

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: April 1, 2026

CAO File No. 0220-00540-1756

Council File No.

Council District: Citywide

To: The Mayor  
The City Council

From: *Yplenda Chavez*  
for Matthew W. Szabo, City Administrative Officer

Reference: Los Angeles Housing Department transmittal dated January 26, 2026; Received by the City Administrative Officer on February 11, 2026; Additional information received through February 11, 2026

Subject: **REQUEST FOR AUTHORITY TO EXECUTE LOAN AND REGULATORY AGREEMENTS TO FINANCE THE ACCESSIBILITY RETROFIT OF EXISTING AFFORDABLE HOUSING DEVELOPMENT COMMONLY KNOWN AS HARMONY GATES AND OBLIGATE \$2.77 MILLION TO SUPPORT THE RETROFIT WORK**

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**RECOMMENDATIONS**

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

1. Note and file the Los Angeles Housing Department (LAHD) transmittal dated January 26, 2026;
2. Authorize the LAHD General Manager or designee, subject to the review and approval of the City Attorney as to form,
  - a. To negotiate and execute accessibility retrofit loan and regulatory agreements with the legal owner of Harmony Gates (Project) in the amount of \$2,774,222.29;
  - b. To execute subordination agreements of the financial commitment for the Project, wherein the City's loan and regulatory agreements are subordinated to the respective conventional or municipally funded loans, as required;
3. Authorize the LAHD General Manager or designee to obligate and disburse up to \$2,774,222.29 from Fund 10D/43C698 Retrofit to the legal owner of the Project, Wahmony Gates, LP; and,
4. Authorize the LAHD General Manager or designee to prepare Controller Instructions and any necessary technical adjustments consistent with the Mayor and City Council actions, subject to the approval of the City Administrative Officer.

## **SUMMARY**

The Los Angeles Housing Department (LAHD) requests authority to negotiate and execute loan, regulatory, and subordination agreements, and authority to obligate \$2.77 million and disburse loan funds to complete retrofits related to the Accessible Housing Program (AcHP) retrofit loan program. The AcHP is funded by the Accessible Housing Trust Fund, a special fund that is fully subsidized by the General Fund. The 2025-26 Adopted Budget includes \$12 million in retrofit funding to cover the loans.

The AcHP was created in part to comply with the Independent Living Centers of Southern California, et al., corrected settlement agreement (CSA) and the U.S. Department of Housing and Urban Development voluntary compliance agreement (VCA). The CSA requires the City to produce 4,000 accessible units and the VCA requires the City to produce 4,031 accessible units, of which 3,100 must be provided through retrofit of existing affordable housing units.

The VCA requires the City to retrofit 3,100 existing housing units to meet set accessibility standards. Harmony Gates (Project) is a 70-unit housing development located at 5220 Harmony Ave in Council District 2. Twelve of the 70 units will be retrofitted and count towards the VCA retrofit requirement. The average cost of retrofitting one unit in the Project is \$231,185.

## **FISCAL IMPACT STATEMENT**

The recommendations in this report obligate \$2.77 million of the \$12 million provided in Fiscal Year 2025-26 for the Accessible Housing Loan Retrofit Program. There is no additional impact on the General Fund.

## **FINANCIAL POLICIES STATEMENT**

The recommendations in this report comply with the City's financial policies in that expenditures for mandated and priority programs are to be made against current revenue sources.

*MWS:CV:02260090c*

Attachment

**TRANSMITTAL**

TO  
The City Council

DATE  
02/11/2026

FROM  
The Mayor

**REQUEST FOR AUTHORITY TO ENTER INTO LOAN AND REGULATORY AGREEMENTS TO FINANCE ACCESSIBILITY RETROFITS TO EXISTING AFFORDABLE HOUSING DEVELOPMENTS IN ACCORDANCE WITH THE AMENDED CORRECTED SETTLEMENT AGREEMENT WITH THE INDEPENDENT LIVING CENTER OF SOUTHERN CALIFORNIA, ET. AL. AND VOLUNTARY COMPLIANCE AGREEMENT WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Approve and transmitted for your consideration.  
Please see attached.



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MAYOR  
(Mitch Kamin for)



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

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housing.lacity.gov

Karen Bass, Mayor

January 26, 2026

Council File: New  
Council District: 2  
Contact Person: Eric Claros (323) 273-5356

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

Attention: Legislative Coordinator

**COUNCIL TRANSMITTAL: REQUEST AUTHORITY TO ENTER INTO LOAN AND REGULATORY AGREEMENTS TO FINANCE ACCESSIBILITY RETROFITS OF EXISTING AFFORDABLE HOUSING DEVELOPMENTS IN ACCORDANCE WITH THE AMENDED CORRECTED SETTLEMENT AGREEMENT WITH THE INDEPENDENT LIVING CENTER OF SOUTHERN CALIFORNIA, ET. AL. AND VOLUNTARY COMPLIANCE AGREEMENT WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**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 requests approval to make loans to the project described below in order to finance accessibility retrofits for existing affordable housing developments pursuant to both the Amended Corrected Settlement Agreement (ACSA) entered into with the Independent Living Center of Southern California (ILCSC), et al., and the Voluntary Compliance Agreement (VCA) entered into with the U.S. Department of Housing and Urban Development (HUD). Both the ACSA and VCA require that the City produce a specified number of certified accessible housing units and anticipate that some portion of those units will be provided through the accessibility retrofit of existing housing developments in LAHD's portfolio of financed affordable housing. The ACSA requires a total of 4,000 accessible units and the VCA requires a total of 4,031 accessible units. The VCA further requires that 3,100 of the 4,031 units be provided through retrofitting existing covered housing developments. Both agreements require that the City provide funding to facilitate the production of accessible units, including through funding retrofitting activities. Therefore, LAHD requests authority to finance accessibility retrofitting activities for an existing affordable housing development commonly referred to as Harmony Gates.

**RECOMMENDATIONS**

- I. That the Mayor review this transmittal and forward 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, subject to the review and approval of the City Attorney as to form, to negotiate and execute accessibility retrofit Loan and Regulatory Agreements with the legal owner of the project and in the amounts identified in Table 1;
  - B. AUTHORIZE the General Manager of LAHD, or designee, subject to the review and approval of the City Attorney as to form, to execute subordination agreements of the financial commitment for the project identified in Table 1, wherein the City’s Loan and Regulatory Agreements are subordinated to their respective conventional or municipally funded loans; as required;
  - C. AUTHORIZE the General Manager of LAHD, or designee, to:
    - i. Obligate and disburse Funds for the project in amounts not to exceed those listed below:

<b>TABLE 1, PROJECT RETROFIT FUNDING OBLIGATIONS</b>			
<b>Owner</b>	<b>Fund Name / No</b>	<b>Appr Acct / Name</b>	<b>Amount</b>
<b>Wahmony Gates, LP</b>	<b>Accessible Housing Fund / 10D</b>	<b>43C698 / Retrofit</b>	<b>\$2,774,222.29</b>

- D. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller’s 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**

The Accessible Housing Program (AcHP) ensures that multifamily affordable housing developed with assistance from the City and/or the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) is accessible to people with disabilities. This program was established to ensure the City’s compliance with and implementation of the Amended Corrected Settlement Agreement (ACSA), entered into on September 5, 2016, with Independent Living Center of Southern California (ILCSC), et. al. Under the ACSA, the City must provide 4,000 accessible units. As such, AcHP staff are responsible for surveying previously constructed multifamily affordable housing developments to identify deficiencies and retrofitting them where feasible; accelerating the construction of new and substantially rehabilitated affordable accessible units by requiring 11% mobility and 4% hearing/vision accessible units; and by requiring all developments to adopt, implement, and maintain compliance with consistent rental management policies that address fair housing for people with disabilities. The AcHP staff actively monitor each development’s compliance with these policies and applicable accessibility requirements on a quarterly basis. The AcHP staff also monitor compliance with the design and construction of covered housing projects to ensure that they are designed and built to applicable accessibility standards.

Also in response to concerns about the accessibility of the City’s affordable housing program, the U.S. Department of Housing and Urban Development (HUD) Office of Fair Housing and Equal Opportunity (FHEO)

initiated a compliance review investigation in 2011 under its fair housing and civil rights laws. During the course of the investigation, the FHEO conducted multiple on-site reviews of existing housing developments supported with federal funding and identified conditions that were not fully compliant with all applicable accessibility standards. On August 2, 2019, HUD and the City reached an agreement to resolve these findings resulting in a Voluntary Compliance Agreement (VCA) with a term of 10 years. The HUD/FHEO settlement with the City, concurrently with the ACSA, intends to provide accessibility improvements for persons with disabilities across the affordable multifamily housing program by adding guidelines that the City must uphold. However, the VCA has additional actions and requirements beyond those required under the ACSA. Under the VCA, the City must create 4,031 accessible units, and unlike under the ACSA, the VCA specifically requires that 3,100 of the accessible units must be provided through retrofitting existing developments. Failure to satisfy the VCA's obligations by the expiration of the agreement's term in 2029 could result in a penalty assessment requiring additional accessible units.

To date, 1,825 units of affordable housing have been certified as accessible. In addition, approximately 1,906 accessible units are currently in construction or pre-development financing stages of LAHD's affordable housing development pipeline.

### **ACCESSIBILITY RETROFIT OF EXISTING AFFORDABLE HOUSING DEVELOPMENTS**

Both the ACSA and VCA allow for the retrofitting of existing affordable housing developments for accessibility as a means by which the City will achieve the 4,031 accessible housing units required by the settlement agreements. In accordance with the settlement agreements, LAHD worked with the private plaintiffs representing the disability community and Evan Terry Associates (ETA), which serves as the City's required Neutral Accessibility Consultant (NAC), to develop the Accessible Housing Unit Plan (AHUP). The AHUP is intended to guide the process of identifying existing developments for accessibility retrofit to ensure geographic distribution of accessible units throughout the City, in a range of unit sizes, and to maximize affordability and access to public transportation and other amenities, in a cost effective and efficient manner. While the AHUP prioritizes the surveying of newer developments for accessibility retrofit ahead of older developments, it also recognizes the opportunity to leverage other capital investments planned for older developments to facilitate retrofitting units in older buildings.

The process for retrofitting an existing development for accessibility begins with the City's NAC reviewing existing building plans and performing a detailed on-site accessibility survey (inspection) of the property to determine what barriers to accessibility exist that must be remediated to meet applicable accessibility standards. The inspection includes all exterior and interior public spaces, including paths of travel, parking, stairs, and community spaces. In addition, all accessible units are inspected for accessibility, and non-accessible units are inspected for adaptability in compliance with the Fair Housing Act (FHA) and the California Building Code as applicable. Based upon the inspection, the NAC prepares a detailed Architectural Accessibility Conditions Report (NAC Report) identifying barriers to accessibility that must be addressed at the development in order to achieve accessibility certification under the ACSA and VCA. Based upon the content of the NAC Report, the property owner works with its contractor to develop a scope of work and cost estimate to complete the accessibility retrofit. The AcHP construction staff review the scope of work and cost estimate for cost reasonableness and to ensure that all of the accessibility requirements are addressed.

The accessibility retrofits will require construction work to be performed at occupied housing developments. Property ownership and management will need to coordinate with their contractor and construction crews to minimize disruptions to building operations and tenants. To incentivize property owners to complete the accessibility retrofits, LAHD will offer favorable financing terms. To finance the accessibility retrofits, LAHD will offer no-interest, deferred repayment loans. Loans will be due and payable in full at the same time as existing LAHD or other public financing on the property. Loans will also be subordinate to other existing project financing and be secured by a Deed of Trust recorded on the property title.

Harmony Gates is the next development to complete the process to be ready to perform accessibility retrofits. LAHD is requesting authority to provide loans totaling up to \$2,800,000 to support the required retrofit work on these sites. The work funded pursuant to this request will result in the remediation of 70 total units and all common areas of the housing development. This will result in the certification of 12 accessible units and 22 FHA adaptable units. This will also result in common areas, community rooms, paths of travel, parking, and similar development-wide facilities being brought into compliance with accessibility standards. The accessibility improvements cost approximately \$231,185 per unit. While it is generally more efficient and cost effective to ensure accessibility compliance is met during initial construction, because of changes in the HUD and Court-approved certification process, these projects were not able to be certified prior to their initial completion. Therefore, the requested amount will allow for certification of these projects and will enable the City to count the accessible units towards the City's settlement obligations.

### **HARMONY GATES**

Harmony Gates is a 70-unit housing development located at 5220 Harmony Ave in Los Angeles that is affordable to lower-income households earning at or below 60% of Area Median Income (AMI). In 2018, LAHD provided financing totaling \$4,069,678 to Wahmony Gates, LP to rehabilitate the project. Although the development was completed and occupied in 2019, the project was not certified as meeting accessibility requirements due to changes in the HUD and Court-approved certification process.

In 2023, ETA performed an accessibility survey of Harmony Gates and prepared a NAC Report identifying barriers to accessibility needing to be addressed to achieve certification as required by the ACSA and VCA. The NAC Report identified accessibility barriers in public and community areas, such as narrow access isles, missing accessible parking spaces, walkways and/or hallways with missing railings or handrails, public area exterior door closing speeds that are too fast, noncompliant and inconsistent height, depth, and slope of stairways and railings, out of reach storage space, and missing and improperly installed signage. In addition, within dwelling units, including within both adaptable units and designated accessible units, kitchens sinks do not provide sufficient knee and toe clearance, lavatories have improperly installed grab bars, tub controls are out of reach, balconies do not provide required turning space, and front doors require too much force to open.

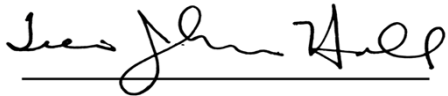
The estimated budget for the scope of work to address the accessibility barriers at Harmony Gates is \$2,800,000. This estimate includes all hard construction costs, architectural and other fees for review, reports, and monitoring by required Certified Accessibility Specialists (CASPs), as well as insurance, and other related and soft costs and contingencies and temporary short-term relocation as necessary. Upon completion of the accessibility retrofit, the Harmony Gates apartments will be a fully accessible, 70-unit affordable housing development, including eight mobility units, four communication units, and 22 adaptable units, with accessible paths, community, and common

areas. These 12 accessible units, including the mobility and communication units, will count towards the City's obligations under both the ACSA and the VCA.

**FISCAL IMPACT**

Funding for the accessibility retrofit program has already been allocated to AcHP as part of LAHD's approved budget for Fiscal Year 2025-2026. AcHP is funded by the General Fund, and is ineligible for federal funds as required in both the ACSA and VCA.

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