

RESOLUTION OF THE GOVERNING BODY OF HOUSING AUTHORITY OF THE CITY OF LOS ANGELES AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OR HIS DESIGNATED OFFICER TO EXECUTE ALL NECESSARY DOCUMENTS TO ACCEPT A MULTIFAMILY FINANCE SUPER NOTICE OF FUNDING AVAILABILITY AWARD FOR THE INFILL INFRASTRUCTURE GRANT PROGRAM FOR JORDAN DOWNS PHASE S6



Douglas Guthrie
President & Chief Executive Officer



Geoffrey Moen
Director of Development

Purpose: To authorize execution of documents accepting a Multifamily Finance Super Notice of Funding Availability (“2022 Super NOFA”) award of \$6,500,000 in Infill Infrastructure Grant (“IIG”) funding for Jordan Downs Phase S6 (the “Project”) in order to support the continued redevelopment of the Jordan Downs public housing community and the greater Watts neighborhood.

Regarding: On June 23, 2022, by Resolution 9839, the Housing Authority of the City of Los Angeles (“HACLA”) Board of Commissioners (“BOC”) unanimously authorized the President and CEO to apply for and or support the application by Jordan Downs Phase S6, LP, a California Limited Partnership (the “S6 LP” or “Owner”) the Phase S6 Owner to the State of California Housing and Community Development Department’s (“HCD”) 2022 Super NOFA dated March 30, 2022, as amended on June 20, 2022 , for up to \$6,500,000 in IIG Program funding and \$24,500,000 in Multifamily Housing Program (“MHP”) funding for eligible project improvements in furtherance of the Project. This action also authorized financial commitments from HACLA to S6 LP in the form of \$4,100,000 in gap funding from the Choice Neighborhoods Implementation Grant (“CNI Gap Funding”), \$2,262,946 in gap funding from HACLA (“HACLA Gap Funding”), and a carryback note on the Capitalized Ground Lease at fair market value.

On February 2, 2023, HCD sent a Conditional Award Commitment indicating that the Project was awarded \$6,500,000 in IIG funding. However, the Project did not receive an award of the requested MHP funding.

Issues:

Background Phase S6 is one of the next phases to complete design for The Michaels Organization (“Michaels”) as they work through the completion of all new phases of Jordan Downs south of Century Boulevard. Phase S6, is an important phase as it will provide the primary entryway into Jordan Downs from its most southern boundary on 103rd Street. The Project is currently proposed to be in a mixed-use building developed on a 1.963-acre parcel comprised of 100 apartment units, of which ten (10) will be Rental Assistance Demonstration (“RAD”) replacement units, seventy-five (75) will be Section 8 Project Based Voucher (“PBV”) units of which fifty (50) will be replacement units, (3) will be tax credit only units, and twelve (12) will be unrestricted units. The development site is located south of the future Central Park and a new community center between 102nd and 103rd Streets. The design of Phase S6 will create a pedestrian thoroughway between 103rd Street and the heart of the redeveloped Jordan Downs and provide ground floor retail opportunities for small businesses and services.

S6 LP will be the owner of Phase S6, with Jordan S6-Michaels, LLC, a California limited liability company affiliated with The Michaels Development Company I, LP (“Michaels”) acting as the administrative general partner and the HACLA instrumentality La Cienega LOMOD, Inc., a California nonprofit public benefit corporation with a board limited to members of the HACLA BOC, acting as the managing general partner.

HACLA and Michaels intend to pursue additional funding to make the Project feasible including an application to the upcoming 2023 Super NOFA . If that application is successful then the remaining funding, including federal low-income housing tax credits (“LIHTC”) and a tax-exempt bonds allocation, will be pursued in September 2023, with an expected potential start of construction in summer of 2024.

IIG

HCD issued the 2022 Super NOFA for approximately \$650 million in funds across six housing funding programs. The 2022 Super NOFA and guidelines for these programs implemented the requirements of California Assembly Bill 434 (AB 434) (Chapter 192, Statutes of 2020). In addition to the Designated Programs named in AB 434, HCD also made IIG funding available for Large Jurisdiction Qualifying Infill Projects (QIPs) available under the IIG Program of 2019 (“IIG-2019”).

HACLA and Michaels applied to this Super NOFA and were awarded \$6.5 million in IIG-2019 funds for the following eligible uses: (1) extension and reconstruction of 102nd Street, Juniper Avenue, and Lou Dillon Avenue; (2) street lighting; (3) stormwater management; and (4) sewer, water infrastructure and telecom infrastructure work. HACLA will receive these funds and loan them to the S6 LP to fund eligible activities for the development of Phase S6. The loan terms will be non-interest bearing to be repaid over a 55-year term from residual receipts from operations.

Vision Plan: **PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio.**

The development of Phase S6 will allow for the construction of 100 new affordable and market rate housing units. This development will further HACLA’s goals of improving its affordable housing stock, provide new rental opportunities in Watts as part of HACLA’s non-displacement efforts, as well as improved ADA-compliant, modern, sustainably designed, and amenitized units. This action will help HACLA extend the life of critical, deeply affordable housing in the City of Los Angeles to serve existing public housing residents and future income-qualified households from HACLA’s active public housing and Section 8 wait lists as well as the community of Watts.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: The source of funding will be the award of the HCD IIG funds to HACLA.

Budget and Program Impact: No budget impact to HACLA. Of the \$6.5 million awarded, HACLA as the co-sponsor will be the funding recipient, and will in turn loan the funds to the S6 LP to be used for eligible infrastructure expenses associated with the project.

Environmental Review:

CEQA

The City of Los Angeles is the lead agency for the Jordan Downs Redevelopment for purposes of the California Environmental Quality Act (“CEQA”). The City of Los Angeles, acting through its Planning Department, approved a larger project under the Jordan Downs Urban Village Specific

Plan (1,800 residential units; up to 250,000 square feet of commercial/retail/office plus up to 20,000 square feet of community-service retail and services in mixed use buildings; a network of parks totaling 8.9 acres; and new community facilities), and its associated Final Environmental Impact Report (“FEIR”) and required findings on April 17, 2013 (ENV-2010-32-EIR). Two addendums to the FEIR were prepared on January 11, 2016 and April 4, 2016 respectively to address additional impacts not considered in the EIR as the result of a proposed Specific Plan Amendment. On April 14, 2016, the City Planning Commission found based on the whole of the administrative record that no subsequent or supplemental EIR or negative declaration was required. The Phase S6 redevelopment as contemplated in the current conceptual plans provided to HACLA is consistent with the Specific Plan and its Amendment (CPC-2015-3990-GPA-ZC-SP). However, the final plans will be reviewed by the BOC at such time as it considers the Ground Lease and Disposition and Development Agreement, and a final design and construction drawings are completed to ensure consistency. Phase S6 will be subject to the imposition of various measures contained in the Specific Plan’s conditions of approval, including Mitigation Monitoring.

NEPA

Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Housing and Community Investment Department (“HCID/LA”, and now the Los Angeles Housing Department) served as the environmentally responsible entity in preparation of the Environmental Assessment and Finding of No Significant Impact (“EA/FONSI”) for the Jordan Downs Public Housing Community Project. The EA/FONSI was circulated for public review on June 13, 2014 through July 2, 2014. On December 22, 2015, a technical memorandum was prepared to review any changes to the project description. Based on this memorandum HCID/LA found that changes to the project description did not result in changes to the conclusion of the EA/FONSI. On February 11, 2016, the U.S. Department of Housing and Urban Development’s Office of the Field Office Director issued approval of the Housing Authority’s Request for Release of Funds and Environmental Certification.

Section 3:

The residents of Jordan Downs public housing, other low-income Watts neighborhood residents, participants of Youth-Build, and qualifying residents in the City of Los Angeles will have the opportunity to share in the economic benefits generated by the proposed development. Local Hire and Section 3 requirements for the Project will require the use of best efforts to set aside at least thirty percent (30%) of all new construction and post-construction jobs generated by the redevelopment, first for residents of Jordan Downs, second for residents of Watts, third to HUD’s Youth-Build Program in the City, and finally to residents of the City to the maximum extent feasible. Furthermore, the S6 LP and their General Contractor shall strive and use best efforts to set aside at least ten percent (10%) of their overall 30% Section 3 commitment for disadvantaged workers. Additionally, the S6 LP will commit to providing 10% of the total dollar amount of building trades work for all construction contracts and 3% of the total dollar amount of all non-construction contracts to Section 3 Businesses

ATTACHMENT 1.
RESOLUTION

RESOLUTION NO. _____

RESOLUTION OF THE GOVERNING BODY OF HOUSING AUTHORITY OF THE CITY OF LOS ANGELES AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OR HIS DESIGNATED OFFICER TO EXECUTE ALL NECESSARY DOCUMENTS TO ACCEPT A MULTIFAMILY FINANCE SUPER NOTICE OF FUNDING AVAILABILITY AWARD FOR THE INFILL INFRASTRUCTURE GRANT PROGRAM FOR JORDAN DOWNS PHASE S6

WHEREAS, the Housing Authority of the City of Los Angeles (“HACLA”) is a public body, corporate and politic, organized and existing under the Housing Authorities Law (commencing at Section 34200 of the California Health and Safety Code), and authorized to transact business and exercise the powers of a housing authority pursuant to action of HACLA’s Board of Commissioners (the “Board”);

WHEREAS, HACLA intends to transform the Jordan Downs public housing community into a mixed-income, mixed-use, environmentally friendly, vibrant urban village, conducive to healthy living and economically progressive conditions;

WHEREAS, on June 28, 2012, the Board unanimously authorized the President and CEO to execute a Master Development Agreement (“MDA”) with Jordan Downs Community Partners, LLC (“Master Developer”) for the redevelopment of Jordan Downs following which the MDA between HACLA and the Master Developer was executed on August 1, 2012;

WHEREAS, HACLA and the Master Developer have been working closely since 2012 to implement the vision of a redeveloped Jordan Downs including the vertical residential development of the Phase S6 residential project (the “Project” or “Phase S6”) by Jordan Downs Phase S6, LP (“Phase S6 Owner”) and meeting with the residents on progress of the redevelopment to ensure consistency and transparency;

WHEREAS, Jordan S6-Michaels, LLC, an affiliate of The Michaels Development Company I, LP (“Michaels”), is the administrative general partner of the Phase S6 Owner;

WHEREAS, La Cienega LOMOD, Inc., an instrumentality of HACLA, is the managing general partner of the Phase S6 Owner;

WHEREAS, Phase S6 will be comprised of 100 units in an affordable residential development with amenities, of which ten (10) units are reserved as Rental Assistance Demonstration (“RAD”) replacement units, seventy-five (75) are reserved as Section 8 Project-Based Voucher (“PBV”) units of which fifty (50) are replacement units, three (3) are tax credit only units, and twelve (12) are unrestricted units;

WHEREAS, HACLA and Michaels are seeking funding for Phase S6 through a variety of private and public sources, including Federal, State and local agencies;

WHEREAS, the California Department of Housing and Community Development (“Department”), as authorized by California Assembly Bill 434 (“AB 434”) (Chapter 192, Statutes of 2020), has issued a Multifamily Finance Super Notice of Funding Availability, dated March 30, 2022, and amended on June 10, 2022 (“Multifamily Super NOFA”). The Multifamily Super NOFA provides funding under the following programs: the Multifamily Housing Program; the Joe Serna, Jr., Farmworker Housing Grant Fund; the Veterans Housing and Homelessness Prevention Program; the Infill Incentive Grant Program of 2007; and the Infill Infrastructure Grant Program of 2019.

WHEREAS, Housing Authority of the City of Los Angeles, a public body, corporate and politic (“Public Entity”) submitted an application to the Department in response to the Multifamily Super NOFA (the “Application”) and HACLA was determined to be an eligible Sponsor under the foregoing program (the “Program”) pursuant to that certain conditional award letter, dated February 2, 2023 (the “Conditional Award Commitment”).

WHEREAS, pursuant to the Conditional Award Commitment, the Department made a conditional award to HACLA and Michaels as follows:

Program	Award
Infill Infrastructure Grant Program of 2019	\$6,500,000
Total:	\$6,500,000

WHEREAS, the award expressly identified above will hereinafter be referred to as the “Program Award.”

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby authorizes and directs the President and Chief Executive Officer, or any of his designated officers identified below (“Designated Officers”) to act in connection with the Program Award and to take actions necessary to effectuate the purposes of the Program.

RESOLVED FURTHER, that HACLA is hereby authorized and directed to accept and incur all obligations related to the Program Award. That in connection with the total amount of the Program Award, HACLA is authorized and directed to enter into, execute, and deliver one or more STD 213, Standard Agreement(s), and any and all other documents required or deemed necessary or appropriate to secure the Program Award from the Department and to participate in the Program, and all amendments thereto (collectively, the “Program Award Documents”).

RESOLVED FURTHER: HACLA acknowledges and agrees that it shall be subject to the terms and conditions specified in the STD 213, Standard Agreement(s), and that the Multifamily Super NOFA and the Application will be incorporated by reference therein and made a part thereof. HACLA also acknowledges and agrees that any and all activities, expenditures, information, and timelines represented and described in the Application are enforceable through the relevant STD 213, Standard Agreement(s). HACLA also acknowledges and agrees that Program Award funds are to be expended only on the eligible uses and activities identified in the relevant STD 213, Standard Agreement(s).

RESOLVED FURTHER: That the President and Chief Executive Officer, or each of his Designated Officers, are each hereby individually authorized to execute the Program Award Documents on behalf of HACLA.

BE IT FURTHER RESOLVED that the Designated Officers referred to above are as follows:

Name	Title
Douglas Guthrie	President and Chief Executive Officer
Marlene Garza	Chief Administrative Officer
Jenny Scanlin	Chief Development Officer
Margarita Lares	Chief Programs Officer

CERTIFICATE OF THE CHAIRPERSON OF THE PUBLIC ENTITY

The undersigned, Chairperson of the Public Entity, does hereby attest and certify that the foregoing is a true, full and correct copy of a resolution that was duly adopted by the Public Entity's governing body on [DATE], and that the resolution has not been altered, amended, modified, repealed, rescinded, or annulled.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: _____
Cielo Castro, Chairperson

APPROVED AS TO FORM:

BY: _____
James Johnson, General Counsel

DATE ADOPTED: _____

CERTIFICATE OF THE SECRETARY OF HACLA

The undersigned, Secretary of HACLA's Board of Commissioners, does hereby attest and certify that the foregoing is a true, full and correct copy of a resolution that was duly adopted by the HACLA's governing body on May 31, 2023, and that the resolution has not been altered, amended, modified, repealed, rescinded, or annulled.

DATE: _____

Tiffany Prescott, Secretary