

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 25, 2025

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Council File No. 20-1524-S9

Council District: All

To: The City Council

From: Matthew W. Szabo, City Administrative Officer
Office of the City Administrative Officer



Reference: Homeless Housing, Assistance, and Prevention (HHAP) Program Loan

Subject: **LOS ANGELES HOMELESS SERVICES AUTHORITY - CASH FLOW
LOAN**

SUMMARY

This report from the Office of the City Administrative Officer addresses a cash flow loan for the Los Angeles Homeless Services Authority (LAHSA) to support its Continuum of Care (CoC) HHAP-6 eligible expenditures until LAHSA receives its HHAP-6 allocation from the State. The report recommends borrowing proceeds from the House LA Fund to provide the City's half of a cash flow loan for HHAP-6 CoC Quarter Three eligible expenses and to replenish the Los Angeles Housing Department's early Fourth Quarter General Fund advance from the General Fund contract (C-202650), which was previously provided to LAHSA for the HHAP-6 Quarter Two cash flow loan. LAHSA anticipates repaying the loan within thirty days of receiving the initial HHAP-6 CoC disbursement from the State.

RECOMMENDATION

That the City Council, subject to approval by the Mayor:

1. AUTHORIZE a temporary loan in an amount up to \$17,442,359 from the House LA Fund No. 66M/43 to be used for LAHSA's HHAP-6 eligible expenses to be repaid with interest within thirty days upon the receipt of LAHSA's HHAP-6 CoC disbursement from the State of California, but no later than July 31, 2026;
2. AUTHORIZE and APPROPRIATE up to \$17,442,359 from House LA Fund No. 66M/43, Account No. 43C999, Reserve for Future Costs to House LA Fund No. 66M/43, account number to be determined for a cash flow loan to LAHSA to support its Continuum of Care (CoC) HHAP-6 eligible expenditures;

3. APPROVE and APPROPRIATE up to \$9,620,151 from House LA Fund No. 66M/43, account number to be determined to the following accounts to replenish the General Fund Quarter Four advance previously provided to LAHSA as a cash flow loan;
 - a. \$173,280.57 to HCID General Fund Program Fund No. 10A/43, Account No. 43C489, Annual Homeless Count;
 - b. \$1,127,614.85 to HCID General Fund Program Fund No. 10A/43, Account No. 43CC11, Los Angeles Continuum of Care Administration;
 - c. \$5,248,195.58 to HCID General Fund Program Fund No. 10A/43, Account No. 43CC12, Shelter and Housing Interventions;
 - d. \$3,071,060 to HCID General Fund Program Fund No. 10A/43, Account No. 43CC13, Street Strategies;
4. AUTHORIZE the General Manager, or designee, of the Los Angeles Housing Department (LAHD) to process up to \$7,822,208 from House LA Fund Fund No. 66M/43, account number to be determined, for a cash flow loan to LAHSA for Quarter Three;
5. AUTHORIZE LAHD to allow the cash flow loan to be used by LAHSA for HHAP-6 eligible expenditures, including but not limited to, Time Limited Subsidies, administration, etc., as approved by LAHD;
6. AUTHORIZE the repayment of the cash flow loan, with interest, to House LA Fund No. 66M/43, account number to be determined, authorized for the above-mentioned purposes;
7. INSTRUCT the General Manager of LAHD, or their designee, to amend the LAHSA General Fund contract (C-202650) to effectuate the cash flow loan and repayment, with interest, by LAHSA within thirty days upon the issuance of LAHSA's HHAP-6 disbursement, but no later than July 31, 2026.
8. AUTHORIZE LAHD to prepare Controller instructions or make necessary technical adjustments, including to the names of the Special Fund accounts recommended for this report, to implement the intent of these transactions, and authorize the Controller to implement these instructions.

BACKGROUND

The State of California Homeless Housing Assistance, and Prevention Program (HHAP), administered by the California Department of Housing and Community Development (HCD), provides one-time block grant funding to support regional coordination and build local capacity to address homelessness.

The Los Angeles Homeless Services Authority (LAHSA) applied for its HHAP-6 funding as part of the regional Countywide application in August 2025. To support the strategies

that LAHSA intends to fund in Fiscal Year (FY) 2025-26 with the Continuum of Care (CoC) HHAP-6 allocation, LAHSA requested cash flow loans from the City and County of Los Angeles to cover costs until it receives the HHAP-6 allocation from the State.

LAHSA previously requested a cash flow loan in the amount totaling \$36,394,904 for FY 2025-26, to be disbursed as follows:

- \$6,362,745 in Quarter One (July 2025)
- \$9,620,151 in Quarter Two (October 2025)
- \$17,992,000 in Quarter Three (January 2026)

DISCUSSION

On October 2, 2025, the City Council and Mayor authorized the Los Angeles Housing Department (LAHD) to process an early FY 2025-26 Quarter Four advance from the LAHSA General Fund contract (C-202650) for a cash flow loan in the amount of \$9,620,151. The Office of the City Administrative Officer (CAO) was instructed to identify a source of funds to replenish the General Fund Quarter Four advance.

Additionally, CAO was instructed to request the County of Los Angeles to cover LAHSA's full Quarter Three loan amount of \$17,992,000. Following multiple discussions with the County, it was determined that LAHSA's Quarter Three cash flow loan request is to be split evenly between the City and the County. The updated Quarter Three amount is \$15,644,415, with the City and County each expected to contribute \$7,822,208.

The City and County expect LAHSA to fully reimburse any advanced funds once HHAP-6 funds are disbursed to LAHSA from the State. Based on conversations with the State, it is expected that the first HHAP-6 disbursement will be in late March 2026, but no later than the end of the fiscal year. It is anticipated that LAHSA will repay the loan within thirty days of receipt of the HHAP-6 CoC initial disbursement, but no later than July 31, 2026, based on the guidance from the State.

This report recommends borrowing proceeds from the House LA Fund, in the amount of \$17,442,359, to provide a Quarter Three cash flow loan (\$7,822,208) and to replenish the General Fund Quarter Four advance previously provided to LAHSA (\$9,620,151). Based on historical patterns, the House LA revenue generated in FY 2025-26 through Measure ULA, is anticipated to be allocated in FY 2026-27 for procurement of services, likely resulting in expenditures later in that fiscal year or in the following fiscal year. This timeline would allow sufficient time for the repayment of the cash flow loan. Although a loan is allowable from this funding source, it will need to be repaid with interest.

An alternative source of funding would be a reserve fund loan from the General Fund; however, if such loan were approved, it would drop the reserve funding below policy requirements. A reserve fund loan is not recommended at this time.

FISCAL IMPACT STATEMENT

There is no immediate General Fund impact as a result of the recommendations in this report.

FINANCIAL POLICIES STATEMENT

Approval of the recommendations contained in this report complies with the City's Financial Policies.

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