



TO: HACLA Board of Commissioners

FROM: Geoffrey Moen, Director, Development Services *GM*

THROUGH: Douglas Guthrie, President & CEO *Douglas Guthrie*

DATE: August 26, 2021

SUBJECT: Pueblo del Sol, Phase I and II, Rehabilitation Progress Report through the end of Q2 2021

This report is intended to provide the Board of Commissioners a progress update on the Pueblo del Sol Rehabilitation Project comprising Pueblo Del Sol Phase I project ("PDS I") from the start of the construction in November 2020 to end of June 2021 and the Pueblo Del Sol Phase II project ("PDS II") which commenced construction in June 2021.

PDS I consists of 201 residential units and a Management Building. Construction commenced in November 2020, shortly after the PDS-I financial closing the month prior. Substantial completion of PDS I is anticipated by January 2021. PDS II consists of 176 residential units, a Community Center and a Community Park. After achieving construction financial closing in May 2021, the rehabilitation work for PDS-II started in June 2021 and substantial completion of PDS II is anticipated by August 2022.

When complete, the renovated community will feature accessibility improvements, energy upgrades, a renovated and expanded Management Building, Community Center and Community Park, and improvements to building exteriors and trash enclosures/mailbox areas.

Pueblo Del Sol Phasing Plan



Housing Authority of the City of Los Angeles

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Rehabilitation Scope:

PDS I: The Phase I rehabilitation scope includes updating residential buildings while maintaining existing standard unit configurations, updating/creating additional accessible units, upgrading the Management Building, and updating exterior common area amenity spaces. Exterior work consists of painting of buildings, overlaying a new layer of flat roofing material over an existing layer, improved light fixtures, and enhancements to trash enclosures. The Management Building interior will receive new flooring, paint, light fixtures and furnishings. The Management Building will be improved with an expanded fitness room, expanded multipurpose room, improved staff offices and a new breakroom. The leasing office will be reconfigured to increase security and create a separate waiting lobby, which will allow the space to be more functional for the management staff. Site work consists of landscaping changes to accommodate additional accessible parking spaces and carports, and improvements to the walkways leading to and from accessible units. The Community Park in Phase I will have a reconfigured children’s play area with a refurbished playground for 5-12 year-olds, and a new community garden with seventeen (17) planter beds. All units are receiving new flooring, fixtures, energy star rated appliances, window coverings, light fixtures, hardware, paint, upgraded HVAC units, new water heaters, and cabinetry in the kitchens. Ten percent (10%) of all residential units are to be renovated to meet current accessibility requirements which will require shifting some walls to reconfigure kitchens and bathrooms to meet current code requirements.

PDS II: In addition to the same scope of work for residential buildings and units as PDS I, PDS II also includes upgrading the Community Building and the Community Park area. The Community Center will undergo significant rehabilitation with a new teen community room and teen lounge, new kitchen, new music room, and a computer lab, while the multi-purpose room, lobby, and the public restrooms will undergo renovations.

The Park Paseo private street will be reconfigured with angled parking that will create approximately 23 new parking spaces and help alleviate the parking shortage in this community. The Community Park will be reprogrammed with a new soccer field, a new tot-lot for 2-5 year-olds, two fenced dog parks, BBQs, and seating areas with tables, chairs, and loungers. The new park layout will be finished with new concrete sidewalks, planters, bike racks, trash receptacles, and lush landscaping around the edge of the park.

Current Development Status:

The construction of PDS I is progressing as per the schedule by the General Contractor.

| PHASE | CONTRACTOR | CONSTRUCTION SCHEDULE | STATUS |
|--------|-----------------------|-----------------------|-----------------------------|
| PDS I | Portrait Construction | 11/2020 to 1/2022 | Progressing as per schedule |
| PDS II | Portrait Construction | 06/2021 to 08/2022 | Construction commenced |

PDS-I

- Residential Buildings: Substantial rehabilitation of Buildings 1 through 18 is complete as of June 2021. This includes 102 Units, including 14 ADA Units.
- Management Building: Office staff have been relocated to operate out of Community Building in Phase 2 and furniture, exercise equipment, and FF&E moved to phase 2 or placed in temporary storage. Demolition has commenced and landscape has been removed. While the management building expansion work has received the necessary building permits, it is currently awaiting a grading permit.
- Site Improvements: ADA accessible site pathways are nearly complete, with work anticipated to be complete by the end of July. Landscape improvements and tree care are currently being bid out.

PDS-II

- Residential Buildings: Permits received. Unit renovations anticipated to begin toward the end of July.
- Community Center: Permits received. Renovation anticipated to begin at the start of Q1 2022.
- Site Improvements: Permits received. ADA accessible pathway improvements anticipated to begin toward the end of July.
- Community Park: Plans currently in plan check. Anticipated construction start at end of Q1, 2022.

Relocation Update:

Phase I temporary relocations began January 2021 and are expected to be completed by November 2021. Relocation occurs on a weekly basis with households staying in on-site units, with family/friends, or at the Residence Inn Hotel. Between January 2021 and June 2021 ninety-three (93) households have completed their temporary relocation. Of the households that have completed their relocation, forty (40) have stayed in an on-site unit, fourteen (14) have stayed with family/friends, and thirty-nine (39) have stayed at the Residence Inn Hotel.

The Relocation Consultant has been working closely with the Pueblo Del Sol residents throughout the relocation, preparing them for their temporary relocation and return. Notices are being provided 90 days before the anticipated move-outs. Households are provided with packing materials and boxes along with a packing tip sheet 60 days before their scheduled move to the temporary unit. The Relocation Consultant is also onsite during the moves to monitor the process of the move out and return of tenant's personal belongings. Households are also given the option to monitor the move of their belongings via a tablet.

On the day of the move, as a preventative measure, the Relocation Consultant photographs household's belongings before and after the move to help document any damage that may occur to the resident's belongings during the move & transportation of the personal property. If damages are incurred to a household's personal property, Relocation Consultant works with the resident to help them submit a damage claim in order to be able to compensate the household for the damages incurred to their personal belongings. A list of the damaged items, as well as photographs are kept in order to determine the damage claim offer to household. When the damage claim is accepted by resident, a check is issued to the household to settle the claim. With the recent changes made to the damage claim process, once a resident accepts the offer amount, payment is processed and made to household approximately 2 – 3 weeks after the initial claim is submitted. In response to tenant's feedback, monthly meetings are being held with RAC members to walk units and see progress and identify any issues with construction or moving.

Community Outreach Update:

With the assistance of the League of Women Voters, HACLA conducted the election for the first Pueblo del Sol Resident Advisory Council (RAC) and installed the Resident Advisory Council (RAC) in January 2021. HACLA also provided assistance to the RAC by drafting the bylaws, (based on the existing RAC/HACLA model), virtual training of the RAC officers and hosting regular virtual meetings with the community. The RAC has biweekly virtual meetings with the development team comprising Related, McCormack Baron Property Management, and HACLA staff to discuss the concerns of the residents about the rehabilitation and relocation project. Related, HACLA, General Contractor and Relocation Consultant staff carried out an onsite walkthrough with the RAC to witness firsthand the issues residents were experiencing. This event was recognized as essential to addressing conditions and procedures that needed modification and has led to the decision to establish monthly site visits going forward in order to continue to work regularly with elected leadership and residents in ensuring a smooth relocation and rehabilitation for the two phases. Additionally, a monthly newsletter is published by HACLA, with input from the development team, to further inform and educate residents about the progress of the rehabilitation project.

RAD & PBV Update:

HACLA converted 112 of the 120 public housing units for PDS-I and 112 of the 122 public housing units for PDS-II to the Rental Assistance Demonstration (“RAD”) program in order to take advantage of the RAD program guidelines that provides access to other funding sources such as Low-Income Housing Tax Credits (“LIHTC”). These units are now in a RAD Project-Based Voucher (“PBV”) Housing Assistance Payment (“HAP”) contract. The remaining public housing units at each site entered into a PBV HAP contract as part of HUD’s de minimis reduction authority which allowed HACLA to apply rents in accordance with the Section 8 Voucher Payment Standard (“VPS”) without adversely affecting the resident’s portion of the rent.

In an effort to increase affordability, residents that reside in tax-credit only units were afforded an opportunity to apply to Section 8 to have their rent subsidized. For units in which the resident was approved for Section 8, the unit was added to a PBV HAP contract. Residents whose incomes were too high, or if their rent would be increased with Section 8, remain as tax-credit only residents, with an opportunity to apply again if their income changes or the unit would be added to the contract once vacated. To date, the following is a status update on the applications to receive subsidy and the units included in the PBV HAP contract:

PDS I

- 48 PBV Applications
 - 33 approved
 - 15 in process

PDS II

- 23 PBV Application
 - 23 in process

Attachments:

1. Project Summary
2. Construction Progress Report as of June 2021
3. Response to the letter from the RAC on relocation concerns