

RESOLUTION AUTHORIZING DEDICATION OF TWENTY-FIVE (25) ADDITIONAL SECTION 8 PROJECT-BASED VOUCHERS TO JORDAN DOWNS PHASE H2B REDEVELOPMENT PROJECT FOR A TOTAL COMMITMENT OF NINETY-ONE (91) 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 ninety-one (91) project-based vouchers (“PBVs”) to the Jordan Downs Phase H2B 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 3B, LP (the “Owner” or “Partnership”), provides the opportunity to include replacement housing units for Jordan Downs public housing residents and deeper affordability on non-replacement units in the Project.

Regarding: On June 28, 2012, by Resolution 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 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.

On April 22, 2021, by Resolution 9703, the BOC approved the dedication of sixty-six (66) Project Based Vouchers to the Project.

Issues:

Background The Project, comprised of one hundred nineteen (119) units, will be developed on a 1.9-acre parcel located between 99th and 97th Street, Laurel Street to the east, and Kalmia Street to the west, directly west of the new H2A site and is part of the larger Jordan Downs public housing community redevelopment effort initiated in 2008 with a long-range plan establishment of the Jordan Downs Community Advisory Committee and the acquisition of a neighboring property to ensure a Build First approach.

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 61 of the 119 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.

Combined with the Board authorization in Resolution No. 9703 this report recommends adding twenty-five (25) PBV units to expand the number of PBV units at the Project from sixty-six (66) to ninety-one (91)., The PBV will be used to provide forty-six (46) replacement units and further secure deeper affordability on forty-five (45) non-replacement units. The balance of the units in the Project include fifteen (15) RAD units and thirteen (13) market-rate non-replacement units, which includes 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 reach 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 H2B to Jordan Downs 3B, LP, a California Limited Partnership. The current General Partner of the Partnership is JD Housing 3B, LLC, a California limited liability company, whose manager is BRIDGE Housing Corporation. At financial closing, La Cienega LOMOD, Inc., a California nonprofit public benefit corporation (“La Cienega”), or another instrumentality of HACLA, will be admitted into the Partnership in a role to be determined at that time, either as a Managing General Partner or as a special limited partner.

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

The development of Phase H2B will allow for the construction of one hundred nineteen (119) new housing units. This will include sixty-one (61) 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 H2B 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 a final design and construction drawings are complete to ensure consistency. Phase H2B 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 can 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

RESOLUTION NO. _____

RESOLUTION AUTHORIZING DEDICATION OF TWENTY-FIVE (25) ADDITIONAL SECTION 8 PROJECT-BASED VOUCHERS TO JORDAN DOWNS PHASE H2B REDEVELOPMENT PROJECT FOR A TOTAL COMMITMENT OF NINETY-ONE (91) 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 3B, LP (“Partnership”), desire to develop one hundred nineteen (119) apartments on a 1.9 acre parcel, located at 2299 East 99th Place, Los Angeles, CA 90002, known as the Jordan Downs Phase H2B project (the “Project”);

WHEREAS, all residential units, except thirteen (13) market rate units (including the manager’s unit), will be restricted for occupancy by households of moderate, low, very low and extremely low-income;

WHEREAS, an award of twenty-five (25) additional project-based vouchers to the Project, for a total of ninety-one (91) project-based vouchers, will provide deeper affordability for forty-six (46) replacement units and forty-five (45) non-replacement units; 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 twenty-five (25) additional project-based vouchers for a total of ninety-one (91) 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: _____
Cielo Castro, Chairperson

APPROVED AS TO FORM:

BY: _____
General Counsel

DATE ADOPTED: _____

SITE MAP

