

STAFF REPORT
As of: January 11, 2018

PATH Villas Hollywood
5627 W Fernwood Ave
Los Angeles, CA 90028

New Construction
Council District No: 13

PROJECT DESCRIPTION

PATH Villas Hollywood is a tear-down/new construction, 60-unit housing development comprised of 49 studio units, 10 one-bedroom units, and a two-bedroom manager's unit. It will be developed as a six-story single-structure over a level of underground parking. The development includes 45,437 gross residential building square feet and a 7,416 square foot underground level with 14 automobile parking spaces, 66 bicycle parking spaces, and storage space. The ground floor of the residential structure will largely be devoted to community service spaces such as a community room and teaching kitchen, landscaped courtyard, and case management offices.

The property will provide a range of amenities to tenants. The ground floor includes a large community room and teaching kitchen, an open-air courtyard, property management office, and on-site case management offices. Unit amenities include central air conditioning, oven/range, refrigerator, private bathrooms, and 1-bedroom units will have a private balcony.

PATH Villas Hollywood (PVH) will serve homeless, chronically homeless, and developmentally disabled households with the intention of helping them reintegrate into the local community and increase their independent living skills by providing tenants with on-site case management, service coordination and supportive services. PATH (PVH's parent company)'s goal is to end homelessness for individuals, families and communities by building affordable permanent supportive housing. The decision to set-aside a portion of these units for developmentally disabled households was made after many discussions with Brilliant Corners about the compatibility of the core populations we serve and the incredible need for affordable housing for many developmentally disabled households that are at an ever-present risk of falling into homelessness.

PROJECT FINANCE SUMMARY

In addition to the Proposition HHH Permanent Supportive Housing Loan Program (HHH) loan, the proposed financing is comprised of State Housing Tax Credits from the California Tax Credit Allocation Committee (CTCAC), grants from the California Department of Housing and Community Development, and a grant from Brilliant Corners.

BORROWER AND PROPOSED OWNERSHIP STRUCTURE

PATH Villas Hollywood (PVH) LA LP is currently made up of PATH Ventures (Initial Limited Partner) and PVH GP LLC (the General Partner), and PATH Ventures is the sole-member and manager of PVH GP LLC. At construction closing, PATH Ventures will be replaced by a to-be-determined tax-credit investor.

PERMANENT FUNDING SOURCES

Source	Amount
HHH	\$ 11,780,000
4% TCAC Equity	11,753,923
AHSC	6,368,578
IIG	847,750
GP Equity	100
Deferred Dev Fee	1,319,600
Brilliant Corners	1,700,000
Total	<u>\$ 33,769,951</u>

AFFORDABILITY STRUCTURE

Unit Type	Mgrs.	30% AMI	40% AMI	50% AMI	60% AMI	MKT	Total
0 Bedroom	0	20	0	29	0	0	49
1 Bedroom	0	5	5	0	0	0	10
2 Bedroom	0	0	0	0	0	1	1
3 Bedroom	0	0	0	0	0	0	0
Total	0	25	5	29	0	1	60

FUNDING RECOMMENDATION

An HCIDLA funding commitment of up to \$11,780,000 is recommended. The project is competing for HCD funds. HCID funds will represent \$199,661 per unit and 34.9% of the total development cost. The HCID funding is leveraged with tax credit equity, state grant funds (if secured), and a Brilliant Corners grant.

Prepared By: Los Angeles Housing and Community Investment Department