

MOTION BY SUPERVISOR JANICE HAHN

AGN. NO.
July 1, 2025

Veteran Commons Project Gap Financing and Community Workforce Agreement

On August 30, 2022, the Los Angeles County (County) Board of Supervisors (Board) approved and authorized execution of the Option to Lease Agreement (Option) by and between the County, through the Los Angeles County Development Authority (LACDA), Abode Communities, a California nonprofit public benefit corporation, and Path Ventures, a California nonprofit public benefit corporation (together Developer). The Option authorized the parties to finalize the terms of a ground lease for development of the Veteran Commons project (Project) on the 2.23-acre County-owned property located at 11269 Garfield Avenue, Downey, CA 90242 (Property). The Project will include 50 units for homeless veterans, 49 units for low-income families, one manager's unit and 20,164 square feet of open space. The parties have worked together through the term of the Option and subsequent extensions to finalize the ground lease and secure all funding sources for development of the Project, including securing an award from the California Debt Limit Allocation Committee (CDLAC). The current term of the Option has been extended by the County to ensure that the Project can continue towards the start of construction.

Through LACDA's Notice of Funding Availability (NOFA) Round 27, the LACDA Board of Commissioners approved an award of \$7,000,000 in Affordable Housing Trust

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Funds (AHTF) for development of the Project. On August 6, 2024, the Board approved an additional \$9,600,000 in AHTF to enable the Developer to leverage LACDA and other funding in their CDLAC application. The supplemental funding also allowed the Developer to incorporate numerous design elements and amenities to better serve the needs of the future residents. The Developer is now requesting additional funding from LACDA to fill a funding gap of approximately \$3,500,000. The funding gap is caused by an increase in development costs, resulting from current economic conditions affecting labor and materials, tariffs, the cost of permanent financing from private lending institutions, and lack of clarity over corporate tax rates, which affect tax credit pricing. The additional funding is needed to ensure the Project can begin construction.

The Developer was procured through a Request for Proposals (RFP) issued on January 9, 2019, by LACDA, acting on behalf of the County. The County imposed certain requirements under the RFP, including the requirement for the selected developer to enter into a project labor agreement for development of the Property. As a result, the County is being asked to add the Project as a covered project under the County's Community Workforce Agreement (CWA).

Approval of the recommended actions will 1) increase the Project's AHTF loan by up to \$3,500,000; and 2) determine that the Project should be included as a covered project under the County's CWA.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Find that the recommended actions are within the scope of the Board of Supervisors' (Board) August 30, 2022 determination that the Veteran Commons project (Project) is exempt from the California Environmental Quality Act (CEQA) pursuant to the determination prepared by the City of Downey as lead agency; and

2. Determine that the Project should be included as a Covered Project within the County's CWA and determine that the Developer shall fulfill the CWA administrative duties normally fulfilled by the County for the Project.

I, FURTHER, MOVE that the Board of Supervisors, Acting as the Commissioners of the Los Angeles County Development Authority:

1. Find that the recommended actions are within the scope of the Board's August 30, 2022 determination that the Project is exempt from CEQA, pursuant to the determination prepared by the City of Downey as lead agency;
2. Find that the recommended action to provide additional funding for the Project is not subject to 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 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;
3. Approve a loan amount increase of up to \$3,500,000 in AHTF for development of the Project;
4. Authorize the Executive Director to incorporate \$3,500,000 in AHTF into the LACDA's approved Fiscal Year 2025-2026 budget, or future Fiscal Year budgets, as needed; and
5. Authorize the Executive Director, or his designee, to reallocate LACDA funding set aside for affordable housing at the time of Project funding, as needed and within the Project's approved funding limit, in line with the Project's needs and within the requirements for each funding source.

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