RENTAL HOUSING DEVELOPMENT SUMMARY FORM

County Mental Health Department: Los Angeles County Department of Mental Health

Name of Development: Palo Verde Apartments

Site Address: 4704-4716 Peck Road

City: El Monte State: CA Zip: 91732

Development Sponsor: Hollywood Community Housing Corporation

Development Developer: Hollywood Community Housing Corporation

Primary Service Provider: Housing Works

☒ New Construction ☐ Acquisition/Rehabilitation of an existing structure

Type of Building: ☒ Apartment Building ☐ Condominium ☐ Single Family Home ☐ Other

Total Development		MHSA Funds	
Total Number of Units:	49	Total Number of MHSA Units:	9
Total Cost of Development:	$23,982,508	Amount of MHSA Funds Requested:	$1,000,000
		Capital:	$1,000,000
		Capitalized Operating Subsidies:	$

Other Rental Subsidy Sources (if applicable): DHS, (VASH)

Target Population (please check all that apply):

☐ Child (w/family) ☐ Transition-Age Youth
☒ Adult ☐ Older Adults

County Contact

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Item D.2 Development Description

The Development Description should provide a narrative (approximately two pages) that includes:

1. Name and location of the proposed housing development;
2. Service goals of the development;
3. Characteristics of tenants to be served;
4. Type of housing to be provided;
5. How the building(s) in which housing and services will be provided will meet the housing and service needs of the MHSA tenants (location, building type, layout, features, etc.)
6. Name of primary service provider, property manager, and other development partners; and,
7. Summary of the development financing.

Response:

1. Palo Verde Apartments (the Project) is a proposed 49-unit affordable family housing development located at 4704 and 4716 Peck Road in El Monte. The Project site is located in SPA 3, an area currently greatly underserved by MHSA financing.

2. HCHC has entered into a Memorandum of Understanding (MOU) with Housing Works, the primary onsite supportive service provider for the 9 chronically homeless tenants who are clients of DMH and frequent users of DHS programming. Housing Works will be responsible for providing all supportive services programming and referrals to these tenants, and to all tenants in the apartment complex, as needed. The exception is primary mental health care services which will be provided by DMH through the Arcadia Mental Health Center.

   The service goals for this mixed use, permanent supportive housing development are:
   - Do whatever it takes to move the most vulnerable, chronically homeless persons into their new home and help them sustain the home; integrate fully and thrive in the community;
   - To build a sense of community and belonging among all tenants;
   - To assist each tenant in developing and implementing a realistic plan for individual recovery and wellness;
   - To link tenants to community resources that address their primary and behavioral health needs; social, spiritual, cultural, educational, and recreational interests;
   - To provide accessible, responsive, diverse, culturally-sensitive, on-site services to all tenants.

3. The Project will provide 24 units of permanent supportive housing for homeless individuals and families. Of the 24 units reserved for homeless individuals and families, 9 will be reserved for chronically homeless DMH clients who are also frequent users of Department of Health Services (DHS) programming, and 15 units will be reserved for homeless veterans who may or may not be DMH clients.

   Prospective tenants of the Project will include: 1) low-income families earning 50% of AMI or $42,700 annually for a family of four; 2) homeless and chronically homeless adults affected by serious mental illness who are also frequent users of DHS programming and are likely to have co-occurring disorders; and 3) homeless veterans that have a chronic mental illness and/or chronic substance use disorders. All prospective tenants will be very low-income, earning between 30%-50% of AMI. Los Angeles County Department of Mental Health (LACDMH) will certify that all prospective tenants meet the eligibility criteria to reside in the 9 MHSA-funded units.

4. The Project will be a new construction three-story building built over an at-grade podium garage. The building will contain 24 one-bedrooms, 10 two-bedrooms, 15 three-bedrooms and 50 parking spaces. Units will be located on all three floors and serviced by an elevator. There will be 5 units on the ground floor and 22 units each on the second and third floors. Each unit will contain at least one private bathroom (three-bedroom units will have two bathrooms), full kitchen with an oven and range, refrigerator and dishwasher, and a balcony or patio.

   A ground floor community room will be located on the ground floor, adjacent to service provider and property manager offices and a service meeting room. An inner courtyard will provide open green space for tenants to socialize and additional space for services. In addition to the ground floor common and outdoor spaces, there will be a common room and outdoor area on both the second and third floors.

   The building will be constructed in accordance with plans prepared by Shelter LLP.

5. The building will support its 24 homeless and special needs tenants as they transition from the street into housing and gain the skills they need to adapt to and thrive in their new home and greater surrounding community. The goal of the design is to foster the inclusion of the building's mixed populations and provide a healthy environment for people who are challenged by mental and physical health issues. The building's various spaces are designed to foster different levels of privacy and interaction. Community rooms that offer open social gathering spaces and individual units that give privacy are core to the project. And the inner courtyard filled with light and greenery will afford moments of sanctuary.

   Through blending low-income families and special needs residents who receive rental assistance from DHS, helps make the building financially sustainable in the long run and creates a healthy, diverse community.

6. Palo Verde Apartments will be developed by Hollywood Community Housing Corporation. On-site services will be provided by Housing Works and asset management will be provided by Barker Management Incorporated.

   HCHC has entered into a Memorandum of Understanding (MOU) with Housing Works, the primary onsite supportive service provider for the 9 chronically homeless tenants who are clients of DMH and frequent users of DHS programming. Housing Works will be responsible for providing all supportive services and referrals to these tenants, except for primary mental health care services which will be provided by DMH through the Arcadia Mental Health Center. As Housing Works is covered under a DHS master agreement, the cost of these services as well as any ancillary costs related to servicing these 9 individuals will be funded by DHS.

7. The estimated total cost of developing the Project is $23,982,508. Acquisition will be financed by a $2,070,500 acquisition and predevelopment loan from the Corporation of Supportive Housing. Construction financing sources will include $1,000,000 in MHSA financing, $18,274,508 in low-income housing tax credit equity, a $955,063 first mortgage, $2,500,000 and $732,860 in Los Angeles County general funds and homeless bonus funds, respectively, and $480,000 in Affordable Housing Program (AHP) funds from the Federal Home Loan Bank.