

**CITY OF LOS ANGELES, CALIFORNIA  
PROPOSITION HHH PROGRAM FUNDS  
(Special Revenue Fund and Debt Service Fund  
of the City of Los Angeles)**

Independent Auditor's Reports and Financial Statements

For the Year Ended June 30, 2025

**CITY OF LOS ANGELES, CALIFORNIA  
PROPOSITION HHH PROGRAM FUNDS**

For the Year Ended June 30, 2025

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## Independent Auditor's Report

To the Honorable Mayor and Members of the City Council  
City of Los Angeles, California

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the Proposition HHH Special Revenue Fund and Debt Service Fund (collectively, the "Proposition HHH Program Funds") of the City of Los Angeles, California (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Proposition HHH Program Funds as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter*

As discussed in Note 2, the financial statements present only the Proposition HHH Program Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2026, on our consideration of the City's internal control over financial reporting as it relates to the Proposition HHH Program Funds and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of the City's internal control over the Proposition HHH Program Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance related to the Proposition HHH Program Funds. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance related to the Proposition HHH Program Funds.

A handwritten signature in blue ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, slightly slanted style.

Los Angeles, California  
January 14, 2026

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**CITY OF LOS ANGELES, CALIFORNIA  
PROPOSITION HHH PROGRAM FUNDS**

Balance Sheet  
Year Ended June 30, 2025

	<b>GOVERNMENTAL FUNDS</b>		
	<b>SPECIAL REVENUE FUND</b>	<b>DEBT SERVICE FUND</b>	<b>PROPOSITION HHH PROGRAM FUNDS TOTAL</b>
<b>ASSETS</b>			
Cash and Pooled Investments	\$ 83,409,519	\$ 87,972,743	\$ 171,382,262
Loans Receivable (Net of Allowance for Uncollectibles of \$548,086,795)	438,246,804	-	438,246,804
Accrued Interest on Loans Receivable (Net of Allowance for Uncollectibles of \$32,507,367)	24,523,102	-	24,523,102
Taxes Receivable (Net of Allowance for Uncollectibles of \$265,902)	-	13,216,675	13,216,675
Investment Income Receivable	616,349	454,297	1,070,646
Properties Held for Housing Development	28,426,427	-	28,426,427
<b>TOTAL ASSETS</b>	<b>\$ 575,222,201</b>	<b>\$ 101,643,715</b>	<b>\$ 676,865,916</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 75,080	\$ -	\$ 75,080
Obligations Under Securities Lending Transactions	305,670	322,392	628,062
Due to City Funds	280,331	-	280,331
Other Liabilities	759,454	793,081	1,552,535
<b>TOTAL LIABILITIES</b>	<b>1,420,535</b>	<b>1,115,473</b>	<b>2,536,008</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	-	11,323,116	11,323,116
Interest Receivable on Loans and Investments	22,383,485	136,193	22,519,678
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>22,383,485</b>	<b>11,459,309</b>	<b>33,842,794</b>
<b>FUND BALANCES</b>			
Restricted	551,418,181	89,068,933	640,487,114
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 575,222,201</b>	<b>\$ 101,643,715</b>	<b>\$ 676,865,916</b>

See accompanying notes to the financial statements.

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2025

	<u>GOVERNMENTAL FUNDS</u>		
	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>PROPOSITION HHH PROGRAM FUNDS TOTAL</u>
<b>REVENUES</b>			
Property Taxes	\$ -	\$ 94,460,824	\$ 94,460,824
Investment Earnings	3,814,789	1,577,337	5,392,126
Change in Fair Value of Investments	340,173	1,814,220	2,154,393
Other	4,788,565	-	4,788,565
<b>TOTAL REVENUES</b>	<u>8,943,527</u>	<u>97,852,381</u>	<u>106,795,908</u>
<b>EXPENDITURES</b>			
Community Development	97,467,687	-	97,467,687
Capital Outlay	75,080	-	75,080
Debt Service:			
Principal	-	48,210,000	48,210,000
Interest	-	36,326,182	36,326,182
Cost of Issuance	1,129,455	-	1,129,455
<b>TOTAL EXPENDITURES</b>	<u>98,672,222</u>	<u>84,536,182</u>	<u>183,208,404</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	(89,728,695)	13,316,199	(76,412,496)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	953,035	953,035
Transfers Out	(953,035)	-	(953,035)
Issuance of Long-term Debt	150,000,000	-	150,000,000
Premium on Issuance of Long-term Debt	2,082,490	-	2,082,490
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>151,129,455</u>	<u>953,035</u>	<u>152,082,490</u>
<b>NET CHANGE IN FUND BALANCES</b>	61,400,760	14,269,234	75,669,994
<b>FUND BALANCES, JULY 1, 2024</b>	<u>490,017,421</u>	<u>74,799,699</u>	<u>564,817,120</u>
<b>FUND BALANCES, JUNE 30, 2025</b>	<u>\$ 551,418,181</u>	<u>\$ 89,068,933</u>	<u>\$ 640,487,114</u>

See accompanying notes to the financial statements.

**CITY OF LOS ANGELES, CALIFORNIA  
PROPOSITION HHH PROGRAM FUNDS**

Notes to the Financial Statements  
For the Year Ended June 30, 2025

**NOTE 1 – BACKGROUND**

In November 2016, registered voters of the City of Los Angeles, California (City) approved Proposition HHH, Homelessness Reduction and Prevention, Housing and Facilities Bond (Bond) authorizing the issuance and sale of general obligation bonds not to exceed \$1,200,000,000 to be used to finance the acquisition or improvement of real property to provide: (a) supportive housing for extremely low income or very low income individuals and families who are homeless or chronically homeless, which includes facilities from which assistance and services, such as mental health treatment, health care, drug and alcohol treatment, education and job training, may be provided; (b) temporary shelter facilities, storage facilities, shower facilities and other facilities to be used to provide supportive services or goods to, or otherwise benefit, those who are homeless, chronically homeless or at risk of homelessness; (c) affordable housing, including veterans housing, for extremely low income, very low income and/or low income individuals and families, including those who are at risk of homelessness; and (d) associated infrastructure and landscaping, including utilities, sidewalks and streets to be used in connection with the aforementioned housing units and other facilities; any of which may be operated, managed, owned or used by the City, other public entities, nonprofit entities or private entities, as permitted by law.

The table below sets forth the amount of Bonds authorized and issued pursuant to Proposition HHH (Prop HHH) as of June 30, 2025:

	<b>Amount</b>	<b>Date</b>
Voter authorization	\$ 1,200,000,000	November 8, 2016
Bonds issued:		
Series 2017-A Bond	86,370,000	July 13, 2017
Series 2018-A Bond	276,240,000	July 12, 2018
Series 2021-A Bond	211,940,000	November 10, 2021
Series 2022-A Bond	389,435,000	September 28, 2022
Series 2024-A Bond	150,000,000	July 9, 2024
<b>Authorized but unissued</b>	<b>\$ 86,015,000</b>	

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements present only the financial position and the changes in financial position of the Proposition HHH Program Funds (Funds) and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The funds are currently comprised of the following governmental funds:

- The Special Revenue fund is used to account for financial resources for loans to developers for financing of permanent supportive housing, affordable housing and supportive facilities for the homeless.
- The Debt Service fund is used to account for the payment of the maturing principal and interest from property tax collections.

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

The Funds' activities are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if collected within 60 days of the end of the current fiscal period. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

**Cash and Pooled Investments**

Cash and pooled investments represent the Funds' allocated portion of the City's pooled cash and investments. Cash and pooled investments are stated at fair value based on quoted market prices or values of comparable investments, except for money market investments that have remaining maturities of one year or less at the time of purchase, which are reported at amortized cost. Interest earned on such pooled investments is allocated to the City funds based on each fund's average daily cash balance during the allocation period.

As permitted by the California Government Code, the City engages in securities lending activities. The Funds' share of assets and liabilities arising from the reinvested cash collateral has been recognized in the financial statements.

**Loans Receivable**

Loans receivable includes two types of loan programs; the housing loan program, which is used for the acquisition, construction and permanent housing loans and the facilities loan program. The housing loans are recorded when a warrant is issued for an approved expenditure of the project. Interest at rates ranging from one (1%) to three percent (3%) per annum accrues on the principal amount outstanding from the date of the warrant, until the loan is repaid. Facility loans are recorded when a warrant is issued for an approved expenditure of the project. No interest is recorded for facility loans. Facility loans are in the form of service payback loans, whereby borrowers repay the loan by providing specified services in accordance with the loan agreement.

Loans receivable are reported net of the allowance for uncollectible loans. In estimating the allowance, similar type loans in the City's portfolio were considered such as: the composition of the loan portfolio, past write-off experience, past market valuation and the average year-end allowance balance as a percentage of the total portfolio. No allowance is recorded for facility loans as management expects that services will be rendered as stated in the loan agreement.

**Taxes Receivable**

Taxes receivable records the property taxes that are levied but not received as of June 30, 2025 and is reported net of allowance for uncollectible accounts. The allowance represents the delinquent unsecured property taxes that may not be collected in subsequent periods due to business closures.

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Inflows of Resources**

A deferred inflow of resources is defined as an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. Revenues and other governmental fund financial resources are recognized in the accounting period in which they become both measurable and available. Deferred inflows of resources reported on the balance sheet represent revenues that were not received within the City's 60-day availability period.

**Other Liabilities**

Other liabilities represent the Funds' share of the Pool's pending investment trades at year-end.

**Fund Balances**

The balance sheets of governmental funds classify fund balances based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The Funds only have restricted fund balances as of June 30, 2025. Restricted fund balance represents amounts when constraints placed on use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**NOTE 3 – CASH AND POOLED INVESTMENTS**

The Funds maintain their cash in the City's cash and pooled investments (the Pool). The City categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2025, the Funds' share of the Pool was \$171,382,262, which represents approximately 1.08% of the Pool. There are no specific investments belonging to the Funds. The City issues a publicly available financial report that includes complete disclosures related to the entire cash and investment pool. The report may be obtained by writing to the City of Los Angeles, Office of the Controller, 200 North Main Street, City Hall East Suite 300, Los Angeles, CA 90012, or at <https://controller.lacity.gov/reports>.

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 3 – CASH AND POOLED INVESTMENTS (Continued)**

**City of Los Angeles Securities Lending Program**

The Securities Lending Program (SLP) is permitted and limited under provisions of California Government Code Section 53601. The City Treasurer is authorized to engage contractors to perform securities lending activities or to permit custodian banks to subcontract for securities lending services as delineated in the securities lending authorization agreement dated November 13, 2017. The objectives of the SLP in priority order are the safety of loaned securities and prudent investment of cash collateral to enhance revenue from the investment program. The SLP is governed by a separate policy and guidelines, with oversight responsibility by the Investment Advisory Committee of the City Council.

The City's custodial bank acts as the securities lending agent. In the event a counterparty defaults by reason of an act of insolvency, the bank shall take all actions which it deems necessary or appropriate to liquidate permitted investments and collateral in connection with such transaction and shall make a reasonable effort for two business days (Replacement Period) to apply the proceeds thereof to the purchase of securities identical to the loaned securities not returned. If during the Replacement Period the collateral liquidation proceeds are insufficient to replace any of the loaned securities not returned, the bank shall, subject to payment by the City of the amount of any losses on any permitted investments, pay such additional amounts as necessary to make such replacement.

Under the provisions of the SLP, and in accordance with the California Government Code, no more than 20% of the market value of the Pool is available for lending. The City receives cash, U.S. government securities, and federal agency issued securities as collateral on loaned securities. The cash collateral is reinvested in securities permitted under the investment policy. In accordance with the California Government Code, the securities lending agent marks to market the value of both the collateral and the reinvestments daily. Except for open loans where either party can terminate a lending contract on demand, term loans have a maximum life of 92 days.

Earnings from securities lending accrue to the Pool and are allocated on a pro-rata basis to all Pool participants. The Funds participate in the City's securities lending program through the pooled investment fund. The Funds recognize their proportionate share of the cash collateral received for securities loaned and the related obligation for the general investment pool. At June 30, 2025, the Funds' portion of the cash collateral and the related securities lending obligation was \$628,062. The Funds' portion of the securities purchased from the reinvested cash collateral as of June 30, 2025 was \$628,602. Such securities are reported at fair value. The Funds' portion of the noncash collateral as of June 30, 2025 was \$5,658,264.

During the fiscal year, collateralization on all loaned securities were within the required 102% of market value. The City can sell collateral securities only in the event of borrower default. The lending agent provides indemnification for borrower default. There were no violations of legal or contractual provisions and no borrower or lending agent default losses during the fiscal year. There was no credit risk exposure to the City as of June 30, 2025, because the amounts owed to the borrowers exceeded the amounts borrowed.

Loaned securities are held by the City's agents in the City's name and are not subject to custodial credit risk.

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 4 – LOANS AND INTEREST RECEIVABLE**

Loans receivable consist of two types of loan programs as follows:

Housing Loan Programs:

The Housing Loan Program provides funding commitments to project sponsors who meet specific criteria. This program is designed to leverage existing and future City, County, State and Federal funding streams to construct permanent supportive housing and affordable housing units. The loans receivable balance of housing loans consists of the following:

<b>Borrower</b>	<b>Date of Execution</b>	<b>Not to Exceed Amount<sup>1</sup></b>	<b>No. of Units</b>	<b>Interest Rate<sup>2</sup></b>	<b>Loan Term<sup>3</sup></b>	<b>Loan Receivable Balance at 6/30/2025</b>	<b>Interest Balance at 6/30/2025</b>
88th & Vermont, L.P.	March 2018	\$ 9,680,000	62	3%	55 years	\$ 9,680,000	\$ 1,383,726
Metro Villas Phase 2 Los Angeles, L.P.	December 2017	3,513,721	122	3%	55 years	3,513,721	430,532
649 Lofts, L.P.	December 2017	5,500,000	55	3%	57 years	5,500,000	974,297
McCadden Plaza TAY Housing, L.P.	September 2018	5,018,298	26	3%	57 years	5,018,298	604,701
Sun Valley Housing, L.P. (Casa Del Sol project)	September 2018	8,065,143	44	3%	55 years	8,065,143	1,031,068
FLOR 401 Lofts, L.P.	December 2018	11,980,000	98	1%	57 years	11,980,000	657,617
RISE Housing, L.P.	October 2018	9,500,000	57	3%	57 years	9,500,000	914,314
SP7 Apartments, L.P.	September 2018	12,000,000	80	3%	57 years	12,000,000	402,064
Pointe on Vermont, L.P.	June 2019	10,400,000 (\$7,900,000 funded by Prop HHH)	50	3%	57 years	7,601,641	692,355
McCadden Plaza, L.P. (McCadden Campus Senior Housing Project)	December 2018	5,500,000	97	3%	57 years	5,500,000	873,737
Hollywood Community Housing Corporation (Gramercy Place Apartments)	April 2019	13,920,000 (\$9,920,000 funded by Prop HHH)	64	3%	57 years	9,662,230	567,110
Casa de Rosa Campus, L.P.	March 2019	7,920,000	37	3%	57 years	5,140,043	551,328
Cambria PSH, L.P. (Aria Apartments)	December 2018	12,000,000	56	3%	57 years	11,556,426	1,520,679
Missouri & Bundy Housing (Missouri Place Apartments)	October 2019	11,520,000	74	3%	57 years	11,520,000	1,093,495
Hartford Villa Apartments, L.P.	November 2018	12,000,000	100	3%	57 years	12,000,000	1,128,408
Montclair LA, L.P. (PATH Villas Montclair project)	December 2019	9,900,000	46	3%	57 years	9,900,000	345,603
433 Vermont, L.P.	March 2019	\$ 8,700,000 (\$7,200,000 funded by Prop HHH)	72	3%	57 years	7,200,000	796,445

*(Continued)*

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 4 – LOANS AND INTEREST RECEIVABLE (Continued)**

Housing Loan Programs (Continued):

<b>Borrower</b>	<b>Date of Execution</b>	<b>Not to Exceed Amount<sup>1</sup></b>	<b>No. of Units</b>	<b>Interest Rate<sup>2</sup></b>	<b>Loan Term<sup>3</sup></b>	<b>Loan Receivable Balance at 6/30/2025</b>	<b>Interest Balance at 6/30/2025</b>
Residence on Main, L.P.	April 2019	10,780,000	50	3%	57 years	\$ 10,272,777	\$ 1,010,438
11681 Foothill, L.P. (Summit View Apartments)	December 2019	10,560,000	49	3%	57 years	10,560,000	331,517
Western Avenue Apartments Preservation, LLC	November 2018	4,660,033	32	3%	57 years	4,660,033	912,345
Broadway Apartments Preservation, L.P.	March 2019	4,443,480	35	3%	57 years	4,443,480	814,435
Metamorphosis on Foothill, L.P.	February 2019	10,340,000	47	3%	57 years	10,340,000	277,962
Melrose PSH, L.P. (Emerson Apartments)	November 2019	8,360,000	39	3%	57 years	8,360,000	848,574
Rosa de Castilla, L.P.	April 2019	12,000,000	85	3%	57 years	12,000,000	1,839,194
Florence Towne, L.P.	February 2020	7,000,000	51	3%	57 years	7,000,000	504,456
Adam's Terrace, L.P.	October 2021	12,000,000	38	1%	57 years	12,000,000	234,771
Sun Commons, L.P.	December 2020	12,000,000	103	3%	57 years	12,000,000	1,398,603
Isla de Los Angeles, L.P.	March 2020	11,660,000	54	1%	57 years	11,660,000	38,879
Firmin Court, L.P.	June 2020	11,700,000	64	3%	57 years	11,700,000	1,354,927
Ruth Teague Homes, L.P. (67th and Main Street)	December 2020	7,180,000	52	3%	57 years	7,180,000	737,365
720 Rose, L.P. (Rose Apartments)	April 2020	6,888,468	35	3%	57 years	6,734,026	508,008
Washington View, L.P.	April 2020	12,000,000	121	3%	57 years	12,000,000	1,335,977
HiFi Collective, L.P.	June 2020	12,760,000	63	3%	57 years	12,760,000	898,953
S. Main PSH, L.P.	May 2020	12,000,000	56	3%	57 years	12,000,000	1,048,681
Chesterfield Apartments, L.P.	November 2020	7,484,199	42	3%	57 years	7,339,802	374,016
Watts Works, L.P.	June 2020	2,400,000	25	3%	57 years	2,400,000	265,643
LINC- Central, L.P. (Cadence)	October 2020	10,112,000	63	3%	57 years	10,112,000	755,203
Amani Apartments, L.P.	October 2020	11,410,000	54	3%	57 years	11,410,000	670,556
Sylmar II, L.P.	October 2020	9,100,000	56	3%	57 years	9,100,000	571,207
Owensmouth 6940, L.P.	November 2020	6,226,546	80	3%	57 years	6,226,546	457,063
Depot at Hyde Park Partners, L.P.	April 2021	6,840,000	43	3%	57 years	6,840,000	645,536
PVH LA, L.P.	February 2021	12,320,000	60	3%	57 years	8,384,838	486,958
Marcella Gardens, L.P.	October 2020	12,000,000	60	3%	57 years	12,000,000	552,959
Bryson II Partners, L.P.	April 2021	10,060,000	63	3%	57 years	9,054,000	769,368

*(Continued)*

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 4 – LOANS AND INTEREST RECEIVABLE (Continued)**

Housing Loan Programs (Continued):

<b>Borrower</b>	<b>Date of Execution</b>	<b>Not to Exceed Amount<sup>1</sup></b>	<b>No. of Units</b>	<b>Interest Rate<sup>2</sup></b>	<b>Loan Term<sup>3</sup></b>	<b>Loan Receivable Balance at 6/30/2025</b>	<b>Interest Balance at 6/30/2025</b>
Berendo Sage, L.P.	October 2020	\$ 6,620,000	42	3%	57 years	\$ 6,620,000	\$ 123,023
Main 50 Housing, L.P.	June 2021	8,512,000	57	3%	57 years	8,145,065	646,888
La Veranda, L.P.	June 2021	9,120,000	77	3%	57 years	9,120,000	327,420
S. Broadway SH, L.P.	June 2021	10,816,454	55	3%	57 years	10,816,454	513,267
Mercy Housing California 94, L.P.	May 2021	10,505,254	54	3%	57 years	10,505,254	716,585
Colorado East, L.P.	August 2020	8,800,000	41	3%	57 years	7,899,322	719,227
Hope on Hyde Park, L.P.	January 2021	9,280,000	98	3%	57 years	9,280,000	535,443
Hope on Broadway, L.P.	January 2021	6,720,000	49	3%	57 years	6,720,000	525,005
Lake House, L.P.	June 2021	6,510,000	63	3%	57 years	6,510,000	200,651
11010 SMB, L.P.	June 2021	7,000,000	51	3%	57 years	7,000,000	245,453
16015 Sherman, L.P.	February 2021	6,300,000	46	3%	57 years	5,815,695	533,356
11604 Vanowen, L.P.	March 2020	4,900,000	49	3%	57 years	4,900,000	544,930
Reseda Theater Senior Housing, L.P.	October 2020	4,060,000	26	3%	57 years	4,060,000	230,819
Mercy Housing California 89, L.P.	July 2021	12,918,436	94	3%	57 years	12,918,436	437,662
Mariposa Lily, L.P.	March 2021	4,584,828	41	3%	57 years	4,584,828	219,418
Los Lirios Apartments, L.P.	December 2021	2,000,000	64	3%	57 years	2,000,000	177,180
Wakeland Wilcox, L.P.	October 2021	5,225,000	61	3%	57 years	5,225,000	208,734
7639 van Nuys	April 2022	17,695,502 (\$1,894,020 funded by prop HHH)		3%	57 years	1,579,226	61,110
1654 W Florence	April 2022	49,734,807 (\$5,427,080 funded by prop HHH)	128	3%	57 years	4,496,376	545,094
Oak Apartments, L.P.	June 2022	6,610,000	64	3%	57 years	5,494,673	309,174
Brine Residential, L.P.	October 2021	11,560,000	97	3%	55 years	11,560,000	660,335
Building 205 Preservation, L.P.	June 2020	11,622,000	67	3%	57 years	11,622,000	713,533
Building 208 Preservation, L.P.	June 2020	11,660,000	53	3%	57 years	11,660,000	707,147
VA Building 207, L.P.	November 2020	8,260,000	60	3%	57 years	8,020,000	502,979
923 Kenmore, L.P.	March 2021	10,562,521	75	3%	57 years	10,562,521	422,331
9502 Van Nuys, L.P.	March 2021	8,780,043	49	3%	57 years	8,780,043	433,110
6604 West PSH, L.P.	March 2021	5,710,309	64	3%	57 years	5,710,309	270,586
Sun King, L.P.	June 2021	5,500,000	26	3%	57 years	5,500,000	246,008

*(Continued)*

**CITY OF LOS ANGELES, CALIFORNIA  
PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 4 – LOANS AND INTEREST RECEIVABLE (Continued)**

Housing Loan Programs (Continued):

<b>Borrower</b>	<b>Date of Execution</b>	<b>Not to Exceed Amount<sup>1</sup></b>	<b>No. of Units</b>	<b>Interest Rate<sup>2</sup></b>	<b>Loan Term<sup>3</sup></b>	<b>Loan Receivable Balance at 6/30/2025</b>	<b>Interest Balance at 6/30/2025</b>
WAC, L.P. (Washington Arts Collective)	October 2021	2,097,200	56	3%	55 years	\$ 2,097,200	\$ 149,316
NoHo 5050, L.P.	October 2021	3,493,523	40	3%	57 years	3,493,523	73,938
110 South Boyle, L.P. (La Guadalupe)	December 2023	8,982,843	44	3%	57 years	6,835,298	155,969
1043 Harvard, L.P. (McDaniel House)	October 2021	6,440,000	47	3%	55 years	6,115,996	535,312
Thatcher Yard Housing, L.P.	October 2021	11,660,000	98	3%	57 years	11,660,000	729,807
CRCD 5th Street, L.P.	October 2021	15,120,000	95	3%	57 years	11,905,645	590,738
Arthur McLin III / Lorena Plaza, L.P.	November 2021	2,903,202	48	3%	57 years	2,612,882	151,781
Topanga Canyon SH, L.P.	December 2021	7,560,000	55	3%	57 years	7,560,000	225,329
Barry Family Housing, L.P.	February 2022	6,918,400	61	3%	57 years	6,918,400	245,409
Beacon Landing, L.P.	February 2022	8,555,556	89	3%	57 years	8,555,556	309,758
2471 Lincoln, L.P.	February 2022	5,460,000	39	3%	55 years	5,460,000	94,151
Montesquieu Manor Associates	February 2022	4,747,000	53	3%	57 years	3,357,930	151,398
Rousseau Residences Associates	February 2022	4,058,000	52	3%	57 years	3,466,344	156,663
The Angell 2018, L. P.	February 2022	5,565,000	54	3%	57 years	5,565,000	141,606
Central Avenue Housing, L.P.	February 2022	7,840,000	57	3%	57 years	5,777,322	322,349
SMV Housing	February 2022	24,000,000	187	1%	57 years	21,350,000	464,968
4507 Main St. EAH, L.P.	April 2022	6,000,000	61	3%	55 years	5,574,020	397,431
The Banning, L.P.	May 2022	8,000,000	64	3%	57 years	8,000,000	99,645
Mercy Housing California 100, L.P.	June 2022	6,125,000	64	3%	57 years	6,125,000	277,746
Ambrose Apartments, L.P.	April 2021	6,300,000	47	3%	57 years	6,300,000	415,282
Pointe on La Brea, L.P.	October 2021	7,567,686	50	3%	57 years	7,567,686	202,027
Ingraham Apartments, L.P.	August 2020	12,000,000	121	3%	57 years	12,000,000	305,926
EngAGE Inc.(Sagepoint/Deepwater)	December 2021	10,952,000	20	3%	1 years	10,566,700	417,693
1141 Crenshaw, L.P.	September 2021	9,240,000	43	3%	55 years	9,240,000	188,402
Southside LA Housing Partners, L.P.	June 2022	9,220,000	50	3%	57 years	8,373,773	413,650
Weingart Tower, L.P.	September 2021	16,000,000	134	3%	57 years	15,838,149	703,735
Weingart Tower II, L.P.	May 2021	16,000,000	144	3%	57 years	14,993,228	711,495
Montecito II Senior Housing LP	September 2022	10,140,000	64	3%	57 years	9,021,169	436,347
Villa Vanowen (Confianza Project) L.P.	May 2023	10,000,000	64	3%	57 years	7,726,924	138,852

(Continued)

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 4 – LOANS AND INTEREST RECEIVABLE (Continued)**

Housing Loan Programs (Continued):

<b>Borrower</b>	<b>Date of Execution</b>	<b>Not to Exceed Amount<sup>1</sup></b>	<b>No. of Units</b>	<b>Interest Rate<sup>2</sup></b>	<b>Loan Term<sup>3</sup></b>	<b>Loan Receivable Balance at 6/30/2025</b>	<b>Interest Balance at 6/30/2025</b>
Ambrosia Apartments Associates, L.P.	June 2023	11,200,000	90	3%	57 years	\$ 3,479,139	\$ 92,910
VM Senior LP	May 2022	12,400,000	62	3%	57 years	9,645,757	318,600
Voltaire Villas Associates	June 2022	9,940,000	72	3%	57 years	7,847,937	268,836
Wakeland Quincy LP	October 2021	3,550,000	54	3%	57 years	3,550,000	112,336
Loma Verde, L.P.	January 2024	2,660,000	19	3%	57 years	2,394,000	36,902
Avalon 1355 Partners, LP	January 2022	7,000,000	54	3%	57 years	6,300,000	257,751
Western Landing, L.P.	May 2023	8,289,109	81	3%	57 years	7,460,198	291,196
21300 Devonshire LP	October 2023	10,407,427	100	3%	57 years	9,366,684	201,072
Hillhaven LOMOD, Inc.	February 2024	1,850,000	34	0%	55 years	1,850,000	-
Soto LOMOD, Inc.	February 2024	4,625,000	85	0%	55 years	4,625,000	-
Grandview Apartments, LP	November 2023	12,000,000	100	3%	57 years	8,203,930	51,393
Volunteers of America of Los Angeles	February 2024	9,433,107	146	3%	56 years	4,598,963	95,023
Volunteers of America of Los Angeles	February 2024	18,433,464	117	3%	56 years	14,332,424	285,078
The Rigby, LP	November 2024	6,795,000	64	3%	57 years	1,200,983	8,862
Highland PSH LLC	January 2024	6,910,602	62	3%	56 years	6,910,602	70,999
Vanowen CP PSH LLC	January 2024	33,928,936	101	3%	56 years	20,620,519	226,978
18602 Vermont C-144939 (CRCD Vermont LP)	January 2024	4,123,078	134	3%	56 years	4,102,911	46,738
Sunnyside, LP	April 2024	3,780,000	26	3%	57 years	3,401,999	47,564
Bridge New Hampshire, L.P.	December 2024	12,980,000	95	3%	57 years	4,835,313	17,470
18722 Sherman Way, L. P	November 2024	6,622,908	64	3%	57 years	1,791,467	6,494
					<b>Total:</b>	<b>\$ 961,555,780</b>	<b>\$ 57,030,469</b>

<sup>1</sup> The loan is secured initially by a Fee and Leasehold Deed of Trust recorded against certain fee and leasehold parcels of the property, and further by the Deed of Trust recorded against the remaining fee parcels of the property.

<sup>2</sup> The loan bears interest per annum on the principal amount outstanding from the date of the warrant for approved expenditures until paid. Interest is computed based upon a 365-day or 360-day year, and a 30-day month.

<sup>3</sup> The principal and accrued interest is due and payable on the earliest of (a) Loan term, (b) the date the property is sold, assigned, transferred, or refinanced, or (c) an Event of Default by the Borrower.

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 4 – LOANS AND INTEREST RECEIVABLE (Continued)**

Facility Loan Programs:

The Facilities Loan Program provides funding for the development, acquisition or improvement of facilities used to provide supportive services or goods to or otherwise benefit those who are homeless, chronically homeless or at risk of homelessness. These loans are in the form of a service payback agreement with a term corresponding to the useful life of the facility. The provider is required to provide supportive services, goods, or other benefits to persons who are homeless for the periods ranging from 15 (fifteen) to 50 (fifty) years from the completion of the projects as specified in the agreement. As of June 30, 2025, the service payback amount totaled \$4,830,911.

The loans receivable balance of facility loans before the service payback consists of the following:

<b>Borrower</b>	<b>Date of Execution</b>	<b>Not to Exceed Amount<sup>1</sup></b>	<b>Project Title</b>	<b>Years of Service<sup>2</sup></b>	<b>Loan Receivable Balance at 6/30/2025</b>	<b>Service Payback Amount at 6/30/2025</b>
Community Build, Inc.	March 2018	\$3,245,154	The 88th and Vermont Youth and Community Center	39	\$ 2,523,993	\$ 721,161
Los Angeles Christian Health Centers	December 2017	3,700,000	Joshua House Health Center	39	3,323,929	332,052
St. Barnabas Senior Center of Los Angeles	March 2019	276,955	St. Barnabas Senior Center of Los Angeles	15	230,795	46,160
Jennessee Center	January 2019	750,800	Fannie Lou Hammer Emergency Shelter	50	675,720	-
House of Ruth	April 2019	1,219,185	Viki's House	42.5	1,086,179	133,002
New Economics for Women	May 2019	2,974,841	La Posada	20	2,528,615	446,226
Haven Hills	March 2019	100,000	Service Center Minor Rehabilitation Project	15	83,335	16,665
Haven Hills	March 2019	278,338	Haven Hills Crisis Shelter	15	216,337	-
Haven Hills	March 2019	599,824	Haven Hills Seismic Retrofit	15	599,824	-
Volunteers of America Los Angeles	October 2019	1,742,200	Wraparound Recuperative Care Center	10	1,393,760	348,440

*(Continued)*

**CITY OF LOS ANGELES, CALIFORNIA  
PROPOSITION HHH PROGRAM FUNDS**

Notes to the Financial Statements  
For the Year Ended June 30, 2025

**NOTE 4 – LOANS AND INTEREST RECEIVABLE (Continued)**

Facility Loan Programs (Continued):

St. John's Well Child and Family Center	January 2019	3,500,000	St. John's Well Child and Family Center	20	2,800,000	700,000
Coalition for Responsible Community Development	April 2019	3,500,000	Ruth's Place	27.5	2,704,614	-
Little Tokyo Service Center Community Development Corporation	April 2019	943,191	Little Tokyo Service Center	27.5	840,297	102,894
Midnight Mission	January 2019	3,100,000	Midnight Mission	15	2,273,336	826,664
The People Concern	February 2019	1,367,150	People Concern interim housing facility	15	957,002	410,148
Watts Labor Community Action Committee	April 2019	1,839,666	WLCAC Homeless and Housing Access Center	25	39,614	-
South Campus	March 2018	1,302,500	Los Angeles Family Housing South Campus	16	895,460	407,040
People Assisting the Homeless (PATH)	December 2019	1,945,468	People Assisting the Homeless Interim Facility	20	1,605,009	340,459
				<b>Total:</b>	<b>\$24,777,819</b>	<b>\$4,830,911</b>

<sup>1</sup> The loan is secured by, as applicable, a deed of trust with the power to sell the property in favor of the City or a collateral assignment of lessee's interest in lease, or any other instrument that the City deems appropriate.

<sup>2</sup> Starting from the completion of the project.

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 5 – PROPOSITION HHH BONDS**

On July 13, 2017, the City issued taxable General Obligation Bonds (GOB) Series 2017-A in the principal amount of \$86,370,000 payable through September 1, 2037, with a premium of \$582,034 and interest rates ranging from 1.5% to 3.5%. The GOB is secured by and payable with property taxes. Principal payments are due annually on September 1 of each year and interest payments are due semiannually on March 1 and September 1 of each year until maturity. The outstanding balance at June 30, 2025 is \$56,130,000.

On July 12, 2018, the City issued taxable GOB Series 2018-A in the principal amount of \$276,240,000 payable through September 1, 2038 with a premium of \$1,112,660 and interest rates ranging from 2.9% to 4.0%. The GOB is secured by and payable with property taxes. Principal payments are due annually on September 1 of each year and interest payments are due semiannually on March 1 and September 1 of each year until maturity. The outstanding balance at June 30, 2025 is \$193,350,000.

On November 10, 2021, the City issued taxable GOB Series 2021-A in the principal amount of \$211,940,000 payable through September 1, 2041 with a premium of \$2,858,926 and interest rates ranging from 1.5% to 3.0%. The GOB is secured by and payable with property taxes. Principal payments are due annually on September 1 of each year and interest payments are due semiannually on March 1 and September 1 of each year until maturity. The outstanding balance at June 30, 2025 is \$180,140,000.

On September 15, 2022, the City issued taxable GOB Series 2022-A in the principal amount of \$389,435,000 payable through September 1, 2042 with a premium of \$5,598,340 and interest rates ranging from 4.4% to 5.0%. The GOB is secured by and payable with property taxes. Principal payments are due annually on September 1 of each year and interest payments are due semiannually on March 1 and September 1 of each year until maturity. The outstanding balance at June 30, 2025 is \$350,485,000.

On July 9, 2024, the City issued taxable General Obligation Bonds (GOB) Series 2024-A in the principal amount of \$150,000,000 payable through September 1, 2043, with a premium of \$2,082,490 and interest rates ranging from 4.6% to 6.0%. The GOB is secured by and payable with property taxes. Principal payments are due annually on September 1 of each year and interest payments are due semiannually on March 1 and September 1 of each year until maturity. The outstanding balance at June 30, 2025 is \$150,000,000.

The bond activity for the year ended June 30, 2025, is as follows:

<b>Balance at July 1, 2024</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at June 30, 2025</b>
\$ 828,315,000	\$ 150,000,000	\$ 48,210,000	\$ 930,105,000

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 5 – PROPOSITION HHH BONDS (Continued)**

Annual debt service requirements to maturity for the Proposition HHH bonds are as follows (in thousands):

Fiscal Year	2017-A		2018-A		2021-A		2022-A		2024-A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	4,320	1,729	13,815	6,998	10,600	4,079	19,475	16,555	7,900	7,651
2027	4,320	1,602	13,815	6,518	10,600	3,761	19,475	15,582	7,895	7,178
2028	4,320	1,472	13,810	6,032	10,600	3,523	19,475	14,608	7,895	6,704
2029	4,320	1,344	13,810	5,540	10,600	3,353	19,475	13,634	7,895	6,230
2030	4,320	1,214	13,810	5,037	10,600	3,163	19,475	12,660	7,895	5,757
2031 - 2035	21,585	4,008	69,050	17,365	52,975	12,602	97,350	49,223	39,475	22,201
2036 - 2040	12,945	674	55,240	4,287	52,975	6,288	97,350	26,601	39,475	12,452
2041 - 2044	-	-	-	-	21,190	572	58,410	4,381	31,570	3,129
Total:	\$ 56,130	\$ 12,042	\$ 193,350	\$ 51,778	\$ 180,140	\$ 37,341	\$ 350,485	\$ 153,244	\$ 150,000	\$ 71,302

**NOTE 6 – TRANSFERS IN/OUT**

Transfers of \$953,053 was made from the special revenue fund to the debt service fund according to the estimated use of 2022-A bond proceeds.

**NOTE 7 – ENCUMBRANCES AND COMMITMENTS**

At June 30, 2025, the following outstanding project loan encumbrances, which represent the respective remaining available Prop HHH loan balances, are as follows:

<u>Project</u>	<u>Amount</u>
<b><i>Facility Loan Programs:</i></b>	
Coalition for Responsible Community Development	\$ 795,386
Fannie Lou Hammer Emergency Shelter (Jenessee Center)	75,080
Haven Hills Crisis Shelter	62,001
Joshua House Health Center	44,019
Viki's House (House of Ruth)	4
WLCAC Homeless and Housing Access Center	1,800,051
<b>Subtotal facility loan encumbrances:</b>	<b>\$ 2,776,541</b>
 <b><i>Housing Loan Programs:</i></b>	
1654 W Florence	930,704
18602 Vermon	20,166
18722 Sherman Way	5,719,310
20205 Ventura	323,080
21300 Devonshire	1,040,743
Ambrosia Apartments	6,031,625
Avalon 1355	700,000
Casa De Rosas Campus	2,679,957
Grandview Appartments	3,796,070
	<i>(Continued)</i>

**CITY OF LOS ANGELES, CALIFORNIA**  
**PROPOSITION HHH PROGRAM FUNDS**  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 7 – ENCUMBRANCES AND COMMITMENTS (Continued)**

<b>Project</b>	<b>Amount</b>
<b><i>Housing Loan Programs (Continued):</i></b>	
HHH New Hampshire	1,604,785
La Guadalupe (fka First and Boyle)	1,647,545
Loma Verde (fka RETHINK Housing Westlake)	266,000
Main Street Apartments	366,935
Oak Apartment	1,115,327
Rose Apartments	154,442
Santa Monica & Vermont I & II	2,650,000
Southside Seniors	846,227
Sunnyside(FKA Rethink Housing 62nd)	378,001
The Pointe on Vermont	298,359
The Rigby	3,156,629
VA Building 207	240,000
Vermont Manchester Senior	2,754,243
Villa Vanowen (fka Confianza)	2,273,076
Voltaire Villas	720,070
Weingart Tower A-134 (fka Weingart Tower HHH PSH1A)	161,851
Weingart Tower A-144 (fka Weingart Tower II 1A)	1,006,772
<b>Subtotal housing loan encumbrances</b>	<b>\$ 40,881,917</b>
<b>Total loan encumbrances</b>	<b>\$ 43,658,458</b>

In addition to the table above, the City-owned projects consisting of 1) the CD 8 Navigation Center, 2) Navigation Center at San Pedro Harbor Center, 3) Sherman Way Navigation Center and 4) the Women’s Bridge Housing, had outstanding encumbrances totaling \$44,019 at June 30, 2025.

Total project commitments as of June 30, 2025, for permanent supportive housing projects are approximately \$1,101,383,708 for 8,696 units. Total project commitments for facilities projects totaled \$71,948,108. The Proposition HHH funds are fully committed as of June 30, 2025.

**Independent Auditor’s Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

To the Honorable Mayor and Members of the City Council  
City of Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Proposition HHH Special Revenue Fund and Debt Service Fund (collectively, the “Proposition HHH Program Funds”) of the City of Los Angeles, California (the “City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2026. Our report includes an emphasis of matter paragraph indicating that the financial statements present only the financial position and changes in financial position of the Proposition HHH Program Funds and not the City.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’s internal control over the Proposition HHH Program Funds’ financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control related to the Proposition HHH Program Funds. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control related to the Proposition HHH Program Funds.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Proposition HHH Program Funds' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance related to the Proposition HHH Program Funds. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance related to the Proposition HHH Program Funds. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, slightly slanted style.

Los Angeles, California  
January 14, 2026