Proposition HHH
Permanent Supportive Loan Program
2018 - 2019 Round 1, Bidders Conference

August 9, 2018
1:00 p.m. to 2:00 p.m.
Agenda

- Welcome & Introductions
- House Keeping
- Proposition HHH Loan Program Basics
- 2018-19 Call for Projects Round 1, Schedule
- Changes to the Proposition HHH 2018-2019 Regulations, Policies and Procedures
- Helpful Hints
- Questions and Answers
Welcome & Introductions

- Edwin Gipson, Director, Finance and Development
- Tim Elliott, Community Housing Programs Manager, Finance and Development
House Keeping

- No food or drinks, only bottled water in the auditorium
- Bathroom locations
- Parking
  - HCIDLA does not provide validation for the parking structure
  - Parking meters-make sure you have fed the meters
- Cell phones: put on vibrate or turn them off
- Sign-in sheet at the entrance
HHH Program Basics

- Purpose to facilitate and increase the number of permanent supportive (PSH) and affordable housing units throughout the City
- Prop. HHH Regulations revised & approved by Council and Mayor annually
- Updated HHH Regs for 2018/19 CFP are posted on HCIDLA’s website
- Tri-annual Call for Projects - July, October, and February; current CFP ends August 20, 2018
- Approved applications receive a 2-year Conditional Commitment Letter (after Council/Mayor approval)
HHH Program Basics

- To date, the Prop. HHH Loan Program has approved approximately 40 projects and 2,800 units, for an estimated amount of $370 million.

- Structure Prop. HHH applications using tax-exempt bonds and 4% or 9% tax credits, or other non-tax credit programs.
  - If applying for 9% tax credits, the project must be admitted into the HCIDLA Managed Pipeline before applying for Prop. HHH funding.

  - Note: Alternative non-tax credit financing structures are encouraged to apply for Prop. HHH funding, and will be reviewed and analyzed on a project-by-project basis.
HHH Program Basics

- Project must designate at least 50% of the units as PSH, and 50% of those as chronic PSH (Sec. 1.5)
- Alternatively, a minimum of 20 units can be PSH (excluding Manager’s unit), but only those PSH units will be funded (Sec. 1.5)
- Funds are available for new construction or adaptive reuse of non-residential structures only (Sec. 1.7)
- Acquisition and/or rehabilitation of occupied residential structures is not eligible (Sec. 1.8)
Projects seeking to have more than two bedrooms must receive an exemption from LAHSA (Sec. 1.5)

LAHSA contact is Joshua Hall, jhall@lahsa.org

Kitchens & Bathrooms Required: At minimum, units must have a refrigerator, kitchen sink, microwave, stovetop, storage cabinet, lavatory, toilet, and shower (Sec. 1.5)

Relocation/Displacement: If relocation or permanent displacement is required, at minimum, the project must net 100% more units (i.e., double) than the amount to be demolished (Sec. 2.12.6)
HHH Program Basics

- Financing and Terms:
  - 3% simple interest
    - *interest rate changes subject to HCIDLA’s discretion*
  - Payments based on residual receipts
  - 55 year term/covenant

- Lead Developer: The Lead Developer must be the GP of at least two (2) projects in service for more than one year (Sec. 1.4 and new MOU Attachment 1.42)
HHH Program Basics

- Service Provider: The lead service provider must have at least 24 months experience providing services in PSH developments (Sec. 1.4, Attachment 2.12.5)
  - If developer has Measure H commitment from Los Angeles County Health Agency (DHS, DMH, DPH), developer to provide letter in lieu of Service Plan at time of application

- Property Manager: The Property manager must have managed four (4) or more Special Needs projects for three (3) years at time of application (Sec. 1.4)
The standard loan amount is $12 million, calculated as follows:

<table>
<thead>
<tr>
<th>Maximum HHH Subsidy Per Unit</th>
<th>Affordable Housing Units</th>
<th>PSH Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>4% LIHTC &amp; all other</td>
<td>$100,000</td>
<td>$140,000*</td>
</tr>
<tr>
<td>9% HCIDLA PIPELINE</td>
<td>$100,000</td>
<td>$100,000*</td>
</tr>
<tr>
<td>Non Tax Credit/Other</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Supplemental Funding</td>
<td>$0</td>
<td>$80,000*</td>
</tr>
</tbody>
</table>

*Until “No Place Like Home” funds become available
Supplemental Funding of $80,000 per PSH unit is available for a maximum loan amount of $16,000,000, under the following conditions:

- For projects that reserve more than 80% of their units for PSH, and/or
- For Projects located in a highest, high and moderate resource area/census tract defined in Section 5.2.
  - Projects where land is donated or provided by a public agency at a discount greater than 50% of appraised value are not eligible for supplemental funding
HHH Program Opportunity Map

- For projects located in a highest, high and moderate resource areas/census tract, defined in Section 5.2

To access “Opportunity Map”, click on link in Prop HHH PSH Program Regulations, page 14.

Current 2018-19 HHH Regs found on HCIDLA’s website: hcidla.lacity.org/prop-hhh
# 2018/19 CFP R1 Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 20, 2018</td>
<td>2:00 p.m.</td>
<td>Issue CFP</td>
</tr>
<tr>
<td>August 9, 2018</td>
<td>1:00 p.m.</td>
<td>Bidders Conference</td>
</tr>
<tr>
<td>August 15, 2018</td>
<td>12:00 p.m.</td>
<td>Deadline for receipt of questions, inquiries and clarifications</td>
</tr>
<tr>
<td>August 8 to 16, 2018</td>
<td>5:00 p.m.</td>
<td>Responses to questions posted on HCIDLA website</td>
</tr>
<tr>
<td>August 20, 2018</td>
<td>11:59 p.m.</td>
<td>Electronic applications due</td>
</tr>
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Changes to the Proposition HHH 2018-2019 Regulations, Policies and Procedures

Changes made to the following sections of the Prop. HHH 2018-2019 Regulations, Policies and Procedures:

- Eligible Applicants - Section 1.4, Lead Developer
  - MOU Agreement - Attach. 1.4.2
- Eligible Projects - Section 1.5, multi-phase development
- Interest Rate - Section 1.10.2
- Max. HHH Loan Amount - Section 2.4
- Project Labor Agreement - Section 3.7.72
- Opportunity Map - Section 5.2, Attach. 5.2
Helpful Information

- Threshold Requirements found in Section 2
- Underwriting Costs & Pricing Guidelines found in Section 3
- Application Process and Requirements found in Section 4
- Program Priorities found in Section 5
- Developer compliance with HCIDLA business practices is required
- Check the HCIDLA website to keep up-to-date on CFP posted Q&A’s. Follow the Q & A link at: HCIDLA.LACITY.ORG/PROP-HHH
- Don’t wait until the last minute! Final day to submit an application is AUGUST 20, 2018
- Submit your questions to: HCIDLA.HHH.CFP@LACITY.ORG
Questions and Answers

hcidla.hhh.cfp@lacity.org
Thank You For Attending

hcidla.hhh.cfp@lacity.org