TO: HACLA Board of Commissioners
FROM: Geoffrey Moen, Director of Development Services
THROUGH: Douglas Guthrie, President & CEO
DATE: October 28, 2021
SUBJECT: Rose Hill Courts Phases I and II Redevelopment Progress Report through the end of Q3 2021

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 update includes construction activity updates for RHC I from the start of the construction in June 2021 to the end of September 2021, and a project financing application update for RHC II, which is anticipated to commence construction in 2024.

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
Redevelopment Scope:

RHC I
RHC I includes 89 apartment units in two four-story buildings with flats serviced by elevators, and an outdoor common area with kids’ play area, adult exercise equipment, BBQ courtyards, vegetable garden, and an outdoor lounge seating area. The apartment buildings are designed to provide maximum accessibility for the existing tenant population (many of whom are elderly/disabled), who will move into RHC I once it is completed. Other common amenities for residents include an on-site leasing office, a community room with kitchen, and a lobby with a mailroom in addition to the in-unit washer and dryer in building B, and a laundry room per floor in building A. RHC I includes a total of 56 parking spaces onsite and 80 bicycle parking spaces; upgraded lighting, fencing, and security features; and storm drain and utility improvements. The new sustainably-designed buildings include energy efficient solar panels and landscaping with water-efficient irrigation.

All eighty-eight (88) affordable units will be replacement units for public housing units at Rose Hill Courts, including eleven (11) Rental Assistance Demonstration (“RAD”) units and seventy-seven (77) replacement Project Based Voucher (“PBV”) units.

RHC residents will benefit from the sustainable transportation infrastructure funding that will lead to the development of one mile of bikeway paths that connect to the existing bicycle network, new sidewalks and the purchase of eight new electric DASH buses to strengthen connections to transit for the entire neighborhood.

RHC II
RHC II will include 96 apartment units and will also be a 100% affordable housing development developed on the remainder of the Project site. All 95 affordable housing units will be regular PBV units. The three and two story apartment buildings are designed with step down in massing and height to provide a residential scale appropriate for the adjacent land uses. The overall redevelopment plan would also include a 6,300 square-feet Management Office/Community Building and a “Central park” green space, creating a park like setting for residents.

Construction Update:

RHC I
Pursuant to receiving Notice to Proceed on 6-3-21, RD Olson, the General Contractor has made progress on the following activities through the end of Quarter 3:

- Achieved 67% Buyout of the contract and award of sub-contractors.
- Off-site storm drain relocation work on Florizel St and McKenzie Ave is underway and 70% complete. Once the offsite storm drain work is completed, the existing storm drain currently in building A footprint can be removed and building A work will begin.
- On-site LADWP utility installations of vaults and building service feeders are completed under building B.
- Building B construction is underway. Building B work completed includes underground utilities, plumbing and electrical, encroachment walls, stem walls, concrete footings, and elevator pit footings and walls.
- Due to the delay in getting approval for the installation of the storm water drainpipe, the General Contractor is developing a recovery schedule plan to regain time including working on weekends to expedite the completion of the storm drain relocation.
<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 Spring 2023</td>
<td>Progressing as per schedule</td>
</tr>
<tr>
<td>RHC II</td>
<td>TBD</td>
<td>01/2024 to 12/2025</td>
<td>In predevelopment, awaiting status of CA MHP funding application</td>
</tr>
</tbody>
</table>

**Relocation Update:**

Of the 12 households needing to be relocated from Phase I, three households were able to transfer to vacant units in the Phase II footprint at Rose Hill Courts. Two residents moved to other public housing sites, and 7 moved off-site using a Section 8 voucher or a Rental Assistance Payment. All residents were moved from Phase I by February 2021.

Overland, Pacific and Cutler (OPC) conducts monthly checks in 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 after 12 months of temporary relocation and again when construction is complete if they are still interested in moving back to the redeveloped site or would like to choose permanent relocation.

Additionally, due to the inconvenience experienced by the loss of offsite parking on Victorine St, residents with permits were provided with a lump sum payment during this quarter. In addition, five permitted parking spaces on Victorine Street were prioritized for two families with accessibility needs, and the remaining three were assigned through a lottery.

**Community Outreach Update:**

Throughout the months of June to the end of September, Community Coaches at Rose Hill Courts conducted outreach for events that HACLA and Related organized such as the Rose Hill Courts groundbreaking ceremony, recurring Community Coach Meetings, Community Meetings, and a Job Fair. The July groundbreaking event was organized in order to celebrate the start of construction for the redevelopment. City Councilman Kevin de León was in attendance along with media outlets, community stakeholders, and representatives from HACLA and Related. The Community Coaches were responsible for distributing flyers and inviting every unit at Rose Hill Courts to participate in these events. Aside from conducting outreach, Community Coaches also worked to address the concerns of residents in regards to the redevelopment by relaying information to HACLA. Community Coaches continued to meet twice a month with HACLA to provide community updates and share resident concerns about the redevelopment. With the assistance of Related, a FAQ sheet was written to inform the residents about the redevelopment and was shared during a larger September Community Meeting. During this Community Meeting, residents were also given the opportunity to ask questions or share comments. A number of questions were asked about the designs for parking, laundry rooms, and home appliances. HACLA and Related provided responses to
these questions, and are currently working to finalize an updated FAQ sheet. HACLA and Related also organized a Job Fair at Pueblo del Sol in order to contract local residents to work at either Pueblo del Sol or Rose Hill Courts. Both General Contractors, RD Olson and Portrait Construction, along with 19 sub-contractors, the NELA WorkSource Center, the Watts LA WorkSource Center and the Pueblo Del Sol Community Services Center participated in the Job Fair. Close to 60 residents from these two sites, Ramona Gardens and the surrounding community attended the event and provided applications to the sub-contractors. The Section 3 coordinators of the two General Contractors are following-up with these residents and the sub-contractors to maximize job placements for the qualified candidates.

Attachments:

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

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

PHASE I
RESIDENTIAL BUILDINGS
TOTAL UNITS: 89
AFFORDABILITY: 88 AFFORABLE 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 – Spring 2023

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 AFFORABLE 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 SEPTEMBER 2021
### Pre-Development Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Expenses</td>
<td>16,249</td>
</tr>
<tr>
<td>Business Consulting</td>
<td>671,807</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>290,989</td>
</tr>
<tr>
<td>Site Maintenance and Security</td>
<td>347,863</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,326,909</strong></td>
</tr>
</tbody>
</table>

### Tenant Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Engagement</td>
<td>5,768</td>
</tr>
<tr>
<td>Relocation</td>
<td>47,154</td>
</tr>
<tr>
<td>Resident Stipends</td>
<td>4,005</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56,927</strong></td>
</tr>
</tbody>
</table>

### Development Activities

<table>
<thead>
<tr>
<th>Revenue/Expense</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>522,505</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>687,505</strong></td>
<td><strong>531,548</strong></td>
</tr>
</tbody>
</table>

### Development Loans

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Commitments</th>
<th>Draws</th>
<th>Accrued Interest</th>
<th>Payments</th>
<th>Loan Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predevelopment 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>382,772</td>
<td>8,132</td>
<td>390,903</td>
<td></td>
</tr>
<tr>
<td><strong>Construction Loan</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gap Loan</td>
<td>8,350,000</td>
<td>6,838,934</td>
<td>62,757</td>
<td>6,901,691</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,152,634</strong></td>
<td><strong>9,956,547</strong></td>
<td><strong>163,458</strong></td>
<td><strong>(1,986,951)</strong></td>
<td><strong>8,133,054</strong></td>
</tr>
</tbody>
</table>

### Ground Leases

<table>
<thead>
<tr>
<th>Ground Lease</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>
ATTACHMENT 3

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

Phase 1
Quarterly Progress Report

Quarter #3
Period of Performance June 30 - September 30, 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 at a later time. 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).

Phase 1 Highlights for 3rd Quarter – The contractor received a Notice To Proceed on 6-3-21. Grading for building B has been completed and the Building B pad was certified on 8-9-21. Building B footings, underground utilities and LADWP service site work has begun.
### 2.0 CONSTRUCTION PROGRESS

<table>
<thead>
<tr>
<th>Work Completed this Quarter</th>
<th>Ongoing Work</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description Of Work</strong></td>
<td><strong>Description Of Work</strong></td>
</tr>
<tr>
<td>Building B pad certified</td>
<td>Underground utilities building B plumbing and electrical north side</td>
</tr>
<tr>
<td>Underground electrical vaults have been installed</td>
<td>Underground electrical feeders building A</td>
</tr>
<tr>
<td>Underground electrical vault vents</td>
<td>Building B rebar and concrete footings north side</td>
</tr>
<tr>
<td>Underground utilities building B plumbing and electrical south side</td>
<td>Form elevator pit walls</td>
</tr>
<tr>
<td>Building B rebar and concrete footings south side</td>
<td>Offsite storm drain relocation installation Mc Kenzi Ave and Florizel Street</td>
</tr>
<tr>
<td>Building B elevator pit rebar and concrete</td>
<td>Building B column anchor bolts and hold downs south side</td>
</tr>
<tr>
<td>Unidentified seepage pits found- abandon per City LA Requirements</td>
<td></td>
</tr>
</tbody>
</table>

A summary of work progress below.

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. The key highlights of this construction work for Phase 1 are:

- Phase 1-The contractor received a Notice To Proceed on 6-3-21.
- Buyout and award of sub-contractors, submittals and shop drawings.
- Off-site storm drain relocation work on Florizel St and Mc Kenzie Ave is underway. Once the offsite storm drain work is completed the existing storm drain currently in building A footprint can be removed and building A work will begin.
- On site LADWP utility installations of vaults and building service feeders for both buildings A and B are completed under building B only at this time.
- Building B construction is underway. Building B work completed includes underground utilities plumbing and electrical, encroachment walls, stem walls, concrete footings, and elevator pit footings and walls.
### 3.0 Schedule & Cost

#### Schedule & Cost Status

<table>
<thead>
<tr>
<th>Construction Schedule</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/3/2021</td>
<td>Original Contract Value</td>
</tr>
<tr>
<td></td>
<td>Current Approved Change Orders</td>
</tr>
<tr>
<td><strong>Scheduled Completion Dates</strong></td>
<td></td>
</tr>
<tr>
<td>Planned Completion</td>
<td>12/8/2022</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Contract Duration</td>
<td></td>
</tr>
<tr>
<td>Approved Time Extension</td>
<td>0 Days</td>
</tr>
<tr>
<td>Revised Contract Duration</td>
<td>Days</td>
</tr>
<tr>
<td>Remaining Contractual Time</td>
<td>430 Days</td>
</tr>
</tbody>
</table>

**Notes**

- Previous signed CCA #1 - $105,918
- Current signed CCA #2 approved change orders - $77,102

**Schedule** - RD Olson contractor is developing a recovery schedule plan to regain time lost due to several challenges that have impacted the schedule. These challenges include the following:

- 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 storm drain that was HD type pipe. 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.
- The 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.
## 4.0 ISSUES & RESOLUTIONS

### Current Issues & Resolutions

<table>
<thead>
<tr>
<th>Resolved Issues</th>
<th>Unresolved Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Phase 1 - Description**

- Approval of the HD off site storm drain pipe 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- Repair to avoid further damage
- 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 building A electrical feeders pull station location in building B design. Not approved by LADBS- LADWP is redesigning the plans for construction which eliminates the TSA in building B and is allowed to run continuously to building A. This process is approved by LADWP but the plans have not been issued yet.
- Existing sewer line conflict with new storm drain elevation along Florizel street. Fusco is redesigning to a different location further down towards McKenzie Ave intersection. A new trench permit is needed and has been submitted.
- Schedule delays and recovery plan in progress
6.0 PHOTOS

Certified building B pad

DWP underground vaults

Archeo / Paleo / Tribal Testing

Grading Building B Pad
Grading Building B Pad

Survey Building B Pad

Underground DWP Vaults conduit

Building B Underground Plumbing
DWP underground building feeders

Mc Kenzie off site storm drain pipe installation

Mc Kenzi Ave Storm Drain Install

Mc Kenzi Ave Storm Drain Install
Building B footings

Building B elevator pit

DWP Vault Vents

DWP underground Vaults
Building B site pic

Building B footings reinforcement

Florizel St storm drain excavation

Building footings and underground plumbing