RESOLUTIONS APPROVING THE ACQUISITION OF THE FOLLOWING TWO (2) REAL
PROPERTY ASSETS AT FAIR MARKET VALUE: (1) 5050 W. PICO BOULEVARD, LOS
ANGELES, CALIFORNIA 90019, FOR $36,500,000, AND (2) 10247 VARIEL AVENUE, LOS
ANGELES, CALIFORNIA 91311, FOR $14,400,000, IN RESPONSE TO THE CALIFORNIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S (“HCD”) NOTICE OF
FUNDING AVAILABILITY FOR THE SECOND ROUND OF THE HOMEKEY PROGRAM IN
PARTNERSHIP WITH THE CITY OF LOS ANGELES; 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

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Geoffrey Moen  
Director of Development

Purpose: To allow the Housing Authority of the City of Los Angeles (“HACLA” or “Authority”) to purchase two (2) newly-constructed multifamily 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 (“NOFA”) for Round 2 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’ consideration within sixty days of the execution of the respective Purchase and Sale Agreements.

This report provides a detailed explanation of each of the Properties, with acquisition summaries attached hereto as Attachments 3 and 4. Acquisition of the Properties will be financed by HACLA through the receipt of Homekey capital grant funding from HCD and from draws on HACLA’s revolving line of credit, the latter of which will subsequently be taken out with long-term financing through a conventional mortgage or tax-exempt bond issuance.

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 of Los Angeles (“City”), in response to the upcoming 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 general available funding after January. HCD issued a NOFA with program requirements and scoring criteria for the second round of Homekey on September 9, 2021 (the “2021 NOFA”) and their application for the 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 found success in a lower bottom line concentrating on acquisition and rehabilitation of hotels and motels, the City, through the Los Angeles Housing Department is pivoting in this round to focus on purchasing vacant multi-family 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 between $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. In the second round of Homekey, HCD is providing funding for a short-term operating subsidy of $1,000 per unit per month. For any units reserved for those experiencing Chronic Homelessness, Homeless Youth, or for Youth at Risk of Homelessness, HCD will provide up to $1,400 per unit per month in operating assistance.

Acquisition

The Board is being asked to approve the acquisition of these 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. The Board of Commissioners’ approval of these acquisitions is only one of many remaining contingencies in each purchase contract. HACLA has opportunities to extend escrow or terminate the contracts if the other contingencies cannot be reasonably released.

HACLA is solely responsible for financing the purchases of 10247 Variel and 5050 W Pico Blvd Properties which includes 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, and similar investigations) on the properties, as well as escrow deposits, the purchase price, and any funds necessary to ready the properties for occupancy under Homekey guidelines.
Ownership: HACLA will hold 100% ownership of both 10247 Variel Ave and 5050 W Pico Blvd in its own name or transfer its ownership to an existing HACLA-owned instrumentality. The Properties will be put into HACLA’s Asset Management portfolio, and HACLA will use its existing contracts with third party management companies to initiate on-site management. HACLA will also use its existing contracts and memorandums of understanding with service providers and the County Departments of Health and Mental Health Services to ensure appropriate services and systems of care are available to residents.

Properties: HACLA has determined that the Properties meet the requirements of the 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 (2) new construction Properties will upon completion provide 111 units in two of the City’s Council Districts.

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Council District</th>
<th>APN</th>
<th>Purchase Price</th>
<th>Purchase Price Per Unit</th>
<th>Appraised Value</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>5050 W. Pico</td>
<td>5050 W. Pico Blvd.</td>
<td>10</td>
<td>5070-017-039</td>
<td>$36,500,000</td>
<td>$462,025</td>
<td>$36,500,000</td>
<td>79</td>
</tr>
<tr>
<td>10247 Variel</td>
<td>10247 Variel Ave</td>
<td>12</td>
<td>2747-005-002</td>
<td>$14,400,000</td>
<td>$450,000</td>
<td>$14,500,000</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>$50,900,000</td>
<td>$458,559</td>
<td>$51,000,000</td>
<td>111</td>
</tr>
</tbody>
</table>

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 expend funds timely, demonstration of operating leverage, experience, racial equity and community engagement, and community impact and site selection. Projects may receive negative points for the permanent displacement of existing residents.

<table>
<thead>
<tr>
<th>Name</th>
<th>Timeliness and Leverage</th>
<th>Experience</th>
<th>Equity and Engagement</th>
<th>Impact and Site Selection</th>
<th>Negative Points</th>
<th>Total (min 120)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Points</td>
<td>40</td>
<td>55</td>
<td>20</td>
<td>92</td>
<td>-20</td>
<td>207</td>
</tr>
<tr>
<td>5050 W Pico</td>
<td>39</td>
<td>54</td>
<td>20</td>
<td>68</td>
<td>0</td>
<td>181</td>
</tr>
<tr>
<td>10247 Variel</td>
<td>39</td>
<td>54</td>
<td>20</td>
<td>69</td>
<td>0</td>
<td>182</td>
</tr>
</tbody>
</table>

HACLA has entered into purchase and sale agreements (“PSAs”) for both Properties. Each property will be utilized for Permanent Housing with the appropriate services provided for the target population, consisting of people experiencing homelessness or at-risk of homelessness. 10247 Variel Ave is a 32-unit, new construction, multifamily property that will be delivered fully vacant at closing, after obtaining a final Certificate of Occupancy from the City of Los Angeles, which is projected to occur in December of 2021. The Property consists of fourteen (14) one-bedroom units and eighteen (18) two-bedroom units. The tenant population will consist of families and individuals experiencing
homelessness or at-risk of experiencing homelessness. The PSA for 10247 Variel Ave includes a contingency requiring that HACLA receive Board approval to purchase the Property within sixty (60) days of the effective date of the agreement, which expires on October 30th, 2021. HACLA is preparing to submit a Homekey application to HCD. Closing is projected to occur in the first quarter of 2022.

5050 W Pico Blvd is a 79-unit, new construction multi-family property that recently completed construction and is in possession of a temporary Certificate of Occupancy. The Property consists of six (6) studio units and seventy-three (73) one-bedroom units. Fourteen (14) units are currently leased to market rate tenants. The Property will be delivered with no additional leases executed, which will allow for sixty-five (65) units to be occupied following closing by people experiencing or at risk of homelessness. The fourteen (14) existing leases, each of which has a term of twelve months, will be unaffected by the purchase, and each exiting tenant may remain as a resident at the Property as long as their lease is in effect. At any point when an existing tenant elects not to renew their lease, their unit will be occupied by a household experiencing or at risk of homelessness, in accordance with the requirements for capital grant eligibility under the Homekey Round 2 regulations.

The 5050 W Pico Blvd PSA includes a sixty (60) day contingency period for due diligence, financing, and Board of Commissioners approval. This period expires November 22nd, 2021. HACLA made an initial $100,000 nonrefundable deposit upon execution of the PSA, which will be applied to the purchase price at closing. An additional non-refundable deposit of $350,000 will be placed in escrow upon HACLA’s approval of the Property and delivery of such notice to the Seller, prior to the expiration of the contingency period. The additional deposit will also be applicable to the purchase price.

Financing

HACLA is preparing Homekey grant applications to HCD and anticipates closing on both properties on or before January 21st, 2022. 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 $20.4 million ($258,228 per unit) in capital grant funding for 5050 W. Pico Blvd and $8.7 million ($271,875 per unit) for 10247 Variel Ave. HACLA’s matching funds, projected to be $16.5 million for 5050 W. Pico Blvd and $6.0 million for 10247 Variel Ave, will come from a draw on HACLA’s revolving line of credit with City National Bank and/or its subsidiary (the “HACLA LOC”). 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 Project-Based Section 8 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 anticipated to be approved by the Board at the October 28, 2021 meeting as well as three-year Operating Subsidy from Homekey.

If one or both Properties are not awarded Homekey funds, the HACLA staff will decide whether to cancel escrow for the non-awarded Properties or to pursue alternative resources and strategies to acquire them. The PSA for 10247 Variel includes a 90-day financing contingency which expires November 29, 2021. If HCD has not confirmed approval of a Homekey grant for a Property prior to the execution of the contingency, HACLA will, in consultation with the City, either negotiate an extension with the seller, waive the contingency and proceed with the purchase using other City funds, or terminate the PSA and obtain a refund of the deposit.

The PSA for 5050 W. Pico includes a 60-day due diligence and contingency period which expires November 22nd, 2021. It is possible HCD will not have issued a Homekey award by this milestone; however, through consultations with HCD staff and self-scoring, HACLA staff does not envision a scenario where the project does not receive an award. The initial $100,000 deposit for 5050 W. Pico is non-refundable, thus if HACLA terminates the PSA prior to November 22nd, 2021, HACLA will forfeit the full $100,000 deposit. Upon waiving or receiving confirmation of due diligence contingencies prior to November 22nd, 2021, an additional non-refundable deposit of $350,000 is due. This additional deposit will also be credited to the purchase price and is at risk of loss if HACLA decides not to close on the property.

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 $50,900,000**, to be funded by Homekey capital grant, and HACLA LOC funds at escrow closing.

- **Initial deposits totaling $200,000** have been funded by HACLA. The initial deposit for 10247 Variel ($100,000) is fully refundable up until expiration of the inspection period. The initial deposit for 5050 W Pico ($100,000) is non-refundable. Additionally, prior to expiration of the inspection period and HACLA delivers a Notice of Approval to Seller, an additional deposit of $350,000 for 5050 W Pico must be deposited with the escrow holder, non-refundable and credited to the purchase price at closing.

- **Estimated rehabilitation costs of approximately $223,000** for minor life/safety repairs ($64,000 for 10247 Variel; $159,000 for 5050 W Pico) prior
to occupancy and ADA compliance to be funded with the capital grant and HACLA LOC.

- **Total third-party costs estimated to be approximately $92,110** for appraisals, PNA, Environmental Phase 1 reports, title & recording, architectural and permitting costs, termite and pest inspections, surveys, zoning and permitting reports, construction monitoring, and accessibility inspections.

**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.

The PNA for 10247 Variel is not yet available because the Property is in the process of completing construction. The PNA for 5050 W. Pico is currently underway and will be available the week of October 25th. The PSA 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 thirty (30) days following construction completion. Because each Property is newly constructed, HACLA does not anticipate that any capital needs, other than accessibility modifications, will be required upon closing. If any significant and immediate capital needs are identified through the PNAs, HACLA will have the option of negotiating either that the needs be addressed by the seller prior to closing or that an appropriate price modification is included.

Additionally, each PSA require that the seller of the Property deliver to HACLA a final 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.
HACLA will review these reports prior to the expiration of the respective investigation period for each Property and address any issues that emerge.

Both Properties will have a minimum of 11% of units mobility accessible and 4% of units vision/hearing accessible. Accessibility improvements for the 10247 Variel Property will be completed by HACLA after the close of escrow. The 5050 W. Pico Property seller is completing accessibility improvements prior to the close of escrow, per the terms set forth in the PSA. Additionally, the 5050 W. Pico Property will be delivered with the commercial space completed to a “white box” level of finish with a bathroom and a video surveillance system installed throughout the property.

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

In furtherance of the anticipated 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 or near-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 $550,000 for deposits and approximately $92,110 in 3rd party due diligence costs may be advanced with unrestricted and uncommitted non-federal proceeds from HACLA’s asset management portfolio.

The $51.6 million needed for acquisition funding at close of escrow and all related closing costs are anticipated to be funded by a combination of Homekey capital grant awards and the HACLA LOC.

Budget and Program Impact: The actions and expenditures related to the acquisition of these sites are generally in line with HACLA’s Acquisition Program; HACLA’s Annual Midyear Budget for FY 2021, which included new staff positions in the Development Services department partly in order to support Homekey acquisitions; 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 and the City’s 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 each Property for LAHD’s review and adoption.

**CEQA:** The acquisition of these Properties meets the requirements of the normal CEQA categorical exemptions allowed under Title 14, Division 6, Chapter 3, Sections 15301 (Existing Facilities) and 15326 (Acquisitions of Housing for Housing Assistance Programs) of the California Code of Regulations. Additionally, the identified project acquisitions qualify for the statutory exemptions from the requirements of CEQA under California Public Resources Code section 21080(b)(4) and 14 Cal. Code Regs. 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.

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: 10247 Variel Avenue
4. Attachment – Property # 2: 5050 W Pico Boulevard
ATTACHMENT 1

Resolutions
RESOLUTION NO.______________

RESOLUTION APPROVING THE ACQUISITION OF THE FOLLOWING REAL PROPERTY ASSET AT
FAIR MARKET VALUE: 10247 VARIEL AVENUE, LOS ANGELES, CALIFORNIA 91311, FOR
$14,400,000 (THE “10247 VARIEL 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 the 2021 NOFA and program guidelines for the second round of Homekey in September 2021;

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 10247 Variel Property in response to the Homekey NOFA;

WHEREAS, the Authority now wishes to approve the contingent acquisition of the 10247 Variel 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 10247 Variel Property was appraised by a third-party appraiser and the amount offered by the Authority and accepted by the Seller, of $14,400,000, is aligned with and validated by the findings of such appraisal dated September 2nd, 2021 prepared by Michael Popwell Associates, Inc.;

WHEREAS, the 10247 Variel Property is located wholly within the City of Los Angeles;

WHEREAS, the Authority executed a Purchase and Sale Agreement for the 10247 Variel Property on August 31st, 2021 (the “10247 Variel 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 $48,970, and advanced an escrow deposit of $100,000, contingent upon, among other items, the approval and authorization of the Board within sixty (60) days of the execution of the 10247 Variel Property Purchase and Sale Agreement, and the confirmation of financing satisfactory to the Authority within ninety (90) days of the execution of the 10247 Variel Property Purchase and Sale Agreement;
WHEREAS, the Authority, intends to own and operate the Property either under its own Authority 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 10247 Variel 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 10247 Variel Avenue, Los Angeles, California, for the benefit of the Authority for an amount not to exceed $14,400,000, 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 10247 Variel 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 10247 Variel 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 10247 Variel Homekey application.

**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 10247 Variel Property Purchase and Sale Agreement, and to negotiate any modifications to the purchase price, deposits, or other terms of the 10247 Variel Property Purchase and Sale Agreement as may be necessary or reasonable based upon the results of such investigations, and to either terminate the 10247 Variel 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 10247 Variel Property Purchase and Sale Agreement upon the expiration of the investigation periods under the 10247 Variel Property Purchase and Sale agreement. 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 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 10247 Variel Property and Operating Subsidy from either HCD through Homekey or from the City with such other City funds as the City may identify, 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 10247 Variel Property, or (b) to terminate the 10247 Variel Property Purchase and Sale Agreement in order to secure the return of any funds deposited by the Authority into escrow.

**Section 8.** That the acquisition of the 10247 Variel is categorically exempt under Sections 15301 (Existing Facilities) and 15326 (Acquisitions of Housing for Housing Assistance Programs) of the California Code of Regulations.
Section 9. That the Designated Officers are hereby directed to submit a response for the 10247 Variel Property to the NOFA for Project-Based Section 8 Vouchers that is anticipated to be released by HACLA in November of 2021 to cover the residential units to be occupied by the targeted population as defined in the 10247 Variel Homekey application.

Section 10. 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>
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</tr>
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</tr>
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<td>Jenny Scanlin</td>
<td>Chief Development Officer</td>
</tr>
<tr>
<td>Margarita Lares</td>
<td>Chief Programs Officer</td>
</tr>
</tbody>
</table>

Section 11. 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 28th day of October, 2021.
RESOLUTION NO.______________

RESOLUTION APPROVING THE ACQUISITION OF THE FOLLOWING REAL PROPERTY ASSET AT FAIR MARKET VALUE: 5050 W PICO BLVD, LOS ANGELES, CALIFORNIA 90019, FOR $36,500,000 (THE “5050 PICO 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 (“HACLA” or 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 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
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 the 2021 NOFA and program guidelines for the second round of Homekey in September 2021;

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 apply for funding from HCD for the 5050 Pico Property in response to the Homekey NOFA;

WHEREAS, the Authority now wishes to approve the contingent acquisition of the 5050 Pico 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 approval by the City of Los Angeles, and awarding of funds through Homekey;

WHEREAS, the 5050 Pico Property was appraised by a third-party appraiser, and the amount offered by the Authority and accepted by the Seller, of $36,500,000, is aligned with and validated by the findings of such appraisal dated September 30th, 2021 prepared by Michael Popwell Associates, Inc.;

WHEREAS, the 5050 Pico Property is located wholly within the City of Los Angeles;

WHEREAS, the Authority executed a Purchase and Sale Agreement for the 5050 Pico Property on August 31st, 2021 (the “5050 Pico Property Purchase and Sale Agreement”), under which it: (1) is currently conducting related due diligence including engaging third parties to perform investigations of the property, and advancing funding for all due diligence costs estimated at $43,140, and (2) has advanced an initial escrow deposit of $100,000 that is non-refundable, applicable to the purchase price, and has been released to the seller;

WHEREAS, the 5050 Pico Purchase and Sale Agreement requires that if HACLA approves of the purchase of the 5050 Pico Property prior to the termination of a sixty (60) day inspection period, and after HACLA delivers a Notice of Approval to the Seller, which expires on November
22nd, 2021, HACLA must transfer to the escrow holder an additional deposit of $350,000 (the “Additional Deposit”), which will be nonrefundable and applicable to the purchase price;

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

WHEREAS, in review of the California Environmental Quality Act (Public Resources Code section 21000 et seq., “CEQA”) and exemption criteria therein and in related regulations, and the information available at the time of the report on this acquisition recommendation, the acquisition of the 5050 Pico Property meets the requirements for categorical exemption 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 5050 Pico Avenue, Los Angeles, California, for the benefit of the Authority, for an amount of $36,500,000, and the additional deposit in the amount of $350,000 associated therewith, 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 5050 Pico Property.

Section 3. The Authority is awarded Homekey Program funds for the 5050 Pico Property, 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 Authority is awarded Homekey Program funds for the 5050 Pico Property, 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 5050 Pico
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
5050 Pico Homekey application.

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 inspection period set forth in the 5050 W. Pico Property Purchase
and Sale Agreement, and to negotiate any modifications to the purchase price, deposits, or other
terms of the 5050 W. Pico Property Purchase and Sale Agreements as may be necessary or
reasonable based upon the results of such investigations, and to either terminate the 5050 W.
Pico 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 5050 W. Pico Purchase and Sale Agreement upon 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 a
purchase price increase may not be in excess of 3% of the purchase price.

Section 7. That the acquisition of the 5050 Pico Property is categorically exempt under
Sections 15301 (Existing Facilities) and 15326 (Acquisitions of Housing for Housing Assistance
Programs) of the California Code of Regulations.

Section 8. The Designated Officers are hereby directed to submit a response for the 5050
Pico Property to the NOFA for Project-Based Section 8 Vouchers that is anticipated to be released
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Section 9. BE IT FURTHER RESOLVED that the Designated Officers of the Authority referred to above are as follows:

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<td>Chief Programs Officer</td>
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Section 10. 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 28th day of October, 2021.

APPROVED AS TO FORM

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

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

DATE ADOPTED: ______________________
ATTACHMENT 2

Summary of Project Costs
## Summary of Project Costs

### City Properties

**BOC Meeting: 10/28/2021**

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Council District</th>
<th>APN</th>
<th>Purchase Price</th>
<th>Per Unit</th>
<th>Appraised Value</th>
<th>Number of Units</th>
<th>Escrow Deposits</th>
<th>Rehab Costs/ADA Retrofit (1)</th>
<th>Third Party Costs (2)</th>
<th>HACLA Admin. Fee (3)</th>
<th>Total Project Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>5050 W. Pico</td>
<td>5050 W. Pico Blvd.</td>
<td>10</td>
<td>5070-017-039</td>
<td>$36,500,000</td>
<td>$462,025</td>
<td>$36,500,000</td>
<td>79</td>
<td>$100,000</td>
<td>$64,000</td>
<td>$38,940</td>
<td>$100,000</td>
<td>$36,602,940</td>
</tr>
<tr>
<td>10247 Varial</td>
<td>10247 Varial Ave</td>
<td>12</td>
<td>2747-005-002</td>
<td>$14,400,000</td>
<td>$450,000</td>
<td>$14,500,000</td>
<td>32</td>
<td>$100,000</td>
<td>$159,000</td>
<td>$51,595</td>
<td></td>
<td>14,610,595</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$50,900,000</strong></td>
<td><strong>$458,559</strong></td>
<td><strong>$51,000,000</strong></td>
<td><strong>111</strong></td>
<td><strong>$200,000</strong></td>
<td><strong>$223,000</strong></td>
<td><strong>$90,535</strong></td>
<td></td>
<td><strong>$51,213,535</strong></td>
</tr>
</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/NOEs, 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
10247 Variel Avenue
Acquisition Property Profile: 10247 Variel Ave

BOC Meeting Date: 10.28.2021

PROPERTY LOCATION
This property is located at 10247 Variel Ave, Los Angeles, CA 91311 within the Chatsworth neighborhood in Council District 12 (CD 12). According to the 2020 Homeless Count Report, CD 12 reported 735 individuals in need of shelter. The zip code area currently has an median household income of $91,897.

PROPERTY DESCRIPTION
10247 Variel Ave is a new multifamily property currently completing construction, with a projected completion date in December 2021. The property will have 32 units upon completion.

| Assessor's Parcel Number: | 2747-005-022 |
| Land Area: | 22,500 s.f. |
| Building Square Footage: | 32,136 s.f. |
| Parking: | 57 parking spaces |
| Amenities: | Rooftop deck, elevator |

PROPERTY CONDITION
The property is newly constructed and has had no occupancy prior to acquisition. HACLA is monitoring construction completion and will obtain a full Property Condition Report upon construction completion.

COMMUNITY AMENITIES

<table>
<thead>
<tr>
<th>Type</th>
<th>Distance</th>
<th>Type</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Library</td>
<td>308 ft</td>
<td>Library</td>
<td>0.9</td>
</tr>
<tr>
<td>Chatsworth Branch</td>
<td></td>
<td>Chatsworth Park Elementary</td>
<td></td>
</tr>
<tr>
<td>21052 Devonshire St</td>
<td></td>
<td>22005 Devonshire St</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>279 ft</td>
<td>Transportation</td>
<td>0.4 miles</td>
</tr>
<tr>
<td>Metro Bus</td>
<td></td>
<td>Metro Bus</td>
<td></td>
</tr>
<tr>
<td>Devonshire &amp; Variel</td>
<td></td>
<td>Devonshire &amp; Variel</td>
<td></td>
</tr>
<tr>
<td>Health Facility</td>
<td>0.6 miles</td>
<td>Health Facility</td>
<td>180 ft</td>
</tr>
<tr>
<td>Cross Medical Center</td>
<td>21757 Devonshire St</td>
<td>Cross Medical Center</td>
<td>21757 Devonshire St</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pharmacy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Well Pharma Pharmacy</td>
<td>180 ft</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21102 Devonshire St</td>
<td></td>
</tr>
</tbody>
</table>

UNIT MIX

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
<th>Average Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR/1BA</td>
<td>14 units</td>
<td>688 sf</td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>18 units</td>
<td>946 sf</td>
</tr>
</tbody>
</table>

ZONING AND PERMITTING
Zone: (Q)RAS3-1. Zoning & permitting report preparation underway.
LA City Planning Entitlements: density bonus with 6 units under ELI covenant for 55 years.
Building Permit received: 7.8.20
ATTACHMENT 4

Acquisition Property Summary for 5050 W. Pico Boulevard
Acquisition Property Profile:  5050 W. Pico Blvd
BOC Meeting Date  
10.28.2021

PROPERTY LOCATION
This property is located at 5050 W. Pico Blvd, Los Angeles, CA 90019 in the Mid-City neighborhood. The property is located in Council District 10 (CD 10). According to the 2020 Homeless Count Report CD10 reported 1,930 individuals in need of shelter. The zip code area currently has a median household income of $56,389.

PROPERTY DESCRIPTION
5050 W Pico is a new 79-unit multifamily property currently completing construction, with a projected completion date in November 2021. The property features 2,120 square feet of commercial space which will be used for tenant services.

Assessor’s Parcel Number:  5070-017-039
Land Area:  18,548
Building Square Footage:  60,110
Parking:  67
Amenities:  Elevator, lobby, courtyard, rooftop deck, services space (2,120 sf)

PROPERTY CONDITION
The property is newly constructed and has fourteen (14) units leased at market rate prior to acquisition. HACLA is monitoring construction completion and will obtain a full Property Condition Report the week of 10/25/21

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>0.3 miles</td>
<td>School</td>
<td>0.6 miles</td>
</tr>
<tr>
<td>CVS Pharmacy</td>
<td></td>
<td>Saturn Street Elementary</td>
<td></td>
</tr>
<tr>
<td>1302 S. La Brea Ave</td>
<td></td>
<td>5360 Saturn Street</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>0.1 miles</td>
<td>Groceries</td>
<td>0.5 miles</td>
</tr>
<tr>
<td>Metro Bus</td>
<td></td>
<td>Ralph’s</td>
<td></td>
</tr>
<tr>
<td>Pico &amp; Redondo</td>
<td></td>
<td>4760 W. Pico Blvd</td>
<td></td>
</tr>
<tr>
<td>Health Facility</td>
<td>0.59 miles</td>
<td>Park</td>
<td>1.0 miles</td>
</tr>
<tr>
<td>Carbon Health Urgent Care</td>
<td></td>
<td>Queen Anne Park</td>
<td>1240</td>
</tr>
<tr>
<td>4700 W. Pico Blvd</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

UNIT MIX
<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
<th>Average Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio/1BA</td>
<td>6 units</td>
<td>500 sq. ft.</td>
</tr>
<tr>
<td>1BR/1BA</td>
<td>73 units</td>
<td>630 sq. ft.</td>
</tr>
</tbody>
</table>

ZONING AND PERMITTING
LA City Planning Entitlements: density bonus with 8 units under ELI covenant for 55 years.
Building Permit received: 6.14.19
Temporary Certificate of Occupancy issued: August 13, 2021