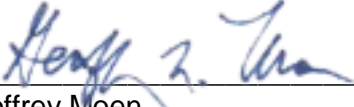


**RESOLUTION AUTHORIZING AN INCREASE IN THE MAXIMUM AMOUNT OF FUNDING FOR WHICH THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES MAY APPLY IN CONNECTION WITH THE SUBMISSION OF MULTIPLE APPLICATIONS TO THE SECOND ROUND OF THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (“HCD”) HOMEKEY PROGRAM ON ITS OWN BEHALF, AS WELL AS IN COLLABORATION WITH THE CITY OF LOS ANGELES AND AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO PROCURE AND COMMIT RESOURCES, TO EXECUTE RELATED DOCUMENTS AND AGREEMENTS, AND TO UNDERTAKE VARIOUS ACTIONS IN CONNECTION THEREWITH**

  
\_\_\_\_\_  
Douglas Guthrie  
President & Chief Executive Officer

  
\_\_\_\_\_  
Geoffrey Moen  
Director of Development

---

**Purpose:** To allow the Housing Authority of the City of Los Angeles (“HACLA”), at the request of the City of Los Angeles (“City”), to apply for funding under the State of California’s (“State”) Department of Housing and Community Development (“HCD”) Homekey program, Round 2 (“Homekey”), in a total amount greater than was anticipated and authorized by the Board of Commissioners under its previous action.

**Regarding:** Resolution No. 9710, adopted by the HACLA Board of Commissioners (“Board” or “BOC”) on May 27, 2021, authorized HACLA to submit multiple applications, on its own behalf and in collaboration with the City, in response to the HCD 2021 Notice of Funding Availability for the second round of Homekey (“NOFA”), for Homekey grant funds in a total amount not to exceed \$250,000,000, comprised of \$220,000,000 for capital expenditures and \$30,000,000 for capitalized operating subsidy; to enter into one or more Standard Agreements with HCD; to enter into a Memorandum of Understanding with the City; and to execute any related agreements, documents and contracts.

Resolution No. 9756 authorized HACLA to apply for Homekey funding for the property located at 5050 W Pico Boulevard.

Resolution No. 9787 authorized HACLA to apply for Homekey funding for property located at 740 S. Alvarado Street.

Resolution No. 9780 authorized HACLA to apply for Homekey funding for property located at 14949 Roscoe Boulevard.

Resolution No. 9779 authorized HACLA to apply for Homekey funding for the property located at 916 N Alvarado Street.

Resolution No. 9764 authorized HACLA to apply for Homekey funding for the property located at 2812 W. Temple Street.

Resolution No. 9765 authorized HACLA to apply for Homekey funding for the property located at 1654 W Florence Ave.

Resolution No. 9760, adopted on October 28, 2021, authorized the allocation of six hundred fifty (650) Section 8 Housing Choice Vouchers for the permanent supportive housing program component of the Project-Based Voucher Program to maximize applications to the 2021 State of California HCD Project Homekey NOFA for projects, Round 2 (the "Homekey Round 2 PBV Allocation").

Resolution No. 9588, adopted on April 23, 2020, authorized setting aside internal sources of funds in an amount not to exceed \$6,000,000 to cover acquisition costs including but not limited to due diligence expenses, closing costs, capital needs, and equity investments.

**Issues:**

In May of last year, the BOC authorized HACLA to submit applications to HCD through the Homekey program in a total amount of \$250,000,000, with \$220,000,000 for capital expenditures and \$30,000,000 for operating subsidy. On September 9, 2021, HCD issued the NOFA for the second round of Homekey.

Since the BOC's authorization, HACLA has authorized the acquisition of several properties for submission as part of applications to HCD in a total amount of \$134,992,228. The applications are submitted both for properties to be owned by HACLA (the "HACLA Properties") and for properties to be owned by owner/operator partners to be selected by the City of Los Angeles through a competitive Request for Proposals (the "City RFP") to be issued in February of 2022 (the "City Properties").

In December of 2021, HACLA entered into a Professional Services Agreement ("PSA") with the City of Los Angeles to provide services relative to the acquisition of real properties through the Homekey program. Under the PSA, the General Manager of the Los Angeles Housing Department ("LAHD"), Ann Sewill, and the Assistant General Manager of LAHD, Daniel Huynh (together, the "City Designees") are authorized and designated to provide written notice to HACLA of properties that the City wishes to purchase through Homekey.

In other actions at the January BOC meeting, the BOC is considering the authorization of the acquisition of eight additional properties to be included as part of additional Homekey applications, for a total amount of \$290,007,722. The purchases of six of these properties have been requested in writing by the City Designees, and the remaining two have been selected by HACLA to remain in HACLA's long-term portfolio. The applications for the City Properties will also include a request for capitalized operating subsidy in the aggregate amount of approximately \$39,052,800. HCD has confirmed that HACLA properties will be ineligible for HCD operating subsidy because each will have a positive projected net operating income based upon each property having PBVs on each assisted unit.

In addition, the BOC authorized the allocation of 650 Section 8 Project-Based Vouchers (“PBVs”), of which applications for 602 PBVs have been or will be submitted upon the approval of the Board at the January BOC meeting. Assuming a potential application of up to \$280,000 per unit for a property yet to be identified, an application would need to be submitted in the amount of \$13,440,000.

Taken together, the authorized and proposed properties will result in Homekey applications in a total amount of approximately \$400 million, well above the amount previously authorized by the Board, and a testament to the robust and unrelenting efforts by the City and HACLA to identify housing units throughout the City for participation in the Homekey Program. Staff recommends that a buffer of \$25 million be included in the Board authorization in order to allow for fluctuations or the submission of any additional applications requested by the City Designees. A summary of the authorized and proposed acquisitions and applications is presented in the table below:

Property	Status	Type	Units	Capital Amount	Operating Subsidy Amount	Total Amount
6521 Brynhurst Ave.	Authorized	City	41	\$ 11,400,000	\$ 1,641,600	\$ 13,041,600
7639 Van Nuys	Authorized	City	36	9,725,967	1,432,800	11,158,767
1654 W Florence	Authorized	City	128	34,960,000	5,169,600	40,129,600
2812 W Temple	Authorized	City	42	11,460,000	1,677,600	13,137,600
916 N Alvarado	Authorized	City	27	6,900,000	1,065,600	7,965,600
21121 Vanowen St.	Proposed	City	101	27,490,000	4,068,000	31,558,000
6531 S. Sepulveda Blvd.	Proposed	City	133	36,523,750	5,378,400	41,902,150
18602 S. Vermont Ave.	Proposed	City	136	36,883,482	5,500,800	42,384,282
20205 Ventury Blvd.	Proposed	City	146	40,120,000	5,904,000	46,024,000
19325 Londelius St.	Proposed	City	117	32,043,750	4,716,000	36,759,750
2010-2014 N. Highland Ave.	Proposed	City	62	17,911,250	2,498,400	20,409,650
5050 W Pico	Authorized	HACLA	79	21,227,579	-	21,227,579
14949 Roscoe Blvd	Authorized	HACLA	29	7,404,900	-	7,404,900
740 S Alvarado St	Authorized	HACLA	34	20,926,582	-	20,926,582
10150 Hillhaven	Proposed	HACLA	80	9,535,455	-	9,535,455
1044 N Soto	Proposed	HACLA	85	22,100,000	-	22,100,000
TBD	Proposed	HACLA	49	13,440,000	-	13,440,000
TBD/Buffer	Proposed	City/HACLA	-	20,000,000	5,894,485	25,894,485
<b>Total</b>			<b>1,325</b>	<b>\$ 380,052,715</b>	<b>\$ 44,947,285</b>	<b>\$ 425,000,000</b>

**Vision Plan: Place Strategy 2.3 – Increase Functionality and effectiveness of Asset Management Portfolio.** This strategy focuses on the strategic directive of HACLA to acquire real property to diversify the housing portfolio and increase the supply of deeply affordable housing within the City of Los Angeles.

**Place Strategy 3 - Improve and expand Section 8 program, policies, and efficiencies.** This strategy involves the acquisition of property for the purpose of a larger variety of readily available housing units that are anticipated to serve Section 8 Voucher participants.

**Place Strategy 4 – Steward efforts to reduce or eliminate homelessness.** With a specific focus on housing for the unhoused, HACLA’s participation in Project Homekey creates permanent housing solutions for residents most in need.

**Funding:** The Chief Administrative Officer confirms the following funding to be available to cover all match requirements:

*Source of Funds:* Proceeds from the Non-Public Housing Portfolio have been previously authorized up to \$6 million through Resolution No. 9588, and are available for the Authority’s Acquisition Program to fund acquisition costs that fall outside of Homekey capital grant and operating subsidy awards. Local match funds will be provided by the City for City Properties and by draws on the HACLA line of credit with City National Bank for HACLA properties, the latter of which will be taken out with long-term conventional debt or bond financing.

*Budget and Program Impact:* Properties are being underwritten to ensure that ongoing operations, capital investments and debt service of acquired assets can be covered with available state and local subsidies, project-based vouchers, and tenant rents. The acquisitions must meet underwriting standards of HACLA’s Acquisition Program.

**Environmental Review:**

Minor rehabilitation of existing buildings and the acquisition of property are all exempt activities under CEQA. The primary source of funding for Homekey, Coronavirus Relief Funds, are federal funds and therefore requires NEPA review. Acquisition is not an exempted activity under NEPA and HACLA staff will ensure the completion of all necessary environmental assessments prior to the Board of Commissioner’s approval of any final acquisition terms and closing escrow on any property.

**Section 3:** Not Applicable

**Attachments:** Resolution

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING AN INCREASE IN THE MAXIMUM AMOUNT OF FUNDING FOR WHICH THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES MAY APPLY IN CONNECTION WITH THE SUBMISSION OF MULTIPLE APPLICATIONS TO THE SECOND ROUND OF THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (“HCD”) HOMEKEY PROGRAM, ON ITS OWN BEHALF AS WELL AS IN COLLABORATION WITH THE CITY OF LOS ANGELES; AND AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO PROCURE AND COMMIT RESOURCES, TO EXECUTE RELATED DOCUMENTS AND AGREEMENTS, AND TO UNDERTAKE VARIOUS ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Housing Authority of the City of Los Angeles (“HACLA”) is authorized to acquire and dispose of real property and enter into contracts and agreements related thereto pursuant to the California Health and Safety Code Section 34200 *et seq.* and particularly with respect to Section 34315;

**WHEREAS**, the Housing Authority Board of Commissioners (“Board”) adopted the Policy Guidelines for the Acquisition of Real Property by Resolution No. 8582 on February 20, 2008, as amended by Resolution No. 8628, on July 23, 2008, (the “Prior Policy”) which set forth the policy and guidelines for the acquisition of real property for the Housing Authority;

**WHEREAS**, HACLA has adopted by Resolution 9587, on April 23, 2020, an Acquisition and Disposition of Real Property Policy (the “Policy”) to institute a revised and updated real property acquisition program (“Acquisition Program”) and to revise and restate its Prior Policy to reflect HACLA’s Build HOPE Vision Plan goals and to provide for the disposition of real property;

**WHEREAS**, the State of California (“State”) Department of Housing and Community Development (“HCD”) issued a 2021 Notice of Funding Availability for the second round of HCD’s Homekey Program (“Homekey”) (“NOFA”);

**WHEREAS**, HACLA desires to submit multiple applications for Homekey grant funds and requires the Board’s authority to submit such applications to HCD for its review and consideration, on its own behalf and in cooperation as a potential co-applicant with the City of Los Angeles (“City”);

**WHEREAS**, HCD is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code) and Homekey funding allocations will be subject to the terms and conditions of the NOFA, the Application, the HCD-approved STD 213, Standard Agreement (“Standard Agreement”), and all other legal requirements of the Homekey Program;

**WHEREAS**, the Board, by way of its adoption of Resolution No. 9710 on May 27, 2021, previously authorized HACLA to submit multiple applications, on its own behalf and in collaboration with the City, in response to the HCD NOFA, for Homekey grant funds in a total amount not to exceed \$250,000,000, comprised of \$220,000,000 for capital expenditures and \$30,000,000 for capitalized operating subsidy; to enter into one or more Standard Agreements with HCD; to enter into a Memorandum of Understanding with the City; and to execute any related agreements, documents and contracts;

**WHEREAS**, HACLA entered into a Professional Services Agreement with the City, in which HACLA agreed, among other items, to submit Homekey applications upon receiving written

notice from the General Manager of the Los Angeles Housing Department (“LAHD”), Ann Sewill, or the Assistant General Manager of LAHD, Daniel Huynh;

**WHEREAS**, HACLA has received written notice from Daniel Huynh to submit applications to HCD in excess of \$304 million, consisting of more than \$265 million for capital grants and more than \$39 million for operating subsidy;

**WHEREAS**, HACLA applied for and has received an award letter from HCD for the property located at 5050 W Pico Boulevard in the amount of \$21,227,579, as authorized by Resolution No. 9756;

**WHEREAS**, the Board of Commissioners has approved acquisition of and submission of an application to HCD for the property located at 740 S. Alvarado in the amount of \$20,926,582 in connection with Resolution No. 9787;

**WHEREAS**, the Board of Commissioners has approved acquisition of and submission of an application to HCD for the property located at 14949 Roscoe Boulevard in the amount of \$7,404,900 through Resolution No. 9780;

**WHEREAS**, the Board of Commissioners has approved acquisition of and submission of an application to HCD for the property located at 916 N Alvarado Street in the amount of \$6,900,000 through Resolution No. 9779;

**WHEREAS**, the Board of Commissioners has approved acquisition of and submission of an application to HCD for the property located at 2812 W. Temple Street in the amount of \$11,460,000 through Resolution No. 9764;

**WHEREAS**, the Board of Commissioners has approved acquisition of and submission of an application to HCD for the property located at 1654 W Florence Ave in the amount of \$34,960,000 through Resolution No. 9765;

**WHEREAS**, HACLA desires to submit an application for the property at 10150 Hillhaven Street in the amount of \$9,535,455, and for the property at 1044 N. Soto Street in the amount of \$22,100,000;

**WHEREAS**, Resolution No. 9760 authorized the allocation of six hundred fifty (650) Section 8 Housing Choice Vouchers for the permanent supportive housing program component of the Project-Based Voucher Program to maximize applications to the 2021 State of California HCD Project Homekey NOFA for projects, Round 2 (the “Homekey Round 2 PBV Allocation”);

**WHEREAS**, HACLA desires to provide authority to submit an application for a property to be identified for the remaining forty-eight (48) Project-Based Section 8 vouchers in connection with the Homekey Round 2 PBV NOFA in an amount not to exceed \$13,440,000;

**WHEREAS**, HACLA desires to submit applications for six additional properties on behalf of the City with request for approximately \$205 million in capital grant funds and approximately \$30 million in operating subsidy; and

**WHEREAS**, based on the foregoing, the Board now wishes to authorize an increase in the maximum amount of funding for which HACLA may apply in connection with the submission

of multiple applications to the 2021 Homekey Program on its own behalf as well as in collaboration with the City.

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Commissioners of the Housing Authority of the City of Los Angeles does hereby authorize and approve as follows:

Section 1. The recitals hereinabove set forth are true and correct, and this Board of Commissioners so finds. This Resolution is being adopted pursuant to the powers granted the HACLA by Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code.

Section 2. The Board of Commissioners authorizes and directs the Housing Authority of the City of Los Angeles to submit multiple applications to HCD both on its own behalf and in collaboration with the City of Los Angeles in response to the 2021 NOFA and to apply for Homekey grant funds in an increased total amount not to exceed \$425,000,000. That amount includes \$385,000,000 for capital expenditures (as allowed under Health and Safety Code, § 50675.1.1, subd. (a)(1)-(6)) and \$40,000,000 for operating subsidy (as allowed under Health and Safety Code, § 50675.1.1, subd. (a)(7)).

Section 3. If HACLA's applications are approved, the President and CEO, or his designee, is authorized and directed to ensure that any funds awarded for capital expenditures or capitalized operating subsidies are spent by the required date in the NOFA.

Section 4. If any application for Homekey funding is approved, the President and CEO, or his designee, is hereby authorized and directed to enter into, execute, and deliver one or more Standard Agreements, both on its own behalf and in collaboration with the City of Los Angeles, which Agreements in a total aggregate amount shall not exceed \$425,000,000, and any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from HCD and participate in the Homekey Program, and all amendments thereto, subject to review and approval of legal counsel as applicable (collectively, the "Homekey Documents").

Section 5. HACLA and its Board of Commissioners acknowledge and agree that HACLA shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application will be enforceable through the Standard Agreement and funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

Section 6. Douglas Guthrie, as President and CEO of HACLA, or his designee, is authorized to execute all applications and related certificates for Homekey funding and the Homekey Documents on behalf of HACLA for participation in the Homekey Program, subject to review and approval by HACLA legal counsel.

Section 7. The President and CEO, or his designee, is authorized to enter into a Memorandum of Agreement ("MOA") with the City of Los Angeles, subject to review and approval by HACLA legal counsel, to collaborate with the City and apply jointly or on behalf of the City for Homekey funding, accept funding from the City up to \$230 million and additional annual operating subsidy as available to meet local match requirements of the Homekey grant and to utilize such match in line with all terms and conditions of the MOA for costs of acquisition, rehabilitation or operations as specified in such MOA.

Section 8. The President and CEO, or his designee, is authorized to take any actions and execute any related documents, agreements or contracts as authorized by and consistent with this Resolution and the Policy and as approved by legal counsel.

Section 9. The Board of Commissioners authorizes the President & CEO, or designee, to award and execute contracts for services required for Homekey in accordance with all state and federal procurement requirements and HACLA's Procurement Policy.

Section 10. The "Designated Officers" of HACLA referred to herein are as follows:

<b>Name</b>	<b>Title</b>
Douglas Guthrie	President and Chief Executive Officer
Marlene Garza	Chief Administrative Officer
Jenny Scanlin	Chief Strategic Development Officer
Margarita Lares	Chief Programs Officer

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately and the undersigned Cielo Castro, Chairperson of the Board of Commissioners, does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended or repealed.

APPROVED AS TO FORM:

HOUSING AUTHORITY OF THE  
CITY OF LOS ANGELES

By: \_\_\_\_\_  
JAMES JOHNSON, General Counsel

By: \_\_\_\_\_  
CIELO CASTRO, Chairperson

DATE ADOPTED: \_\_\_\_\_

VOTES: AYES: \_\_\_\_\_ NAYES: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_