

TRANSMITTAL

TO
The City Council

DATE
04/21/2026

FROM
The Mayor

**REQUEST FOR AUTHORITY TO ALLOCATE FUNDS FROM THE PROPOSITION HHH SUPPORTIVE HOUSING
LOAN PROGRAM (HHH) TO SUPPORT THE COMPLETION OF THE PATH VILLAS HOLLYWOOD
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES
PROGRAM (AHSC) IMPROVEMENTS AND VARIOUS OTHER ACTIONS**

Approved and transmitted for your consideration.
Please see attached.



MAYOR
(Mitch Kamin for)

City of Los Angeles

Tiena Johnson Hall, General Manager
Luz C. Santiago, Acting Executive Officer



LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager
Craig Arceneaux, Assistant General Manager

housing.lacity.gov

Karen Bass, Mayor

March 17, 2026

Council File: 25-0269
Council Districts: 8, 13, 14, 15
Contact Persons: Courtney Durham (213) 808-8833
Yaneli Ruiz (213) 808-8951

Honorable Karen Bass
Mayor, City of Los Angeles
200 N. Spring Street
Room 303, City Hall
Los Angeles, CA 90012

Attention : Législative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REQUEST FOR AUTHORITY TO ALLOCATE FUNDS FROM THE PROPOSITION HHH SUPPORTIVE HOUSING LOAN PROGRAM (HHH) TO SUPPORT THE COMPLETION OF THE PATH VILLAS HOLLYWOOD AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM (AHSC) IMPROVEMENTS AND VARIOUS OTHER ACTIONS

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, LAHD seeks approval and requests authority to allocate funds from the Proposition HHH Supportive Housing Loan Program (Prop HHH) to support the completion of sustainable communities program improvements for the Path Hollywood Villas affordable housing project.

Path Villas Hollywood is a permanent, affordable housing development located at 5627 Fernwood Avenue, Hollywood, CA 90018, in Council Office 13. One of the funding sources awarded to the project was the Affordable Housing and Sustainable Communities (AHSC) program. The AHSC program funds affordable housing, sustainable transportation infrastructure, and transit-related amenities. While the affordable housing building was completed in August 2023, the completion of the AHSC infrastructure improvements has been delayed. The City's Bureau of Engineering (BOE) completed the design and finalized the construction bidding, and the construction bids were much higher than estimated. Therefore, the LAHD requests authority to allocate additional Prop HHH funds to complete the work.

In addition, LAHD requests authority to implement the recommendations in this report for other AHSC projects.

RECOMMENDATIONS

- I. That the Mayor review this transmittal and forward it to the City Council for further action;
- II. That the City Council, subject to the approval of the Mayor:
 - A. AUTHORIZE the General Manager of LAHD, or designee, to allocate \$3,345,228.00 in Prop HHH Program Income funds for the PATH Villas Hollywood project;
 - B. AMEND the Prop HHH Project Expenditure Plan (PEP) to increase the Project's existing Prop HHH commitment by \$3,345,228.00;
 - C. AUTHORIZE the General Manager or designee, to expend the Prop HHH funds for eligible expenses to be incurred for work completed related to the AHSC infrastructure work and disburse funds to the City department that will work to complete the work;
 - D. AUTHORIZE the Controller's office to appropriate \$3,345,228.00 to account 43C749 – Path Villas Hollywood within the Prop HHH Program Income Fund No. 66H from the available cash balance.
 - E. RESCIND authorities 3 and 4 from C.F. No. 17-0090-S30 and REPLACE with AUTHORIZE the General Manager or designee, to expend the Prop HHH funds in the amount of \$1,552,139.57 for eligible expenses to be incurred for work completed related to the AHSC infrastructure work and disburse funds to the City department that will work to complete the work;
 - F. AUTHORIZE the Controller's office to appropriate the previously approved Prop HHH funds from C.F. No. 17-0090-S30 in the amount of \$1,552,139.57 to account 43C749 – Path Villas Hollywood within the Prop HHH fund /TBD;
 - G. AUTHORIZE the Controller to transfer funds in the total amount of \$4,897,367.57; consisting of \$3,345,228.00 from account 43C749 – Path Villas Hollywood within the Prop HHH Program Income Fund No. 66H and \$1,552,139.57 from account 43C749 – Path Villas Hollywood, Prop HHH fund/TBD, for reimbursement of eligible related costs incurred for work completed, or to be completed and eligible staff costs, for the AHSC Path Villas Hollywood as follows:
 - i. Department of Public Works (DPW), Bureau of Engineering Fund No. 100, Department No. 78, Revenue Source Code (RSC) No. 5301 Reimbursement from Other Funds and RSC No. 5361 Related Cost Reimbursement – Others for current year staffing costs and Fund No. 100, Department No. 78, RSC No. 5168 Reimbursement of Prior Year Salary and RSC No. 5331 Reimbursement of Related Cost – Prior Year for prior year staffing costs.
 - ii. DPW Bureau of Street Lighting – Street Lighting Maintenance Fund No. 347, Department No. 50, RSC No. 5301 Reimbursement from Other Funds;
 - iii. DPW Bureau of Street Services – Fund and account information to be determined;
 - iv. Department of Transportation - Fund No. 100, Department No. 94, RSC No. 5301 Reimbursement from Other Funds and RSC No. 5361 Related Cost Reimbursement – Others

for current year staffing costs and Fund No. 100, Department No. 94, RSC No. 5168 Reimbursement of Prior Year Salary and RSC No. 5331 Reimbursement of Related Cost – Prior Year for prior year staffing costs;

- v. For eligible capital and/or contractor expenses incurred for work completed, or to be completed, for AHSC projects, in amounts not to exceed the AHSC allocations for each project, to CIEP Fund No 100/54, Account No. 00W874 Affordable Housing and Sustainable Communities Projects to reimburse project-related costs, excluding staffing costs.
- H. AUTHORIZE the City Administrative Officer, in coordination with the Bureau of Engineering and LAHD, to:
- i. Make technical corrections as needed to the above recommendations, including preparing Controller instructions, and request the Controller to implement these instructions; and,
 - ii. Prepare any additional Controller instructions to reimburse City Departments for any accrued labor, material, and associated costs related to the AHSC Grant Program, consistent with the Mayor and Council action on this matter, and request the Controller to implement these instructions;
- I. AUTHORIZE the LAHD General Manager of LAHD, or designee, to execute any and all documents necessary to implement the funding, subject to the approval of the City Attorney as to form;
- J. ADOPT the revised Resolutions, provided in substantial final form as attached, approving the LAHD's participation as a co-applicant in the HCD AHSC program, in order to execute related documents required by HCD;
- K. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

BACKGROUND

Established in 2014, the Affordable Housing and Sustainable Communities (AHSC) Program is governed by the Strategic Growth Council and administered by the California Department of Housing and Community Development (HCD). The AHSC Program is a competitive funding initiative aimed at reducing greenhouse gas emissions by supporting the development of affordable housing, transit infrastructure, and programs that encourage walking, cycling, and public transportation. Funded by proceeds from the Greenhouse Gas Reduction Fund through California's Cap-and-Trade program auctions, AHSC awards help establish integrated communities with affordable housing and accessible transportation near employment centers and key destinations.

In July 2018, the City and the developer were awarded funding through the AHSC program Round 3 Notice of Funding Availability, to support the development of the PATH Villas Hollywood development as well as the transportation improvements. Path Villas Hollywood is located at 5627 Fernwood Avenue, Los Angeles, CA and is comprised of a 60-unit affordable multifamily housing project, which includes 59

units that are set aside for low-income households earning less than 50% of Los Angeles County’s Area Median Income (AMI), each supported by operating subsidies from the Housing Authority of the City of Los Angeles’ Project-Based Voucher Program.

Budget and Funding

The funding award from the AHSC program totaled \$8,310,583, and comprises of \$4,837,216.00 designated for Housing-Related Infrastructure (HRI); \$3,297,013.00 for Sustainable Transportation Infrastructure (STI) and Transportation-Related Amenities (TRA); and \$176,354.00 for Program Costs (PGM) - see Table 1, below.

TABLE 1.-FUNDING AWARD					
Project	Developer	HRI	STI and TRA	PGM	Total AHSC
PATH Villas Hollywood	PATH Ventures	\$4,837,216.00	\$3,297,013.00	\$176,354.00	\$8,310,583.00

The approved AHSC budget for STI and TRA enhancements totals \$3,297,013.00. Of this amount, \$691,163.46 has already been spent on predevelopment activities, leaving a balance of \$2,605,849.54 available to support capital improvements, soft costs, and administrative expenditures - see Table 2, below.

TABLE 2-BUDGET FOR STI AND TRA IMPROVEMENTS			
Description	Budget	Spent	Balance
STI & TRA- (capital cost) =	\$2,419,172.00	\$0	\$2,419,172.00
STI & TRA- (soft cost) =	\$635,688.00	\$568,965.42	\$66,722.58
STI & TRA- (admin. cost) =	\$242,153.00	\$167,583.04	\$74,569.96
Total =	\$3,297,007.00	\$736,548.46	\$2,560,464.54

Project Status

As joint applicants for funding, the developer is responsible for completing the HRI and PGM work, while the City is responsible for completing STI and TRA improvements. The developer has already completed the affordable housing component. The City’s team has started pre-development work, including engineering designs and bidding. The Department of Public Works Bureau of Engineering (BOE) is the lead agency in the STI and TRA improvement.

The BOE received competitive bid proposals from three contractors and identified one (Axiom Group) as the most qualified bidder. Axiom Group’s bid amount is \$5,684,900.00. When factoring in other expenses, including contingency, supplemental work from the Bureau of Street Services and LADOT, administrative expenses, and soft costs, BOE has determined that the total project cost is \$8,653,784.00. Table 3 shows the line-item costs, budgets, estimated costs, and funding deficits.

TABLE 3 -BUDGET DEFICIT				
	Description	Available Balance	Estimated Cost	Deficit
1	Contractors Bid (capital cost)=	\$2,419,166.00	\$5,684,900.00	(\$3,265,734.00)
2	Contingency (capital cost)=	\$0	\$852,733.00	(\$852,733.00)
3	Street Resurfacing (capital cost)=	\$0	\$840,640.00	(\$840,640.00)
4	Transportation Related Work=	\$0	\$357,420.00	(\$357,420.00)
5	Construction Management (soft cost)=	\$66,722.00	\$777,499.40	(\$710,777.40)
6	STI & TRA Admin (soft cost)=	\$119,954.14	\$140,589.00	(\$20,634.86)
	TOTAL (capital + soft cost) =	\$2,605,842.14	\$8,653,781.40	(\$6,047,939.26)

Addressing the Shortfall

To address the funding shortfall, in June 2025, the LAHD requested approval from the Mayor and City Council for \$1,552.139.57 in Proposition HHH funds for the PATH Villas AHSC improvements (C.F. No. 17-0090-S30). In addition to these funds, the BOE identified \$1,195,949.29 through the Capital and Technology Improvement Expenditure Program (CTIEP) that could be used for this project. CTIEP funds were designated for mobility enhancements, sustainability initiatives, and equity-focused capital investments (C.F. 19-1353). After considering the availability of these additional funds, LAHD determined that **\$3,345,228.00** is still needed to complete the AHSC work (see Table 4 below).

TABLE 4 (FUNDING GAP)		
	Description	Amount
1	Total Estimated Project Cost=	\$8,653,781.40
2	Less Remaining Balance of HCD Award=	(\$2,560,464.54)
3	Less CTIEP funds from BOE=	(\$1,195,949.29)
4	Less Additional Proposition HHH Bond funds=	(\$1,552,139.57)
	Shortfall (additional funds needed) =	\$3,345,228.00

AHSC Program Status

Currently, there are 26 projects in which the City served as a co-applicant with the affordable housing developers under the State AHSC program. To date, three (3) projects have begun infrastructure work and are expected to be completed by the end of 2026. The PVH project is expected to break ground shortly after the funds are approved, with construction completed in 10 months.

The BOE reports that 15 projects have begun the pre-design phase of the infrastructure and will release bid requests within one year. However, these projects are expected to face funding shortfalls, and the LAHD, BOE, and the Mayor’s team are actively working to identify funding to cover the gap and complete the infrastructure as required by the State agreements.

Various Other Actions

LAHD requests authority to adopt the revised resolutions for all approved projects from the AHSC program Rounds 4. The AHSC program requires several documents to implement the funding, including City resolutions approving the City’s involvement in the program. The original resolutions identified the LAHD authorized signatories by name. Since then, the LAHD has appointed a new General Manager and Assistant General Manager. To avoid the need to adopt revisions to resolutions formally each time there

is a change in staff, the LAHD has prepared revised resolutions that do not reference specific names and instead use the titles of the LAHD staff authorized to sign legal documents related to the AHSC program.

FISCAL IMPACT

There is no impact on the General Fund. The recommendations in this transmittal will authorize LAHD to allocate **\$3,345,228.00** in Prop HHH program income funds to the Path Hollywood Villas project to complete the STI and TRA components related to the AHSC scope of work.

Approved By:

A handwritten signature in black ink, appearing to read "Tiena Johnson Hall", is written over a horizontal line.

TIENA JOHNSON HALL
General Manager
Los Angeles Housing Department

ATTACHMENT:

Attachment A - AHSC Path Villas Resolution

Transmittal – Attachment A
AHSC Path Villas Hollywood

RESOLUTION

WHEREAS, the State of California's Strategic Growth Council (SGC) and Department of Housing and Community Development (Department) have issued a Notice of Funding Availability, under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

WHEREAS, Los Angeles Housing Department (LAHD), previously known as the Los Angeles Housing and Community Investment Department on behalf of the City of Los Angeles applied for AHSC Program funds and submitted the Application Package released by the Department for the AHSC Program; and

WHEREAS, the SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement. The Department is authorized to administer the approved funding allocations of the AHSC Program.

NOW, THEREFORE, BE IT RESOLVED, LAHD was authorized and directed to apply for and submitted to the Department the AHSC Program applications for each of the following projects with the entities noted below:

Round 3

- Elden Elms (West Hollywood Community Housing Corporation);
- Path Villas (Path Ventures);

Round 4

- Hollywood Arts Collective (Thomas Safran and Associates Development, Inc.);
- Jordan Downs S3 (Jordan Downs Phase S3, LP);
- Vermont Manchester (Bridge Housing Corporation);
- Weingart Tower (Chelsea Investment Corporation);
- Manchester Urban Homes (Abode Communities/ NHS Neighborhood Redevelopment Corporation);

Round 5

- 619 Westlake (Meta Housing);
- Corazon Del Valle (Clifford Beers Housing Incorporated);
- Parkview (Thomas Safran and Associates Development, Inc.);
- Rose Hill Courts (Phase 1) (The Related Companies of California, LLC);
- Santa Monica and Vermont (LTSC Community Development Corporation);
- Thatcher Yard (Thomas Safran and Associates Development, Inc.);
- Washington Arts (Meta Housing Corporation);

Round 6

- Crocker (Umeya) Apartments (LTSC Community Development Corporation);
- Grandview Apartments (Abode Communities);
- Locke Village (Flexible PSH Solutions, Inc.);
- Jordan Downs Area H2B (BRIDGE Housing); and
- Vista Terrace (Thomas Safran & Associates Development Inc.)

BE IT FURTHER RESOLVED that because the applications were approved, the Applicant was authorized and entered into and executed State of California Standard Agreements (Standard Agreement) and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department and all amendments thereto (collectively, the “AHSC Documents”); and

BE IT FURTHER RESOLVED that the Applicant shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in the Standard Agreement. The applications in full are incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. Applicant hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Departments and in accordance with the NOFA and Program Guidelines and Application Package; and

BE IT FURTHER RESOLVED that the General Manager of the LAHD, or designee, is authorized and directed to enter into, execute and deliver the Standard Agreement, Disbursement Agreement, and any all other documents required or deemed necessary or appropriate to secure the AHSC program funds from the Department, and amendments thereto (collectively, the “AHSC documents”): and this resolution has no expiration date.

PRESENTED BY: _____

SECONDED BY: _____