

BUDGET, FINANCE AND INNOVATION COMMITTEE REPORT relative to a request for authorization to lend up to \$10 million to support critical building repairs and operations of the court-appointed receivership of the Skid Row Housing Trust; and related matters.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

- a. AUTHORIZE the General Manager of the Los Angeles Housing Department (LAHD), or designee, subject to review and approval of the City Attorney as to form, to negotiate and execute a loan agreement and related documents to lend up to \$10 million to Receivership Specialists, a California corporation, as nominee replacement receiver in the receivership matter of City of Los Angeles v. Crest Apartments LP, et al. Case No. 23STCP01011, pending in the Los Angeles County Superior Court ("Receivership") for some or all of the Properties identified in Exhibit A, attached to the Council file, and located at the addresses in the LAHD report, attached to the Council file, collectively referred to as "The Skid Row Housing Trust Properties."
- b. AUTHORIZE the City Controller to establish a new appropriation Account No. 43YC87, Skid Row Housing Trust Receivership Properties within the Low and Moderate Income Housing Fund No. 55J/43, appropriate funding in the amount of \$10,000,000 from the Fund's available cash balance to fund this loan, and, expend funds upon written demand of LAHD General Manager, or designee.
- c. AUTHORIZE the General Manager of LAHD, or designee, to prepare the Controller 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.

Fiscal Impact Statement: LAHD reports that the request is for authorization to make a \$10 million loan from the Low and Moderate Income Housing Trust, a fund within the Department that holds loan repayments from former Community Redevelopment Agency housing loans to be used on projects that meet the redevelopment requirements. The loan will be repaid when the properties exit the Receivership, either by the limited partners or by other housing funds from LAHD and possibly from other government partners. The requested loan amount is expected to be sufficient to cover Receivership costs and repayment of the original Receiver expenses, for up to six months. There will be additional costs for repairs that have not been identified yet, and for repayment of original Receiver expenses that are not yet known. LAHD will return to the City Council and Mayor with recommendations to cover these costs as needed. There is no impact to the General Fund.

Community Impact Statement: None submitted

SUMMARY

At its regular meeting held on June 26, 2023, the Budget, Finance and Innovation Committee considered a LAHD report relative to a request for authorization to lend up to \$10 million to support critical building repairs and operations of the court-appointed receivership of the Skid Row Housing Trust; and related matters.

After an opportunity for public comment was held, the Committee moved to approve the LAHD recommendations. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET, FINANCE AND INNOVATION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD	YES
YAROSLAVYSKY	YES
MCOSKER	YES
RODRIGUEZ	ABSENT

AS 6/26/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-