RESOLUTION APPROVING AN AMENDMENT TO RESOLUTION NO. 9756 PREVIOUSLY ADOPTED ON OCTOBER 28, 2021, PROVIDING FOR THE ACQUISITION OF THE REAL PROPERTY ASSET AT 5050 W. PICO BOULEVARD, LOS ANGELES, CALIFORNIA 90019, FOR $36,500,000, 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, IN ORDER TO PROVIDE FOR THE USE OF HACLA’S REVOLVING LINE OF CREDIT TO INITIALLY FUND ALL EXPENSES ASSOCIATED WITH THE PURCHASE, LEASE-UP AND STABILIZATION OF THE PROPERTY

Douglas Guthrie
President & Chief Executive Officer

Geoffrey Moen
Director of Development

Purpose: To allow the Housing Authority of the City of Los Angeles (“HACLA” or “Authority”) to purchase the 79-unit, newly-constructed multifamily property located at 5050 W. Pico Boulevard (the “Property”) 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”) utilizing HACLA’s line of credit with City National Bank (“LOC”) to initially finance the purchase price, closing costs, relocation costs, and holding costs at the close of escrow. LOC funds will be fully reimbursed at a later date by Homekey capital grant funds, a City of Los Angeles subordinate loan and permanent financing.

Regarding: The HACLA Board of Commissioners (“Board”) adopted Resolution No. 9756, on October 28, 2021, and approved the use of the LOC for the purpose of fulfilling matching fund requirements as outlined in the 5050 Pico Homekey application.

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:
Resolution No. 9756 provided for the purchase of the Property using approximately $20.45 million of Homekey capital grant funds, and the remainder of the costs being funded through a draw on the LOC (the “Local Match”). On January 6, 2022, HACLA staff secured an extension to the closing date to January 28, 2022 (the “Closing”). HACLA has confirmed that Homekey capital grant funds from HCD will not be available in time for the Closing. Based on discussions with HCD staff, HACLA expects an award commitment on or around January 14th, and wiring of Homekey capital grant funds to HACLA in March of 2022. Therefore, in order to perform under the purchase contract, HACLA will need to cover all acquisition costs at closing through a draw on the LOC and an internal loan to the Property from the HACLA Acquisition Program, which established funds for Due Diligence as well as Equity for property acquisitions. The LOC draw will be partially reimbursed from Homekey capital grant funds and a subordinate loan from the City of Los Angeles sized to approximately $4.3 million, the authorization of which was approved by the Los Angeles City Council on November 5, 2021. The remaining amount of the LOC draw and the HACLA Acquisition Program Loan will be taken out with permanent financing through a conventional multifamily loan or a bond issuance following lease up and stabilization of the Property. That permanent loan is expected to close in the third or fourth quarter of 2022. Interest expense under the LOC for the initial hold period will fluctuate based on the applicable index, and is anticipated to amount to between $191,000 and $382,000, assuming a rate of 1% for 6 to 12 months.

Additionally, since the original Board action in October, the staff has refined the calculation of closing costs and holding costs for the interim period. The increase in costs includes: (1) the purchase of furniture, fixtures and equipment; (2) a reserve to cover operating costs during the lease up period; (3) a limited allowance for construction costs for ADA and life safety improvements, if any, together with any associated design and permitting; (4) legal and closing costs associated with multifamily transactions; and (5) relocation costs. Following HACLA’s submission of the funding application, HCD issued a decision that the Project must provide funds for the relocation of the existing fourteen (14) tenants within the Project upon the expiration of their leases. HACLA hired a third party relocation consultant to create a relocation plan in accordance with the Homekey regulations and to determine the costs projected for relocation activities. The proposed amendment provides funds to meet the requirements of state and federal relocation regulations.
**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 money and staff time to identify and secure agreements to purchase 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 $38.5 million needed for the initial acquisition, lease-up and stabilization of the Property will be funded using a draw on HACLA’s LOC of up to $36,650,000, secured by HACLA’s general obligation pledge as well as approximately $1,000,000 in non-Public Housing Portfolio revenue available through the Acquisition Program established in April 2020. The funding will remain an obligation on the Property and is required to be repaid to the Acquisition Program over a five-year period. A portion of the costs estimated at $822,622 for reserves, relocation and permanent financing costs will be deferred until Homekey Funds are available.

*Budget and Program Impact:* The actions and expenditures related to this amendment will not impact HACLA’s annual budget.

**Environmental Review:**

*NEPA:* The primary source of funding for Homekey, CRF, are federal funds and therefore require National Environmental Protection Act (“NEPA”) review. On October 25, 2021, the Los Angeles Housing Department (“LAHD”) executed a certification of determination that the Project is exempt from NEPA. The change in the amount of the draw on the LOC does not impact this determination or necessitate further review.

*CEQA:* The Board determined through Resolution No. 9756 that the acquisition of the Property 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, and further that the Project qualified 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), The change in the amount of the draw on the LOC does not impact this determination or necessitate further review.

Attachments:

1. Resolution
2. Resolution No. 9756
3. Summary of Project Costs
4. Acquisition Property Summary
ATTACHMENT 1

Resolution
RESOLUTION NO.______________

RESOLUTION APPROVING AN AMENDMENT TO RESOLUTION NO. 9756 PREVIOUSLY ADOPTED ON OCTOBER 28, 2021, PROVIDING FOR THE ACQUISITION OF THE REAL PROPERTY ASSET AT 5050 W. PICO BOULEVARD, LOS ANGELES, CALIFORNIA 90019, FOR $ 36,500,000, 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, IN ORDER TO PROVIDE FOR THE USE OF HACLA’S REVOLVING LINE OF CREDIT TO INITIALLY FUND ALL EXPENSES ASSOCIATED WITH THE PURCHASE, LEASE-UP AND STABILIZATION OF THE 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 Board previously approved the acquisition of the 5050 Pico Property on October 28, 2021 by Resolution No. 9576;

WHEREAS, the Authority submitted an application for funding from HCD for the 5050 Pico Property in response to the Homekey NOFA on November 9, 2021;

WHEREAS, the Authority now wishes to approve the acquisition of the 5050 Pico Property with the revised financing terms 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;
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 $51,595, 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, HACLA has also transferred 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 name or transfer the ownership to an Authority 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 October 18, 2021 report on this acquisition recommendation, the Board determined in Resolution No. 9756 that the acquisition of the 5050 Pico Property met 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;

WHEREAS, the approval to purchase the 5050 Pico Property was based on an assumption that Homekey capital grant funds would be wired at closing to cover closing and lease-up costs and a portion of the purchase price;

WHEREAS, receipt of the Homekey capital grant funds will not be achieved prior to the closing date of January 28, 2022;

WHEREAS, the expenses associated with the purchase, lease-up and stabilization of the 5050 Pico Property have been refined since the Board’s adoption of Resolution No. 9756;

WHEREAS, HACLA anticipates that Homekey capital grant funds in the amount of $20.45 million and a subordinate loan from the City of Los Angeles in the amount of $4.38 million to finance the purchase of the 5050 Pico Property will be transferred to HACLA on or before March 1, 2022; and
WHEREAS, the Authority now wishes to use the revolving line of credit with City National Bank (“LOC”) as well as its own internal capital established to support the Acquisition Program through Resolution 9588 to fund the initial acquisition and other initial costs associated with the 5050 Pico Property and the Chief Administrative Officer (“CAO”) attests that the LOC has sufficient capacity to finance the full amount due at close of escrow.

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. Section 5 of Resolution No. 9756 is hereby amended to read as follows: 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, as well as non-federal funds from the Non-Public Housing Portfolio dedicated to the Acquisition Program Equity Investment Revolving Fund and Due Diligence Fund for the purposes of covering all costs associated with the purchase, lease-up, and stabilization of the 5050 Pico Property, in an amount not to exceed $38,500,000. The Designated Officers are further authorized and approved to pay interest on such sum in accordance with the terms of the LOC for a period not to exceed 18 months from the purchase of the Property.

Section 2. 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 11th day of January, 2022.

APPROVED AS TO FORM

By: __________________________
    James Johnson, General Counsel

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: __________________________
    Cielo Castro, Chairperson

DATE ADOPTED: ______________________
ATTACHMENT 2

Resolution No. 9756
RESOLUTION NO. 9756

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
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 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 $431,400, 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
deprecated 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
by HACLA in November of 2021 to cover the residential units to be occupied by the targeted
population as defined in the 5050 W. Pico Homekey application.
Section 9. BE IT FURTHER RESOLVED that the Designated Officers of the Authority referred to above are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Guthrie</td>
<td>President and Chief Executive Officer</td>
</tr>
<tr>
<td>Marlene Garza</td>
<td>Chief Administrative Officer</td>
</tr>
<tr>
<td>Jenny Scanlin</td>
<td>Chief Development Officer</td>
</tr>
<tr>
<td>Margarita Lares</td>
<td>Chief Programs Officer</td>
</tr>
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</table>

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: [Signature]
James Johnson, General Counsel

By: [Signature]
Cielo Castro, Chairperson

DATE ADOPTED: 10/28/2021

VOTES

AYES: 5  NAYS: 0  ABSTAIN: 0  ABSENT: 2

AYES: CASTRO, TENENBAUM, BAKEWELL, BRYAN, DE LA CRUZ
NAYS:  NONE
ABSENT: HOOPER, CADENA- 2
ATTACHMENT 3

Summary of Project Costs
## Summary of Project Costs
City Properties

### BOC Meeting: 1/11/22

<table>
<thead>
<tr>
<th>Name</th>
<th>Council District</th>
<th>APN</th>
<th>Purchase Price</th>
<th>Purchase Price Per Unit</th>
<th>Escrow Closing Costs</th>
<th>Rehab Costs/ ADA Retrofit (1)</th>
<th>Third Party Costs (2)</th>
<th>Operating/ Rent Reserve</th>
<th>FF&amp;E</th>
<th>Relocation</th>
<th>Financing Costs</th>
<th>Lease up Reserve</th>
<th>Total Project Costs</th>
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<tr>
<td>5050 W. Pico</td>
<td>10</td>
<td>5070-017-039</td>
<td>$36,500,000</td>
<td>$462,025</td>
<td>$136,800</td>
<td>$180,258</td>
<td>$61,595</td>
<td>$345,796</td>
<td>$592,500</td>
<td>$264,082</td>
<td>$112,743</td>
<td>$295,000</td>
<td>$38,488,774</td>
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<td>Total</td>
<td></td>
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<td>$36,500,000</td>
<td>$462,025</td>
<td>$136,800</td>
<td>$180,258</td>
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<td>$592,500</td>
<td>$264,082</td>
<td>$112,743</td>
<td>$295,000</td>
<td>$38,488,774</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 4

Acquisition Property Summary for 5050 W. Pico Boulevard
Acquisition Property Profile: 5050 W. Pico Blvd

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'sParcel 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

Type | Distance | Type | Distance
--- | --- | --- | ---
Pharmacy | 0.3 miles | School | 0.6 miles
CVS Pharmacy | 1302 S. La Brea Ave | Saturn Street Elementary | 5360 Saturn Street
Transportation | 0.1 miles | Groceries | 0.5 miles
Metro Bus | Pico & Redondo | Ralph's | 4760 W. Pico Blvd
Health Facility | 0.59 miles | Park | 1.0 miles
Carbon Health Urgent Care | 4700 W. Pico Blvd | Queen Anne Park | 1240

UNIT MIX

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
<th>Average Size</th>
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</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