

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 Waiojee Model Ogfrs 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027

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

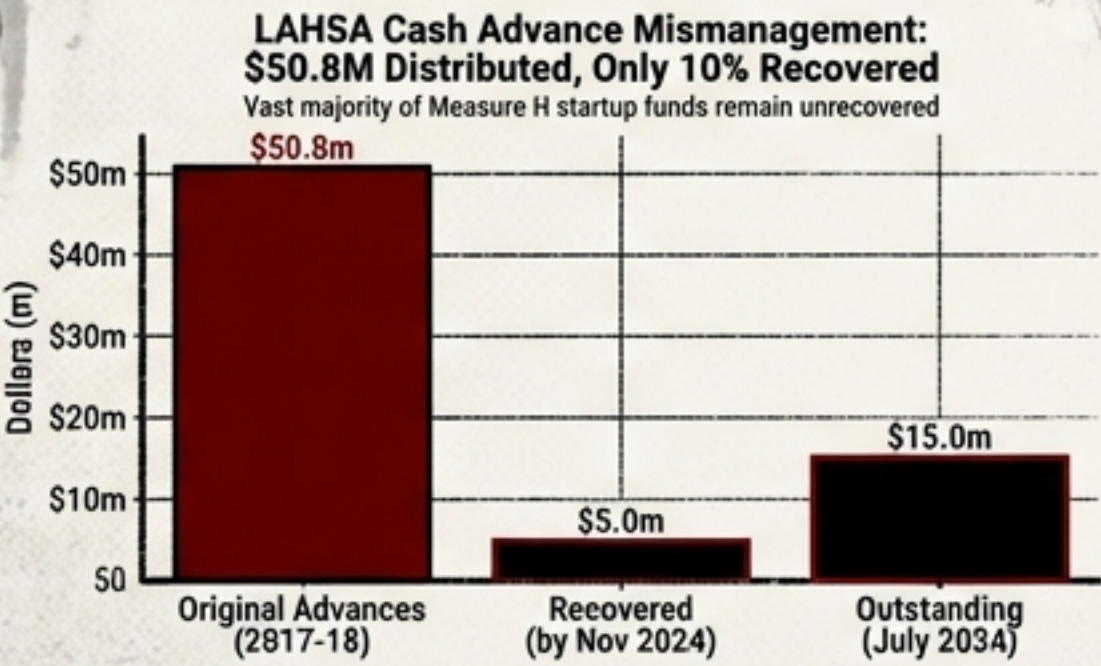
Annual LAHSA Budget

\$50.8M

Unrecovered Cash Advances

\$218M

Spent on Empty Shelter Beds
(2019-2023)



“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.**

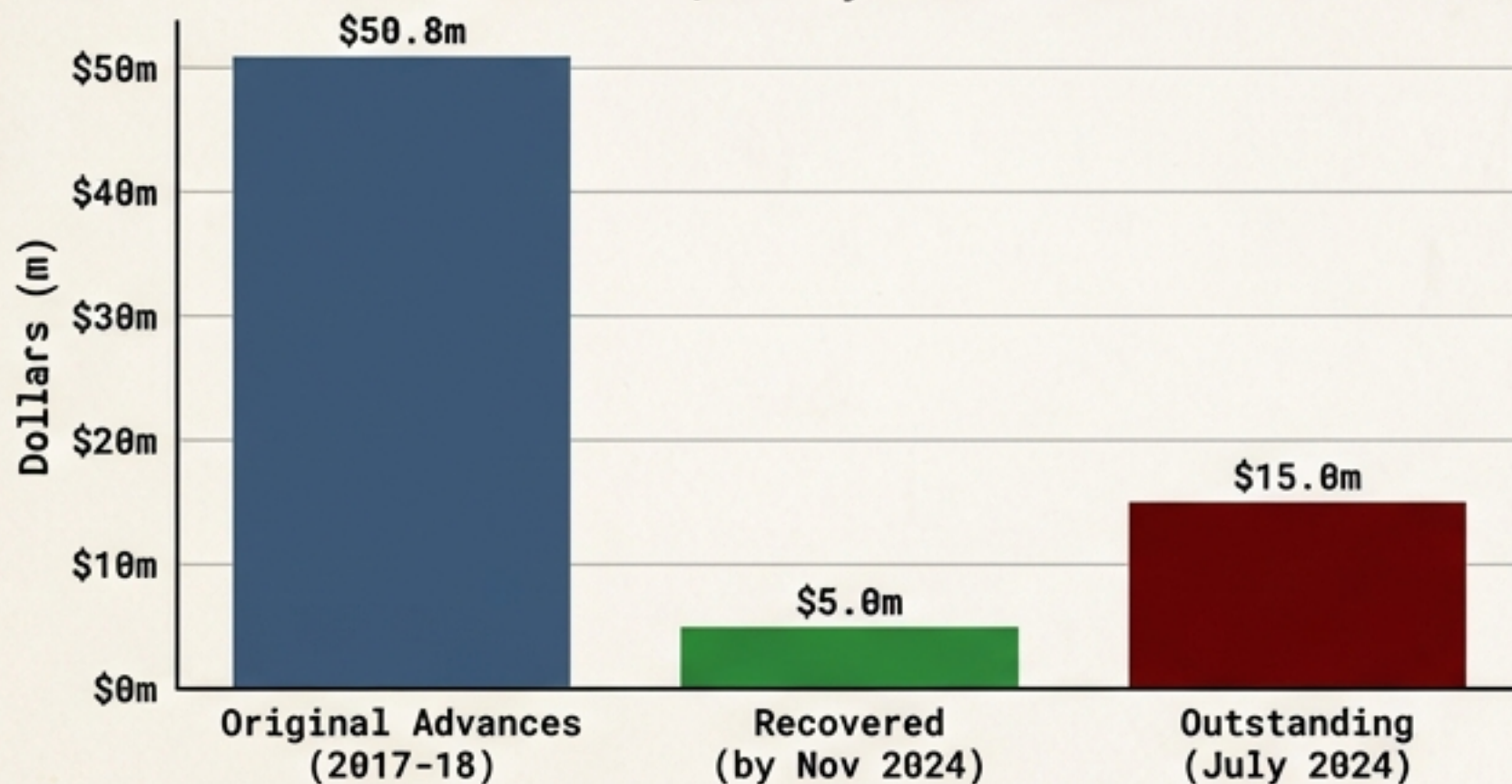
**EVIDENCE LEVEL:
DOCUMENTED**



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.

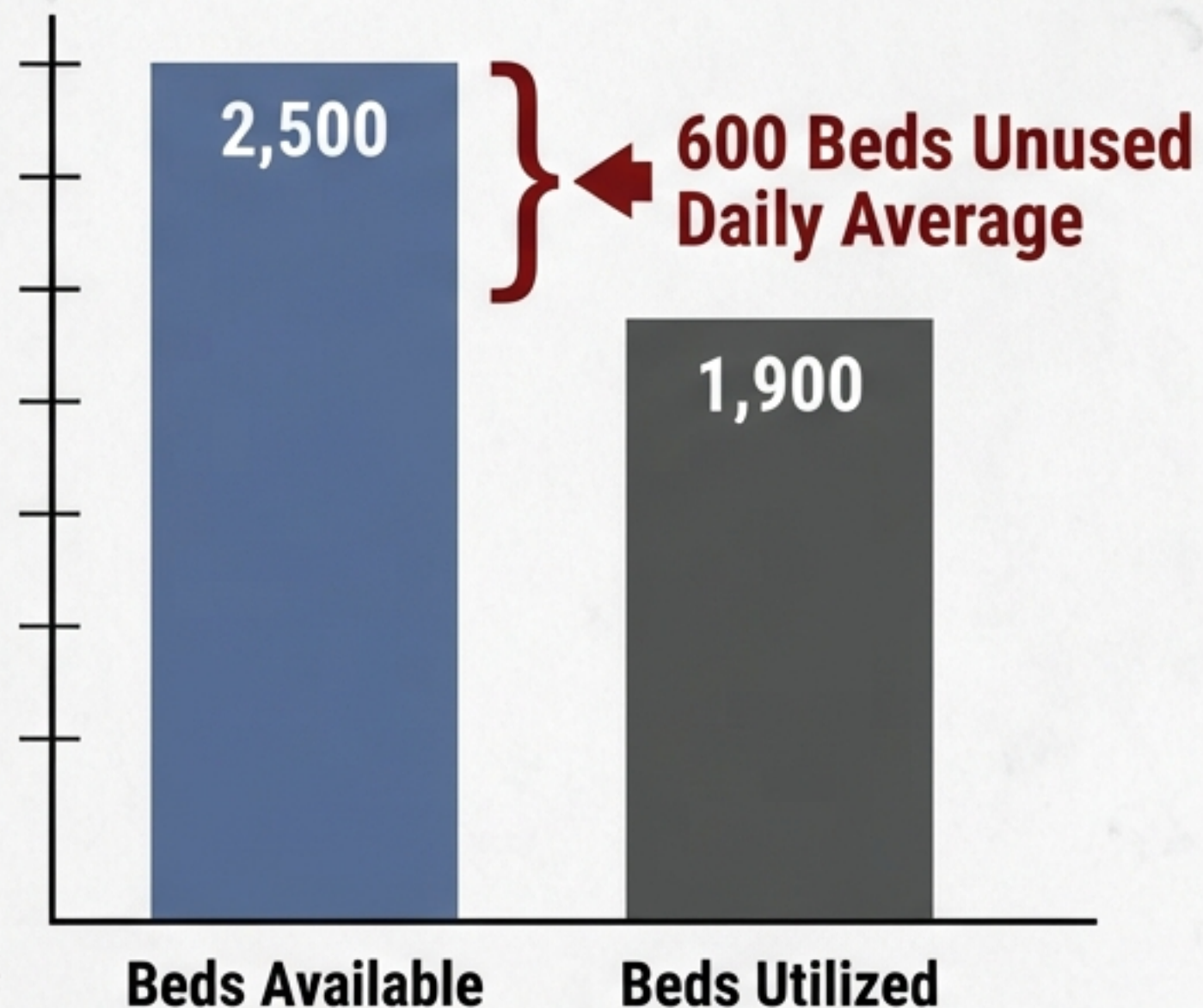
JUDICIAL VERDICT: Judge David Carter cited "meaningless" promises and a lack of a "road map" for accountability.



EVIDENCE
ITEM #2023-C

PAYING FOR EMPTINESS

Systemic Inefficiency (2019–2023)



\$218 MILLION

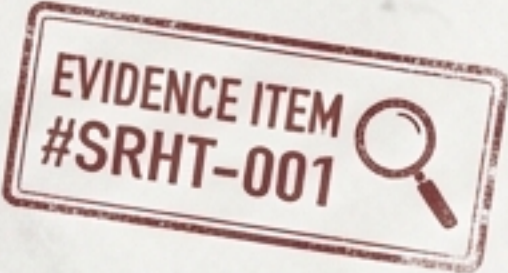
Taxpayer cost for unused shelter capacity while homelessness surged.

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

EVIDENCE: 
DOCUMENTED

EVIDENCE
ITEM #2023-C

SKID ROW HOUSING TRUST: INSTITUTIONAL SUICIDE



The Disparity Between Executive Enrichment and Operational Collapse

OPERATIONAL REALITY

Roboto
Mono

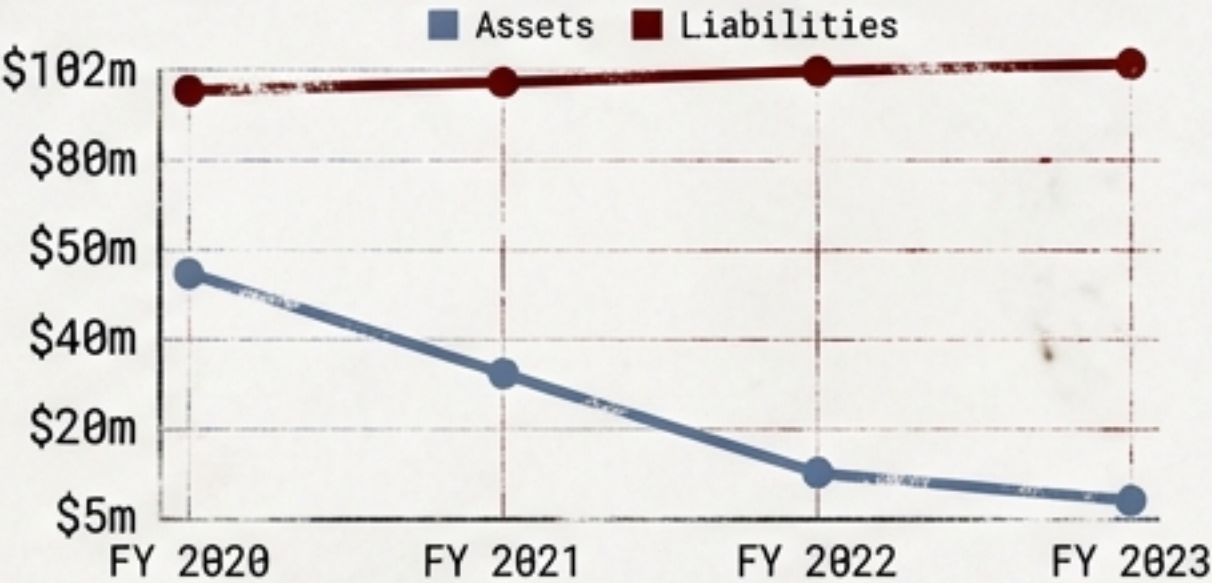
Whistleblower Warning (March 2022):
Organization nearing "perilous failure".

Metric: **\$300,000 / MONTH**

Operational Cash Flow Deficit

Visual
Reference

Asset Collapse vs. Steady Liabilities



EXECUTIVE COMPENSATION

Roboto
Mono

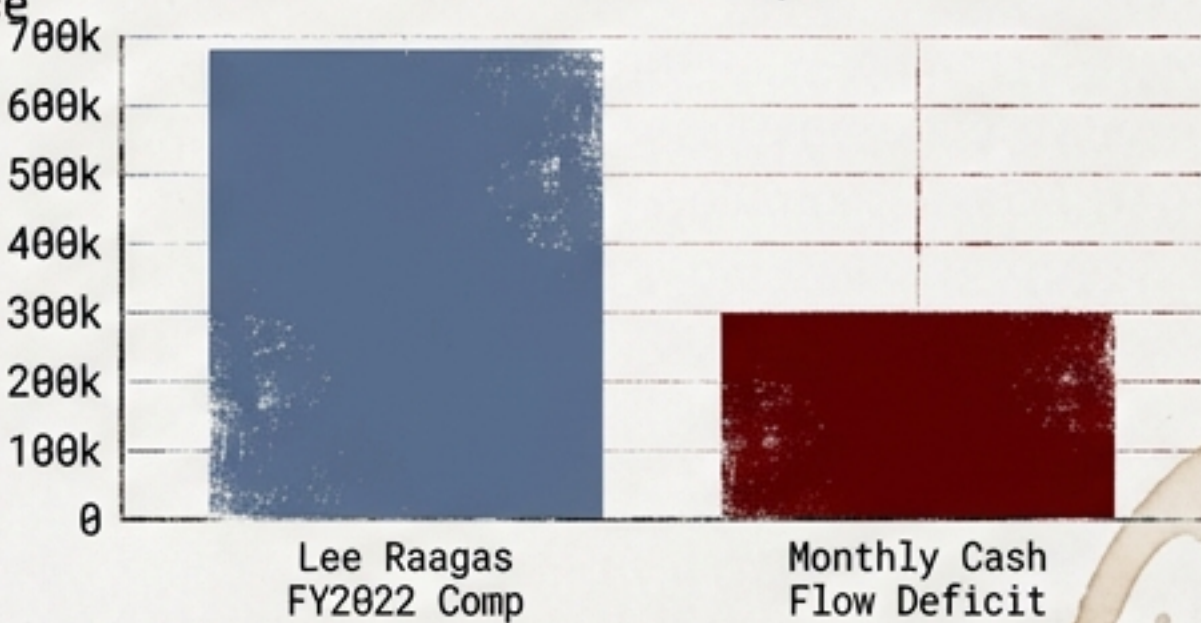
CEO Lee Raagas (FY 2022)

Metric: **\$681,568**

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

Visual
Reference

CEO Comp vs. Monthly Deficit



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

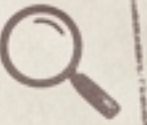
THE DEADLY DELAY: STATE WARNINGS VS. LOCAL INACTION

The 23-Month Gap Between State Intervention and City Response



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.

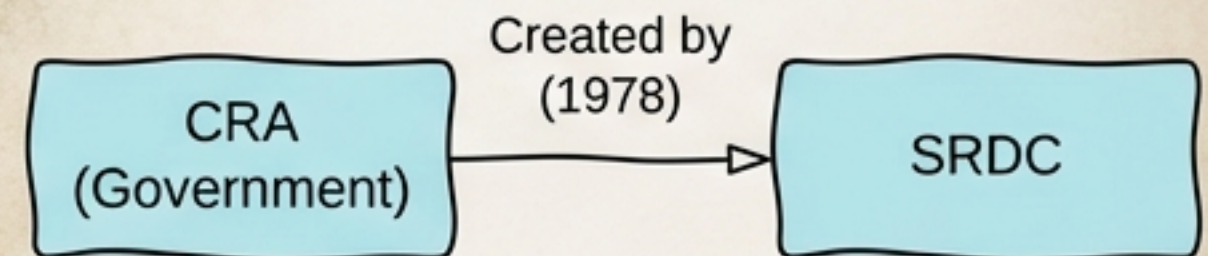
CURRENT STATUS: Liabilities exceed assets by nearly \$1.7M.

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

EVIDENCE ITEM
#SRDC-001

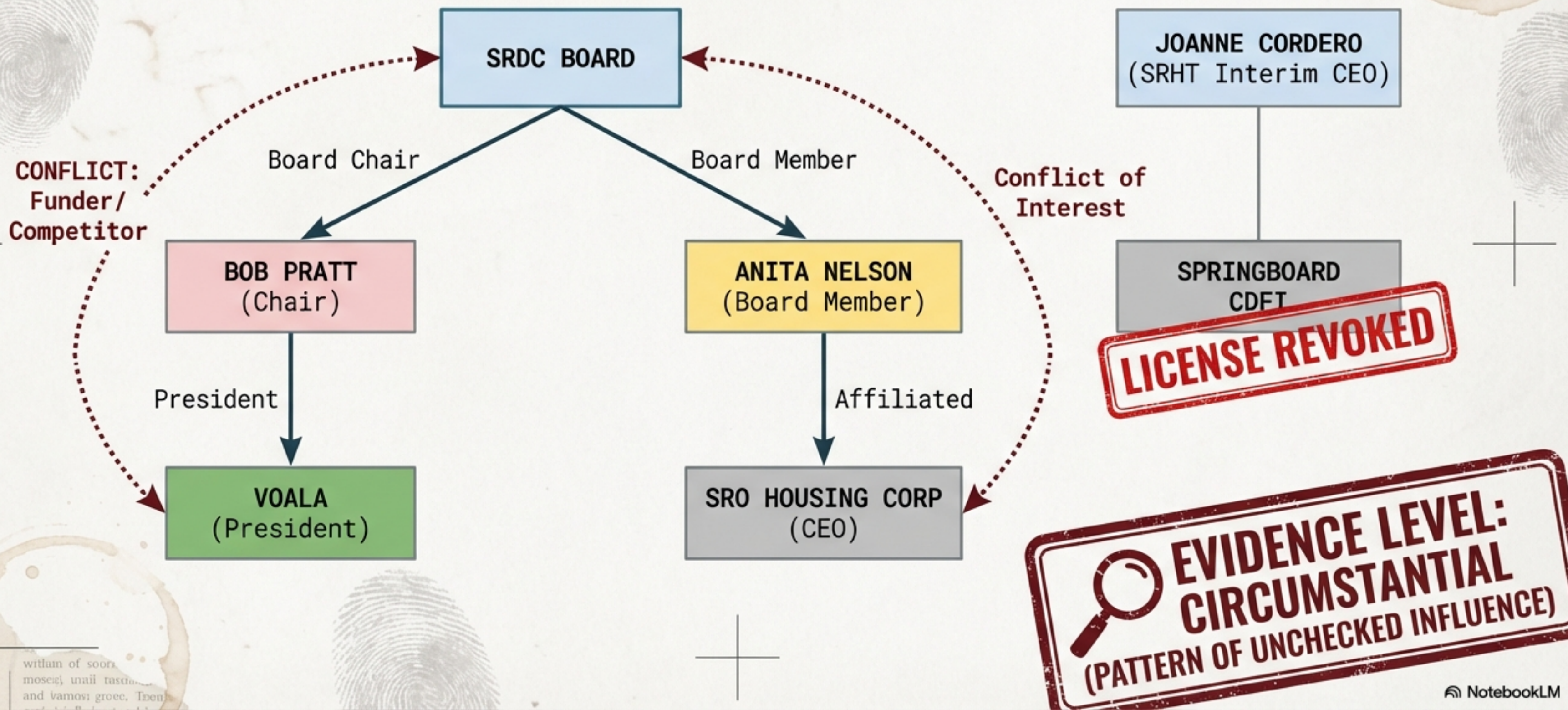
BALANCE SHEET

Total Assets:	\$316,368
Total Liabilities:	\$2,073,380
NET POSITION:	<u><u>-\$1,756,012</u></u>



THE SPIDERWEB: INTERCONNECTIONS & CONFLICTS

Mapping Unchecked Influence and Potential Conflicts of Interest



SYSTEMIC FRAGILITY VS. STABILITY



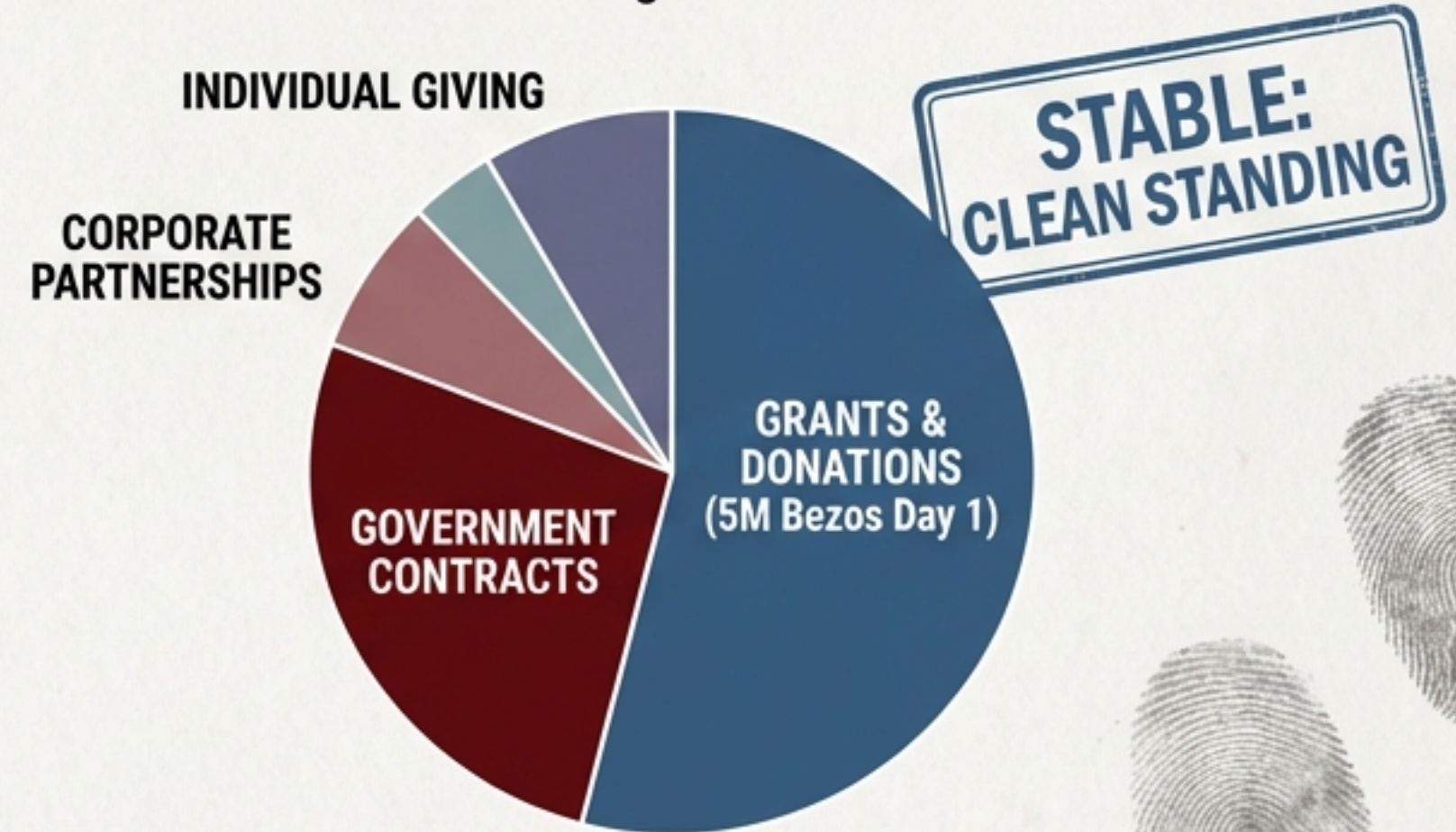
THE VULNERABLE: THE PEOPLE CONCERN

- **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 Joseph,

As a witness to the incident involving the assault and a child, said incident he dignified.

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

I warn to have is both appercentately.

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

EXHIBIT B: BAD FAITH EVICTIONS

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. #304
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

- SKID ROW DEVELOPMENT CORPORATION

RENT MUST BE MAILED TO:

Name (Individual): Chrts Garcia, or any available agent
Address: 518 C. ...

Marcia Reddy <mreddy@srdcla.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 23rd, 2022 must be rescinded.

City of Los Angeles



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

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



EXHIBIT C: OPERATING WITHOUT STANDING

Entities Evicting Tenants While Legally Suspended

SUSPENDED

System Amendment - SOS Suspended - 1/14/2014

Entity Name: 55360994000000
Entity: SRDC / SKID ROW DEVELOPMENT CORP
Consolidated Date: 1/14/2014
Status: 0000
Date: 11/13/2014 11:43 PM
Last Name: None
Conference: Not Responded

ENTITY: SRDC / SKID ROW DEVELOPMENT CORP

System Amendment - SOS Suspended - 3/27/2019

Entity Name: 55360994000000
Entity: SRDC / SKID ROW DEVELOPMENT CORP
Consolidated Date: 3/27/2019
Status: 0000
Date: 11/23/2021 11:33 PM
Last Name: None
Conference: Not Responded

ENTITY: SRDC / SKID ROW DEVELOPMENT CORP

System Amendment - SOS Suspended - 11/23/2021

Entity Name: 55360994000000
Entity: SRDC / SKID ROW DEVELOPMENT CORP
Consolidated Date: 11/23/2021
Status: 0000
Date: 11/23/2021 11:21 AM
Last Name: None
Conference: Not Responded

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 - 2025)



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