AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING ADVISORY COMMITTEE
WEDNESDAY, APRIL 22, 2020 (12:00 PM)

TELECONFERENCE CALL-IN NUMBER: (626) 262-4513
PARTICIPANT CODE: 4787396

To join via phone, dial (626) 262-4513, then enter code 4787396 when prompted.

1. Call to Order

2. Roll Call

James Brooks, Chair
Ruthie Myers, Vice Chair
Mary Canoy
Zella Knight
Val Lerch
Takao Suzuki
Pamela Williams

3. Reading and Approval of the Minutes of the Previous Meeting

Regular Meeting of February 26, 2020

4. Report of the Executive Director

5. Presentations

Community Development Block Grant Action Plan for Fiscal Year 2020-2021
6. **Public Comments**

The public may speak on matters that are within the jurisdiction of the Housing Advisory Committee. Each person is limited to three minutes.

**Regular Agenda**

7. **Fiscal Year 2020-2021 Budget of the Los Angeles County Development Authority (All Districts)**

Recommend that the Board of Commissioners take the following actions:

Adopt and instruct the Chair to sign a Resolution approving the $785,959,500 FY 2020-2021 Budget.

Instruct the Acting Executive Director, or his designee, to implement the LACDA’s Fiscal Year (FY) 2020-2021 Budget and take all related actions for this purpose, including execution of all required documents.

Find that the approval of the LACDA’s FY 2020-2021 Budget is not subject to the California Environmental Quality Act (CEQA) because the activities are not defined as a project under CEQA.

Authorize the Acting Executive Director, or his designee, to execute or amend a Funding Agreement with the County of Los Angeles and all required documents necessary to accept $102,000 in Centro Estrella Rent funds, $700,000 in South Whittier Resource Center funds, $475,000 for the Cooperative Extension Program, $1,007,000 for the Community Policing Program, $425,000 for South County Family Sites, $216,000 for Homeless Coordinator, and $2,600,000 for economic development initiatives.

Authorize the Acting Executive Director, or his designee, to execute or amend a Memorandum of Understanding with the County and all required documents necessary to accept $566,318 for the Juvenile Justice Crime Prevention Act.

Adopt and instruct the Chair to sign the PHA Board Resolution approving the operating budget and certifying submission of the LACDA’s FY 2020-2021 Budget, by the Board, to the United States Department of Housing and Urban Development.

8. **Commissioner Comments or Suggestions for Future Agenda Items**

Access to the agenda and supporting documents are available on the LACDA website. Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Advisory Committee meeting policies and/or procedures, to assist members of the disabled community
who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least four (4) business days prior to the meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the LACDA by phone at (626) 586-1855 from 8:00 a.m. to 5:00 p.m., Monday through Friday, or by e-mail at nick.teske@lacda.org.
Wednesday, February 26, 2020.

The meeting was convened at the LACDA headquarters, located at 700 West Main Street in Alhambra, California.

Digest of the meeting. The Minutes are being reported seriatim.

The meeting was called to order by Commissioner Brooks at 12:01 p.m.

<table>
<thead>
<tr>
<th>Roll Call</th>
<th>Present</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Brooks</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Mary Canoy</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Zella Knight</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Val Lerch</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Ruthie Myers</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Takao Suzuki</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Pamela Williams</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Partial List of Staff and Guests Present

Kathy Thomas, Administrative Deputy Director
Tracie Mann, Director of Housing Assistance
Twima Earley, Director of Housing Operations

Agenda Item No. 3 – Reading and Approval of the Minutes of the Previous Meeting

On motion by Commissioner Canoy, seconded by Commissioner Knight, with Commissioner Williams abstaining from the vote, the minutes of the Regular Meeting of January 22, 2020 were approved as presented.

Agenda Item No. 4 – Report of the Executive Director

Administrative Deputy Director Kathy Thomas welcomed attendees to the meeting. Kathy explained that Acting Executive Director Emilio Salas was in Sacramento traveling with Supervisors Solis, Kuehl and Barger along with other County Department Heads to meet with various Assembly members, Senators and Governor Newsom. During this advocacy trip they addressed issues of homelessness and affordable housing throughout Los Angeles County.

Kathy announced that the LACDA received High Performer designations from the U.S. Department of Housing and Urban Development (HUD) for both the Public Housing and
Housing Choice Voucher (Section 8) programs. The Public Housing program received a HUD High Performer designation for the 10th year in a row under HUD’s Public Housing Assessment System (PHAS). The PHAS is an in-depth evaluation of a public housing agency’s performance including the physical condition of properties, financial health, management systems and the effectiveness of its modernization Capital Fund program. The LACDA received a top rating in each category, with a total score of 98 out of 100, the highest score in the LACDA’s history.

As part of the PHAS, this year HUD inspected the LACDA’s South and East Los Angeles County properties totaling 1,176 units, including Nueva Maravilla, the second largest public housing property with 504 units. HUD recently changed their inspection process to reduce the inspection notice provided from 90-120 days to 14 calendar days. The LACDA was well prepared during the 2019 inspections. In the last 3 years, the LACDA has invested over $18 million dollars for capital improvements at these properties.

The Section Eight Management Assessment Program (SEMAP) measures the public housing agencies that administer the Housing Choice Voucher program in 14 key areas. The 14 indicators of performance show whether agencies help eligible families to afford decent rental units at a reasonable subsidy cost as intended by Federal housing legislation. SEMAP also helps HUD target monitoring and assistance to programs that need most improvement. Annually, agencies receive a designation of high, standard, or troubled.

The LACDA’s Housing Assistance Division was recognized for another year as a High Performer. For the fiscal year ending June 30, 2019, the Housing Assistance Division received 140 points out of 145 possible points, or a rating of 97%. This is the ninth consecutive year the Division received this High Performer designation. PHAs that achieve an overall performance rating of High Performer may be given competitive advantage under notices of fund availability.

Kathy reported that the LACDA’s legislative team have been working with our colleagues at the County Chief Executive Office’s Legislative Affairs office to lobby for a change in the State law, which would allow to increase the size of the Housing Advisory Committee back to 11 members. The California Senate has included this proposal in their housing omnibus bill, SB 1030, which was recently introduced.
Agenda Item No. 5 - Presentations

Rent Stabilization Ordinances

Agenda Item No. 6 - Public Comments

None

Agenda Item No. 7 - Construction Contract for a Kitchen Rehabilitation Project at the Herbert Senior Public Housing Development (District 1)

On motion by Commissioner Lerch, seconded by Commissioner Knight, the following was unanimously approved:

Recommend that the Board of Commissioners take the following actions:

Find that the approval of the Contract and the proposed Project to complete kitchen rehabilitation in 39 dwelling units, including cabinet and countertop installation, flooring replacement, painting, and associated work at the Herbert senior public housing development is exempt from the provisions of the California Environmental Quality Act (CEQA);

Approve the proposed Project and adopt the plans and specifications that are on file in the Construction Management Unit of the Los Angeles County Development Authority (LACDA) for construction of the Project;

Find the lowest bidder, Model Builders, Inc. non-responsive for failure to identify a cabinet subcontractor and supplier, as required under the bid documents;

Authorize the Acting Executive Director, or his designee, to award and execute a Contract and all related documents with Harbor Coating and Restoration, the apparent lowest responsive and responsible bidder, for kitchen rehabilitation and associated work at the Herbert senior public housing development in Unincorporated East Los Angeles, following receipt of the acceptable Faithful Performance and Labor and Material Bonds and insurance filed by the Contractor, in an amount up to $498,364 using Community Development Block Grant (CDBG) funds allocated to the First Supervisorial District by the U.S. Department of Housing and Urban Development (HUD) and included in the LACDA’s approved Fiscal Year 2019-2020 budget;

Authorize the Acting Executive Director or his designee, upon his determination and as necessary and appropriate, to amend the Contract, or to terminate the contractor’s right to proceed with the performance of the Contract or to terminate the Contract for convenience;

Authorize the Acting Executive Director or his designee to approve Contract change orders not to exceed $99,672, which represents 20% of the $498,364 contract amount,
for unforeseen project costs, using the same source of funds and included in the LACDA’s approved Fiscal Year 2019-2020 budget;

Determine that the proposed Project is exempt from the application of the County’s Local Targeted Worker Hire Policy because it is wholly funded with Federal funds, which prohibit geographic preferences.

**Agenda Item No. 8 - Construction Contract for a Roof Replacement Project at the Nueva Maravilla Family Public Housing Development (District 1)**

On motion by Commissioner Knight, seconded by Commissioner Canoy, the following was unanimously approved:

Recommend that the Board of Commissioners take the following actions:

Find that the approval of the Contract and the proposed Project to complete roof replacement and associated work at the Nueva Maravilla family public housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this letter and the record of the Project;

Approve the proposed Project and adopt the plans and specifications that are on file in the Construction Management Unit of the Los Angeles County Development Authority (LACDA) for construction of the Project;

Authorize the Acting Executive Director, or his designee, to award and execute a Contract and all related documents with Allstate Engineering, the apparent lowest responsive and responsible bidder, for roof replacement and associated work at the Nueva Maravilla family public housing development in unincorporated East Los Angeles, following receipt of the acceptable Faithful Performance and Labor and Material Bonds and insurance filed by the Contractor, for a total contract amount of $3,015,125, comprised of $2,015,125 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and $1,000,000 in net sale proceeds of an LACDA administrative building and included in the LACDA’s approved Fiscal Year 2019-2020 budget;

Authorize the Acting Executive Director or his designee, upon his determination and as necessary and appropriate, to amend the Contract, or to terminate the contractor’s right to proceed with the performance of the Contract or to terminate the Contract for convenience;

Authorize the Acting Executive Director or his designee to approve Contract change orders not to exceed $603,025, which represents 20% of the $3,015,125 contract amount, for unforeseen project costs, using CFP funds and included in the LACDA’s approved Fiscal Year 2019-2020 budget;
Determine that the proposed Project is exempt from the application of the County’s Local Targeted Worker Hire Policy because it is wholly funded with Federal funds, which prohibit geographic preferences.

**Agenda Item No. 9 - Construction Contract for a Roof Replacement Project at the South Bay Gardens Senior Public Housing Development (District 2)**

On motion by Commissioner Canoy, seconded by Commissioner Knight, the following was unanimously approved:

Recommend that the Board of Commissioners take the following actions:

Find that the approval of the Contract and the proposed Project to complete roof replacement and associated work at the South Bay Gardens senior public housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this letter and the record of the Project;

Approve the proposed Project and adopt the plans and specifications that are on file in the Construction Management Unit of the Los Angeles County Development Authority (LACDA) for construction of the Project;

Authorize the Acting Executive Director, or his designee, to award and execute a Contract and all related documents with Commercial Waterproofing Systems, Inc. dba ERC Roofing and Waterproofing, the apparent lowest responsive and responsible bidder, for roof replacement and associated work at the South Bay Gardens senior public housing development in unincorporated Los Angeles, following receipt of the acceptable Faithful Performance and Labor and Material Bonds and insurance filed by the Contractor, for a total contract amount of $477,680, comprised of $200,000 in Community Development Block Grant (CDBG) funds allocated to the Second Supervisorial District by the U.S. Department of Housing and Urban Development (HUD) and $277,680 in Capital Fund Program (CFP) funds and included in the LACDA’s approved Fiscal Year 2019-2020 budget;

Authorize the Acting Executive Director or his designee, upon his determination and as necessary and appropriate, to amend the Contract, or to terminate the contractor’s right to proceed with the performance of the Contract or to terminate the Contract for convenience;

Authorize the Acting Executive Director or his designee to approve Contract change orders not to exceed $95,536, which represents 20% of the $477,680 contract amount, for unforeseen project costs, using CFP funds and included in the LACDA’s approved Fiscal Year 2019-2020 budget;

Determine that the proposed Project is exempt from the application of the County’s Local Targeted Worker Hire Policy because it is wholly funded with Federal funds, which prohibit geographic preferences.
Agenda Item No. 10 - Construction Contract for a Sliding Glass Door and Window Replacement Project at the South Bay Gardens Senior Public Housing Development (District 2)

On motion by Commissioner Williams, seconded by Commissioner Myers, the following was unanimously approved:

Recommend that the Board of Commissioners take the following actions:

Find that the approval of the Contract and the proposed Project to complete sliding glass door and window replacement and associated work in 100 dwelling units and common areas at the South Bay Gardens senior public housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this letter and the record of the Project;

Approve the proposed Project and adopt the plans and specifications that are on file in the Construction Management Unit of the Los Angeles County Development Authority (LACDA) for construction of the Project;

Authorize the Acting Executive Director, or his designee, to award and execute a Contract and all related documents with Harry H Joh Construction, Inc., the apparent lowest responsive and responsible bidder, for window and sliding glass door replacement and associated work at the South Bay Gardens senior public housing development in unincorporated Los Angeles, following receipt of the acceptable Faithful Performance and Labor and Material Bonds and insurance filed by the Contractor, for a total contract amount of $302,098 in Community Development Block Grant (CDBG) funds allocated to the Second Supervisorial District by HUD and included in the LACDA’s Fiscal Year 2019-2020 budget;

Authorize the Acting Executive Director or his designee, upon his determination and as necessary and appropriate, to amend the Contract, or to terminate the contractor’s right to proceed with the performance of the Contract or to terminate the Contract for convenience;

Authorize the Acting Executive Director or his designee to approve Contract change orders not to exceed $60,419, which represents 20% of the $302,098 contract amount, for unforeseen project costs, using the same source of funds and included in the LACDA’s approved Fiscal Year 2019-2020 budget;

Determine that the proposed Project is exempt from the application of the County’s Local Targeted Worker Hire Policy because it is wholly funded with Federal funds, which prohibit geographic preferences.
Agenda Item No. 11 - Architectural and Engineering Services Contract for Various Projects (Districts 1, 2, 4 and 5)

On motion by Commissioner Lerch, seconded by Commissioner Knight, the following was unanimously approved:

Recommend that the Board of Commissioners take the following actions:

Find that the proposed actions are not a project under the California Environmental Quality Act (CEQA) for the reasons stated in this letter and the record;

Authorize the Acting Executive Director, or his designee, to award and execute a Contract and related documents with Carde Ten Architects to provide design and other related services for various LACDA public and affordable housing rehabilitation projects, for a not-to-exceed contract amount of $1,296,180 in various LACDA funds and included in the LACDA's approved Fiscal Year 2019-2020 budget;

Authorize the Acting Executive Director, or his designee, upon his determination and as necessary and appropriate under the terms of the Contract, to amend or to terminate the Contract for convenience;

Authorize the Acting Executive Director, or his designee, to increase the Contract amount, if necessary, by up to $129,618, which represents 10% of the $1,296,180 contract amount, for unforeseen services associated with the Contract, using the same source of funds and included in the LACDA's approved Fiscal Year 2019-2020 budget.

Agenda Item No. 12 – Commissioner Comments and Recommendations for Future Agenda Items

The meeting was adjourned by Commissioner Brooks at 1:02 p.m.

Respectfully submitted,

EMILIO SALAS
Acting Executive Director
Secretary–Treasurer
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<tr>
<th>District</th>
<th>Project Name</th>
<th>Project No.</th>
<th>Contractor Name</th>
<th>Original Contract Amount</th>
<th>Current Contract Amount</th>
<th>% Change Order Request</th>
<th>Approved Payments</th>
<th>% Complete Based on Payments</th>
<th>Status</th>
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<td>1st</td>
<td>Maravilla Herbert Generator Replacement</td>
<td>TP005663</td>
<td>Harry H. Joh Construction Inc.</td>
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<td>2nd</td>
<td>Century/Wilton Plumbing Upgrades</td>
<td>TP005911</td>
<td>Harry H. Joh Construction Inc.</td>
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<tr>
<td>2nd</td>
<td>South Bay Gardens Unit Flooring Replacement</td>
<td>TP005847</td>
<td>KISBA</td>
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<td>2nd</td>
<td>South Scattered Sites and Orchard Arms Water Leaks</td>
<td>TP005703</td>
<td>Harry H. Joh Construction Inc.</td>
<td>$139,947</td>
<td>$139,947</td>
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<td>$79,770</td>
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<td>DHI Construction</td>
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<td>4th</td>
<td>Harbor Hills Unit Door Replacement</td>
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<td>PUB Construction</td>
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<td>4th</td>
<td>Harbor Hills Unit Door Replacement (Supplemental #1)</td>
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<td>Carmelitos ADA Upgrade</td>
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<td>KLD Construction</td>
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<td>$66,241</td>
<td>95%</td>
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Totals: $2,250,247 | $2,313,988 | $2,247,261
April 22, 2020

TO: Housing Advisory Committee

FROM: Tracie Mann, Director Housing Assistance Division

RE: FSS PROGRAM UPDATE – MARCH 2020

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to assist Housing Choice Voucher and Public Housing participants achieve economic independence and self-sufficiency.

### ACTIVITIES

<table>
<thead>
<tr>
<th>NUMBER CURRENTLY ENROLLED</th>
<th>439</th>
<th>As of April 1, 2020, there were 373 Housing Choice Voucher (HCV) and 66 Public Housing (PH) FSS participants.</th>
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</thead>
<tbody>
<tr>
<td>NEW ENROLLMENTS</td>
<td>5</td>
<td>(4) FSS participants enrolled for Housing Choice Voucher (HCV) and (1) for Public Housing (PH).</td>
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<tr>
<td>CONTRACTS EXPIRED</td>
<td>6</td>
<td>(5) FSS contracts expired for Housing Choice Voucher (HCV) and (1) for Public Housing (PH).</td>
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<tr>
<td>DIRECT ASSISTANCE REFERRALS</td>
<td>1240</td>
<td>Job Referrals</td>
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<td></td>
<td>731</td>
<td>Educational/Vocational/Job Training</td>
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<tr>
<td></td>
<td>629</td>
<td>Other/Utility/Legal referrals/Covid-19 Assistance Resources</td>
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<tr>
<td></td>
<td>336</td>
<td>Small Business</td>
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<tr>
<td></td>
<td>303</td>
<td>Work Source/Job Fairs</td>
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<tr>
<td></td>
<td>72</td>
<td>Home Ownership Counseling</td>
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<td></td>
<td>71</td>
<td>Credit Repair</td>
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<td></td>
<td>59</td>
<td>Financial Literacy</td>
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<td></td>
<td>0</td>
<td>LACDF Scholarship</td>
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<td>0</td>
<td>Youth Services</td>
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<tr>
<td>OUTREACH &amp; COMMUNITY EVENT</td>
<td>0</td>
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<tr>
<td>GRADUATIONS</td>
<td>4</td>
<td>(3) Request for Graduation for Housing Choice Voucher (HCV) and (1) for Public Housing (PH).</td>
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</tbody>
</table>

If you have any questions, please feel free to contact me at (626) 586-1670.

Attachment
FAMILY SELF-SUFFICIENCY (FSS) GLOSSARY OF TERMS

Listed below are brief descriptions of each category in the monthly FSS Report.

1. **Number Currently Enrolled** – Current number enrolled in the FSS program as of the date the FSS Report is presented.

2. **New Enrollments** - The number of Participants enrolled in the FSS program with an effective date in the month the FSS Report is presented.

3. **Contract Expired** – The number of participant contracts that expired at the end of the month prior to the FSS Report presented.

4. **Direct Assistance Referrals** – Referrals sent to FSS participants based on their requests and or the participant’s goals needed to be accomplished prior to successfully completing the program.

5. **Outreach and Community Events** – Information that was shared with FSS participants and or events or meetings the FSS Coordinators attended.

6. **Graduations** – FSS participants that graduated last month.

7. **Pending Graduations** – FSS participants who have requested to graduate and are pending review of successful completion of goals.
2020-2021 ACTION PLAN

HOUSING ADVISORY COMMITTEE
April 22, 2020
1. CONSOLIDATED PLAN OVERVIEW

2. ACTION PLAN OVERVIEW

3. PLANNED COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FUNDED PUBLIC HOUSING IMPROVEMENTS

4. CITIZEN PARTICIPATION & APPROVAL PROCESS
Planning Cycle

**FIVE-YEAR 2018-2023**
- Needs Assessment
- Five-Year Strategy

**CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT**
- Assesses Performance
- Reports on Annual Goals
- Links to Five-Year Strategy

**ANNUAL ACTION PLAN**
**3RD YEAR 2020-2021**
- Annual Grant Application
- Annual Activities & Goals
- Link to Five-Year Strategy
Action Plan Overview
<table>
<thead>
<tr>
<th>Grant</th>
<th>Current Fiscal Year 2019-2020 Actual</th>
<th>New Fiscal Year 2020-2021 Actual</th>
<th>Dollar Change Actual</th>
<th>% Change Actual</th>
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<tr>
<td>CDBG</td>
<td>$22,969,231</td>
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<td>$265,645</td>
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<td>ESG</td>
<td>$1,887,127</td>
<td>$1,915,450</td>
<td>$28,323</td>
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<tr>
<td><strong>Total Grants</strong></td>
<td><strong>$33,346,291</strong></td>
<td><strong>$34,346,596</strong></td>
<td><strong>$1,000,305</strong></td>
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<tr>
<td>STATE ESG</td>
<td>$1,120,863</td>
<td>$1,120,909 (Estimate)</td>
<td>$46</td>
<td>.004%</td>
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</table>
FY 2020-2021 ACTION PLAN  Breakdown of Funds by Priority Need

- Housing: 51%
- Planning & Administration: 15%
- Economic Development: 6%
- Special Needs/Non-Homeless: 6%
- Homelessness: 5%
- Infrastructure: 3%
- Public Services: 3%
- Public Facilities: 3%
- Section 108 Loan Repayment: 2%
- Senior Programs: 2%
- Anti-Crime: 1%
Planned CDBG-Funded Public Housing Improvements
2020-2021 CDBG-Funded ($911,700) Public Housing Improvements

1st District
New for FY 2020-2021:
• Francisquito Villa Generator Replacement: $200,000
  o 89-unit senior housing development
• Nueva Maravilla Computer Lab Upgrades: $25,700

On-going to be completed in FY 2020-2021:
• Herbert Kitchen Rehabilitation: $236,000 to be spent in 2020-2021
  o Total Budget: $736,000 to remodel 46 kitchens

5th District
New for FY 2020-2021:
• Quartz Hill Unit Flooring & Stair Treads: $350,000
  o Replace flooring in 40 housing units

On-going to be completed in FY 2020-2021:
• Orchard Arms Unit Floor Replacement: $100,000 to be spent in 2020-2021
  o Total Budget: $400,000 to replace flooring in 183 units at the senior housing development
Citizen Participation & Approval Process
Citizen Participation & Approval Process

- **Community Meeting & Resource Fair**
  - Held on October 19, 2019

- **Public Comment Period**
  - April 25 – May 26, 2020

- **Public Meetings/Hearings**
  - Housing Advisory Committee Meeting – April 22, 2020
  - LAHSA Commission Meeting – April 24, 2020
  - Board of Supervisors Public Hearing – May 26, 2020

- **Final Action Plan Due to HUD**
  - June 4, 2020
April 22, 2020

Honorable Housing Advisory Committee
Los Angeles County Development Authority
700 West Main Street
Alhambra, California 91801

Dear Commissioners:

FISCAL YEAR 2020-2021 BUDGET OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY (ALL DISTRICTS)

SUBJECT

This letter recommends that the Board of Commissioners approve the Fiscal Year (FY) 2020-2021 recommended Budget of the Los Angeles County Development Authority (LACDA). The FY 2020-2021 Budget totals $785,959,500, an increase of $137,344,500 or 21% over the final approved FY 2019-2020 budget of $648,615,000.

IT IS RECOMMENDED THAT THE COMMITTEE:

1. Recommend that the Board of Commissioners adopt and instruct the Chair to sign a Resolution (Attachment A) approving the $785,959,500 FY 2020-2021 Budget.

2. Recommend that the Board of Commissioners instruct the Acting Executive Director, or his designee, to implement the LACDA’s FY 2020-2021 Budget and take all related actions for this purpose, including execution of all required documents.

3. Recommend that the Board of Commissioners find that the approval of the LACDA’s FY 2020-2021 Budget is not subject to the California Environmental Quality Act (CEQA) because the activities are not defined as a project under CEQA.
4. Recommend that the Board of Commissioners authorize the Acting Executive Director, or his designee, to execute or amend a Funding Agreement with the County of Los Angeles (County) and all required documents necessary to accept $102,000 in Centro Estrella Rent funds, $700,000 in South Whittier Resource Center funds, $475,000 for the Cooperative Extension Program, $1,007,000 for the Community Policing Program, $425,000 for South County Family Sites, $216,000 for Homeless Coordinator, and $2,600,000 for economic development initiatives.

5. Recommend that the Board of Commissioners authorize the Acting Executive Director, or his designee, to execute or amend a Memorandum of Understanding (MOU) with the County and all required documents necessary to accept $566,318 for the Juvenile Justice Crime Prevention Act (JJCPA).

6. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the PHA Board Resolution (Attachment B) approving the operating budget and certifying submission of the LACDA’s FY 2020-2021 Budget, by the Board, to the United States Department of Housing and Urban Development (HUD).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to establish new FY appropriation authority for LACDA operations and activities.

The FY 2020-2021 recommended Budget of the LACDA totals $785,959,500, an increase of 21% over the final approved FY 2019-2020 budget of $648,615,000. The increase is primarily attributed to the increase in activities for the Vermont Manchester Project, implementation of the new Countywide Lead-Based Paint Mitigation Program, expansion in housing development projects with funding from the Affordable Housing Trust Fund and the Department of Mental Health Funds, implementation of the Housing Innovation Challenge through Measure H: Strategy F7, and an increase in No Place Like Home funding. These increases are offset by the substantial completion of the Magic Johnson Park Phase 1A construction project.

The FY 2020-2021 recommended budget does not include new funding from the federal government as a result of H.R. 748, the legislative vehicle for the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The LACDA will return to the Board with separate actions in a supplemental budget as soon as HUD funding becomes available. Despite the enormous challenges ahead, we continue to strive to improve the level of service we provide to the residents and businesses we serve on a daily basis by embodying our mission of “Building Better Lives and Better Neighborhoods”.
FISCAL IMPACT/FINANCING

The FY 2020-2021 Budget includes $149.7 million in County funds, which represents an increase of $3.7 million from FY 2019-2020. Of the $149.7 million, $33.3 million represents funding from the Department of Mental Health (DMH) for development of permanent supportive housing through the Notice of Funding Availability (NOFA) funding process; $30.3 million is related to various capital projects in the First, Second, Fourth and Fifth Supervisorial Districts; $28.9 million in support of preservation and development of special needs and affordable housing; $25.9 million comes from the Lead-Based Paint Mitigation Programs; $12.7 million supports multiple homeless initiative programs; $6 million for increase in activities related to the Vermont Manchester Project (Prop A funds); $5 million will provide for county economic development initiatives; and remaining County funds to support other countywide initiatives.

BUDGET OVERVIEW:

The total FY 2020-2021 Budget of $785,959,500 consists primarily of federal funding provided by HUD for housing and community development programs. Over half of the budget is in support of the Housing Choice Voucher (HCV) and Public Housing programs for low-income families, seniors, disabled and veterans. Local revenue sources include County funds, public housing rental income, and other grants received in support of housing.

Housing Assistance is budgeted at $384 million, and will be used to administer rental subsidies for eligible individuals and families, seniors, veterans, and persons with disabilities living in the unincorporated area of Los Angeles County and participating cities. With federal funds received from HUD, rental payments are made directly to private landlords for participants in the following programs: HCV, Veterans Affairs Supportive Housing, Shelter Plus Care/Continuum of Care, Family Unification, Mainstream, Project-Based Voucher, Moderate Rehabilitation, and Housing Opportunities for Persons with AIDS.

The Public and Affordable Housing Program is budgeted at $35.5 million, and is comprised primarily of $14.7 million in rent revenues, $9 million in operating subsidies, $3.9 million in housing assistance, $2.1 million in state and county funds, and $5.8 million of grants, carryover funds from prior years, and other income. These funds are used to manage and maintain 3,229 public and affordable housing units. The Housing Operations Division also manages the Capital Improvement Program, which funding is budgeted at $11.7 million and scheduled to be used for new construction and carryover projects throughout Los Angeles County to rehabilitate housing units and perform site improvements. The Capital Improvement Program will consist mainly of $9 million in capital fund grant along with $1.6 million carryover HUD funding for rehabilitation projects at Nueva Maravilla, and $1.1 million in Community Development Block Grant (CDBG).
The FY 2020-2021 CDBG Program is budgeted at $29 million, which includes funds for the LACDA, five supervisory districts, participating cities, County departments, community-based organizations, and other public agencies.

State and County funds are budgeted at $263.4 million. The majority of these funds are comprised of $149.7 million County funds, and the remaining $113.7 million make up the State’s portion. The State provides funding for a variety of LACDA programs: $101.4 million in No Place Like Home; $3.4 million in Bringing Families Home to increase family reunification; $2.8 million for the Traffic Violators School program; $1.1 million in State Emergency Solutions Grant that are used for street outreach, emergency shelter, homelessness prevention, rapid re-housing; and the remaining dollars used in support for various other State and Local initiatives.

The Residential Sound Insulation Program provides grants to eligible property owners to sound insulate residential homes and rental units from noise caused by aircraft arriving and departing the Los Angeles International Airport. The total budget for this program is $10 million.

The LACDA budget includes 588 positions, this is a reduction of 21.70 full time equivalent (FTE) positions from the FY 2019-2020 final amended budget. The reductions were made in an effort to reduce administrative costs, improve operational efficiencies, and to align with funding received.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In January 2001, the Community Development Commission and the Housing Authority of the County of Los Angeles, predecessors to the LACDA, with the concurrence of the County Auditor-Controller, developed an administrative policy for establishing a Capital Budget. FY 2020-2021 marks the 19th year that the LACDA will submit a Capital Budget that details ongoing and future projects. The FY 2020-2021 operating budget includes $3.5 million in capital fund grant for 8 projects.

In May 2020, the Board of Supervisors will approve the FY 2020-2021 One Year Action Plan (Action Plan) for the allocation of federal funds, which includes the planned use of CDBG, HOME, and Emergency Solutions Grant funding by the LACDA, County departments, participating cities, community-based organizations, and other public agencies. The Action Plan was created with citizen input, as required by federal regulations. The recommendations approved as part of the Action Plan are reflected in the recommended FY Budget.

Adoption of the attached Resolution approving the FY 2020-2021 Budget is necessary to establish new fiscal year appropriation authorities for the LACDA, to receive funding, and to comply with Federal Notice 94-66 (Public Housing Authority) from HUD’s Office of Public and Indian Housing, issued September 2, 1994. HUD Form 52574 must also be approved by the Board of Commissioners to certify LACDA’s operating budget. This letter
also recommends authority for the Acting Executive Director, or his designee, to execute any other documents for implementation of the budget, such as financial reports, audit requests and related documents required by HUD or any other governing bodies.

ENVIRONMENTAL DOCUMENTATION

Approval of the LACDA’s FY 2020-2021 Budget is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because they involve administrative activities that will not have a physical impact or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b) because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the FY 2020-2021 Budget will enable the LACDA to conduct program activities to benefit low- and moderate-income residents of the County and participating cities.

Respectfully submitted,

EMILIO SALAS
Acting Executive Director

ES:MF:ssla

Enclosures
ATTACHMENT A

RESOLUTION APPROVING THE FISCAL YEAR 2020-2021
BUDGET OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

WHEREAS, the Board of Commissioners of the Los Angeles County Development Authority has received the Budget for Fiscal Year 2020-2021 and has found:

1. That the proposed expenditures are necessary for the efficient and economical operation of housing programs for the purpose of serving low-and very-low income families.

2. That the budget is reasonable in that:
   
   (a) It indicates a source of funding adequate to cover all proposed expenditures.
   
   (b) It does not provide for use of federal funding in excess of that payable under the provisions of 24 Code of Federal Regulations Part 990.

3. That all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contracts with the U.S. Department of Housing and Urban Development.

4. That no employee serving in a variety of positions is reflected in the operating budget as serving an aggregate amount of time exceeding 100 percent.

5. That the U.S. Department of Housing and Urban Development requires that the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of $50,000 or greater, must be approved by the Board of Commissioners.

WHEREAS, it is necessary for the Board of Commissioners of the Los Angeles County Development Authority to adopt an annual budget.

NOW, THEREFORE, the Board of Commissioners of the Los Angeles County Development Authority hereby resolves as follows:

1. The above recitals are true and correct.

2. The Los Angeles County Development Authority adopts the following budgeted revenues and appropriations for Fiscal Year 2020-2021, as set forth in the Annual Budget for the Los Angeles County Development Authority:
Estimated Funding $785,959,500
Expenditure and Reserve Appropriations: $785,959,500

3. That the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of $50,000 or greater, must be approved by the Board of Commissioners.

4. This Resolution shall take effect immediately.

APPROVED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority on this __ day of __________, 2020.

ATTEST:

CELIA ZAVALA
Executive Officer-Clerk of the Board of Commissioners

KATHRYN BARGER
Chair, Board of Commissioners

By:___________________________
Deputy

By:___________________________

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By:___________________________
Deputy
PHA Board Resolution

Approving Operating Budget

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing - Real Estate Assessment Center (PIH-REAC)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Los Angeles County Development Authority
PHA Code: CA002
PHA Fiscal Year Beginning: July 1, 2020
Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

X Operating Budget approved by Board resolution on:

 Moody Operating Budget submitted to HUD, if applicable, on: _________________

 Moody Operating Budget revision approved by Board resolution on: _________________

 Moody Operating Budget revision submitted to HUD, if applicable, on: _________________

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Kathryn Barger
Signature: ____________________________
Date: ________________

Previous editions are obsolete

form HUD-52574 (04/2013)
Budget Highlights

• Proposed Fiscal Year (FY)2020-2021 budget is $431.2M, an increase of $11.7M from FY2019-2020 Final Adopted Budget.

• The FY2020-2021 proposed budget does not include the CARES Act. The LACDA will return to the Committee with separate actions in a supplemental budget as soon as HUD funding becomes available.

• There are 327 positions in the FY2020-2021 budget
  • Net decrease of 17.45 full time equivalent (FTE) positions from the FY2019-2020 Final Amended Budget in an effort to reduce administrative costs and align with funding availability.
LACDA Goals for FY2020-2021

Housing Assistance Programs ($384 million)

- Administer 22,501 Housing Choice Vouchers.
- Utilize all the committed vouchers.
- Administer 2,692 VASH vouchers and maintain communication with the VA and continue to provide technical assistance to VA staff (same level as FY2019-2020, no new allocation anticipated).
- Administer 31 Continuum of Care grants to support 1,881 families (same level as FY2019-2020).
Housing Operations and Capital Funds ($47.2M)

- Continue to provide oversight and administration of 3,229 public and affordable housing units.
- Complete 40 construction projects utilizing Capital Fund Grant, carryover Chavez Disposition funds, and CDBG funds.
- FY2020-2021 funding request was submitted to the CEO for $2.78M to support Public Housing Resident Services and Community Policing Programs.
- Maintain 40 enrolled residents through the Jobs Plus Grant. Programs include work readiness, employer linkages, job placement, technology skills, and financial literacy.
Sources of Funds by Category
Los Angeles County Development Authority
FY2020-2021 - Total Sources $431,232,600

- Housing Choice Voucher: $359,723,500 (83.41%)
- Operating Subsidy & Rent: $27,345,800 (6.34%)
- Housing Choice Voucher: $359,723,500 (83.41%)
- Operating Subsidy & Rent: $27,345,800 (6.34%)
- Capital Fund Modernization: $9,211,700 (2.14%)
- CDBG: $1,040,000 (0.24%)
- State/County/Other Federal Grants: $31,789,700 (7.37%)
- Other Income: $1,883,300 (0.44%)
- Fees & Interest: $238,600 (0.06%)
Uses of Funds by Category
Los Angeles County Development Authority
FY2020-2021 - Total Expenditures $431,232,600

- Subvention to Landlords: $351,113,000 (81.42%)
- Salaries & Benefits: $34,702,300 (8.05%)
- Services & Supplies: $33,216,100 (7.70%)
- Capital Outlay: $10,905,800 (2.53%)
- Subvention Other: $1,295,400 (0.30%)
- Services & Supplies: $33,216,100 (7.70%)
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<td>431,232,600</td>
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<td>Salaries &amp; Benefits</td>
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# Budget Totals By Division

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## FY2020-2021 County Ask

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<th>Ongoing Funding</th>
<th>FY2019-2020 New Funding</th>
<th>FY2020-2021 Revised New Ask</th>
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<td>Resident Services</td>
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**Budget Challenges**

- Increased HAP shortfall.

- Continued rise of Per Unit Cost (PUC) and shortage of available affordable housing.

- Increased operating costs (e.g. property insurance, property maintenance, pension, etc.).

- Insufficient funding to support Housing Operations and Resident Services Programs (including CPP).

- Uncertainty in County and Federal Stimulus funding.

- Fiscal Impact due to COVID-19:
  - Reduced revenues from Public Housing tenants’ rental income.
  - Delays in construction and rehabilitation projects on public housing sites.
  - Increased PERS unfunded liability.
Key Dates

April 2020

22nd
Housing Advisory Committee Hearing

29th
Preliminary FY2020-2021 Published Budget to Deputies

May 2020

6th
Present FY2020-2021 budget to Deputies & CEO

June 2020

2nd
Budget adopted by the Board of Supervisors

9th
Submit adopted Budget Resolutions to HUD

26th
Final FY2020-2021 Published Budget to Deputies and CEO
Questions?