

**REPORT FROM**

## **OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: January 23, 2026

CAO File No. 0220-00540-1731

Council File No. 24-0590, 25-0837

Council District: ALL

To: The City Council

From:  Matthew W. Szabo, City Administrative Officer

Subject: **STATUS OF PROJECT HOMEKEY SITES - ROUNDS 1, 2, AND 3**

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### **RECOMMENDATION**

That the City Council note and file this report inasmuch as this report is informational and no Council action is required.

### **SUMMARY**

The Park-Blumenfield motion (C.F. 24-0590) instructed the City Administrative Officer (CAO), in coordination with People Assisting the Homeless (PATH), to provide a comprehensive report on the status of the Ramada Inn's conversion to permanent housing, including details regarding the reasons for delays in conversion, inclusive of financing and regulatory challenges, as well as the estimated start of construction and date of occupancy. The motion also instructs the CAO, in coordination with the Los Angeles Housing Department (LAHD) and the Housing Authority of the City of Los Angeles (HACLA), to provide a comprehensive report on the status of Project Homekey (PHK) 1, 2, and 3. In addition, the Lee-Raman Motion (C.F. 25-0837) instructed the CAO, in coordination with the LAHD, to report on the financial and conversion plan for PHK interim housing sites that were intended to convert to permanent housing.

The City and HACLA acquired a total of 45 sites (including eight sites acquired without State subsidy) with 3,098 beds/units under the three PHK rounds. Currently, 2,054 beds/units are occupied or in the leasing process. The remaining 1,044 beds/units not currently occupied consist of 731 units undergoing rehabilitation to begin occupancy, 218 units that are in the conversion process, 71 units that are securing financing to begin conversion, and 24 new units that are under construction. This report details the status of the Ramada Inn/PV Marina Del Rey PHK 1 site and the status of PHK 1, 2, and 3 sites.

### **DISCUSSION**

#### *Status of Ramada Inn's Conversion to Permanent Housing*

The Ramada Inn (AKA PV Marina Del Rey) located at 3130 Washington Blvd., Venice, CA 90291 was acquired by the City in December 2020 under PHK1. The City selected the PATH as the

owner/operator for the Ramada Inn. The PATH operated the 33-room site as interim housing site starting in January 2020. When the Ramada Inn received a \$949,259 Hilton Foundation Grant, the City Council and Mayor approved its early conversion to permanent housing. The site demobilized in October 2022. Although the PATH was optimistic about securing permits within a few months of demobilization, the PATH encountered various challenges during the permitting process, including:

1. The site did not receive a State PHK match (the City acquired this site without State funding) and did not qualify as a PHK project, which would have facilitated permitting;
2. It took 20 months to complete plan check for the improvements needed for the conversion to permanent supportive housing units:
  - a. Department of Building and Safety and Fire Department approvals were not received until March 2024;
  - b. Disabled Access ACHP approval from LAHD was not received until July 2024; and,
  - c. Full "Ready to Issue" (RTI) permit status was not received until August 2024.

During this time, the PATH also secured the final agreement for the Los Angeles County (County) Department of Health Services (DHS) and Brilliant Corners operating subsidies. These subsidies are critical for rental support to tenants from formerly homeless households that have very little income. Given the lack of project-based vouchers (PBVs) from HACLA, the PATH had no other option but to seek operating subsidies from the DHS.

When the PATH obtained the RTI permit status in August 2024, the PATH had raised \$5.5 million from both private and public sources but still had a gap for the conversion. The CAO worked with the LAHD to secure \$1,525,457 in Proposition HHH (Prop HHH) funding for the remaining gap. The Mayor and Council approved this Prop HHH funding on December 10, 2024 (C.F. 17-0090-S26). The PATH also applied for a \$1,250,000 construction loan from Genesis LA.

The PATH closed loans with the LAHD and Genesis LA in September 2025 and started construction for the Ramada Inn conversion to permanent supportive housing in October 2025. The LAHD residual receipts loan consists of the \$10,247,837 City acquisition cost and the \$1,525,457 Prop HHH allocation. The conversion is estimated to be completed by December 2026.

Based on this experience with the Ramada Inn conversion process, this Office recommended that the City not authorize the demobilization of any PHK sites until the City confirms full funding has been secured, including the operating subsidy (C.F. 20-0941). This will prevent sites from sitting vacant while financing for permanent housing conversion is being secured. The City approved the Huntington Villas conversion to permanent housing on the condition that demobilization will not occur until full funding has been secured.

## **Status of Project Homekey Sites**

### PHK1 - 2020

For the first round of PHK, the City, through the CAO, partnered with HACLA to acquire 15 sites with 779 units/beds, all of which received a match from the State Department of Housing and Community Development (HCD). Ten of the sites are owned by the City and the remaining five are

owned by HACLA. The City acquired an additional five (5) hotels/motels and three (3) commercial properties with 690 beds without a State match, for a total of 18 sites and 1,469 beds/units.

### *City Sites*

The City's program required the sites to serve as interim housing for a minimum of three years and a maximum of five before converting to permanent housing. Given the lack of PBVs, the interim period was extended for three (3) additional years (C.F. 20-0941).

The following provides additional details on the sites acquired by the City:

1. Interim Housing: Nine (9) sites continue to serve as interim housing for a total of 639 beds. The Huntington Villas has been approved for conversion contingent on the owner/operator securing full financing, including operating funds, for the conversion. However, it is still operating as interim housing pending this condition.
2. Conversion to Permanent Housing: Four (4) sites with 218 units are in the process of conversion to permanent housing. When the sites are ready for conversion, the LAHD will close a residual receipts loan with the owner/operator for the amount of the City paid for the property. With the residual receipts loan, the responsibility for the sites is transferred from the CAO to LAHD as these sites will become part of the LAHD permanent housing portfolio.
  - a. The Pano (Panorama Motel) was approved for immediate conversion due to the property condition. The owner/operator secured funding to add 50 new units for a total of 90 units. The project is estimated to be completed on March 31, 2026. The Pano is the only City PHK1 project that received PBVs.
  - b. Mollie Maison (Best Inn) served as interim housing for three years. It received a Hilton Foundation Grant and approval for early conversion to permanent housing. The financing gap was closed with a Prop HHH allocation of \$1,343,914. The 22-unit project is estimated to be completed on January 31, 2026. The project received operating subsidies from DHS/Brilliant Corners.
  - c. The Sieroty (Howard Johnson) served as interim housing for four years. The 74-unit project is estimated to be completed on July 31, 2026. The project received operating subsidies from DHS/Brilliant Corners.
  - d. PV Marina Del Rey (Ramada Inn) received a Hilton Foundation Grant and approval for early conversion to permanent housing. As stated above, the owner/operator had a challenging time securing permits and necessary financing to start the conversion. It received Prop HHH allocation to close the gap. The 32-unit project started conversion in October 2025 with an estimated completion date of December 2026.
3. Sites Approved for Conversion/Securing Financing
  - a. Restoration Apartments/EC Motel served as interim housing for three years. The site received a Hilton Foundation Grant and approval for early conversion to permanent housing. It was determined that conversion would be extremely costly due to the site condition and it would be more financially feasible to demolish the current site with 31 units and build a new project with up to 80 units. The owner/operator has applied to the LAHD Homes for LA NOFA and is awaiting notification.

- b. Normandie/Travelodge Normandie was approved for immediate conversion due to the condition of the property. The owner/operator, PATH, has had a challenging time securing the financing for the conversion but recently secured DHS/Brilliant Corners operating subsidies and a Prop HHH allocation of \$736,215. The owner/operator has also applied to the LAHD Homes for LA NOFA to secure the remaining gap for the conversion.
4. Commercial Sites: Two of the three commercial sites were rehabilitated to provide interim housing services and are currently occupied and providing 240 beds. The third site, the Historic Lincoln Theater, was acquired to develop new permanent supportive housing. The developer has had a challenging time securing operating subsidies. On July 2, 2025, the Council and the Mayor authorized the development of a supportive, supportive and affordable, or 100 percent affordable project based on funding secured (CF 20-0941). The developer is working on closing the final gap and has applied to the LAHD Homes for LA NOFA and will be submitting an application for the Los Angeles County Affordable Housing Solutions Agency (LACAHS) funding. In the meantime, the site serves as a Safe Sleep site providing 88 beds.

#### *HACLA Sites*

Under PHK1, HACLA acquired five (5) PHK1 sites, all of which received a HCD match. The HACLA program focused on permanent housing and all five sites were converted to permanent housing when the sites were acquired. All sites are occupied for a total of 213 units.

#### PHK2 - 2022

For Round 2 of PHK, the LAHD partnered with HACLA to acquire sites. Both the LAHD and HACLA program focused on permanent housing. The LAHD acquired eight (8) sites and HACLA acquired seven (7) sites for a total of 15 sites with 1,260 units.

#### *LAHD Sites*

The LAHD acquired eight (8) sites with a total of 875 units. Of the eight sites, four are occupied and/or leasing up. The remaining four sites with 516 units were extended stay hotels and the rehabilitation has been delayed due to tenant relocation efforts. In addition, the transfer of ownership to the developers was delayed because the LAHD had yet to complete the Request for Qualifications (RFQ) to select the developers for the sites. These sites are expected to be completed in the first half of 2026.

#### *HACLA Sites*

The HACLA acquired seven (7) sites for a total of 385 units. All sites are currently occupied. The 7639 Van Nuys Boulevard site in Council District 6 was not occupied until July 27, 2023 because HACLA did not take over the site until early 2023 when the developer decided not to take ownership of the site.

### PHK3 - 2024

For the third round of PHK, the LAHD acquired three (3) sites, in partnership with owner/operators, and HACLA acquired four (4) sites for a total of seven (7) sites and 369 units/beds.

#### *LAHD Sites*

The LAHD partnered directly with owner/operators and jointly acquired three (3) PHK3 sites with 215 beds. The sites were acquired for interim use due to the lack of PBVs. All sites are currently in the rehabilitation phase.

#### *HACLA Sites*

Under PHK3, the HACLA acquired three (3) sites for permanent housing and received an award to build a new project on land owned by HACLA for a total of 154 units.

The three sites with 130 units are currently occupied. The fourth site located at 7625 Topanga Canyon Boulevard was acquired by HACLA in November 2020. The HACLA received funding to build a new project with 24 units, which is expected to be completed in June 2026.

Attachments 1, 2, and 3 outline the status of each PHK site, including acquisition price, unit number, occupancy date and/or expected occupancy date, as well as a brief explanation for sites not currently occupied.

### C.F. 25-0837

The Lee-Raman motion (CF 25-0837) requested the CAO to report on the capital costs and timelines to convert interim housing sites to self-sustaining permanent housing. The conversion costs will vary for each site depending on the size of the site and the scope of work required for the conversion. For capital funding, the sites can apply for funds from the LAHD, the County, and/or the State. The major challenge for all proposed supportive housing projects in the City and throughout the State is the lack of PBVs, which is critical to the viability of these projects. As outlined above, because of the lack of PBVs, projects approved for conversion have secured DHS/Brilliant Corners subsidies, which are also limited. Due to the lack of these rental subsidies, the City extended the interim housing period for three years through December 2028, with the option to extend for an additional three years through December 2031 for PHK1 sites that have not received approval for conversion to permanent housing (C.F 20-0941). This Office recommended that the City only grant approval for conversion to permanent housing when either PBVs or an alternative operating source have been secured to ensure City homeless households will be housed in the converted units.

### **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund.

## **FINANCIAL POLICIES STATEMENT**

The recommendation in this report complies with the City Financial Policies.

*MWS:YC:VES:MC:02260022*

### **Attachments**

- 1: PHK 1 Status Update
- 2: PHK 2 Status Update
- 3: PHK 3 Status Update

ATTACHMENT 1: PHK 1 STATUS UPDATE

Project Name & Address	Council District	Department	Owner/Operator	Acquisition Date	Acquisition Cost (from Regulatory Agreement)	Acquisition Cost (from Escrow Docs)	Housing Type: I-Interim, P-Permanent	Total Number of Units	Number of Manager's Unit	Initial Date of Occupancy	Date of Full Occupancy/ Estimated Date of Occupancy	If not occupied, why?
City Sites												
Restoration Apartments (EC Motel)*, 3501 Western Avenue, Los Angeles, CA 90018	8	CAO	SSG/HOPICS	12/10/2020	\$5,325,000	\$5,157,835.99	P	31				Securing financing for conversion. The current site will be demolished and a new site of up to 80 units developed.
The Pano (Panorama Motel)*, 8209 Sepulveda Blvd., Los Angeles, CA 91402	6	CAO	LAFH Builds	12/17/2020	\$9,950,000	\$9,950,000.00	P	90	1			Converting to permanent housing - adding 50 additional units for a total of 90 units. Completion expected for 3/31/26. Transferred to LAHD.
Normandie (Travelodge Normandie)*, 18606 Normandie Ave, Los Angeles, CA 90248	15	CAO	PATH Ventures	12/17/2020	\$9,275,000	\$9,382,352.38	P	40	1			Securing financing for conversion
Mollie Maison (Best Inn)*, 4701 Adams Blvd, Los Angeles, CA 90016	10	CAO	The People Concern, People Co, LLC	12/22/2020	\$3,940,000	\$3,994,827.47	P	22	1			Converting to permanent housing. Completion expected on 1/31/26. Transferred to LAHD.
The Sieroty (Howard Johnson)*, 7432 Reseda Blvd, Reseda, CA 91335	4	CAO	LAFH Builds	12/30/2020	\$16,500,000	\$16,708,395.77	P	74	1			Converting to permanent housing. Completion expected on 7/31/26. Transferred to LAHD.
Casa Luna (Titta Inn)*, 5333 Huntington Drive N, Los Angeles, CA 90032	14	CAO	Union Station, NCRC Titta Inn LLC	12/22/2020	\$8,580,000	\$8,669,386.70	I	47		4/12/2021	6/15/2022	
Devonshire Lodge (Travelodge Devonshire)*, 21603 Devonshire Street, Los Angeles, CA 91311	12	CAO	Volunteers of America of Los Angeles (VOALA)	12/15/2020	\$15,600,000	\$16,255,446.87	I	75		3/15/2021	3/26/2025	
Sepulveda Villa (Econo Motor Inn)*, 8647 Sepulveda Blvd., Los Angeles, CA 91343	6	CAO	Volunteers of America of Los Angeles (VOALA)	12/17/2020	\$10,600,000	\$10,699,335.62	I	58		3/17/2021	9/26/2022	
The Nest*, 253 S. Hoover St, Los Angeles, CA 90004	13	CAO	Volunteers of America of Los Angeles (VOALA)	12/23/2020	\$7,244,000	\$7,321,529.92	I	38		3/22/2021	5/10/2022	
Beacon (Hotel Solaire)*, 1710 7th St, Los Angeles, CA 90017	1	CAO	Weingart	12/30/2020	\$18,000,000	\$18,166,018.10	I	91		1/1/2021	11/29/2022	
PV Marina Del Rey (Ramada Inn) 3130 Washington Blvd., Venice, CA 90291	11	CAO	PATH Ventures	12/17/2020	\$11,000,000	\$10,247,837.30	P	32	1			Converting to permanent housing. Completion expected 12/2026. Transferred to LAHD.
Arlita (Woodman), 9120 Woodman Ave, Los Angeles, CA 91334	6	CAO	National Health Foundation, Community Works Arleta, LLC	12/15/2020	\$20,500,000	\$20,111,747.00	I	148		N/A	11/18/2024	
Encinitas (Good Nite Inn), 12835 Encinitas Ave., Los Angeles, CA 91342	7	CAO	LAFH Builds	12/22/2020	\$16,000,000	\$16,451,535.88	I	86		8/29/2021	1/17/2023	

**ATTACHMENT 1: PHK 1 STATUS UPDATE**

Project Name & Address	Council District	Department	Owner/Operator	Acquisition Date	Acquisition Cost (from Regulatory Agreement)	Acquisition Cost (from Escrow Docs)	Housing Type: I-Interim, P-Permanent	Total Number of Units	Number of Manager's Unit	Initial Date of Occupancy	Date of Full Occupancy/ Estimated Date of Occupancy	If not occupied, why?
Huntington Villas (Super 8 Alhambra), 5350 Huntington Dr. S., Los Angeles, CA 90032	14	CAO	Union Station, NCRC Super 8 LLC	12/29/2020	\$8,890,000	\$9,071,062.41	I	52		4/7/2021	6/9/2022	Received approval to convert, contingent on securing capital and operating resources.
The Layover (Super 8 LAX), 9250 Airport Blvd., Los Angeles, CA 90045	11	CAO	The People Concern, People Co, LLC	12/23/2020	\$10,580,000	\$10,880,214.98	I	44		5/6/2021	12/22/2021	
King Solomon Village 1300-1332 Slauson Ave., Los Angeles, CA 90044	9	CAO	Ward EDC	12/4/2020	\$6,490,000	\$6,670,353.21	I	100		N/A	1/18/2023	
Long Beach, 2521-2525 Long Beach Ave., Los Angeles, CA 90058	9	CAO	Volunteers of America of Los Angeles (VOALA)	12/28/2020	\$4,900,000	\$5,057,178.00	I	140		N/A	11/20/2023	
Historic Lincoln Theater, 2300-2332 Central Ave., Los Angeles, CA 90011	9	CAO	Coalition for Responsible Community Development (CRCD)	12/18/2020	\$11,700,000	\$12,824,428.48	Safe Sleep	88		N/A	1/24/2022	Securing financing for development of new housing.
City of LA: Subtotal					\$179,799,000			1256				
<b>HACLA Sites</b>												
The Orchid, 1753 Orchid Ave., Los Angeles, CA 90028	13	HACLA	HACLA	12/11/2020	\$16,000,000		P	40	1		3/3/2021	
Martel Apartments, 1643 N Martel Ave., Los Angeles, CA 90046	4	HACLA	HACLA	11/6/2020	\$4,475,000		P	11			12/30/2020	
Parthenia Place, 15230 Parthenia St., North Hills, CA 91343	6	HACLA	HACLA	11/6/2020	\$16,400,000		P	41	1		12/2/2020	
Best Western Noho, 11135 W Burbank Blvd., Los Angeles, CA 91601	2	HACLA	HACLA	11/10/2020	\$21,000,000		P	70	1	11/29/2021	9/1/2025	
Super 8 Canoga Park, 7631 Topanga Canyon Blvd., Canoga Park, CA 91304	3	HACLA	HACLA	11/18/2020	\$11,118,600		P	51	1		9/9/2024	
HACLA Subtotal					\$68,993,600			213				
Total					\$248,792,600			1469				

NOTE: City sites marked with an asterisk (\*) were acquired with State HCD PHK match funds.

**ATTACHMENT 2: PHK 2 STATUS UPDATE**

Project Name & Address	Council District	Department	Owner/Operator	Acquisition Date	Acquisition Cost	Housing Type: I-Interim, P-Permanent	Total number of Units	Number of Manager's Unit	Date of Occupancy/ Estimated Date of Occupancy	If not occupied, why?
<b>LAHD Sites</b>										
1654 W Florence Ave., 1654 W Florence Ave., Los Angeles, CA 90047	8	LAHD	LINC	4/8/2022	\$49,594,819	P	127	1	4/30/2025	
2812 W Temple & 916 N. Alvarado, 2812 W Temple St., Los Angeles, CA 90026	13	LAHD	Brilliant Corners	4/7/2023	\$29,853,300	P	69	2	5/19/2025	
21121 Vanowen, 21121 Vanowen St., Canoga Park, CA 91303	3	LAHD	ACOF	10/17/2022	\$55,661,575	P	101	2	9/15/2025	Continuing to lease up to reach 100 percent lease up.
2010 Highland, 2010 Highland Ave., Los Angeles, CA 90068	4	LAHD	ACOF	4/5/2023	\$24,400,000	P	62	1	10/10/2025	Continuing to lease up to reach 100 percent lease up.
6531 S Sepulveda, 6531 S Sepulveda Blvd., Los Angeles, CA 90045	11	LAHD	American Family Hsg	9/29/2022	\$50,689,000	P	120	2	2/4/2026	Rehabilitation was delayed due to the relocation of tenants at acquisition. Rehab is now 89 percent complete.
19325 Londelius, 19325 Londelius St., Northridge, CA 91324	12	LAHD	VOALA	9/29/2022	\$46,926,545	P	116	1	5/15/2026	Rehabilitation was delayed due to the relocation of tenants at acquisition. Rehab is now 20 percent complete.
18602 S Vermont, 18602 S Vermont Ave., Gardena, CA 90248	15	LAHD	CRCD	9/29/2022	\$42,050,000	P	136	2	5/31/2026	Rehabilitation was delayed due to the relocation of tenants at acquisition. Rehab is now 26 percent complete.
20205 Ventura, 20205 Ventura Blvd., Woodland Hills, CA 91364	3	LAHD	VOALA	9/29/2022	\$45,458,772	P	144	2	7/3/2026	Rehabilitation was delayed due to the relocation of tenants at acquisition. Rehab is now 12 percent complete.
City of LA: Subtotal					\$344,634,011		875			
<b>HACLA Sites</b>										
5050 W. Pico, 5050 W. Pico Blvd., Los Angeles, CA 90019	10	HACLA	HACLA	1/28/2022	\$36,500,000	P	79	1	11/15/2022	
7639 Van Nuys Blvd, 7639 Van Nuys Blvd., Los Angeles, CA 91405	6	HACLA	HACLA	4/12/2022	\$16,600,000	P	35	1	7/27/2023	
6521 Brynhurst, 6521 Brynhurst Ave., Los Angeles, CA 90043	8	HACLA	HACLA	5/19/2022	\$17,340,000	P	41	1	11/10/2022	
10150 Hillhaven, 10140-10150 Hillhaven Ave., Los Angeles, CA 91042	7	HACLA	HACLA	11/30/2022	\$17,750,000	P	34	1	12/22/2022	
740 S. Alvarado, 740 S. Alvarado, Los Angeles, CA 90057	1	HACLA	HACLA	1/28/2022	\$30,750,000	P	80	1	11/16/2022	
14949 Roscoe Blvd., 14949 Roscoe Blvd., Los Angeles, CA 91402	6	HACLA	HACLA	9/6/2022	\$10,000,000	P	31	1	5/1/2023	
1044 N Soto, 1044 N Soto Ave., Los Angeles, CA 90033	14	HACLA	HACLA	8/1/2022	\$35,135,000	P	85	1	9/20/2023	
HACLA Subtotal					\$164,075,000		385			
<b>Total</b>					<b>\$508,709,011</b>		<b>1260</b>			

**ATTACHMENT 3: PHK 3 STATUS UPDATE**

Project Name & Address	Council District	Department	Owner/Operator	Acquisition Date	Acquisition Cost	Housing Type: I-Interim, P-Permanent	Total number of Units	Number of Manager's Unit	Date of Occupancy/ Estimated Date of Occupancy	If not occupied, why?
<b>LAHD Sites</b>										
3340 S Shelby Dr, 3340 S Shelby Dr., Los Angeles, CA 90034	5	LAHD	Weingart	4/11/2024	\$27,300,000	I	78		3/26/2026	Rehabilitation is 65 percent complete.
Motel 6, 15711 W Roscoe Blvd., North Hills, CA 91343	12	LAHD	Hope the Mission	8/23/2024	\$27,000,000	I	111		8/11/2026	Rehabilitation is 45 percent complete.
Oak, 17448 W Ventura Blvd., Encino, CA 91316	4	LAHD	Hope the Mission	9/25/2024	\$7,300,000	I	26		5/20/2026	Rehabilitation is 32 percent complete.
City of LA: Subtotal					\$61,600,000		215			
<b>HACLA Sites</b>										
3705 McLaughlin, 3705 McLaughlin Ave., Los Angeles, CA 90066	11	HACLA	HACLA	6/5/2024	\$18,590,000	P	26	1	12/22/2025	
4065 Oakwood, 4065 Oakwood Ave., Los Angeles, CA 90004	13	HACLA	HACLA	11/21/2023	\$37,320,000	P	68	1	8/26/2024	
4818 N Sepulveda Blvd, 4818 N Sepulveda Blvd., Sherman Oaks, CA 91403	4	HACLA	HACLA	5/16/2024	\$25,848,000	P	36	1	12/12/2025	
7625 Topanga Canyon Blvd Phase 2, 7625 Topanga Canyon Blvd., Canoga Park, CA 91304	3	HACLA	HACLA	11/18/2020*	Purchased with Super 8 Canoga Park (PHK1)	P	24		6/30/2026	*Property was acquired by HACLA on 11/18/2020. HACLA applied for new construction funding under PHK3 and received an award on 11/1/23.
HACLA Subtotal					\$81,758,000		154			
<b>Total</b>					<b>\$143,358,000</b>		<b>369</b>			