AGN. NO._____

MOTION BY SUPERVISOR HILDA L. SOLIS NOVEMBER 24, 2026

Approve Gap Financing for the SP 7 Project

PATH Ventures (PATH) is a nonprofit housing developer that was formed in 2007 to create supportive and affordable housing. Over the past 19 years, the County of Los Angeles (County), through the Los Angeles County Development Authority (LACDA), has partnered with PATH to fund ten projects that produced over 700 units of affordable and special needs housing in the County.

In 2024, PATH became the owner operator, via a court-appointed receiver, of a project that was developed by the Skid Row Housing Trust (SRHT), located at 647 South San Pedro Street & 519 East 7th Street, in the City of Los Angeles consists of 99 supportive housing units, including 64 units for chronically homeless individuals, 18 units for chronically homeless individuals with HIV/AIDS, 17 units for chronically homeless veterans, and one unrestricted unit reserved for the manager (Project).

The Project received $1,500,000 in Affordable Housing Trust Funds (AHTF) through LACDA's Notice of Funding Availability (NOFA), Round 23-A. PATH is now seeking additional financing of up to $650,000 in AHTF from the LACDA as part of a larger recapitalization amongst current financers, which includes an additional $7,260,000 from the City of Los Angeles and $1,551,000 from the State of California

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Hahn	_____
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Department of Housing and Community Development. Approval of this funding will enable PATH to repair and re-lease units currently offline, replenish reserves and facilitate payoff of permanent debt from US Bank.

The AHTF loan agreement and related documents will be amended to reflect the additional funding and affirm affordability restrictions, target assisted populations and also contain provisions requiring PATH to comply with all applicable federal, state, and local laws. The AHTF loan will be evidenced by a promissory note and secured by a deed of trust, with the term of affordability enforced by a recorded regulatory agreement.

The recommended action to provide additional funding for this project is not subject to the California Environmental Quality Act (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 a 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.

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

1. Approve a loan to PATH, using up to $650,000 in AHTF, for the recapitalization of the Project and authorize LACDA's Executive Director, or his designee, to negotiate, execute, and if necessary, amend, or reduce the loan agreement with PATH or a designee approved by LACDA, and all related documents, including but not limited to documents to subordinate the

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Approve Gap Financing for the SP 7 Project

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.

2. Authorize the Executive Director, or his designee, to incorporate, as needed, up to $650,000 in AHTF into LACDA's approved Fiscal Year 2026-2027, and future Fiscal Year budgets, as needed, for the purposes described herein.
3. Authorize the Executive Director, or his 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 needs, and within the requirements for each applicable funding source.
4. Find that approval of additional funding for this Project is not subject to CEQA for the reasons stated in this Board letter and the record.

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HLS:gdm