May 16, 2017, the CAO discusses the recommendations submitted by the Proposition HHH departmental sponsors for consideration by the Prop HHH COC and approved by the AOC. Recommendations are made for the Prop HHH Permanent Supportive Housing Program FY 2017-18 Project Expenditure Plan and Loan Program, Prop HHH Facilities Program FY 2017-18 Project Expenditure Plan, the release of the RFP for the FY 2018-19 Facilities Program, and related policy matters.

According to the CAO, the nine housing developments for the FY 2017-18 Project Expenditure Plan will provide a total of 615 units, of which 416 will be designated as permanent supportive housing units. Of the 416 units that are designated as supporting housing units, approximately 225 of them will be set aside for the chronically homeless.

The CAO goes on to report that HCIDLA's proposed Permanent Supportive Housing Loan Program will provide early funding commitments to projects that demonstrate the ability to provide well-managed, service-enriched housing for the homeless. The proposed program is designed to leverage existing and future City, County, State, and Federal funding streams. The CAO report also discusses policy guidelines, eligibility requirements, and the review process for the proposed Facilities Program RFP for FY 2018-19.

At their joint meeting held June 7, 2017, the Homelessness and Poverty Committee and the Housing Committee discussed this matter with representatives of the CAO and HCIDLA. Staff reviewed the CAO report. Estimated cost for each new unit of housing is approximately \$430,000. This cost includes land acquisition, design, construction, and relocation assistance. During the public comment period, support for the CAO's recommendations was expressed by members of the nonprofit affordable housing development community.

After expressing general support for the FY 2017-18 project expenditure plans and loan agreements, members of the two Committee discussed the need to decentralize new housing for the homeless out of areas of high concentration such as Downtown Los Angeles. The Committee members believed that more time was needed to review the guidelines for the 2018-19 Facilities RFP and bond issuance. The Committees recommended that Council approve CAO recommendations 1a, 1b, 2a, and 2b for the Proposition HHH Permanent Supportive Housing Loan Program and Facilities Program RFP for FY 2017-18 project expenditure plans and loan agreements. The Committees further recommended that Council direct the CAO, HCIDLA, and CLA report back relative to the CAO's recommendations for FY 2018-19 Loan Program and Facilities RFP. Finally, the Committees recommended that Council delete the Facilities RFP Implementation Calendar requirement for Council review prior to review by the AOC and the COC.

Respectfully Submitted,

HOMELESSNESS AND POVERTY COMMITTEE



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

jaw

HOUSING COMMITTEE

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

jaw

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**