



Los Angeles
HOUSING+COMMUNITY
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Eric Garcetti, Mayor
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February 12, 2020

Council File: 20-0159
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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

Honorable Members of the City Council
City of Los Angeles, c/o the City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

Keyonna Kidd, Legislative Analyst

ADDENDUM TO HCIDLA TRANSMITTAL 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

The Los Angeles Housing + Community Investment Department (HCIDLA) previously submitted a transmittal dated January 29, 2020 (Council File No. 20-0159) requesting authority to approve the recommendations related to existing affordable and supportive housing Affordable Housing Managed Pipeline (AHMP) projects applying to the California Tax Credit Allocation Committee (CTCAC). The original transmittal recommends a total of four projects to apply for 9% Low Income Housing Tax Credits (9% LIHTC) in the CTCAC 2020 Round 1 due March 9, 2020.

Through this Addendum, HCIDLA recommends an additional five projects apply to the CTCAC 2020 Round 1. Two projects will apply under the Special Needs set-aside and three projects will apply under the recently announced additional 9% LIHTCs resulting from the Further Consolidated Appropriations Act 2020 (FCAA).

HCIDLA requests authority to approve the recommendations related to the projects contained in this addendum.

RECOMMENDATIONS

- I. That the Mayor review this addendum to the transmittal and forward it to the City Council for further action;
- II. That the City Council, subject to the approval of the Mayor:
 - A. 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 3, below, subject to the satisfaction of all conditions and criteria contained in the HCIDLA application, this transmittal, and the HCIDLA Award Letter (if applicable);
 - B. 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;
 - C. 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;
 - D. Authorize the General Manager of the HCIDLA, or designee, to negotiate and execute amendment documents related to the existing Bryson Apartments (Phase I, C-96792, C-118685) and the Bryson II (Phase II) affordable housing developments, subject to review and approval of the City Attorney as to form. Revisions will include, but are not limited to: 1) consent to the purchase and sale between Bryson Family Apartments, L.P. and Bryson Housing Partners II resulting in the partial paydown of the existing loans, 2) amend existing loan agreements to revise the legal description which would result in a partial release of the affordability covenant and deed of trust on the Bryson II property.

BACKGROUND

At the time the previous transmittal was submitted, the recommendations did not contain projects that could compete for 9% tax credits under the Special Needs set-aside in 2020 Round 1. Subsequently, developers with existing Proposition HHH funding award were offered an opportunity to convert from a 4% LIHTC financing structure to a 9% LIHTC structure. Using CTCAC's final regulations, projects satisfying the threshold requirements under the Special Needs set-aside and that could demonstrate the project can score maximum points, HCIDLA selected two projects. Table 3, below, lists the projects that will be applying for LIHTC in the Special Needs set-aside for the TCAC 2020 Round 1.

In addition, at its January meeting, CTCAC announced proposed regulation changes related to the allocation of additional 9% credits generated from the Further Consolidated Appropriations Act 2020 (FCAA). The FCAA provided CTCAC with additional 9% credits totaling the 2017 and 2018 9% federal credit allocated to projects in certain disaster areas, in recognition of the recent disasters

occurring in California. CTCAC hopes to adopt final regulations in late February to allocate half of the proposed \$99 million. HCIDLA reviewed existing projects with committed Proposition HHH funds that would be able to take advantage of this new funding opportunity. Using the published draft regulations, projects which could score maximum points under CTCAC scoring guidelines and could demonstrate financial feasibility without requesting state credits, would be competitive enough to garner an allocation of the FCAA LIHTC. HCIDLA determined three existing Proposition HHH projects would be competitive enough to garner an allocation of the FCAA LIHTC. Table 3, below, lists the three projects that met the criteria.

The additional five projects will increase the development of supportive housing units from 208 to 265. The Proposition HHH funds required to fund these projects will decrease by approximately six million and they are estimated to leverage approximately \$113 million from other public and private funds.

TABLE 3: ADDITIONAL AHMP PROJECTS COMPETING IN CTCAC 2020 ROUND 1								
Project Name	Council District (CD)	Project Type	Total Units	Previous SH Units	Revised SH Units	Low Income (LI) Units	Initial HHH Commitment	Revised HHH Commitment
Special Needs Set-Aside								
Bryson II	1	New Construction	64	32	47	16	\$10,095,000	\$10,060,000
Vanowen	2	New Construction	49	48	48	0	\$4,900,000	\$4,900,000
Sub-Total			113	80	95	16	\$14,995,000	\$14,960,000
FCAA set-aside								
Amani	10	New Construction	54	53	53	0	\$11,410,000	\$5,400,000
Ambrose- Montana	13	New Construction	64	48	63	0	\$6,641,400	\$6,614,400
Quincy	1	New Construction	54	26	53	0	\$3,550,000	\$3,550,000
Sub-total			172	128	169	0	\$21,601,400	\$15,564,400
TOTAL			285	208	264	16	\$36,596,400	\$30,524,400

ADDITIONAL ACTIONS

HCIDLA requests approval of the following actions related to the operation of the Bryson Apartments and the successful completion of the proposed Bryson II development:

Bryson II

The Bryson II development is a 64-unit project consisting of 32 efficiency units, 31 one-bedroom/one bath units, and one manager’s unit. The proposed project will be 100% affordable, with 47 supportive housing units, 23 of which will be designated for the chronically homeless. The property is located at 2701 Wilshire Boulevard, at the northeast corner of S. Lafayette Park Place and Wilshire Boulevard. The parcel is adjacent to and under the title of The Bryson Apartments, an existing low-income housing development owned by the Bryson Family Apartments, L.P. of which Los Angeles Housing Partnership, Inc., is the managing general partner. The proposed site is

currently underutilized excess land, used for parking. The Bryson II proposes to remove the current asphalt, property wall, and landscape improvements. While the subject property is currently encumbered with existing affordability covenants pursuant to the operation of The Bryson Apartments, there are no parking covenants obligating the existing parking spaces.

It is proposed that the existing affordability covenants with the City of Los Angeles and the CTCAC will be modified to allow for more development of affordable housing. As part of the CTCAC application, the project must demonstrate full site control; therefore, the following actions are required prior to the CTCAC application deadline: 1) consent to the purchase and sale of the approximately 13,500 sf vacant parcel located at 2701 Wilshire Boulevard, between the Bryson Family Apartments, L.P. and the Bryson Housing Partners II; and 2) amend existing loan agreements to revise the legal description which would result in a partial release of the affordability covenant and deed of trust on the Bryson II property. As part of the consent to the sale of the parking lot, HCIDLA will require an appraisal for the parcel site, conducted within six months of the date of sale. Proceeds from the sale will be used to pay down the existing HCIDLA loans (C-96792, C-118685), according to the requirements in the loan agreements. The Bryson II will eventually record the Proposition HHH regulatory agreement, along with the LIHTC regulatory agreement.

FISCAL IMPACT

There is no impact to the General Fund. The projects in Table 3 of this addendum will authorize HCIDLA to expedite the development of 285 units previously awarded Proposition HHH Loan Program funds.

Approved by:



RUSHMORE D. CERVANTES
General Manager

STAFF REPORT
February 11, 2020
Bryson II
2701 W Wilshire Blvd. Los Angeles, CA 90057
New Construction
Council District No: 1

PROJECT DESCRIPTION

The approximately 13,500/sf subject property is located at 2701 Wilshire Boulevard, at the NE corner of S. Lafayette Park Place and Wilshire Boulevard. The site is currently underutilized excess land used for parking. Demolition will include removal of current asphalt, property wall, and landscape improvements. The parcel is adjacent to and under the title of The Bryson Apartments, an existing low-income housing development owned by the Los Angeles Housing Partnership. While the subject property is currently encumbered with existing affordability covenants pursuant to the operation of The Bryson Apartments, there are no parking covenants obligating the existing parking spaces. It is proposed that the existing affordability covenants with the City of Los Angeles and the Tax Credit Allocation Committee (CTCAC) will be modified to allow for more development of affordable housing.

Unit floor plans provide for 32 studios and 32 one-bedroom units. All units will have in-unit bathrooms (the studios are not SRO units). All units will also have kitchens, albeit the studios will be considerate kitchenettes. Unit amenities include: bathroom fixtures and finishes, kitchen fixtures, finishes, cabinets, energy star rated appliances including dishwashers near sinks, and garbage disposals, refrigerators, energy efficient lighting, energy efficient windows (Dual pane/Low-E), floor and window coverings, air conditioning, exterior decks or patios, recycled carpet, and bulk storage cabinet.

The proposed 64-unit project will have 32 efficiency units and 31 one bedroom/one bath units and 1 manager's unit. The project will have 47 supportive housing units of which 15 units will be designated for persons with developmentally disabilities, including 16 affordable units, plus 1 manager's unit. The 15 units for the developmentally disabled will receive services and funding coordinated by UCP from the Lanterman Regional Center.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Proposed Ownership: Pursuant to a binding memorandum of understanding, Los Angeles Housing Partnership (LAHP) and The Richman Group of California Development Company (TRGCDC) have agreed to a future limited partnership (the "Partnership") in which TRGCDC will own a .005% interest and act as the Administrative General Partner and LAHP will own a .005% interest and act as the Managing General Partner. The tax credit investor will receive the remainder interest.

PROJECT FINANCE SUMMARY

The borrower will secure a construction loan in the amount of \$14.4 million, and will utilize \$2.7 million in 9% tax credit equity to partially finance the construction of the project.

PERMANENT FUNDING SOURCES

Source	Amount
HCIDLA-HHH	\$10,060,000
Lanterman Regional Center	\$1,000,000
Conventional/Bank Financing – Tranche B	\$4,949,178
Limited Partner Equity	\$14,198,481
Total	\$30,207,659

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	50% AMI Units	60% AMI Units	Manager	Total Units
Studio	32				32
1 Bedroom	15	16		1	32
2 Bedroom					
Total	47	16		1	64

FUNDING RECOMMENDATION

A HCIDLA funding commitment of up to \$10,060,000 is recommended. HCID funds will represent \$157,187 per unit and 33% of the total development cost. The HCID funding is leveraged mostly with conventional financing and tax credit equity.

Prepared by: Los Angeles Housing and Community Investment Department

STAFF REPORT
February 11, 2020

Vanowen PSH
11604–11616 Vanowen Street
Los Angeles, CA 91606

New Modular Construction
Council District 2

PROJECT DESCRIPTION

11604 Vanowen (project), located at 11604–11616 Vanowen Street in North Hollywood, will be a supportive housing development consisting of 48 affordable housing units for homeless individuals and chronically homeless individuals and one manager’s unit. Parking will include four parking stalls, one disabled-accessible parking stall, one Electric Vehicle (EV) parking stall, 41 long-term bicycle parking storages, and four short-term bicycle parking storages at grade level.

The project is to be constructed as a new three-story building: three stories of Type V modular construction with one-time used shipping containers. The project will consist of 49 residential units, comprised of 6 studio units, 42 one-bedroom units, and one two-bedroom manager’s unit. Amenities include a large open courtyard, tree yard, laundry facility, multiple community rooms, supportive services space, shared community kitchen, and landscaped open space at the ground level.

The project will target homeless individuals including Transition-Aged Youths (TAY) and will have 17 supportive housing units and 31 affordable units, plus 1 manager’s unit.

The 12,380 square foot site of three contiguous parcels currently has a owner-occupied auto repair shop will be delivered vacant and subsequently demolished. Surrounding uses include single-story commercial buildings, a two-story apartment building and single family homes. The project is located in Council District 2 and is currently zoned C2.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

The ownership structure will be a limited partnership (**Borrower: 11604 Vanowen, LP**) that will consist of Daylight Vanowen, LLC, as Co-Administrative General Partner, Angelino Supportive Housing Partners, LLC as Co-Administrative General Partner, and Decro Vanowen, LLC, as Managing General Partner. (*Please note that we may admit another MGP entity consisting of Decro and TPC if required*) The Limited Partnership is to-be-determined and will include an investor at construction loan close. The future ownership structure will consist of the following:

1. Decro Vanowen, LLC, as Managing General Partner (0.00475%)
2. Daylight Vanowen, LLC, as Administrative General Partner (.00475%)
3. Angelino Supportive Housing Partners, LLC as Co-Administrative General Partner (.0005%)
4. Limited Partner, who has yet to be determined (99.99%)

PROJECT FINANCE SUMMARY

The borrower will secure a construction loan in the amount of \$10.9million, and will utilize \$1.4 million in 9% tax credit equity to partially finance the construction of the project.

PERMANENT FUNDING SOURCES

Source	Amount
HCIDLA-HHH	\$4,900,000
Perm Loan	6,294,981
Limited Partner Equity	7,174,435
Deferred Dev Fee	0
Total	\$18,369,416

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	50% AMI Units	60% AMI Units	Manager	Total Units	HHH Units	Non-HHH Units
Studio	3	3			6	3	3
1 Bedroom	14	28			42	14	28
2 Bedroom				1	1		1
Total	17	31		1	49	17	32

FUNDING RECOMMENDATION

The recommended AHTF loan in the amount of \$4,900,000 represents \$102,083, per HCID restricted unit, or approximately 26.7% of the total development cost.

Prepared by: Los Angeles Housing and Community Investment Departments

**STAFF REPORT
February 11, 2019**

**Amani Apartments
4200 W. Pico Boulevard
Los Angeles, CA 90019**

**New Construction
Council District 10**

PROJECT DESCRIPTION

The Amani Apartments (Amani) project is located at 4200 Pico Blvd in the Mid-City neighborhood of Los Angeles, and is planned as an affordable housing development for homeless seniors with 53 studio units, and 1, one-bedroom manager unit. Of the 53 studio units, 27 will be reserved for chronically homeless individuals.

The Amani project will consist of a modern five story building designed by Abode Communities Architecture, with approximately 33,000 square feet (sq. ft.) of permanent supportive housing for formerly homeless individuals, and will include approximately 2,000 sq. ft. of commercial office space. As planned, the studio units will be approximately 400 sq. ft., and the one-bedroom manager's unit will be approximately 700 sq. ft. All units will include kitchenettes, bathrooms, a sleeping area, small living and dining spaces and will be fully furnished prior to lease up. Project plans include a resident community room, laundry room and offices for the Amani Manager and supportive services staff. The project's common areas will total approximately 2,000 square feet.

The project will target senior homeless individuals at 30% of the Area Median Income ("AMI") and will have 53 supportive housing units, of which 27 units will be designated for the chronically homeless, plus 1 manager's unit.

Wakeland Housing and Development Corporation (Wakeland), or an entity wholly owned and controlled by Wakeland, will purchase the land prior to construction. Currently, there are no structures on the site.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Wakeland Housing and Development Corporation will form a Limited Partnership (LP) with an affiliated Limited Liability Corporation (LLC) entity, as the Managing General Partner. The Limited Partner investor has not yet been determined. Wakeland certifies that it has the special needs/homeless experience required by HCIDLA for feasible and viable development and operation of the Amani project. Ownership structure will consist of the following:

1. Wakeland Housing, Managing General Partner (0.01%)
2. Limited Partner, yet to be determined (99.99%)

PROJECT FINANCE SUMMARY

The borrower will secure a conventional permanent loan in the amount of \$3.1 million and will utilize \$22.1 in 9% tax credit equity to partially finance the construction of the project.

PERMANENT FUNDING SOURCES

Source	Amount
HCIDLA-HHH	\$5,300,000
HCIDLA-HHH (accrued/deferred interest)	\$208,200
LACDA NPLH	\$1,540,000
Wells Fargo	\$3,150,000
Limited Partner Equity	\$22,181,568
Deferred Cost	\$100,000
Total	\$32,479,768.

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	50% AMI Units	60% AMI Units	Managers	Total Units	HHH Units	Non-HHH Units
SRO	53				53	53	
1 Bedroom							
2 Bedroom				1	1		1
3 Bedroom							
Total	53			1	54	53	1

FUNDING RECOMMENDATION

HCIDLA recommends a funding commitment of up to \$5,300,000 for the Amani project. HHH funds represent \$98,148 per unit, 18.5% of the total development cost (TDC). HHH funding is leveraged with NPLH Funds, 9% tax credit equity, and a conventional bank loan.

Prepared by: Los Angeles Housing and Community Investment Department

**STAFF REPORT
February 11, 2020**

**Ambrose
1615 W. Montana Street
Los Angeles, CA 90292**

**New Construction
Council District 13**

PROJECT DESCRIPTION

The 1615 Montana Street Apartments (project), located at 1615 W. Montana St., will be a five story supportive housing development consisting of 63 affordable units for homeless and chronically homeless seniors, with one two-bedroom manager's unit. The site consists of a vacant parking lot which will be demolished to make room for new construction of the project. The property is vacant, so tenant relocation is not required.

The project consists of 64 units, comprised of 47 studio units, 16 one-bedroom units and one two-bedroom manager's unit. All resident units include air conditioning/heating, kitchen with appliances and private bathroom(s). Project plans include a second floor resident courtyard and small roof top terrace, two community room spaces, laundry facilities, case management and leasing office space, 14 vehicle parking stalls, secure space for bicycles and exterior landscaping visible from the street

The project will target senior homeless individuals at 30% of the Area Median Income ("AMI") and will have 63 supportive housing units, of which 32 units will be designated for the chronically homeless, plus 1 manager's unit.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Domus GP LLC, is the developer, and will form a Limited Partnership (LP). The LP will admit Affordable Housing CDC, Inc., as the Managing General Partner, and a tax credit investor limited partner into the partnership at construction loan close. Domus GP LLC as the Administrative General Partner, will have at least 51% voting authority over operations, which is detailed in a Memorandum of Understanding (MOU). Currently Mission Statement, LLC, owns the project site, and the LP will purchase the site prior to loan closing. The future ownership structure will consist of the following:

1. Affordable Housing CDC, Inc., as Managing General Partner (0.051%)
2. Domus GP LLC, as Administrative General Partner (0.049%)
3. Limited Partner, who has yet to be determined (99.90%)

PROJECT FINANCE SUMMARY

The borrower will secure permanent financing in the amount of \$18.07 million, and will utilize \$11.5 million in 9% tax credit equity to partially finance the construction of the project.

PERMANENT FUNDING SOURCES

Source	Amount
HCIDLA- HHH	\$6,300,000.
No Place Like Home	\$6,960,000.
Permanent Loan	\$4,806,851.
Limited Partner Equity	\$11,494,401.
Deferred Cost	\$314,000.
Total	\$29,875,252.

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	50% AMI Units	60% AMI Units	Managers	Total Units	HHH Units	Non-HHH Units
SRO	47				47	47	
1 Bedroom	16				16	16	
2 Bedroom				1	1		1
3 Bedroom							
Total	63			1	64	63	1

FUNDING RECOMMENDATION

The recommended HHH fund loan in the amount of \$6,300,000 represents \$98,438. per HCID restricted unit, or approximately 21% of the total development cost.

Prepared by: Los Angeles Housing and Community Investment Department

STAFF REPORT
February 11, 2020

The Quincy (aka 2652 Pico Apartments)
2652 W. Pico Boulevard
Los Angeles, CA 90006

New Construction
Council District 1

PROJECT DESCRIPTION

The Quincy (also known as 2652 Pico Apartments), located at 2652 W. Pico Boulevard will be a 54-unit, four-story supportive housing development consisting of 53 units for homeless seniors, and one manager's unit. The site is currently improved with two existing commercial structures operating as a hardware supply store. Both existing structures will be demolished with commercial relocation completed as part of the development process.

All residential units will be completely furnished and includes full bathrooms and kitchenettes. Project amenities include a community room, resident supportive services offices, a manager's office, laundry facilities and bicycle parking. Additionally, plans include a first floor courtyard and patio, a small deck and roof terrace on the fourth floor, exterior landscaping on the side yards and an elevator to provide resident access to all floors.

The project will target senior homeless individuals at 30% of the Area Median Income ("AMI") and will have 53 supportive housing units, of which 27 units will be designated for the chronically homeless, plus 1 manager's unit.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

Wakeland Housing and Development Corporation (Wakeland), a California nonprofit corporation, is the developer and will be forming a Limited Partnership with an affiliated LLC entity as the Managing General Partner. The Limited Partner investor will be determined and admitted into the partnership at a later time. The ownership structure will consist of the following:

1. Wakeland Housing and Development Corporation with an affiliated LLC entity, as Managing General Partner (0.01%)
2. Limited Partner, who has yet to be determined (99.99%)

PROJECT FINANCE SUMMARY

The borrower is proposing to secure a conventional permanent loan in the amount of \$2.9 million, and \$18 million in 9% tax credit equity to partially finance the development of the project.

PERMANENT FUNDING SOURCES

Source	Amount
HCIDLA HHH	\$3,550,000
HCIDLA HHH - accrued/deferred interest	\$286,500
LACDA NPLH	\$7,420,000
Wells Fargo Permanent Loan	\$2,900,000
Tax Credit Equity:	\$18,078,174
Total	\$32,234,674

AFFORDABILITY STRUCTURE

Unit Type	30% AMI Units	50% AMI Units	60% AMI Units	Manager	Total Units	HHH Units	Non-HHH Units
Studio	53				53	53	
1 Bedroom							
2 Bedroom				1	1		
Total	53			1	54	53	

FUNDING RECOMMENDATION

The recommended HHH loan in the amount of \$3,550,000 represents \$66,981 per HCID-restricted unit, or approximately 11.8% of the total development cost.

Prepared by: Los Angeles Housing and Community Investment Department