RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO SUBMIT AN APPLICATION FOR A GRANT OF UP TO $15,000,000 IN RESPONSE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ROUND 7 NOTICE OF FUNDING AVAILABILITY FOR THE INFILL INFRASTRUCTURE GRANT PROGRAM AS A CO-APPLICANT WITH THE MICHAELS DEVELOPMENT COMPANY I, L.P. FOR THE JORDAN DOWNS REDEVELOPMENT PROJECTS KNOWN AS PHASE S4 AND PHASE S5

Purpose: To authorize the President and CEO to submit an application for a grant of up to $15,000,000 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”) as a co-applicant along with The Michaels Development Company I, L.P. (“Michaels” or “Developer”) for the Jordan Downs Phase S4 and Jordan Downs Phase S5 Redevelopment Projects (“Project”).

Regarding: On June 28, 2012, by Resolution 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 The Housing Authority of the City of Los Angeles (“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 will finalize 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 is expected to achieve a financial closing by June 25, 2021 with expected construction start date of July 2021 and completion in March 2023.

IIG 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 IIG Program grant funding for projects that facilitate the development of infill housing.

The IIG 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 IIG Program, grants are available to support projects involving infrastructure improvements in support of higher-density affordable and mixed-income housing, and mixed-use infill development projects. Specific eligible improvements include development or reconstruction of parks or open space, water, sewer or other utility service improvements, streets, roads, parking structures, transit linkages, transit shelters, traffic mitigation features, sidewalks and streetscape improvements. The IIG Program is administered by HCD.

The IIG Program requested funds are comprised of an up to $15,000,000 grant. The developer Michaels, agrees to indemnify, defend and hold harmless the Housing Authority from and against any claims, judgments, losses liabilities, costs and/or expenses, including any claims that may arise with respect to the portion of the IIG grant application and certificates executed by the Housing Authority.

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.

HACLA and Michaels desire to submit to HCD an IIG Program application for a total grant amount up to $15,000,000. Approximately $1,400,000 of the grant amount being requested will be applied towards HACLA demolition costs, with the remainder applied by Michaels towards the projects eligible infrastructure costs associated with the developments.
HACLA as co-applicant would be acting in a similar role as it has for the prior round Phase S2 and Phase S3 IIG grant applications. As co-applicants HACLA will be a co-signor to 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 HACLA would be responsible for the grant monitoring for compliance with the conditions and milestones contained in the HCD standard agreement, any required reporting and progress draw requests for reimbursements during the construction period. HACLA would provide a loan to the Phase S4 and Phase S5 partnerships for these grant funds evidenced 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 guidelines state that projects must start within 2 years of their award and should be completed within 3 years of the award. Extensions in the future may be possible, but that will be on a project by project basis. This timeline fits within the projected timeline for Phase S4 and S5 to secure additional financing sources and close financing projected.

The IIG Program funding will support four elements in the Jordan Downs Revitalization including (1) the demolition of 16 residential structures, (2) the construction of Phase S4 Project which includes 20 one bedroom units, 38 two bedroom units, 28 three bedroom units, 2 four bedroom units and 2 five bedroom units, approximately 9,000 square feet of community Space/management space, (3) construction of the Phase S5 Project which includes 20 one bedroom units, 38 two bedroom units, 20 three bedroom units, 4 four bedroom units, 2 five bedroom units and approximately 5,000 square feet of community Space/management space and under 5,000 square feet of commercial space comprised of an early childhood education center and live-work residential commercial units, and (4) the construction of an approximately 0.5 acre park located between the two residential phases.

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

The development of Phase S4 (90-units) and S5 (84-units) will allow for the construction of new housing units. This will include fifty-six (56) and forty (40) replacement housing units for Phase S4 and S5 respectively. 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 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 Phase S4 and S5 providing 174 new housing units in the Jordan Downs Redevelopment area.

**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 the 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 phase 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. Phase 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 environmentally responsible entity in 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 FOR A GRANT OF UP TO $15,000,000 IN RESPONSE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S ROUND 7 NOTICE OF FUNDING AVAILABILITY FOR THE INFILL INFRASTRUCTURE GRANT PROGRAM AS A CO-APPLICANT WITH THE MICHAELS DEVELOPMENT COMPANY I, L.P. FOR THE JORDAN DOWNS REDEVELOPMENT PROJECTS KNOWN AS PHASE S4 AND PHASE S5

WHEREAS, the Housing Authority of the City of Los Angeles (the “Housing Authority”) 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, the Housing Authority and The Michaels Development Company I, L.P. (“Developer”) desire to redevelop the existing Jordan Downs Phase S4 and Phase S5 site (“Project”) 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. The Phase S4 project will consist of a newly constructed 90 unit development with 80 parking spaces and approximately 9,000 square feet of community/management space and Phase S5 will consist of a newly constructed 84 unit development with 67 parking spaces, approximately 5,000 square feet of community/management space and approximately 5,000 square feet of leasable commercial space with close proximity to the “Central Park;

WHEREAS, the Housing Authority and the Developer seek funding for the Project 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, the Housing Authority as Co-Applicant and the Developer as Applicant desire to submit an application and receive an allocation of funds through the IIG Program for the Jordan Downs Phase S4 and S5 Projects;

WHEREAS, the 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 and

WHEREAS, the Housing Authority is an Eligible Applicant under the IIG Program and wishes to apply for an IIG grant amount not to exceed $15,000,000 to develop infrastructure in support of the affordable housing under the described NOFA;

WHEREAS, the Housing Authority and the Developer as co-applicants, shall be subject to the terms and conditions as specified in the HCD Standard Agreement and funds are to be used for eligible project expenditures;

WHEREAS, IIG Grant Funds are to be used for eligible project expenditures to be identified in the HCD Standard Agreement;
WHEREAS, the HACLA and the Developer, as co-applicants, hereby agree 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 and submit to HCD, as co-applicant with The Michaels Development Company I, L.P., 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 $15,000,000 for eligible Project improvements (“IIG Grant”) in furtherance of the redevelopment of Phase S4 and Phase S5 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 $15,000,000, 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 hold the HACLA to the terms and conditions as specified in the Standard Agreement.

4. Execute in the name of the HACLA the IIG Program Application Package and the IIG Program Documents as required by HCD for participation in the IIG Program.

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

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<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.
PASSED AND ADOPTED by the HACLA of the City of Los Angeles this 24th day of June 2021.

APPROVED AS TO FORM:

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

BY: ______________________
JAMES JOHNSON, GENERAL COUNSEL

BY: ______________________
CIELO CASTRO, CHAIRPERSON

DATE ADOPTED: _________________________
ATTACHMENT 2.

JORDAN DOWNS SITE MAP