

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 6, 2020

CAO File No. 0220-00540-1424

Council File No. 20-0080

Council District: Citywide

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Reference: Housing and Community Investment Department (HCID) transmittal dated January 13, 2020; Received by the City Administrative Officer on January 23, 2020; Additional Information Received through February 5, 2020

Subject: **REQUEST FOR APPROVAL OF VARIOUS ACTIONS RELATIVE TO THE CITY'S JOINT-APPLICATION FOR THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT INFILL INFRASTRUCTURE GRANT PROGRAM 2019**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Retroactively authorize the General Manager of the Los Angeles Housing and Community Investment Department (HCID), or designee, to conduct a process to select joint-applications for the Infill Infrastructure Grant (IIG) Program Notice of Funding Availability;
2. Approve the recommended list of projects for joint-applications as outlined in the Table within this Report; and,
3. Authorize the General Manager of HCID, or designee, to:
 - a. Execute, on behalf of the City, a joint-application for each of the selected Qualified Infill Projects (QIPs) with the QIP project sponsor for the IIG application process; and,
 - b. Subject to the execution of the joint-application, sign, on behalf of the City of Los Angeles, all required IIG application legal documents for each of the approved projects that meet the IIG Program thresholds, subject to the City Attorney approval as to form and legality.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to submit joint-applications for projects listed in Table 2 of their transmittal dated January 13, 2020 (Report) for

the Infill Infrastructure Grant (IIG), a program of the California Department of Housing and Community Development (HCD), and continue the coordination of the IIG Program on behalf of the City. The grant funds could be used for infrastructure improvements in support of higher-density affordable and mixed-income housing. Additional information regarding the IIG Program and HCID's process for selecting potential projects is included in HCID's Report.

Subsequent to the release of HCID's report, the developers of the Vermont Manchester project in Council District Eight requested to rescind their application with the City and HCID submitted the revised Table below that includes 16 joint-applicant projects.

TABLE: HCID RECOMMENDED PROJECTS FOR INFILL INFRASTRUCTURE GRANT						
No.	Project Name	Address	Developer	Council District	Units	Request Amount
1	Lorena Plaza	3401 E. 1st St.	A Community of Friends	14	49	\$3,000,000
2	Sun Commons	12673 San Fernando Rd.	Abbey Road, Inc.	2	103	7,271,980
3	La Veranda	2420 E. Cesar Chavez Ave.	Abode Communities	14	77	2,000,001
4	Grandview Apartments	714 - 760 S. Grandview St.	Abode Communities	1	100	1,600,000
5	La Prensa Libre Apartments	206 E. Washington Blvd.	AMCAL Multi-Housing Inc.	10	103	4,700,000
6	Palm Vista Apartments	20116 - 20128 Sherman Way	GTM Holdings, LLC	3	91	4,166,400
7	Santa Monica & Vermont	4718 W. Santa Monica Blvd.	Little Tokyo Service Center	13	187	7,498,464
8	619 Westlake	619 S. Westlake Ave.	Meta Housing Corporation; WAC, L.P. and Related	1	78	1,800,000
9	Silva Crossing	12667 San Fernando Rd.	Meta Housing Corporation; WAC, L.P. and Related	7	56	1,381,968
10	Washington Arts Collective	4600 & 4601 W. Washington Blvd.	Meta Housing Corporation; WAC, L.P. and Related	10	53	7,630,200
11	9th Street Lofts	456 - 462 W. 9th St.	National Community Renaissance of California and LINC Housing Corporation	15	91	2,000,000
12	Thatcher Yard Housing	3233 S. Thatcher Ave.	Thomas Safran & Associates and St. Joseph Center	11	98	2,750,000
13	600 San Pedro	600 San Pedro St.	Weingart Center Association and Related	14	302	7,500,000
14	Amani Apartments	4200 W. Pico Blvd.	Wakeland Housing and Development Corporation	10	54	3,480,192
15	Chesterfield Apartments	4719 S. Normandie Ave.	Wakeland Housing and Development Corporation	8	43	3,480,192
16	The Quincy	2652 & 2662 Pico Blvd.	Wakeland Housing and Development Corporation	1	54	3,480,192
TOTAL:					1,539	\$63,739,589

Of the 16 recommended projects above, 15 of the projects are for supportive housing and one project is for affordable family housing. The 16 projects are located within ten City Council Districts and consist of approximately 1,539 family and senior units and 952 supportive housing units. The proposed application amount will not exceed \$120 million, which includes a maximum of \$7.5 million per project. The amounts listed in the Table above represent each project's identified funding eligibility at the time they submitted their initial proposal to HCID for review in December of 2019.

The HCID also requests that the Council instruct the Chief Legislative Analyst (CLA) to prepare a Resolution for the City Council and Mayor in support of the final IIG recommended projects, as required by the IIG program for submission with the joint-applications. The Department notes that joint-applications must be executed before the grant deadline of February 18, 2020. Based on the limited time between when HCID's transmittal was released to Council and the approaching grant application deadline, HCID notes that a CLA Resolution will be considered by Council concurrently with the HCID transmittal and City Administrative Officer (CAO) report. This report subsequently excludes the recommendation to instruct the CLA to prepare a Resolution.

The Department reports that it is currently reviewing each project's scope of work to limit the City's risk of being required to sign a Standard Agreement with the State. HCID notes that it reserves the right to withdraw the City's support for the application if the City will become liable for the deliverables of the project. Additionally, the Department reports that the City will not receive funds from the State through this grant program for these projects, or be required to provide funding as a condition of approval.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Infill Infrastructure Grant funds will be issued to the Project Sponsor for the projects listed in this report on a reimbursement basis. No additional funding commitments for the projects are being made at this time. Potential project funding sources for these projects include State tax-exempt bonds, State grants and/or loans, State tax credits, private financing, the Affordable Housing Trust Fund, and a HHH Supportive Housing Loan, among others.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies in that there is no additional cost to the City to be a joint-applicant for these projects.

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