This report is intended to provide the Board of Commissioners with a progress update on the Rose Hill Courts Redevelopment Project comprising Rose Hill Courts Phase I (“RHC I”) and Rose Hill Courts Phase II (“RHC II”). The progress report includes construction activity updates for RHC I for Q4 2021 - and a project update for RHC II.

The overall redevelopment plan involves the demolition of the existing 15 buildings and construction of a total of 185 residential housing units (183 affordable housing units plus two unrestricted managers’ units) to be developed in two phases, RHC I and RHC II. RHC I included demolition of 7 existing buildings to accommodate construction of two new apartment buildings on approximately 1.79 acres of land located at the northeastern corner of the 5.24-acre Rose Hill Courts public housing site, which is bounded by Florizel Street and McKenzie, Mercury, and Boundary Avenues.

Rose Hill Courts Phasing Plan
Snapshot of the two Rose Hill Courts Phases

<table>
<thead>
<tr>
<th>PHASE</th>
<th>CONTRACTOR</th>
<th>CONSTRUCTION SCHEDULE</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RHC I</td>
<td>R.D. Olson</td>
<td>06/2021 to 04/2023</td>
<td>Progressing as per schedule</td>
</tr>
<tr>
<td>RHC II</td>
<td>TBD</td>
<td>01/2024 to 12/2025 (subject to funding)</td>
<td>In predevelopment</td>
</tr>
</tbody>
</table>

**RHC I Update:**

**Construction Update:**
The construction at RHC I is making steady progress. Highlights of the construction activity in the fourth quarter include -

- Construction of the two buildings -Building A and Building B, and the site work is currently underway.
  - Building B construction activities have progressed to the third floor level. Completed work at Building B includes underground utilities, slab on grade, structural steel, and framing on all three levels. The interior MEP installation, fire sprinklers installation, site sewer installation, and the site storm drain installation work is in progress.
  - Building A underground utilities and footings are being installed currently.
- The off-site utilities are mostly installed and are being connected to the new on-site utilities.
- The CASp inspection of the work in progress is performed by the Owner’s Third Party Consultant and a LAHD CASp Inspector to ensure compliance to all accessibility regulations and code standards.
- The construction schedule has been revised by the General Contractor to accommodate delays due to heavy rains in December and off-site storm drain work relocation earlier in Fall 2021 and has received preliminary approval. The off-site storm drain delay required resequencing the project work. The construction completion date for Building B is December 2022; while the construction completion date for Building A is April 2023 and the overall completion of the RHC I is projected to occur by May 2023. The General Contractor has been also asked to work overtime and on weekends to further advance the completion ahead of these milestones.
- Achieved 95% Buyout of the contract and award of sub-contractors.

**RHC II Update:**
Related shared the 100% Design development set with HACLA in Summer 2021 and received feedback from the
HACA team. Related is planning to kick-off the Construction Documents Phase with the Design Team in January 2022, to ensure sufficient time for the building permits process.

In Fall 2021, Related CA submitted an application for the State of California’s Housing and Community Development (HCD) Department’s July 2021 Round 4 Multifamily Housing Program (“MHP”) Notice of Funding Availability (“NOFA”) for funding in an amount up to $20.0 Million. In December, HCD provided a notification that the RHC-II project was not eligible to be reviewed to determine financial feasibility based on its tiebreaker score. Related and HACA are researching the guidelines of upcoming State funding sources including HCD’s SuperNOFA and the Affordable Housing and Sustainable Communities Program (AHSC) NOFA that will be released later this year, as well as discussing the competitiveness of RHC-II for LAHD’s Managed Pipeline application for 9% LIHTC funding.

**Relocation Update:**

Overland, Pacific and Cutler (OPC) has begun reaching out to the 9 households temporarily relocated off-site to discuss their relocation options at the one-year mark of their temporary relocation. Relocated households will be able to choose to remain in their current unit and return back to the redeveloped site or choose permanent relocation. The 3 households transferred to other Rose Hill Courts units will remain on site and will be given their permanent relocation options prior to the completion of RHC-I. Outreach will be completed by the end of February 2022 and HACA will get a better understanding at this point on how many families intend to come back to the redevelopment.

Overland, Pacific and Cutler (OPC) will continue conducting monthly check-ins with the 12 households relocated from Phase I to provide updates on the re-development, and to determine if there are any issues with their relocation site. Residents will be asked again when construction is complete if they are still interested in moving back to the redeveloped site or would like to choose permanent relocation.

**Community Outreach Update:**

HACA and the development team, Related, collaborated with the Community Coaches at Rose Hill Courts for holiday events in the months of October and November. In October, HACA staff supported the Community Coaches in putting together Halloween candy bags for the children of Rose Hill Courts. In November, The RHC I Ownership donated gift cards for each household at Rose Hill Courts to celebrate Thanksgiving. The Community Coaches, along with HACA and Related staff, hosted an event at Rose Hill Park where residents could pick up a gift card and an appreciation letter. The Community Coaches were responsible for distributing flyers and inviting every unit at Rose Hill Courts to participate in this event. Additionally, Community Coaches worked to distribute flyers to each household regarding street closures on behalf of Related. Community Coaches also continued to meet twice a month with partners at HACA to provide community updates and share resident concerns about the redevelopment. Lastly, the Community Coaches were invited to participate in a luncheon in December. HACA and Kevin de Léon’s Council District 14 (CD14) office prepared certificates in recognition of their hard work and commitment to their community.

Related provides a monthly update to the CD14 Area Director informing them on the progress being made on the construction. The General Contractor, RD Olson, has been keeping an open communication with the residents and neighbors including the Rec Center Director and ensuring their concerns on parking, truck movement, and any construction activity are addressed.
Attachments:

1. Project Summary
2. Expenditure Report as of December 2021
3. Construction Progress Report as of December 2021
ATTACHMENT 1

PROJECT SUMMARY
Rose Hill Courts, Phase I and II
PROJECT SUMMARY

PHASE I
RESIDENTIAL BUILDINGS
TOTAL UNITS: 89
AFFORDABILITY: 88 AFFORDABLE UNITS, 1 MANAGER’S UNIT
77 RAD units, 11 PBV units, and 1 Manager’s Unit
DEVELOPER/OWNER: Related California, La Cienega LOMOD
GENERAL CONTRACTOR: R.D. Olson
Relocation Consultant: Overland, Pacific, & Cutler
FUNDERS: HACLA, Union Bank, Raymond James
SCHEDULE: June 2021 – December 2022 (Building B)
           June 2021 – April 2023 (Building A)

AMENITIES
Indoor amenities such as Community Room, On-site Leasing Office,
lobby with mailbox area, elevators, and laundry facilities.
Outdoor amenities such as kids’ play area, adult exercise equipment,
vegetable garden, bbq courtyards, and lounge seating areas.

PHASE II
RESIDENTIAL BUILDINGS
TOTAL UNITS: 96
AFFORDABILITY: 95 AFFORDABLE UNITS, 1 MANAGER’S UNIT
95 PBV units, and 1 Manager’s Unit
DEVELOPER/OWNER: Related California, La Cienega LOMOD
GENERAL CONTRACTOR: TBD
Relocation Consultant: Overland, Pacific, & Cutler
FUNDERS: TBD
SCHEDULE: January 2024 – December 2025

AMENITIES
Approx. 6,300 square-feet Management Office/Community Building
On-Site leasing Center, Mail room, Learning Center, Library, Community
Room with kitchen, Fitness Room, Teen Room.

COMMUNITY OPEN SPACE
“Central park” green space, landscaped courtyards with outdoor exercise
playgrounds, and outdoor assembly seating areas.
ATTACHMENT 2

EXPENDITURE REPORT AS OF
DECEMBER 2021
## Pre-Development Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Expenses</td>
<td>16,249</td>
</tr>
<tr>
<td>Business Consulting</td>
<td>706,497</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>321,857</td>
</tr>
<tr>
<td>Site Maintenance and Security</td>
<td>356,842</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,401,445</strong></td>
</tr>
</tbody>
</table>

## Tenant Services

<table>
<thead>
<tr>
<th>Services</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Engagement</td>
<td>6,680</td>
</tr>
<tr>
<td>Relocation</td>
<td>53,097</td>
</tr>
<tr>
<td>Resident Stipends</td>
<td>4,655</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64,432</strong></td>
</tr>
</tbody>
</table>

## Development Activities

<table>
<thead>
<tr>
<th>Activities</th>
<th>Revenue</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Costs</td>
<td>531,548</td>
<td></td>
</tr>
<tr>
<td>Phase I Developer Fees</td>
<td>165,000</td>
<td>-</td>
</tr>
<tr>
<td>Phase I - Third Party Reimbursements</td>
<td>506,883</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>671,883</strong></td>
<td><strong>531,548</strong></td>
</tr>
</tbody>
</table>

## Development Loans

<table>
<thead>
<tr>
<th>Loans</th>
<th>Commitments</th>
<th>Draws</th>
<th>Accrued Interest</th>
<th>Payments</th>
<th>Loan Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predvelopment Loan</td>
<td>2,010,150</td>
<td>1,637,283</td>
<td>43,638</td>
<td>(840,460)</td>
<td>840,460</td>
</tr>
<tr>
<td>RHC Phase I</td>
<td>1,410,000</td>
<td>1,097,559</td>
<td>48,932</td>
<td>(1,146,491)</td>
<td>-</td>
</tr>
<tr>
<td>PHC Phase II</td>
<td>1,382,484</td>
<td>431,945</td>
<td>11,180</td>
<td>-</td>
<td>443,124</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,152,634</strong></td>
<td><strong>11,516,786</strong></td>
<td><strong>224,356</strong></td>
<td><strong>(1,986,951)</strong></td>
<td><strong>9,754,191</strong></td>
</tr>
</tbody>
</table>

## Ground Leases

<table>
<thead>
<tr>
<th>Leases</th>
<th>Deferred Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>RHC Ground Lease Phase I</td>
<td>7,100,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,100,000.00</strong></td>
</tr>
</tbody>
</table>

1. Loans to be used for future phases as payments are received from outstanding loans.
2. Repayment of Loans to be used for future phases.
3. Revenues originating from closing to be used for future phases.
ATTACHMENT 3

CONSTRUCTION PROGRESS REPORT
AS OF DECEMBER 2021
ROSE HILL COURTS
Redevelopment Project

Phase 1
Quarterly Progress Report

Quarter #4
Period of Performance October 1 – December 31, 2021
Table of Contents

1.0 Program Description
2.0 Construction Progress
3.0 Schedule and Cost Status
4.0 Issues and Resolutions
5.0 Photos
1.0 PROGRAM DESCRIPTION

Overall Program Description

The Rose Hills Courts Phase 1 is a multi-family residential development consisting of 89 residential units, on grade parking and amenity spaces. Phase 2 will be developed later. Both phases are shown on the site map shown below. Phase 1 includes two 4 story buildings with basements. The Project team for Phase 1 includes HACLA, Related Development (Developer) and RD Olson (Contractor).

The evaluation of alternatives for the redevelopment of the property began in 2015. In 2017 it was determined that the best alternative was to demolish the existing buildings and construct new buildings due to the age and condition of the existing units. The redevelopment would be done in two phases. In 2018 work started on the environmental reviews and entitlements, financing funding sources, and design. After the contractor was selected and awarded a contract by the developer, construction work began.
2.0 CONSTRUCTION PROGRESS

Progress of Construction Work

<table>
<thead>
<tr>
<th>Work Completed this Quarter</th>
<th>Ongoing Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description Of Work</td>
<td></td>
</tr>
<tr>
<td>• Building B slab on grade completed 10-30-21</td>
<td>• Building B Elevator steel erection in progress</td>
</tr>
<tr>
<td>• Building B 1st, 2nd, 3rd floor framing</td>
<td>• Building B MEP installation in progress all floors</td>
</tr>
<tr>
<td>• Building B structural steel</td>
<td>• Building B site sewer installation in progress</td>
</tr>
<tr>
<td>• Building A pad certification 11-15-21</td>
<td>• Building B site storm drain work in progress</td>
</tr>
<tr>
<td>• Offsite storm drain installation</td>
<td>• Building B fire sprinklers installation 1st floor</td>
</tr>
<tr>
<td>• LADWP power service feeders to building B</td>
<td>• Building A footings in progress</td>
</tr>
<tr>
<td>• LADBS, LABOE, LADWP inspections</td>
<td>• Building A underground utilities in progress</td>
</tr>
<tr>
<td>• CASp inspections by Neutral party and LAHD</td>
<td>• Retention basin in progress</td>
</tr>
</tbody>
</table>

A summary of work progress below.

Phase 1 Highlights for 4th Quarter – There have been no safety issues reported. Community relations have been primarily good. There has been a couple of complaints due to delivery driver routes. These have been addressed by the contractor to the subs to ensure drivers are aware of the correct routes.

The contractor is working on both buildings A and B as well as site work. Building B framing is installed up 3 levels. Interior MEP and fire sprinklers are being installed currently. Building A underground utilities and footings are being installed currently. On site utilities are currently being installed. Offsite utilities are mostly installed and being connected to new onsite. CASp inspections are ongoing along with work in progress on building B. Both the independent neutral party and LAHD agency CASp inspectors have provided site visits and inspections. All comments are being addressed by the contractor to meet compliance to ADA code standards and regulations.

We have faced and overcame challenges along the way this quarter. The contractor submitted and received preliminary approval of a revised schedule on 11-2-21. Although this is not officially finalized yet due to ongoing issues that could affect the timeline further. Therefore, the table included in this report does not reflect the revised date. The revised preliminary completion date is now April 2023. Contractor has been accelerating work in building B to make up lost time to delays. Delays have been documented for several reasons stated below in the schedule section.
3.0 SCHEDULE & COST

<table>
<thead>
<tr>
<th>Schedule &amp; Cost Status</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Schedule</strong></td>
<td></td>
</tr>
<tr>
<td>Original Contract Value</td>
<td>$33,393,110</td>
</tr>
<tr>
<td>Current Approved Change Orders</td>
<td>$398,609</td>
</tr>
<tr>
<td><strong>Planned Completion</strong></td>
<td></td>
</tr>
<tr>
<td>Planned Completion</td>
<td>12/8/2022</td>
</tr>
<tr>
<td>Approved Time Extension</td>
<td>0 Days</td>
</tr>
<tr>
<td>Revised Contract Duration</td>
<td>0 Days</td>
</tr>
<tr>
<td>Remaining Contractual Time</td>
<td>346 Days</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>Current Contract Amount</td>
<td>$33,791,719</td>
</tr>
<tr>
<td>Pending Change Orders</td>
<td>$600,128</td>
</tr>
<tr>
<td>Potential Contract Amount</td>
<td>$34,391,847</td>
</tr>
<tr>
<td>Amount Billed to Date</td>
<td>$4,272,794.15</td>
</tr>
<tr>
<td>Percent Billed to Date</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

6 Pay applications submitted and processed so far. Pay application #7 is in process but not officially submitted yet. Amounts submitted were challenged in first review and contractor adjusting as necessary.

Notes-
- Past signed CCA #1 approved change orders - $105,918
- Past signed CCA #2 approved change orders - $77,102
- Past signed CCA #3 approved change orders - $178,331
- Current signed CCA #4 approved change orders - $36,858.09

Schedule - RD Olson contractor has submitted and received preliminary approval of a revised schedule due to several delays so far in the project. This revised schedule is not officially finalized so the table does not reflect. Current items may impact the dates further. The preliminary revised completion date is April 4, 2023. These delays include the following:

- Rain delays in December - 12 days
- An aging underground water main was damaged within the property that required repair.
- LA BOE inspector and City of LA materials control division required additional inspection for the offsite storm drain HD type pipe which was a substitution to original RCP pipe due to extended material lead times due to material shortages. This inspection was required at the source fabricator before being released for delivery and installation.
- The existing conditions of a storm drain were different from the plans which required plan modifications to accommodate these conditions.
- Repair of a gap in the storm drain splice near the corner of Florizel and Mc Kenzie after installation
- The offsite storm drain delays required resequencing the project work to start with building B instead of building A.
- The building A underground electrical service feeders required approval from both LADBS and LADWP. The agencies had different requirements which delayed this work until a resolution was developed. This issue has continued, and a new added pull station is in design between the two buildings. The location of this electrical pull station has affected other trade disciplines work in this immediate area.
# 4.0 Issues & Resolutions

## Current Issues & Resolutions

<table>
<thead>
<tr>
<th>Resolved Issues</th>
<th>Unresolved Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 1 - Description</strong></td>
<td></td>
</tr>
</tbody>
</table>

- DWP- Deletion of pull station inside building B of building A main power service feeders
- Existing sewer line conflict with new storm drain elevation along Florizel street. Redesigned to a different location further down towards Mc Kenzie Ave intersection
- Approved revised schedule due to delays
- Several CASp inspection adjustments to walkway clearance requirements, plumbing, handrail, electrical- addressed by contractor
- Approval of the HD off site storm drainpipe material for installation by City of LA Materials Control Division- Approved
- Offsite storm drain point of connection discrepancy with plans- Re designed
- Existing sewer manhole heights under Victorine too short and damaged- Repaired
- Existing damaged main water line- repaired
- Building B encroachment wall support footing- Clarified
- Grading phasing plan changed due to delay in storm drain work and removal of existing storm drain under building A- Phasing revision approved

- LADWP main power service to building A added pull station between buildings. In redesign currently
- Additional parking needed to accommodate increase in work force
- Schedule delays and recovery plan in progress
- Fix of gap identified in underground storm drainpipe- in review of options by BOE
6.0 PHOTOS

Building B 12-23-21

Building A basement 12-23-21

Building A basement 12-20-21

Building B 12-17-21
Building B slab on grade 10-22-21

Building B slab on grade pour 10-30-21

Building B underground power 10-8-21

Building B 10-4-21
Building B footings 9-27-21

Offsite storm drain Florizel meets McKenzie 9-20-21

Offsite storm drain Florizel St 9-27-21

DWP underground run under building B 9-3-21
Building B underground electrical 9-3-21

Offsite storm drain Mc Kenzie 9-13-21

Building B underground plumbing and footings 9-2-21

Site picture 9-3-21