RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO SUBMIT AN APPLICATION, AS SOLE APPLICANT, FOR A GRANT OF UP TO $30,000,000 IN RESPONSE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT’S ROUND 7 NOTICE OF FUNDING AVAILABILITY FOR THE INFILL INFRASTRUCTURE GRANT PROGRAM FOR THE JORDAN DOWNS REDEVELOPMENT PROJECT PHASES S4, S5, H2A AND H3A

Purpose: To authorize the President and CEO, or Designee, of the Housing Authority of the City of Los Angeles (“HACLA”), to submit an application, as sole applicant, for a grant of up to $30,000,000 in response to the Round 7 Notice of Funding Availability (“NOFA”) for Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) Infill Infrastructure Grant (“IIG”) Program to the California Department of Housing and Community Development (“HCD”) for the Jordan Downs Redevelopment Project Phases S4, S5, H2A and H3A (“Project”). The grant funds will be used to fund infrastructure costs associated with the developments.

Regarding: On June 28, 2012, by Resolution No. 8969, HACLA’s Board of Commissioners (“BOC”) unanimously authorized the President and CEO to execute a Master Development Agreement (“MDA”) with Jordan Downs Community Partners, LLC, (“Master Developer”), a joint venture of the BRIDGE Housing Corporation (“BRIDGE”) and The Michaels Development Company I, L.P., a New Jersey limited partnership (“Michaels”), for the redevelopment of Jordan Downs. The MDA between HACLA and the Master Developer was executed on August 1, 2012 and subsequently amended with Board approval on December 22, 2016, by Resolution No. 9327 and on April 28, 2016, by Resolution No. 9282.

Issues:

Background: HACLA desires to continue to transform the Jordan Downs public housing community into an environmentally friendly, vibrant, urban village, conducive to healthy living and economically progressive conditions. The redevelopment plan for Jordan Downs is intended to ignite a renewal in the greater South Los Angeles community. HACLA initiated a long-range plan to redevelop Jordan Downs in 2008. These efforts included acquiring an adjacent site, establishing the Jordan Downs Community Advisory Committee in 2008, and preparing a Community-Based Master Plan in 2009, which ultimately led to the drafting and adoption of a Specific Plan and Environmental Impact Report (“EIR”) in 2011.
Since 2012, HACLA and the Master Developer have been working closely to implement the vision of a redeveloped Jordan Downs. This collaboration has involved creating a site plan and architectural studies and pursuing competitive and non-competitive financing for each phase. Phase 1A was completed by BRIDGE, delivered 115 apartment units to the community and is now 100% occupied. Michaels completed Phase 1B, a 135-unit residential development in October 2020, which finalized lease up in June 2021. Area H, an 80-unit residential development and Phase S3, a 93-unit residential development are under construction with tentative completion projected in November 2021 and March 2022 respectively. Phase S2 has completed demolition and achieved financial closing on June 29, 2021, with an expected construction start date of July 2021 and completion in March 2023. Phase H2A applied for 9% tax credits on July 1, 2021 and expects to achieve financial closing and start of construction in March 2022, with construction completion in January 2024. Phase H3A a 97-unit project is tentatively scheduled to start construction in the third/fourth quarter of 2023.

IIIG Grant Program:

HACLA and the Master Developer seek funding for the redevelopment of Jordan Downs through a variety of private and public sources, including Federal, State and Local agencies. The State of California, through HCD, issued a NOFA dated May 12, 2021 making available approximately $160 million in IIIG Program grant funding for projects that facilitate the development of infill housing.

The IIIG Program implements Chapter 2 of Part 12 of Division 31 of the Health and Safety Code Commencing with Health and Safety Code Section 53545.13, which established the Infill Incentive Grant Program of 2007. Under the Program, grants are available as gap funding for infrastructure improvements necessary for specific residential or mixed-use Qualifying Infill development Projects (“QIPs”) or specific Qualifying Infill Areas (“QIAs”) which have multiple QIPs associated. Both Infill QIPs and QIAs must have either been previously developed or be largely surrounded by development. Eligible improvements include development or rehabilitation of parks or open space, water, sewer or other utility service improvements, streets, roads, parking structures, transit linkages, transit shelters, traffic mitigation features, sidewalks, demolition and streetscape improvements.

HACLA will be applying for multiple project phases as a QIA with the Project included in this Board report as the multiple QIPs. To incentivize larger scale residential developments, the Multiple QIPs criterion allows full points for QIAs that exceed 250 units. The Project as currently proposed includes 347 units. A city, county, city and county, public housing authority, or redevelopment agency that has jurisdiction over a QIA is the only applicant eligible to apply under a QIA. Based on both the applicable developers’ and HACLA staff’s analyses, we have determined that in order to maximize our competitive scoring, and for the benefit as a whole to the redevelopment of Jordan Downs, applying as a QIA is the most advantageous way to proceed.

Funds will be allocated through a competitive process, based on the merits of the multiple QIPs and QIA. The application selection criteria include project readiness, affordability, housing density, access to transit, proximity to amenities and consistency with regional plans.
HACL, as sole applicant, would have primary responsibility for administering the grant funds which would be loaned to the applicable single-asset ownership partnership entities for each of the projects. HACL will execute the HCD standard agreement and related contractual documents such as the HCD disbursement agreement related to the grant expenditures and the projects funded. As the direct grant awardee, HACL would be responsible for the grant monitoring for compliance with the conditions and milestones contained in the HCD standard agreement and any required reporting and progress draw requests for reimbursements during the construction period. HACL would provide a loan to each of the Phase H2A, H3A, S4 and S5 partnerships for these grant funds which will be evidenced by promissory notes and deeds of trust.

The funds would be available as soon as the standard agreement and disbursement agreements were signed (upon financial closing) for the awarded project and the work requesting reimbursement was completed. Specific to this IIG round, the IIG Guidelines state that projects must start within 2 years of their award and must be completed within 3 years of the award. Extensions in the future may be possible, but that will be allowed by HCD on a project by project basis. This timeline fits within the projected development timeline for Phases H2A, H3A, S4 and S5.

**QIP Projects:**

Jordan Downs Phase S4 will be a newly constructed 90-unit development with ground floor community/management space located at the intersection of 102nd Street and Grape Street.

Jordan Downs Phase S5 will be a newly constructed 84-unit development with ground floor community/management space and commercial space located at the intersection of 102nd Street and Lou Dillon Street.

Jordan Downs Area H2A will be a newly constructed 76-unit development with community and management space, located west of Laurel Street and east of the new Kalmia Street (which will be built during this phase) between 97th Street and 99th Place.

Jordan Downs Area H3A will be a newly constructed 97-unit development with community and management space, located east of Croesus Street between 97th Street and 99th Place.

HACL desires to submit to HCD an IIG Program application for a total grant amount up to $30,000,000. A portion of the grant amount being requested may be applied towards HACL demolition costs, with the majority applied towards the projects’ eligible infrastructure costs associated with the developments.

The IIG Program funding will support several elements in the Jordan Downs Revitalization including; (1) the demolition of 26 residential structures (189 units); (2) fund Infrastructure development costs associated with the developments of the identified QIP projects including, parks or open space, water, sewer or other utility service improvements, streets, roads, parking structures, transit linkages, transit shelters, traffic
mitigation features, sidewalks, demolition and streetscape improvements; (3) the construction of an approximately 0.5-acre park located between the two residential phases of S4 and S5.

**Vision Plan:** **PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio.**

The development of Phase H2A (76 units), H3A (97 units), S4 (90 units) and S5 (84 units) will allow for the construction of 347 new housing units. This will include 168 replacement housing units. This development will further HACLA’s goals of improving its affordable housing stock as well as improved ADA-compliant, modern, sustainably designed, and amenitized units. This action will help HACLA extend the life of critical, deeply affordable housing in the City of Los Angeles to serve existing public housing residents and future income-qualified households from HACLA’s active public housing and Section 8 wait lists as well as from the community of Watts.

**Funding:** The Chief Administrative Officer confirms the following:

*Source of Funds:* No funds are required for this action.

*Budget and Program Impact:* The IIG grant funds, if successfully awarded, will contribute to the financing sources necessary for the development of Phases H2A, H3A, S4 and S5 providing 347 new housing units in the Jordan Downs Redevelopment area and adding significant investment in the streets, sidewalks, bikeways, service, commercial space and parks associated with building out the urban village.

**Environmental Review:**

*CEQA:* The City of Los Angeles is the lead agency for the Jordan Downs Redevelopment for purposes of the California Environmental Quality Act (“CEQA”). The City of Los Angeles, acting through its City Planning Department, approved a larger project under the Jordan Downs Urban Village Specific Plan (1,800 residential units; up to 250,000 square feet of commercial/retail/office plus up to 20,000 square feet of community-service retail and services in mixed use buildings; a network of parks totaling 8.9 acres; and new community facilities), and its associated Environmental Impact Report (“EIR”) and required findings on April 17, 2013 (ENV-2010-32-EIR). Two addendums to the EIR were prepared on January 11, 2016 and April 4, 2016 respectively to address additional impacts not considered in the EIR as the result of a proposed Specific Plan Amendment. On April 14, 2016, the City Planning Commission found based on the whole of the administrative record that no subsequent or supplemental EIR or negative declaration was required. The Phases H2A, H3A, S4 and S5 redevelopment as contemplated in their current conceptual plans provided to HACLA is consistent with the Specific Plan and its Amendment (CPC-2015-3990-GPA-ZC-SP), however, the final plans will be reviewed by the BOC at such time as it considers the Ground Lease and Disposition and Development Agreement and a final design and construction drawings are complete to ensure consistency. Phases H2A, H3A, S4 and S5 will be subject to the imposition of various measures contained in the Specific Plan’s conditions of approval, including Mitigation Monitoring.
**NEPA:** Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Housing and Community Investment Department (“HCIDLA”), serves as the entity responsible for preparation of the Environmental Assessment and Finding of No Significant Impact (EA/FONSI) for the Jordan Downs Public Housing Community Project. The EA/FONSI was circulated for public review on June 13, 2014 through July 2, 2014. On December 22, 2015 a technical memorandum was prepared to review any changes to the project description. Based on this memorandum HCID/LA found that changes to the project description did not result in changes to the conclusion of the EA/FONSI. On February 11, 2016, HUD’s Field Office Director issued approval of HACLA’s Request for Release of Funds and Environmental Certification.

**Section 3:** Not Applicable

**Attachments:**

1. Resolution
2. Jordan Downs Site Map
ATTACHMENT 1.

RESOLUTION
RESOLUTION NO. _________

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO SUBMIT AN APPLICATION, AS SOLE APPLICANT, FOR A GRANT OF UP TO $30,000,000 IN RESPONSE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT’S ROUND 7 NOTICE OF FUNDING AVAILABILITY FOR THE INFILL INFRASTRUCTURE GRANT PROGRAM FOR THE JORDAN DOWNS REDEVELOPMENT PROJECT PHASES S4, S5, H2A AND H3A

WHEREAS, the Housing Authority of the City of Los Angeles (“HACLA”) is authorized pursuant to the Housing Authorities Law (Sections 34200 et seq. of the California Health and Safety Code) (the “Act”) to conduct business for any of its corporate purposes;

WHEREAS, HACLA and The Michaels Development Company I, L.P. and BRIDGE Housing Corporation (“Developers”) desire to redevelop the existing Jordan Downs Phase S4, Phases S5, H2A and H3A sites (“Projects”) within the current public housing project located within the larger Jordan Downs community at the intersection of 102nd street and Grape in the Watts neighborhood of Los Angeles; and the Phase S4 project will consist of a newly constructed 90 unit development with community/management space; Phase S5 will consist of a newly constructed 84 unit development with community/management space and approximately 5,000 square feet of leasable commercial space with close proximity to the Central Park; the Area H2A project will consist of a newly constructed 76 unit development with community/management space; and the Area H3A project will consist of a newly constructed 97 unit development with community/management space;

WHEREAS, HACLA and the Developers desire to seek funding for the Projects through a variety of private and public sources, including Federal, State and Local agencies;

WHEREAS, the State of California, through its Housing and Community Development Department (“HCD”) has issued a Notice of Funding Availability dated May 12, 2021 (“NOFA”), under the Infill Infrastructure Grant (“IIG”) Program established under Chapter 2 of Part 12 of Division 31 of the Health and Safety Code commencing with Health and Safety Code Section 53545, which authorizes HCD to approve funding allocations utilizing monies made available by the State Legislature, subject to the terms and conditions of the statute and the IIG Guidelines implemented on May 12, 2021;

WHEREAS, HACLA, as the sole applicant, desires to submit an application and receive an allocation of funds through the IIG Program for the Qualified Infill Area (“QIA”) comprised of the Jordan Downs Redevelopment Phases S4, S5, H2A, and H3A Projects;

WHEREAS, HCD is authorized to approve funding allocations for the IIG Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and the HCD Standard Agreement and HCD is authorized to administer the approved funding allocations of the IIG Program;

WHEREAS, HACLA is an Eligible Applicant under the IIG Program and wishes to apply, under the described NOFA, for an IIG grant amount not to exceed $30,000,000 to develop infrastructure at the Jordan Downs Redevelopment Site in support of affordable housing;

WHEREAS, HACLA, shall be subject to the terms and conditions as specified in the HCD Standard Agreement and funds are to be used only for eligible project expenditures as identified in the HCD Standard Agreement; and
WHEREAS, HACLA desires to use the funds for eligible capital asset(s) in the manner presented in
the application as approved by HCD and in accordance with the NOFA and Program Guidelines and Grant
Application Package.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Board of Commissioners authorizes the President and CEO, or designee ("Designated Officers") to:

1. Apply for, execute and submit to HCD, as sole applicant, the IIG Program application in response to
the NOFA dated May 12, 2021, for the 2020-2021 Fiscal Year in a total grant amount up to $30,000,000
for eligible Project improvements ("IIG Grant") in furtherance of the redevelopment of Phases S4, S5,
H2A and H3A projects of the Jordan Downs Public Housing community, to submit and execute any
other documents, certifications or information requested by HCD and to execute any and all
documents and approvals that may be required to complete the application and effectuate the intent
of this resolution, as approved by legal counsel, all on behalf of the HACLA.

2. Enter into, execute, and deliver a State of California Standard Agreement ("Standard Agreement")
with HCD, if the application is approved and awarded in a grant amount up to $30,000,000, and any
and all other documents required or deemed necessary or appropriate to secure the IIG Program
funds from HCD, and all amendments thereto and in order to evidence the IIG Grant, the HACLA’s
obligations related thereto, HCD’s security, and execute a disbursement agreement and certain other
documents required by HCD as security for evidence of, or pertaining to, the IIG Grant (collectively,
the “IIG Documents”).

3. Agree to use the funds for eligible improvements in the manner presented in the application as
approved by the HCD and in accordance with the NOFA and Program Guidelines and Application
Package and require that HACLA comply with the terms and conditions as specified in the Standard
Agreement.

BE IT FURTHER RESOLVED that the Designated Officers of HACLA referred to above are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Guthrie</td>
<td>President and Chief Executive Officer</td>
</tr>
<tr>
<td>Marlene Garza</td>
<td>Chief Administrative Officer</td>
</tr>
<tr>
<td>Jenny Scanlin</td>
<td>Chief Development Officer</td>
</tr>
<tr>
<td>Margarita Lares</td>
<td>Chief Programs Officer</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM: HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

BY: ________________________________  BY: ________________________________
JAMES JOHNSON, GENERAL COUNSEL       CIELO CASTRO, CHAIRPERSON

DATE ADOPTED: ______________________
ATTACHMENT 2.

JORDAN DOWNS SITE MAP