

# Action Plan

## Grantee: Los Angeles, CA

### Grant: B-11-MN-06-0512

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<b>LOCCS Authorized Amount:</b>	\$ 9,875,577.00
<b>Grant Award Amount:</b>	\$ 9,875,577.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 3,771,724.29
<b>Total Budget:</b>	\$ 13,647,301.29

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### Funding Sources

#### No Funding Sources Found

### Narratives

#### Summary of Distribution and Uses of NSP Funds:

The Los Angeles Housing and Community Investment Department (HCIDLA) used HUD's NSP3 data set to determine the City's NSP3 target areas. Careful geographic information systems (GIS) analysis was used to determine neighborhoods of greatest need for stabilization efforts and areas where the ability to leverage resources will aid in meeting the desired outcomes. In our spatial analysis, the HCIDLA took into account several factors including: , , The City's current NSP 1 and 2 target areas , HCIDLA NSP property activity data through Restore Neighborhoods Los Angeles (RNLA) , Current density zoning , Community Redevelopment Agency/Los Angeles (CRA/LA) project areas , City of Los Angeles Recreation and Parks priority areas , American Recovery and Reinvestment Act (ARRA) funded street resurfacing projects, bike grating and street lighting improvements , Targeted census tracts from other NSP2 grantees such as Los Angeles Neighborhood Housing Services (LANHS) and New Economics for Women (NEW) , , The target areas were then mapped using the HUD NSP3 Mapping Tool for Preparing Action Plan in order to determine the estimated number of units that are needed to make a 20% impact. Once the targeted areas were narrowed, HCIDLA staff visited the areas to survey and verify the analysis. The determination of NSP3 areas took several factors into account. First, the HCIDLA prioritized current NSP1 and NSP2 target areas in order to leverage additional dollars to meet both the greatest need and the NSP3 20% impact requirement. Second, the HCIDLA analyzed areas with high NSP3 need scores and patterns of divestment. The three selected areas scored either a 19 or 20 HUD Need Factor Score, well above the California State minimum requirement of 17 HUD Need Factor Score. The areas selected had high incidences of foreclosures, vacancies, unemployment and an above average rate of high cost mortgages compared to the rest of the City. HCIDLA also targeted areas where partnership opportunities would leverage NSP with other related funding sources. For example, the HCIDLA has partnered with the City's Department of Recreation and Parks to develop new community parks or other open space uses on select properties purchased with NSP1 funds. These properties are located within or nearby the areas of greatest need in Watts, South Los Angeles and the San Fernando Valley. The Watts target area is Neighborhood ID number 7867004 on the NSP3 Mapping Tool and is named South LA Target 15. This targeted neighborhood is within a 1/4 mile from the 103rd St./Wilmington light rail station and presents an opportunity to leverage transit and related infrastructure investment in the community while improving the housing stock and providing affordable housing opportunities that contributes to a safe pedestrian centered neighborhood. This area is also adjacent to Jordan Downs, a public housing community planned for significant redevelopment investment by the Housing Authority of the City of Los Angeles (HACLA). HCIDLA has partnered with HACLA to invest NSP resources in the Watts neighborhoods surrounding Jordan Downs to improve the housing stock and provide affordable rental and homeownership opportunities to households served by HACLA. In addition, the Community Redevelopment Agency of Los Angeles (CR) is planning a new Jordan Downs High School to the light rail station. Per the Mapping Tool data, 26 units must be assisted in order to address 20% of the real estate owned (REO) properties within this target area. The South Los Angeles target area is Neighborhood ID number 6686798 on the NSP3 Mapping Tool and is named South LA Target 7. This neighborhood presents an opportunity to leverage public investments such as a new Los Angeles Unified High School located



in the targeted area. In addition, the City has made significant NSP1 and NSP2 investments in these and surrounding communities. This area has slightly high

### **How Fund Use Addresses Market Conditions:**

The Acquisition and Rehabilitation activities for Homeownership will be active in each of the NSP3 target areas of greatest need and serve to remove blighted and illegal structures, improve the housing stock, and provide homeownership opportunities. These neighborhoods have suffered from large numbers of foreclosures of single family homes and steep declines in home prices. The market conditions, combined with high rates of unemployment, deter investment to improve the housing stock. HCIDLA's program experience to date has shown that the rehabilitation needs of REO properties in the NSP neighborhoods are significant. In particular, older homes built in the 1920s and 1930s in South Los Angeles and Watts neighborhoods have significant improvement needs, including deteriorated foundations, inadequate plumbing and electrical systems, and rotted wood and termite damage to the building structures. In addition, properties in all the target areas have illegal construction and accessory buildings or have been illegally converted to multiple dwelling units. As a result of illegal and substandard conditions of REO properties and the high quality and energy-efficient rehabilitation standards adopted by HCIDLA, rehabilitation costs have averaged over \$160,000 per home. Some blighted properties are in such poor condition that it is more economically feasible to reconstruct a new home than to rehabilitate the current dilapidated structure. As a result, HCIDLA intends to incorporate a reconstruction element to the NSP that will introduce new single family homes into the NSP neighborhoods. These investments into rehabilitation and reconstruction of homes will result in an improved housing stock of energy-efficient homes that meet modern building code standards and reduce energy costs for lower and moderate-income homeowners. Restore Neighborhoods LA, Inc. (RNLA), a 501(c)(3), is a non-profit property holding and development company established for the purpose of implementing NSP in Los Angeles. To date, RNLA has acquired 94 properties totaling 182 housing units, including 61 single family homes and 33 multi-family properties containing 121 housing units. Because the NSP3 areas of greatest need overlap with NSP1 and NSP2 neighborhoods in Los Angeles, RNLA has experience and currently owns properties in these neighborhoods. RNLA will continue to acquire vacant single family REO properties in the NSP3 areas of greatest need and rehabilitate these properties to a code compliant and energy efficient standard. RNLA will sell the homes to eligible low, moderate, and middle-income homebuyers. The Acquisition and Rehabilitation activities for Rental Housing will be available in each of the NSP3 target areas of greatest need as well and serve to remove blighted and illegal structures, improve the housing stock, and provide affordable rental housing opportunities for households with incomes at or below 50% of Area Median Income (AMI). RNLA will be primarily responsible for implementing this activity. Foreclosures of multi-family rental properties (5+ units) continue to spread in Los Angeles. Since 2007, the number of foreclosures of multi-family rental properties (5+ units) has increased every year. There were more foreclosures of multi-family rental properties (5+ units) during the first three quarters of 2010 than during all of 2009. In addition, there have been over 5,000 foreclosures of smaller 2-4 unit buildings since 2007. The vast majority of these smaller rental properties are located in South Los Angeles. Because the NSP3 areas of greatest need overlap with NSP1 and NSP2 neighborhoods in Los Angeles, RNLA has experience and currently owns multi-family rental properties in these neighborhoods. To date, RNLA has acquired 33 multi-family properties containing 121 housing units within NSP neighborhoods.&

### **Ensuring Continued Affordability:**

#### **Homeownership Properties:**

To ensure continued affordability of these homes, the City will provide shared appreciation second mortgage loans for mortgage assistance, down payment, and closing costs. These loans will be underwritten as gap financing so that the homebuyer receives a loan for the difference between the sales price and the sum of the first mortgage and buyer downpayment. The maximum amount will be up to \$75,000 for households whose incomes do not exceed 80% AMI and up to \$50,000 for households whose incomes are between 81-120% AMI. These shared equity appreciation mortgages bear no interest and repayment will be deferred and due upon sale, title transfer, first mortgage repayment, or in 30 years as a balloon payment. The City's lien on the property requires that a portion of the appreciation in the value of the property and any equity gain resulting from a below market value purchase of the property be shared with the City upon resale of the property. This will help to ensure that properties purchased below market value are not subsequently resold or "flipped" for an excessive profit. However, if there are no net proceeds or the net proceeds are insufficient to repay the NSP investment due, the City will only recapture the amount of the net proceeds, if any.

In cases where recapture may not be appropriate, for example, in a project developed by Habitat for Humanity to create very long term affordable housing, the City may permit the placement of resale restriction covenants on some homeowner properties to ensure continued affordability for a period of at least 30 years. An assumable subordinate instrument will be placed on the property to ensure that if the home is resold, after the affordability period has ended, to a household whose income exceeds 120% AMI, any "excess profits" from the market sale will be returned to the City as program income.

#### **Rental Properties:**

The City will require a minimum affordability period consistent with HOME requirements up to a maximum of 55 years for NSP properties occupied as affordable rental housing. To ensure continued affordability, owners of NSP rental properties will be required to enter into a Regulatory Agreement and have affordability covenants that run with the land for the duration of the affordability period that restrict the rent and income level of tenants that reside in the property. Affordable rents will be set in accordance with the HUD NSP requirements and the definition of "affordable rents" contained in this NSP3 Substantial Amendment.

### **Definition of Blighted Structure:**

Blighted structure is defined in HUD's NSP requirements as follows: A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

For the purposes of the City of Los Angeles' Neighborhood Stabilization Program: "Blighted structure" shall be defined, but not limited to, any building, structure or portions thereof which exhibits objectively determinable signs of deterioration



sufficient to constitute a threat to human health, safety, or public welfare; or which constitutes a nuisance or is classified as a hazardous building pursuant to the City of Los Angeles Building Code and includes, without limitation, any residential building or dwelling, garage, accessory building, or any commercial or industrial building or portion thereof which because of fire, wind, natural disaster, or physical deterioration, is no longer habitable as a dwelling or useful for the purpose for which it was designed, used or originally intended; is structurally unsound or in disrepair; has portions of the building constructed that are not in accordance with applicable codes and standards or without applicable valid and approved building permits issued by the City of Los Angeles.

### **Definition of Affordable Rents:**

NSP requires that all households assisted with NSP funds have incomes at or below 120% of area median income (AMI) and a minimum of twenty-five percent (25%) of NSP funds be used to assist households having incomes at or below 50% AMI.

HUD has published NSP income limits for households having incomes at or below 50% AMI and 120% AMI, adjusted for household size. The numbers below summarize HUD's NSP household income limits and expand those limits to include 80% AMI for the City of Los Angeles:

• 50% AMI: 1 person-\$29,000; 2 person-\$33,150; 3 person-\$37,300; 4 person-\$41,400; 5 person-\$44,750; 6 person-\$48,050

• 80% AMI: 1 person-\$46,400; 2 person-\$53,000; 3 person-\$59,650; 4 person-\$66,250; 5 person-\$71,550; 6 person-\$76,850

• 120% AMI: 1 person-\$69,550; 2 person-\$79,500; 3 person-\$89,400; 4 person-\$99,350; 5 person-\$107,300; 6 person-\$115,250

For the purpose of the City of Los Angeles' NSP program, the term "affordable rent" shall be based upon 30% of the monthly income for a household eligible to reside in an NSP restricted unit less the utility allowance established by the Housing Authority of the City of Los Angeles (HACLA) (or other allowance approved by HCIDLA's Occupancy Monitoring Unit) for utilities paid by the tenant.

The Low Income Housing Tax Credit Program uses the same income limits and the 30% of AMI formulation for rents. Therefore, the California Tax Credit Allocation Committee (CTCAC) rents (minus utility allowance) will be used to establish rents for affordable properties funded with NSP.

### **Properties Assisted with Other Affordable Housing Funds:**

Affordable housing developers that acquire, rehabilitate and/or own and operate rental properties assisted with NSP funds, may obtain other federal, state, or local affordable housing funding resources to leverage the NSP funds. If these funds also have affordability requirements, the restricted rents for units subsidized by these funds will be established at the rents required for the affordable housing funds or the CTCAC rents, whichever are most appropriate for the project.

### **Rent Stabilization Ordinance:**

The City of Los Angeles has a Rent Stabilization Ordinance (RSO) that protects tenants from excessive rent increases. Multi-family residential properties are subject to the RSO if the Certificate of Occupancy was issued on or before October 1, 1978. RSO properties purchased with NSP funds shall be subject to the provisions of the RSO, including the applicable provisions for exemption from the RSO for housing accommodations owned by a non-profit where the accommodations are available to low income households as evidenced by a government imposed regulatory covenant with provisions consistent with those contained in the RSO. Although the CTCAC rents will be used to set the initial rent for vacant units, RSO properties will be governed by the RSO annual increase in rents and "good cause" eviction regulations. CTCAC or other authority approved by HCIDLA Occupancy Monitoring Unit will govern annual rent increases in non-RSO properties.

### **Housing Rehabilitation/New Construction Standards:**

The Los Angeles Housing and Community Investment Department (HCIDLA) will apply a health and safety rehabilitation standard to all NSP3-assisted residential properties. Each property will be inspected for health and safety deficiencies. Rehabilitation funding will be provided to repair code deficiencies in major building systems (e.g. roofing, electrical, plumbing, structural), perform seismic retrofitting, install seismic safety automatic gas shut-off valves, install smoke and carbon monoxide detectors, remediate lead-based paint hazards, repair damaged interiors, and provide exterior improvements if needed to support neighborhood stabilization and revitalization efforts. Where applicable, properties will be required to meet the accessibility standards in Title 24 CFR, Part 8. Illegal structures will be removed and the homes will be restored to their original conditions. Garages that have been illegally converted to other uses will be restored to garages.

Properties will be retrofitted for energy efficiency and water efficiency. This will include sealing of the building envelope, adding insulation to the walls, attic, and floors where necessary, installing Energy Star qualified windows and lighting, sealing all HVAC ducts (if applicable), as well as installing high efficiency water fixtures such as toilets, faucets, and showerheads. Energy audits and Home Energy Rating System (HERS) inspections will be performed on properties to verify that the building envelope and ducts are performing at a satisfactory level. Additionally, all "gut rehabilitation" projects that receive funds via the RNLA program will be required to adhere to the Green Communities Criteria.

<http://www.greencommunitiesonline.org/tools/criteria/>



## Vicinity Hiring:

For all NSP3 activities, HCIDLA will utilize its Section 3 policies and procedures (with the exception of the household income restriction) to implement the vicinity hiring mandate, focusing these efforts within the target areas of greatest need. HCIDLA's contract with RNLA requires that all job openings be listed with the local Employment Development Department and RNLA's procurement policies require outreach to Minority, Women and Disadvantaged Business Enterprises (MBE/WBE/DBE) for contracting opportunities. HCIDLA and RNLA are also working implement a program wherein the City's WorkSource Centers may refer construction workers to contractors that perform rehabilitation work on RNLA properties. The City's WorkSource Centers provide employment services to residents, including those residing in the areas of greatest need and have trained local residents in the construction trades.

## Procedures for Preferences for Affordable Rental Dev.:

HCIDLA and RNLA will acquire 2-4 unit properties within the target areas, as appropriate, and utilize them as long term affordable rental housing. Additionally, HCIDLA and RNLA may partner with developers to create long term affordable housing in larger rental properties.

Approximately half of the NSP3 program funds will be allocated to provide affordable rental housing opportunities. A minimum of \$2,468,895, (25% of the total NSP3 grant) will be used to provide rental housing opportunities to households with incomes at or below 50% AMI.

## Grantee Contact Information:

Los Angeles Housing and Community Investment Department (HCIDLA)  
Doug Swoger  
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213-808-8948  
1200 W. 7th Street, 9th Floor, Los Angeles, CA 90017

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title	Grantee Program
100 - Admin	Administration	101 HCIDLA Admin	HCIDLA Administration	
		102 RNLA Admin	RNLA Administration	
		103 Admin Reserve	Administration Reserve	
200 - Eligible	Acquisition & Rehabilitation (Use	201 Acquisition & Rehab Homeownership	Acquisition & Rehabilitation Homeownership	
		202 Acquisition & Rehab Rental 25% set-aside	Acquisition & Rehabilitation Rental 25% set-aside	
		251 Acq & Rehab Homeownership 25% set-aside	Acquisition & Rehab Homeownership 25% set-aside	
		279 Plaza Vermont - Rental 25% Set-Aside	Plaza Vermont - Rental 25% Set-Aside	
300 - Eligible	Redevelopment (Use E)	301 Bethany Square - Rental 25% set-aside	Bethany Square - Rental 25% set-aside	
9999	Restricted Balance	<i>No activities in this project</i>		



# Activities

**Project # /** 100 - Admin / Administration

**Grantee Activity Number:** 101 HCIDLA Admin

**Activity Title:** HCIDLA Administration

**Activity Type:**

Administration

**Project Number:**

100 - Admin

**Projected Start Date:**

03/02/2011

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

Not Applicable (for Planning/Administration or Unprogrammed Funds only)

**Benefit Report Type:**

NA

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

02/28/2015

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 851,013.13

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 851,013.13

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Los Angeles Housing and Community Investment Department

**Organization Type**

Local Government

**Proposed Budget**

\$ 851,013.13

**Location Description:**

The Los Angeles Housing and Community Investment Department is located at 1200 W. 7th Street, Los Angeles, CA 90017.

**Activity Description:**

The administrative budget for the NSP3 program includes funds for HCIDLA staff positions and contractual services. HCIDLA and RNLA will share NSP3 program administration funds.



**Environmental Assessment:**

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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**Grantee Activity Number: 102 RNLA Admin**

**Activity Title: RNLA Administration**

**Activity Type:**

Administration

**Project Number:**

100 - Admin

**Projected Start Date:**

03/02/2011

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

Not Applicable (for Planning/Administration or Unprogrammed Funds only)

**Benefit Report Type:**

NA

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

02/28/2015

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 513,717.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 513,717.00

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget</b>
Restore Neighborhoods LA, Inc. (RNLA)	Non-Profit	\$ 459,317.00

**Location Description:**

Restore Neighborhoods LA, Inc. (RNLA) is located at 315 West Ninth Street, Suite 501, Los Angeles, CA 90015.

**Activity Description:**

RNLA is HCIDLA's subrecipient. This Activity captures RNLA expenditures related to the administration of the NSP3 program. HCIDLA and RNLA will share NSP3 program administration funds.

**Environmental Assessment:**

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None



## Grantee Activity Number: 103 Admin Reserve

### Activity Title: Administration Reserve

**Activity Type:**

Administration

**Project Number:**

100 - Admin

**Projected Start Date:**

07/01/2013

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

Not Applicable (for Planning/Administration or Unprogrammed Funds only)

**Benefit Report Type:**

NA

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

02/28/2015

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 0.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 0.00

**Proposed budgets for organizations carrying out Activity:****Responsible Organization**

Los Angeles Housing and Community Investment Department

**Organization Type**

Local Government

**Proposed Budget**

\$ 0.00

**Location Description:**

The Los Angeles Housing and Community Investment Department is located at 1200 W. 7th Street, Los Angeles, CA 90017.

**Activity Description:**

The administrative budget for the NSP3 program includes funds for HCIDLA staff positions and contractual services. HCIDLA and RNLA will share NSP3 program administration funds.

**Environmental Assessment:****Environmental Reviews:**

None

**Activity Attributes:**

None

**Activity Supporting Documents:**

None





**Grantee Activity Number: 201 Acquisition & Rehab Homeownership**

**Activity Title: Acquisition & Rehabilitation Homeownership**

**Activity Type:**  
Rehabilitation/reconstruction of residential structures

**Project Number:**  
200 - Eligible Use B

**Projected Start Date:**  
03/02/2011

**Project Draw Block by HUD:**  
Not Blocked

**Activity Draw Block by HUD:**  
Not Blocked

**Block Drawdown By Grantee:**  
Not Blocked

**National Objective:**  
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Activity Status:**  
Under Way

**Project Title:**  
Acquisition & Rehabilitation (Use B)

**Projected End Date:**  
02/28/2015

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 6,669,764.23

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 6,669,764.23

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	30		19	63.33
# of Households	30		19	63.33

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	30
# of Housing Units	30
# ELI Households (0-30% AMI)	
Activity funds eligible for DREF (Ike Only)	
#Units with other green	
#Units deconstructed	
#Sites re-used	30
#Units exceeding Energy Star	
#Units with bus/rail access	
#Low flow showerheads	
#Low flow toilets	
#Units with solar panels	
#Dishwashers replaced	



#Clothes washers replaced	
#Refrigerators replaced	
#Light fixtures (outdoors) replaced	
#Light Fixtures (indoors) replaced	
#Replaced hot water heaters	
#Replaced thermostats	
#Efficient AC added/replaced	
#High efficiency heating plants	
#Additional Attic/Roof Insulation	
#Energy Star Replacement Windows	
# of Properties	30

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
Restore Neighborhoods LA, Inc. (RNLA)	Non-Profit	\$ 6,669,764.23

**Location Description:**

All NSP3 program activities will take place within the three NSP3 target areas. These areas are Mapping Tool ID numbers: 7867004, 6686798, and 6239105.

**Activity Description:**

The Acquisition and Rehabilitation activities for Homeownership will be active in each of the NSP3 target areas of greatest need and serve to remove blighted and illegal structures, improve the housing stock, and provide homeownership opportunities. These neighborhoods have suffered from large numbers of foreclosures of single family homes and steep declines in home prices. The market conditions, combined with high rates of unemployment, deter investment to improve the housing stock.

Restore Neighborhoods LA, Inc. (RNLA), a 501(c)(3), is a non-profit property holding and development company established for the purpose of implementing the NSP in Los Angeles. Because the NSP3 areas of greatest need overlap with NSP1 and NSP2 neighborhoods in Los Angeles, RNLA has experience and currently owns properties in these neighborhoods. RNLA will continue to acquire vacant single family REO properties in the NSP3 areas of greatest need and rehabilitate these properties to a code compliant and energy efficient standard. RNLA will sell the homes to eligible low, moderate, or middle-income homebuyers.

HCIDLA proposes to assist 35 single-family homeownership units with NSP3 funds. However, as mentioned in the NSP3 overall narratives, by establishing the NSP3 target areas within those of NSP1 and NSP2, HCIDLA expects that the actual percentage of foreclosed properties touched by NSP funds within the NSP3 target areas will be greater than the 20% of properties which HUD deems sufficient to create an impact in stabilizing neighborhoods.

Please refer to the NSP3 overall narratives for further information on: how the NSP3 funds will address market conditions; how continued affordability will be ensured; what rehabilitation standards will be applied; vicinity hiring efforts; and preferences for affordable housing development.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None



**Environmental Reviews:** None

**Activity Supporting Documents:** None

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**Grantee Activity Number: 202 Acquisition & Rehab Rental 25% set-aside**

**Activity Title: Acquisition & Rehabilitation Rental 25% set-aside**

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

200 - Eligible Use B

**Projected Start Date:**

03/02/2011

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Activity Status:**

Under Way

**Project Title:**

Acquisition & Rehabilitation (Use B)

**Projected End Date:**

02/28/2015

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 0.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 0.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Renter Households

# of Households

Total	Low	Mod	Low/Mod%
			0.0
			0.0

**Proposed Accomplishments**

# of Singlefamily Units

# of Multifamily Units

# of Housing Units

# ELI Households (0-30% AMI)

Activity funds eligible for DREF (Ike Only)

#Units with other green

#Units deconstructed

#Sites re-used

#Units exceeding Energy Star

#Units with bus/rail access

#Low flow showerheads

#Low flow toilets

#Units with solar panels

#Dishwashers replaced

**Total**



- #Clothes washers replaced
- #Refrigerators replaced
- #Light fixtures (outdoors) replaced
- #Light Fixtures (indoors) replaced
- #Replaced hot water heaters
- #Replaced thermostats
- #Efficient AC added/replaced
- #High efficiency heating plants
- #Additional Attic/Roof Insulation
- #Energy Star Replacement Windows
- # of Properties

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
Restore Neighborhoods LA, Inc. (RNLA)	Non-Profit	\$ 0.00

**Location Description:**

All NSP3 program activities will take place within the three NSP3 target areas. These areas are Mapping Tool ID numbers: 7867004, 6686798, and 6239105.

**Activity Description:**

The Acquisition and Rehabilitation activities for Rental Housing will be available in each of the NSP3 target areas of greatest need and serve to remove blighted and illegal structures, improve the housing stock, and provide affordable rental housing opportunities for households earning income less than 50% of area median income (AMI). RNLA will be primarily responsible to implement the Acquisition and Rehabilitation of Rental Housing Activity.

Because the NSP3 areas of greatest need overlap with NSP1 and NSP2 neighborhoods in Los Angeles, RNLA has experience and currently owns multi-family rental properties in these neighborhoods. RNLA will continue to acquire multi-family REO properties in the NSP3 areas of greatest need and rehabilitate these properties to a code compliant and energy efficient standard. RNLA partners with other mission-driven housing providers to rehabilitate these properties and provide affordable rental housing opportunities.

Through these activities, HCIDLA proposes to assist 16 rental units with NSP3 funds. However, as mentioned in the NSP3 overall narratives, by establishing the NSP3 target areas within those of NSP1 and NSP2, HCIDLA expects that the actual percentage of foreclosed properties touched by NSP funds within the NSP3 target areas will be greater than the 20% of properties which HUD deems sufficient to create an impact in stabilizing neighborhoods.

Please refer to the NSP3 overall narratives for further information on: how the NSP3 funds will address market conditions; how continued affordability will be ensured; what rehabilitation standards will be applied; vicinity hiring efforts; and preferences for affordable housing development.

**Environmental Assessment:** UNDERWAY

**Environmental Reviews:** None

**Activity Attributes:** None



**Environmental Reviews:** None

**Activity Supporting Documents:** None

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**Grantee Activity Number: 251 Acq & Rehab Homeownership 25% set-aside**

**Activity Title: Acquisition & Rehab Homeownership 25% set-aside**

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

200 - Eligible Use B

**Projected Start Date:**

07/01/2013

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Activity Status:**

Under Way

**Project Title:**

Acquisition & Rehabilitation (Use B)

**Projected End Date:**

02/28/2015

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 172,207.46

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 172,207.46

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	5	5		100.00
# of Households	5	5		100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	5
# of Housing Units	5
# ELI Households (0-30% AMI)	
Activity funds eligible for DREF (Ike Only)	
#Units with other green	
#Units deconstructed	
#Sites re-used	5
#Units exceeding Energy Star	
#Units with bus/rail access	
#Low flow showerheads	
#Low flow toilets	
#Units with solar panels	
#Dishwashers replaced	
#Clothes washers replaced	



#Refrigerators replaced

#Light fixtures (outdoors) replaced

#Light Fixtures (indoors) replaced

#Replaced hot water heaters

#Replaced thermostats

#Efficient AC added/replaced

#High efficiency heating plants

#Additional Attic/Roof Insulation

#Energy Star Replacement Windows

# of Properties

5

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
Restore Neighborhoods LA, Inc. (RNLA)	Non-Profit	\$ 171,261.46

**Location Description:**

NSP3 Target Areas throughout the City of Los Angeles, CA.

**Activity Description:**

Acquisition and Rehabilitation of Single Family Units for Homeowners earning incomes below 50% of the Area Median Income (AMI).

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None





# Grantee Activity Number: 279 Plaza Vermont - Rental 25% Set-Aside

## Activity Title: Plaza Vermont - Rental 25% Set-Aside

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

200 - Eligible Use B

**Projected Start Date:**

11/06/2013

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Activity Status:**

Under Way

**Project Title:**

Acquisition & Rehabilitation (Use B)

**Projected End Date:**

11/06/2015

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 3,000,000.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 3,000,000.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Renter Households

Total	Low	Mod	Low/Mod%
79	79		100.00
79	79		100.00

# of Households

**Proposed Accomplishments**

# of Multifamily Units

**Total**

79

# of Housing Units

79

# ELI Households (0-30% AMI)

Activity funds eligible for DREF (Ike Only)

#Units with other green

#Units deconstructed

#Sites re-used

#Units exceeding Energy Star

#Units with bus/rail access

#Low flow showerheads

#Low flow toilets

#Units with solar panels

#Dishwashers replaced

#Clothes washers replaced

#Refrigerators replaced



- #Light fixtures (outdoors) replaced
- #Light Fixtures (indoors) replaced
- #Replaced hot water heaters
- #Replaced thermostats
- #Efficient AC added/replaced
- #High efficiency heating plants
- #Additional Attic/Roof Insulation
- #Energy Star Replacement Windows
- # of Properties

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
Los Angeles Housing and Community Investment Department	Local Government	\$ 3,000,000.00

**Location Description:**

960 West 62nd Place and 6264 Vermont Avenue, Los Angeles, 90044

**Activity Description:**

In July 1995, the City made loans in the amount of \$6.3 million to a developer for the mixed-use project located at 960 62nd Place and 6264 Vermont Avenue (Plaza Vermont Project). The mixed-use site was planned to consist of 79 units of affordable rental housing fronting 62nd Place, and a shopping center fronting Vermont Avenue.

In February 2011, this property was foreclosed upon by the City to preserve the long term affordability covenants on 79 housing units. In March 2012, HCIDLA issued a Request for Proposals (RFP) for the acquisition and rehabilitation of the Plaza Vermont Project. Subsequently, HCIDLA selected a developer as a result of the RFP and executed an Exclusive Negotiation Agreement to determine the terms and conditions of a future Disposition and Development Agreement (DDA). HCIDLA anticipates executing a loan in the amount of \$2.5 million in NSP3 funds for construction costs. Total development costs are estimated at \$16.6 million. NSP3 funds will not be utilized for the acquisition of the project, and the City investment will not be repaid with NSP funds.

**Environmental Assessment:** UNDERWAY

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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**Project # / 300 - Eligible Use E / Redevelopment (Use E)**



# Grantee Activity Number: 301 Bethany Square - Rental 25% set-aside

## Activity Title: Bethany Square - Rental 25% set-aside

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

300 - Eligible Use E

**Projected Start Date:**

06/30/2021

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Activity Status:**

Under Way

**Project Title:**

Redevelopment (Use E)

**Projected End Date:**

06/30/2025

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 1,200,000.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 1,200,000.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Renter Households

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Renter Households	26	26		100.00
# of Households	26	26		100.00

# of Households

**Proposed Accomplishments**

# of Multifamily Units

**Total**

26

# of Housing Units

26

# ELI Households (0-30% AMI)

Activity funds eligible for DREF (Ike Only)

#Units with other green

#Units deconstructed

#Sites re-used

#Units exceeding Energy Star

#Units with bus/rail access

#Low flow showerheads

#Low flow toilets

#Units with solar panels

#Dishwashers replaced

#Clothes washers replaced

#Refrigerators replaced



- #Light fixtures (outdoors) replaced
- #Light Fixtures (indoors) replaced
- #Replaced hot water heaters
- #Replaced thermostats
- #Efficient AC added/replaced
- #High efficiency heating plants
- #Additional Attic/Roof Insulation
- #Energy Star Replacement Windows
- # of Properties

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget</b>
Los Angeles Housing and Community Investment Department	Local Government	\$ 1,200,000.00

**Location Description:**

All NSP3 program activities will take place within the three NSP3 target areas. These areas are Mapping Tool ID numbers: 7867004, 6686798, and 6239105.

**Activity Description:**

HCIDLA is investing NSP3 funds to develop new affordable rental housing units in the NSP neighborhoods. The Redevelopment/New Construction of Rental Units activities will be available in each of the NSP3 target areas of greatest need. These activities involve the redevelopment of vacant properties under Eligible Use E to construct new affordable rental housing units for households with income at or below 50% AMI.

There is demand in the market for new affordable housing development. These new development projects leverage NSP funds with low-income housing tax-credits and bond financing as well as other resources such as State or local Redevelopment financing. To date, HCIDLA has funded three new housing development projects that will create 156 new affordable rental housing units in NSP neighborhoods.

HCIDLA will have primary responsibility for implementing the redevelopment activities. HCIDLA has the capacity and experience to make NSP funding available through a competitive Notice of Funding Available (NOFA) process that allows affordable housing developers to propose affordable rental housing developments on vacant sites within the NSP neighborhoods.

HCIDLA proposes to redevelop 26 units of rental housing with NSP3 funds. However, as mentioned in the NSP3 overall narratives, by establishing the NSP3 target areas within those of NSP1 and NSP2, LAHD expects that the actual percentage of foreclosed properties touched by NSP funds within the NSP3 target areas will be greater than the 20% of properties which HUD deems sufficient to create an impact in stabilizing neighborhoods.

Please refer to the NSP3 overall narratives for further information on: how the NSP3 funds will address market conditions; how continued affordability will be ensured; what rehabilitation standards will be applied; vicinity hiring efforts; and preferences for affordable housing development.

**Environmental Assessment:** UNDERWAY

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None



**Environmental Reviews:** None

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## Action Plan Comments:

- Reviewer - Application meets all requirements. Approved 3.1.11 jwy
- Reviewer - Technical amendment to increase budget for Project 300 (Use E) and decrease to Project 200 (Use B) by the same amount, \$444,019.00. Additional activity budget amendments within Project 200 (Use B). Approved. EOO. 2/5/13.
- Reviewer - Minor amendment to increase Project 300 (Use E) and decrease to Project 200 (Use B) by the same amount, \$24,876.00. Additional activity budget amendments within Project 200 (Use B). Approved. EOO. 4/17/13.
- Reviewer - Minor amendment to move funds between Project 001 and Project 002. Approved. EOO. 4/29/13.
- Reviewer - Technical amendment to increase estimated PI, add activity code 251, and reallocate funding between existing activities. Approved. EOO. 7/24/13.
- Reviewer - Technical amendment to reduce PI received per monitoring finding and creation of new Plaza Vermont activity. Approved. EOO. 12/10/13.
- Reviewer - Technical amendment to reallocate funds from Activities 201 and 251 in the amount of \$500,000 to Activity 279. Approved. EOO. 1/24/14.
- Kovalsky, Amendment to reallocate funds totaling \$1,896,056 from activities 201 and 251 to 301.
- Kovalsky, Technical ameProject #03:  
- Decrease Acq & Rehab (Use B)DRGR code 201 by \$473.  
- Increase Acq & Rehab (Use B)DRGR code 251 by \$473.
- Kovalsky, Technical amendment:  
  
Project #200:  
- Decrease Acq & Rehab (Use B)DRGR code 201 by \$473.  
- Increase Acq & Rehab (Use B)DRGR code 251 by \$473.
- DiGruccio, Approved. RMD. 9/17/15.
- Wilson, Change of Admin from reserves to LAHD/HCID
- DiGruccio, Approved to correct data. Working with TA. RMD. 7/31/18.
- DiGruccio, Budget modifications to update QPR's. TA is assisting grantee. Approved. RMD. 9/25/28.
- DiGruccio, NSP3 - edited activity 301 for a new project called Bethany Square. Flags noted and sent to grantee. Approved. RMD. 6/2/2021.



## Action Plan History

Version	Date
B-11-MN-06-0512 AP#15	06/02/2021
B-11-MN-06-0512 AP#14	09/25/2018
B-11-MN-06-0512 AP#13	07/31/2018
B-11-MN-06-0512 AP#12	01/27/2017
B-11-MN-06-0512 AP#11	09/17/2015
B-11-MN-06-0512 AP#10	09/08/2015
B-11-MN-06-0512 AP#9	06/26/2015
B-11-MN-06-0512 AP#8	01/27/2015
B-11-MN-06-0512 AP#7	01/24/2014
B-11-MN-06-0512 AP#6	12/10/2013
B-11-MN-06-0512 AP#5	07/24/2013
B-11-MN-06-0512 AP#4	04/29/2013
B-11-MN-06-0512 AP#3	04/17/2013
B-11-MN-06-0512 AP#2	02/05/2013
B-11-MN-06-0512 AP#1	03/01/2011

