



**COMMUNITY DEVELOPMENT COMMISSION/
HOUSING AUTHORITY**

of the County of Los Angeles

700 W. Main Street • Alhambra, CA 91801

Tel: 626.262.4511 • TDD: 626.943.3898 • lacdc.org • hacola.org

Hilda L. Solis
Mark Ridley-Thomas
Sheila Kuehl
Janice Hahn
Kathryn Barger
Commissioners

Monique King-Viehland
Executive Director

June 26, 2018

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**AUTHORIZE AGREEMENTS TO RECEIVE FUNDS FROM THE CITY OF PASADENA
HOUSING SUCCESSOR AGENCY AND MAKE RELATED FINDINGS
(DISTRICTS 2, 5) (3 VOTES)**

SUBJECT

This letter requests that your Board, following the public hearing, authorize the Executive Director to execute agreements with City of Pasadena to receive funding for the Miramonte Apartments project, a transit oriented, special needs, permanent supportive housing project in unincorporated Florence-Firestone.

IT IS RECOMMENDED THAT THE BOARD, AFTER THE PUBLIC HEARING:

1. Authorize the Executive Director, or her designee, to execute agreements with the City of Pasadena (Transfer Agreements) to accept and incorporate an amount not to exceed \$472,399 in City of Pasadena low- and moderate-income housing asset funds into the Housing Authority of the County of Los Angeles' (HACoLA) approved Fiscal Year 2018-2019 budget to assist in funding of the Miramonte Apartments project.
2. Find that Transfer Agreements will not cause or exacerbate racial, ethnic, or economic segregation.
3. Find that the Transfer Agreements are not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action does not have the potential for causing a significant effect on the environment.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

1-H June 26, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to transfer funding from the City of Pasadena's Housing Successor Agency to HACoLA, which acts as the County's Housing Successor Agency. It is being proposed that the funding to be provided by the Transfer Agreements be utilized as an additional funding source that will help provide needed gap financing for the development and construction of the Miramonte Apartments (Project), a transit oriented, special needs, permanent supportive housing project.

The Project, located at 7321 Miramonte Boulevard in the unincorporated area of Florence- Firestone, includes the construction of 44 units of special needs affordable housing, consisting nine studios, 20 one-bedroom, 14 two-bedroom apartments, and one manager apartment. Of the restricted units, 36 of the units will be reserved for homeless households and seven of the units will be general affordable housing. The Project developer is "A Community of Friends."

State law provides that funding agreements between housing successor agencies are permitted for transit oriented, special needs, and permanent supportive housing projects, provided that certain conditions are met. In selecting this Project, HACoLA staff evaluated the housing development projects to be recommended for funding in the current round of the Community Development Commission Notice of Funding Availability for Affordable Rental Housing, and determined that the Project is best suited to the criteria required for transfers of funds between housing successor agencies.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

HACoLA serves as the Housing Successor Agency for the County's former redevelopment agency, which is responsible for administration of the County's former redevelopment housing assets. The Pasadena Housing Successor Agency is the agency responsible for administration of the City of Pasadena's former redevelopment agency housing assets.

The Pasadena Housing Successor Agency wishes to transfer an amount not to exceed \$472,399 to HACoLA to assist in the funding of the Project. The City of Pasadena Housing Successor Agency currently has an "excess surplus" of low- and moderate-income housing asset funds, as determined by a formula set forth in the California Health and Safety Code. The City of Pasadena currently does not have a project eligible to receive this funding. If the funding is not spent or transferred by the end of the Fiscal Year, the law requires that the excess surplus funds be transferred to the State. In order to keep the funding within Los Angeles County, Pasadena City staff has proposed this transfer arrangement with HACoLA. This transfer of funding will require Transfer

Agreements to be executed by HACoLA and the City of Pasadena. The Transfer Agreements will also be considered by the Pasadena City Council on June 11, 2018.

California Health and Safety Code Section 34176.1 (Section) provides that two housing successor agencies may enter into agreements to transfer funds for affordable housing developments meeting certain criteria. Prior to entering into such agreements, this Section specifies that the City of Pasadena and the County of Los Angeles have current adopted housing elements. In addition, this Section requires that the transferring housing successor agency (Pasadena) not have an outstanding obligation to provide replacement housing. These conditions have been met.

The Section further requires that the Project to be funded by the agreements only be used for rental housing affordable to, and occupied by, households earning less than 60% or less of the area median income. The Section also requires that the Project not result in any reduction in the number of housing units or reduction in affordability of housing units on the site where the Project is to be built. The Project satisfies these requirements.

In order for this transfer to occur, Section 34176.1(c)(2)(C) of the California Health and Safety Code requires that your Board, based on substantial evidence, find that the Transfer Agreements will not cause or exacerbate racial, ethnic, or economic segregation. There is substantial evidence to support this finding.

As part of the requirement to certify to the U.S. Department of Housing and Urban Development (HUD) that HACoLA is "affirmatively furthering fair housing" an "Analysis of Impediments to Fair Housing Choice" (Analysis) was prepared for HACoLA earlier this year. The Analysis included HUD prescribed "Racially and Ethnically Concentrated Areas of Poverty" (R/ECAPs). The Project site is located in an area that was not designated as a R/ECAP.

In the 2016 Community Profile, which was prepared to prioritize the investment of Community Development Block Grant and other funds within the unincorporated areas of Los Angeles County, the Project site was designated as being in a "Level II" area, or an area requiring "Selective Investment." Level II describes areas where the majority of properties are in standard condition and adequate private investment occurs. However, in Level II areas specific properties or limited areas do show signs of disinvestment. This is in contrast to Level III areas requiring "Intensive Investment," or Level IV areas that require "Extensive Investment" to address sub-standard conditions.

Although the Project site is in a low-income area, this is mitigated by the presence of the Metro Florence Avenue Blue Line Station, which is located less than a third of a mile away. Section 34176.1(c)(2)(B) of the California Health and Safety Code provides that the development to be funded by the transfer may be located in an area exceeding 50% very low-income provided that the development is within one half-mile of a high quality transit stop.

ENVIRONMENTAL DOCUMENTATION

This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 (b)(5) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Approval of Transfer Agreements does not commit HACoLA or the County to a particular course of action, and is not subject to the requirements of CEQA. All CEQA environmental review requirements must be completed in conjunction with the approval of entitlements for the Miramonte Apartments project.

IMPACT ON CURRENT PROJECT

The proposed action will provide additional funding for the Project, furthering HACoLA's goals of providing permanent supportive, special needs, and transit oriented affordable housing.

Respectfully submitted,



MONIQUE KING-VIEHLAND
Executive Director

MKV:KT:LN:dr