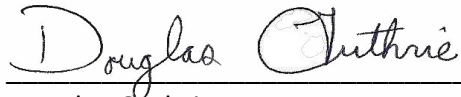


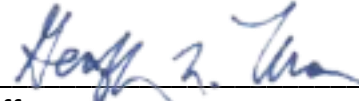
Report of the President & CEO

May 31, 2023

RESOLUTION AUTHORIZING ADDING A THIRD-PARTY OWNER-OPERATOR TO THE STANDARD AGREEMENT GOVERNING THE REAL PROPERTY ASSET AT 1654 W. FLORENCE AVENUE



Douglas Guthrie
President & Chief Executive Officer



Geoffrey Moen
Director of Development

Purpose: To authorize addition of a substitute third-party owner-operator entity to State of California Department of Housing and Community Development (“HCD”) Standard Agreement 21-HK-17098 (the “Standard Agreement”) between HCD, HACLA, and the City of Los Angeles (the “City”) for the property located at 1654 W. Florence Avenue (the “Property”). The Property was acquired by HACLA on behalf of the City through Round 2 of HCD’s Homekey Program (“Homekey”), pursuant to the Standard Agreement and with the intention that the Property would be subsequently transferred to a third-party owner-operator.

Regarding: On November 18, 2021, the HACLA Board of Commissioners (“BOC”) adopted Resolution No. 9765 approving acquisition of the Property. The resolution authorized HACLA to dispose of the Property to an owner/operator to be selected by the City through competitive selection. The owner/operator would then operate the Property pursuant to Homekey requirements, as stated in the Standard Agreement.

Before a new owner/operator can take ownership of a HACLA-owned Homekey property, HCD and Homekey requirements mandate that HACLA and the City each submit adopted resolutions naming the specific entity that will be added to the Standard Agreement for that property. On January 26, 2023, the BOC adopted Resolution No. 2247 to authorize the addition of Linc-Florence APTS, LP, a California limited partnership formed by Linc Housing Corporation (“Linc Housing”), a California non-profit public benefit corporation, as a party to the Standard Agreement.

Issues:

Linc Housing desires to change the ownership entity to which the Property will be transferred from Linc-Florence APTS, LP to Linc-Florence APTS, LLC, a California limited liability company formed by Linc Housing, and to have Linc-Florence APTS, LLC added to HCD Standard Agreement 21-HK-17098. The City has consented to

Linc Housing's request and has asked HACLA to adopt a new resolution changing the Linc Housing entity to be added to the Standard Agreement to Linc-Florence APTS, LLC.

Vision Plan: Place Strategy #4: Steward efforts to reduce and alleviate homelessness.

In furtherance of the second round of Homekey, HACLA committed to identifying and securing agreements to purchase properties within the City in which to provide decent, safe, and sanitary housing for individuals and families experiencing homelessness or at risk of homelessness.

Place Strategy #5: Expand HACLA's role in the broader communities it serves to improve neighborhood-wide health and well-being.

Acquiring vacant or near-vacant properties to provide decent, safe, and sanitary housing for individuals and families experiencing homelessness or at risk of homelessness will reduce the number of Angelenos exposed to adverse health outcomes in neighborhoods throughout the City of Los Angeles.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: No funds are required for this specific action.

Budget and Program Impact: The actions and expenditures related to this amendment will not impact HACLA's annual budget. HACLA and the City of Los Angeles are operating under a Professional Services Agreement which provides HACLA with an administrative fee attributed to the staff level services and time dedicated to purchasing and transferring this Property and others purchased under Homekey Round 2.

Environmental Review:

NEPA: The primary source of funding for Homekey are federal funds and therefore require National Environmental Protection Act ("NEPA") review. The Los Angeles Housing Department ("LAHD") has executed certifications of determination that the Property is exempt from NEPA. The addition of Linc-Florence APTS, LLC to the Standard Agreement will not trigger additional review under NEPA.

CEQA: The BOC determined through Resolution No. 9765 that the acquisition of the Properties meet the requirements of the normal CEQA categorical exemptions allowed under Title 14, Division 6, Chapter 3, Sections 15301 (Existing Facilities) and 15326 (Acquisitions of Housing for Housing Assistance Programs) of the California Code of Regulations, and also qualified for the statutory exemptions

from the requirements of CEQA under California Public Resources Code section 21080(b)(4) and 14 Cal. Code Regs. 15269(c). The addition of Linc-Florence APTS, LLC to the Standard Agreement will not trigger additional review under CEQA.

Attachments:

Resolution – 1654 Florence

ATTACHMENT 1

Resolution – 1654 Florence

RESOLUTION NO. _____

RESOLUTION ADDING LINC-FLORENCE APTS, LLC AS A PARTY TO STANDARD AGREEMENT 21-HK-17098 GOVERNING THE REAL PROPERTY ASSET AT 1654 W. FLORENCE AVENUE

WHEREAS, the Housing Authority of the City of Los Angeles (“HACLA”) is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Housing Authorities Law, consisting of Part 2 of Division 24 of the California Health and Safety Code (the “Act”), including the power to finance, acquire and manage property in the furtherance of providing affordable housing;

WHEREAS, HACLA is authorized to acquire and dispose of real property and enter into contracts and agreements related thereto pursuant to the Act;

WHEREAS, HACLA’s Board of Commissioners (“Board”) has adopted by Resolution No. 9639, on October 22, 2020, an Acquisition and Disposition of Real Property Policy to institute a revised and updated real property acquisition program and to revise and restate its prior policy to reflect HACLA’s Build HOPE Vision Plan goals to acquire additional real property and to provide for the disposition of real property;

WHEREAS, the State of California Department of Housing and Community Development (“HCD”) issued a Notice of Funding Availability, dated September 9, 2021 (“NOFA”), for the Homekey Program (“Homekey”) pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.);

WHEREAS, HCD is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the California Health and Safety Code), and Homekey funding allocations are subject to the terms and conditions of the NOFA, commitments made in submitted applications for Homekey funds, the HCD-approved STD 213 Standard Agreement, and all other legal requirements of the Homekey Program.

WHEREAS, Resolution No. 9710, adopted by the Board on May 27, 2021, authorized HACLA to submit multiple applications on its own behalf and in collaboration with the City of Los Angeles (“City”) in response to the anticipated NOFA, to apply for Homekey grant funds in a total amount not to exceed \$250,000,000, to enter into one or more Standard Agreements with HCD, to enter into a memorandum of understanding with the City, and to execute any related agreements, documents and contracts;

WHEREAS, Resolution No. 9765, adopted by the Board on November 18, 2021 authorized HACLA’s contingent acquisition of real property at 1654 W. Florence Avenue, Los Angeles, CA 90047 (the “Property”) for up to \$49,500,000;

WHEREAS, Resolution No. 9765 authorized HACLA to acquire the Property on behalf of and in cooperation with the City and to dispose of it to a City-selected Owner/Operator for the price the Property was purchased all for the purpose of providing affordable housing with a concentration on households who have experienced homelessness or who are at risk of homelessness, contingent upon satisfactory completion of due diligence, appraisal supporting the purchase price, approval by the City, and the award of funds through Homekey;

WHEREAS, HACLA submitted an application for Homekey funding (the “Application”) for the acquisition of the Property in partnership and as a co-applicant with the City in response to the NOFA;

WHEREAS, HACLA and the City received a Homekey award for the Property in the amount of \$36,974,744, pursuant to the terms of Standard Agreement 21-HK-17098 (hereafter, the “Standard Agreement”);

WHEREAS, the other contingencies identified in Resolution No. 9765 have likewise been met, and the Property was acquired through escrow on April 7, 2022;

WHEREAS, HACLA, at the direction of the City, intends to transfer its rights and interests in the Property to Linc-Florence APTS, LLC (“New Contractor”), a California limited liability company formed by Linc Housing Corporation (“Linc Housing”), a California non-profit public benefit corporation organized for exempt purposes pursuant to Section 501(c)(3) of the Internal Revenue Code, which was formally selected by competitive bid by the City to own and operate the Property for the sole public purpose of providing deeply affordable housing under covenants recorded by the City;

WHEREAS, in order for New Contractor to comply with Homekey requirements applicable to the Property, HACLA, the City, New Contractor, and HCD will need to execute an amendment to the Standard Agreement adding New Contractor as a party; and

WHEREAS, Resolution No. 2247, adopted by the Board on January 26, 2023, authorized adding Linc-Florence APTS, LP, a California limited partnership formed by Linc Housing, to the Standard Agreement, and this resolution, brought at the request of Linc Housing and the City, is intended to supersede and replace Resolution No. 2247.

NOW, THEREFORE, BE IT RESOLVED, the Board does hereby authorize and approve as follows:

Section 1. The recitals hereinabove set forth are true and correct, and this Board so finds. This resolution is being adopted pursuant to the powers granted HACLA under the Act.

Section 2. HACLA’s President and CEO, or any of his “Designated Officers,” as defined below, are each separately authorized to execute an amendment to the Standard Agreement adding New Contractor as a party to that agreement, along with any and all other documents required or deemed necessary or appropriate to secure Homekey funds from HCD and to

participate in Homekey, and all amendments thereto (collectively, the “Homekey Documents”), as well as any and all related documents, contracts for services and financing documents, with such changes as may be approved by legal counsel. Notwithstanding anything to the contrary and for the avoidance of doubt, a sole Designated Officer is authorized to complete the aforementioned tasks.

Section 3. HACL A acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, as amended, and that the NOFA and the Application are incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

Section 4. The President and CEO and his Designated Officers referred to above and authorized to execute the amendment to the Standard Agreement, the Homekey Documents, and related documents are as follows:

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

Section 5. This resolution supersedes and replaces Resolution No. 2247, as adopted by this Board on January 26, 2023.

Section 6. This resolution shall be effective upon its adoption.

PASSED AND ADOPTED by the Housing Authority of the City of Los Angeles this 31st day of May, 2023, by the following vote:

AYES: [] **NAYES:** [] **ABSTAIN:** [] **ABSENT:** []

The undersigned, Cielo Castro, Chairperson of the Housing Authority of the City of Los Angeles Board of Commissioners, hereby attests and certifies that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date mentioned above, and the resolution has not been altered, amended, or repealed.

APPROVED AS TO FORM

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: _____
James Johnson, General Counsel

By: _____
Cielo Castro, Chairperson

DATE ADOPTED: _____