

**TRANSMITTAL**


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|--|------------------------|------------------|
| TO<br>The City Council   | DATE<br>06-24-25       | COUNCIL FILE NO. |
| FROM<br>The Proposition HHH Administrative Oversight Committee | COUNCIL DISTRICT<br>11 |                  |

The attached report from the Los Angeles Housing Department (LAHD) was waived by the Proposition HHH (Prop HHH) Administrative Oversight Committee (AOC) and is hereby transmitted directly to Council for consideration. At its June 20, 2025 meeting, the Prop HHH Citizens Oversight Committee (COC) amended the attached LAHD report as outlined in the recommendations below.

**RECOMMENDATIONS**

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

1. APPROVE an additional commitment of \$1,950,000 for the Project Homekey Round 2 site at 6531 South Sepulveda Blvd, in Council District 11, from the Prop HHH uncommitted balance;
2. AMEND the Prop HHH Fiscal Year 2020-21 Project Expenditure Plan (PEP) to increase the project's initial Prop HHH commitment by \$1,950,000;
3. AUTHORIZE the LAHD General Manager, or designee, to amend and execute loan documents, covenant/regulatory agreements, and any other documents necessary to implement the funding award with the borrower(s), subject to the approval of the City Attorney as to form; and,
4. AUTHORIZE the disbursement of Prop HHH funds once the borrower(s) obtain enforceable commitments for the proposed funding.

  
for Matthew W. Szabo  
City Administrative Officer

Chair, Proposition HHH Administrative Oversight Committee

MWS:YC:VES:MC:02250177

City of Los Angeles

Tiena Johnson Hall, General Manager  
Tricia Keane, Executive Officer

Anna E. Ortega, Assistant General Manager

Luz C. Santiago, Assistant General Manager

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Karen Bass, Mayor

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INTER-DEPARTMENTAL MEMORANDUM

TO: Proposition HHH Citizens Oversight Committee

FROM: Los Angeles Housing Department

DATE: June 16, 2025

REGARDING: **Additional Allocation of HHH Funds for the 6531 S Sepulveda Project**

**RECOMMENDATION**

1) Request to allocate HHH funds in the amount of up to \$1,950,000 towards the 6531 S Sepulveda project from Round 2 of Project Homekey.

**SUMMARY**

The 6531 S Sepulveda Project (Sepulveda Heights), located at 6531 S Sepulveda Boulevard, was transferred to the owner/ operator in December 2023. At the time of transfer, the site had 25 occupied units. The relocation of existing tenants stalled the commencement of rehabilitation which led to an increase in costs for the rehabilitation of the building. After extensive relocation efforts, rehabilitation began in September 2024. Once rehabilitation began, existing site conditions revealed unforeseen physical deficiencies and failing equipment, including the existing fire sprinkler system. The developer is currently working with the general contractor to price out the increased costs but these and other related items are currently estimated to increase cost by approximately \$1,950,000. The LAHD requests authority to award an up to amount while final estimates are obtained and a final figure is negotiated.

**PROJECT DETAILS**

**6531 S Sepulveda Blvd**

6531 S Sepulveda Blvd, Los Angeles, CA 90045

Extended Stay Hotel - 120 units (reduced from 130 per Council approval in February 2024)

Council District 11

American Family Housing

HHH Funding - \$14,231,758

Potential HHH Funding - \$16,181,758