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April 9, 2025

Councilmember Katy Yaroslavsky, Chair
Budget and Finance Committee
Attn: Mandy Morales

RE: COUNCIL FILE TRANSMITTAL

On April 9, 2025, the Housing and Homelessness Committee considered Los Angeles Housing Department (LAHD) reports relative to accepting the Prohousing Incentive Program (PIP) Grant from the State of California Department of Housing and Community Development's (HCD) PIP to fund the City's Micro Operational Reserve Replenishment Program, Council file No. 23-0330. After consideration, the Committee moved to approve the following recommendations:

1. NOTE and FILE the Los Angeles Housing Department (LAHD) report dated December 23, 2024, attached to Council file No. 23-0030.
2. AUTHORIZE the General Manager, LAHD, or designee, to accept the HCD's 2023 PIP Grant.
3. AUTHORIZE the General Manager, LAHD, or designee, to approve the grant criteria outlined in the revised LAHD report dated March 5, 2025, attached to Council file No. 23-0330, for the City's Micro Operational Reserve Replenishment Pilot Program.
4. AUTHORIZE the General Manager, LAHD, or designee, to obligate and expend the PIP Grant funds for the purposes as indicated in the revised LAHD report dated March 5, 2025, attached to the Council file.
5. AUTHORIZE the General Manager, LAHD, or designee, subject to review and approval of the City Attorney as to form, to negotiate and execute the grant agreements with PATH Ventures for the purpose of paying the accrued property management and property operational expenses, as well as costs to get vacant units ready for occupancy, as detailed in the revised LAHD report dated March 5, 2025, attached to the Council file. The grant agreement will include a 55-year regulatory agreement to memorialize the affordability covenants as required by the HCD.
6. AUTHORIZE the General Manager, LAHD, or designee, subject to review and approval of the City Attorney as to form, to negotiate and execute the grant agreements with the legal owners of the projects deemed eligible for the PIP Grant funds pursuant to the Micro Operational Replenishment Reserve Pilot Program. The grant agreement will include a 55-year regulatory agreement to memorialize the affordability covenants as required by the HCD.

7. INSTRUCT the General Manager, LAHD, or designee, to report to Council with the recommendations regarding the selection of qualified projects.
8. AUTHORIZE the Controller to:
 - a. Record a grant receivable in the amount of \$4,900,000 within the LAHD Small Grants and Awards Fund No. 49N.
 - b. Establish a new Account No. 43AD42 entitled "PIP Grant – Skid Row" and appropriate \$3,427,552 within Fund No. 49N/43.
 - c. Establish a new Account No. 43AD43 entitled "PIP Grant – Micro Operational Replenishment Reserve Pilot Program" and appropriate \$1,472,448 within Fund No. 49N/43.
 - d. Expend Funds from the above accounts upon proper written demand of the General Manager, LAHD, or designee.
 - e. Obligate and disburse funding in the amount of \$3,427,552 from Account No. 49N/43AD42 to Path Ventures upon proper written demand of the General Manager, LAHD, or designee.
 - f. Obligate and disburse funding in the amount of \$1,472,448 from Account No. 49N/43AD43 for the internal Operational Replenishment Reserve Pilot Program to selected affordable housing project owners or its designees upon proper written demand of the General Manager, LAHD, or designee.
 - g. Establish a new Account No. 43A49N - LAHD Small Grants & Awards, within Fund No. 59T - City of Los Angeles Housing Impact Trust Fund and transfer up to \$3,675,000 in cash to Fund No. 49N - LAHD Small Grants and Award Fund.
 - h. Establish a new Account No. 43A59T - City of Los Angeles Housing Impact Trust Fund within Fund No. 49N - LAHD Small Grants and Award Fund and transfer up to \$3,675,000 in cash to Fund No. 59T - City of Los Angeles Housing Impact Trust Fund upon receipt of the PIP Grant funds reimbursement.
9. AUTHORIZE the General Manager, 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; and, INSTRUCT the Controller to implement the instructions.

This file is now transmitted to the Budget and Finance Committee.

Luigi Verano
Legislative Assistant
Housing and Homelessness Committee
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<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	YES
JURADO:	ABSENT
BLUMENFIELD:	YES

LV 4.9.25