



**COMMUNITY DEVELOPMENT COMMISSION  
of the County of Los Angeles**

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*Commissioners*

**Carlos Jackson**  
*Executive Director*

February 19, 2008

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

Dear Commissioners:

**APPROVAL OF ALLOCATION OF HOME INVESTMENT PARTNERSHIPS FUNDS  
FOR THE DEVELOPMENT OF 62 UNITS OF AFFORDABLE HOUSING IN  
UNINCORPORATED WEST ATHENS/WESTMONT (2)  
(3 Vote)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the approval of HOME funds is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Approve a loan to National Community Renaissance of California and the Southern California Housing Development Corporation of Los Angeles, (collectively, the "Developer") using HOME Investment Partnerships Funds (HOME funds) in a total amount of up to \$5,600,000 for the development of a 62-unit affordable housing development for low-income seniors (Project), to be located at 10402, 10408, 10410, and 10426 South Normandie Avenue, 1335 West 105<sup>th</sup> Street, and 1344 West 104<sup>th</sup> Street, in unincorporated West Athens/Westmont, which has been selected through a Request for Proposals (RFP) issued by the Community Development Commission (Commission) on March 28, 2006, which loan will be administered by the Commission.



3. Authorize the Executive Director to incorporate, as needed, a total of \$5,600,000 in HOME funds into the Commission's current Fiscal Year approved budget, for the purposes described above.
4. Authorize the Executive Director to negotiate a Loan Agreement and Ground Lease Agreement with the Developer, for the purposes described above, and authorize the Executive Director to execute the Loan Agreement, Ground Lease Agreement and all related documents, following approval as to form by County Counsel.
5. Authorize the Executive Director to execute documents to subordinate the loan and Ground Lease to permitted construction and permanent financing, to execute any necessary intergovernmental, interagency, or inter-creditor agreements, and to execute and modify all related documents as necessary for the implementation of each development.

**PURPOSE /JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of the recommended actions is to approve the allocation of HOME funds for one affordable housing development for low-income seniors, to be located at 10402, 10408, 10410, and 10426 South Normandie Avenue, 1335 West 105<sup>th</sup> Street, and 1344 West 104<sup>th</sup> Street, in unincorporated West Athens/Westmont. Funding approval will increase the ability of the Developer to leverage other non-County funding sources.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund.

The Commission is recommending allocating funding to the Developer in a total amount up to \$5,600,000 in HOME funds for construction of the Project.

The \$5,600,000 predevelopment, construction and permanent HOME loan will be subordinated to the construction and permanent financing provided by private financial institutions and other public sources. The HOME loan will be evidenced by a promissory note and secured by a deed of trust, with the term of affordability enforced by a recorded Covenants, Conditions and Restrictions document. The final loan amount will be determined following completion of negotiations with the Developer and arrangements with other involved lenders.

A Financial Analysis is provided as Attachment A.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The current funding recommendation will provide HOME funds to the Developer through a loan agreement with the Commission, to be executed by the Executive Director, following completion of financial arrangements and approval as to form by County Counsel. The loan agreement will incorporate affordability restrictions and provisions requiring the Developer to comply with all applicable federal, state, and local laws.

The Developer has formed a limited partnership for the Project, which will be the legal recipient of HOME Funds and also named as Tenant or Lessee in the Ground Lease Agreement for the project. The legal entity responsible for the implementation of the Project will be Normandie Senior Housing Partners, L.P. The Southern California Housing Development Corporation of Los Angeles will be the managing general partner for the limited partnership.

The Project was selected through a Request for Proposals (RFP) issued by the Commission in March 2006, for development of six contiguous Commission-owned parcels. Under the RFP guidelines, all of the apartments are reserved for low income senior households with incomes not exceeding 50% of the area median income for the Los Angeles/Long Beach Metropolitan Statistical Area, adjusted for household size, as established by the U.S Department of Housing and Urban Development (HUD).

In May 2006, the solicitation period concluded, at which time one proposal was submitted. This proposal submitted by the Developer met all threshold and technical review requirements. An evaluation process was subsequently completed which evaluated the Developer's: 1) capacity to construct and manage the Project; 2) experience and plan for providing supportive services for both senior and homeless senior populations; and 3) proposed project financing structure, estimated cost and overall design. A total of 650 or more points out of 1,000 were required for selection. The Developer's proposal received a total of 713.5 points.

The Project will consist of 62 units, 61 of which will be set-aside for low-income seniors with incomes at or below 50% of area median income (AMI), adjusted for household size. Six of the 61 affordable units will be reserved for seniors who are at-risk of homelessness and chronically mentally ill with incomes below 45% of AMI. The manager's unit will have no income restrictions. The project will also include up to 2,000 square feet of space for anticipated use as a resident-only meeting and/or recreational space.

The Commission currently owns the Project site and will maintain ownership of the property. The Commission will lease the site to the Normandie Senior Housing

Partners, L.P., the limited partnership to be formed by the Developer, for a period of 65 years.

Among other funding sources, the Developer has applied for capital improvement and supportive services funds from the County's Homeless and Housing Fund, City/Community Program (HHPF –CCP) for the six units reserved for seniors at-risk of homelessness and chronically mentally ill. The County's HHPF-CCP funds are awarded on a competitive basis, and should the Developer's proposal be selected, the award will be based upon the proposal meeting all threshold and technical review requirements, achieving a sufficiently high score, and being approved by the Board of Supervisors . If the Developer is unable to secure funding of any of the proposed funding sources, the Project will be reconsidered with an alternative funding plan. Supportive services for these units will be provided by Homes For Life Foundation (HFLF) through a Supportive Services Agreement with Normandie Senior Housing Partners, L.P. HFLF has received an award of Shelter Plus Care certificates that could provide additional rental subsidies for these six units.

The Project is federally funded and not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program, implemented by the County of Los Angeles. Instead, the Developer will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

**ENVIRONMENTAL DOCUMENTATION:**

This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, 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 the EA/MND on November 6, 2007 including the Mitigation and Monitoring Plan, and filing of a Notice of Determination with the County Clerk satisfies CEQA requirements.

An Environmental Assessment was prepared for the project pursuant to the requirements of NEPA. Based on the conclusions and findings of the Environmental Assessment, a Finding of No Significant Impact was approved by the Certifying Official of the Community Development Commission on February 7, 2007. Following the required public and agency comment period, HUD issued a Release of Funds for the project on February 21, 2007.

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**IMPACT ON CURRENT PROGRAM:**

The requested actions will increase the supply of affordable housing for low-income seniors in the County.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 1

**ATTACHMENT A**  
**HOUSING FINANCIAL ANALYSIS**  
**105<sup>th</sup> Street and Normandie Seniors Apartments**

The Project will be located on the northeast corner of 105<sup>th</sup> Street and Normandie and the southeast corner of 104<sup>th</sup> Street and Normandie in the unincorporated West Athens/Westmont area of Los Angeles County. The Project will consist of 62 units, which include 55 one-bedroom units and six two-bedroom units for low-income seniors, as well as one two-bedroom manager's unit.

The following is a financial analysis of the project:

<u>Uses</u>	<b>TOTAL</b>	<b>PER UNIT</b>
<b>Total Development Cost</b>	<b>\$14,368,989</b>	<b>\$231,758</b>
 <u>Sources</u>		
<b><u>Construction Phase</u></b>		
Construction Loan (private)	\$ 7,644,661	\$123,301
HOME	\$ 5,600,000	\$ 90,322
Deferred Costs	\$ 524,328	\$ 8,457
HHPF/CCP Homeless Loan*	\$ 600,000	\$ 9,677
 <b>Total Construction Sources</b>	 <b>\$14,368,989</b>	 <b>\$231,758</b>
 <b><u>Permanent Phase</u></b>		
Private Perm 1 <sup>st</sup> Loan	\$ 1,099,384	\$ 17,732
Low Income Housing Tax Credits*	\$ 5,080,450	\$ 81,943
HOME	\$ 5,600,000	\$ 90,323
City of Industry Fund*	\$ 1,989,155	\$ 32,083
Deferred Developer Fee	\$ 0	\$ 0
HHPF/CCP Homeless Loan*	\$ 600,000	\$ 9,677
 <b>Total Permanent Sources</b>	 <b>\$14,368,989</b>	 <b>\$231,758</b>

\*Proposed funding sources not currently committed.