

TRANSMITTAL

To: **THE COUNCIL**

Date: **02/03/20**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in blue ink, appearing to be 'Eric Garcetti', is written over the printed name.

(Ana Guerrero) for

ERIC GARCETTI
Mayor



HOUSING+COMMUNITY
Investment Department

Housing Development Bureau
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hcidla.lacity.org



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

January 29, 2020

Council File: 16-0677
Council Districts: 2, 9, 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: Heleen Ramirez, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR AUTHORIZATION TO ISSUE COMMITMENTS AND SUPPORT LETTERS TO EXISTING AFFORDABLE AND SUPPORTIVE HOUSING MANAGED PIPELINE PROJECTS APPLYING TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE IN 2020 ROUND 1 AND VARIOUS ACTIONS RELATED TO OTHER EXISTING MANAGED PIPELINE PROJECTS

SUMMARY

In accordance with Executive Directive No. 3, 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 four projects will apply to the California Tax Credit Allocation Committee (CTCAC) for Low Income Housing Tax Credits (LIHTC) on March 9, 2020. Two projects will apply in the Nonprofit Homeless Assistance set-aside and two projects will apply in the City of Los Angeles Geographic Region set-aside. Additionally, one AHMP project applied to the California Debt Limit Allocation Committee (CDLAC) and to CTCAC for 4% LIHTC on January 17, 2020.

HCIDLA requests authorization to obligate funds for two projects. One project has an existing Proposition HHH Loan Commitment, the other project is not a supportive housing project and is applying for LIHTC for the first time. The other two projects have previously approved funding

recommendations. Furthermore, HCIDLA will issue LIHTC letters of support to accompany the applications for the two projects applying in the City Geographic set-aside.

In finalizing the recommendations, it was determined that the pipeline currently did not contain projects that could compete for 9% tax credits under the Special Needs Set Aside in 2020. To address this gap, developers of Proposition HHH 4% LIHTC/ tax exempt bond projects were offered an opportunity to convert to a 9% tax credit structure. The offer was open to projects having an award of operating subsidy that could use no more HHH funding than necessary to produce a competitive TCAC tie breaker and overcome existing funding gaps. As of the January 23, 2020 deadline, developers of five projects had submitted an expression of interest. The project selected to apply will not require any further Council and Mayor approval.

RECOMMENDATIONS

1. That the Mayor review this transmittal and forward it to City Council for further action;
2. That the City Council, subject to the approval of the Mayor:
 - A. AUTHORIZE the General Manager of HCIDLA, or designee, to issue a funding recommendation letter for each applicable project identified in Table 1 of this report, subject to the following conditions:
 - i. The final funding commitment will not exceed the amount listed;
 - ii. The project sponsor must apply to the CTCAC in the next available LIHTC allocation round; and,
 - iii. The disbursement of HCIDLA funds will occur only after the sponsor obtains enforceable commitments for all proposed funding;
 - B. AUTHORIZE the General Manager of HCIDLA, or designee, to issue a 9% LIHTC letter of support for each project in the Geographic set-aside, as identified in Table 2 of this report, including the to-be-determined project;
 - C. 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 Table 2, including the to-be-determined project of this report that receive awards from the proposed leveraging sources, subject to the satisfaction of all conditions and criteria contained in the HCIDLA Pipeline application, this transmittal, and the HCIDLA Award Letter (if applicable);
 - D. AUTHORIZE the General Manager of HCIDLA, or designee, to execute subordination agreements of the City's financial commitment, wherein the City Loan and Regulatory Agreements are subordinated to their respective conventional or municipally funded construction and permanent loans, as required;
 - E. 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;

- F. AUTHORIZE the General Manager of HCIDLA or designee to:
 - i. Obligate funds for the projects listed below:

Project	Fund	Account	Amount
9 th St Lofts	561/ 43	43R011	\$6,000,000
Sun Commons	561/ 43	43R011	\$3,000,000
Total			\$9,000,000

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

BACKGROUND

The City’s Affordable Housing Managed Pipeline was established by the Mayor and City Council in June 2013 (C.F. No. 13-0824). The Mayor and City Council authorized HCIDLA to issue a Call for Projects to enable open competition of new projects selected for the HCIDLA AHMP on an ongoing basis. In the same year, the CTCAC 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 established the selection process for management of the 9% LIHTC in the City of Los Angeles geographic set-aside. Attachment A is a proposed 9% tax credit calendar. Per the AHMP guidelines, the remaining projects are given an opportunity to respond to a readiness survey. Based on their responses and readiness analysis, projects are slotted in the proposed calendar.

Funding and Tax Credit Recommendations

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 these projects. These projects are applying for 9% LIHTC from CTCAC. The deadline for the CTCAC 2020 Round 1 is March 9, 2020.

The four projects will provide a total of 288 affordable multifamily housing units in the City. Out of the 288 units, 283 units will be set aside to households earning no more than 80% of the Area Median Income (AMI) for Los Angeles County. These projects have also set-aside 77 combined units as supportive housing (SH) for homeless persons. The four projects have a combined total development cost of approximately \$203 million, leveraging an estimated \$170 million from other public and private funds.

HCIDLA requests a total of \$9,000,000 in gap financing. Table 2, below, lists the projects applying for 9% and 4% LIHTC and the amounts of HCIDLA funds recommended. HCIDLA also

recommends issuing tax credit tie-break letters of support for the two City of Los Angeles Geographic set-aside 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. Attachment B includes staff reports for each project.

Additionally, as discussed before, while finalizing the recommendations it was determined the AHMP did not contain a project that could compete under the LIHTC Special Needs set-aside. Developers of Proposition HHH/ 4% LIHTC projects were offered an opportunity to convert to a 9% LIHTC financing structure. Five developers submitted an expression of interest. Financing proposals will be reviewed and one project will be selected to switch. The Special Needs set-aside does not require a local agency tie-break letter of support and, therefore, Council and Mayor approval is not needed.

In addition, at its January meeting, TCAC proposed allocating \$99 million in disaster credits. This doubles the amount of 9% credit available for 2020 in the 13 disaster areas, which include all of Los Angeles County. Projects can compete in the disaster relief credit set-aside (FCAA pool) first, then the set-asides, then the geographic regions. This should pull some competition out of the Nonprofit and Special Needs set-asides, but it's unclear how much. TCAC hopes to adopt a plan in February, at least for the first \$50 million in credits. In response, HCIDLA will issue an addendum to this report prior to Council and Mayor consideration on the department's recommendations to take advantage of these funding opportunities.

TABLE 2: AHMP PROJECTS COMPETING IN CTCAC 2020 ROUND 1							
Project Name	Council District (CD)	Project Type	Total Units	Low Income (LI) Units	SH Units	HCIDLA AHMP Funds	TOTAL HCIDLA FUNDS
Non-Profit/Homeless Set-Aside							
67 th & Main	9	New Construction	52	51	26	\$0	\$7,180,000*
Sun Commons	2	New Construction	103	101	51	\$3,000,000	\$15,000,000*
City of Los Angeles Geographic Set-Aside							
9 th St Lofts	15	New Construction	91	90	0	\$6,000,000	\$6,000,000
La Prensa Libre Apts- 9%	9	New Construction	42	41	0	\$0	\$1,651,192
Sub-total			288	283	77	\$9,000,000	\$29,831,192
Special Needs Set-Aside							
TBD							
AHMP Project applying for 4% LIHTC							
La Prensa Libre Apts	9	New Construction	63	62	25	\$0	\$6,334,820
TOTAL			351	345	102	\$9,000,000	\$36,166,012

* Proposition HHH Supportive Housing Funds included

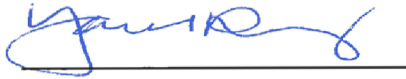
AHMP Program Update

The HCIDLA Pipeline currently consists of 13 total projects: the four projects applying to CTCAC plus the one project applying to CDLAC, three projects in the predevelopment stage currently working towards closing their financing loans, and five projects in the Pipeline completing entitlement approvals and obtaining other financing.

FISCAL IMPACT

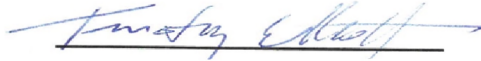
There is no impact to the General Fund. The recommendations in Table 2 of this report will authorize HCIDLA to fund a total of 351 new affordable housing units with \$9,000,000 in direct funding commitments from non-General Fund sources. The balance in the HOME Investment Partnership Fund is \$27.3 million.

Prepared By:



YANELI RUIZ
Finance Development Officer II

Reviewed By:



TIMOTHY ELLIOTT
Manager - Finance and Development

Reviewed By:



EDWIN GIPSON
Director of Development & Finance

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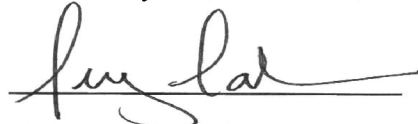
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Approved By:



RUSHMORE D. CERVANTES
General Manager

ATTACHMENTS:

Attachment A - AHMP Tax Credit Tentative Calendar
Attachment B- Staff Reports

PRELIMINARY 9% LOW INCOME HOUSING TAX CREDIT CALENDAR

2019 ROUND 1 (Mar 2019)	2019 ROUND 2 (July 2019)	2020 ROUND 1 (Mar 2020)	2020 ROUND 2 (July 2020)
NON-PROFIT SET-ASIDE			
	Vista Ballona (Non-TOD), CD 11, 50 units Comm Corp of Santa Monica	67TH & MAIN APARTMENTS (TOD), CD 9, 52 units Coalition for Responsible Community Development	TOWNE – 4th St (TOD), CD14, Skid Row Housing Trust
		SUN COMMONS APARTMENTS (Non-TOD), CD 2, 103 units Abbey Road, Inc.	ALVARADO KENT APTS (TOD), CD 13, 81 units SRO Housing
SPECIAL NEEDS SET-ASIDE			
LAMP Lodge (TOD), CD 14, 82 units Lamp, Inc/ Meta Hsg Corp		<i>TBD</i>	<i>TBD</i>
LOS ANGELES GEOGRAPHIC SET-ASIDE			
ARMINTA SQUARE (TOD), CD 6, 110 units Meta Housing Corp	JORDAN DOWNS S3 (TOD), CD 15, 92 units The Michaels Org	9th ST LOFTS (TOD), CD 15, 91 units LINC Housing	LOS LIRIOS Apts (TOD), CD 14, 66 units ELAC/ Bridge
JORDAN DOWNS Area H(Phs 2B) (TOD), CD 15, 80 units Bridge Housing	PARQUE VISTA (Non-TOD), CD 1, 42 units McCormack Baron Salazar	LA PRENSA LIBRE- 9% (aka Washington/ LA) (TOD), CD 9, 42 units AMCAL/ CRCD	
		Alternate: TBD	

PRELIMINARY BOND/4% LOW INCOME HOUSING TAX CREDIT CALENDAR

2019 Q1	2019 Q2	2019 Q3	2019 Q4
	The Pointe on Vermont (TOD), CD 8, 50 units EAH	PATH Villas Montclair/ Gramercy (TOD), CD 10, 63 units PATH	
2020 Q1	2020 Q2	2020 Q3	2020 Q4
LA PRENSA LIBRE (aka Washington/ LA) (TOD), CD 9, 63 units AMCAL/ CRCD			
Hollywood Arts Collective (TOD), CD 13, 154 units Thomas Safran & Assoc	Montecito II Senior Housing (TOD), CD 13, 64 units Thomas Safran & Associates		

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 round. Developments that contain 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.

STAFF REPORT
January 7, 2020

9th Street Lofts
456 W. 9th Street
San Pedro, CA 90731

New Construction
Council District No: 15

PROJECT DESCRIPTION

The 9th Street Lofts is a proposed 91-unit affordable housing development consisting of a six-story structure to be built on .9 acres in San Pedro, with all amenities and residential units accessible by two elevators. The project's target population is large families, and the City loan will fund units for households with incomes between 30% and 60% of the area median. Fifty-nine (59) of the 91 units are comprised of two and three bedroom units. The remaining 29 units are comprised of studios and 1-bedroom units.

The project design includes community space consisting of four courtyards, a tot lot, and open space for children of various age groups. The ground floor will contain social services offices, a community kitchen, lobby, a commercial component, and 52 parking spaces. Also situated on the ground floor will be a community room with a computer room, after-school program room, a sitting area, reading area, and game room. The second floor will feature nine residential units, an on-site gym, and 58 parking spaces.

Four stories of wood-framed construction will be built above two levels of concrete. The top four floors will be dedicated to the residential units, onsite laundry facilities, and communal outdoor space. A 2,195 square foot northwestern courtyard will provide open space and 600 square feet of play/recreational facilities suitable for children ages 2-12 years. A total of seven accessible parking spaces will be located in the two levels of the podium garage, and vehicle and pedestrian access will be available from 8th Street to the north and 9th Street to the south.

The project site is an underutilized parking lot currently owned by the City of Los Angeles, comprised of 52 parking spaces. The City and the development entity will enter into a Disposition and Development Agreement (DDA) and Ground Lease prior to the March 9, 2020 9% Low Income Housing Tax Credit application deadline. As part of the DDA, the 52 parking spaces will be replaced on a one-for-basis. The Ground Lease will have an annual base rent payment of \$10,000, plus a residual receipts payment based on the pro-rata share of the value of the City-owned land. The most recent appraisal reflects a valuation of \$5,875,000.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The project will be owned by Limited Partnership with LINC Housing Corporation as the Managing General Partner and a to-be-determined tax credit investor as the limited partner.

PROJECT FINANCE SUMMARY

The project will apply for 9% Low Income Housing Tax Credits in March 2020.

PERMANENT FUNDING SOURCES	
Source	Amount
City – Appraised Land Value	\$5,875,000
City - HOME	\$6,000,000
9% TCAC Equity	\$34,692,038
Conventional/Bank Financing	\$6,768,744
GP Equity	\$100
Deferred Developer Fee	\$626,700
Total	\$53,962,582

AFFORDABILITY STRUCTURE							
Unit Type	Mgrs.	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	Total
0 Bedroom		5					5
1 Bedroom		6	18	3			27
2 Bedroom	1	4		15	16		31
3 Bedroom		3			2	18	20
Total	1	18	18	18	18	18	91

FUNDING RECOMMENDATION

A HOME commitment of up to \$6,000,000 is recommended. The HOME funds will represent \$83,333 per unit (excluding the Manager’s units and units over 60% AMI) and 11.1% of the total development cost.

Prepared by: Los Angeles Housing and Community Investment Department

STAFF REPORT

January 3, 2020

**67th & Main (a.k.a. Ruth Teague Homes)
6706 South Main Street
Los Angeles, CA 90003**

**New Construction
52 Units
Council District 9**

PROJECT DESCRIPTION

67th & Main is located on a corner lot in the neighborhood of Florence in South Los Angeles. The property is situated in a predominantly residential neighborhood along a major thoroughfare and is located directly across the street from Bethune Middle School. The property lies in close proximity to other commercial corridors such as Slauson, Florence and Broadway.

The proposed project consists of the new construction of 52 units in a three-story structure above one floor of parking. The residential units will consist of 39 two-bedroom units (including one manager's unit) and 13 three-bedroom units of supportive housing for veterans and their families and for TAY families in need of long-term, comprehensive supportive services.

Units serving veterans' families and TAY families will come equipped with basic furnishings to eliminate moving and start-up costs, and will include a full bath and kitchenette. The two-bedroom units are approximately 900 square feet and the three-bedroom units average approximately 1,200 square feet.

Common area amenities include a glass storefront highlighting ground floor retail, a child care center, and a community room equipped with games, books, a television, couch and tables. The site will also include case management offices, outdoor open spaces, barbecue areas, and a therapy pool with an adjacent community room. Also on its ground floor, 67th & Main will incorporate safe, enclosed bicycle parking for residents that will include approximately 50 stalls. On the second level, residents can enjoy a landscaped central courtyard, tot lot, and outdoor seating and congregation areas. Additionally, the second level will provide a laundry facility for residents. The therapy pool is located on the second level.

Two commercial buildings and one residential unit will be demolished. The owner of the property currently occupies one of the commercial buildings and will vacate the building at closing. The residential tenant will be relocated prior to construction.

PROJECT FINANCE SUMMARY

The borrower secured a \$7,180,000 loan from the City's Proposition HHH program. In addition, the borrower obtained No Place Like Home (NPLH) funding from Los Angeles County in the amount of \$3.95 million, a construction loan commitment from California Bank & Trust in the amount of \$20 million, and will utilize \$1.5 million in tax credit equity to partially finance the construction of the project.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The borrower is a yet to be formed limited partnership with the Coalition for Responsible Community Development as managing general partner. The equity investor limited partner will be admitted at a later date.

PERMANENT FUNDING SOURCES

Source	Amount
HCIDLA-HHH	\$7,180,000
California Bank & Trust – Perm Loan	5,700,000
LA County NPLH	4,000,000
Limited Partner Equity	15,527,084
Total	\$32,407,084

AFFORDABILITY STRUCTURE

Unit Type	PSH Total Units	PSH Chronically Homeless Units	30% AMI Units	Total Units	HHH PSH funded Units	HHH Non-PSH funded Units
2 Bedroom	38	11	38	38	24	14
3 Bedroom	13	2	13	13	2	11
Mgr. – 2 Bedroom	1	0	0	1	0	0
Total	52	13	51	52	26	25

FUNDING RECOMMENDATION

The recommended HHH Housing loan in the amount of \$7,180,000 represents \$180,000 per HHH-PSH unit and \$100,000 per HHH Non-PSH unit, or approximately 22% of the total development cost.

Prepared By: Los Angeles Housing and Community Investment Department

STAFF REPORT
January 24, 2020

Sun Commons
6329-6355 Clybourn Avenue
(and portion of 10526 Dubnoff Way)
North Hollywood 91606

New Construction
Council District No: 2

PROJECT DESCRIPTION

The proposed 103-unit project will be developed on 1.19 acres serving large families in the North Hollywood area. The site is currently developed with five single-family homes and two older commercial buildings, all of which will be demolished. The site is zoned commercial (C2), which allows for high density residential development by-right per Los Angeles city zoning. The project will involve the new construction of a four-story apartment building and one level of subterranean parking containing 105 parking spaces and 110 bicycle parking stalls, along with utility space and storage. 107,000 square feet will be for the residential units, 44,000 square feet for the subterranean parking, and 1,800 square feet for the community room (inclusive of a kitchen), with no commercial uses. The project will offer residents a range of amenities and community spaces that enhance social interaction and foster “pride of ownership”. Central to the project is the integration of different social areas, each with their own character. These areas include a community room with a kitchen, interior courtyard and play area, laundry facility, and landscaped open areas. The open areas include edible landscaping and fruit trees. Each unit will be equipped with amenities, including a garbage disposal, refrigerator, range, central heat and air conditioning, and a balcony. The units will also have energy-efficient appliances.

The residents will also be served by a variety of social services, with the project specifically targeting homeless, low-income individuals and families that will comprise 50% of the units. Since recent census data depicts over 16% of households in the local census tract live below the poverty line, the mission of the general partner, Abbey Road, and the service provider, Penny Lane Centers, is to continue serving this population to prevent continued homelessness through housing and social service provision.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The project will be owned by a tax credit Limited Partnership with Abbey Road, Inc. as the Managing General Partner, Penny Lane as the service provider, and a to be determined tax credit investor as the limited partner.

PROJECT FINANCE SUMMARY

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan and HOME Loan, the proposed financing is comprised of a conventional loan, and tax credit equity from the sale of 9% Low Income Housing Tax Credits funds from the Los Angeles

County Community Development Commission, the State Supportive Multifamily Housing Program and the Affordable Housing Program from the Federal Home Loan Bank.

PERMANENT FUNDING SOURCES	
Source	Amount
City - HHH	\$12,000,000
City - HOME	\$3,000,000
9% TCAC Equity	\$28,474,605
MHP-SH	\$6,727,882
Conventional/Bank Financing	\$7,762,000
GP Equity	\$100
LACDA	\$2,000,000
Total	\$59,964,587

AFFORDABILITY STRUCTURE						
Unit Type	Mgrs.	30% AMI	40% AMI	50% AMI	60% AMI	Total
0 Bedroom	0	16	0	0	0	16
1 Bedroom	1	14	3	4	7	29
2 Bedroom	0	15	3	4	10	32
3 Bedroom	1	6	4	4	11	26
Total	2	51	10	12	28	103

FUNDING RECOMMENDATION

An HCIDLA HHH funding commitment of up to \$12,000,000 and a HOME commitment of up to \$3,000,000 is recommended. The project is competing for 9% Low Income Housing Tax Credits in March 2020. HHH funds will represent \$118,812 per unit (excluding the Manager's units) and 20% of the total development cost. HOME funds will represent \$29,703 per unit (excluding the Manager's units) and 5% of the total development cost.

Prepared By: Los Angeles Housing and Community Investment Department

**STAFF REPORT
January 15, 2020**

**La Prensa Libre Apartments- 9%
(f.k.a. Washington/LA Apartments)
206 E. Washington Blvd
Los Angeles, CA 90015**

**New Construction
42 Units
Council District 9**

PROJECT DESCRIPTION

La Prensa Libre Apartments will be located at the southwest corner of Washington Blvd and Los Angeles St. The project will be a newly constructed building with four floors of residential over a non-residential podium. The project will include 6,000 square feet of community-serving community facility space that may be divided into three units and 4,000 square feet for community rooms, offices for supportive services, and a gym.

La Prensa Libre Apartments project will be 100% affordable and will provide 103 affordable units plus two manager's unit for a total of 105 units. The 9% phase will be comprised of forty-two units for low income families with 9 one-bedrooms, 21 two-bedroom, and 12 three-bedroom two-bath units..

The proposed project involves the assembly of five separate land parcels of which three are City owned. The City-owned parcels were previously occupied with vacant warehouses that previously housed the Spanish-language newspaper, La Opinion. AMCAL and Coalition for Responsible Community Development (CRCD) (collectively, the "Developer") were selected to develop the City-owned parcels via a 2016 RFQ and HCIDLA's Land Development Services Division worked with the City's General Services to demolish the vacant commercial warehouses. The Developer owned parcels are vacant and previously held an auto services facility and a residential building where the tenants have been relocated and the buildings will be demolished. The new affordable housing development will provide over 3.5 times the number of units than currently exist on the site.

To facilitate the financing of the total 105-unit development, the project will be split between a 9% LIHTC component and a 4% LIHTC component. The 4% LIHTC component will encompass 63 units and the 9% LIHTC component will encompass 42 units. This staff report considers the 9% LIHTC component.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The borrower will be yet to be formed Limited Partnership where AMCAL Multi-Housing Two, LLC will serve as the Administrative General Partner and CRDC, LLC will serve as the Managing General Partner. The equity investor limited partner will be admitted at a later date.

PROJECT FINANCE SUMMARY

The borrower will secure a construction loan in the amount of \$22.2 million, and will utilize \$4.7 million in tax credit equity to partially finance the construction of the project.

PERMANENT FUNDING SOURCES

Source	Amount
HCIDLA-AHTF	\$1,651,192
Perm Loan	4,632,194
Deferred Dev Fee	18,794
Limited Partner Equity	23,683,869
Total	\$29,986,049

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	50% AMI Units	60% AMI Units	Managers	Total Units
1 Bedroom	2	1	6		9
2 Bedroom	8	3	9	1	21
3 Bedroom	3	1	8		12
Total	14	5	23	1	42

FUNDING RECOMMENDATION

The recommended AHTF loan in the amount of \$1,651,192 represents \$78,628, per HCID restricted unit, or approximately 5.5% of the total development cost.

Prepared By: Los Angeles Housing and Community Investment Department

**STAFF REPORT
January 16, 2020**

**La Prensa Libre Apartments- 4%
(f.k.a. Washington/LA Apartments)
206 E. Washington Blvd
Los Angeles, CA 90015**

**New Construction
63 Units
Council District 9**

PROJECT DESCRIPTION

La Prensa Libre Apartments will be located at the southwest corner of Washington Blvd and Los Angeles St. The project will be a newly constructed building with four floors of residential over a non-residential podium. The project will include 6,000 square feet of community-serving community facility space that may be divided into three units and 4,000 square feet for community rooms, offices for supportive services, and a gym.

La Prensa Libre Apartments project will be 100% affordable and will provide 103 affordable units plus two manager's unit for a total of 105 units. The 4% phase will be comprised of sixty-three units, of which 37 units will be for low income families and 25 one-bedroom, special-needs units will be set aside for homeless transitional age youth (TAY) with a mental illness.

The proposed project involves the assembly of five separate land parcels of which three are City owned. The City-owned parcels previously housed the Spanish-language newspaper, La Opinion. AMCAL and Coalition for Responsible Community Development (CRCDD) (collectively, the "Developer") were selected to develop the City-owned parcels via a 2016 RFQ and HCIDLA's Land Development Services Division worked with the City's General Services to demolish the vacant commercial warehouses. The Developer owned parcels had an active auto services facility and an occupied residential building. The tenants were relocated in 2019 and the buildings will be demolished. The new affordable housing development will provide over 3.5 times the number of units than currently exist on the site.

To facilitate the financing of the total 105-unit development, the project will be split between a 4% LIHTC component and a 9% LIHTC component. The 4% LIHTC component will encompass 63 units and the 9% LIHTC component will encompass 42 units. This staff report considers the 4% LIHTC component.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The borrower is AMCAL Washington Fund, L.P. where AMCAL Multi-Housing Inc. will serve as the Administrative General Partner and Coalition of Responsible Community Development (CRCDD) will serve as the Managing General Partner. The equity investor limited partner will be admitted at a later date.

PROJECT FINANCE SUMMARY

The borrower will secure a tax-exempt bond allocation in the amount of \$27.2 million, and will utilize \$5 million in tax credit equity to partially finance the construction of the project.

PERMANENT FUNDING SOURCES

Source	Amount
Perm Loan	\$7,368,414
HCIDLA-AHTF	\$6,334,820
City Donated Land	\$7,500,000
LACDA NPLH	\$3,750,000
REA Payment	\$1,184,617
GP Contribution	\$4,495,766
Deferred Dev Fee	\$3,797
Limited Partner Equity	\$25,116,048
Total	\$55,753,462

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	60% AMI Units	Managers	Total Units
1 Bedroom	25	7		32
2 Bedroom		14	1	15
3 Bedroom		16		16
Total	25	37	1	63

FUNDING RECOMMENDATION

The recommended AHTF loan in the amount of \$6,334,820 represents \$102,175, per HCID restricted unit, or approximately 11.4% of the total development cost.

Prepared By: Los Angeles Housing and Community Investment Department