

From: Anne Friedrich <afriedrich@mhfla.org>
Sent time: 08/19/2020 07:30:26 PM
To: luciralia.ibarra@lacity.org
Cc: mindy.nguyen@lacity.org; craig.bullock@lacity.org; councilmember.ofarrell@lacity.org; vince.bertoni@lacity.org
Subject: Hollywood Center Project
Attachments: 8-19-2020 Menorah Housing - Hollywood Center.pdf

Hi Ms. Ibarra,
Please see attached.
Thank you,
Anne Friedrich, President
Menorah Housing Foundation
10991 W. Pico Blvd.
Los Angeles, CA 90064
(310) 475-6083 x206





Aug 19, 2020

Luci Ibarra
Principal City Planner
Los Angeles City Planning Department
Via email: luciralia.ibarra@lacity.org

Dear Ms. Ibarra:

Thank you for your interest in the affordable housing proposed as part of the Hollywood Center project. Working in close partnership with MP Los Angeles (MPLA), Menorah Housing Foundation (MHF) has developed what we think is an extraordinary provision for the most at-risk population in Los Angeles--very low and extremely low-income adults age 62 or older. Per the Los Angeles Homeless Services Authority's 2020 homeless count, the number of homeless persons age 62 and over increased by 32% in the City of Los Angeles and by 73% in Council District 13, putting more of our community's most at-risk population on the streets.

Our plans call for a total of 133 rent-restricted senior units as part of the project, a record for this product type in the City of Los Angeles. We have learned from decades of experience that simply providing housing for extremely and very low-income older adults does not create the socially vibrant environment that we seek to provide. For that reason, we offer numerous on-site services at no-cost to all residents, including case management, specialized referrals, events and classes geared especially for senior residents, accessible design features, outdoor gathering spaces, and a consistent focus on meeting resident needs to enable aging with dignity in the community.

In furnishing the following information, we want to provide clarity on the proposed affordable senior housing and the unique partnership between Menorah Housing and MPLA. These 133 units are being funded through this privately financed development. Elsewhere in Los Angeles, publicly funded affordable housing costs have soared recently to upwards of \$500,000 per unit. This privately financed solution is exactly the type of creative avenue needed in Los Angeles to build more affordable housing, especially for local seniors.

Unfortunately, housing insecurity for seniors is worsening, and whether it is Measure H, Measure HHH, state financing, and/or private financing, we need senior housing units to be built with all of the above mechanisms to have any chance at combatting this growing crisis for our senior population.

The affordable senior housing proposed at the Hollywood Center development is meticulously designed, with each feature and decision made in the context of maximizing the experience of our residents. The affordable senior apartments are located within designated buildings and with more efficiently sized accommodations for the following specific reasons:

Fair Housing Act

The Fair Housing Act enables “housing for older persons” to implement occupancy restrictions based on age only if all of the units are determined to be specifically designed and operated to assist elderly persons and all of the units are occupied by persons 62 years of age or older.

Since all units will be restricted to residents where the Head of Household is at least 62 years of age, a separate building housing only older adults complies with the age restriction exemption under the Fair Housing Act. The stand-alone structure will be specifically designed and oriented for the needs of older adults as they age. As an example, MHF buildings include fully accessible kitchens and bathrooms with roll-in showers, provide wide hallways with handrails, a color scheme to assist in “way-finding,” doorways with accessible features for easy entrance/exit, special focus on lighting and fall prevention including non-slip flooring, elimination of thresholds in units, and include common areas to encourage social interaction among residents and on-site offices for service providers that may differ from a standard multifamily unit. Our senior residents appreciate specialized design features to accommodate their needs as they age. With its longstanding experience with housing older adults, MHF specializes in serving residents with often overlapping needs, requirements, and disabilities. MHF implements a design meticulously and thoughtfully created to provide long-term housing to older adults, who on average, achieve a duration of tenancy in MHF buildings that exceeds twelve years. It is for these reasons that separate housing for older adults is expressly allowed in the Fair Housing Act.

Additionally, if these senior units were dispersed throughout a building that was not exclusively designated solely as “housing for older persons,” the Fair Housing Act exemption for older adults would not be met, and the senior housing would be expressly in violation of the Fair Housing Act.

Financing / Ownership Structure

Low Income Housing Tax Credits (LIHTC) will assist the project in achieving the lowest rents possible for those seniors who are most at-risk. To access this financing structure, Menorah Housing Foundation (MHF) will serve as an Investor Limited Partner. As an experienced nonprofit organization specializing in senior affordable housing, MHF is an expert in building and operating units for at-risk seniors.

A security interest in the property will be required by both the Investor and Lender(s), to secure the funds and to ensure compliance with the provisions of the California Tax Credit Allocation Committee and the IRS. For the Limited Partnership to provide the necessary security interest in the property, the Ownership structure for the LP and the building is required to be the same. If the affordable senior units were to be distributed throughout the Hollywood Center development rather than placed on a separate and distinct parcel as proposed, each affordable unit would require a parcel subdivision. The boundaries of each individual parcel within the overall development would need to be clearly marked to identify the location of the subject property and to show exactly where the Tax Credit Project will be situated. This would be exceedingly complicated and unwieldy to the extent that it would not be feasible for operations. Having non-separated structures would also limit the ability of MHF to retain control of the LP Ownership to assure long-term compliance with the regulatory provisions of the LIHTC financing. These issues would hinder MHF’s ability to provide high-quality affordable housing as described below.

Operations

Typically, MHF's senior residents have smaller households, many with only one occupant, when compared with the general population. With a designated senior building, MHF retains the ability to create an environment that best accommodates resident needs as they age, while also controlling costs to access available affordable housing funds. Affordable housing finance remains highly competitive, and cost-effectiveness is a measure of project evaluation in which MHF consistently excels. Lower costs enable MHF to achieve the most desirable financing options and structure. Due to its fifty-year history specializing in affordable housing exclusively for residents age 62 or older, MHF demonstrates the expertise needed to operate high quality, long-term affordable senior apartments with affordable rents.

Over the years MHF tenants, both individuals and two-person households, express a preference for smaller units rather than for larger accommodations more suitable for large families or a group of residents. Most MHF residents prefer one-bedroom units, affording them privacy and dignity in a space that meets their needs. Throughout years of experience building and operating senior affordable buildings, MHF has learned that smaller units, with lower rents, most cost effectively serve the needs of our lowest-income residents. Additionally, smaller units reduce the operational costs for the entire building, allowing MHF to provide extremely high-quality housing while ensuring sufficient operating income to cover required expenses. With many older adult tenants living on extremely or very-low annual incomes, MHF ensures that tenants are not rent-burdened, while preserving long-term affordability and quality.

In addition, smaller unit sizes allow MHF to maximize the common spaces and service areas for the benefit of residents. These communal areas are crucial to MHF's operations over time, providing a social aspect vital to the longevity, connectedness, and mental health of residents. These spaces facilitate the provision of on-site resident services which assist tenants in remaining active and engaged, staying healthy and enhancing their experience in their community.

Experience

Established in 1971 as a non-sectarian, non-profit 501(c)(3) corporation, Menorah Housing Foundation (MHF) has developed and currently manages 1,221 quality affordable apartments for very low-income persons aged 62 years or older. For nearly 50 years, MHF's mission-driven focus has exclusively served a diverse population of older adults, including many formerly homeless residents and those with disabilities or chronic health conditions, and provided affordable, attractive, accessible housing with an array on-site services to encourage socially vibrant communities. MHF operates its own property management team, offers multi-lingual, professional services on site for its residents, and conducts all leasing and compliance monitoring.

To achieve the high-quality, long-term, and consistent property management services that MHF promotes, the affordable housing tenants are served best by units located within a designated building. Services, activities, case management, maintenance, and regulatory compliance tasks are maximized in one building, where long-term non-profit management, specialized in senior services, will remain stable for the long-term.

Thank you for your attention to and focus on this critical aspect of providing senior housing. We are constantly re-evaluating our practices and operations to best serve the needs of our community. Time and again, we have concluded that separate structures for affordable senior housing are not only beneficial, but necessary to meet the needs of our residents.

We are happy to continue this conversation on how to increase production of affordable housing, particularly for seniors, and look forward to continuing to be part of the solution moving forward.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Anne Friedrich". The signature is written in a cursive, flowing style.

Anne Friedrich
President

CC: mindy.nguyen@lacity.org
craig.bullock@lacity.org
councilmember.ofarrell@lacity.org
vince.bertoni@lacity.org