REPLACEMENT HOUSING PLAN

FOR

THE LAMP LODGE

Prepared for

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I. INTRODUCTION

The developer, OPCC/LAMP and Meta Housing Corporation, known as LAMP Lodge LP (the “Developer”), has proposed the new construction of 82 units, which with the exception of a single manager’s unit will consist of 100% supportive housing, known as the LAMP Lodge Project (the “Project”), to be located at South 656-660 Stanford Avenue (the “Site”) in the City of Los Angeles (the “City”). The Project Site is currently developed with an existing outdated residential building, which has operated as a 50-unit residential building providing permanent supportive housing. While the proposed Project would remove the existing building, it would redevelop the Site with an 82-unit affordable housing development, of which 81 units would be set aside as restricted affordable housing, with 50 units specifically designated for Extremely Low Income households and 31 units specifically designated for Very-Low Income households, as defined by Los Angeles Municipal Code (“LAMC”) Section 11.5.11(a)(3). In addition to providing additional permanent supportive housing opportunities, the Project would include on-site social services for future residents.

In order to comply with the requirements of the Wiggins Settlement Agreement (“Wiggins”) and Development Guidelines and Controls for Residential Hotels in the City Center and Central Industrial Redevelopment Project Areas (the "Guidelines") as well as California Health and Safety Code Section 33413.5, the Developer has prepared for the Community Redevelopment Agency of the City of Los Angeles’ (“CRA/LA”) adoption, by resolution, this Replacement Housing Plan.

Specifically, Section 2.A.2 of Wiggins states that where a private owner of any Residential Hotel listed on Attachment 2A attached thereto demolishes units located at such Residential Hotels, a Replacement Housing Plan shall be prepared in compliance with Section IV.B of the Guidelines. Wiggins further requires that such Replacement Housing Plan be comparable to the plan referred to in California Health and Safety Code Section 33413.5 and any other applicable local, state or federal laws and regulations governing replacement housing obligations of a public or private entity.

As set forth in this Replacement Housing Plan, and as required by Wiggins, the Developer shall within four years of the date of the displacement of the existing units, replace the units with an equal number of replacement dwelling units. Among the permitted methods of replacing units, Wiggins permits developers to construct replacement units “on the same site as the Residential Hotel to be Demolished or Converted.” (Wiggins, Section 2.A.2.c.)

This Replacement Housing Plan sets forth the obligations of the Developer in its provision of replacement housing pursuant to Wiggins, the Guidelines, and applicable Health and Safety Code Sections with respect to the proposed redevelopment of the Site.
Specifically, this Replacement Housing Plan describes the following:

1) Proposed Project;
2) General location of the low income dwelling units which will, or may be, removed or destroyed as a result of the Project;
3) General location and intentions for the development of the replacement housing;
4) Means of financing such development;
5) Schedule for the construction of the replacement housing;
6) Period for which these units will remain affordable.
7) A finding that the replacement housing does not require approval of the voters pursuant to Article XXXIV of the California Constitution.

The Developer is hopeful to obtain CRA/LA’s approval for this Replacement Housing Plan in order to move forward with the Project to provide critically needed affordable housing in the City.

II. PROJECT DESCRIPTION

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The Project Site is currently developed with an aging residential building, which was originally constructed in the early 1900s, and a surface parking lot. The existing building is three stories and consists of a total of 50 studio and one-bedroom apartment units.

The Project consists of the removal of the existing outdated improvements at the Site to allow for the construction of a new seven-story, approximately 48,970 square-foot residential building which would meet current building code requirements for safety. The new building will include a total of 82 residential dwelling units, with 50 units set aside for Extremely Low Income households, 31 units set aside for Very-Low Income households and one-unit designated as a manager’s unit. The mix of units would be 74 studios, seven one-bedroom units, and one two-bedroom unit manager’s unit (note: the 50 units set aside for Extremely Low Income households would be comprised of 43 studios and 7 one bedrooms). All tenant-occupied units will be restricted affordable units offered to tenants whose incomes meet the applicable Area Median Income (“AMI”) levels as defined by the United States Department of Housing and Urban Development (“HUD”). The Project will further provide 16 automobile parking spaces and 91 bicycle parking spaces.
As described above, the Project would not only replace the number of existing units with Restricted Affordable units at a one to one ratio, but would add an additional 31 affordable units to the market as part of a 100 percent affordable housing project.

The proposed Project would be one of the first new developments in the area, which has seen very little new development and would introduce one-bedroom units to the area. The introduction of one and two-bedroom units in an area developed primarily with SRO units would provide additional housing options for individuals and households in need of support and social services.

REGIONAL LOCATION

The Site is located in the City of Los Angeles within Los Angeles County and is conveniently located just minutes from the Pasadena/ Harbor (110) Freeway, the 60 Freeway and the Santa Monica (10) Freeway. The Site is in downtown Los Angeles, and surrounding communities include Chinatown, University Park, Pico Union, Westlake, Aliso Village, and Boyle Heights (See Figure 1: Regional Project Location).
PROJECT SITE LOCATION AND DESCRIPTION

The Site is located at 656-660 South Stanford Avenue, Los Angeles, CA 90021 and is generally bordered by East 6th Street to the north, Gladys Avenue to the east, East 7th Street to the south, and South San Pedro Street to the west. The Site consists of a three-story residential building with a basement on two parcels comprised of .32 acres and (See Figure 2: Project Site Location & Figure 3: Aerial View of the Property).
III. UNITS TO BE REPLACED

SURVEY OF DWELLINGS TO BE REMOVED

Tenant data was provided by the Developer to Overland Pacific & Cutler, Inc. (“OPC”), which was retained to draft the relocation plan, for the 46 occupied households in late September 2016 at the time an original relocation plan was prepared. Because more than a year has passed since that relocation plan was prepared, the relocation plan has been updated to include the results of tenant interviews conducted by OPC in early September 2018. Data collected included: household size and composition, income, monthly rent, unit size, ethnicity, home language, legal presence status, physical disabilities, other special relocation needs and preferred area to relocate.

OPC found that there is a current known occupancy of 39 residential households (a list of tenant units that were vacated in 2016-2018 is included as Exhibit A to the relocation plan per the requirements of Guidelines Section VIII.B-4).

According to the income analysis prepared by OPC, based on income standards for Los Angeles County (see Section IV), adjusted for family size as published by the HUD, the occupied households qualify as follows:

- 38 households qualify as Extremely Low Income (30% or less of AMI);
- One household qualifies as Very Low Income (31% - 50% of AMI); and
- Income of the remaining households is unknown.

Current rental rates, length of tenancy and other information for units at the Site are listed in the rental roll attached hereto.

Individual interviews with all residents will be conducted by qualified staff closer to the construction date. If it is determined that another income category would more appropriately classify any of the displaced occupants, then the Plan will be modified accordingly to reflect the more appropriate income level and the appropriately sized replacement unit. All occupied dwelling units will be considered in this Plan.

REPLACEMENT HOUSING REQUIREMENTS

Wiggins, Health and Safety Code Section 33413(a) and the Guidelines require that 100 percent of the replacement units shall be made available at or below the same affordability level of the destroyed or removed units. For private-owner projects, Wiggins Section 2.A.2.d requires that the Replacement Units are at an affordability level of the rent level in effect at the time of the Wiggins settlement, as set forth in Attachment 3 to Wiggins [the CRA/LA’s 2006 survey], adjusted annually by the CPI. Rent and utilities for Replacement Units may not exceed 30% of 60% of the AMI for a household of one.
Therefore, for the Project, the required total number of replacement units will be 43 studio units and seven one-bedroom units. These units will be offered to tenants whose incomes are 0% to 30% of the AMI as defined by HUD per the requirements of Wiggins Section 2.A.2.d. The Replacement Units will be constructed on-site as permitted by Wiggins.

IV. ANNUAL INCOME RESTRICTIONS

California Health and Safety Code Sections 50079.5 and 50105 provide that the moderate, low, and very low income limits established by the HUD are the state limits for those income categories. Sections 50079.5 and 50105 direct HCIDLA to publish the income limits. HUD released new income limits in April of 2018. Accordingly, HCIDLA has filed with the Office of Administrative Law, amendments to Section 6932 of Title 25 of the California Code of Regulations. The amendments contain the new HUD income limits prepared by HCIDLA pursuant to Health and Safety Code Section 50093.

The following figures are approved by HUD for use in the County of Los Angeles to define and determine housing eligibility by income level.

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<thead>
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<th>Area Median Income: $69,300</th>
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<tr>
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V. LOCATION OF REPLACEMENT HOUSING

The replacement housing will be constructed on-site at 656-660 Stanford Avenue, Los Angeles, CA 90021. The Project would demolish the existing aging apartment building with 43 studios and seven one-bedroom units and construct a new apartment with 74 studio units, seven one-bedroom units, and one two-bedroom manager’s unit. The 81 studio units and one-bedroom units will be 100% supportive, restricted affordable units, 50 of which will be offered to tenants whose incomes are 0% to 30% of the AMI as defined by HUD and 31 of which will be offered to tenants whose incomes are 30% to 50% of the AMI as defined by HUD. The one two-bedroom unit will not be a restrictive affordable unit and will be a manager’s unit.
VI. FINANCING THE REPLACEMENT HOUSING

The land is owned by the City and leased to the Developer. The Developer will apply for, and anticipates utilizing, the following sources of funding: California Department of Health Services – Mental Health Services Act funds, HCIDLA – Housing and Community Investment Department (City of Los Angeles) funds, including HOME funds, Tax Credit Equity, Federal Home Loan Bank of San Francisco – Affordable Housing Program (“AHP”) funds, and funds from Los Angeles County Community Development Commission.

VII. NON-APPLICABILITY OF ARTICLE XXXIV OF THE CALIFORNIA CONSTITUTION

It is hereby found and determined that the replacement housing to be developed and constructed under this Plan does not require approval of the voters of the City pursuant to Article XXXIV of the California Constitution in that the replacement housing units meet one or more of the applicable exemption criteria.

The production of the replacement affordable housing units is exempt from the provisions of Article XXXIV of the California Constitution pursuant to Health and Safety Code Section 37001(f), as the Project consists of the replacement of existing dwelling units previously occupied by lower income households.

VIII. TIMETABLE FOR REPLACEMENT HOUSING

Developer will complete construction of the replacement housing under this Plan within three years after the commencement of the demolition. There will be 74 studio units and seven one-bedroom units (a total of 81 units) of affordable residential units constructed to replace the 43 studios and seven one-bedroom units that will be demolished.

IX. SUMMARY

In summary, a total of 43 studios and seven one-bedroom units would be removed as a result of the construction of the Project and the redevelopment of the Site. A total of 81 replacement restricted very low income dwelling units would be constructed and it would consist of 74 studios and seven one-bedroom units. A two-bedroom non-restricted manager’s unit would also be constructed as a part of the Project. The replacement units would be located on the same Site as the demolished units.

For the Project, the required total number of replacement units will be 43 studio units and seven one-bedroom units. These units will be constructed at an income level at or lower than the persons displaced from the demolished units per the requirements of Wiggins Section 2.A.2.d, and as set forth in the attached rental roll.
The above actions will yield the required number of replacement dwelling units as mandated by all applicable law, including Wiggins, the Guidelines, and under the California Redevelopment Law and the Housing and Community Development Act. The Developer recognizes its legal and community responsibilities in this matter and has made a sincere, good-faith effort to accomplish these goals. The Developer retains its option to use other approaches and strategies not discussed herein to fulfill its replacement housing obligations in a timely manner.