



LACDA BOARD DEPUTIES / EXECUTIVE DIRECTOR MEETING AGENDA

February 7, 2024 – 2:00 pm

**LACDA Headquarters
700 West Main Street
Alhambra, California 91801**

OPEN SESSION AGENDA

- Affordable Housing and Sustainable Communities Program (CEO)
- Los Angeles County Housing Innovation Fund
- Community Care Expansion Program Update
- Public Housing Rent Revenue
- Small Area Fair Market Rents
- Guaranteed Income Program
- Waiting List Purge
- Executive Director's Report

PUBLIC COMMENT



Administrative Office
700 West Main Street, Alhambra, CA 91801
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Executive Director: Emilio Salas
Commissioners: Hilda L. Solis, Holly J. Mitchell, Lindsey P. Horvath, Janice Hahn, Kathryn Barger





**Chief
Executive
Office.**

COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
(213) 974-1101 ceo.lacounty.gov

CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

DRAFT

February 27, 2024

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZATION TO SUBMIT GRANT AND LOAN APPLICATION TO
THE CALIFORNIA STRATEGIC GROWTH COUNCIL
ON BEHALF OF THE COUNTY OF LOS ANGELES FOR THE
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT

The Chief Executive Officer requests delegated authority to jointly apply for grant and loan funding from the California Strategic Growth Council and the California Department of Housing and Community Development (CA-HCD) to develop approximately 95 units of affordable housing in the unincorporated area of the County of Los Angeles (County) and to fund numerous transportation, bike, and pedestrian improvements. The Chief Executive Office (CEO) also seeks delegated authority to negotiate and execute all necessary supporting agreements with the State of California (State), affordable housing developer, and local transit authorities in relation to the project.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Chief Executive Officer, or the Executive Director of the Homeless Initiative, or their designee, to jointly apply for, accept and allocate grant and loan funds received from the California Strategic Growth Council and/or the CA-HCD for Hollywood Community Housing Corporation's Casa de la Luz project, located at 744-754 South Kern Avenue in Los Angeles, within the unincorporated First Supervisorial District, in an amount not to exceed \$50 million under the Round 8 Affordable Housing and Sustainable Communities (AHSC) Program; execute all needed documentation to support a joint grant and loan application with Hollywood Community Housing Corporation (Housing Developer); and negotiate and execute

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any needed mutual indemnity agreements, including but not limited to those between the County, the Housing Developer, and local transit authorities, subject to review by the CEO's Risk Management Branch (CEO-RMB) and review and approval as to form by County Counsel.

2. Authorize the Chief Executive Officer, the Executive Director of the Homeless Initiative, or their designee, to enter into standard agreements for AHSC Program funding including, but not limited to, State of California Standard Agreements (Standard Agreements) for the funding, and any other needed documentation, subject to review by the CEO-RMB and review and approval as to form by County Counsel.

3. Adopt a standard Resolution for the project, authorizing the County to be a joint applicant with the Housing Developer for the AHSC Program (Attachment I).

4. Find that the proposed actions are not a project as defined by Section 15378 of the State of California Environmental Quality Act (CEQA) Guidelines, and that these actions are not subject to CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will authorize the Chief Executive Officer, or her designee, to apply, as a joint applicant with the Housing Developer, for funding from the AHSC Program for one housing and transportation-related project. These funds will help to finance approximately 95 units of affordable housing, as well as transit, bike, and pedestrian improvements such as: 1) context sensitive bike lanes to enhance connectivity to transit; 2) improvements to make the areas around the housing developments more pedestrian-friendly; 3) urban greening in the communities surrounding the development; and 4) funding for the purchase of Zero Emission Battery electric buses. Approval of the recommended actions will facilitate upgrades to County infrastructure and local transit, further the County's goal of creating a sustainable and revitalized urban environment, fulfill the objectives of reducing reliance on automobile travel (vehicle miles traveled or VMT) and increasing affordable housing, as well as reducing greenhouse gas (GHG) emissions.

In addition, the Board proclaimed a local emergency for homelessness for the County on January 10, 2023. The motion directed the CEO and relevant departments to take necessary steps for the protection of life, health, and safety of people experiencing homelessness in the County, including the acceleration of timelines for the creation of permanent housing for people experiencing homelessness and coordination with local cities regarding the construction of permanent supportive housing (including obtaining needed funding).

Implementation of Strategic Plan Goals

This action is consistent with the County's Strategic Plan, Goal I, Strategy 1.5 – to develop and preserve affordable housing units in the County. The proposed project, if funded, will serve to create more units of affordable housing for County residents. Further, the action is consistent with Goal II, Strategy 3.5, which supports a clean, flexible, and integrated multi-modal transportation system that improves mobility. The housing and transit project, if funded, will reduce GHG emissions and improve access to affordable housing by connecting housing to transit and improving amenities in the surrounding community to reduce VMT.

FISCAL IMPACT/FINANCING

Authorizing the Chief Executive Officer (CEO) or her designee, to apply for AHSC Program funds will contribute to the County's goal of developing more affordable housing for residents in need. The submission of the application provides an opportunity to obtain up to \$50 million in grants and loans awarded to the County, and its joint applicants, for housing development, transit improvements, and community infrastructure improvements. This funding will also support much-needed infrastructure, including funding for new Zero Emission Battery electric buses, context-sensitive bike lanes, pedestrian improvements, and urban greening. The County is applying jointly with the Housing Developer for funding from the AHSC Program.

As detailed in the State's Notice of Funding Availability (NOFA) dated January 19, 2024, AHSC Program applications request a loan for the Affordable Housing Development component of each application, and request grant funds for the Housing-Related Infrastructure, Sustainable Transportation Infrastructure, Transit-Related Amenities, or Program activities. If awarded funding, the Housing Developer for the project will receive a loan, and the County will receive a grant. The County will be applying jointly with the Housing Developer for a total amount not to exceed \$50 million, of which approximately \$35 million may be requested as a loan for housing development, and approximately \$15 million as a grant for public infrastructure and transportation improvements. All applications must include both a housing component and a corresponding infrastructure request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 14, 2023, the California Strategic Growth Council adopted the Round 8 AHSC Program Guidelines. The AHSC Program was established to reduce GHG

emissions through projects that implement land-use, housing, and transit development practices to support infill and compact development. The AHSC Program furthers objectives to increase access to housing and transit in highly disadvantaged communities, including connectivity and accessibility to jobs, housing, and community-serving amenities. The AHSC Program is administered by the Strategic Growth Council and the CA-HCD. Funding is provided by the Greenhouse Gas Reduction Fund through Cap-and-Trade auction proceeds. The funding award recommendations are to be posted and adopted by the Strategic Growth Council in August 2024.

This is the eighth NOFA that the State has released for the AHSC Program, and the fifth time that the County is submitting a full application to the Program for funding. According to this NOFA, the State expects to award approximately \$675 million statewide through the AHSC Program. The CEO Homeless Initiative and Affordable Housing has been working for several months with the Housing Developer (Hollywood Community Housing Corporation), as well as the Departments of Public Works (DPW), Regional Planning (DRP), Parks and Recreation, and the Los Angeles County Development Authority (LACDA) to complete full housing and transit scopes in the project area. As stated previously, the County and the Housing Developer plan to apply jointly for up to \$50 million in AHSC funds for the Casa de la Luz project. A map of the project area is provided as an attachment to this Board letter (Attachment II). The CEO Homeless Initiative has engaged a consultant, Enterprise Community Partners, Inc. with expertise in successfully applying for AHSC funding. The CEO Homeless Initiative and its consultant, in partnership with DPW, have thoroughly vetted the project. Moreover, with DPW's leadership, the County has developed community-serving improvements around the project area. The Housing Developer has also applied for funding through LACDA's Notice of Funding Availability process. If awarded funding through LACDA, the developer would be able to leverage the award to submit a more competitive AHSC application. Pursuant to the State's requirements for the award of AHSC funding, joint applicants are jointly and severally liable to the State for the completion of all project components described in the application. Accordingly, the County will be applying jointly with the Housing Developer, which may require the County to enter into a mutual indemnity agreement with the Housing Developer to ensure that each party to the application timely completes all project components for which it is responsible.

ENVIRONMENTAL DOCUMENTATION

The proposed actions are not subject to the provisions of CEQA, pursuant to Section 15378 of the State CEQA Guidelines, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the

environment. However, one of the mandatory threshold readiness requirements to submit an AHSC application is documented compliance with CEQA and the National Environmental Policy Act (NEPA), as applicable. All housing developments must be fully entitled upon AHSC application submission, and each applicant is required to submit a certification that they have received all required environmental clearances for each project. The Housing Developer is currently working to obtain all necessary project entitlements, including CEQA approvals, by March 2024.

CONTRACTING PROCESS

The CEO Homeless Initiative and Affordable Housing will manage the submission and, where applicable, the receipt and disbursement of grant and loan funds. DPW will construct all bicycle and pedestrian improvements located in the unincorporated area of the County surrounding the project, and the Housing Developer will be responsible for the financing and construction of the affordable housing development in the project. The Chief Executive Officer, or her designee, will sign all required documentation, including but not limited to certifications, mutual indemnity agreements with the Housing Developer, cooperative agreements with local transit authorities, and standard agreements with the State necessary to effectuate the successful application, receipt, and disbursement of grant and loan funds, and to ensure that each party to the application timely completes all project components for which it is responsible.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will provide an opportunity to fund projects previously under consideration by DPW, and other County departments, to improve the municipal infrastructure in unincorporated areas of the County. Award of funding for infrastructure improvement will support planned projects within Casa de la Luz.

CONCLUSION

On January 10, 2023, the Board proclaimed a local emergency for homelessness for the County. As described in the Affordable Housing Outcomes Report submitted to the Board in August 2023, the County has a shortage of nearly 500,000 rental homes that are affordable to renter households at or below 50 percent of Area Media Income. Approval of the recommended actions will give the County an opportunity to further the region's affordable housing objectives, while improving the local communities around the proposed housing development. Upon Board approval, please return a certified copy of the adopted Board letter and a copy of the signed Resolution, to CEO Homeless Initiative and Affordable Housing.

The Honorable Board of Supervisors
February 27, 2024
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Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:CT
EBI:VD:ns

c: Executive Office, Board of Supervisors
 County Counsel
 Parks and Recreation
 Public Works
 Regional Planning
 Los Angeles County Development Authority

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES AUTHORIZING APPLICATION FOR, ACCEPTANCE OF, AND
ALLOCATION OF GRANT FUNDS FROM THE STRATEGIC GROWTH COUNCIL
AND THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT FOR THE CASA DE LA LUZ HOUSING DEVELOPMENT
LOCATED AT 744-754 SOUTH KERN AVENUE IN AN AMOUNT NOT TO EXCEED
\$50,000,000 UNDER THE ROUND 8 AFFORDABLE HOUSING AND
SUSTAINABLE COMMUNITIES PROGRAM**

WHEREAS, the State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (HCD) have issued a Notice of Funding Availability dated January 19, 2024 (NOFA), under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part I of the Public Resources Code commencing with Section 75200; and

WHEREAS, Hollywood Community Housing Corporation (Housing Developer) desires to apply for AHSC Program funds and submit the Application Package released by the Department for the Round 8 AHSC Program; and

WHEREAS, the County of Los Angeles (County) desires to apply for AHSC Program funds jointly with the Housing Developer and submit the Application Package released by HCD for the Round 8 AHSC Program; and

WHEREAS, the County will submit one joint application for the Round 8 AHSC Program for a project in the unincorporated area of the County; and

WHEREAS, the SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement. The HCD is authorized to administer the approved funding allocations of the AHSC Program; and

WHEREAS, there is substantial need for additional funds for the development of affordable housing in the County; and

WHEREAS, the project known as Casa de la Luz located at 744-754 S. Kern Avenue is being developed by the Housing Developer and the County Department of Regional Planning is working to entitle the project by March 19, 2024.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors (Board) of the County:

1. The Chief Executive Officer (CEO) of the County, the Executive Director of the Homeless Initiative, or their designee, on behalf of the County, is hereby authorized and directed to apply for and submit to SGC and HCD, the AHSC Program Application as detailed in the NOFA dated January 19, 2024, for the Casa

de la Luz housing development project located at 744-754 S. Kern Avenue in a total amount not to exceed \$50,000,000 of which up to \$35,000,000 is requested as a loan for an Affordable Housing Development (AHSC Loan) and up to \$15,000,000 is requested for a grant for Housing Related Infrastructure, Sustainable Transportation Infrastructure, Transit-Related Amenities or Program activities (AHSC Grant) as defined the AHSC Program Guidelines adopted by SGC on December 14, 2023.

2. If the application is approved, the CEO, the Executive Director of the Homeless Initiative, or their designee, on behalf of the County is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in a total amount not to exceed \$50,000,000 (up to \$35,000,000 for the AHSC Loan and up to \$15,000,000 for the AHSC Grant), and any and all other documents required, or deemed necessary or appropriate, to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the "AHSC Documents").
3. The CEO, the Executive Director of the Homeless Initiative, or their designee, is authorized to negotiate and enter into an agreement that addresses joint and several liability and mutual indemnities between the County and the Housing Developer as the CEO deems necessary. Said AHSC Documents shall be reviewed and approved as to form by County Counsel prior to execution.
4. The CEO, the Executive Director of the Homeless Initiative, or their designee, on behalf of the County is authorized to accept the AHSC funds, if awarded.
5. The County shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. The County hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the HCD and in accordance with the NOFA and Program Guidelines and Application Package.
6. The Board hereby authorizes the CEO, the Executive Director of the Homeless Initiative, or their designee, on behalf of the County to execute in the name of the County's AHSC Program Application Package, and the AHSC Documents as required for participation in the AHSC Program, and to take any other action necessary with respect to the AHSC project consistent with this Resolution and its basic purposes, including, but not limited to: 1) the authority to negotiate and enter into an agreement for AHSC Program funding of this project; and 2) the authority to negotiate and enter into any agreement necessary to address joint

and several liability and mutual indemnity with the Housing Developer and local transit authorities without returning to the Board.

The foregoing resolution was adopted on the ____ day of _____, 2024, by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

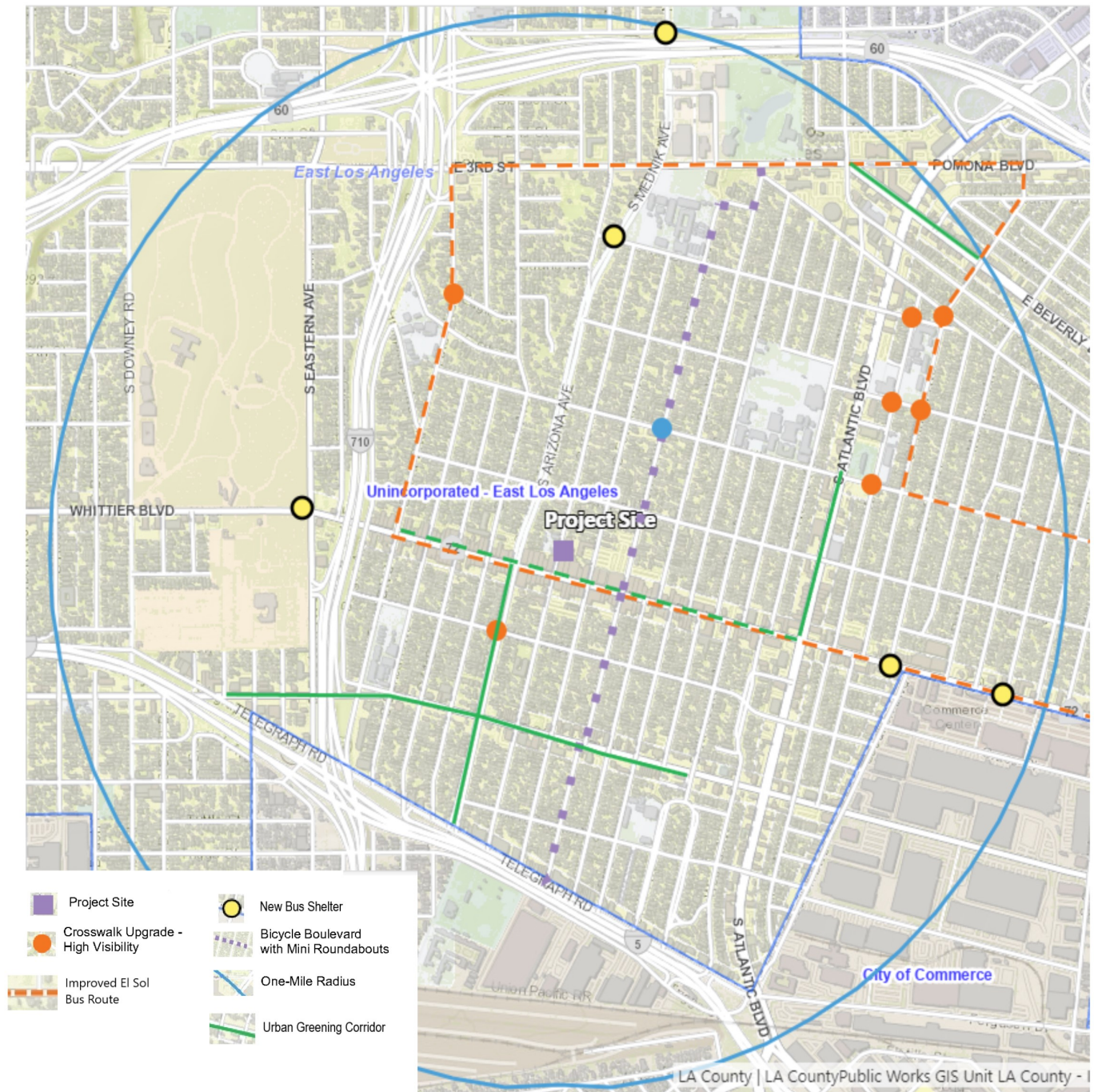
Celia Zavala, Executive Officer
Clerk of the Board of Supervisors of
the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:
DAWYN R. HARRISON
County Counsel

By _____

Casa de La Luz - Potential Transportation Improvements



Kern Avenue AHSC Grant - Potential Transportation Improvements



March 19, 2024

Honorable Board of Supervisors
Los Angeles County Development Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

The Honorable Board of Commissioners
Los Angeles County Development Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors and Commissioners:

**APPROVAL TO TRANSFER \$10,000,000 OF AFFORDABLE HOUSING TRUST
FUND TO REVOLVING LOAN FUND PROGRAM AND APPROVAL OF FUNDING
INCREASE FOR THE LOS ANGELES COUNTY HOUSING INNOVATION FUND II
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval for the transfer of \$10,000,000 from Affordable Housing Trust Funds (AHTF) to the Revolving Loan Fund Program (RLF). The purpose of this transfer is to allocate additional funding for the Los Angeles County Housing Innovation Fund II (LACHIF), which is administered by the Los Angeles County Development Authority (LACDA). LACHIF makes below-market interest rate predevelopment and acquisition loans available to affordable housing developers through a revolving loan fund.

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Find that this action is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA.



Administrative Office
700 West Main Street, Alhambra, CA 91801
Tel: (626) 262-4511 TDD: (626) 943-3898

Executive Director: Emilio Salas

Commissioners: Hilda L. Solis, Holly J. Mitchell, Lindsey P. Horvath, Janice Hahn, Kathryn Barger



2. Authorize the Chief Executive Officer (CEO) or her designee to execute and/or amend funding agreements with the LACDA to transfer \$10,000,000 of AHTF to RLF.
3. Approve the addition of \$10,000,000 in funding to LACHIF, as described herein, and authorize the LACDA, through its Executive Director or his designee to take all actions and execute all documents necessary to implement this additional funding, following approval as to form by County Counsel.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Find that this action is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA.
2. Authorize the Executive Director or his designee to execute and/or amend funding agreements with the County of Los Angeles (County) to transfer \$10,000,000 of AHTF to RLF.
3. Approve the addition of \$10,000,000 in funding to LACHIF, as described herein, authorize the Executive Director or his designee to take all actions and execute all documents necessary to implement this additional funding, following approval as to form by County Counsel, and authorize the Executive Director or his designee to incorporate the funds into the LACDA's approved Fiscal Year 2023-2024 budget, as needed.

PURPOSE /JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to authorize the addition of \$10,000,000 in funding to the LACHIF program to further encourage the development of affordable housing in Los Angeles County. LACHIF was initially established by the Board in 2006 through the RLF Program and underwent its first restructure in 2013 and a subsequent restructure in 2019 at the Board's direction. Since that time, the fund has funded close to 2.5 times the amount of the initial investment of \$20,000,000.

Because of the high need for acquisition and predevelopment loans, for much of the fiscal year LACHIF does not have sufficient capital to fund new loans. With the increase of the LACHIF pool of funds, new lending opportunities will be created, which will increase the development of affordable housing in the County.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The additional \$10,000,000 in funding for the LACHIF program is sourced from the LACDA's allocation of Affordable Housing Trust Funds transferred from the Chief Executive Office's Affordable Housing Budget Unit to the LACDA under an approved funding agreement.

The \$10,000,000 will be incorporated into the LACDA's approved Fiscal Year 2023-2024 budget, and future Fiscal Year budgets, as needed, for the purposes described herein.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

LACHIF was created to address a shortage of predevelopment and acquisition funding for affordable housing in Los Angeles County. LACHIF is a partnership between the LACDA and three Community Development Financial Institutions (CDFIs): Low-Income Investment Fund, Century Housing Corporation, and the Corporation for Supportive Housing. The CDFIs originate and underwrite the LACHIF loans made to housing developers for acquisition and predevelopment activities.

The Board established the funding for LACHIF in 2006 with a \$20,000,000 allocation of County General Funds, and the program became operational in 2008. In 2013, the LACDA evaluated LACHIF and restructured the program to respond to the changing needs in the market. In 2019, after LACDA conducted an extensive review of the program and market dynamics, a subsequent restructure was implemented to further address the needs of the affordable housing development community.

Under the restructured program, LACHIF loans are made in an amount up to \$15,000,000 for acquisition and \$1,500,000 for predevelopment activities for affordable housing projects throughout Los Angeles County. Once a loan is approved for LACHIF participation, the CDFI invests 75% for acquisition loans and 50% for predevelopment loans and the LACDA provides the balance of the loan funding (25% and 50% respectively).

Since implementation of the 2019 restructure, LACHIF has achieved a lifetime utilization of over 200%. During its lifetime, LACHIF has disbursed over \$48 million in funding to leverage over \$170 million in loans for projects providing over 3,700 new affordable housing units. However, because the funding is highly desirable, the available balance is quickly utilized once maturing loans are paid off.

With the authorization of \$10 million in new funding, the LACHIF program would be able to leverage the CDFI's funding and make additional loans. For predevelopment activities, the new funding would allow approximately three additional loans at the \$1,500,000 maximum loan amount (LACDA funds contributing 50%). For acquisition loans, the new funding would allow approximately two additional loans at the \$15 million maximum loan amount (LACDA funds contributing 25% per loan). It should be noted that the average

loan size for actual LACHIF acquisition loans is \$3,500,000 to \$4,000,000. At that average range, the fund would be able to make approximately seven to nine additional loans for affordable housing development.

In summary, leveraging the additional \$10 million in LACHIF funding would allow approximately \$34.5 million in new acquisition and predevelopment financing to be made available to affordable housing developers in Los Angeles County.

ENVIRONMENTAL DOCUMENTATION

These actions are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as projects under CEQA and do not have the potential for causing a significant effect on the environment.

Each project funded under the LACHIF program requires environmental clearance on a project-by-project basis. Prior to funding any project, an Environmental Service Request is submitted to LACDA's Environmental Services Unit for review. Each project must receive an environmental clearance in accordance with CEQA guidelines.

IMPACT ON CURRENT PROGRAM

The increase in funding available through the LACHIF program will provide a means to ensure that LACHIF continues to meet the acquisition and predevelopment financing needs of affordable housing developers and thereby increase the number of affordable housing units constructed throughout Los Angeles County.

Respectfully submitted,

EMILIO SALAS
Executive Director