

MOTION BY SUPERVISOR JANICE HAHN

AGN. NO.
August 4, 2026

Approving Financing for the Development of the PATH Villas Norwalk Project Located on a Portion of the Metropolitan State Hospital Campus

As part of Los Angeles County's (County) efforts to combat the mental health and homelessness crisis, the County is leasing six unused buildings at the Metropolitan State Hospital campus, located at 11401 Bloomfield Avenue, Norwalk, CA 90650. The County will rehabilitate the buildings to create the Los Angeles County Care Community, which will provide a range of housing and treatment options for people experiencing homelessness and living with mental illness. The County will renovate three buildings to create two subacute psychiatric treatment facilities offering 32 beds and one transition aged youth (TAY) interim housing facility offering 70 beds. The County will also be sub-leasing three of the buildings to a developer for the proposed development of permanent supportive housing (PSH Project).

On December 16, 2025, this Board approved and authorized execution of an Exclusive Negotiation Agreement (ENA) by and between the County, through the Los Angeles County Development Authority (LACDA), and Path Ventures, a California nonprofit public benefit corporation (Developer). The ENA authorized the parties to negotiate the terms of a ground lease for development of the proposed PSH Project.

MOTION

MITCHELL	_____
HORVATH	_____
HAHN	_____
BARGER	_____
SOLIS	_____

The proposed PSH Project will include 60 units of permanent supportive housing for people living with mental illness, one manager's unit, and integrated onsite services, including case management, property management, counseling spaces, and shared amenities designed to support daily living and long-term housing success. The parties have been working together through the term of the ENA to finalize the project scope. The Developer has also started the entitlement process and is finalizing the financing plan for the proposed PSH Project.

On June 24, 2024, LACDA's Board of Commissioners approved \$20 million in No Place Like Home (NPLH) funds for the proposed PSH Project. A portion of the funds will be used to reimburse the County in an amount up to \$10 million for construction of new utilities and infrastructure improvements attributed to the PSH Project. The infrastructure improvements are underway in conjunction with the County's development of the subacute and TAY interim housing units. The remaining balance will be set aside to cover direct development costs for the proposed PSH Project. Funds will be provided to the proposed PSH Project as a loan.

The proposed PSH Project remains in need of additional funding, and the Developer has requested up to \$15 million in additional NPLH funds. This additional funding would improve the proposed PSH Project's ability to obtain low-income housing tax credits and would facilitate an earlier construction start. Advancing the construction schedule is particularly important as rising interest rates and declining tax credit pricing continue to present financing challenges for affordable housing projects. The requested funding is critical in ensuring that the proposed PSH Project can be successfully completed.

I, THEREFORE, MOVE the Board of Supervisors, acting as the Commissioners of the Los Angeles County Development Authority (LACDA):

1. Find that the recommended action to provide additional funding for the Project is not subject to CEQA pursuant to SB 406 and Public Resources Code Section 21080.10. CEQA does not apply to the provision of financial assistance by a local agency not acting as lead agency for the development and construction of residential housing for persons and families of low and moderate income, as defined in Section 50096 of the Health and Safety Code;
2. Approve a loan increase of up to \$15,000,000 in NPLH funds to Path Ventures, a California nonprofit public benefit corporation (Developer) or their LACDA-approved assignee for development of the proposed permanent supportive housing development on the Metropolitan State Hospital campus, located at 11401 Bloomfield Avenue, Norwalk, CA 90650 (PSH Project);
3. Authorize the Executive Director, or designee, to incorporate up to \$15,000,000 in NPLH funds into LACDA's approved Fiscal Year 2026-2027 budget, or future Fiscal Year budgets, as needed; and
4. Authorize the Executive Director, or designee, to reallocate LACDA funding set aside for affordable housing at the time of project funding, as needed and within the proposed PSH Project's approved funding limit, in line with the project's needs and within the requirements for each funding source.

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JH:ccr