

LA Homelessness Services Governance Crisis Timeline (1993-2025)

CASE NO. 2025-04-08 // SOUTHERN DISTRICT OF CALIFORNIA

Escalating failures from creation to federal oversight

● Normal ● Warning ● Crisis

Powered by perplexity

# SYSTEMIC COLLAPSE

## An Investigative Report on Southern California's Homelessness Services

LAHSA Created

SRHT Internal Issues Waigjel DeleOgffRcaBleBingEimlAudeestigation

**SUBJECTS:** Los Angeles Homeless Services Authority ([LAHSA](#)), Skid Row Housing Trust ([SRHT](#)), Skid Row Development Corp ([SRDC](#)).

**SCOPE:** **Governance Breakdowns, Financial Accountability Failures, and the 2025 Federal Criminal Probe.**

**INVESTIGATION PERIOD:** Jan 2025 – Jan 2026

**STATUS: FINALIZED**

1991 1993 1997 1999 2003 2007 2009 2011 2013 2015 2017 2019 2021 2023 2025 2027

Year

# EXECUTIVE SUMMARY: THE CRISIS AT A GLANCE

## “FINANCIAL BLACK HOLE”

**\$914.8M**

Annual LAHSA Budget

**\$50.8M**

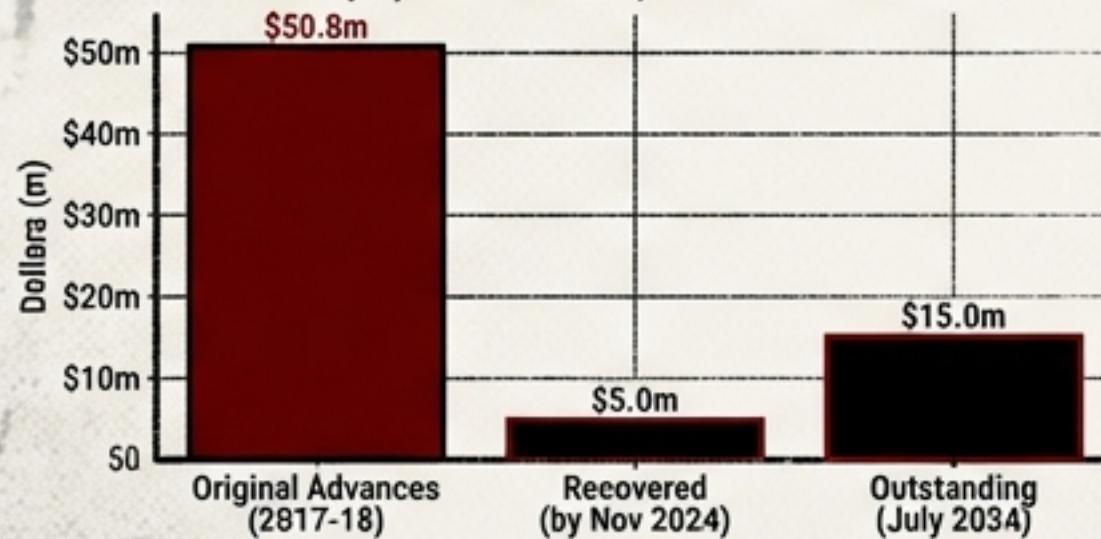
Unrecovered Cash Advances

**\$218M**

Spent on Empty Shelter Beds  
(2019-2023)

LAHSA Cash Advance Mismanagement:  
\$50.8M Distributed, Only 10% Recovered

Vast majority of Measure H startup funds remain unrecovered



## “INSTITUTIONAL ROT”

**SRHT**

Complete **operational collapse**.  
1,500 residents **displaced**.  
Receivership 2023.

**SRDC**

Liabilities exceed assets by  
\$1.7M. Technical **Insolvency**.

## “THE FALLOUT”

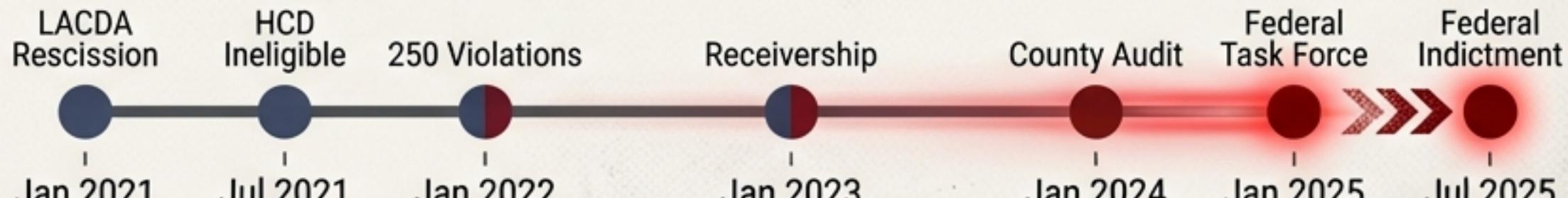
**FEDERAL PROBE**

U.S. Attorney Criminal Task  
Force formed April 2025.

**SCOPE**

- **Fraud, Waste, Abuse, and Corruption.**

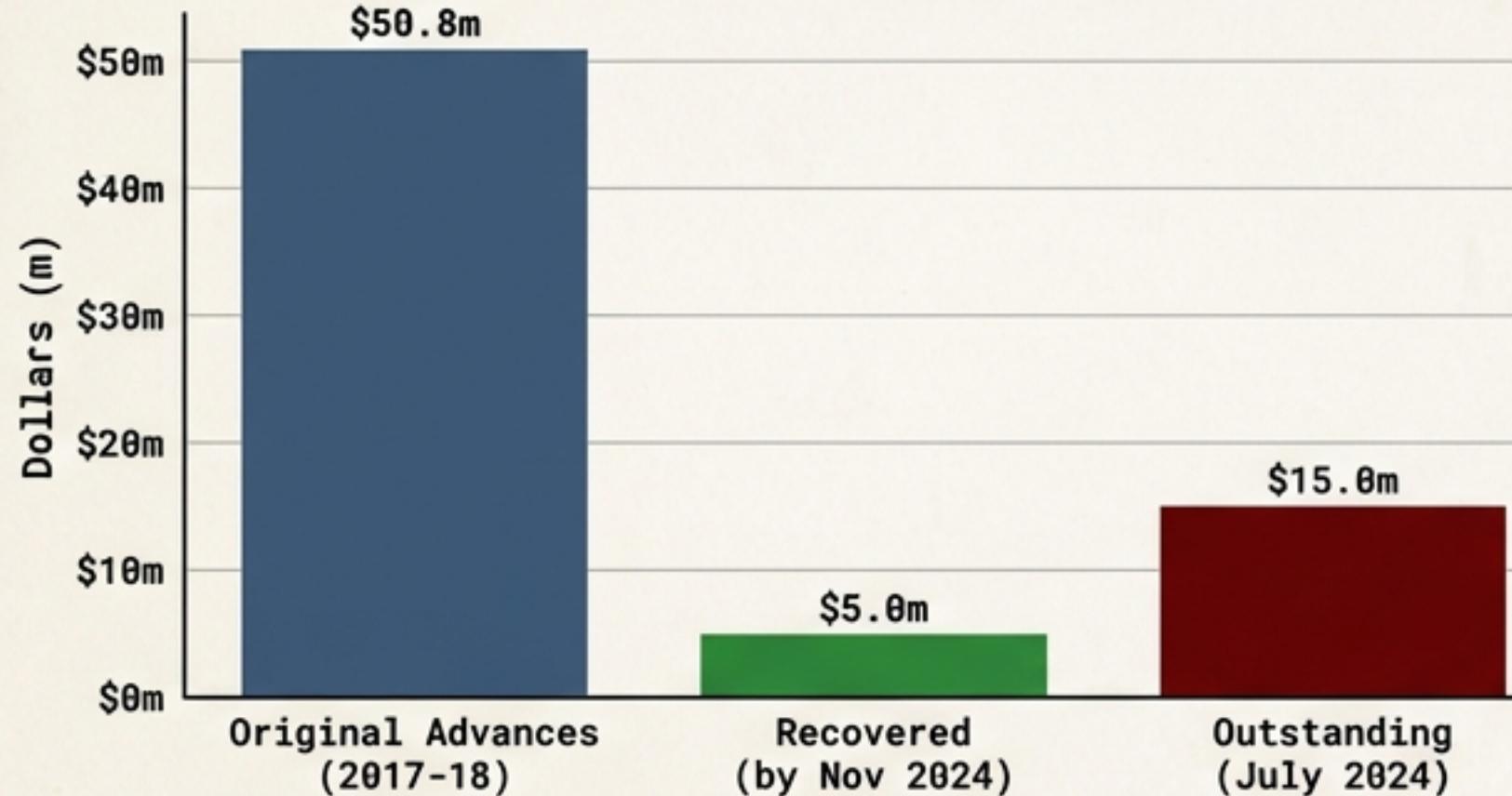
**EVIDENCE LEVEL:**  
**DOCUMENTED** 



# LAHSA: THE MECHANISM OF FINANCIAL FAILURE

## The “Cash Advance” Scandal Triggering Federal Intervention

LAHSA Cash Advance Mismanagement: \$50.8M  
Distributed, Only 10% Recovered



### FORENSIC FINDINGS

**Finding 1:** Auditors found tracking spending “nearly impossible”.

**Finding 2:** No formal repayment agreements established for millions in advances.

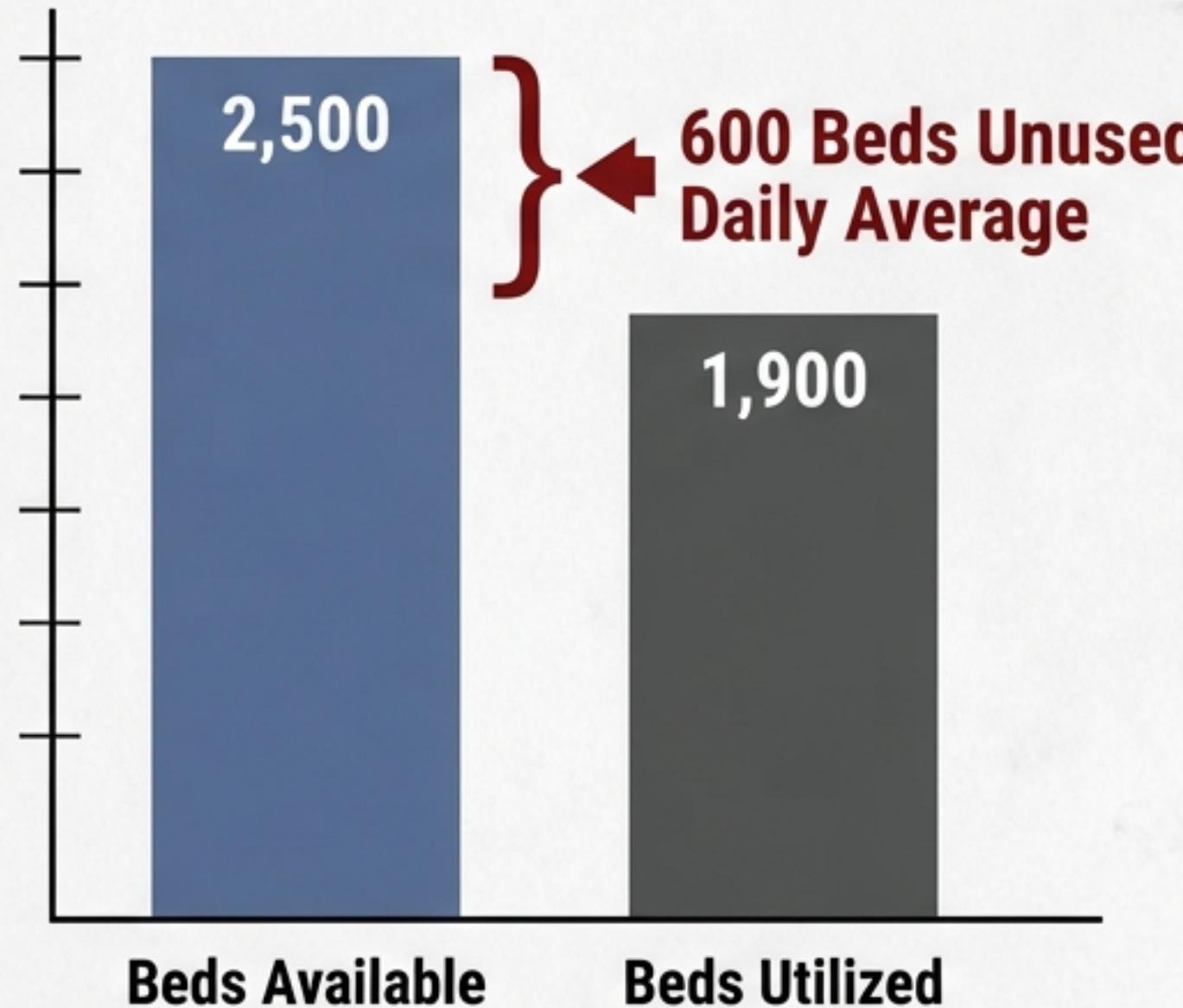
**Finding 3:** Awards to contractors understated by \$500k+ without documentation.

**JUDICIAL VERDICT:** Judge David Carter cited “meaningless” promises and a lack of a “road map” for accountability.



# PAYING FOR EMPTYNESS

## Systemic Inefficiency (2019–2023)



**\$218 MILLION**

Taxpayer cost for unused shelter capacity while homelessness surged.

- The system funded capacity rather than occupancy.
- Auditors cited "insufficient financial accountability" and "lack of uniform data standards".
- 25% of shelter beds sat empty.



# SKID ROW HOUSING TRUST: INSTITUTIONAL SUICIDE

EVIDENCE ITEM  
#SRHT-001

The Disparity Between Executive Enrichment and Operational Collapse

## OPERATIONAL REALITY

Roboto  
Mono

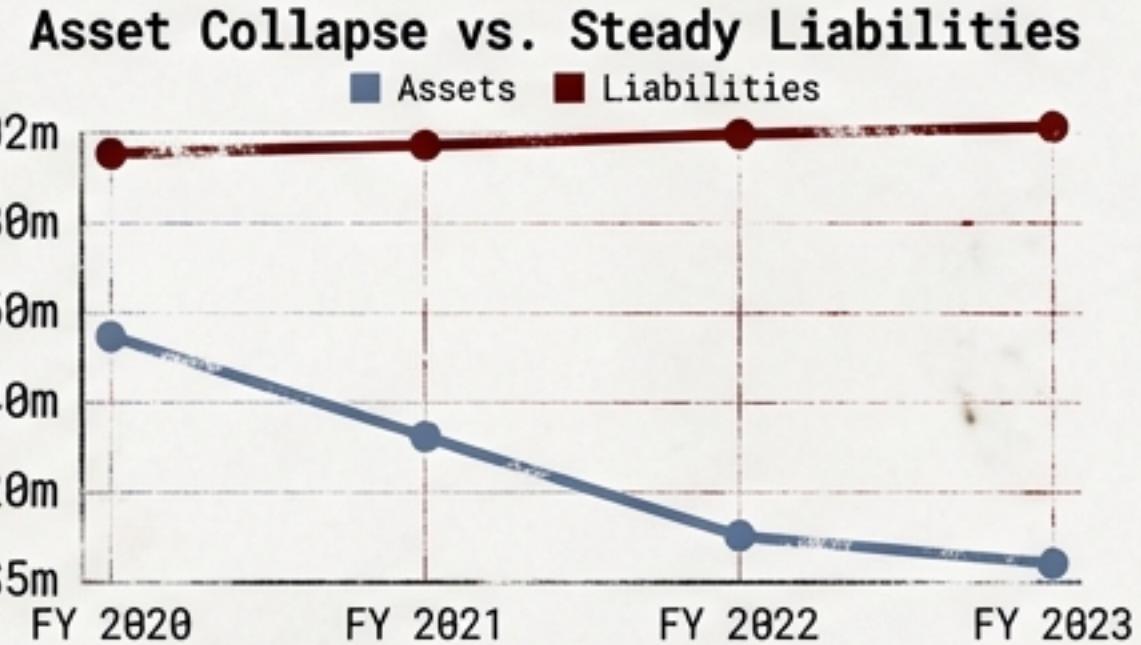
Whistleblower Warning (March 2022):  
Organization nearing "perilous failure".

Metric:

**\$300,000 / MONTH**

Operational Cash Flow Deficit

Visual  
Reference



## EXECUTIVE COMPENSATION

Roboto  
Mono

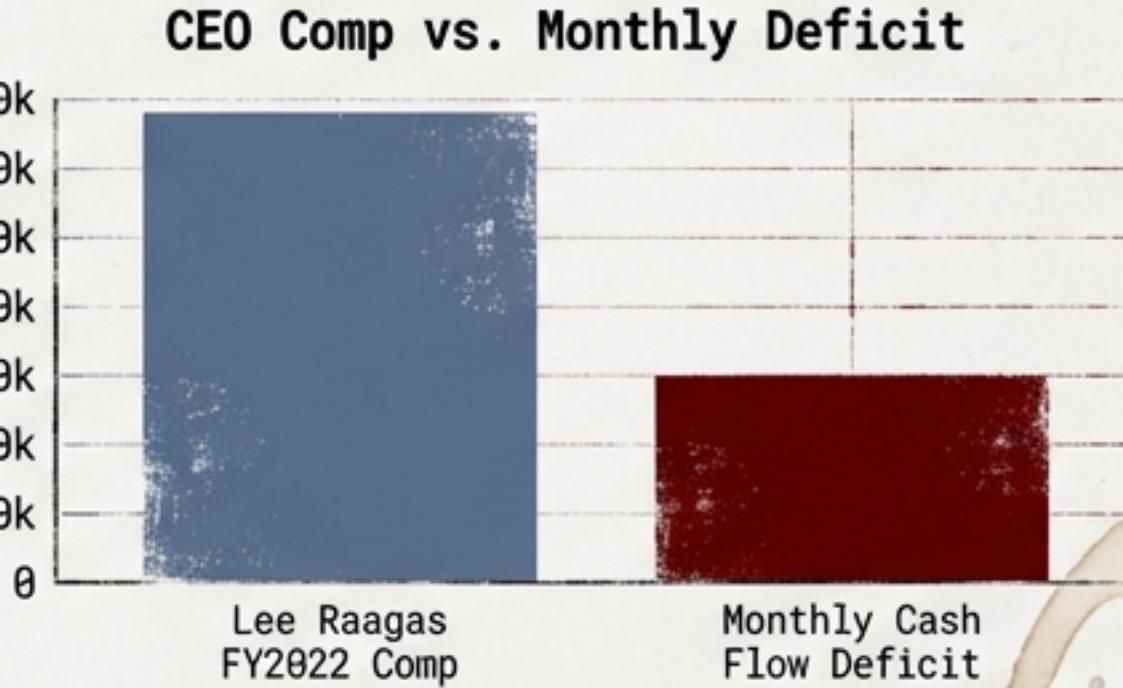
CEO Lee Raagas (FY 2022)

Metric:

**\$681,568**

Total Compensation (Salary + \$451k  
in 'Executive Coaching' contracts)

Visual  
Reference

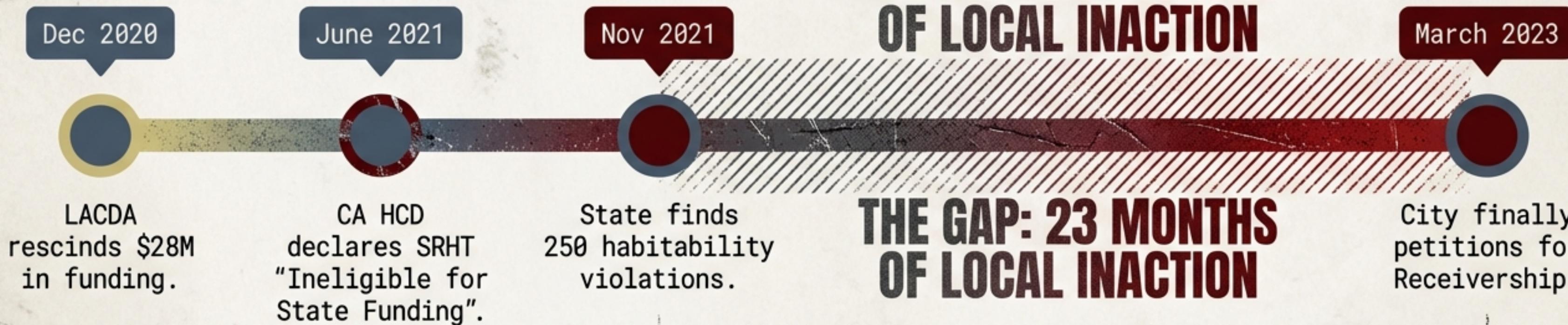


**THE "PYRAMID SCHEME":** Illegal displacement of tenants at the Edward Hotel used to fund a redevelopment scheme. HCD declared SRHT an "ineligible sponsor".

# THE DEADLY DELAY: STATE WARNINGS VS. LOCAL INACTION

The 23-Month Gap Between State Intervention and City Response

**THE GAP: 23 MONTHS  
OF LOCAL INACTION**



**THE GAP: 23 MONTHS  
OF LOCAL INACTION**

Why did the City wait nearly two years after the State pulled funding?

EVIDENCE ITEM  
#DELAY-001



# THE 'GHOST' ENTITY: SKID ROW DEVELOPMENT CORP (SRDC)

## A Government-Created Zombie Organization

**ORIGIN:** Created in 1978 by the Community Redevelopment Agency (CRA)—a government arm, not a grassroots nonprofit.

**CURRENT STATUS:** Liabilities exceed assets by nearly \$1.7M.

**ROLE:** Continued to collect rents and manage properties (e.g., Norbo Hotel) while technically insolvent.

EVIDENCE ITEM  
#SRDC-001

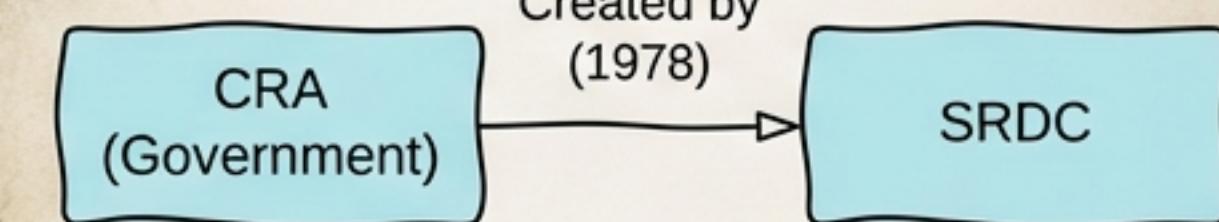


## BALANCE SHEET

Total Assets: \$316,368

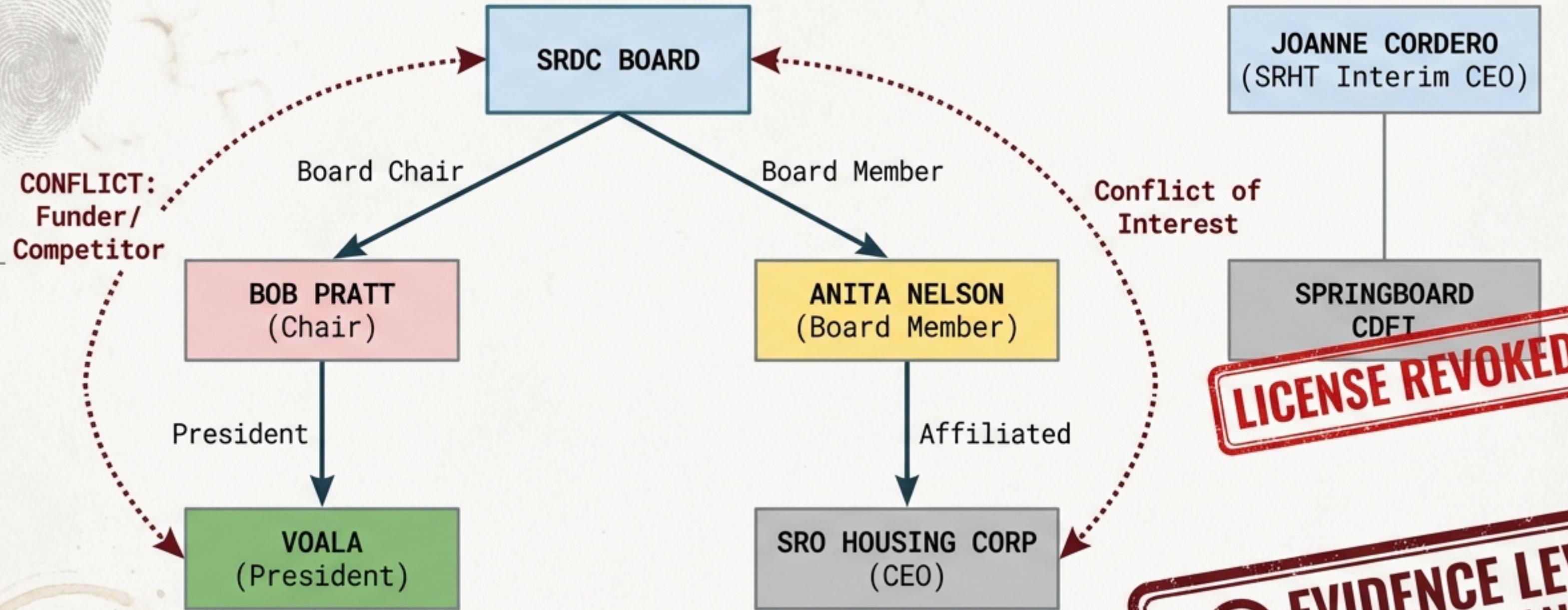
Total Liabilities: \$2,073,380

**NET POSITION:** **-\$1,756,012**



# THE SPIDERWEB: INTERCONNECTIONS & CONFLICTS

Mapping Unchecked Influence and Potential Conflicts of Interest



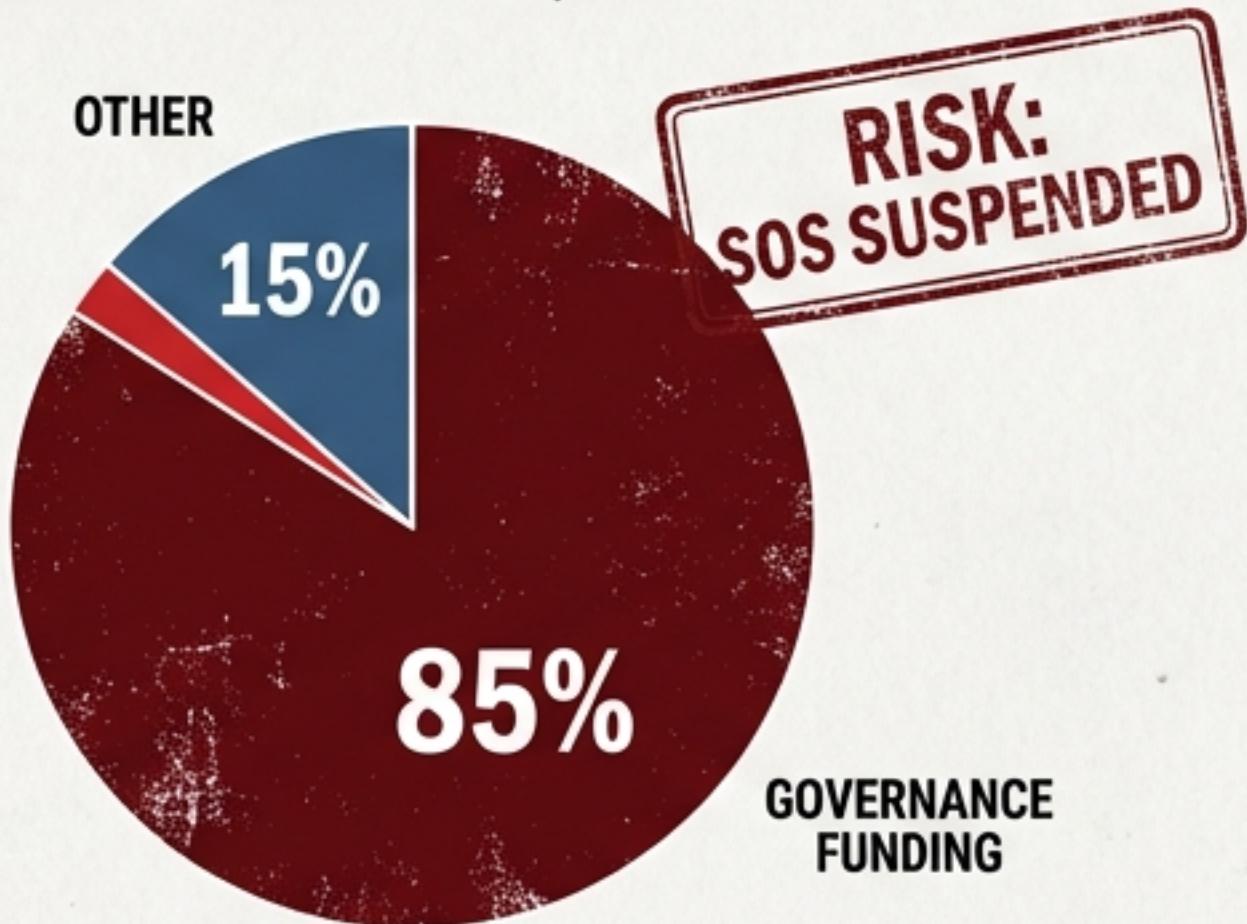
 **EVIDENCE LEVEL:**  
**CIRCUMSTANTIAL**  
(PATTERN OF UNCHECKED INFLUENCE)

# SYSTEMIC FRAGILITY VS. STABILITY



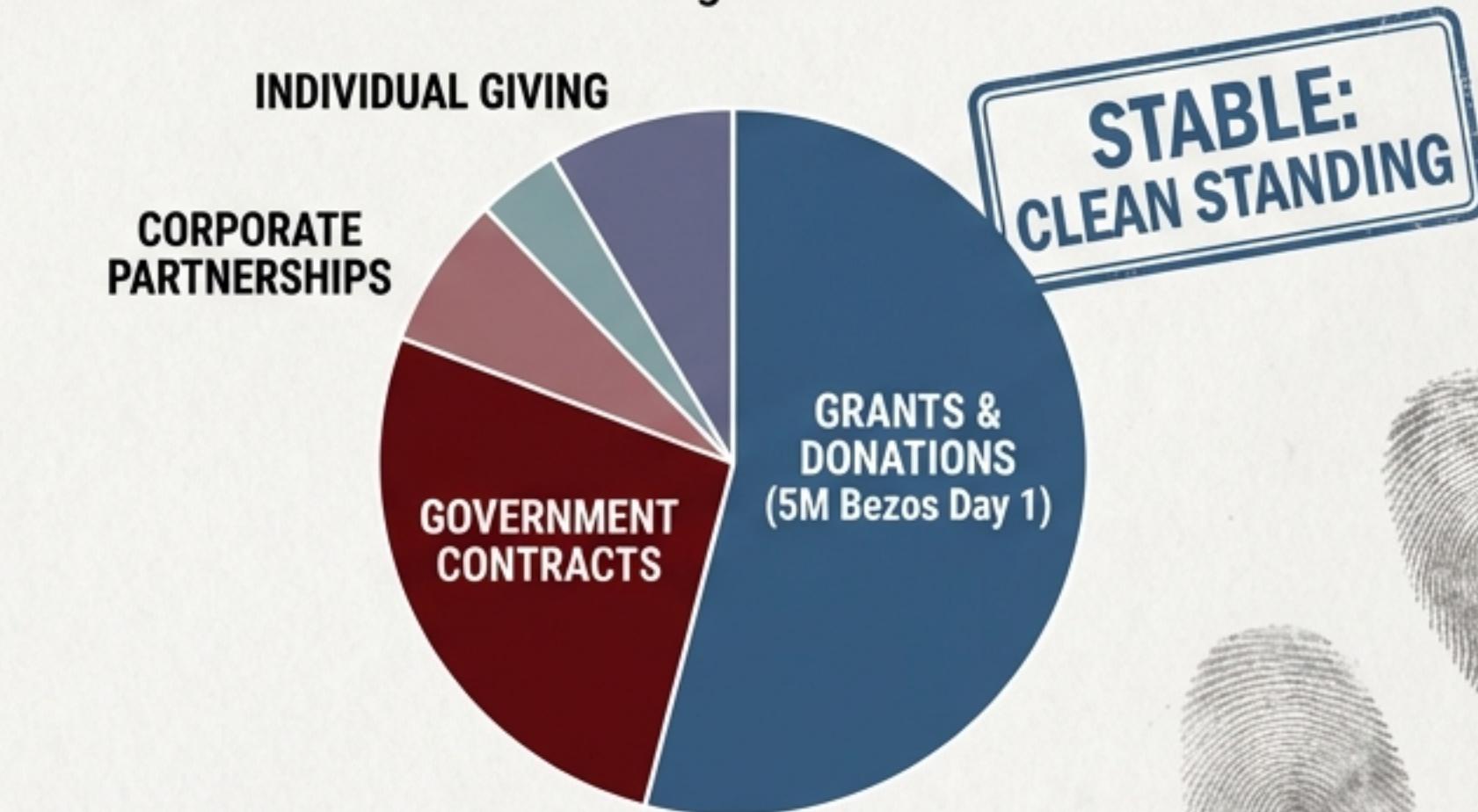
## THE VULNERABLE: THE PEOPLE CONCERN

- **REVENUE MIX:** 85% Government Dependent (\$71.2M).
- **RISK:** Structurally exposed to LAHSA's 2026 dissolution.
- **FINANCIALS:** Recent net loss of \$3.98M.



## THE STABLE: UNION STATION HOMELESS SERVICES

- **REVENUE MIX:** Diversified (e.g., \$5M Bezos Day 1 Fund Grant).
- **GOVERNANCE:** Clean record; no suspensions.
- **PERFORMANCE:** 97% Housing Retention Rate.



ORGANIZATIONS COUPLED TIGHTLY TO LAHSA ARE AT HIGHEST RISK OF COLLAPSE.

# THE GROUND TRUTH: CASE STUDY

## PROFILE CARD

NAME: UNDREY JORDAN

ROLE: Metaphysical Addiction Specialist, Author, Podcast Host.

RESIDENCE: Tenant at SRDC's Norbo Hotel, Unit #304.

BACKGROUND: 40+ years in addiction recovery; formerly incarcerated; community advocate.

STATUS: Victim of "Administrative Violence"

**VICTIM**

“

**The human cost of governance failure is not abstract. It is a resident living in a hallway where stun guns are used.**

– Undrey Jordan

EVIDENCE

# EXHIBIT A: SAFETY FAILURES & THE “STUN GUN” INCIDENT



EVIDENCE #STUN-001

Subject: Assaults at Norbo Hotel  
From: Undrey Jordan  
Date: 6/19/2021 7:19 AM  
To: Marcia Reddy; Elinor Garcia; Josue Thun

Text: "This is the third time in less than 60 days that he has assaulted people... sounds of stun gun activity outside my door."

Joseph L. Cruz, APC

FORERAL ACCOUNTING | FORMMAL | LETTERME

March 28, 2021  
Joseph L. Cruz, APC  
221 Bermin Street  
Timeram, CY 96615

Dear Joed,

A few things to note. The police do not have any evidence and as far as I am concerned, said individual has not been assaulted.

Marcia Reddy and I have both listened in one to attants someone that the neighbor heard at marot but I causd nor some subanmind, these sounds are indecipherable. We cannot make a determination.

I warn to have is both appereentately.

This letter of commtor torated, Joseph L. Cruz, APC is lettered by

# EXHIBIT B: BAD FAITH EVICTIONS

**SERVED ILLEGALLY  
ANNOTORIUM  
DURING COVID-19  
EVICTION  
MORATORIUM.**

**THREE (3) DAY NOTICE TO PAY RENT OR QUIT**  
(CCP § 1161(2))

TO: **UNDREY JORDAN,  
AND ALL TENANTS, SUBTENANTS, AND OCCUPANTS IN POSSESSION**

PLEASE TAKE NOTICE THAT WITHIN THREE (3) DAYS AFTER SERVICE OF THIS NOTICE UPON YOU, EXCLUDING SATURDAYS AND SUNDAYS AND JUDICIAL HOLIDAYS, YOU ARE REQUIRED TO PAY THE RENT NOW DUE AND OWING ON THE PREMISES LOCATED ~~HEREINAFTER~~ DESCRIBED FOR WHICH YOU NOW HOLD POSSESSION, IN THE AMOUNT OF **\$820.00** OR QUIT AND DELIVER UP POSSESSION OF THE PREMISES. THE AMOUNT OF RENT DEMANDED AND THE DATE EACH AMOUNT BECAME DUE IS AS FOLLOWS:

\$340.00 DUE ON 10/01/2021  
\$340.00 DUE ON 11/01/2021  
\$140.00 DUE ON 12/01/2021

THE PREMISES NOW HELD AND OCCUPIED BY YOU ARE LOCATED AT:

526 E. 6TH ST. R304  
LOS ANGELES, CA 90021

YOU ARE FURTHER NOTIFIED THAT, IF YOU FAIL TO PAY THE AMOUNT OF RENT DEMANDED ABOVE WITHIN THE PERIOD SPECIFIED IN THE NOTICE, THE UNDERSIGNED DOES HEREBY ELECT TO DECLARE THE FORFEITURE OF YOUR LEASE OR RENTAL AGREEMENT UNDER WHICH YOU NOW HOLD POSSESSION OF THE ABOVE-DESCRIBED PREMISES AND LESSOR WILL INSTITUTE GOOD FAITH LEGAL PROCEEDINGS TO RECOVER RENT AND POSSESSION OF SAID PREMISES WITH TREBLE RENTS AND SUCH OTHER DAMAGES AS MAY BE ALLOWED BY LAW.

**DATE: 3/23/2022**

RENT MUST BE MAILED TO:

Name (Individual): Chrt Garcia, or any available agent  
Address: 526 E. 6th St. R304, Los Angeles, CA 90021

SKID ROW DEVELOPMENT CORPORATION

**Marcia Reddy** <mreddy@srdcia.org>  
to me ▾

Apr 19, 2022, 1:14 PM

It is my pleasure to notify you that the "3-Day Notice to Pay or Quit" that was served to you on March 23<sup>rd</sup>, 2022 must be rescinded.

**City of Los Angeles**



Warning: Tenant Harassment including threatening an eviction notice based on false reasons.



# EXHIBIT C: OPERATING WITHOUT STANDING

Entities Evicting Tenants While Legally Suspended

**SUSPENDED**

## System Amendment - SOS Suspended - 1/14/2014

Entity Name: SS360994966600  
Entity: SRDC / SKID ROW DEVELOPMENT CORP  
Certified Date: 1/14/2014  
Status: SROD  
Date: 11/13/2014 11:43 PM  
Reasons: None  
Comments: None  
Reported By: SOS Suspended

ENTITY: SRDC / SKID ROW DEVELOPMENT CORP

## System Amendment - SOS Suspended - 11/23/2021

Decommission: SP5800000980021  
Entity: SRDC / SKID ROW DEVELOPMENT CORP  
Suspended Date: 11/20/2021  
Status: SROE  
Date: 11/03/2021 11:21 AM  
Last Respondent: None  
Conference: Not Responded

ENTITY: SRDC / SKID ROW DEVELOPMENT CORP

## System Amendment - SOS Suspended - 3/27/2019

Entity Name: 55266052386060  
Entity: SRDC / SKID ROW DEVELOPMENT CORP  
Certified Date: 3/27/2019  
Status: SROD  
Date: 11/23/2021 11:23 PM  
Reasons: None  
Comments: None  
Reported By: SOS Suspended

ENTITY: SRDC / SKID ROW DEVELOPMENT CORP

## SPRINGBOARD CDFI

Lending License  
Revoked April 2019.



# THE FEDERAL HAMMER: 2025/2026 ENDGAME



UNITED STATES  
DEPARTMENT OF JUSTICE



## HOMELESSNESS FRAUD AND CORRUPTION TASK FORCE ANNOUNCEMENT

April 8, 2025

U.S. Attorney Bill Essayli

### INVESTIGATIVE TARGETS

- 1. Misappropriation of Federal Funds (\$50.8M)
- 2. Private Donation Fraud Schemes
- 3. False Claims for Payment
- 4. Conspiracy to Defraud Government

**CONSEQUENCE:** LAHSA to be defunded (\$350M stripped) and dissolved by July 2026.



Federal  
Task Force  
(2025 - 2825)



July 2026  
NotebookLM

# ANATOMY OF FAILURE: FINAL ASSESSMENT

## FINANCIAL

\$50.8M Missing Cash Advances  
\$218M Wasted on Empty Beds

[DOCUMENTED]

## GOVERNANCE

CEO Salaries > Operating Deficits  
Unqualified Leadership Promotions

[DOCUMENTED]

## HUMAN RIGHTS

Harassment & Stun Gun Incidents  
Illegal Eviction Notices

[DOCUMENTED]

## SYSTEMIC

Incestuous Board Interlocks  
Regulatory Capture (2-Year Delays)

[CIRCUMSTANTIAL]

**JUDGE DAVID CARTER:** LAHSA made “tracking the spending nearly impossible.”

NEXT STEP:   
Monitor Grand Jury Indictments.  
NotebookLM