

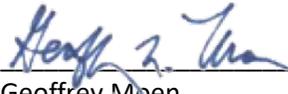
RESOLUTION AUTHORIZING DEDICATION OF SEVENTY-FIVE(75) SECTION 8 PROJECT-BASED VOUCHERS TO JORDAN DOWNS PHASE S6 REDEVELOPMENT PROJECT PURSUANT TO PROVISIONS IN THE HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT OF 2016 AND AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE ANY AND ALL CONTRACTS/DOCUMENTS REQUIRED FOR DEDICATION OF THE VOUCHERS



Douglas Guthrie
President and CEO



Carlos VanNatter
Director, Section 8



Geoffrey Moen
Director, Development Services

Purpose: To provide seventy-five (75) project-based vouchers (“PBVs”) to the Jordan Downs Phase S6 redevelopment project (the “Project”) pursuant to the Housing Opportunities Through Modernization Act of 2016 (“HOTMA”). The provision of PBVs lends needed operating subsidy and leverage to the development partnership, Jordan Downs S6, LP (the “Owner” or “Partnership”), and provides the opportunity to include replacement housing units for Jordan Downs public housing residents and additional methods to provide deeper affordability on a percentage of non-replacement units in the Project.

Regarding: On June 28, 2012, by Resolution No. 8969, HACLA’s Board of Commissioners (“BOC”) unanimously authorized the President and CEO to execute a Master Development Agreement (“MDA”) with Jordan Downs Community Partners, LLC, (“Master Developer”), a joint venture of the BRIDGE Housing Corporation (“BRIDGE”) and The Michaels Development Company I, L.P., a New Jersey limited partnership (“Michaels”), for the redevelopment of Jordan Downs. The MDA between HACLA and the Master Developer was executed on August 1, 2012 and subsequently amended with Board approval on December 22, 2016, by Resolution No. 9327 and on April 28, 2016, by Resolution No.9282.

On December 17, 2020, by Resolution No. 9670, the BOC adopted an updated Administrative Plan for Section 8, incorporating new HOTMA standards that allow HACLA to non-competitively award project-based vouchers to developments where HACLA is both an owner of the underlying fee title and where Section 9 public housing units are incorporated or are being converted.

Issues:

Background Since 2012, HACLA and the Master Developer have been working closely to implement the vision of a redeveloped Jordan Downs. This collaboration has involved creating a site plan and architectural studies and pursuing competitive and non-competitive financing for each phase. New Harvest and Cedar Grove Apartments were completed, creating 250 new units of housing and are fully occupied as of 2021. Area H, an 80-unit residential development completed construction in early 2022 is currently in its leasing phase; and Phase S3, a 92-unit residential

development is currently under construction with tentative completion projected in Fall 2022. Phase S2 is construction with tentative completion in Spring 2023.

Phase S6 will be developed on a 1.963-acres across two parcels comprised of 100 apartment units, with approximately 5,000 square feet of community and common space and approximately 11,000 square feet of ground floor commercial space. The development is located south of the future Central Park and a new community center and adjacent to 103rd Street; a primary east-west artery connecting Jordan Downs to Metro and the civic center of the Watts community.

PBV Authority: On October 30, 2017, the United States Department of Housing and Urban Development (“HUD”) issued Notice PIH 2017-21 which provided guidance to public housing agencies (“PHAs”) regarding changes to the Project-Based Voucher program made by HOTMA. HOTMA section 8(o)(13) (N) allows a PHA to attach PBV assistance to units in a project in which the PHA has an ownership interest or over which the PHA has control without following a competitive process. In order to exercise this authority, the PHA must be engaged in an initiative to improve, develop, or replace a public housing property or sites. Attachment L to PIH Notice 2017-21 and HACLA’s Section 8 Administrative Plan describe the conditions for a non-competitive award. The following conditions must be met:

- (a) The PHA must be engaged in an initiative to improve, develop, or replace the public housing properties or sites. The public housing properties or sites may be in the public housing inventory or they may have been removed from the public housing inventory through any available legal removal within 5 years of the date on which the PHA entered into the AHAP or HAP pursuant to the non-competitive selection.
- (b) A minimum threshold of \$25,000 in hard costs per-unit is required for new construction.
- (c) The PHA must explain in its Administrative Plan the work it plans to do on the property or site and how many units of PBVs it plans to add.

The Project meets the criteria to receive a non-competitive award of PBV assistance because (i) HACLA is the ground lessor under the Ground Lease and through one of its instrumentalities will participate in the ownership of buildings/improvements on site, (ii) HACLA is engaged in the replacement of public housing units at the Project property, with 60 of the 100 units designated as public housing replacement units and (iii) the per-unit construction hard costs for the Project are greater than \$25,000. In addition, the commitment of PBVs as a source of subsidy for replacement and non-replacement units is included in the current Section 8 Administrative Plan.

This report recommends providing seventy-five (75) PBV units to Phase S6. Fifty (50) PBVs are for replacement units and an additional twenty-five (25) PBVs for non-replacement units, which will assist in creating deeper affordability and allow the 25 non-replacement units to serve homeless individuals and families restricted to 20% and 30% AMI. The balance of the units on site include ten (10) RAD replacement units, three (3) non-replacement LIHTC only units, and twelve (12) market-rate non-replacement units, which includes two manager’s units. All replacement and non-replacement units will have access to onsite supportive services which will meet Section 8’s normal requirement for supportive services and reaching households at or below 50% AMI.

The current unit mix across all 100 units is proposed to include twenty-four (24) one-bedroom units, forty-two (42) two-bedroom units, twenty-eight (28) three-bedroom units, and six (6) four-bedroom units.

*Developer/
Ownership*

Pursuant to the MDA, Jordan Downs Community Partners, LLC has assigned its rights and obligations to develop and own Phase S6 to Jordan Downs S6, LP, a California limited Partnership. The current General Partner of the Partnership is Jordan S6-Michaels, LLC, a California limited liability company, whose manager is The Michaels Development Company I, L.P., a New Jersey limited partnership. If approved by its Board of Directors, La Cienega LOMOD, Inc., a California nonprofit public benefit corporation (“La Cienega”), will be admitted into the Partnership as the Managing General Partner (.0049% ownership share) and Jordan S6-Michaels, LLC will be admitted to the Partnership as the Administrative General Partner (.0051% ownership share).

Vision Plan: PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio.

The development of Phase S6 will allow for the construction of 100 new housing units. This will include sixty (60) replacement units. This development will further HACLA’s goals of improving its affordable housing stock as well as improved ADA-compliant, modern, sustainably designed, and amenitized units. This action will help HACLA extend the life of critical, deeply affordable housing in the City of Los Angeles to serve existing public housing residents and future income-qualified households from HACLA’s active public housing and Section 8 wait lists as well as the community of Watts.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: PBVs are a component of HACLA’s Annual Contribution Contract (“ACC”) with HUD for the Housing Choice Voucher program.

Budget and Program Impact: Use of PBVs is an effective approach to maintain deeply affordable housing in public housing conversion projects and provides needed operating subsidy to address the extraordinary costs associated with maintaining significant new infrastructure and open space improvements as well as providing extensive social services. The use of HACLA resources to support the preservation and expansion of affordable housing is aligned with the HACLA’s budget and program goals.

Environmental Review:

CEQA: The City of Los Angeles is the lead agency for the Jordan Downs Redevelopment for purposes of the California Environmental Quality Act (“CEQA”). The City of Los Angeles, acting through its Planning Department, approved a larger project under the Jordan Downs Urban Village Specific Plan (1,800 residential units; up to 250,000 square feet of commercial/retail/office plus up to 20,000 square feet of community-service retail and services in mixed use buildings; a network of parks totaling 8.9 acres; and new community facilities), and its associated Environmental Impact Report (“EIR”) and required findings on April 17, 2013 (ENV-2010-32-EIR). Two addendums to the EIR were prepared on January 11, 2016 and April 4, 2016 respectively to address additional impacts not considered in the EIR as the result of a proposed Specific Plan Amendment. On April 14, 2016, the City Planning Commission found based on the whole of the administrative record

that no subsequent or supplemental EIR or negative declaration was required. The Phase S6 redevelopment as contemplated in the current conceptual plans provided to HACLA is consistent with the Specific Plan and its Amendment (CPC-2015-3990-GPA-ZC-SP). However, the final plans will be reviewed by the BOC at such time as it considers the Ground Lease and Disposition and Development Agreement and final design and construction drawings are complete to ensure consistency. Phase S6 will be subject to the imposition of various measures contained in the Specific Plan's conditions of approval, including Mitigation Monitoring.

NEPA: Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Housing and Community Investment Department ("HCIDLA"), serves as the environmentally responsible entity in preparation of the Environmental Assessment and Finding of No Significant Impact (EA/FONSI) for the Jordan Downs Public Housing Community Project. The EA/FONSI was circulated for public review on June 13, 2014 through July 2, 2014. On December 22, 2015 a technical memorandum was prepared to review any changes to the project description. Based on this memorandum HCID/LA found that changes to the project description did not result in changes to the conclusion of the EA/FONSI. On February 11, 2016, HUD's Field Office Director issued approval of HACLA's Request for Release of Funds and Environmental Certification.

Section 3: The Developer will ensure that the Section 3 workers residing within the service area of the project and participants of Youth-Build programs have the opportunity to share in the economic benefits generated by the proposed development. Local Hire and Section 3 requirements for the Developer and their General Contractor will require to meet HUD established labor hour benchmarks for Section 3 Workers and Targeted Section 3 Workers. Additionally, pursuant to HACLA's Section 3 Policy and Compliance Plan, the Developer and their General Contractor will be required to engage in good faith efforts to set aside at least thirty percent (30%) of all new construction and post-construction jobs generated by the redevelopment for Section 3 Workers and Targeted Section 3 Workers in the order of hiring priority. Furthermore, the Developer and their General Contractor shall strive and use good faith efforts to set aside at least ten percent (10%) of their overall 30% Section 3 commitment for disadvantaged workers. Additionally, the Developer is committed to providing 10% of the total dollar amount of building trades work for all construction contracts and 3% of the total dollar amount of all non-construction contracts to Section 3 Businesses.

Attachments:

1. Resolution
2. Site Map

ATTACHMENT 1.

RESOLUTION

RESOLUTION NO. _____

RESOLUTION AUTHORIZING DEDICATION OF SEVENTY-FIVE (75) SECTION 8 PROJECT-BASED VOUCHERS TO JORDAN DOWNS PHASE S6 REDEVELOPMENT PROJECT PURSUANT TO PROVISIONS IN THE HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT OF 2016 AND AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE ANY AND ALL CONTRACTS/DOCUMENTS REQUIRED FOR DEDICATION OF THE VOUCHERS

WHEREAS, on October 30, 2017, the Department of Housing and Urban Development issued Notice PIH 2017-21 provided guidance to public housing agencies (“PHAs”) regarding changes to the Project-Based Voucher (“PBV”) program made by the Housing Opportunity Through Modernization Act of 2016 (“HOTMA”);

WHEREAS, HACL A and Jordan Downs Phase S6 Limited Partnership (the “Partnership”), desire to develop one hundred (100) apartments on a 1.963acre parcel, located on 103rd Street, known as the Jordan Downs Phase S6 project (the “Project”);

WHEREAS, all residential units, except twelve (12) market-rate non-replacement units, which includes two manager’s unit, will be restricted for occupancy by households of moderate, low, very low and extremely low-income;

WHEREAS, an award of seventy-five (75) project-based vouchers to the Project will provide deeper affordability with fifty (50) of the units for replacement and an additional twenty-five (25) non-replacement units targeted to homeless families and individuals; and

WHEREAS, the Project meets the conditions and requirements described in HUD Notice PIH-2017-21 Attachment L for awarding project-based vouchers to certain PHA projects where the PHA has an ownership interest, is engaged in an initiative to improve, develop, or replace the public housing properties or sites and the minimum threshold of \$25,000 in hard costs per-unit is met with respect to new construction as defined under Attachment L without following a competitive process.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby authorizes the President and CEO, or designee, to execute any and all contracts or related documents as approved by legal counsel, required for the project-based voucher program and approves the dedication of seventy-five (75) project-based vouchers to the Project.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: _____
Cielo Castro, Chairperson

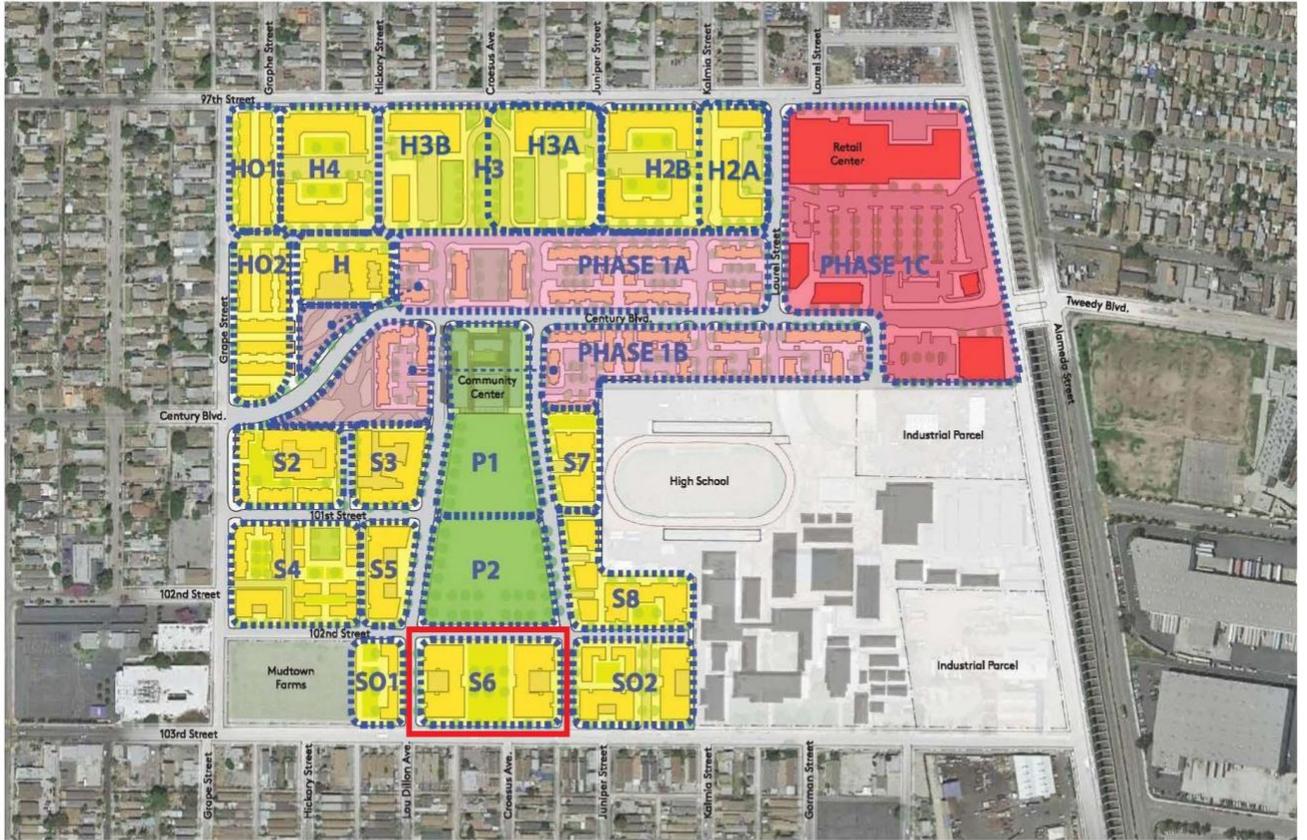
APPROVED AS TO FORM:

BY: _____
James Johnson, General Counsel

DATE ADOPTED: _____

ATTACHMENT 2.

SITE MAP



JORDAN DOWNS SITE PLAN / OCTOBER 24, 2019



MITHUN