

HOUSING COMMITTEE REPORT relative to the Naturally Occurring Affordable Housing (NOAH) Loan Program.

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

1. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
 - a. Establish the NOAH Loan Program based on the program design as detailed in the October 30, 2017 HCIDLA report, attached to the Council file.
 - b. Negotiate and execute a Memorandum of Understanding (MOU) with the California Housing Finance Agency (CalHFA), with said MOU establishing protocols of cooperation, terms, conditions and oversight of the NOAH Loan Program, subject to review and approval by the City Attorney as to form.
 - c. Utilize existing position authorities to implement the Pilot NOAH Loan Program until the HCIDLA reports back at a later date on the status of the program.
 - d. Prepare Controller instructions and any necessary technical corrections consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.
2. INSTRUCT the HCIDLA to report to Council in 12 months in regard to the number of soft loans issued through the Pilot NOAH Loan Program, amount of the loans, and number of units of housing impacted by the program, after which Council could determine the need for additional resources for the program, including staff resources.
3. AUTHORIZE the Controller to:
 - a. Establish Account No. 43P645- NOAH Loan Program, within the Affordable Housing Trust Fund No. 44G.
 - b. Transfer appropriation within the Affordable Housing Trust Fund No. 44G as follows:

<u>Account Title</u>	<u>Amount</u>
From:	
43M357 Local Funding for Affordable Housing	\$1,839,237
To:	
43P645 NOAH Loan Program	\$1,798,622
43P143 Housing and Community Investment	27,228
43P299 Reimbursements to the General Fund	<u>13,387</u>
Total:	\$1,839,237

- c. Increase appropriation in General Fund No. 100/43 as follows:

<u>Account Title</u>	<u>Amount</u>
1010 Salaries General	\$23,677
6030 Leasing	<u>3,551</u>
	Total: \$27,228

4. INSTRUCT the City Clerk to place on the agenda for the first regular meeting on or after **JULY 1, 2018**, the following:

- a. Authorize the Controller to transfer appropriation within the Affordable Housing Trust Fund No. 44G as follows:

<u>Account Title</u>	<u>Amount</u>
From:	
43M357 Local Funding for Affordable Housing	\$160,763
To:	
43TBD Housing and Community Investment	104,356
43TBD Reimbursements to the General Fund	<u>56,407</u>
	\$160,763

- b. Increase appropriations in the amount of \$104,356 within HCIDLA Fund No. 100/43 as follows:

<u>Account Title</u>	<u>Amount</u>
1010 Salaries General	\$90,745
6030 Leasing	<u>13,611</u>
	\$104,356

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact to the General Fund. The recommended actions comply with City Financial Policies in that they are fully funded by the Affordable Housing Trust Fund.

Community Impact Statement: None submitted.

(Personnel and Animal Welfare Committee waived consideration of the above matter)

Summary:

On March 28, 2018 your committee considered October 30, 2017 HCIDLA and March 23, 2018 CAO reports relative to the NOAH Loan Program. According to the CAO, the HCIDLA is requesting authority to establish the NOAH Loan Program, with an initial \$2,000,000 in funding from the City, to provide mission-driven organizations funding to acquire, and hold low- and moderate-income multi-family properties. The HCIDLA reports that this program is intended to persevere and stabilize the City's existing affordable housing stock. The HCIDLA is also

requesting authority to negotiate and execute an MOU with CalHFA to leverage an additional \$2,000,000 in funding for the program. Finally, the HCIDLA is requesting resolution authority for a Management Analyst to assist in implementing the program. However, the CAO is recommending that the HCIDLA utilize existing position authorities to implement the program until the HCIDLA reports back to Council at a later time to determine the success of the program and need for additional staffing resources. Finally, the Controller Instructions in this report reflect funding for existing position authorities. This Office concurs with the recommendations of the HCIDLA, as amended.

The HCIDLA also reports that it has not conducted a formal market study for the NOAH Loan Program to determine the number of mission-drive organizations that would be interested in participating. While the HCIDLA has traditionally provided loans to properties participating in Low Income Housing Tax Credits, the HCIDLA stated that the NOAH Loan Program is a pilot program for an acquisition/rehabilitation loan program for occupied multifamily properties without Low Income Housing Tax Credits. The HCIDLA also reports that the loan program is intended to implement light rehabilitation with tenants in place. However, should relocation costs be needed, HCID stated that it would be included in the overall project costs. Therefore, we recommend that HCIDLA reports back to Council after 12 months on the number of soft loans issued through the Pilot NOAH Loan Program, amount of the loans, and number of units of housing impacted by the program.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the March 23, 2018 CAO report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



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

ARL
3/28/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-