

BUDGET, FINANCE AND INNOVATION COMMITTEE REPORT relative to a request for authorization to increase the receiver loan for the Court-appointed receiver of the Skid Row Housing Trust.

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

1. 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 second loan agreement and related documents to lend up to an additional \$10 million, to the already Council approved \$2 million (Council file No. 23-0321-s1, October 13, 2023 Council action), Receivership Specialists, a California corporation, the Court-appointed receiver in the 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 located at the addresses below, collectively referred to as "The SRHT Receivership Properties,":
 - a. Flor 401 Lofts: 401 E. 7th Street, Los Angeles, California 90014.
 - b. Senator Hotel Apartments: 729 S. Main Street, Los Angeles, CA 90014.
 - c. San Pedro House Apartments: 647 S. San Pedro Street, Los Angeles, CA 90014.
 - d. SP7 Apartments: 519 E. 7th Street, Los Angeles, California 90014.
 - e. 649 Lofts: 649 Wall Street, Los Angeles, California, 90014.
 - f. Olympia Hotel Apartments: 1201 E. 7th Street, Los Angeles, California 90021.
 - g. Las Americas Hotel Apartments: 1205 E. 6th Street, Los Angeles California 90021.
 - h. Abbey Apartments: 625 San Pedro Street, Los Angeles California, 90014.
 - i. Charles Cobb Apartments: 521 San Pedro Street, Los Angeles, California 90013.
 - j. Boyd Hotel: 224 E. Boyd Street, Los Angeles, California 90013.
 - k. St. George Hotel: 115 E. 3rd Street, Los Angeles California 90013.
 - l. Dewey Hotel: 721 S. Main Street, Los Angeles, California 902014.
 - m. Edward Hotel: 713 E. 5th Street, Los Angeles California 90013.
 - n. Hart Hotel: 508 E. 4th Street, Los Angeles California 90013.
 - o. Lincoln Hotel: 549-551 Ceres Avenue, Los Angeles California 90021.
 - p. New Carver Apartments: 1624 S. Hope St. & 325 W. 17th St., Los Angeles California 90015.
 - q. Genesis Apartments: 452-458 S. Main Street, Los Angeles California 90013.
 - r. Produce Hotel Apartments: 676 S. Central Avenue, Los Angeles, California 90021.
 - s. Rainbow Apartments: 643 S. San Pedro Street, Los Angeles, California 90014.

- t. Sanborn Hotel: 526 S. Main Street, Los Angeles, California 90013.
 - u. Crescent Hotel: 617 E. 5th Street, Los Angeles, California 90013.
 - v. St. Mark's Hotel: 611 E. 5th Street, Los Angeles, California 90013.
2. AUTHORIZE the Controller to increase appropriation in the amount of \$10,000,000 in Account No. 43YC87, Skid Row Housing Trust Receivership Properties, within the Low and Moderate Income Housing Fund No. 55J/43 from the Fund's available cash balance to fund this loan, and expend funds upon written demand of LAHD General Manager, or designee.
 3. AUTHORIZE the General Manager of 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 (CAO), and instruct the Controller to implement the instructions.
 4. INSTRUCT LAHD to report back to the Budget, Finance and Innovation Committee with a projection of total costs and roadmap relevant to the Court-appointed receivership of the Skid Row Housing Trust.
 5. INSTRUCT LAHD to report back every 30 days to the Budget, Finance and Innovation Committee including, and not limited to, the progress of the receivership, funds expended, funds remaining, future expected costs and more.
 6. INSTRUCT the Chief Legislative Analyst, with assistance from the City Administrative Officer, LAHD, and the City Attorney, conduct an analysis and report to Council on how the funding is being spent for the conservation of the housing units of the Skid Row Housing Trust, to be completed before any additional funding is requested from Council, with the goal of verifying that the allocated funds were spent in a fiscally prudent and efficient manner.

Fiscal Impact Statement: LAHD reports that there is no impact to the General Fund.

Community Impact Statement: No

SUMMARY

At its regular meeting held on October 25, 2023, the Budget, Finance and Innovation Committee considered a LAHD report relative to a request for authorization to increase the receiver loan for the Court-appointed receiver of the Skid Row Housing Trust.

After an opportunity for public comment was held, the Committee moved to approve the LAHD recommendations, as amended, to change the dollar amount to \$10 million because the City Council already approved \$2 million towards this initiative on October 13, 2023. The committee also added instructions four and six. 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
HARRIS-DAWSON	YES
YAROSLAVSKY	YES
McOSKER	YES
RODRIGUEZ	YES

AS

-NOT OFFICIAL UNTIL COUNCIL ACTS-