



Sean Rogan
Executive Director

COMMUNITY DEVELOPMENT COMMISSION
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ADOPTED

Community Development Commission

October 12, 2010

#1-D OCTOBER 12, 2010

The 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

SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

APPROVAL OF FUNDS FOR ACQUISITION COSTS FOR VENICE COMMUNITY HOUSING CORPORATION'S HORIZON APARTMENTS IN THE CITY OF LOS ANGELES (DISTRICT 3) (3 VOTES)

SUBJECT

This letter recommends the transfer of up to \$250,000 in County General Funds, allocated to the Third Supervisorial District, to fund acquisition costs associated with the development of the Horizon Apartments by Venice Community Housing Corporation (VCHC).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Executive Director to accept and incorporate into the Commission's approved Fiscal Year 2010-2011 budget up to \$250,000 in County General Funds allocated to the Third Supervisorial District as Emergency Shelter Funds.
2. Authorize the Executive Director to negotiate, execute, amend and if necessary, terminate, a Grant Agreement with VCHC in the amount of up to \$250,000 to partially pay down the acquisition loan for the 20-unit property known as Horizon Apartments, which following rehabilitation, will provide permanent housing to homeless persons with mental illness.
3. Acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the Commission has considered the attached exemption determination, which was prepared by the City of Los Angeles as lead agency, and find that the project will not cause a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The \$250,000 in County General Funds (CGF) will fund acquisition costs for Horizon Apartments, which will provide 19 units of permanent housing for homeless persons with mental illness. The Horizon Apartments project is located at 15 Horizon Avenue in the City of Los Angeles.

FISCAL IMPACT/FINANCING

The actions described herein will be funded with a portion of the \$20,000,000 in CGF known as the Emergency Shelter Fund (ESF), approved by the Board of Supervisors on June 20, 2005, to fund the construction and/or renovation of year-round emergency shelters and enhancements to the homeless support system.

On November 22, 2005, the Board of Supervisors approved allocating \$3,600,000 in CGF to each Supervisorial District with a ten percent administrative fee, in the total amount of \$2,000,000, reserved for the Commission.

The Third District is allocating \$250,000, which will be granted to VCHC to contribute to the development of the Horizon Apartments project in order provide permanent housing to homeless persons with mental illness. These funds will be used to pay down the acquisition loan taken out to purchase the property. Funds for this project will be incorporated into the Commission's Fiscal Year 2010-2011 approved budget as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In order to address the staggering numbers of homeless individuals and families and the corresponding critical shortage of beds in Los Angeles County, on June 20, 2005, the Board of Supervisors approved allocation of \$20,000,000 for the construction and/or renovation of year-round emergency shelters and enhancements to the homeless support system.

On November 22, 2005, the Board of Supervisors delegated authority to the Commission to administer funding and oversee all of the projects. The Board also instituted a method by which each Board Office selects recipients of CGF based on agency experience and the need for homeless services in the community, among other considerations.

The Third District directed the Commission to allocate \$250,000 in ESF to fund capital costs associated with VCHC's Horizon Apartments. The Horizon Apartments will provide 15 efficiency units, 4 one-bedroom units, and 1 manager's unit. The 19 restricted units will be supported with Shelter Plus Care vouchers and will therefore be affordable to tenants coming out of homelessness. Since this project is receiving Mental Health Services Act (MHSA) funding, all tenants must be determined to be MHSA-eligible by the Los Angeles County Department of Mental Health.

These eligibility restrictions necessitate the relocation of current tenants. VCHC has employed a relocation consultant to prepare the relocation plan and carry out relocation activities, which are currently underway. The plan has been reviewed by the Commission's Acquisition/Relocation Unit to ensure that it meets the requirements of state and federal laws, and has been approved by the Executive Director.

A complete description of the Horizon Apartments is provided as Attachment A.

ENVIRONMENTAL DOCUMENTATION

This project has been determined Statutorily Exempt from the requirements of CEQA by the City of Los Angeles in accordance with State CEQA Guidelines Section 15268. The Commission's consideration of this determination satisfies the requirements of CEQA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these actions will increase the supply of permanent housing for homeless persons with mental illness.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line extending to the right.

SEAN ROGAN
Executive Director

SR:kk

Enclosures

ATTACHMENT A
VENICE COMMUNITY HOUSING CORPORATION
HORIZON APARTMENTS

Venice Community Housing Corporation (VCHC) is a tax-exempt 501(c)(3) non-profit organization with a mission to preserve the economic, racial, and social diversity of Venice and the surrounding area by maximizing affordable housing and economic development opportunities and providing needed social services to the area's low-income population. VCHC has developed 195 units of affordable housing across 14 buildings since 1988. VCHC's projects include a 32-bed transitional shelter for formerly homeless mothers and their children, and 31 units providing permanent supportive housing for formerly homeless individuals who have substance abuse and/or mental illness.

In September 2009, VCHC acquired a 20-unit rental property to be converted to permanent supportive housing for homeless persons with mental illness. The building currently contains 14 efficiency units and six one-bedroom units. The building will be rehabilitated to include a community room and a restroom for public and staff use, and one of the one-bedroom units will be converted to an efficiency unit to accommodate these additions. One unit will be modified to meet accessibility standards, and other modifications will be made throughout the building to improve handicap accessibility. The rehabilitation will also include repairs identified by a Physical Needs Assessment, as well as some energy efficiency measures. Once rehabilitated, the project will contain 15 efficiency units, four one-bedroom units, and one one-bedroom manager's unit. Nineteen units will be restricted to homeless persons at or below 30% Area Median Income who are determined by the Los Angeles County Department of Mental Health (DMH) to be eligible to receive Mental Health Service Act (MHSA) services.

VCHC will provide a property manager and a full-time case manager for the tenants at Horizon Apartments. St. Joseph Center (SJC) will act as the lead service provider, primary referral source, and will conduct outreach and marketing for the project. SJC will also conduct eligibility screenings for Shelter Plus Care and will assist prospective tenants with completing paperwork to certify their MHSA-eligibility. SJC will provide comprehensive case management, including clinical services, independent living skills, and eviction prevention, and referrals to other services for Horizon tenants. Psychiatric and medication management services will be provided by Edelman Mental Health Center, a clinic directly operated by DMH. Additional mental health services and substance abuse treatment may be provided through referral to Didi Hirsch Community Mental Health Center, EXODUS Recovery Program, the Alcott Center, and the CLARE Foundation. Primary health care services will be provided through referral to the Venice Family Clinic.

Horizon Apartments are located at 15 Horizon Avenue, Los Angeles, CA 90291.

<u>Acquisition Funding</u>	<u>\$250,000</u>
Total Request	\$250,000

3. APPLICATION STATUS & TYPE

A. Status of Application

- Not Required: Ministerial²
- Entitlement Case Required and needs to be filed with Planning
- Case Filed: (1) (2) (3)
- Case Number(s): _____
- Date Filed: _____
- Date Approved: _____
- End of Appeal Period: _____

B. Type of Application (please select only one)

	1. <input type="checkbox"/> Density Bonus (per LAMC 12.22.A.25, Ordinance 179,681) <i>(Please Complete Sections I, II & V)</i>	2. <input type="checkbox"/> Greater Downtown Housing Incentive Area (per LAMC 12.22.A.29, Ordinance 179,076) <i>(Please Complete Sections I, III & V)</i>	3. <input type="checkbox"/> Senior Independent Housing/ Assisted Living Care Housing/ Disabled Persons Housing (per LAMC 12.21.A.4.u, Ordinance 178,063) <i>(Please Complete Sections I, IV & V)</i>	4. <input type="checkbox"/> Other: (please specify): <i>(Please Complete Sections I & V)</i>
Ministerial ²	<input type="checkbox"/> LADBS- Ministerial o Density Increase o Parking Reductions (option 1 or 2)	<input type="checkbox"/> LADBS- Ministerial o Exempt from SPR	<input type="checkbox"/> LADBS- Ministerial	<input checked="" type="checkbox"/> LADBS- Ministerial : (please specify)
Discretionary ³	<input type="checkbox"/> Density Bonus with Incentives ON the Menu	<input type="checkbox"/> Site Plan Review	<input type="checkbox"/> Site Plan Review	<input type="checkbox"/> Discretionary : (please specify)
	<input type="checkbox"/> Multiple entitlement with Incentives ON the Menu	<input type="checkbox"/> Other entitlement	<input type="checkbox"/> Other entitlement	
	<input type="checkbox"/> Density Bonus with Incentives NOT ON the Menu ⁴			
	<input type="checkbox"/> Multiple entitlement with Incentives NOT ON the Menu ⁴			

II. DENSITY BONUS (LAMC Sec.12.22.A.25, Ordinance 179,681)

4. HOUSING DEVELOPMENT PROJECT TYPE

- (1) For Sale or Rental Housing with Low or Very Low Income Restricted Affordable Units
- (2) For Sale or Rental Senior Citizen Housing (Market Rate)
- (3) For Sale or Rental Senior Citizen Housing with Low or Very Low Income Restricted Affordable Units
- (4) For Sale Housing with Moderate Income Restricted Affordable Units

5. DENSITY BONUS CALCULATION:

A. Base Density: Maximum density allowable per zoning

Lot size _____ sf. (a)
 Density allowable by zone _____ units/s.f. of lot area (b)
 Units allowed by right (Base Density) _____ units (c) [c = a/b, round down to whole number]

B. Maximum allowable Density Bonus: _____ units (d) [d = c x .35, round up to whole number]

C. Proposed Project: Please indicate total number of Units as well as breakdown by levels of affordability set by each category (HCD or HUD). For information on HCD and HUD levels of affordability please contact Los Angeles Housing Department's Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

	Total	HCD (State) ⁵	HUD (TCAC) ⁶
Market Rate	_____	N/A	N/A
Managers Unit(s)- Market Rate	_____	N/A	N/A
Very Low Income	_____	_____	_____
Low Income	_____	_____	_____
Moderate Income	_____	_____	N/A
Seniors- Market Rate	_____	N/A	N/A
Seniors- Very Low Income	_____	_____	_____
Seniors- Low Income	_____	_____	_____
Total # of Units per Category	_____	_____ (e)	_____ (f)
TOTAL # of Units Proposed	_____ (g)		
Total # of HCD Restricted Affordable Units	_____ (h)		
Percent of HCD Restricted Affordable Units	_____ (i) [i = h/d or h/g, whichever is less]		
Number of Density Bonus Units	_____ (j) [If g>c, then j=g-c; if g<c, then g= 0]		
Percent Density Bonus Requested	_____ (k) [k= j/c]		

6. SITE PLAN REVIEW CALCULATION: An application for Site Plan Review may be required for projects that meet the Site Plan Review threshold(s) as outlined in LAMC Section 16.05.C. unless otherwise exempted per Section 16.05.D. For Density Bonus projects involving bonus units, please use the formulas provided below to determine if the project meets Site Plan Review threshold for unit count. If project meets the threshold(s) but qualifies under the exemption criteria per Section 16.05.D please confirm exemption with Department of City Planning's Site Plan Review Unit at (213) 978-1219 and provide letter of Exemption signed by authorized Site Plan Review Section planner.

If number of Proposed units [(g) from above] is less than the number of By Right/ Base Density units [(c) from above, then:

(g) – existing units = _____

- YES, Site Plan Review is required, if Proposed units minus existing units is greater than or equal to 50
- NO, if Proposed units minus existing units is less than 50
- Exempt (please specify): _____

If number of Proposed units [(g) from above] is greater than the number of By Right/ Base Density units [(c) from above, then:

(c) – existing units = _____

- YES, Site Plan Review is required, if By Right/ Base Density units minus existing units is greater than or equal to 50
- NO, if By Right/ Base Density units minus existing units is less than 50
- Exempt (please specify): _____

7. DENSITY BONUS OPTIONS (Please check all that apply)

- Land Donation
- Child Care
- Restricted Affordable Units Located Near Transit Stop/ Major Employment Center
- Common Interest Development with Low or Very Low Income Restricted Affordable Units for Rent
- Condominium Conversion
- Parking (Please choose only one option)

Parking Option 1: Based on # of bedrooms, inclusive of Handicapped and Guest parking

	# of Units		# of Spaces/Unit	Parking Spaces
0-1 Bedroom		x	1	
2-3 Bedrooms		x	2	
4 or more Bedrooms		x	2.5	
TOTALS				

Parking Option 2: Reduced only for Restricted Affordable Units

	# of Units		# of Spaces/Unit	Parking Spaces
Market Rate (Including Senior Market Rate)		x	Per code	
Restricted Affordable		x	1	
Very Low or Low Income Senior or Disabled		x	.5	
Restricted Affordable in Residential Hotel		x	.25	
TOTALS				

8. INCENTIVES

A. Qualification for Incentives On the Menu: (Please check only one)

Incentives	% Very Low Income	% Low Income	% Moderate Income
One	<input type="checkbox"/> 5% to <10%	<input type="checkbox"/> 10% to <20%	<input type="checkbox"/> 10% to <20%
Two	<input type="checkbox"/> 10% to <15%	<input type="checkbox"/> 20% to <30%	<input type="checkbox"/> 20% to <30%
Three	<input type="checkbox"/> 15% or greater	<input type="checkbox"/> 30% or greater	<input type="checkbox"/> 30% or greater
3+	<input type="checkbox"/> (Specify):	<input type="checkbox"/> (Specify):	<input type="checkbox"/> (Specify):

B. Project Zoning Compliance & Incentives (Please check all that apply)

	Required/ Allowable	Proposed	ON Menu	OFF Menu
<input type="checkbox"/> (1) Yard/ Setback (each yard counts as 1 incentive)				
<input type="checkbox"/> Front	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Rear	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Side(s)	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (2) Lot Coverage	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (3) Lot Width	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (4) Floor Area Ratio	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (5) Height	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (6) Open Space	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (7) Density Calculation	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> (8) Averaging FAR,	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
Density,	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
Parking,	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
OS,	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
Vehicular Access	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Other (please specify):	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

TOTAL # of Incentives Requested: _____

9. **COVENANT:** All Density Bonus projects are required to prepare and record an Affordability Covenant to the satisfaction of the Los Angeles Housing Department's Occupancy Monitoring Unit **before** a building permit can be issued. To apply to LAHD to prepare a covenant, contact the Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

III. GREATER DOWNTOWN HOUSING INCENTIVE AREA (GDHIA) (LAMC Sec.12.22.A.29, Ordinance 179,076)

10. ELIGIBILITY FOR FLOOR AREA BONUS

NOTE: Published affordability levels per the United States Department of Housing and Urban Development (HUD/TCAC). Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.

- (1) 5% of the total number of dwelling units provided for Very Low Income households; and
- (2) One of the following shall be provided:
 - 10% of the total number of dwelling units for Low Income households; or
 - 15% of the total number of dwelling units for Moderate Income households; or
 - 20% of the total number of dwelling units for Workforce Income households
- (3) Any dwelling unit or guest room occupied by a household earning less than 50% of the Area Median Income that is demolished or otherwise eliminated shall be replaced on a one-for-one basis within the Community Plan Area in which it is located.

11. INCENTIVES (Please check all that apply)

- (1) A 35% increase in total floor area.
- (2) Open Space requirement pursuant to Section 12.21.G reduced by one-half, provided fee is paid.
- (3) No parking required for units for households earning less than 50% AMI.
- (4) No more than one parking space required for each dwelling unit.

12. **SITE PLAN REVIEW:** Any residential (including Apartment Hotel or mixed-use) building located within the Greater Downtown Housing Incentive Area is required to complete a Site Plan Review unless otherwise exempted per LAMC Section 16.05.D. If project qualifies under the exemption criteria per Section 16.05.D please confirm exemption with Department of City Planning's Site Plan Review Unit at (213) 978-1219 and provide letter of Exemption signed by authorized Site Plan Review Section planner.

13. **COVENANT:** All GDHIA projects are required to prepare and record an Affordability Covenant to the satisfaction of the Los Angeles Housing Department's Occupancy Monitoring Unit **before** a building permit can be issued. To apply to LAHD to prepare a covenant, contact the Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

IV. SENIOR INDEPENDENT HOUSING/ ASSISTED LIVING CARE HOUSING/ DISABLED PERSONS HOUSING (LAMC Sec.12.21.A.4.u, Ordinance 178,063)

14. PARKING REDUCTION

- May be reduced to 50% of the number otherwise required by code if all of the following requirements are met:

15. ELIGIBILITY FOR REDUCED PARKING

- (1) Occupied by at least one person who is disabled or 62 years of age or older, except for management or maintenance personnel unit.
- (2) At least 10 square feet of indoor recreation space and at least 50 square feet of usable open space for each dwelling unit in the development, both available and accessible to all residents of the development.
- (3) Record a Covenant and Agreement with Building and Safety.

V. REQUIRED FOR ALL APPLICATIONS

16. ENVIRONMENTAL STATUS

(Please check only one)

- Not Required: Ministerial (CEQA does not apply-may proceed to Building and Safety, no Planning action required)
- Not Filed: (Please visit the Planning Public Counter and inquire about completing either an Environmental Assessment Form or a Categorical Exemption)

- Filed:
 - Categorically Exempt⁸
 - Negative Declaration⁸
 - Mitigated Negative Declaration^{8,9}
 - Environmental Impact Report⁸
 - Reconsideration of previous Environmental Review

(Please provide the following information for all filed cases)

Case Number: _____
 Date Filed: _____
 Date Completed: _____
 End of Comment Period: _____
 Date Adopted/ Certified: _____
 Date Filed with County Clerk: _____
 Exhausted All Appeals Date: _____

17. OTHER L.A.M.C. PROVISIONS

(Please check all that apply)

- Site Plan Review *(If applicable but Exempt, please provide letter of Exemption signed by authorized Site Plan Review Section planner)*
- Specific Plan Project Permit Compliance
- CU
- ZV
- ZAA
- Tract or Parcel Map
- Other (please specify): 1) Discretionary review that may be required as a result of being located within a Dual Jurisdictional Coastal Zone; and, 2) Applicant to confirm with LAHD regarding Mello Act Compliance

18. TYPES OF FUNDING BEING CONSIDERED

(Please check all that may apply)

- Los Angeles Housing Department
 - Affordable Housing Trust Fund (AHTF)
 - Permanent Supportive Housing Program (PSHP)
 - Bonds
- Multi-Family Housing Program (MHP)
- Los Angeles County- City of Industry Funds
- Tax Credit Equity
 - 4%
 - 9%
- Community Redevelopment Agency
- Other (please specify): MHSA

NOTES:

¹ Please provide certificate of occupancy
² Ministerial Projects (aka, "By-Right") do not require any discretionary Planning approvals. Developers of such housing file building plans with the Department of Building & Safety. Plans are checked for compliance with the Building Code and, when in compliance, permits are issued to begin construction.
³ Discretionary Projects require Planning decisions and approval.
⁴ Any waiver or modification of development standards not listed ON the menu of Incentives in the Density Bonus Ordinance.
⁵ HCD (State)= Published affordability levels per California Department of Housing and Community Development. Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.
⁶ HUD (TCAC)= Published affordability levels per the United States Department of Housing and Urban Development. Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.
⁷ Up to 40% of the required parking for the Restricted Affordable Units may be provided by compact stalls.
⁸ Need to file with County Clerk if applying for public funding
⁹ All projects applying for City of Industry (Los Angeles County) Funds need to prepare a Mitigation Monitoring Plan