Proposal overview

First proposal brought to Board through HACLA's Innovative Partnership Solicitation

Preserve Naturally Occurring Affordable Housing at scale

Private sector partner with private capital

Three prong approach
Property location
Parcels map
## Property Profile

<table>
<thead>
<tr>
<th>Type</th>
<th>Unit Count</th>
<th>Unit Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio/1BA</td>
<td>18 Units</td>
<td>540 Square Feet</td>
</tr>
<tr>
<td>1BR/1BA</td>
<td>324 Units</td>
<td>700 Square Feet</td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>296 Units</td>
<td>820 Square Feet</td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>31 Units</td>
<td>1,234 Square Feet</td>
</tr>
<tr>
<td>TOTAL/Average</td>
<td>669 Units</td>
<td>772 Square Feet</td>
</tr>
</tbody>
</table>

- 61 Parcels
- 652,786 Square Feet of Building area
- 1,037,061 Square Feet of Land area
- 40 total buildings
- 358 open parking spaces and 452 detached garage parking spaces
- 5 detached communal laundry facilities
Partner Information

• Avanath is an investment firm that acquires, owns, renovates, and operates affordable housing apartments across the U.S.

• Avanath owns & operates 13,000+ multi-family units across 13 states

• Avanath owns 13 properties in Southern California, including Castelar Apartments in the City of Los Angeles
January 6th
HACLA notified about potential sale

February 8th
HACLA conducted property tour

March 11th
Avanath submitted Innovative Partnership interest

March 17th
Avanath selected as buyer

March 31st
Innovative Partnership Solicitation submitted

August 10th
Close of Transaction
1. Entry into Avanath Baldwin Village LP

- La Cienega LOMOD as Managing General Partner
- 0.01% voting and capital interest ($12k - $20k)
- Obtain and maintain Welfare Exemption
- Consent rights to certain major decisions
- Remain in partnership for life of Avanath ownership
- Partnership Administration Fee
- Share of operating and capital distributions
2. Authority Loan

- $500,000 principal lent to partnership at closing
- 30 year term, fully amortizing
- Subordinated to senior loan
- 5.00% interest rate
- paid prior to fees and distributions
3. Regulatory Agreement

- 234 units income/rent restricted @ 60% AMI
- 234 units income/rent restricted @ 80% AMI
- 201 units stay unrestricted (market rate)
- 55 year deed restriction
- No displacement of existing residents
- Ratio to remain if any units added in future
- Approval of buyer in any sale or transfer
- Seeking survival in foreclosure

- 10-Year Capital Improvement Plan and initial Operating Budget approval
- $25,000 in Capital Expenditures per unit over the next 10 years
- Preference for local workers and businesses for capital improvements
- Compliance with Section 8 Housing Quality Standards (HQS)
Rent analysis

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Average In-Place Rents</th>
<th>Market Rents</th>
<th>60% AMI</th>
<th>80% AMI</th>
<th>Section 8 Voucher Payment Standards</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>$ 1,022</td>
<td>$ 1,275</td>
<td>$ 1,251</td>
<td>$ 1,668</td>
<td>$ 1,660</td>
<td>$ 2,073</td>
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<tr>
<td>1BR</td>
<td>1,294</td>
<td>1,823</td>
<td>1,340</td>
<td>1,787</td>
<td>1,924</td>
<td>2,540</td>
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<tr>
<td>2BR</td>
<td>1,522</td>
<td>2,653</td>
<td>1,608</td>
<td>2,144</td>
<td>2,452</td>
<td>3,826</td>
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<tr>
<td>3BR</td>
<td>1,882</td>
<td>2,911</td>
<td>1,858</td>
<td>2,478</td>
<td>3,231</td>
<td>5,888</td>
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<tr>
<td>Average</td>
<td>$ 1,415</td>
<td>$ 2,226</td>
<td>$ 1,480</td>
<td>$ 1,974</td>
<td>$ 2,211</td>
<td>$ 3,252</td>
</tr>
</tbody>
</table>

Note: Rents for the Baldwin Village Apartments are subject to the Rent Stabilization Ordinance (RSO)
468 units preserved as affordable housing restricted for 55 years
Thank you