

MOTION BY SUPERVISOR LINDSEY P. HORVATH

April 9, 2024

Authorize the Los Angeles County Development Authority to Act as an Agent of the County to Conduct Monitoring Duties for Homekey Projects and Other County-Led Affordable Housing Projects

In July 2020, Governor Gavin Newsom announced the Homekey Program ("Homekey"), which made \$500 million available for local jurisdictions to purchase hotels and other properties to be used as interim and permanent housing for people experiencing homelessness ("PEH") who have been impacted by COVID-19, and \$50 million available for operating subsidies. Later in 2020, Governor Newsom announced the addition of another \$200 million in funding for Homekey. In September 2021, the California Department of Housing and Community Development ("HCD") announced the availability of approximately \$1.45 billion in Homekey grant funding through its Round 2 Notice of Funding Availability ("NOFA").

In Round 1 of Homekey, the County of Los Angeles ("County") was awarded \$108 million to acquire ten (10) properties with a combined 847 units for use as Permanent Supportive Housing ("PSH") for PEH who had been impacted by COVID-19, and to temporarily subsidize operations. For Round 2 of Homekey, the County partnered with

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co-applicants to apply for Homekey funding and was awarded funds for fourteen (14) projects; these consist of 720 units of interim and permanent housing across the County.

Building on the success of Homekey Rounds 1 and 2, HCD released the NOFA for Homekey Round 3 on March 29, 2023, and the County once again partnered with co-applicants to submit applications through the Homekey Round 3 NOFA. To date, the County and the selected co-applicants have been awarded approximately \$162.5 million for eight (8) projects – one (1) interim housing project for single adults, three (3) interim housing projects for youth, and four (4) PSH projects, totaling 562 units. An exhibit outlining Homekey Round 1, 2, and 3 (collectively, "Rounds") projects is attached hereto as Exhibit A.

In connection with obtaining Homekey funds for each Homekey project, the County has entered or will enter into Standard Agreements (the "PHK Standard Agreements"), between HCD, the County, and the selected co-applicants (collectively, "Grantees") which require Grantees to encumber all Homekey projects with use restrictions and affordability covenants ("PHK Restrictive Covenants") that comply with the terms described in the NOFAs. The specific terms of the PHK Restrictive Covenants vary between each of the Rounds of Homekey and depending on whether the project is an interim or PSH project; the PHK Restrictive Covenants may address commitments to target population and affordability, among other varying provisions. All PHK Restrictive Covenants will be recorded with the Los Angeles County Registrar-Recorder and contain the applicable covenants regarding Homekey project affordability, target population, and any other provisions as required by HCD.

The County has requested that the Los Angeles County Development Authority ("LACDA") act as an agent of the County to monitor Grantees' compliance with the PHK Standard Agreements, PHK Restrictive Covenants, and other PHK Program reporting requirements (the "PHK Monitoring Activities").

In addition to Homekey, the County may also own, operate, fund, or subsidize other Affordable Housing projects ("County-led Affordable Housing projects"). These are typically projects that have been explicitly supported or initiated by a Board Office that have an affordable housing component. These other County-led Affordable Housing projects may be located on County-owned land, have received capital funding and/or operating subsidies from the County, and shall all have entered into a Restrictive Covenant ("County-led Affordable Housing Restrictive Covenant") which may address commitments to target population and affordability, among other varying provisions. The County may, on an as-needed basis, request that LACDA act as an agent of the County to monitor these County-led Affordable Housing projects and their compliance with County-led Affordable Housing Restrictive Covenants and any other agreements thereto.

LACDA conducts monitoring activities for its own portfolio of projects and has the necessary expertise and experience to perform this function. The County and LACDA will enter into an agreement authorizing LACDA to act as the agent of the County in monitoring the approved PSH and interim Homekey projects in accordance with the PHK Standard Agreements, PHK Restrictive Covenants and other PHK Program regulations (the "PHK Agreements"), and the County shall pay (or cause to the Grantees to pay) an annual monitoring fee of \$7,150 per PSH Homekey project, escalating at 2.5% per annum and the County shall pay (or cause the Grantees to pay) an annual monitoring fee which

amount has yet to be determined per interim Homekey project and any other County-led Affordable Housing project (the monitoring fees for the PSH Homekey projects, interim Homekey projects, and any other County-led Affordable Housing project shall be collectively referred to herein as the “Monitoring Fee”). The County and LACDA will enter into subsequent agreements with the Grantees to establish the terms of PHK Monitoring Activities by LACDA, on behalf of the County, for each approved Homekey project.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Find that the below actions do not constitute a project under Public Resources Code section 21065 and are excluded from the definition of a project under section 15378(b) of the California Environmental Quality Act (CEQA) Guidelines. The activities involved are organizational or administrative activities of government that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and will not result in any direct or indirect physical changes in the environment.
2. Designate LACDA, through its Executive Director, or his designee, to act as an agent of the County in monitoring development projects approved for the Homekey Program and other County-led Affordable Housing projects, as agreed to by the County and LACDA.
3. Authorize the Chief Executive Officer, or her designee, to negotiate and execute monitoring agreements with LACDA and Grantees and other County-led Affordable Housing projects as agreed to by the CEO and LACDA, and to execute any subsequent amendments thereto, upon review and approval as to form by County Counsel.

I FURTHER MOVE that the Board of Supervisors, acting as the Board of Commissioners for LACDA:

1. Find that the below actions do not constitute a project under Public Resources Code section 21065 and are excluded from the definition of a project under section 15378(b) of the California Environmental Quality Act (CEQA) Guidelines. The activities involved are organizational or administrative activities of government that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and will not result in any direct or indirect physical changes in the environment.
2. Accept the designation to act as the agent of the County in monitoring development projects approved pursuant to the Homekey Program and other County-led Affordable Housing projects, as agreed to by the County and LACDA.
3. Authorize the Executive Director of LACDA, or his designee, to negotiate and execute a monitoring agreement with the County to act as the agent of the County in monitoring the Homekey Program projects and other County-led Affordable Housing projects as agreed to by the CEO and LACDA, and to execute any subsequent amendments thereto.
4. Authorize the Executive Director of LACDA, or his designee, as agent of the County, to negotiate and execute monitoring agreements with Homekey Program Grantees and development teams from other County-led Affordable Housing projects to monitor compliance with the recorded covenants, and to execute any subsequent amendments to such agreements.

5. Authorize the Executive Director of LACDA, or his designee, as agent of the County, to collect an annual monitoring fee of \$7,150 (escalating at 2.5% per annum) per PSH Homekey project; to collect an annual monitoring fee which amount has yet to be determined per interim Homekey project; and to collect an annual monitoring fee for any other County-led Affordable Housing project which amount has yet to be determined.

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EXHIBIT A

LIST OF HOMEKEY PROJECTS TO BE MONITORED

	Project Name	Project Address	Owner/Developer	PHK Round	Interim/PSH	# of Units
1	20-HK-00014 ACOF Baldwin Park	14510 Garvey Avenue, Baldwin Park, CA 91706	A Community Of Friends	1	PSH	37
2	20-HK-00030 HOPICS Compton East	1116 S Long Beach Boulevard, Compton, CA 90221	HOPICS	1	PSH	41
3	20-HK-00027 WORKS 7 th Ave Village	1172 South 7 th Avenue, Hacienda Heights, CA 91745	WORKS	1	PSH	142
4	20-HK-00026 Brilliant Corners Harbor City	820 Sepulveda Boulevard, Harbor City, CA 90710	Brilliant Corners	1	PSH	54
5	20-HK-00015 Linc Long Beach East	5665 East 7 th Street, Long Beach, CA 90804	Linc Housing	1	PSH	43
6	20-HK-00040 Linc Long Beach West	1133 Atlantic Avenue, Long Beach, CA 90813	Linc Housing	1	PSH	135
7	20-HK-00055 Weingart Norwalk	10646 Rosecrans Avenue, Norwalk, CA 90650	Weingart	1	PSH	56
8	20-HK-00028 LSA Capital Studio 6	7701 East Slauson Avenue, Commerce, CA 90040	LSA Capital	1	PSH	81
9	20-HK-00011 Holos Laurel Grove	8221 South Pioneer Boulevard, Whittier, CA 90606	Holos Communities	1	PSH	99
10	20-HK-00016 TPC Willow Tree	1919 West Artesia Boulevard, Compton, CA 90220	The People Concern	1	PSH	98
11	21-HK-17231 Hope The Mission Woodlands	20157 Ventura Boulevard, Woodland Hills, CA 91364	Hope The Mission	2	Interim	100
12	21-HK-17224 VOALA San Pedro	111 South Gaffey Street, San Pedro, CA, 90731	VOALA	2	Interim	60
13	21-HK17173 LARB Dunamis	506 N Evergreen Avenue, Los Angeles, CA 90033	LA Room & Board	2	Interim	40
14	21-HK-17463 LARB Excelsior	1164 N Kenmore Avenue, Los Angeles, CA 90029	LA Room & Board	2	Interim	29
15	21-HK-17171 Hope The Mission Alvarado	355 S Alvarado Street, Los Angeles, CA 90057	Hope The Mission	2	Interim	44
16	21-HK-17459 VOALA NOHO Apts	6724 Tujunga Avenue, North Hollywood, CA 91606	VOALA	2	Interim	49
17	21-HK-17203 SJC Ramona	3211 W Jefferson Boulevard, Los Angeles, CA 90018	St. Joseph's Center	2	Interim	20
18	21-HK-17192 Hope The Mission Sierra	42445, 42233, and 42137 Sierra Highway, Lancaster, CA 93535	Hope The Mission	2	Interim	38
19	21-HK-17178 HOPICS Lemon House	1730-1740 E Compton Boulevard, Compton, CA 90221	HOPICS	2	Interim	40
20	21-HK-17167 Holos Avenida	321 N Vermont Avenue, Los Angeles, CA 90004	Holos Communities	2	PSH	75
21	21-HK-17164 Weingart Greenleaf	10317 Whittier Boulevard, Whittier, CA 90606	Weingart	2	PSH	101
22	21-HK-17181 VCH Aviation Apts	11834 Aviation Boulevard, Inglewood, CA 90304	Venice Community Housing	2	PSH	48
23	21-HK-17168 Century Housing Moonstone	716 S Pacific Coast Highway, Redondo Beach, CA 90277	Century Housing	2	PSH	20
24	21-HK-17165 Weingart Willows	14032 S Vermont Avenue, Los Angeles, CA 90247	Weingart	2	PSH	53
25	23-HK-18056 Covenant House Hollywood Downtowner	5601 Hollywood Boulevard, Los Angeles, CA 90028	Covenant House	3	Interim	30
26	23-HK-18085 Hope The Mission Lancaster PWH	44131 Sierra Highway, Lancaster, CA 93534	Hope The Mission	3	Interim	102
27	23-HK-18057 Wellnest The Nest on Exposition	3787 S Vermont Avenue, Los Angeles, CA 90007	Wellnest	3	Interim	25
28	23-HK-18055 Hope The Mission Lancaster	42445, 42233, and 42137 Sierra Highway, Lancaster, CA 93535	Hope The Mission	3	PSH	60
29	23-HK-18079 Hope The Mission Palmdale	130 E Palmdale Boulevard, Palmdale, CA 93550	Hope The Mission	3	PSH	100
30	23-HK-17987 Weingart Sycamore	13921 Francisquito Avenue, Baldwin Park, CA 91706	Weingart	3	PSH	109
31	23-HK-18054 Weingart Primrose	401 E Albertoni Street, Carson, CA 90746	Weingart	3	PSH	107
32	23-HK-18196 Butterfly's Haven Woodlawn	3811 S Woodlawn Ave, Los Angeles, CA 90007	Butterfly's Haven	3	Interim	29