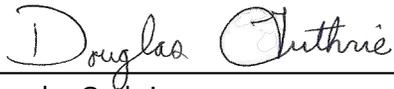


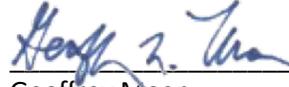
RESOLUTION AUTHORIZING DEDICATION OF SIX (6) ADDITIONAL SECTION 8 PROJECT-BASED VOUCHERS TO JORDAN DOWNS PHASE S4 REDEVELOPMENT PROJECT FOR A TOTAL COMMITMENT OF SIXTY-TWO (62) PROJECT-BASED VOUCHERS PURSUANT TO PROVISIONS IN THE HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT OF 2016 AND AUTHORIZING 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 sixty-two (62) project-based vouchers (“PBVs”) to the Jordan Downs Phase S4 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 S4, LP (the “Owner” or “Partnership”), 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.

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 August 27, 2020 by Resolution 9526, HACLA’s Board of Commissioner authorized the dedication of fifty-six (56) PBV’s to Jordan Downs Phase S4.

On December 17, 2020, by Resolution 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: Phase S4 will be comprised of ninety (90) apartments and developed on a 1.99-acre parcel. The development is across 101st street to the south of Oak Terrace (fka Phase S3), which is under construction, and near the future Central Park and a new community center. The configuration includes: twenty (20) one-bedrooms; thirty-eight (38) two-bedrooms; twenty-seven (27) three-bedrooms; four (4) four-bedrooms; and one (1) five-bedroom unit. The Owner has been awarded soft financing for Phase S4 from the State of California’s Housing and Community Development (HCD) Department’s Infill Infrastructure Grant Program (IIG) in the amount of \$5,025,000 and \$17M in competitive funding through the State of California’s Multifamily Housing Program (MHP). The Project will be applying for 4% tax credits with an application in August 2022. If awarded, the Owner anticipates initiating construction in the first half of 2023.

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, continuing to ensure that xx of the 90 units are 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 adding six (6) additional PBV units to expand the number of non-replacement PBV units from seventeen (17) to twenty-three (23). Combined with the previous allocation of thirty-nine (39) PBV for replacement units in Resolution 9526, the added PBV units will bring the total PBV dedicated to Phase S4 to sixty-two (62) PBVs. Seventeen (17) of the non-replacement units will be covenanted at 20% of area median income for Los Angeles County (“AMI”) and targeted to serving homeless families and individuals. The balance of the units on site include seventeen (17) RAD replacement units, ten (10) market-rate non-replacement units,

and one manager's unit. 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. Although HACLA will request Tenant Protection Vouchers from HUD, residents will be given the choice of taking those vouchers off-site or returning to the Project. Therefore, in order to expedite the Project's reasonable assumptions of rental income received from vouchers and expedite delivery of units, staff recommends that the award of PBVs be made to the Owner of the Project.

*Developer/
Ownership*

Pursuant to the MDA, Jordan Downs Community Partners, LLC has assigned its rights and obligations to develop and own Phase S4 to Jordan Downs S4, LP, a California Limited Partnership. The current Administrative General Partner of the Partnership is Jordan S4-Michaels, LLC, a California limited liability company, whose manager is The Michaels Development Company I, L.P., a New Jersey limited partnership (.5% ownership share). La Cienega LOMOD, Inc., a California nonprofit public benefit corporation ("La Cienega"), has been admitted as the Managing General Partner (.5% ownership share) and the Michael J. Levitt Revocable trust (98% ownership share) and Andrew J. Bocchino (1.0% ownership share) are Limited Partners. These Limited Partners are expected to be removed and replaced at construction closing to provide opportunity for the equity investor to become a Limited Partner.

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

The development of Phase S4 will allow for the construction of 90 new housing units. This will include fifty-six (56) 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 S4 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 S4 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 SIX (6) ADDITIONAL SECTION 8 PROJECT-BASED VOUCHERS TO JORDAN DOWNS PHASE S4 REDEVELOPMENT PROJECT FOR A TOTAL COMMITMENT OF SIXTY-TWO (62) PROJECT-BASED VOUCHERS 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, HACLA and Jordan Downs Phase S4, LP (the “Partnership”), desire to develop ninety (90) apartments on a 1.99 acre parcel, located on 101st Street, known as the Jordan Downs Phase S4 project (the “Project”);

WHEREAS, all residential units, other than ten (10) market rate units and the manager’s unit, will be restricted for occupancy by households of moderate, low, very low and extremely low-income;

WHEREAS, an award of six (6) additional project-based vouchers for a total of sixty-two (62) project-based vouchers to the Project will provide deeper affordability by supporting thirty-nine (39) replacement units and twenty-three (23) non-replacement units including seventeen (17) units set aside for homeless families; 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 (“Designated Officers”), 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 six (6) additional project-based vouchers for a total of sixty-two (62) project-based vouchers to the Project.

BE IT FURTHER RESOLVED that the “Designated Officers” of HACLA referred to above are as follows:

Name	Title
Douglas Guthrie	President and Chief Executive Officer
Marlene Garza	Chief Administrative Officer
Jenny Scanlin	Chief Strategic Development Officer
Margarita Lares	Chief Programs Officer

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

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: _____
Chairperson Cielo Castro

APPROVED AS TO FORM:

BY: _____
General Counsel James Johnson

DATE ADOPTED: _____

Attachment 2.

Site Map

