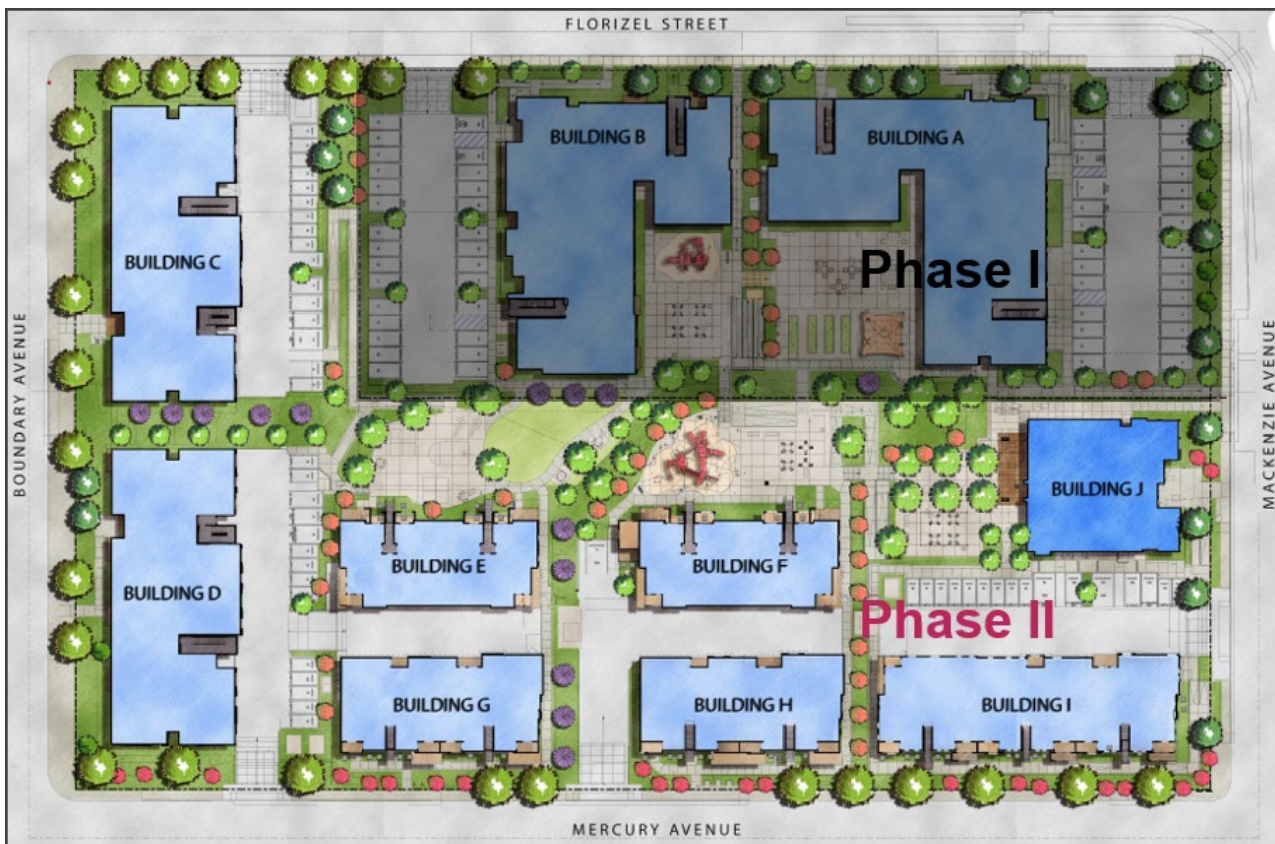




TO: HACLA Board of Commissioners
FROM: Geoffrey Moen, Director of Development Services *Geoffrey Moen*
THROUGH: Lourdes Castro Ramirez, President & CEO *Lourdes Castro Ramirez*
DATE: July 10, 2025
SUBJECT: **Rose Hill Courts Phases I and II Redevelopment Progress Report through the end of Q2 2025**

This report is intended to provide the Board of Commissioners with a progress update on the Rose Hill Courts Redevelopment Project comprising Rose Hill Courts Phase I ("RHC I") and Rose Hill Courts Phase II ("RHC II"). The progress report includes project updates for RHC I and RHC II for Q2 2025.

The overall redevelopment plan includes the demolition of the original 15 buildings which comprised legacy Rose Hill Courts and construction of a total of 185 residential housing units (183 affordable housing units plus two unrestricted managers' units) planned for development through two phases, RHC I and RHC II, in partnership with Related California ("Related"). RHC I included the demolition of seven buildings to accommodate construction of two new apartment buildings comprising 89 units on approximately 1.79 acres of land located at the northeastern corner of the 5.24-acre Rose Hill Courts public housing site. RHC II included the demolition of eight buildings to accommodate the construction of 96 new apartment units and community amenities on approximately 3.45 acres of land on the southern and western side of the Rose Hill Courts public housing site.



Rose Hill Courts Phasing Plan

Housing Authority of the City of Los Angeles

9 2600 Wilshire Blvd., Los Angeles, CA 90057 ☎ 833-HACLA-4-U ✉ info@hacla.org ↗ hacla.org

Snapshot of the two Rose Hill Courts Phases

PHASE	CONTRACTOR	CONSTRUCTION SCHEDULE	STATUS
RHC I	R.D. Olson	06/2021 to 08/2023	Complete
RHC II	R.D. Olson	03/2025 to 03/2027	In construction

RHC I Update:

Financing: The 89-unit RHC I project achieved completion in August 2023 and was fully leased-up by end of 2023. It achieved permanent conversion on May 31, 2024, after receiving HUD and California Department of Housing & Community Development's ("HCD") approvals. The Placed-In-Service ("PIS") package was approved by the California Tax Credit Allocation Committee (CTCAC). After CTCAC and HUD approved the Subordination to RAD Use Agreement and the draft Regulatory Agreement, Related and La Cienega LOMOD notarized and executed the documents and submitted to CTCAC for final execution and recordation. CTCAC executed these documents, and the recorded and certified versions were circulated in May 2025.

Sustainable Transportation Infrastructure ("STI")/Transportation Related Amenities ("TRA") Improvements:

The City of Los Angeles is working on implementing infrastructure improvements at Rose Hill Courts in relation to the project's Affordable Housing and Sustainable Communities ("AHSC") funding. The Bureau of Engineering department ("BOE") who oversees the implementation of these infrastructure improvements staff is in the process of finalizing the AHSC 5 Rose Hill Courts Design Plans. BOE anticipates completing the construction documents and bid package by August 2025, hire a contractor within 5-6 months after posting, and begin construction soon thereafter.

RHC II Update:

Financing: The financial closing for this 96-unit project was achieved on March 5, 2025, and construction commenced soon thereafter. HACLA is working with Related to submit a request to HUD for a project-specific public interest waiver from Build America Buy America ("BABA") requirements for the FY2024 Community Project Funding ("CPF") award. HACLA and Related held regular planning meetings for the groundbreaking ceremony scheduled for July 1, 2025.

Construction: R.D. Olson ("RDO") the general contractor for RHC II began mobilizing at the construction site and the construction fence and construction trailer have been installed. Construction activities are progressing, as per schedule and per budget. Mass grading, footing and underground utilities in Building C and D have been

completed. Building pad grading, construction of retaining walls and stormwater retention basin is currently underway.

Relocation Update:

The relocation consultant, Transystems, held its yearly check-ins with the sole remaining temporarily relocated household and is processing their rental assistance payment for the year. HACLA offered a unit in RHC I to one of the two households that voluntarily transferred to another HACLA site in 2019 to allow RHCI demolition to proceed. The household declined the unit, choosing to remain in their current public housing unit, and relinquished their right to return to RHC redevelopment. HACLA will continue periodic check-ins with the remaining voluntarily transferred household. The two remaining households will be offered a unit in either RHC I or RHC II, in accordance with HACLA's Section 8 Administrative Plan. Transystems has turned over the relocation files to HACLA staff who will conduct an internal review. The relocation file review is scheduled to be completed in the third quarter of 2025.

Community Outreach Update:

During the 2nd quarter of 2025, the HACLA liaison met monthly with the community coaches. The community coach program has been a key component of HACLA's communication plan for outreach and engagement. This program is designed to assist residents with communication, team building, leadership, event planning and community organizing skills. The two coaches who are a part of this program have acted as a liaison between HACLA and the rest of the community. Their efforts have allowed HACLA to be in constant communication with the community. Related property management holds monthly meetings for the residents, generally on the last Thursday of every month. The community coaches are a part of these meetings. In the second quarter of 2025, there were a total of three community meetings.

Attachments:

1. Project Summary
2. Fourth Quarter Expenditure Report as of March 2024
3. RHC II Construction Update for Q2 2025

ATTACHMENT 1

PROJECT SUMMARY

**Rose Hill Courts, Phase I and II
PROJECT SUMMARY**

PHASE I

RESIDENTIAL BUILDINGS

TOTAL UNITS:	89
AFFORDABILITY:	88 AFFORDABLE UNITS, 1 MANAGER’S UNIT 77 RAD units, 11 PBV units, and 1 Manager’s Unit
DEVELOPER/OWNER:	Related California, La Cienega LOMOD
GENERAL CONTRACTOR:	R.D. Olson
Relocation Consultant:	Overland, Pacific, & Cutler
FUNDERS:	HACLA, Union Bank, Raymond James
SCHEDULE:	June 2021 – June 2023 (Building B) June 2021 – August 2023 (Building A)

AMENITIES

Indoor amenities such as Community Room, On-site Leasing Office, lobby with mailbox area, elevators, and laundry facilities.
Outdoor amenities such as kids’ play area, adult exercise equipment, vegetable garden, and lounge seating areas.

PHASE II

RESIDENTIAL BUILDINGS

TOTAL UNITS:	96
AFFORDABILITY:	95 AFFORDABLE UNITS, 1 MANAGER’S UNIT 95 PBV units, and 1 Manager’s Unit
DEVELOPER/OWNER:	Related California, La Cienega LOMOD
GENERAL CONTRACTOR:	R.D. Olson
Relocation Consultant:	Overland, Pacific, & Cutler
FUNDERS:	HACLA, U.S.Bank, Citi Bank
SCHEDULE:	March 2025 – March 2027

AMENITIES

Approx. 5,400 square-feet Management Office/Community Building
On-Site leasing Center, Mail room, Learning Center, Library, Community Room with kitchen, Fitness Room, Teen Room.

COMMUNITY OPEN SPACE

“Central park” green space, landscaped courtyards with outdoor exercise playgrounds, and outdoor assembly seating areas.

ATTACHMENT 2

**EXPENDITURE REPORT AS OF
March 31, 2025**

ROSE HILLS COURTS REDEVELOPMENT

As of March 31, 2025 - 1st Quarter

Pre-Development Expenses	Total Costs
Administrative Expenses	24,165
Business Consulting	1,359,377
Legal Expenses	516,415
Site Maintenance and Security	5,518,786
Total	7,418,743

Tenant Services	Total Costs
Community Engagement	31,277
Relocation	289,224
Resident Stipends	11,220
Total	331,721

Development Activities	Revenue	Expenses
Development Costs	-	531,548
Phase I Developer Fees	315,000	
Phase I - Third Party Reimbursements	937,007	
Total	1,252,007	531,548

Development Loans	Commitments	Draws	Accrued Interest	Payments	Loan Balance
Predevelopment Loan ^{4,5}	2,013,773	1,637,283	43,638	(1,680,920)	(0)
RHC Phase I ⁴	2,250,460	1,938,019	48,932	(1,986,951)	0
RHC Phase II ⁴	3,722,944	2,951,029	236,328	(3,187,357)	0
Construction Loan					
RHC Phase I - Gap Loan	8,350,000	8,350,000	934,560	0	9,284,560
RHC Phase II - Gap Loan	9,803,000	8,293,448	12,270	0	8,305,718
RHC Phase II - Demo Gap Loan	3,623,778	0	0	0	0
Total	29,763,955	23,169,779	1,275,728	(6,855,228)	17,590,279

Ground Leases	Deferred Revenues
RHC Ground Lease Phase I	7,100,000
RHC Ground Lease Phase I (Interest)	816,403
RHC Ground Lease Phase II	4,950,000
RHC Ground Lease Phase II (Interest)	10,984
Total	12,877,387

¹ Loans to be used for future phases as payments are received from outstanding loans.

² Repayment of Loans to be used for future phases.

³ Revenues originating from closing to be used for future phases.

⁴ Commitments amounts reflect subsequent amendments, loan assumptions, and/or restated loan agreements.

⁵ Payment amount reflects the loan balance assumed by RHC Phase I & II at close of the Predevelopment Loan.

ATTACHMENT 3

Construction Progress Report



Build HOPE: Investing in People and Place

ROSE HILL COURTS Redevelopment Project

Phase 2 Quarterly Progress Report

Quarter #2

Period of Performance April 1 – June 30, 2025



Table of Contents

- 1.0 Program Description
- 2.0 Construction Progress
- 3.0 Schedule and Cost Status
- 4.0 Issues and Resolutions
- 5.0 Photos

1.0 PROGRAM DESCRIPTION

Overall Program Description

The Rose Hills Courts Phase 2 is a multi-family residential development consisting of 89 residential units, on grade parking and amenity spaces. Phase 1 was completed in 2023. Both phases are shown on the site map shown below. Phase 2 includes two 4 story buildings with tuck-under parking. Like Phase 1, the Project team for Phase 2 includes HACLA, Related Development (Developer) and RD Olson (Contractor).

The evaluation of alternatives for the redevelopment of the property began in 2015. In 2017 it was determined that the best alternative was to demolish the existing buildings and construct new buildings due to the age and condition of the existing units. The redevelopment would be done in two phases. In 2018 work started on the environmental reviews and entitlements, financing funding sources, and design. After the contractor was selected and awarded a contract by the developer, construction work on Phase 1 began June 10, 2021. Phase 1 completed construction with Building B TCO on 6/26/23 and Building A TCO on 8/25/23. Demolition of Phase 2 footprint buildings and site improvements began in April 2024 and was completed in December 2024. Construction of Phase 2 began March 11, 2025, and is scheduled to complete in March 2027.

Site map

2.0 CONSTRUCTION PROGRESS

Progress of Construction Work

Work Completed this Quarter	Ongoing Work
Description Of Work	
• Mass Grading • Building C – Footings and Underground Utilities • Building D – Footings and Underground Utilities • Main Site Electrical Underground	• Building Pad Grading • Retaining Wall construction • Storm Water Retention Basin construction

Phase 2 Highlights for 2nd Quarter 2025 – There were no construction safety incidents reported. Community relations have been good.

Milestone Achievements

Building C	Footings Poured 6/5/25
Building D	Footing Poured 6/5/25
Site Work	Portion of retaining wall footings poured 6/5/25

SCHEDULE & COST

Construction Schedule			Cost	
NTP	3/11/2025		Original Contract Value	\$57,861,132
Scheduled Completion Dates			Current Change Orders	\$36,513
Planned Completion	3/11/2027		Current Contract Amount	\$57,897,645
Original Contract Duration	729	Days	Pending Change Orders	\$47,134
Time Used	92	Days	Potential Contract Amount	\$57,944,779
Contractual Time completed		12.6%	Amount Billed to Date	\$4,002,249.50
Approved Time Extension Completion		0%	Percent Billed to Date	6.9%
Revised Contract Duration	729	Days	Through Pay App	#3
Revised Completion Date	3/11/2027		Pay app #4 submitted	In review
Estimated TCO	3/11/2027		Subcontractor Buyout Savings	\$1,458,541
			Remaining Contractor Contingency	\$1,490,261

Schedule – Project is on schedule.

4.0 ISSUES & RESOLUTIONS

Current Issues & Resolutions

Resolved Issues	Unresolved Issues
Phase 1 - Description	
- Delays in obtaining import soil for grading completion were overcome by prioritizing construction on Buildings C and D. - Groundwater intrusion in mass grading near Buildings J and I. Geotech provided solution to bridge flowing water and complete grading.	Plumbing Permit issuance associated with stormwater retention basin

6.0 PHOTOS

Site Grading 3-28-25



Site Grading 5-21-25



Building C Foundation 6-3-25



Building D Foundation 6-3-25



Site Work 6-3-25

