

Corrected Report

HOUSING AND HOMELESSNESS AND POVERTY COMMITTEES' REPORT and ORDINANCE FIRST CONSIDERATION relative to approval to execute an Owner's Participation Agreement with 88th and Vermont MGP, LLC (88th and Vermont MGP) for the 88th and Vermont Support Housing project.

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

1. PRESENT and ADOPT the accompanying ORDINANCE dated March 8, 2019 authorizing the conveyance of the following three parcels of City-owned real property at their respective fair re-use values, to 88th and Vermont MGP with conditions assuring that City affordable housing purposes are carried out on the Property:
 - a. The parking lot located at 8707-8727 South Menlo Avenue.
 - b. The vacant parcel located at 8742-8746 South Vermont Avenue.
 - c. The vacant parcel located at 8750-8752 South Vermont Avenue.
2. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
 - a. Execute an Owner's Participation Agreement for the conveyance of City-owned property located at 8707-8727 South Menlo Avenue (APN 6038-010-902) and 8742 and 8750 South Vermont Avenue (APNs 6038-010-903 and 904) to 88th and Vermont MGP, for the 88th and Vermont supportive housing project.
 - b. Make technical adjustments to existing legal documents related to the project, consistent with Mayor and Council actions, subject to the approval of the City Attorney as to form and legality.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports there is no impact to the General Fund. The recommendations contained in the March 21, 2019 CAO report, attached to the Council file, are in compliance with the City's Financial Policies in that there is no additional cost to the City. The City's financial commitments to the 88th and Vermont Supportive Housing Project are fully funded by the HOME Investment Partnerships Program Fund and Proposition HHH General Obligation bond proceeds.

Community Impact Statement: None submitted.

Summary:

On March 20, 2019, the Homelessness and Poverty (HP) Committee considered February 5, 2019 HCIDLA, March 21, 2019 CAO, and March 8, 2019 City Attorney reports and Ordinance relative to approval to execute an Owner's Participation Agreement with 88th and Vermont MGP for the 88th and Vermont Support Housing project. According to the CAO, the

Los Angeles Housing and Community Investment Department (HCIDLA) is requesting authority to execute an Owner's Participation Agreement (OPA) with 88th and Vermont MGP for the 88th and Vermont Supportive Housing Project, and to make any technical adjustments to existing documents related to the project to finalize the conveyance of City-owned properties for the development of affordable housing, subject to approval of the City Attorney. There are currently \$9,680,000 Proposition HHH (HHH) and \$1,900,000 Home Investment Partnerships Program (HOME) Loan Agreements for this project, which will be amended to reflect the execution of the OPA. The term of the OPA will be based on the date of the last recorded re-conveyance of the HHH and Home Deeds of Trust and last recorded termination of the Rental Covenant and Home and HHH Regulatory Agreements.

The term of the Regulatory Agreements is 55 years from project completion (issuance of Temporary Certificate of Occupancy or the Certificate of Occupancy and final drawdown of construction funds disbursed, among other requirements). The term of the Rental Covenant is 55 years from Certificate of Occupancy. On March 8, 2019, the City Attorney released a report and draft Ordinance for the conveyance of three City-owned properties to 88th & Vermont MGP, LLC for the fair re-use price of \$0.00, consistent with the Housing Development Land Conveyance Policy approved by City Council (C.F. 17-0862). According to the policy, HCID will execute long-term ground leases for the development of affordable housing projects on publicly owned land, except when projects require the assembly of multiple contiguous parcels, or where common ownership will benefit the long-term management of the property. Additional information on the fair re-use price for the City-owned properties is included in HCID's transmittal dated February 5, 2019. The HCIDLA reports that final conveyance of the City-owned properties is required prior to construction completion, which is expected by October of this year. The project will result in 60 units for homeless, chronically homeless, and low-income individuals and families, and two manager units. In addition, there will be a youth and community center, which is funded by \$3,245,154 in HHH bond proceeds through the Facilities Program. Our Office concurs with the recommendations of the Department.

After consideration and having provided an opportunity for public comment, the HP Committee moved to recommend approval of the recommendations contained in the CAO report and approve the accompanying Ordinance as detailed above. Subsequently, on March 27, 2019, the Housing Committee considered this matter and after consideration and having provided an opportunity for public comment, moved to concur with the HP Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOMELESSNESS AND POVERTY COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
O'FARRELL:	YES
RODRIGUEZ:	YES
BONIN:	ABSENT
HARRIS-DAWSON:	YES

RYU: YES

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	ABSENT
HARRIS-DAWSON:	YES

ARL
3/27/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-