RESOLUTIONS APPROVING THE ACQUISITION OF THE FOLLOWING TWO (2) REAL PROPERTY ASSETS AT FAIR MARKET VALUE: (1) 10150 HILLHAVEN AVENUE, LOS ANGELES, CALIFORNIA 91042, TOTALING THIRTY-FOUR (34) UNITS FOR $17,750,000 AND (2) 1044 N SOTO AVENUE, LOS ANGELES, CA 91042, TOTALING EIGHTY-FIVE (85) UNITS FOR $36,125,000, IN RESPONSE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT’S (“HCD”) NOTICE OF FUNDING AVAILABILITY FOR THE HOMEKEY PROGRAM; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ALL RELATED DOCUMENTS, CERTIFICATES AND AGREEMENTS, INCLUDING PURCHASE AND SALE AGREEMENTS, AND HCD STANDARD AGREEMENTS; MAKING A DETERMINATION THAT THESE ACQUISITIONS ARE EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND THE UNDERTAKING OF 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” or “Authority”), to purchase two (2) properties (each a “Property,” and together the “Properties”) in response to the State of California (“State”) Department of Housing and Community Development’s (“HCD”) Notice of Funding Availability (“2021 NOFA”) for the second round of the Homekey Program (“Homekey”). Actions are required to be taken at this time in order to meet the contingency requirements for Board of Commissioners approval within sixty days of the execution of the Purchase and Sale Agreement for each Property.

This report provides a detailed explanation of each Property, with acquisition summaries attached hereto as Attachments 3 and 4.

Regarding:

Resolution No. 9710, adopted by the HACLA Board of Commissioners (“Board”) on May 27, 2021, authorized HACLA to submit multiple applications, on its own behalf and in collaboration with the City, in response to the 2021 NOFA, to apply for Homekey grant funds in a total amount not to exceed $250,000,000, including $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. 9745, adopted by the Board on September 23, 2021, authorized and approved the establishment of a revolving line of credit with City National Bank not to exceed $100,000,000. The Board has approved the use of the revolving line of credit for use in the Homekey program, as well as other partnerships with a reasonable likelihood of access to grant funds and other unencumbered assets to repay revolving commitments, including repayment via take-out financing in the form of long-term debt obligations.

Issues:

Homekey Program:

On June 28, 2021, the State enacted a budget for 2021-2022 with $2.75 billion in funding for a second round of Homekey, including $2.2 billion in Coronavirus Relief Funds (“CRF”) and $550 million from the State’s general fund. Geographic allocations are included this year, with all jurisdictions in Los Angeles County receiving a $358,681,953 set aside. However, access to the set aside is only available until January 31, 2021. All excess geographic allocations will convert to a statewide allocation of available funding after January. HCD issued the 2021 NOFA with program requirements and scoring criteria for the second round of Homekey on September 9, 2021, and the 2021 NOFA program was opened for submittals on October 1, 2021.

New guidelines released in the 2021 NOFA maintain many of the same targets and approach as the 2020 NOFA, continuing the statewide effort to sustain and rapidly expand housing for persons experiencing homelessness or at-risk of homelessness, as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic.

The 2021 NOFA requires jurisdictions to only submit “ready” projects that can meet expedited expenditure requirements and applications will be received and evaluated on a rolling basis until May 2, 2022, or until the available funds are exhausted, whichever occurs first. Other elements of the NOFA which remain from the first round are the prioritization of projects that can meet occupancy or partial occupancy requirements in a shorter period of time and that have a clear path for use as permanent housing. Although the City and HACLA concentrated on acquisition and rehabilitation of hotels and motels in the first round of Homekey, the City, through the Los Angeles Housing Department, elected to focus on purchasing vacant multi-family buildings in ready-to-occupy condition. This approach carries a higher cost per unit on the front end, but provides certainty in swift occupancy and no trailing costs for significant rehabilitation or conversion.
HCD has adjusted the maximum per unit capital grant and the local match formula for the second round of Homekey. The baseline capital amounts are as follows: i) $150,000 per door for studio or one-bedroom units; ii) $175,000 per door for two-bedroom units; iii) $200,000 per door for three-bedroom or larger units; iv) $200,000 per door for assisted units reserved for those experiencing Chronic Homelessness, regardless of bedroom count; and v) $175,000 per door for assisted units reserved for Homeless Youth or Youth at Risk of Homelessness, regardless of bedroom count. Beyond the applicable baseline capital amount, a 1:1 local match may be leveraged to provide up to an additional $100,000 per door. A bonus award of $10,000 per unit is also available for applications submitted prior to February 1st, 2022. Therefore, under this second round of Homekey, projects can anticipate receiving a baseline of $250,000 to $300,000 per door with a local match equal to $100,000.

Homekey guidelines require applicants to demonstrate a five-year commitment to provide operating funds for each project. If projects demonstrate a three-year commitment of non-Homekey operating funds, HCD will provide an operating subsidy for two years; if Projects demonstrate a commitment of four or more years of non-Homekey operating funds, HCD will provide an operating subsidy for three years; and, if a Project’s application score is 140 or more, HCD may consider providing a three-year operating subsidy without a demonstrated commitment from the applicant. However, HCD’s operating subsidy is only available to projects that are underwritten with a deficit in net operating income; projects with other operating support, such as Project-Based Section 8 Vouchers (“PBVs”), which would generate net operating income, are not eligible for HCD operating subsidy.

The Board of Commissioners’ approval of these acquisitions is only one of many remaining contingencies in each Purchase and Sale Agreement and HACLA has the opportunity to extend or terminate escrow if these other contingencies cannot be reasonably met and released.

HACLA is responsible for providing all funding necessary to effectuate the escrow closings, including all upfront costs incurred in conducting due diligence (appraisals, Physical Needs Assessments, Phase I Environmental Site Assessments, Phase II Environmental Assessments, architectural plans, permits, title and recording, survey, pest inspections, accessibility inspections, construction review, and similar investigations), as well as all costs associated with lease-up and stabilization following the acquisition of the Properties.

The Board is being asked to approve the acquisition of the 10150 Hillhaven and 1044 N Soto Properties, contingent on the application and receipt of Homekey funds, and to authorize the use of HACLA matching funds in connection therewith in order to allow for the submission of funding applications to HCD.
Ownership:

HACLA will hold 100% ownership of both Properties in its own name or will transfer its ownership to an existing HACLA-owned instrumentality. The Properties will be put into HACLA’s Asset Management portfolio, and HACLA will use contracts with third party management companies to initiate on-site management. HACLA will also use contracts and memorandums of understanding with service providers and the County Departments of Health and Mental Health Services to ensure that appropriate services and systems of care are available to residents.

Properties:

HACLA has determined that the Properties are anticipated to meet the requirements of the upcoming second round of Homekey, based on an analysis of, and self-scoring completed with, the Homekey application. A summary of each Property is provided in the table below. In total, the two Properties would, upon completion, provide 119 units for an average price of $437,017 in two of the City’s Council Districts (CD 7 and CD 14).

<table>
<thead>
<tr>
<th>Name</th>
<th>Council District</th>
<th>APN</th>
<th>Units</th>
<th>Purchase Price</th>
<th>Purchase Price Per Unit</th>
<th>Appraised Value</th>
<th>Number of Units</th>
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<tbody>
<tr>
<td>10150 Hillhaven</td>
<td>7</td>
<td>256-501-3102</td>
<td>34</td>
<td>$17,750,000</td>
<td>$522,059</td>
<td>TBD</td>
<td>34</td>
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<tr>
<td>1044 N Soto</td>
<td>14</td>
<td>3177-206-036</td>
<td>85</td>
<td>$34,255,000</td>
<td>$403,000</td>
<td>TBD</td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td>119</td>
<td>$52,005,000</td>
<td>$437,017</td>
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<td>119</td>
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</table>

1044 N Soto is an eighty-five (85) unit new construction property. The project was initially designed for hotel use and is being converted to multifamily use through the installation of kitchenettes within each unit. 10150 Hillhaven is a thirty-four (34) unit new construction, multifamily property consisting of seven (7) one-bedroom units, twenty-six (26) two-bedroom units, and one (1) three-bedroom unit. Both Properties will be delivered fully vacant at closing, in each case after obtaining final Certificate of Occupancy from the City of Los Angeles. 10150 Hillhaven is scheduled to close on February 28, 2022, with the option to extend until May 31, 2022, pursuant to extension fees provided in the purchase contract. 1044 N. Soto is scheduled to close by September 1, 2022, with the option to extend to October 1, 2022, at no expense.

Appraisals for the two Properties are underway and expected to be delivered by the January 31, 2022, the deadline to submit applications for the geographic priority round. Based on preliminary conversations with the appraiser and comparable sales, staff are confident the appraisals will support the purchase prices.

HACLA’s underwriting process included a self-scoring of each project. A minimum score of 120 out of a possible 207 points is required to be eligible to receive funding. Criteria for scoring include the ability to timely expend funds, demonstration of operating experience, racial equity and community...
engagement, community impact and site selection. Projects may receive negative points for the permanent displacement of existing residents.

The two Properties discussed herein score comfortably above the 120-point threshold for funding eligibility. The Properties are unable to secure full Impact and Site Selection points since they both will not meet minimum of 15% of unit’s mobility accessible (both are 11%); or minimum of 10% of units being sensory accessible (both are 4%).

<table>
<thead>
<tr>
<th></th>
<th>Timeliness &amp; Leverage</th>
<th>Experience</th>
<th>Equity &amp; Engagement</th>
<th>Impact &amp; Site Selection</th>
<th>Negative Points</th>
<th>Total (min 120)</th>
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<tr>
<td>Maximum Points</td>
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<td>55</td>
<td>20</td>
<td>92</td>
<td>-20</td>
<td>207</td>
</tr>
<tr>
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<td>54</td>
<td>20</td>
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<td>64</td>
<td>0</td>
<td>177</td>
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</tbody>
</table>

HACLA has entered into separate purchase and sale agreements (“PSA”) for the 1044 N Soto and 10150 Hillhaven Properties, each of which includes a contingency requiring that HACLA receive Board approval to purchase the Property within sixty (60) days of the effective date of the purchase and sale agreement. The Board approval contingency for 1044 N Soto will expire on March 18, 2022, and the Board approval contingency for 10150 Hillhaven will expire on February 28, 2022.

Financing:

HACLA has prepared Homekey grant applications for funding for each of the Properties. Each application will be for the maximum Homekey capital grant based on the targeted population for the Property, including an additional contribution for a match of HACLA funding and a bonus award of $10,000 per unit due to the applications being submitted prior to February 1st, 2022. The applications will be for $9.53 million ($280,455 per unit) in capital grant funding for 10150 Hillhaven and $22.1 million ($260,000 per unit) for 1044 N. Soto.

HACLA’s matching funds, projected to be $6.65 million for 10150 Hillhaven, will come from a draw on HACLA’s revolving line of credit with City National Bank and/or its subsidiary (the “HACLA LOC”). Additionally, even though the Properties will be owned by HACLA, the City of Los Angeles has agreed to provide soft residual receipts loans, projected in the amount of $2.36 million for the acquisition of 10150 Hillhaven and $4.21M for 1044 N. Soto (the “City Loans”). The funding from the HACLA LOC will be taken out following closing with permanent debt raised from the sale of conventional notes or the issuance of tax-exempt bonds. The local match funding amount has been sized assuming an allocation of Section 8 Project-Based Voucher rental subsidies, operating expenses based on portfolio data and property characteristics, and conventional loan underwriting terms based on discussions with lenders. HACLA will apply for Project-Based Section 8 vouchers for the Properties through the NOFA approved by the Board at the October 28, 2021 meeting, as well as three-year Operating Subsidy from Homekey. The City
Loans will be paid from a portion of cash flow following debt service and asset management fees paid to HACLA.

If the Properties are not awarded Homekey funds prior to the expiration of their respective contingency periods, HACLA staff will decide whether to cancel escrow for the non-awarded Properties or to pursue alternative resources and strategies to acquire them.

The anticipated project costs for the Properties are included in Attachment 2 of this Board report. In summary projected project costs are as follows:

**Total purchase price for acquisition of $52,005,000**, to be funded by Homekey funds and HACLA matching funds at escrow closing.

**Initial deposits totaling $400,000** have been funded by HACLA. The initial deposit for 1044 N Soto of $250,000 has been made; following the expiration of the due diligence period, HACLA will make an additional deposit of $350,000. The initial deposit for 10150 Hillhaven is $150,000. The deposits for 1044 N Soto and 10150 Hillhaven are fully refundable until expiration of the due diligence inspection period and are applicable to the purchase prices for the Properties.

**Estimated rehabilitation costs of approximately $268,560 ($3,160 per Unit)** for minor life/safety repairs prior to occupancy and ADA compliance for 1044 N Soto.

**Estimated rehabilitation costs of approximately $64,454 ($1,896 per Unit)** for minor life/safety repairs prior to occupancy and ADA compliance for 10150 Hillhaven.

**Total third-party costs estimated to be approximately $119,746** for appraisals, PNAs, Environmental Phase 1 reports, title & recording, architectural and permitting costs, termite and pest inspections, surveys, and zoning and permitting reports. The respective third-party costs estimated to be approximately $65,981 ($776 per unit) for 1044 N Soto and $53,765 ($1,582 per unit) for 10150 Hillhaven.

**Funding for Lease Up Period estimated to be $772,900** for purchase of furniture ($183,600), architecture and engineering work ($29,000), lease up costs ($210,000) covering management, security and general operations until fully leased as well as operating and capital reserves ($350,300) for 1044 N Soto.

**Funding for Lease Up Period estimated to be $576,188** for purchase of furniture ($255,000), architecture and engineering work ($32,400), lease up costs ($82,500) covering management, security and general operations until fully leased as well as operating and capital reserves ($206,288) for 10150 Hillhaven.
Due Diligence:

HACLA has engaged third party consultants to conduct physical needs assessments ("PNAs") to assess the physical condition of each Property, including the expected useful life of the structures, systems, and improvements within each Property, the cost of any capital repairs and replacements that may be necessary over the next several years, the identification of any immediate capital needs at each Property, and the identification of any required physical changes that would be necessary to complete prior to the intended occupancy of the Properties as non-transient multi-family housing.

PNAs for the Properties are not yet available because each Property is in the process of completing construction. However, the purchase and sale agreement for each Property extends the investigation period for PNAs, as well as certain other investigations which cannot be completed prior to construction completion, to a period of fifteen (15) days following construction completion for 1044 N Soto and to a period of fifteen (15) days following substantial completion for 10150 Hillhaven. Because each Property is newly constructed, HACLA does not anticipate that any capital needs, other than accessibility modifications, will be required upon closing. Properties will have a minimum of 11% of unit's mobility accessible and 4% of units vision/hearing accessible. If any significant and immediate capital needs are identified through the PNAs, HACLA will have the option of negotiating either i) that the needs will be addressed by the seller prior to closing or ii) that an appropriate price modification is negotiated. HACLA has also engaged a construction management consultant to inspect the Properties at various intervals in order to apprise HACLA of any issues in construction that need to be addressed.

Additionally, each PSA requires that the seller of the Property deliver to HACLA a Certificate of Occupancy executed by the Los Angeles Department of Building and Safety ("LADBS"), consistent with the number and bedroom type of the units identified in the PSA, prior to escrow closing. Each PSA also requires the respective seller to complete installation of the finishes that are identified and approved by HACLA during the investigation period.

HACLA has also engaged third party consultants to analyze the zoning and permitting of the Properties and to provide reports indicating any potential zoning, land use, or permitting issues that need to be addressed in order to allow the intended occupancy. Based on the zoning of the Properties and the permits executed for each Property by LADBS for the construction of multiple-family housing, HACLA does not anticipate that any land use actions will be required in order to occupy the Properties for their intended use as multi-family housing.

The seller of 1044 N Soto will deliver a Certificate of Occupancy for the property with kitchenettes installed, as per the finish schedule negotiated in the Purchase
and Sale Agreement, Finish Schedule in Exhibit K. The property is in a C-2 zone in a Clean Up Green Up (CUGU) Supplemental Use District, which permits multiple family dwelling. HACLA has engaged a zoning consultant to determine during the due diligence period whether any planning entitlement will be necessary for conversion, or whether the use will be allowed through the delivery of the Certificate of Occupancy.

HACLA will review these reports prior to the expiration of the respective investigation period for each Property and address any issues that emerge.

**Vision Plan:**  **Place Strategy #4: Steward efforts to reduce and alleviate homelessness.**

In furtherance of the second round of the State’s Homekey Program, HACLA has expended and will continue to expend extensive funding and staff time to identify and secure agreements to purchase vacant properties within the City in which to provide decent, safe, and sanitary housing for individuals and families experiencing homelessness or at risk of homelessness.

**Place Strategy #5: Expand HACLA’s role in the broader communities it serves to improve neighborhood-wide health and well-being.**

Acquiring vacant properties to provide decent, safe, and sanitary housing for individuals and families experiencing homelessness or at risk of homelessness will reduce the number of Angelenos exposed to adverse health outcomes in neighborhoods throughout the City of Los Angeles.

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

*Source of Funds:* The $600,000 for deposits and approximately $65,981 in third party due diligence costs have been or will be advanced with unrestricted and uncommitted non-federal proceeds from HACLA’s acquisition fund. All actual HACLA incurred costs in connection with 1044 N Soto, an estimated $665,981, will be reimbursed to HACLA at closing with Homekey capital grant funds and City residual receipt loan disbursement.

The $310,000 for deposits and approximately $53,765 in third party due diligence costs may be advanced with unrestricted and uncommitted non-federal proceeds from HACLA’s acquisition fund. All actual HACLA incurred costs in connection with 10150 Hillhaven Ave, an estimated $363,765, will be reimbursed to HACLA at closing with Homekey capital grant funds and City residual receipts loan disbursement.


Budget and Program Impact: The actions and expenditures related to the acquisition of these sites are generally in line with HACLA’s Acquisition Program and the Authority’s mission and goals.

Environmental Review:

NEPA: The primary source of funding for Homekey, CRF, are federal funds and therefore require NEPA review. Based upon discussions with the State HCD department and the City of Los Angeles Housing Department (“LAHD”), HACLA is informed and believes that the property acquisitions discussed herein are categorically excluded from NEPA, and that LAHD will be making such determination. HACLA has engaged a consultant to prepare a categorical exemption analysis for LAHD’s review and adoption.

CEQA: The acquisition of these Properties is categorically exempt from environmental review under the California Environmental Quality Act (“CEQA”), Public Resources Code section 21000 et seq. More specifically, the acquisition of these Properties is categorically exempt under Title 14 of the California Code of Regulations, sections 15301 (Class 1, Existing Facilities), 15326 (Class 26, Acquisitions of Housing for Housing Assistance Programs), and 15332 (Class 32, Infill Development Project). Further detail demonstrating compliance with the criteria in the Class 32 exemption is found in the Letter of Determination filed by the City of Los Angeles for the construction of the existing uses at 1044 N Soto (July 22, 2015) and the Notices of Exemption filed by the City of Los Angeles for the construction of the existing uses at 10150 Hillhaven Properties (December 10, 2018), attached hereto.

Additionally, the identified project acquisitions qualify for the statutory exemptions from the requirements of CEQA under Public Resources Code section 21080(b)(4) and Title 14 of the California Code of Regulations, section 15269(c), as they are being acquired to mitigate the publicly declared emergency created by the COVID-19 pandemic as it pertains to individuals and families who are most vulnerable. The project acquisitions are also statutorily exempt from CEQA review under Public Resources Code section 21080.50 as an interim motel housing project.

If the Board makes a finding that the categorical exemptions apply, Notices of Exemption (“NOE”) for each Project will be filed with the Los Angeles County Registrar-Recorder/County Clerk (“LA RR/CC”), as applicable, pursuant to Public Resources Code section 21152(b).

Section 3: Not Applicable.
Attachments:

1. Resolutions
2. Summary of project costs
3. Attachment – Property # 1: 1044 N Soto Street
4. Attachment – Property # 2: 10150 Hillhaven Avenue
ATTACHMENT 1

Resolutions
RESOLUTION NO.______________

RESOLUTION APPROVING THE ACQUISITION OF THE FOLLOWING REAL PROPERTY ASSET AT FAIR MARKET VALUE: 1044 N SOTO STREET, LOS ANGELES, CALIFORNIA 90026, TOTALING EIGHTY-FIVE (85) UNITS FOR $36,125,000 (THE “1044 N SOTO PROPERTY”), IN ANTICIPATION OF THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT’S (“HCD”) NOTICE OF FUNDING AVAILABILITY FOR THE HOMEKEY PROGRAM (“HOMEKEY”); APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ALL RELATED DOCUMENTS, CERTIFICATES AND AGREEMENTS, INCLUDING THE PURCHASE AND SALE AGREEMENT AND HCD STANDARD AGREEMENT; MAKING A DETERMINATION THAT THIS ACQUISITION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND THE UNDERTAKING OF VARIOUS ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of Los Angeles (the “Authority”) is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Housing Authorities Law, consisting of Part 2 of Division 24 of the California Health and Safety Code (the “Act”), including the power to finance, acquire and manage property in the furtherance of providing affordable housing;

WHEREAS, the Authority is authorized to acquire and dispose of real property and enter into contracts and agreements related thereto pursuant to California Health and Safety Code Section 34200 et seq. and particularly with respect to Section 34315;

WHEREAS, the Authority’s Board of Commissioners (“Board”) has adopted by Resolution 9639, on October 22, 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 the Authority’s Build HOPE Vision Plan goals to acquire additional real property and to provide for the disposition of real property;

WHEREAS, the California (“State”) Department of Housing and Community Development (“HCD”), using Federal Coronavirus Relief Funds and State general funds, created the Project Homekey Program (“Homekey”) in 2020 to rapidly create deeply affordable housing for individuals and families experiencing or at risk of homelessness, who were disproportionately impacted by the COVID-19 pandemic;

WHEREAS, following successful 2020 Homekey applications, Resolution No. 9710, adopted by the Board on May 27, 2021, authorized HACLA to submit multiple applications on its own behalf and in collaboration with the City of Los Angeles (“City”) in response to an anticipated 2021 Notice of Funding Availability for the Project Homekey Program (“2021 NOFA”), to apply for a second round of Homekey grant funds in a total amount not to exceed $250,000,000, including $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, the State has adopted a 2021-2022 Budget with additional funding for Homekey, which included funding for a second round of Homekey;

WHEREAS, HCD has issued a Notice of Funding Availability, dated September 9, 2021 (“NOFA”), for the Homekey Program (“Homekey” or “Program”) for grant funds pursuant to Health and Safety Code section 50675.1.3 (Assembly Bill No. 140 (2021-2022 Reg. Sess.), § 20.);

WHEREAS, HCD is authorized to administer the Homekey Program 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 all other legal requirements of the Homekey Program, including the terms, conditions, regulations, and agreements that HCD may adopt through the 2021 NOFA and application for Homekey;

WHEREAS, the Authority intends to submit an application for Homekey funding for the acquisition of the 1044 N Soto Property (alternatively referred to herein as “Property”) in response to the 2021 NOFA;

WHEREAS, the Authority now wishes to approve the acquisition of the 1044 N Soto Property included in the accompanying Board Report to provide affordable housing with a concentration on households who have experienced homelessness or who are at risk of homelessness, contingent upon satisfactory completion of due diligence, receipt of an appraisal which supports the purchase price indicated herein, and the award of funds through Homekey;

WHEREAS, the 1044 N Soto Property is being appraised by a third-party appraiser licensed to operate in California, Valbridge, and HACLA anticipates that the amount offered by the Authority and accepted by the Seller will be validated by the findings of such appraisal prepared by Valbridge;

WHEREAS, the 1044 N Soto Property will effectuate a soft loan from the City of Los Angeles to HACLA in an amount not to exceed $4,200,000 at a rate of zero percent (0%), to be paid from residual receipts and shall be prepayable without penalty;

WHEREAS, the 1044 N Soto Property is located wholly within the City;

WHEREAS, the Authority the 1044 N Soto Property on January 18th, 2022 (the “1044 N Soto Property Purchase and Sale Agreement”);

WHEREAS, the Authority is currently conducting related due diligence, including engaging third parties to perform investigations of the Property, and has advanced funding for all due diligence costs estimated at $65,981, and has advanced an escrow deposit of $600,000 contingent upon, among other items, the approval and authorization of the Board within sixty (60) days of the execution of the 1044 N Soto Property Purchase and Sale Agreement, and the confirmation of financing satisfactory to the Authority within ninety (90) days of the execution of the 1044 N Soto Property Purchase and Sale Agreement;
WHEREAS, the Authority, intends to own and operate the Property either under its own name or transfer the ownership to a wholly owned instrumentality; and

WHEREAS, in review of the California Public Resources Code and exemption criteria therein and the information available at the time of the report on this acquisition recommendation, the Board has determined that the acquisition of the 1044 N Soto Property is categorically exempt from environmental review under CEQA, under Section 50675.1.4 (Project Homekey Exception) of the California Health and Safety Code, and Sections 15301 (Existing Facilities) and 15326 (Acquisitions of Housing for Housing Assistance Programs) of the California Code of Regulations.

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

Section 2. The Housing Authority of the City of Los Angeles (“Authority”) hereby approves the acquisition of the real property located at 1044 N Soto Street, Los Angeles, California, for an amount not to exceed $36,125,000, in order to further the City’s response to addressing the housing and homelessness crisis in the City of Los Angeles, and authorizes the execution, by the Authority’s President and CEO, or his/her designee (“Designated Officers,” as defined below), of any and all related documents, contracts for services and financing documents, including but not limited to the HCD Standard Agreement upon award of Homekey Program funds, and any other documents or certificates related thereto with such changes as may be approved by legal counsel in order to effectuate the purchase, escrow closing, operation, and reimbursement of costs related to the 1044 N Soto Property.

Section 3. That if the Authority’s application is awarded Homekey Program funds, the Designated Officers are authorized and directed to accept such award and to ensure that any funds awarded for capital acquisition and operating expenditures are spent by such dates as are set forth by HCD within the 2021 NOFA, as may be extended by HCD or the State, or within whatever statutory limits are required by the grantor.

Section 4. That if the application for Homekey Program funding is approved, the Designated Officers are hereby authorized and directed to enter into, execute, and deliver one or more HCD Standard Agreements, and any and all other documents required or deemed necessary or appropriate to secure the Homekey Program funds from HCD and participate in the Homekey Program, and all amendments thereto (collectively, the “Homekey Documents”), all as approved by legal counsel and the Authority staff, and the Board acknowledges that any and all activities, expenditures, information, and timelines represented in the Homekey Application will
be enforceable through the HCD Standard Agreement(s) and that funds are to be used for the allowable expenditures and activities identified in the applicable HCD Standard Agreement(s).

**Section 5.** If the Authority is awarded Homekey Program funds for the 1044 N Soto Property, the Designated Officers are hereby authorized and directed to expend HACLA funds, including interim financing drawn from the City National Bank line of credit, as authorized by Resolution No. 9745, for the purposes of fulfilling matching fund requirements as outlined in the 1044 N Soto Homekey application, and the use of non-federal HACLA funds for lease-up and stabilization expenses.

**Section 6.** That the Designated Officers are hereby authorized and directed to review such other forthcoming third party investigation reports as have been requested by the City and commissioned by HACLA prior to the expiration of the investigation period set forth 1044 N Soto Property Purchase and Sale Agreement, and to negotiate any modifications to the purchase price, deposits, or other terms of the 1044 N Soto Property Purchase and Sale Agreement as may be necessary or reasonable based upon the results of such investigations and with legal counsel review, and to either terminate the 1044 N Soto Property Purchase and Sale Agreement, to negotiate modifications to the deposits or to purchase one or more options for closing date extensions, or to waive the due diligence contingencies under the 1044 N Soto Property Purchase and Sale Agreement upon the expiration of the investigation periods under the 1044 N Soto Property Purchase and Sale Agreement, and to deposit an additional $350,000 into escrow upon waiving the due diligence contingencies prior to the expiration of the inspection period. Any negotiated additional deposit amounts or extension option purchases must be reasonable and have a dedicated source of funding such as grant or loan funding or funding from the City and may not be in excess of 3% of the purchase price. Any negotiated changes to the purchase price must be necessary either to offset the cost of items discovered during the inspection period that will require post-closing work or to cover the cost of modifications requested by HACLA as a result of the inspections that will be undertaken by the Seller prior to closing, must be substantiated by a current Property appraisal amount, and, if a purchase price increase, must not in combination with additional extension options be in excess of 3% of the purchase price.

**Section 7.** That the Designated Officers are hereby authorized and directed to confirm the approval of an award of capital subsidy for acquisition of the 1044 N Soto Property from HCD through Homekey as well as a loan from the City for acquisition expenses prior to the expiration of the financing contingency for the property, and in the absence of such confirmation is authorized and directed to either: (a) negotiate an extension of the financing contingency, including by increasing the deposit, releasing a portion of the deposit to the Seller, or purchasing options to extend the contingency, as may be necessary to confirm adequate funds for the purchase of the 1044 N Soto Property, or (b) to terminate the 1044 N Soto Property Purchase and Sale Agreement in order to secure the return of any funds deposited by the Authority into escrow.

**Section 8.** That the Designated Officers are hereby authorized and directed to enter into a loan agreement and such other related documents as are necessary in order to effectuate a
loan from the City of Los Angeles to HACLA in an amount not to exceed $4,200,000 for the purchase of the 1044 Soto Property, with such loan to be subordinate to any conventional debt or bonds on the property and paid out of cash flow available after general operating costs are covered including HACLA’s asset management fee; and provided that such loan shall bear interest at a rate of zero percent (0%) and shall be pre-payable without penalty, upon which all obligations associated with such loan shall be terminated, and provided that all such documents executed in accordance with this section shall have been approved by counsel.

Section 9. That the acquisition of the 1044 N Soto Property is categorically exempt from environmental review under CEQA (Public Resources Code section 21000 et seq.,) Sections 15301 (Existing Facilities), 15326 (Acquisitions of Housing for Housing Assistance Programs) of the California Code of Regulations and 15332 (Class 32, Infill Development Project); and statutorily exempt from CEQA Public Resources Code Section 21080(b)(4) and Title 14 of the California Code of Regulations, Section 15269(c); and the 1044 N. Soto Property is also statutorily exempt from CEQA review under Public Resources Code section 21080.50 as an interim motel housing project and, under Health and Safety Code Section 50675.1.4 (acquisition of existing buildings to provide housing for individuals and families who are experiencing homelessness).

Section 10. That the Designated Officers are hereby directed to submit a response for the 1044 N. Soto Property to the NOFA for Project-Based Section 8 Vouchers released by HACLA in November of 2021 to cover the residential units to be occupied by the targeted population as defined in the 1044 N. Soto Homekey application.

Section 11. BE IT FURTHER RESOLVED that the Designated Officers of the Authority 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>

Section 12. BE IT FURTHER RESOLVED that this Resolution shall be effective upon its adoption.

PASSED AND ADOPTED by the Housing Authority of the City of Los Angeles this 27th day of January 2022.

APPROVED AS TO FORM

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: ___________________________          By: ___________________________
  James Johnson, General Counsel         Cielo Castro, Chairperson

DATE ADOPTED: __________________________

Page 16 of 25
RESOLUTION NO.______________

RESOLUTION APPROVING THE ACQUISITION OF THE FOLLOWING REAL PROPERTY ASSET AT FAIR MARKET VALUE: 10150 HILLHAVEN AVENUE, LOS ANGELES, CALIFORNIA 91311, TOTALING THIRTY-FOUR (34) UNITS FOR $17,750,000 (THE “10150 HILLHAVEN PROPERTY”), IN RESPONSE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT’S (“HCD”) NOTICE OF FUNDING AVAILABILITY FOR THE HOMEKEY PROGRAM (“HOMEKEY”); APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ALL RELATED DOCUMENTS, CERTIFICATES AND AGREEMENTS, INCLUDING PURCHASE AND SALE AGREEMENT, AND HCD STANDARD AGREEMENTS; MAKING A DETERMINATION THAT THIS ACQUISITION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND THE UNDERTAKING OF VARIOUS ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of Los Angeles (the “Authority” or “HACLA”) is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Housing Authorities Law, consisting of Part 2 of Division 24 of the California Health and Safety Code (the “Act”), including the power to finance, acquire and manage property in the furtherance of providing affordable housing;

WHEREAS, the Authority 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 Authority’s Board of Commissioners (“Board”) has adopted by Resolution 9639, on October 22, 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 the Authority’s Build HOPE Vision Plan goals to acquire additional real property and to provide for the disposition of real property;

WHEREAS, the Board has adopted Resolution No. 9745, on September 23, 2021, authorizing the establishment of a revolving line of credit with City National Bank not to exceed the amount of $100,000,000 for use in the Homekey program, as well as other partnerships;

WHEREAS, the California (“State”) Department of Housing and Community Development (“HCD”), using Federal Coronavirus Relief Funds and State general funds, created the Project Homekey Program (“Homekey”) in 2020 to rapidly create deeply affordable housing for individuals and families experiencing or at risk of homelessness, who were disproportionately impacted by the COVID-19 pandemic;

WHEREAS, following successful 2020 Homekey applications, Resolution No. 9710, adopted by the Board on May 27, 2021, authorized HACLA to submit multiple applications on its own behalf and in collaboration with the City of Los Angeles (“City”) in response to an anticipated 2021 Notice of Funding Availability for the Project Homekey Program (“2021 NOFA”), to apply for
a second round of Homekey grant funds in a total amount not to exceed $250,000,000, including $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, the State has adopted a 2021-2022 Budget with additional funding for Homekey, which included funding for a second round of Homekey;

WHEREAS, HCD has issued a Notice of Funding Availability, dated September 9, 2021 ("NOFA"), for the Homekey Program ("Homekey" or "Program") for grant funds pursuant to Health and Safety Code section 50675.1.3 (Assembly Bill No. 140 (2021-2022 Reg. Sess.), § 20.);

WHEREAS, HCD is authorized to administer the Homekey Program 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 all other legal requirements of the Homekey Program, including the terms, conditions, regulations, and agreements that HCD may adopt through the expected NOFA and application for Homekey;

WHEREAS, the Authority intends to submit an application for funding to acquire and operate the 10150 Hillhaven Property in response to the Homekey NOFA;

WHEREAS, the Authority now wishes to approve the acquisition of the 10150 Hillhaven Property described in the accompanying Board Report to provide affordable housing with a concentration on households who have experienced homelessness or who are at risk of homelessness, contingent upon satisfactory completion of due diligence, and awarding of funds through Homekey;

WHEREAS, the 10150 Hillhaven Property is being appraised by a third-party appraiser and the amount offered by the Authority and accepted by the Seller, of $17,750,000, will be validated by the findings of such appraisal prepared by an appraiser contracted by HACLA and licensed to operate in the State of California;

WHEREAS, the 10150 Hillhaven Property will effectuate a loan from the City of Los Angeles to HACLA in an amount not to exceed $2,5000,000 at a rate of zero percent (0%) and shall be prepayable without penalty;

WHEREAS, the 10150 Hillhaven Property is located wholly within the City of Los Angeles;

WHEREAS, the Authority executed a Purchase and Sale Agreement for the 10150 Hillhaven Property (the “10150 Hillhaven Property Purchase and Sale Agreement”), and is currently conducting related due diligence including engaging third parties to perform investigations of the property, advanced funding for all due diligence costs estimated at $53,765;
WHEREAS, the Authority executed a Purchase and Sale Agreement for the 10150 Hillhaven Property (the “10150 Hillhaven Property Purchase and Sale Agreement”), and is expected to make an initial deposit of $150,000 along with the following additional deposits into escrow in order to exercise rights to extend the closing date: $30,000 to extend the closing date until March 30, 2022; $50,000 to extend the closing date until April 29, 2022; and $80,000 to extend the closing date to April 25, 2022;

WHEREAS, the Authority, intends to own and operate the Property either under its own name or transfer the ownership to a wholly owned instrumentality; and

WHEREAS, in review of the California Environmental Quality Act (Public Resources Code Sections 21000 et seq., “CEQA”) and exemption criteria therein and the information available at the time of the report on this acquisition recommendation, the Board has determined that the acquisition of the 10150 Hillhaven Property is categorically exempt under Sections 15301 (Existing Facilities) and 15326 (Acquisitions of Housing for Housing Assistance Programs) of the California Code of Regulations.

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 Authority by Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code.

Section 2. The Housing Authority of the City of Los Angeles (“Authority”) hereby approves the acquisition of the real property located at 10150 Hillhaven Avenue, Los Angeles, California, for the benefit of the Partnership for an amount not to exceed $17,750,000, in order to further the City’s response to addressing the housing and homelessness crisis in the City of Los Angeles, and authorizes the execution, by the Authority’s President and CEO, or his/her designee (“Designated Officers,” as defined below), of any and all related documents, contracts for services and financing documents, including but not limited to the HCD Standard Agreement upon award of Homekey Program funds, and any other documents or certificates related thereto with such changes as may be approved by legal counsel in order to effectuate the purchase, escrow closing, operation, and reimbursement of costs related to the 10150 Hillhaven Property.

Section 3. If the Authority’s application is awarded Homekey Program funds, the Designated Officers are authorized and directed to accept such award and to ensure that any funds awarded for capital acquisition expenditures are spent by such date as may be set forth by HCD within the 2021 NOFA or program guidelines for the Homekey Program, unless extended by HCD or the State, and that any funds awarded for capitalized operating subsidies are spent by such date as may be set forth by HCD or the State through the expected 2021 NOFA or program guidelines for the Homekey Program, unless extended by HCD or the State or within whatever statutory limits are required by the grantor.
Section 4. If the application for Homekey Program funding is approved, the Designated Officers are hereby authorized and directed to enter into, execute, and deliver one or more HCD Standard Agreements, and any and all other documents required or deemed necessary or appropriate to secure the Homekey Program funds from HCD and participate in the Homekey Program, and all amendments thereto (collectively, the “Homekey Documents”), all as approved by legal counsel and the Authority staff, and the Board acknowledges that any and all activities, expenditures, information, and timelines represented in the Homekey Application will be enforceable through the HCD Standard Agreement(s) and that funds are to be used for the allowable expenditures and activities identified in the applicable HCD Standard Agreement(s).

Section 5. If the Authority is awarded Homekey Program funds for the 10150 Hillhaven Property, the Designated Officers are hereby authorized and directed to expend HACLA funds, including interim financing drawn from the City National Bank line of credit, as authorized by Resolution No. 9745, for the purposes of fulfilling matching fund requirements as outlined in the 10150 Hillhaven Homekey application, and the use of non-federal HACLA funds for lease-up and stabilization expenses.

Section 6. The Designated Officers are hereby authorized and directed to review such other forthcoming third-party investigation reports as have been commissioned by the Authority prior to the expiration of the investigation period set forth in the 10150 Hillhaven Property Purchase and Sale Agreement, and to negotiate any modifications to the purchase price, deposits, or other terms of the 10150 Hillhaven Property Purchase and Sale Agreement as may be necessary or reasonable based upon the results of such investigations, and to either terminate the 10150 Hillhaven Property Purchase and Sale Agreement, to negotiate modifications to the deposits or to purchase one or more options for closing date extensions, or to waive the due diligence contingencies under the 10150 Hillhaven Property Purchase and Sale Agreement upon the expiration of the investigation periods under the 10150 Hillhaven Property Purchase and Sale agreement, and to make the following additional deposits into escrow in order to exercise rights to extend the closing date: $30,000 to extend the closing date until March 30, 2022; $50,000 to extend the closing date until April 29, 2022; and $80,000 to extend the closing date to April 25, 2022. Any negotiated additional deposit amounts or extension option purchases must be reasonable and have a dedicated source of funding such as grant or loan funding or funding from the City and may not be in excess of 3% of the purchase price. Any negotiated changes to the purchase price must be necessary either to offset the cost of items discovered during the inspection period that will require post-closing work or to cover the cost of modifications requested by HACLA as a result of the inspections that will be undertaken by the Seller prior to closing, must be substantiated by a current Property appraisal amount, and a purchase price increase may not, in combination with additional extension options, be in excess of 3% of the purchase price.

Section 7. The Designated Officers are hereby authorized and directed to confirm the approval of an award of capital subsidy for acquisition of the 10150 Hillhaven Property from HCD through Homekey as well as a loan from the City for acquisition expenses prior to the expiration of the financing contingency for the property, and in the absence of such confirmation is
authorized and directed to either: (a) negotiate an extension of the financing contingency, including by increasing the deposit, releasing a portion of the deposit to the Seller, or purchasing options to extend the contingency, as may be necessary to confirm adequate funds for the purchase of the 10150 Hillhaven Property, or (b) to terminate the 10150 Hillhaven Property Purchase and Sale Agreement in order to secure the return of any funds deposited by the Authority into escrow.

Section 8. That the Designated Officers are hereby authorized and directed to enter into a loan agreement and such other related documents as are necessary in order to effectuate a loan from the City of Los Angeles to HACLA in an amount not to exceed $2,500,000 for the purchase of acquiring the 10150 Hillhaven Property, with such loan to be subordinate to any conventional debt or bonds on the property and paid out of cash flow available after general operating costs are covered including HACLA’s asset management fee in accordance with such terms as may be executed by the President & CEO or Designated Officers, provided that such loan shall bear interest at a rate of zero percent (0%) and shall be prepayable without penalty, upon which all obligations associated with such loan shall be terminated, and provided that all such documents executed in accordance with this section shall have been approved by counsel.

Section 9. That the acquisition of the 10150 Hillhaven Property is categorically exempt from environmental review under CEQA (Public Resources Code section 21000 et seq.,) Sections 15301 (Existing Facilities), 15326 (Acquisitions of Housing for Housing Assistance Programs) of the California Code of Regulations and 15332 (Class 32, Infill Development Project); and statutorily exempt from CEQA Public Resources Code Section 21080(b)(4) and Title 14 of the California Code of Regulations, Section 15269(c); and the 10150 Hillhaven Property is also statutorily exempt from CEQA review under Public Resources Code section 21080.50 as an interim motel housing project and. under Health and Safety Code Section 50675.1.4 (acquisition of existing buildings to provide housing for individuals and families who are experiencing homelessness).

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<td>Margarita Lares</td>
<td>Chief Programs Officer</td>
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</table>
Section 12. BE IT FURTHER RESOLVED that this Resolution shall be effective upon its adoption.

PASSED AND ADOPTED by the Housing Authority of the City of Los Angeles this 27th day of January, 2022.

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

Summary of Project Costs
## Summary of Project Costs

**City Properties**

**BOC Meeting: 01/27/21**

<table>
<thead>
<tr>
<th>Name</th>
<th>Council District</th>
<th>APN</th>
<th>Total</th>
<th>Studio</th>
<th>1BRs</th>
<th>2BRs</th>
<th>3BRs</th>
<th>Purchase Price</th>
<th>Purchase Price Per Unit</th>
<th>Purchase Price Per Unit</th>
<th>Rehab Costs/ADA Retrofit (1)</th>
<th>Architectural And Engineering Fees (A&amp;E)</th>
<th>Permit Fees</th>
<th>Title &amp; Recording</th>
<th>Appraisal</th>
<th>Survey</th>
<th>CEQA/NEPA/NOE</th>
<th>ESA (Phase I)</th>
<th>Termite &amp; Pest</th>
<th>Third Party Costs</th>
<th>HACLA Admin. Fee (3)</th>
<th>TOTAL Third Party Costs/Admin. Fees</th>
<th>Total Project Costs</th>
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</thead>
<tbody>
<tr>
<td>10150 Hillhaven</td>
<td>7</td>
<td>256-500-1312</td>
<td>38</td>
<td>26</td>
<td>7</td>
<td>151,052,000</td>
<td>722,059</td>
<td>34</td>
<td>$150,000</td>
<td>$2,068,680</td>
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<td>8,600</td>
<td>63,705</td>
<td>17,000</td>
<td>8,000</td>
<td>1,700</td>
<td>8,000</td>
<td>71,765</td>
<td>119,746</td>
<td>119,746</td>
<td>$18,072,325</td>
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</tr>
<tr>
<td>1044 N Soto</td>
<td>14</td>
<td>5177-006-036</td>
<td>85</td>
<td>26</td>
<td>7</td>
<td>160,000,000</td>
<td>403,000</td>
<td>85</td>
<td>$600,000</td>
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<td>$40,000</td>
<td>$200,000</td>
<td>$16,114</td>
<td>$90,000</td>
<td>$200,000</td>
<td>$10,000</td>
<td>$17,000</td>
<td>$4,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$1,190</td>
<td>$119,746</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>119</td>
<td>85</td>
<td>7</td>
<td>352,052,000</td>
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<td>$150,706</td>
<td>$150,706</td>
<td>$52,457,760</td>
<td></td>
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</tbody>
</table>

### Notes

1. Rehab costs are estimated at $1,500 per unit for newly constructed multifamily properties to cover limited ADA/accessibility retrofits and other minor modifications, and are inclusive of design and permitting fees.

2. Estimated costs for title & recording, architectural services, permits, appraisals, zoning/permitting reports, surveys, CEQA/NEPA/NOE, ESA (Phase I) reports, physical needs assessments, and termite/pest inspections. These costs will be paid by HACLA prior to or at closing and will be reimbursed by the City of Los Angeles.

3. Projected HACLA administrative fees are calculated as 2% of each property’s purchase price to cover HACLA’s staffing and overhead costs for administering property acquisitions on behalf of the City.
ATTACHMENT 3

Acquisition Property Summary for
1044 N Soto Street
Acquisition Property Profile: 1044 N Soto
BOC Meeting Date: 1/27/2022

PROPERTY LOCATION
This property is located at 1044 N Soto Street, Los Angeles, CA 90033. The property is located in Council District 14 (CD 14). According to the 2020 Homeless Count Report CD14 reported 7,617 individuals in need of shelter. The zip code area currently has a median household income of $40,377.

PROPERTY DESCRIPTION
1044 N Soto Street is a new construction 85-unit property. The property is four stories and will include at least 10 units accessible for mobility impaired persons, and a minimum of 4 units accessible for visual and hearing impaired persons upon completion. The property is expected to be completed by September 2022.

<table>
<thead>
<tr>
<th>Assessor’s Parcel Number:</th>
<th>5177-006-036</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Area:</td>
<td>21,766 sq. ft.</td>
</tr>
<tr>
<td>Building Square Footage:</td>
<td>40,000 sq. ft.</td>
</tr>
<tr>
<td>Parking:</td>
<td>61 Parking Spaces; 4 Bike Spaces</td>
</tr>
<tr>
<td>Amenities:</td>
<td>745 SqFt Fitness Room; 10,000 SqFt Rooftop Deck; 3,500 SqFt Lobby with Food Prep Kitchen; 3 Storage Rooms Totaling 1,350 SqFt</td>
</tr>
</tbody>
</table>

PROPERTY CONDITION
The property is newly constructed and had no occupancy prior to acquisition.

COMMUNITY AMENITIES

<table>
<thead>
<tr>
<th>Type</th>
<th>Distance</th>
<th>Type</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmacy</td>
<td>0.5 miles</td>
<td>School</td>
<td>0.5 miles</td>
</tr>
<tr>
<td>LAC + USC Clinic Tower</td>
<td></td>
<td>Sheridan St Elementary School</td>
<td></td>
</tr>
<tr>
<td>1100 N State St</td>
<td></td>
<td>416 Cornwell St</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>0.1 miles</td>
<td>Groceries</td>
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</tr>
<tr>
<td>Bus Stop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soto St / Marengo St</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Facility</td>
<td>0.4 miles</td>
<td>Park</td>
<td>0.5 miles</td>
</tr>
<tr>
<td>LAC + USC Medical Center</td>
<td></td>
<td>Malabar Branch Library</td>
<td></td>
</tr>
<tr>
<td>2051 Marengo St</td>
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<td>2801 Wabash Ave</td>
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PROPERTY PICTURES

UNIT MIX

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
<th>Average Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>85 units</td>
<td>377 SqFt</td>
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</table>

ZONING AND PERMITTING

<table>
<thead>
<tr>
<th>Zone:</th>
<th>C2-1-CUGU</th>
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<tbody>
<tr>
<td>Building Permit received:</td>
<td>7/31/2016</td>
</tr>
<tr>
<td>Temporary Certificate of Occupancy issued:</td>
<td>Anticipated September 2022</td>
</tr>
</tbody>
</table>
ATTACHMENT 4

Acquisition Property Summary for 10150 Hillhaven Avenue
Acquisition Property Profile: 10150 Hillhaven

PROPERTY LOCATION
This property is located at 10150 Hillhaven Ave, Tujunga, CA 91042. The property is located in Council District 7 (CD 7). According to the 2020 Homeless Count Report CD7 reported 1,440 individuals in need of shelter. The zip code area currently has a median household income of $45,796.

PROPERTY DESCRIPTION
10150 Hillhaven is a new construction 34-unit multifamily property. The property is three stories and will include 6 accessible units upon completion. The property is expected to be completed in mid-February 2022.

Assessor’s Parcel Number: 2565-013-102
Land Area: 21,766 sq. ft.
Building Square Footage: 40,000 sq. ft.
Parking: 55 Parking Spaces; 24 Bike Spaces
Amenities: 612 sf Rec Room; Rooftop Deck; Interior Courtyard

PROPERTY CONDITION
The property is newly constructed and had no occupancy prior to acquisition.

COMMUNITY AMENITIES
<table>
<thead>
<tr>
<th>Type</th>
<th>Distance</th>
<th>Type</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmacy</td>
<td>0.4 miles</td>
<td>School</td>
<td>0.5 miles</td>
</tr>
<tr>
<td>Tujunga Pharmacy</td>
<td></td>
<td>Pinewood Avenue Elementary</td>
<td></td>
</tr>
<tr>
<td>7341 Foothill Blvd #101</td>
<td></td>
<td>10111 Silverton Ave</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>0.4 miles</td>
<td>Groceries</td>
<td>0.2 miles</td>
</tr>
<tr>
<td>Bus Stop</td>
<td></td>
<td>Commerce Market</td>
<td></td>
</tr>
<tr>
<td>Foothill / Fernglen</td>
<td></td>
<td>10049 Commerce Ave</td>
<td></td>
</tr>
<tr>
<td>Health Facility</td>
<td>0.9 miles</td>
<td>Park</td>
<td>0.2 miles</td>
</tr>
<tr>
<td>Sunland Medical Center</td>
<td></td>
<td>Little Landers Park</td>
<td></td>
</tr>
<tr>
<td>7709 Foothill Blvd</td>
<td></td>
<td>10110 Commerce Ave</td>
<td></td>
</tr>
</tbody>
</table>

UNIT MIX
<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
<th>Average Size (s.f.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR</td>
<td>7 units</td>
<td>696</td>
</tr>
<tr>
<td>2BR</td>
<td>26 units</td>
<td>940</td>
</tr>
<tr>
<td>3BR</td>
<td>1 units</td>
<td>1370</td>
</tr>
<tr>
<td>Total</td>
<td>34 units</td>
<td>902</td>
</tr>
</tbody>
</table>

ZONING AND PERMITTING
Zone: R3-1
Building Permit received: 11/21/2019
Temporary Certificate of Occupancy issued: Anticipated mid-February 2022