

MOTION BY SUPERVISOR HILDA L. SOLIS

April 9, 2024

Approve Funding for La Trinidad Affordable Housing Development

On September 11, 2023, the Los Angeles County Development Authority (LACDA) issued its Notice of Funding Availability (NOFA) Round 29 for the development of affordable housing throughout the County. The LACDA received a total of 11 applications for funding affordable housing projects. NOFA Round 29 offered a total of \$29 million in federal HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) capital funding and up to a total of 300 Project-Based Vouchers/Project-Based Veterans Affairs Supportive Housing vouchers.

As a result of this NOFA, the La Trinidad project, sponsored by Domus Development, has been recommended for \$9,030,350 in HOME-ARP funds. This project will be located at 3565 E. 1st Street in unincorporated East Los Angeles and will consist of 65 affordable units, plus one onsite manager’s unit (Project Site).

The Project Site is located on the corner of Hicks Avenue and 1st Street and will be improved with a new construction, modern-styled apartment building. The unit mix consists of 46 studio units, 19 one-bedroom units, and one two-bedroom manager's unit (Project). Of the 65 affordable units, 50 units will be supportive housing units and overall, the project will be serving low-income senior households with incomes at or below 30% to 50% area median income. The Project will be developed via a 75-year lease that has been negotiated with the church that currently owns and uses the property. The development concept includes demolishing the existing church structure and auxiliary

MOTION

SOLIS _____

MITCHELL _____

HAHN _____

BARGER _____

HORVATH _____

building and integrating a new chapel and church offices into the new development. The Project will consist of approximately 51,000 square feet of above-grade space and includes a large on-grade courtyard and surface parking. The design will conform to the East Los Angeles specific plan, which seeks to have appropriately scaled mixed-use, transit-oriented projects along its commercial streets. The frontage of the project has a ground floor design and corner plaza to meet this goal. There are no residential units currently on the site; it is used entirely for parking and commercial (church and community) uses.

The development is designed with a ground floor community room that opens to an interior courtyard. The community room will be programmed by the social services provider, with activities and classes to improve the lives of the residents, including computer training, health and wellness classes, financial planning, group meetings, and food bank-related services. This room will also house the community's computer lab. The units will all have energy efficient appliances and air-conditioning.

Approval of the Project funding will allow Domus Development to apply for tax credits and bonds in the upcoming and California Debt Limit Allocation Committee (CDLAC) funding round.

The HOME-ARP financing will be evidenced with a loan agreement and related documents to incorporate affordability restrictions, target assisted populations, and contain provisions requiring the developer to comply with all applicable federal, state, and local laws. The loan will be evidenced by a promissory note and secured by a deed of trust, with the term of affordability enforced by a recorded regulatory agreement. The project has been reviewed by the LACDA pursuant to the requirements of the California Environmental Quality Act (CEQA). The recommended action to provide funding for the Project is not subject to the California Environmental Quality Act (CEQA) pursuant to SB 406 and Public Resources Code section 21080.10. CEQA does not apply to the provision of financial assistance by a local agency not acting as a lead agency for the development and construction of residential housing for persons and families of low and moderate income, as defined in Section 50096 of the Health and Safety Code.

I, THEREFORE, MOVE that the Board of Commissioners of the Los Angeles County Development Authority:

1. Find that approval of funding for this Project is not subject to CEQA for the reasons stated in this Motion and the record.
2. Approve a loan for up to \$9,030,350 to Domus Development, or an LACDA-approved designee (Developer) established for the purposes of project financing and development.
3. Authorize the Executive Director, or designee to:
 - a. Negotiate and execute a loan agreement with the Developer and all related documents, including but not limited to documents to subordinate the loan to construction and permanent financing, and any intergovernmental, interagency, or inter-creditor agreements necessary for the implementation of the projects, following approval as to form by County Counsel.
 - b. Execute any amendments to the loan agreement and all related documents, and if necessary, reduce the Project's loan amount.
 - c. Incorporate, as needed, up to \$9,030,350 in HOME-ARP Funds into the LACDA's approved Fiscal Year 2023-2024 budget.
 - d. Reallocate LACDA funding set aside for affordable housing at the time of the Project's funding, as needed and within the Project's approved funding limits, in line with the Project's needs, and within the requirements for any applicable funding source.

#

HLS:gdm