

MOTION BY SUPERVISOR HILDA L. SOLIS

OCTOBER 20, 2026

Approve Homekey+ Program Resolution for PATH Villas East LA Project

The California Department of Housing and Community Development (HCD), in collaboration with the California Department of Veterans Affairs (CalVet), in November 2024 announced the availability of approximately \$2.145 billion of Homekey+ grant funding through this Notice of Funding Availability (NOFA) for Permanent Supportive Housing Projects serving people experiencing homelessness with a Behavioral Health Challenge.

On April 1, 2025, the Board authorized the Los Angeles County Development Authority (LACDA) to act as an agent of the County in participating in and implementing the Homekey+ program, to accept and incorporate into LACDA's budget project funding allocated by the Department of Mental Health (DMH), and to enter into needed agreements. LACDA and DMH coordinated to submit applications to HCD, including the PATH Villas at East LA project, to be located at 5010 E. 3rd St., in unincorporated East Los Angeles which will include 59 units of supportive housing and one onsite manager unit (Project). The Project will be a four-story residential building with 14 parking spaces at ground level. Project amenities include a spacious lobby, a large community room, on-site laundry facilities, and a terrace space on the second floor. There will be offices

MOTION

Mitchell	_____
Horvath	_____
Hahn	_____
Barger	_____
Solis	_____

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for supportive services, case management, and property management.

As part of the Homekey+ Program application process, on May 12, 2026, the Board approved the required Resolution for this Project, but HCD has since requested a new Resolution that includes an administrative change that identifies the Project's limited partnership, PV ELA LP, which was formed by the developer, PATH Ventures.

As part of the construction finance closing process, the Project has requested gap funding in the amount of \$3.6 million. These additional funds are needed due to costs associated with timeline delays and increasing hard costs, which have risen substantially due to economic conditions since the Project was initially priced in December 2025. This Project received a \$7.8 million funding award through LACDA's NOFA, which the Board approved on May 4, 2021. This gap financing request would increase the loan amount for this Project to a total of \$11.4 million. LACDA will work with PATH Ventures to determine if any additional cost-saving measures are available to minimize the additional funding.

The proposed action is not a project pursuant to the California Environmental Quality Act (CEQA) because the action is excluded from the definition of a project by Section 15378 (b) of the State CEQA guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Find that approval of this action is not subject to the provisions of CEQA

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because the action will not have the potential of causing a significant effect on the environment.

2. Approve the attached Authorizing Resolution, authorizing and directing LACDA, through its Executive Director, or his designee, to act as agent of and on behalf of the County to submit a joint Homekey+ Program application for the Project, and to administer the Homekey+ program in coordination with the Department of Mental Health.

I, FURTHER, MOVE that the Board of Supervisors, acting as the Board of Commissioners of LACDA:

1. Find that approval of this action is not subject to the provisions of CEQA because the action will not have the potential of causing a significant effect on the environment.
2. Approve the designation to act as the agent of the County and approve the attached Resolution, authorizing and directing the Executive Director of LACDA, or his designee, to submit a joint Homekey+ Program application for the Project, on behalf of the County, and to administer the Homekey+ program in coordination with the County's Department of Mental Health.
3. Approve an increase to the loan with PV ELA LP, or an LACDA-approved assignee, for the development of PATH Villas East LA using up to a total of \$3,600,000 in federal HOME Investment Partnerships Program (HOME) funds.

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4. Authorize the Executive Director or designee to negotiate, execute, and if necessary, amend, or reduce the loan agreement amount with PV ELA LP, or an LACDA-approved assignee, and all related documents, including but not limited to documents to subordinate the loan to construction and permanent financing, and any intergovernmental, interagency, or inter-creditor agreements necessary for the implementation of the development, following approval as to form by County Counsel.
5. Authorize the Executive Director, or designee, to accept and incorporate, as needed, up to \$3,600,000 in HOME funds into the LACDA's approved Fiscal Year 2026-2027 budget, or future fiscal year budgets, for the purposes described herein.
6. 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 project's approved funding limit, in line with the Project's need, and within the requirements for each funding source.

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HLS:gdm

AUTHORIZING RESOLUTION

RESOLUTION NO. _____

PATH VILLAS EAST LA

A JOINT RESOLUTION OF THE GOVERNING BODY OF THE COUNTY OF LOS ANGELES AND GOVERNING BODY OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE HOMEKEY+ PROGRAM

WHEREAS:

- A. The Department of Housing and Community Development (“**HCD**”) has issued a Notice of Funding Availability, dated November 26, 2024 (“**NOFA**”), for the Homekey+ Program (“**Homekey+**” or “**Program**”). HCD has issued the NOFA for Homekey+ grant funds pursuant to Health and Safety Code Section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20); Health and Safety Code Section 50675.1.5 (Assem. Bill No. 531 (2023-2024 Reg. Sess.); Section 14184.402 of the Welfare and Institutions Code; Section 5891.5 of the Welfare and Institutions Code; and Round 5 and 6 of the Homeless Housing, Assistance and Prevention (HHAP) grant program. (Assem. Bill No. 129 (Chapter 40, Statutes 2023) and Assem. Bill No. 166 (Chapter 48, Statutes 2024), respectively.
- B. **County of Los Angeles (“Eligible Applicant”)** desires to jointly apply for Homekey+ grant funds with **PATH Ventures and PV ELA LP (“Co-Applicant”)**. Therefore, **Eligible Applicant** is joining **PATH Ventures and PV ELA LP** in the submittal of an application for Homekey+ funds (“**Application**”) to HCD for review and consideration.
- C. HCD is authorized to administer Homekey+ pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code. Homekey+ funding allocations are subject to the terms and conditions of the NOFA, the Application, the HCD-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey+ Program.
- D. Eligible Applicant's Board of Supervisors (“**Board**”) also sits as the Board of Commissioners of the Los Angeles County Development Authority (“**LACDA**”) in adopting this Resolution in which the Board authorizes Eligible Applicant to use LACDA as its agent with respect to the Program award, and LACDA is authorized through its Board of Commissioners to act as the Eligible Applicant's agent.
- E. A Master Services Agreement exists between **Eligible Applicant** and LACDA, which allows LACDA to act as the agent of **Eligible Applicant** with respect to administration of state and federal funds.

THEREFORE, IT IS RESOLVED THAT:

- 1. The County Board of Supervisors, also acting as the LACDA Board of Commissioners, hereby authorizes the **Eligible Applicant** to use LACDA as its agent and authorizes LACDA to act as the **Eligible Applicant's** agent, in connection with the administration of Homekey+ funds. The **Eligible Applicant** is hereby authorized and directed to submit a

joint Application to HCD in response to the NOFA, and to jointly apply for Homekey+ grant funds in a total amount not to exceed **\$27,000,000**.

2. If the Application is approved, **Eligible Applicant**, acting by and through its agent LACDA, is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$27,000,000**, any and all other Program documents required or deemed necessary or appropriate to secure the Homekey+ funds from HCD and to participate in the Homekey+ Program, and all amendments thereto (collectively, the "**Homekey+ Documents**").
3. The LACDA's Executive Director, or designee, is authorized to execute the Homekey+ Documents on behalf of the County and shall administer the Project in compliance with the Master Services Agreement executed between the Eligible Applicant and LACDA and in compliance with all statutes, regulations, and guidelines applicable to the Program.
4. **Eligible Applicant** acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority, State of California, this ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____

Chair of the Board of Commissioners

ATTEST:

EDWARD YEN

Executive Officer

of the Board of Commissioners

By: _____

Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON

County Counsel

By:  _____

Principal Deputy