



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Carlos Jackson
Executive Director

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, JANUARY 24, 2007
12:00 NOON
SOUTH WHITTIER
COMMUNITY RESOURCE CENTER
10750 LAUREL AVENUE
WHITTIER, CA 90605
(562) 946-2425**

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1. Call to Order

2. Roll Call

**Lynn Caffrey Gabriel, Chair
Henry Porter, Jr., Vice Chair
Severyn Aszkenazy
Philip Dauk
Adriana Martinez
Dora Nowden**

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

Regular Meeting of November 29, 2006

4. Report of the Executive Director

5. Legislative Update- Tricia Tasto

6. Notice of Closed Session- The Housing Commission will adjourn to Closed Session to discuss a real estate transaction for Ujima Village.

7. Public Comments

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



Regular Agenda

8. Construction Contract for Replacement of Tot Lot at the Nueva Maravilla Housing Development (1)

Recommend approval and find that replacement of the vandalized Tot Lot at the Nueva Maravilla housing development, located at 4919 East Cesar E. Chavez Avenue in unincorporated East Los Angeles, is exempt from the California Environmental Quality Act (CEQA), because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment; recommend approval and authorize the Executive Director to execute a Construction Contract with ZK Construction, in the amount of \$61,969, to replace the vandalized Tot Lot at the Nueva Maravilla housing development, located at 4919 East Cesar E. Chavez Avenue, in unincorporated East Los Angeles, to be effective upon issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; authorize the Executive Director to accept and incorporate into the approved Fiscal Year 2006-2007 budget of the Housing Authority a total of \$72,000 in insurance reimbursement funds from McLarens Young International, and \$25,000 in CDBG funds allocated to the First Supervisorial District, for the project described above; authorize the Executive Director to execute administrative amendments to the Construction Contract in an amount not to exceed \$15,492 for unforeseen project costs, as necessary to complete the project described above, following approval as to form by County Counsel. (APPROVE)

9. Award One-Year Contracts to Provide Countrywide Relocation Services (All Districts)

Recommend approval and find that the provision of relocation services under one-year Contracts for Consulting Services (Contracts) is not subject to the California Environmental Quality Act (CEQA), because the proposed activity will not have the potential for causing a significant effect on the environment; approve and authorize the Executive Director to execute one-year Contracts with Overland, Pacific & Cutler, Inc., Paragon Partners, Ltd., Henry Nunez Real Estate Services, Inc., Shober Consulting, Inc., and Epic Land Solutions, Inc., using substantially the form of the attached contract, the aggregate amount of which will not exceed \$2,000,000 per year, to provide relocation consulting services on a project-by-project basis for various housing projects throughout the County of Los Angeles, to be effective upon approval by County Counsel and execution by all the parties; authorize the Executive Director to use funds contained in the Housing Authority's fiscal year 2006-2007 approved budget, for the purposes described herein; authorize the Executive Director to execute

amendments to the one-year Contracts, following approval as to form by County Counsel, to extend the time of performance for a maximum of two years, in one-year increments, at \$500,000 for the second year, and \$500,000 for the third year, using funds to be approved through the Housing Authority 's annual budget process. (APPROVE)

10. Adopt Resolutions Approving Issuance of Multifamily Housing Mortgage Revenue Bonds for Multifamily Housing in Unincorporated East Los Angeles (1)

Recommend approval and find that adoption of resolutions approving issuance of Multifamily Housing Mortgage Revenue Bonds is not subject to the California Environmental Quality Act (CEQA), because the proposed administrative activity will not have the potential for causing a significant effect on the environment; recommend approval to adopt and instruct the Chairman to sign a Resolution as required under Treasury Regulations, declaring an intent by Villa Gardenias Senior Limited Partnership, a California Limited Partnership, (the Developer), to undertake financing, in an amount not exceeding \$15,000,000, for site acquisition and construction of Villa Gardenias Senior Apartments (the Project), a 125-unit affordable multifamily rental housing development, to be located at 3965 East Olympic Boulevard and 1141 South Ditman Avenue in unincorporated East Los Angeles; authorize the Executive Director of the Housing Authority to submit an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation in an aggregate amount not exceeding \$15,000,000 for the purposes described herein. (APPROVE)

11. Adopt A Resolution Approving Submission of Application for Disposition of Vacant Land at 1542 East 85th Street in Unincorporated Los Angeles County (2)

Recommend approval and find that disposition of the vacant land located at 1542 East 85th Street in unincorporated Los Angeles County, is excluded from the provisions of the National Environmental Policy Act (NEPA) and exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activity does not have the potential for causing a significant effect on the environment; adopt and instruct the Chair to sign the attached Resolution authorizing the Housing Authority to prepare and submit to the U.S. Department of Housing and Urban Development (HUD) a Disposition Application, which will permit the Housing Authority to dispose the vacant land to the Community Development Commission; instruct that the Executive Director to submit to HUD the Resolution and Disposition Application for the purpose described herein. (APPROVE)

12. Election of Chair and Vice-Chair for 2007

13. Housing Commissioner Comments and Recommendations for Future Agendas

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission 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 three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at marisol.ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, November 29, 2006

The meeting was convened at the Headquarters Office located at 2 Coral Circle, Monterey Park, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Lynn Caffrey Gabriel at 12:20 p.m.

ROLL CALL	<u>Present</u>	<u>Absent</u>
Lynn Caffrey Gabriel	X	
Henry Porter, Jr.	X	
Severyn Aszkenazy	X	
Philip Dauk	X	
Adriana Martinez		X
Dora Nowden	X	

PARTIAL LIST OF STAFF PRESENT:

Bobbette Glover, Assistant Executive Director
Emilio Salas, Director, Administrative Services
Maria Badrakhhan, Director, Housing Management

GUESTS PRESENT:

Trinidad Cordova, Resident of Carmelitos Housing Development
Christina King, Resident of Carmelitos Housing Development

Reading and Approval of the Minutes of the Previous Meeting

On Motion by Commissioner Porter, seconded by Commissioner Aszkenazy, the Minutes of the Regular Meeting of October 25, 2006 were approved.

Agenda Item No. 4 - Report of the Executive Director

Bobbette Glover covered the following items in her report:

- Ujima Village negotiations are continuing and staff will provide a report prior to the next Housing Commission meeting;
- The Housing Authority's reorganization is moving well and in a timely manner. A new organizational chart will be provided with your next

Housing Commission packet. Quadell Consulting Corporation and The Braunner Group will assist with this transition by providing technical assistance, implementing quality control measures, and ensuring that the new processes in place work effectively;

- Without our approval, the City of Lancaster used Section 8 Tenant location data provided by the Housing Authority for a purpose other than code enforcement. The City distributed a map to the public which identifies Section 8 households on specific streets. The Housing Authority should have been informed prior to the dissemination of such information. A letter will follow to the City of Palmdale and City of Lancaster to set specific limitations of use of confidential information.
- Supervisor Antonovich and the City of Palmdale have agreed to continue funding fraud investigation services within the City. We will transmit a proposed staffing recommendation to the City of Lancaster next week and wait for their response.

Agenda Item No. 5 - Public Comments

Ms. Trinidad Cordova expressed her dissatisfaction with the non-functioning elevator at the Carmelitos Housing Development. Ms. Christina King is requesting immediate action be taken in the repair of the elevator.

Agenda Item No. 6 – Staff Presentations

Geoffrey Siebens briefly discussed the Quarterly Construction Contract Status Report and responded to questions from the Commissioners.

Regular Agenda

On Motion by Commissioner Nowden, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

**AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH EAST LOS ANGELES
COMMUNITY CORPORATION FOR THE PURCHASE, REHABILITATION, AND
OPERATION OF VILLA NUEVA HOUSING DEVELOPMENT (1)
AGENDA ITEM NO. 7**

1. Recommend that the Board of Commissioners find that entering into a one-year Agreement to Negotiate Exclusively (Agreement) between the Housing Authority and the East Los Angeles Community Corporation (ELACC), a California nonprofit public benefit corporation, for the purchase, rehabilitation and operation of the Villa Nueva housing development, located at 658-676 South Ferris Avenue in unincorporated East Los Angeles, is exempt from

the provisions of the California Environmental Quality Act (CEQA), because it does not have the potential for causing a significant effect on the environment.

2. Recommend that the Board of Commissioners approve the Agreement with ELACC, presented in substantially final form, for the purposes described above, and authorize the Executive Director to execute the Agreement and any subsequent amendments required to extend the Negotiation Period for an additional year, to be effective following approval as to form by County Counsel and execution of all parties.

On Motion by Commissioner Aszkenazy, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR VILLA SERENA APARTMENTS IN
UNINCORPORATED EAST LOS ANGELES (1)
AGENDA ITEM NO. 8

1. Recommend that the Board of Commissioners adopt and instruct the Mayor to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$15,550,000, to assist AMCAL Serena Fund, L.P., a California Limited Partnership (the Developer), to finance the site acquisition and construction of the 85-unit Villa Serena Apartments (the Project) to be located at 3887 East First Street and 115-121 North Bonnie Beach Place in unincorporated East Los Angeles.
2. Recommend that the Board of Commissioners authorize the Executive Director to execute all related documents, following approval as to form by County Counsel, and to take all necessary actions for the Developer to finance the site acquisition and construction of the Villa Serena Apartments.

On Motion by Commissioner Dauk, seconded by Commissioner Aszkenazy, and unanimously carried, the following was approved by the Housing Commission:

APPROVE SETTLEMENT WITH EDWIN G. BOWEN, INC.
RELATIVE TO CONSTRUCTION CLAIMS ARISING OUT OF
HARBOR HILLS COMMUNITY CENTER AND CHILD CARE CENTER (4)
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that the Housing Authority's entering into a Settlement Agreement to resolve JDJ CONSTRUCTION v. BOWEN AND BOWEN v. Housing Authority (Cross Complaint), Los Angeles Superior Court Case No. YC049474, for construction of the Harbor Hills Community Center and Child Care Center located at 1876 and 1874 Palos Verdes Drive North in the City of Lomita (the Project), is exempt from the California Environmental Quality Act (CEQA), as described herein, because it will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve a Settlement Agreement between the Housing Authority, Edwin G. Bowen, Inc. (the Prime Contractor) and JDJ Construction Company (the Subcontractor), for the project described above, under which the Housing Authority will pay \$242,500 to the Prime Contractor for costs related to unanticipated entitlement changes and site conditions, and the Prime Contractor will pay \$85,000 to JDJ Construction Company for the completion of additional masonry wall work.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute the Settlement Agreement, to be effective on the date of Board approval.
4. Recommend that the Board of Commissioners authorize the Executive Director to incorporate \$242,500 in Capital Funds into the Housing Authority's Fiscal Year 2006-2007 approved budget.

On Motion by Commissioner Aszkenazy, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

**AMEND POSITION CLASSIFICATIONS, MONTHLY SALARY SCHEDULE, AND ADMINISTRATIVE AND PERSONNEL POLICIES OF THE COMMUNITY DEVELOPMENT COMMISSION (ALL DISTRICTS)
AGENDA ITEM NO. 10**

1. Recommend that the Board of Commissioners approve amendment of the Community Development Commission's Position Classifications and Monthly Salary Schedule to incorporate the following, effective on the date of Board approval, a new Executive Assistant Classification, Level II to the Resident Manager Classification, and Level V to the Information Systems Specialist Classification, as described herein.
2. Recommend that the Board of Commissioners approve the two-phase implementation of salary range adjustments, as specified in the attached Monthly Salary Schedule, to be effective on January 1, 2007 and July 1, 2007.
3. Recommend that the Board of Commissioners approve salary adjustments for approximately 270 employees to offset a five-year period during which compensation ranges remained unchanged, to be implemented in two phases, on January 1, 2007 and July 1, 2007.
4. Recommend that the Board of Commissioners authorize the Executive Director to use funds contained in the approved Fiscal Year 2006-2007 budget to implement salary and benefit adjustments in the total estimated amount of \$157,000, including \$137,000 for salaries and \$20,000 for benefits.
5. Recommend that the Board of Commissioners approve the amended Administrative and Personnel Policies of the Community Development Commission, summarized as Attachment E, to ensure compliance with regulations and updated policies and procedures, effective on the date of Board approval.

On Motion by Commissioner Porter, seconded by Commissioner Nowden, and unanimously carried, the following was approved by the Housing Commission:

APPROVAL OF THE 2007 MEETING SCHEDULE
AGENDA ITEM NO. 11

Recommend that the Board of Commissioners approve the modified 2007 Meeting Schedule.

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

Commissioner Porter suggested that the Housing Authority revisit the Criminal Background status for individuals that work in our Housing Development Sites, contracted or employed through our vendors. He added that these individuals are entrusted to enter various sensitive sites and it would be wise to update the records.

On Motion by Commissioner Gabriel, the Regular Meeting of November 29, 2006, was adjourned at 1:45 p.m.

The next Regular Meeting of the Housing Commission will be held at 12:00 noon on Wednesday, December 20, 2006, at the Headquarters Office, located at 2 Coral Circle, Monterey Park, California.

Respectfully submitted,


per CARLOS JACKSON
Secretary -Treasurer

January 24, 2007

FOR YOUR INFORMATION ONLY

TO: Housing Commissioners

FROM: Richard Martinez, Interim Operations Manager
Assisted Housing Division

RE: **THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM**



FSS Program Update

- In the month of December, FSS staff met with and assisted 54 FSS participants with supportive services information and general Section 8 questions.
- In the month of December, FSS staff provided 3 working families with bus passes to assist with their commute to work and or school.
- In the month of December, FSS staff referred 9 FSS participants to work source centers in their area for job search assistance.
- Resource information for employment opportunities, budgeting, money saving tips and homeownership workshops were handed out to 11 FSS participants during the December re-issuance appointments.
- FSS staff gave information on the Volunteer Income Tax Assistance Program to 4 FSS participants.
- FSS staff referred 4 FSS participants to Operation Hope Home Ownership Program per the tenants' requests.
- FSS staff referred 2 FSS participants to the Habitat for Humanity Home Ownership Program per the tenants' requests.
- FSS staff referred 5 FSS participants to the Homeownership Program (HOP) per the tenants' requests.
- FSS staff mailed job resources to 14 FSS participants with their annual modification letters.
- FSS staff distributed over 350 toys to FSS families as part of the Holiday toy giveaway.

Graduates

There were 4 graduates in the month of December. The total number of graduates to date is 166.

If you have any questions, please call me at (562) 347-4663, Ext, 8254.

RM:MF:WB:dt



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of the County of Los Angeles**

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

December 12, 2006

FOR YOUR INFORMATION ONLY

Carmelitos Housing Development
761-817 Via Carmelitos
Long Beach, CA 90805

Dear Carmelitos Senior Residents:

This is in response to your November 22, 2006 letter regarding one of the elevators out of service at the Senior complex. I regret the inconvenience this has caused you and I want to thank you for your patience. Please be informed that my staff has held three meetings with the Carmelitos residents to explain the procurement process and to provide you with progress reports.

In summary, we were notified that the hydraulic system in the elevator was leaking on July 24, 2006. We solicited proposals and on August 17, 2006, a Purchase Order and supporting documentation for Excelsior Elevator, the current vendor was processed. Excelsior ordered the elevator replacement parts from the manufacturer on the week of September 10th, which was scheduled for delivery on the first week of November 2006. A Notice to Proceed was issued to Excelsior effective November 1, 2006. During the first week of November, the manufacturer also delivered the materials to Carmelitos. Excelsior was delayed in starting the work due to the schedule of the drilling subcontractor. However, the construction began on December 4, 2006.

The Contractor currently has removed the existing hydraulic cylinder and completed the prep work for the drilling subcontractor. Not anticipating further delays, project completion is expected by Friday, December 22, 2006.

The Housing Authority is aware that some of our elderly and disabled residents may need assistance and we are available to provide support in any way possible. We hope that you will contact the Property Supervisor, Lynn Anderson at 562-423-5464 in this regard. Please be informed that a meeting has been scheduled for Tuesday, December 19, 2006 at 2:00 p.m. at the Senior Community Center to ensure that we are communicating and addressing your needs.

Sincerely,


for **CARLOS JACKSON**
Executive Director

MB:md

c: U. S. Department of Housing and Urban Development
Supervisor Don Knabe, 4th District
Housing Commissioners



November 22, 2006

U.S. Dept. of Housing and Urban Dev.
Office of Fair Housing and Equal Opportunity, Rm. 5204
451 Seventh St.
S.W. Washington, DC 204102000\

To Whom It May Concern;

As a resident with a disability, I am writing to you for help. Since July of 2006, one of two elevators in my complex has been shut down, due to multiple breakdowns since the spring of this year. Many of us finally demanded a community meeting to discuss the situation, because multiple discussions with management seemed useless. To date, no repairs have happened. My asthma and injured leg I am medically treated for, does not allow me to climb staircases, or walk long distances to a second elevator, and then backtrack the same amount of distance on the third floor, in order to reach my apartment. My doctor specifically prohibits me from walking or climbing these distances for medical reasons. During the heat of summer, I was stuck in my apartment unable to go out for groceries, medical appointments, or other necessities for my life.

The complex I live in has 155 units with many more residents than the number of apartments. We receive HUD rent assistance as it is a HUD complex for seniors and the disabled as an Independent Living Center. The broken elevator is creating additional health and safety hazards due to the majority of residents who are legally "disabled" yet told that if we can't climb the stairs, or walk the extra distance for months then we "don't belong in an independent living facility" and should look for sheltered living.

Under the law, I understand there are protections for people like me so that barriers like these don't keep me from living freely in my local community. Though I don't use mobility aids, I do wear a supportive cast on my foot, making stairways very tricky and unsafe for me. Meanwhile, my sister has been helping me. Unfortunately, many residents living here have no one to help them. Several residents have fallen and slipped down the stairwells, who normally use the elevator for the safety of their mobility.

Please help me as well as my neighbors solve the challenges management must be facing in order to make these repairs in a timely and responsible amount of time. Everyone living here has one medical condition or mobility challenge of one type or another, and the large majority use canes, wheel chairs and scooters.

Sincerely,

Junidad P. Cordora

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L.A. housing still not that affordable

Luxury home values reach record levels in state

BY GREGORY J. WILCOX, Staff Writer
LA Daily News

Article Last Updated: 11/20/2006 08:55:52 PM PST

The Los Angeles area remained the nation's least affordable for house hunters in the third quarter, according to a survey released Monday, while another showed luxury home values making modest gains to record levels in three of the state's major markets.

This is the eighth consecutive quarter that Los Angeles remained the hardest place to buy a house, according to the National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI).

In the Los Angeles-Long Beach-Glendale market only 1.8 percent of new and existing homes sold during the third quarter were affordable to those earning the area's median family income of \$56,200.

The median sales price of all homes sold in the area during the period was \$523,000.

"It's a very critical thing," said Jack Kyser, chief economist at the Los Angeles County Economic Development Corp. "In all the uproar of the slowdown in housing this has sort of gone into the back of the room and nobody is discussing it."

The California Building Industry Association's analysis of the index showed that affordability fell in 14 of the 28 California metro areas surveyed. In 20 metro areas less than 10 percent of the homes could be afforded by families earning the median income there.

"Despite all of the doom and gloom about housing prices dropping, affordability has improved only slightly and only in some parts of the state," Robert Rivinius, the association's president said in a statement.

Indianapolis maintained its position as the nation's most affordable housing market for the fifth consecutive time.

There just under 86 percent of homes sold in the third quarter were affordable to families earning the median household income of \$65,100.

The index tracks the change in value of the same pool of properties. In the Los Angeles area some homes in Calabasas, La Cañada Flintridge, Encino, North Hollywood and Studio City are included in the pool.

"There is more inventory. Things that are not perfectly priced last a long time on the market. But we are definitely not seeing a bursting of a bubble people have been prepared for for two years," said Katherine August-de Wilde, chief operating officer

greg.wilcox@dailynews.com

(818)713-3743

MAJOR DEVELOPMENTS

HOUSING LEGISLATION

Housing Is Expected to Be Priority For New Democratic Majority, But Tight Funding May Limit Action

The election of a Democratic majority for the 110th Congress will bring in new leaders whose political identities are tied to affordable housing, and it's likely that major Section 8 and public housing legislation will see action as a result, said several housing experts interviewed by HDR.

However, this same group of analysts and lobbyists also said that funds for housing programs will continue to be extremely limited, no matter which political party is in charge.

This means that any increased funding for housing will only be incremental, said one lobbyist. Another housing analyst said that Democrats are expected to be very serious about balancing the federal budget.

In other legislative news, Congress passed a new continuing resolution (H.J.Res. 100) to fund government activities through December 8. (For background, see *HDR Current Developments, Vol. 34, No. CD-21, p. 643.*)

The resolution gives the post-election Congress time to decide how to proceed with fiscal 2007 appropriations for HUD and other departments. There are nine bills awaiting final action for a fiscal year which started October 1. Appropriations committee chairmen want to pass the remaining bills, but an omnibus measure which wraps them all into a single package appears likely.

Bipartisan Issue

Housing experts and activists said that housing continues to be a bipartisan issue and that housing legislation and HUD appropriations will continue to depend on the support of both parties in the new Congress.

The likely move of Rep. Barney Frank (D-Mass.) to the chair of the Financial Services Committee was widely hailed as a positive development, and one lobbyist observed that several bills that the committee passed this year but were not approved by the House could be reintroduced by Democrats next year.

"The change in leadership means there are people who are more interested and amenable to housing programs," said Sheila Crowley, president of the National Low Income Housing Coalition. "Barney Frank has been a strong advocate for housing programs, and it would be at the top of his agenda, and this would be positive."

Crowley said there also was bipartisan support for housing legislation in the Senate, but not at the leadership level, but this is expected to change in both the Banking and Appropriations committees.

The coalition's main priority has been a national hous-

ing trust fund with a dedicated financing source not subject to the vagaries of the annual appropriations process. Crowley said this will continue to be a top priority for her group in the new Congress.

Democrats will press fiscal discipline and may adopt some budget-balancing rules, said Crowley. "We do need more money for housing," she said, "but it is not like there is going to be a big new infusion of dollars."

Housing Priorities

The coalition is also supporting exit tax legislation for assisted housing owners, at least 100,000 new housing vouchers over two years, additional public housing funds, and additional post-hurricane disaster assistance.

In a statement issued by the National Association of Housing and Redevelopment Officials (NAHRO), Saul Ramirez Jr., NAHRO executive director, said that "with the transition to a new majority in Congress, we have a number of members who have had housing high on their agenda for many years poised to take chairmanship of committees and subcommittees important to our industry."

Ramirez added that "providing decent, safe housing and communities is not a partisan issue. We look forward to working with members of both parties to increase support of vital housing and community development programs."

Tim Kaiser, executive director of the Public Housing Authorities Directors Association (PHADA), said that in the short term, PHADA hopes to get some relief from what it considers too-strict regulation by HUD at a time when operating subsidy funds have fallen short of the formula need.

Kaiser said that Rep. John Olver (D-Mass.), who is expected to chair the House HUD appropriations subcommittee in the new Congress, has been supportive of regulatory flexibility for housing authorities, offering an amendment to this effect during the appropriations bill markup this year which was defeated.

Kaiser said that funding remains a top priority for PHADA and that other priorities are comprehensive rent reform and expansion of the Moving-to-Work (MTW) program. PHADA views the MTW program as relief from "HUD's incredibly restrictive asset management guidelines" and other regulations, he said.

He also said that Sens. Patty Murray (D-Wash.) and Christopher S. Bond (R-Mo.), who are expected to head the Senate HUD appropriations subcommittee, have continued to be supportive of proposals from the public housing groups.

"The Democrats are supportive of getting more money for (domestic) programs," said Kaiser, whose group has advocated for full funding for the public housing capital and operating funds.

He added, however, that "I am not sure they can de-

liver based on the overall funding picture," including the large federal debt, continued spending on the Iraq war, and looming financial problems for Social Security, Medicare, and Medicaid.

Operating Subsidy Funding

Sunia Zaterman, executive director of the Council of Large Public Housing Authorities (CLPHA), said that CLPHA's major immediate concerns are to obtain funding for a \$300 million operating subsidy shortfall caused by high utility costs and to ensure that legislative language in the Senate appropriations bill concerning HUD's asset management proposal is adopted in the lame-duck session.

Zaterman said that CLPHA would like to see these priorities and a Section 8 voucher allocation formula with a 12-month baseline taken care of in a stand-alone HUD funding bill, since they might be ignored in an omnibus bill. "It's hard to see how that's going to get done in this environment," she admitted.

"However, there is a sense of getting a clean slate for the new Congress," said Zaterman. "We're extremely pleased to see Barney Frank as the incoming Financial Services chair who has said publicly and frequently that he supports affordable housing. He has been a stalwart champion all along."

Exit Tax Relief

Denise Muha, executive director of the National Leased Housing Association, said at the group's Section 8 conference that NLHA considers the anticipated Frank chairmanship as a plus along with Rep. Charles B. Rangel's (D-N.Y.) move to chairman of the Ways and Means Committee.

NLHA expects that exit tax relief for Section 8 project owners has a very good chance of passage in the new Congress as a result, she said. Muha also noted there is support for exit tax relief among Senate Democrats as well.

Muha also said there has been some disruption in the flow of Section 8 housing assistance payments (HAP) to owners because of the continuing resolution, since the Office of Management of Budget (OMB) must first approve the allocation of funds to HUD from any new appropriations bill. The allocation of funds from the first continuing resolution this year has caused payment delays for some owners, she said.

LAND USE

Nine States Approve Eminent Domain Limits; Housing Measures Pass in California, Rhode Island, New Mexico

Nine states approved ballot initiatives restricting the use of eminent domain for economic development projects in the November 7 election, while two states rejected eminent domain propositions.

Voters also approved housing bond issues in California and Rhode Island. In addition, New Mexico approved a constitutional amendment permitting the state to pay the costs of affordable housing.

The California measure authorizes the issuance of \$2.85 billion in general obligation bonds to provide shelters for battered women and their children; housing for low-income senior citizens; homeownership assistance for the disabled, military veterans, and working families; and repairs and accessibility improvements to apartments for families and disabled citizens.

Rhode Island, New Mexico

Rhode Island voters approved the issuance of \$50 million in general obligation bonds to provide funding to the Rhode Island Housing Resources Commission for affordable housing.

The funds will be used at the rate of \$12.5 million per year over the calendar 2007-2010 period to provide state matching funds for deferred-payment loans. A total of \$40 million will be used to create affordable apartments and \$10 million, to create homeownership opportunities.

The New Mexico amendment authorizes the state, the New Mexico Mortgage Finance Authority, and localities to provide or pay a portion of the costs of land for the construction of affordable housing, or to provide or pay a portion of the costs of constructing or renovating affordable housing or converting or renovating buildings into affordable housing.

The amendment expands the current authority for state and local governments to donate land and buildings for affordable housing.

Eminent Domain

Reflecting the continuing backlash against the U.S. Supreme Court's Kelo decision allowing private property to be taken for economic development, restrictions on the use of the power of eminent domain were approved in Arizona, Florida, Georgia, Michigan, Nevada, New Hampshire, North Dakota, Oregon, and South Carolina.

Louisiana voters approved a constitutional amendment restricting the use of eminent domain for private economic development projects in September. (*For background, see Current Developments, Vol. 34, No. CD-21, p. 654.*)

Running against the trend, voters rejected eminent domain measures in California and Idaho. Those proposals also included restrictions on regulatory takings.

In addition, Washington state rejected an initiative requiring compensation for regulatory takings.

State-by-State Summary

The following is a state-by-state summary of the approved eminent domain initiatives:

- *Arizona:* The exercise of eminent domain is limited to public uses, which are defined as the possession, occupation, and enjoyment of the land by the general public or by public agencies; the use of land for utilities; the acquisition of property to eliminate a direct threat to public health or safety, including the removal of a structure that is beyond repair or unfit for human habitation; and the acquisition of abandoned property.

If a principal residence is taken through the use

IDEAS AND TRENDS

SECTION 8

Center on Budget Recommends House Financial Services Formula For Efficient Voucher Allocations

If Congress wants to distribute Section 8 voucher funds efficiently and make the best use of scarce resources, it should choose the allocation method adopted by the House Financial Services Committee in its voucher reform bill (H.R. 5443), the Center on Budget and Policy Priorities (CBPP) said in an analysis of three alternatives.

The formula in H.R. 5443 would allocate voucher renewal funds to PHAs based on the number of an agency's vouchers that were in use and the average cost of those vouchers in the most recent calendar year for which data are "available, substantially verifiable, and complete."

In its analysis of 2007 funding, the CBPP assumed that 2006 data would be used.

In addition to the Financial Services Committee formula, the CBPP looked at allocation systems in the House and Senate versions of the HUD appropriations bill (H.R. 5576).

Avoiding Voucher Cuts

In supporting the allocation formula in H.R. 5443, the CBPP said it would avoid any cuts in the number of vouchers and even allow PHAs to restore many of the vouchers lost in recent years.

Reviewing the latest voucher use and cost data, the CBPP said that 130,000 vouchers have been lost since early 2004 due to a series of changes in the allocation formula. The voucher utilization rate, the percentage of authorized vouchers actually in use, has fallen from 98.5 percent in 2003-2004 to about 92.5 percent in 2006.

The CBPP examined the impact of the three different funding formulas on each of the 2,400 state and local housing agencies that administer the voucher program.

In its analysis, the CBPP assumed that \$14.2 billion in fiscal 2007 funding would be available for allocation and that HUD would make use of authorization in H.R. 5443 to recapture a portion of unspent prior-year funds and provide them to high-performing agencies.

Sufficient Funding

The CBPP found that the formula in H.R. 5443 would provide sufficient funding to renew all vouchers in use in 2006, that voucher utilization would increase from the current level of 92.5 percent to 97 percent, and that 70,000 authorized vouchers would be put into use which would go unfunded under the other two formulas.

The CBPP cited three reasons H.R. 5443 would show these results. First, it bases PHA allocations on the voucher leasing rates and costs in the previous year, rather than

on data that will be up to three years old in 2007 as in the current formula. This means that funding is better targeted to the agencies that will need the funds in 2007, the CBPP said.

Since the average cost per voucher and number of families served have been falling for the past two years, basing renewal funding on more recent data means that each agency can be provided 100 percent of formula need at a lower cost, CBPP said. This would enable a portion of the voucher funding to be used to increase utilization and restore some vouchers lost in recent years, it said.

A second reason for the results from the H.R. 5443 formula is that it would distribute any remaining 2007 funds after each PHA receives 100 percent of the formula amount to high-performing agencies, which the CBPP said are positioned to use these vouchers.

Finally, the formula in H.R. 5443 establishes a new procedure under which HUD would recapture funds remaining unspent after one year and reallocate the money to high performers.

House Appropriations

The allocation method in the House appropriations bill is essentially unchanged from the formula used in 2005 and 2006 and would result in the loss of an estimated 26,000 vouchers by allocating a substantial amount of funds to PHAs that cannot or will not use them, the CBPP said.

According to the CBPP analysis, the total amount available to renew vouchers would be insufficient to fully fund the House appropriations bill formula, forcing HUD to reduce the proration to 91 percent of the formula amount from the 94.6 percent HUD funded in 2006.

The CBPP emphasized that these cuts would not result from an overall funding shortfall, but instead reflect the inefficient allocation of funds among agencies. More than 1,100 PHAs would have a reduction in the number of vouchers they could fund while nearly 500 others would receive \$144 million more than they could spend for their authorized vouchers, it said.

Senate Appropriations

The Senate appropriations bill would base voucher funding allocations on leasing and cost data from the most recent 12 months rather than on data from several years earlier. The CBPP said that this would encourage PHAs to use their funds as fully as possible in 2007 in anticipation that their 2008 funding would be based on their actual 2007 utilization.

However, the CBPP noted that the Senate bill does not include several incentives that are part of H.R. 5443. The Senate bill would not recapture and reallocate unused prior-year funds, and it also does not have the provision that allocates any funds remaining after the formula has been fully funded to high-performing PHAs.

Under the Senate bill, any funds remaining after the formula is fully funded would be divided among lower-performing and high-performing agencies. The CBPP estimated that as a result, the Senate bill would provide about 580 PFAs with \$66 million in excess funding which could otherwise support about 9,200 vouchers.

("Fixing the Housing Voucher Formula" is available from www.cbpp.org.)

ECONOMIC DEVELOPMENT

CD Financial Institutions Play Key Role in Development of Low-Income Communities, Bernanke Says

Community development financial institutions (CDFIs) play a key role in stimulating the development of low-income communities by addressing problems that hamper market-based investment, according to Federal Reserve Board Chairman Ben S. Bernanke.

In a speech at the Opportunity Finance Network's annual conference in Washington on November 1, Bernanke discussed "market failures" that can inhibit the efficient allocation of economic resources and how CDFIs deal with them.

Two types of failures, according to Bernanke, are neighborhood externalities and information externalities.

In a neighborhood externality, the actions of one person affect the economic condition of others, but the person taking the actions neither bears the full costs nor realizes the full benefits.

As a result, Bernanke explained, a person may not act in the best economic interests of the neighborhood as a whole. For example, the failure of some persons to maintain their properties can lower the value of well-maintained properties in the neighborhood.

An information externality, he said, involves the difficulty of gathering information about economic opportunities in an area. As a result, no single investor may find it profitable to obtain the data.

Role of CDFIs

"One purpose of CDFIs is to help overcome these and other market failures that inhibit local economic devel-

opment," Bernanke said. "For example, by facilitating larger-scale property development projects, coordinating public and private investment efforts, and working to improve amenities and services in a local area, CDFIs may help to solve collective action problems and reduce neighborhood externalities."

In addition, Bernanke said, CDFIs can address the problem of information externalities by taking on the cost of learning about their communities and developing specialized financial products and services that fit local needs.

"In general," Bernanke concluded, "CDFIs provide coordinated development activities and community-specific information that the market cannot supply on its own."

Bernanke noted that the specialized techniques needed to address the credit risks and particular needs of borrowers in low-income neighborhoods are costly and may not fit the automated underwriting systems used by many private lending institutions. CDFIs have developed flexible underwriting criteria, specialized loan products, and financial education programs to deal with these issues, he said.

Community Development Lending

Bernanke also discussed the profitability of community development lending. He noted that data from Community Reinvestment Act (CRA) examinations provide considerable information about the volume of CD loans, but less about their performance and profitability.

Bernanke cited a 2000 Federal Reserve survey in which nearly all banks reported that their community development activities were profitable, at least to some degree. In addition, about two-thirds reported receiving some benefit from their lending not related to profitability, such as an improved community image.

Since the Federal Reserve report, Bernanke added, studies undertaken by the CDFI Data Project show that for 2004, charge-off rates for CDFI portfolios were similar to those for the banking industry as a whole. He said these studies indicate that banks and other private organizations may become an increasingly significant source of competition for CDFIs.

"This is good news, not bad news," Bernanke added. "Indeed, the surest sign of a CDFI's success is that private investors see viable investment opportunities in the neighborhoods in which the CDFI has been operating."

Felisa Jessie, a tenant at Jerusalem Apartments, appealed from an order evicting her from her apartment and ordering payment of back rent. Pursuant to a lease she signed with her landlord, Jessie pays no rent so long as she complies with certain rules.

Jerusalem served a notice of intent to terminate Jessie's lease on the last day of its stated term. The notice alleged that Jessie or her guests had violated the rules of the establishment. She did not vacate, but Jerusalem considered the lease to have terminated, and Jessie's rent subsidy ended. A few days after the termination date, Jerusalem's representative notified Jessie that she owed \$469 rent pursuant to her lease.

A month later, Jerusalem successfully filed a forcible entry and detainer action alleging the nonpayment of rent. Jessie appealed from the ruling in that action.

Terms of Lease

The issue for the court was whether Jerusalem violated the terms of the lease when it sought to evict Jessie for nonpayment of rent. Jerusalem argued that it properly terminated Jessie's lease, that her subsidy ended when her lease did, and that she was responsible for the fair market rent for the apartment.

Jessie countered that Jerusalem had no right to end her rent subsidy except in certain circumstances. She also argued that Jerusalem's notice had to allege specific violations of the lease before it could be terminated, and Jerusalem had to allow her to defend against the termination on those specific grounds in court.

Reviewing the lease, the court said it was designed to comply with standards for federally subsidized housing. The lease required Jerusalem to take specific actions before it could end Jessie's rental subsidy or terminate her lease.

Court Ruling

The court found that Jerusalem violated the lease in two ways. First, it agreed to give Jessie notice if it wished to terminate the lease and agreed to evict her only on the grounds in the termination notice.

However, instead of complying with these requirements, the court said, Jerusalem behaved as though the lease terminated on the last day of the lease term, and it then took steps to end her subsidy. Later, it sought to evict her on grounds (nonpayment of rent) not contained in the termination notice.

Second, the court said that ending Jessie's subsidy was another violation of the lease. Jerusalem agreed that it would adjust rent payments only if Jessie began to earn income or failed to provide current information about her financial status, or if the amount she was required to pay toward her rent and utilities rose to a certain level. In each instance, Jerusalem was required to give Jessie notice and an opportunity to respond. None of the subsidy-adjusting events took place, the court said, and Jerusalem never gave Jessie notice of its intent to end her subsidy.

Landlord's Argument

Jerusalem argued that because it gave Jessie notice that it intended to terminate her lease and because she chose

to do nothing in response, the "lease was terminated for material noncompliance" as of the last date of its term.

The court found two problems with this argument. First, Jerusalem continued to treat Jessie as a tenant when it served notice that she owed rent. More importantly, said the court, the lease did not require Jessie to do anything when Jerusalem gave her notice of a proposed termination of her lease. However, Jerusalem treated the lease as terminated because Jessie elected to do nothing, the court said, but this violated the terms of the lease.

Other courts have considered the due process elements of these types of leases and have held that a landlord could terminate a subsidized housing lease only on the grounds outlined in the lease.

As the court summarized, "Jerusalem agreed to allow Jessie to reside in an apartment for '\$0' per month in rent contingent on a subsidy it agreed not to end, except under circumstances not present." In addition, Jerusalem agreed to evict Jessie based only on grounds contained in a formal termination notice.

Jerusalem violated this agreement when it sought to evict Jessie on grounds not contained in a formal termination notice, the court said. Because Jerusalem did not seek to end Jessie's subsidy on grounds specified in the lease or to evict Jessie on grounds outlined in the notice of lease termination, the court reversed the lower court and held that Jessie retains the right to possession.

RENTAL HOUSING

Court Blocks Enforcement of City Ordinance Requiring Tenants to Prove Citizenship or Legal Residency

The U.S. District Court for the Middle District of Pennsylvania blocked the city of Hazleton from enforcing an ordinance that required renters to prove citizenship or legal residency, based on the hardship faced by tenants facing eviction. (*Lozano v. City of Hazleton*, No. 3:06cv1586, 2006 WL 3085510 (M.D.Pa.), October 31, 2006)

Plaintiffs challenged the legality of two ordinances enacted by the city and sought a temporary restraining order to enjoin their enforcement. The first requires all renters to obtain an occupancy permit, which requires proof of citizenship or legal residency. The second prevents businesses from hiring or harboring illegal aliens.

According to the Third Circuit Court of Appeals, a court must consider four factors when ruling on a motion for a preliminary injunction: whether the plaintiff will be irreparably injured if relief is denied; whether granting relief will cause the defendant even greater harm; whether granting the requested relief is in the public interest; and whether the plaintiff has shown a reasonable probability of success.

Court Ruling

The court said that the threat of irreparable injury is clear in this case. A plaintiff and her children risk eviction, even though she is not an illegal alien under federal law,

and a plaintiff who is American citizen faces eviction because she cannot establish her citizenship. Further, two plaintiffs who own a restaurant contended that their business is suffering due to the ordinances.

"A monetary price cannot be placed on such matters as plaintiffs' housing, livelihood, and education," said the court, finding that monetary damages could not make the plaintiffs whole.

In contrast, the court said the potential harms alleged by the city — social disorder and chaos, higher crime rates, and burdens on hospitals and other public services — were only assertions, without any statistics or evidence to support these claims, and the city could not demonstrate that it would face greater harm than the plaintiffs.

Based on the harm the plaintiffs could suffer, the court found it in the public interest to protect residents' access to homes, education, jobs, and business. In addition, the plaintiffs raised constitutional issues and claimed the ordinances violated the Fair Housing Act, and the court said the public interest would be best served by delaying enforcement of the city's ordinances until it could carefully consider these issues.

Although it found the fourth factor — probability of success on the merits — to weigh less heavily in the plaintiffs' favor, the court said it was sufficient that the plaintiffs raised serious claims and there is a reasonable probability of success on the merits of at least one claim. More importantly, the other factors weigh so heavily in favor of the plaintiffs that the court said they were convincing enough to block the enforcement of the ordinances.

TAXATION

Projects with Non-Low-Income Tenants Are Subject to Property Tax

A federally tax-exempt foundation was not exempt from Louisiana property taxes on two apartment complexes it owned because not all of the tenants were low-income, ruled the Louisiana Court of Appeal, First Circuit. (*Whitten Foundation v. Granger*, No. 2004 CA 0934R, 2006 WL 3103379 (La. App. 1 Cir.), November 3, 2006)

Louisiana's constitution exempts from ad valorem taxes property owned by nonprofit corporations and associations if private shareholders do not benefit from the net earnings, the organization is exempt from income tax, and the property is not "owned, operated, leased, or used for any commercial purpose unrelated to the exempt purposes of the corporation or association."

Whitten Foundation owns and operates two apartment projects. It claimed that as a nonprofit, tax-exempt charitable purpose entity, it is exempt from ad valorem taxation pursuant to the state constitution.

A portion of the tenants are not low-income, but Whitten charges all tenants the same rent for comparably sized units. The issue for the court was whether Whitten's leasing to non-low-income tenants is a commercial use of properties that is related to its tax-exempt purpose.

Court Ruling

The court said it was undisputed that private sharehold-

ers do not benefit from the net earnings from the complexes and that Whitten is exempt from income tax. The parties disagreed as to whether Whitten's operation of the complexes constitutes a charitable purpose and whether Whitten is operating the properties for commercial purposes unrelated to its exempt purposes.

While the state constitution does not clearly define "charitable purpose," the court noted that the Louisiana Court of Appeal for the Fourth Circuit held, in *Hotel Dieu v. Williams*, 403 So.2d 1255 (1981), affirmed, 410 So.2d 1111 (La. 1982); that providing medical office and parking space near a nonprofit hospital was not a commercial purpose unrelated to the exempt purposes of a hospital.

The First Circuit also cited its own ruling, in *Johnson v. New Orleans Charities Building Corporation*, 2000-2772, 812 So.2d 741 (2002), that nonprofit corporations that lease property to unrelated commercial entities are not entitled to partial exemptions.

Charitable Purposes

Summarizing recent state cases, the court said that commercial use of a nonprofit corporation's property must be operated for the benefit of the charitable purposes of the corporation to entitle the nonprofit corporation to a property tax exemption.

In this case, the court said there was no evidence in the record that low-income tenants received any rent reduction or benefits from Whitten's operation of the apartment complexes as a commercial operation.

To qualify for property tax exemption, the property owner must operate exclusively for charitable purposes. The court said it had no evidence before it that Whitten operated exclusively for charitable purposes or even that it operated the two apartment complexes for charitable purposes.

For these reasons, the court said the two apartment complexes are not exempt from property taxes under the Louisiana constitution.

SECTION 8

Court Affirms Denial of Motion To Reinstate Terminated Subsidy

The U.S. Court of Appeals for the Seventh Circuit refused to reinstate a tenant's terminated Section 8 benefits, affirming the district court's denial of the tenant's motion for a preliminary injunction. (*Echemendia v. Gene B. Glick Management Corporation*, No. 06-1799, 2006 WL 2787171 (7th Cir. (Ind.)), September 27, 2006)

Teresa Echemendia, a disabled Hispanic, lived in an apartment building managed by Gene B. Glick Management Corporation for about 15 years and received Section 8 assistance. She sued Glick, its employees, and other defendants under the Fair Housing Act and other civil rights laws, claiming that they conspired to segregate the housing of Hispanics and the disabled.

While the suit was pending, Echemendia received notice from Glick reminding her of obligation for recertification in order to maintain her Section 8 subsidy. Her recertification date was December 1, 2005.

Instead of participating in a recertification interview, Echemendia moved for a preliminary injunction on October 11, 2005, to prevent termination of her subsidy. The district court denied that motion, and Echemendia did not appeal.

Reinstatement Sought

After her Section 8 subsidy was terminated on December 1, Echemendia filed another motion for a preliminary injunction, asking the court to direct Glick to engage in the recertification process and deem her recertified as of December 1.

She argued that Glick retaliated against her in violation of the Fair Housing Act, 42 U.S.C. Section 3617, by refusing to discuss recertification on December 13 and December 14, as she requested.

The district court also denied that motion, finding that after Echemendia's assistance was terminated, Glick assigned her Section 8 subsidy to another tenant on the waiting list and that Glick refused to recertify her in mid-December because no Section 8 was available at that time.

Accordingly, the court refused to issue the preliminary injunction, holding that Echemendia was unlikely to succeed on the merits of her Section 3617 retaliation claim because Glick's reasons for not recertifying her were not unlawful.

Court Ruling

Echemendia appealed this ruling, arguing that the district court abused its discretion in denying the injunction. She contended that Glick's refusal to recertify her violated Section 3617, breached her lease, and did not comply with HUD recertification procedures in violation of due process.

On appeal, the court noted that a party seeking a preliminary injunction must demonstrate, among other things, a likelihood of success on the merits of the underlying claim.

To prevail on her Section 3617 claim, the court explained, Echemendia must show both a retaliatory motive and Glick's intent to discriminate on a prohibited ground, such as race or disability, when it refused to recertify her. Evidence of discriminatory intent may be direct or indirect; using the burden-shifting framework established in *McDonnell Douglas Corp. v. Green*, 411 U.S. 792 (1973).

Lack of Evidence

The court noted that Echemendia produced no direct evidence of discriminatory intent. As for indirect evidence, one of the requirements for establishing a prima facie case of discriminatory intent is a showing that the denied benefit remained available.

In this case, however, the district court found that the Section 8 subsidy was assigned to another tenant and was therefore no longer available, and the Seventh Circuit held that this determination was not clearly erroneous.

Moreover, the court added, if this element of a prima facie case is treated as requiring Echemendia to show

that the Section 8 slot was filled by a similarly situated individual outside of her protected class, her case still fails. "Echemendia has not adduced any evidence to show that a non-disabled or non-Hispanic individual who missed the recertification deadline was treated better," the court said.

The court also found no likelihood of success on Echemendia's claims for breach of the lease and violation of due process. The lease provided that she could be recertified after the deadline if "assistance was available," but the court noted that in this case, Section 8 was not available.

The court also noted that procedural due process imposes constraints on governmental decisions, not the actions of private parties, such as Glick.

LAND USE

Affordable Housing Application Approved, Subject to Conditions

The Connecticut Superior Court, Judicial District of New Britain, approved a developer's affordable housing application, subject to a number of conditions, reversing the rejection of the application by the Bethel Planning and Zoning Commission. (*Toll Brothers, Inc. v. Bethel Planning & Zoning Commission*, No. HHBCV030523881S, 2006 WL 3114387 (Conn.Super.), October 19, 2006)

The case involves an application by Toll Brothers, Inc. to build 129 townhouses on 22 acres in a R-10 zone, whose principal permitted use is single-family dwellings on 10,000-square-foot lots.

Connecticut law mandates that 10 percent of a municipality's housing stock must be affordable, and the court noted that only 6.48 percent of Bethel's housing qualifies as affordable under Section 8-30g of the General Statutes.

Burden of Proof

The court explained that under Section 8-30g, the commission has the burden of proof that its rejection of the application is based upon the protection of some substantial public interest, that the public interest clearly outweighs the need for affordable housing, and that there are no modifications that reasonably can be made to the application that would permit the application to be granted.

The commission gave a number of reasons for denial of the application, but the court noted that the principal reason was the failure of the plaintiff to obtain approval for sewer service from the Bethel Public Utilities Commission (BPUC).

Rejecting this argument, the court said that since the BPUC had neither approved nor disapproved the plaintiff's application at the time the commission acted on the affordable housing application, the principle first formulated in *Faubel v. Zoning Commission*, 154 Conn. 202 (1966) applies.

Under that principle, the court explained, a zoning authority's action which is dependent on action by another agency over which the authority has no control can-

Voters Respond on Eminent Domain, Regulatory Takings

On Nov. 7, voters in nine states approved ballot measures imposing new restrictions on the use of eminent domain for economic and community redevelopment. Meanwhile, voters in California, Idaho and Washington rejected proposed state constitutional amendments with regulatory takings provisions after critics successfully argued that those measures would undermine the ability of state and local governments to enforce zoning ordinances and environmental regulations.

Regulatory takings occur when the government limits an owner's property uses through the application of regulations that do not result in a change of ownership. This kind of taking is distinct from the exercise of eminent domain, in which the state uses its inherent power to expropriate private property without the owner's consent, provided that the property is then put to public use.

Legislatures and voters in at least 30 states have now passed laws, amended state constitutions, or approved statutory initiatives in reaction to the U.S. Supreme Court's 2005 decision in *Keio v. New London*, which upheld the ability of states and localities to exercise eminent domain for the purpose of economic development. The anti-Kelo backlash also created new momentum for a movement, funded in large part by a national network of libertarian organizations, to empower property owners to seek compensation from state and local governments by arguing that the application of land use regulations can diminish property values in a manner that is the practical equivalent of condemnation. These regulatory takings claims cite the Fifth Amendment's guarantee that private property shall not be taken for public use without just compensation.

Several state ballot measures featured both eminent domain restrictions and regulatory takings provisions, including California's Proposition 90. This ballot initiative would have amended California's state constitution to forbid the taking of private property for private use while also requiring state and local governments to provide compensation for diminished private property values resulting from the enactment of new land use, housing, consumer, environmental and workplace laws and regulations.

As an example of a potential consequence of the measure, the official "Argument against Proposition 90" in the State of California's Official Voter Information Guide described the following scenario:

"If local voters pass a measure to limit a new development to 500 houses - instead of 2000 houses that a developer wants to build - then, under Prop. 90, the developer could demand a payment for the value of the remaining 1500 houses."

Although California voters defeated Proposition 90, its supporters have already signaled their intent to work toward placing the measure on the state's 2008 ballot.

For more election results on these issues, visit www.nahro.org/members/news/2006/061110.cfm.

California's tops - in unaffordability

This story appeared in the Antelope Valley Press on Wednesday, November 22, 2006.

By TINA FORDE
Valley Press Business Editor

SACRAMENTO - According to third-quarter national housing affordability ratings, 28 of the top 50 least affordable metropolitan areas in the nation are in California.

The Los Angeles-Long-Beach-Glendale area is No. 1 on the National Association of Home Builders Wells Fargo Housing Opportunity Index, with just 1.8% of the homes sold affordable to the county's median-income families.

The index calculates the percentage of homes in a metro area that were sold there during a three-month period that could be afforded by a family earning the region's median income. It assumes that buyers will finance 90% of the purchase price, with a 30-year fixed-rate mortgage, and takes into account prevailing interest rates, property taxes and insurance costs.

According to the report, nationally 40.4% of homes are considered affordable, and in 98 metropolitan areas across the country, at least half of the homes are still affordable.

In a statement responding to the new data, Robert Rivinius, California Building Industry Association president and CEO, said, "Despite a cooling housing market where prices have fallen slightly, affordability continued to worsen in most California markets."

The California builder organization found that during the third quarter of the year, affordability fell in 14 of the 28 California metro areas surveyed.

"Adding to the grim picture," the organization said, "in 20 metro areas, less than 10% of the homes could be afforded by families earning the median income there."

Rivinius said, "We think housing prices have stabilized and we know interest rates are very favorable, so this is a great time to buy a home. But we could make it even better by enacting needed reforms" including streamlined approval processes, reform of environmental laws and taking "a closer look at developer fees."

California, he said, "is at risk for losing its college graduates and young families.

If they can't hope to buy a home here, more and more of our best and brightest leaders of tomorrow will leave California for communities in other parts of the country where home ownership is still a realistic possibility."

For a printable version of the chart of 50 least affordable metropolitan areas, including median income and median sales prices, go to the Web sites of the California Building Industry Association, www.cbia.org, or the National Association of Home Builders, www.nahb.org

La Opinion December 9, 2006

Section 8 Renters Claim Discrimination

Maria Graciela Luna of South Gate and her two daughters have been asked to evict the house they have lived in for the past 18 years. Due to some ongoing health problems, since 1989, Ms. Luna has been a recipient of Section 8. For a three-bedroom house, where she resides with her daughters and two grandchildren, Ms. Luna paid \$975.00 on a monthly basis, of which Section 8 would assist her payment with \$305.00.

During the last 7 months, Ms. Luna and her two daughters have been looking for housing to rent, but once the renters know that they belong to Section 8, they refuse them. Because they would need something similar for the five of them, they would be unable to obtain that with the same \$670.00 dollars. They require the assistance of the Housing Authority. They insist though, that once the renters find out that they are part of the program, they give them all sorts of excuses to refuse rental.

Guadalupe Gonzalez, ACORN Organizer confirms that owners do not want to be involved in the program to avoid verification problems. According to ACORN, Ms. Luna's case is not unique, since there are many families that are unable to acquire rental housing because they belong to Section 8. Since about two years ago, owners do not want Section 8 renters. They used to be welcome because it was secure rent money, the government sends them payment on time, but now, they are not interested. They feel that once they have a contract with the City, it is not as easy to get rid of renters, change the contract, or raise the rent. They would also have to maintain the property in quality condition.

There are 1.7 million people throughout the country that live under the Section 8 regimen, of which a little more than 20 thousand families are located in the County of Los Angeles, of these 58% are African-American, and 24% are Latinos.

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This story appeared in the Antelope Valley Press on Wednesday, December 13, 2006.

County Section 8 program 'troubled'

Housing Authority's effort earns 73 points out of 145

By LISA WAHLA HOWARD

Valley Press Staff Writer

After scoring poorly on several key indicators, the Section 8 housing program run by Los Angeles County's Housing Authority has received a "troubled" rating from the federal government.

The program receives funding from the Department of Housing and Urban Development, which monitors its performance. On a recent HUD assessment, the county's program scored 73 points out of a possible 145 to earn the rating.

The county's Section 8 program offers housing vouchers to some 21,000 low-income households, including about 3,000 in the Antelope Valley. The vouchers allow recipients to pay a portion of their monthly income - often about 30% - toward the rent, with the Housing Authority paying the rest.

HUD spokeswoman Donna White said of the nation's 2,000 or so Section 8 programs, fewer than 130 are rated as "troubled," with the rest receiving a "standard" or "high" rating.

"The Housing Authorities should (strive) to be at least standard," White said. "A small percent of our housing authorities are in troubled status."

On the assessment, the Housing Authority received 0 of 10 possible points in two categories related to housing quality inspections and in a third category related to "timely annual reexaminations," whereby Section 8 personnel verify that participants remain income-eligible to stay on the program.

The Housing Authority received 0 of 20 points possible in two categories: determination of adjusted income, as participants are allowed to deduct certain expenses such as utilities from their income to determine program eligibility; and "lease up," or the percent of vouchers in use at any one time.

HUD wants to see programs always using at least 95% of their vouchers, while the county's program is operating at roughly 87% lease up, said Carlos Jackson, the county Housing Authority's executive director.

Jackson said Tuesday he is confident the agency will overcome its problems and regain a "standard" rating next year.

"By providing the infrastructure and the resources, we'll get it up," Jackson said, noting he has contracts in place with three consultants to assist senior management, train staff and provide quality control.

The Board of Supervisors on Tuesday approved contract extensions for two of the consultants - the Bronner Group and Edward Griffin Consulting - to work closely with the Housing Authority to rectify problems.

2 of 2

The Bronner Group will receive a total of \$124,999 to provide quality control reviews of Section 8 cases, while Griffin will receive a total of \$100,000 through Dec. 31, 2007, for his assistance to senior management.

The contracts were approved on consent on a 4-0 vote Tuesday, with Supervisor Zev Yaroslavsky absent.

"The Housing Authority is working aggressively on implementing corrective measures and has retained two experienced consultants to conduct program audits, provide staff training, help design and implement new systems and procedures and assist with preparing responses to the HUD findings," Supervisor Yvonne Brathwaite Burke said in her motion recommending the contract approvals.

HUD officials in Los Angeles are reviewing the program this week and will issue a report in the next couple of months with findings and ways to improve problems.

"We work together to make sure we can go into a Housing Authority, identify weaknesses and give them the tools and technical assistance they need," White said. "Our assessment will be on where their program is, and we'll work with the Housing Authority and the (county) Board (of Supervisors) on a (corrective action plan) CAP to address weaknesses, and we'll give target dates to see improvements on the indicators. It's early in the game to say what the issues are."

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Amar landlord being probed

Government investigating evictions

By Nisha Gutierrez Staff Writer
San Gabriel Valley Tribune

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LA PUENTE - The U.S. Department of Housing and Urban Development has opened an investigation into an apartment management company to determine if it illegally evicted some tenants.

HUD officials Thursday said that they are reviewing accusations made against Rampart Properties, Inc., the company that manages Amar Plaza Apartments, at 15640 E. Amar Road.

HUD spokesman Larry Bush said several past and present tenants have filed complaints against Rampart.

"All I can say is we are looking at some of the eviction issues and gathering information to find out if the way things were handled conformed to HUD rules," Bush said.

Some tenants have also filed lawsuits against Rampart, accusing the company of mismanaging Amar Plaza, a nonprofit housing cooperative that provides affordable housing for low-income people.

While Bush would not comment on the details of the HUD complaints, Sharon Green, a tenant at the apartments for 31 years, said they all relate to evictions.

"This management company is corrupt and what they are doing to us is unfair," said Green, who organized a protest against Rampart in August. "People are being thrown out on the street and harassed for no reason."

Frank Acevedo Sr., president of Rampart, did not return phone calls.

Bush said HUD officials visited Amar Plaza on Wednesday. The investigation is expected to continue for the next few weeks. HUD will look into overall management issues and review each eviction file to make sure the process followed HUD guidelines, Bush said.

Officials said HUD guidelines require tenants be given a 10-day notice. They must also be referred to an attorney and have their residential records reviewed.

The eviction process must also comply with California laws, Bush said.

Resident Yolanda Ponce, who is fighting her pending eviction and has a lawsuit pending against Rampart, believes the company failed to follow HUD's rules and hopes the investigation will lead to a new management company for the apartments.

"I have spent a lot of money fighting the evictions," Ponce said. "The only money I have in my bank account is for my rent, and if I evicts me, I have nowhere to go."

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<http://www.latimes.com/news/la-fi-homes13dec13,1,1554260.story>

Housing still up in some areas

Home values continue to increase in the county's less-expensive neighborhoods, offsetting declines in higher-end ZIP Codes.

By Annette Haddad

Times Staff Writer

December 13, 2006

Bell, Inglewood and South Los Angeles are hot. Manhattan Beach, Tarzana and Beverly Hills' 90210 are not.

Thanks to gains in some of Los Angeles County's most-affordable neighborhoods, the county's overall median price in November edged up 2.6% over the year-ago month, to \$510,000, La Jolla-based research firm DataQuick Information Systems said Tuesday.

Median prices in Inglewood, Whittier, Bell, Pasadena and large swaths of South L.A. rose at least 17% in the three-month period ended in November, DataQuick said.

These smoldering neighborhoods, considered more affordable, were the last to heat up during the recent housing boom. Although they are expected to eventually cool off, for now they are helping to offset price declines in once-hot markets that have become less affordable.

Those now-slumping ZIP Codes include Beverly Hills' 90210, Manhattan Beach's 90266, Tarzana's 91356 and Alhambra's 91803 — where the median price fell at least 10% from September to November, DataQuick reported.

"It's clear that many of the more-expensive neighborhoods have seen their run, while there's still some gas in the tank for less-expensive neighborhoods," said John Karevoll, chief analyst for DataQuick.

Other California counties, most notably San Diego and Sacramento, began seeing overall median prices decline earlier this year.

Karevoll and other housing observers expect L.A. County's median to flatten and possibly depreciate within the next couple of months. That's because sales continue to decline versus year-ago levels. Slower sales have put downward pressure on prices in Southern California and the nation.

In November, Los Angeles County sales decreased 19% from the year-ago month, the smallest such decline in five months, DataQuick said. November is usually one of the slowest months for sales. Yet, with only 7,351 transactions logged last month, it was the worst November since 1997.

Still, the latest statistics indicated that the housing market in the nation's most-populous county — it accounts for a third of Southern California's home sales — continues to settle down from its recent peak but is not yet exhibiting signs of a crash.

"We're just not seeing the turbulence in the numbers that we would if we were in the midst of a real downturn," Karevoll said. "It's not like the surge period, but L.A. is doing pretty well as far as prices go."

Falling mortgage rates are helping to keep the housing market from deteriorating at a faster pace, analysts say. Long-term rates are at an 11-month low.

One community revving at high speed is Lincoln Heights, where the median price rose 18.3% to \$491,000 in

Los Angeles Times: Housing still up in some areas

Santa Clarita	91390	757,500	650,000	-14.2
Manhattan Beach	90266	1,570,000	1,379,000	-12.2
Rancho				
Palos Verdes	90275	1,235,000	1,091,000	-11.7
Monterey Park	91755	602,500	532,500	-11.6
Torrance	90505	850,000	758,750	-10.7
Alhambra	91803	561,500	505,000	-10.1
Palos Verdes				
Peninsula	90274	1,590,000	1,455,000	-8.5
Los Angeles/				
Rancho Park	90064	977,250	899,000	-8.0

Biggest percentage gains

Area	ZIP	Median price		% change
		Sept.-Nov. 2005	Sept.-Nov. 2006	
South Los Angeles	90061	\$338,000	\$435,000	+28.7
South Los Angeles	90037	375,000	469,000	+25.1
East Los Angeles	90063	350,000	422,273	+20.6
South Los Angeles	90011	356,000	427,250	+20.0
Inglewood	90305	475,000	570,000	+20.0
Whittier	90602	485,000	577,500	+19.1
Bell	90201	415,000	492,500	+18.7
Los Angeles/				
Lincoln Heights	90031	415,000	491,000	+18.3
Pasadena	91103	535,000	630,000	+17.8
Los Angeles/				
Watts	90002	335,000	392,500	+17.2

*ZIP Codes with at least 25 homes resold.

Source: DataQuick Information Systems

Los Angeles Times

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November, DataQuick said.

Located just north of downtown L.A., Lincoln Heights has seen a surge in home buying after Puerta del Sol, a new condominium complex within walking distance of the Gold Line, opened for business a year ago.

A big reason why: affordable pricing. Catering to middle-income government workers, teachers and public safety personnel, units at the project range from the high \$200,000s to the high \$400,000s. Its sales are outpacing those at most new-home projects in the county, according to research firm Ryness Co.

"We wondered how we would be able to afford a home in L.A.," said Carlos Guerrero, who, with fiancée Sarita Garcia, moved into the complex last month. Both are school psychologists for the Los Angeles Unified School District. "We see it as an emerging area with a lot to offer and it's still relatively affordable."

The project's developer, Agoura Hills-based AMCAL, is now turning its sights on another still-appreciating neighborhood at 94th and Broadway in South L.A.

There, the company, which gets special government tax breaks for building below-market-rate housing, plans to begin construction on a community of 50 detached homes next spring.

"It's not as profitable and not as glamorous," AMCAL President Percival Vaz said. "We pick neighborhoods that are pioneering."

Still, more than 51% of L.A. County residents are renters. For them, the cost of housing continues to rise.

A separate report Tuesday found that to be able to afford a standard two-bedroom apartment without paying more than 30% of income in rent, a household needs to earn \$4,230 monthly — more than \$50,000 a year.

That would translate into a wage of \$24.40 an hour, according to the Southern California Assn. of Non-Profit Housing. In 2000, the group pegged its so-called "housing wage" at \$17.29.

"Every year it is becoming more difficult for low-income working families to find decent homes they can afford," said Paul Zimmerman, the association's executive director.

In L.A. County, minimum wage workers earn \$6.75 an hour. By the group's calculations, such a worker would have to work 135 hours a week, 52 weeks a year, to afford an apartment with an average rent of \$1,269.

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Losers and gainers

Los Angeles County ZIP Codes with the biggest depreciations and biggest gains in median home prices in the last three months:

Biggest depreciations

Area	ZIP	Median price		%
		Sept.-Nov. 2005	Sept.-Nov. 2006	
Tarzana	91356	\$1,175,000	\$982,500	-16.4
Beverly Hills	90210	2,250,000	1,897,500	-15.7

'Stunner': County Section 8 program inefficient

Los Angeles County, have I got a deal for you! As you no doubt saw in Wednesday's paper, the county's Section 8 housing program received low marks from the federal government. Being told by the federal government that you are inefficient is like being told by Britney Spears that you are low class. It has to hurt!

Though for readers of the Great Suburban Newspaper, who have been following Section 8 horror stories for months, word that the county program is inefficient was probably greeted with the same, "Yes and ...?" attitude that would accompany the headline: "Pope Benedict XVI found to be Catholic."

Naturally, when it was determined that people in its employ were failing to do their jobs and thus wasting millions in taxpayer money, the county did what every government entity does when it is revealed to the public that people in its employ are failing to do their jobs and thus wasting millions in taxpayer money — it hired consultants.

You know the line: "Do you work?" "No, I'm a consultant."

Consultants. Everybody hires consultants. What do we pay the employees for? Why can't they do the job they are hired to do without government spending more on consultants?

The county had already hired not one but three consultants to help rectify its Section 8 problems. Two of them renewed their contracts this week, for a total of more

than \$200,000.

Here's my offer to the county: I'll do it for much less. Here's what you do: Insist the people in the Housing Authority do the jobs they're paid to do. If they don't, fire them and hire someone who will.

There, I just saved the county \$200,000.

Ironically, some of the areas the county was rated poorly in didn't even cover the main problems with Section 8. The federal report talked about poor housing conditions and not using enough Section 8 housing vouchers.

Under the program, low-income people rent from private landlords and pay a portion of the rent they can afford, with the federal government picking up the rest. It is thus federally funded but locally administered, in this case by the Los Angeles County Housing Authority.

The federal report also hit the county on the failure to do annual checks to make sure the people living in the homes still qualify financially to live in government-subsidized housing, and that's getting more to the heart of the problem in terms of the havoc Section 8 creates in our community.

Yes, the county should do better at making sure there are good living conditions for the people truly in need, but the gangsters and con artists who move into Section 8 homes and ruin entire blocks of otherwise nice neighborhoods need to be kicked out and, as needed, jailed for fraud and other crimes.

To its credit, the county, at the behest of Supervisor Mike Antonovich, as well as the cities of Palmdale and Lancaster, are doing a terrific job of performing compliance checks here in the AV. There

are visits by inspectors to the homes of Section 8 tenants to make sure they are following the simple rules of the program: No unauthorized people living in the house, no parolees, no drugs, no unreported income.

The cities and the county, acting on tips from the public, send inspectors to perform these compliance checks, and because they may be walking into a gang house, the inspectors are escorted by armed sheriff's deputies for their protection.

They've found hundreds of violations and moved to evict hundreds of fraudulent residents. And, I'm told by those who are involved in these checks, they get heat from the Housing Authority officials downtown who don't like the compliance checks.

In other words, the only thing the county is doing right when it comes to Section 8, the Housing Authority big shots don't like.

So there you have it.

They're not getting the job done, so they'll throw more money at it by using more consultants and kick the can down the road for a while. That's the way government does things.

Is anyone surprised? What religion is Pope Benedict?

William P. Warford's column appears every Tuesday, Thursday, Friday and Sunday. Contact him at (661) 267-4166; P.O. Box 4060, Palmdale, CA, 93590-4060; or William.Warford@avpress.com.

Today, a blueprint for saving 200K in consulting fees.

William P. Warford



Columnist
Antelope Valley Press

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Alexander is the King of holiday cheer
By Doug Krikorian, Staff columnist
Article Launched: 12/15/2006 12:00:00 AM PST

Between those daily banalities of meeting with department chairs and meeting with faculty members and meeting with students and meeting with his senior management team, F. King Alexander took an hour and a half off from his busy schedule early the other afternoon and drove over to the Carmelitos Public Housing Development in North Long Beach where he engaged in a slightly different role.

The president of Long Beach State played Santa Claus.

Figuratively.

He delivered a large bag brimming with new basketballs and soccer balls to the recreation center at the sprawling 64-acre complex with its 85 buildings, 67 units and more than 1,750 residents.

"This is terrific," said Earnest Johnson, resident coordinator of Carmelitos and one-time Long Beach State football player.

"The kids will love it," said Raquel Celaya, recreation coordinator of Carmelitos and a Long Beach State student.

"Great," smiled Alexander.

It was a most poignant scene, the president of a major university lending his support on his own to a low-income community that is always in need of new athletic equipment for the 800 kids on the premises.

Alexander believes passionately in his school engaging in such philanthropic gestures, and proudly says, "About 35 percent of our students do volunteer service work in the community."

No one was more thrilled about King Alexander's presence than Johnson, a defensive back for George Allen in 1990 and for Willie Brown in 1991, the final season of 49er football.

Earnest Johnson was for a time a real estate agent in Orange County, but then started doing volunteer work at the Boys and Girls Club in La Habra.

"I loved working with the kids immediately - and I found it a lot more fulfilling than real estate," he says.

Soon, he was working full-time at the La Habra club, and then did the same in Tustin before accepting his position a year ago at Carmelitos.

"I guess you can say this is my way of giving back to the community," said Johnson, who grew up in a single parent home in Venice and moved in with an uncle in San Diego when his mother was in the throes of a serious drug addiction. "Like a lot of these kids here, I didn't have it easy when I was young. When I was nine, I was caring for two people - myself and my mother."

But Earnest Johnson survived, and he spends his working hours these days at Carmelitos setting up various programs for those who live there, as well as helping them out with employment opportunities.

"I remember when I was young how some grownups helped me, and now it's my turn to do the same," he says. "Now it's my turn to give the advice and guidance to those who need it."

I'll go see "Rocky Balboa," but only if someone gives me a considerable amount of money to do so. I would never voluntarily watch a phony, broken-down actor like Sylvester Stallone who never displayed even the faintest knowledge of the sweet science when he was young and vainly portraying a boxer in those camp "Rocky" films. No way I'd waste my time watching Stallone try it again when he's old ...

My NFL Coach of the Year is New Orleans' Sean Payton ...

The mailman delivered a letter the other day from Donald J. Trump of New York City, 230 Park Avenue, Suite 1130.

Enclosed were two tickets to hear Trump speak on real estate January 12 at the Torrance Marriott. I'd prefer to hear him speak on women. . .

For the record, Donnie No Win, my lovable gambling friend with a notorious knack for picking losers, has changed his mind and is laying the 1" and taking Michigan over USC in the Rose Bowl and laying the eight and taking Ohio State over Florida in the BCS title game. That means, of course, that the Trojans and Gators are cinches to cover the spread. . .

You know him as Bob (Bananas) Foster in this column, but he's known to friends as Bob (Bear) Foster. . .

Received a call the other day from the former Long Beach mayor, Beverly O'Neill, and she sounded great and was uplifting, as she always is. . .

I have no idea why Donald Sterling gave Mike Dunleavy a contract extension since one day he'll wind up firing Dunleavy, a fate Dunleavy suffered in Portland and Milwaukee. . .

Actually, Sterling might wind up firing Dunleavy this season if the Clippers continue to falter so badly. . .

One of the surviving members of the old Bud Furillo entourage of Downey, 86-year-old Sal Palumbo, called Thursday to chide me for leaving Bud's name out of my Holiday column. An oversight. . .

Had a nice hour chat late Monday afternoon with Pete Rose before Edward Gonzalez and Sabrina Lakhani opened the doors of their Shipmates establishment in Cerritos to the 90 people who paid \$75 each to receive an autographed baseball from the great baseball player.

He informed me he was 10 for 59 in his career against Sandy Koufax, but wound up batting .304 against the 19 pitchers he batted against who wound up in the Hall of Fame. The toughest pitcher he ever faced? "Juan Marichal," he answered.

Rose remained at Shipmates for four hours, and spent one of them in a question and answer session with his fans.

"Pete couldn't have been more hospitable," said a thrilled Gonzalez, who didn't even have to give Rose an appearance fee. . .

I guess Lamar Odom never will make it through a season intact. . .

Heard Karen Perez's party last Friday was terrific - oh, how could the world's sexiest water polo mom not invite me! - and I know Bad Stu Ledsam's party Sunday night at his Seal Beach estate also will be terrific. I actually was invited to this one, but proximity prevents me from attending.

I'll be a few miles away in Brussels, Belgium. . .

I've always felt real misery cuts off all paths to itself. . .

Lord Jimmy Wieser, owner of Curly's and the Thirsty Isle, claims one of the nicest people in Long Beach is Brian (The Wagon Buster) O'Connor, Hall of Fame bartender at the Black Angus in Cerritos. Obviously, Wieser's never met John Morris, or Chris Pook. . .

Inland Valley Daily Bulletin 12-15-06

County's Web site a model of openness

By Shelli DeRobertis, Staff Writer
Article Launched: 12/15/2006 12:00:00 AM PST

Los Angeles County has 39 government departments with offices scattered across 4,000 miles, but Judy Hammond, director of public affairs for the county, said they try to make it as easy as possible for the public to access documents.

Obtain Public Information: Freedom Friday

"This is a public agency. The documents belong to the public," Hammond said.

She said as much information as possible is put on the county's Web site, such as information about public records act, media policy, county job listings and transcripts from Board of Supervisors meetings, which remain posted indefinitely.

"We're using the Internet more and more as a way the public can have access any way they want it," she said.

The site also helps the public navigate the many county departments and services with forms, publications and contact numbers.

For citizens who want to review weekly board meetings, the official transcripts are posted within two days, and the court-certified transcripts are available within five days.

"In my experience, it is unusual," said Terry Francke, general counsel for Californians Aware, an open government advocacy group. "They're certainly not required to put anything on their Web site at all."

The board meeting agendas and results that are posted on the county's Web site also include brief descriptions of matters discussed in closed session and the results of the discussions.

Francke said the site's content is out of the ordinary, but in line with the spirit of the state's Ralph M. Brown Act, which regulates how public agencies handle records and meetings.

"I think it's entirely consistent with the intention of the legislation to remove as much mystery as possible from closed sessions and why they are called," he said.

The county Web site is www.lacounty.info.

Staff writer Shelli DeRobertis can be reached by e-mail at shelli.derobertis@dailybulletin.com, or by phone at (909) 483-8555.

LA Housing Authority Resumes Section 8 Housing Program

LOS ANGELES -- After years of fiscal mismanagement, the Los Angeles Housing Authority is financially sound and issuing housing vouchers again, Mayor Antonio Villaraigosa announced on Tuesday.

The mayor announced the agency's turnaround and congratulated more than 30 families who received vouchers which will help make their housing more affordable.

"After years of fiscal mismanagement, charges of embezzlement and operating in the red, the Los Angeles Housing Authority is back on its feet and fiscally sound," Villaraigosa said. "For the first time in over a year, we are issuing housing vouchers to the elderly and working families who are struggling to make ends meet, giving them a roof over their heads and a place to call home."

The housing voucher program, also known as the Section 8 program, provides low-income people, families, senior citizens and disabled people with vouchers to subsidize their housing. Participants typically pay one-third of their income on rent, and the voucher pays the remaining balance.

Villaraigosa made the announcement with Andrea Brown and Amelia Teresa Egues, both recipients of the housing voucher program, and Rudy Montiel, executive director of the Housing Authority.

In February 2004, the Housing Authority was forced to take back 1,500 vouchers it had issued to families as well as completely stop issuing housing vouchers to those on the regular waiting list because of extreme mismanagement, according to the mayor's office.

The Housing Authority failed to secure adequate funding from the federal Department of Housing and Urban Development (HUD), and one of its top administrators was fired after investigators questioned as much as \$1 million in agency spending, including billings that appeared to have been for personal expenses.

There were additional allegations of criminal wrongdoing related to contracting. The executive director was forced to resign, and in January 2005, a federal audit was ordered after HUD discovered HACLA had been operating at a \$24 million loss in 2004.

Villaraigosa said the agency has balanced its budget of about \$875 million under the new management of Montiel and his senior staff.

The Housing Authority will soon begin issuing new vouchers to those on the regular waiting list and it anticipates issuing 10,000 valid housing vouchers by the end of 2007. It is also issuing more than 2,000 vouchers to homeless individuals and families who currently live in transitional housing or emergency shelters.

"I am proud of the turnaround that the Housing Authority has achieved in the last year and look forward to working with Rudy and the rest of the agency to increase access to affordable housing for our homeless and lowest income individuals," Villaraigosa said. "In time for the New Year, we can celebrate our ability to give to those who need it most."

WEDNESDAY, DECEMBER 27, 2006 / DAILY NEWS

City resumes issuing rent-subsidy vouchers

BY RICK ORLOV
Staff Writer

Two years after a federal investigation shut down expansion of Los Angeles' housing-voucher program, city officials announced Tuesday they have resumed issuing new rental-subsidy vouchers for needy families.

"This is about helping people get ahead in life," Mayor Antonio Villaraigosa said at a news conference in front of the refurbished Bryson Apartment complex near MacArthur Park.

Under the federal Section 8 program, 33 families at the complex are among those who will receive vouchers to offset their rental costs.

Andrea Brown and her family received a voucher after 13 years on the program's waiting list.

"I thank God; I thank the city," Brown said. "A two-bedroom apartment for me and my kids is something we never thought possible. Now we have a two-bedroom apartment. I'm so happy, I could cry."

The program — which will add more than 3,000 vouchers to the 45,500 already issued in the city — pays for about 30

percent of qualified families' rental costs. Still, there is limited funding and a waiting list of about 25,000 families.

Expansion of the program comes after the federal Housing and Urban Development agency refused in 2004 to allow the housing authority of L.A. to issue new vouchers because an audit found officials had inappropriately used \$30 million in a reserve fund to cover the costs of 1,500 vouchers. At the time, the agency had a \$25 million deficit.

Since then, the authority has made changes and now has \$18 million in funds to distribute. Villaraigosa credited Rudy Montiel, the authority's executive director, with turning the program around.

But the mayor said challenges remain, including finding landlords willing to take tenants covered by the program.

"We have to constantly work with landlords to convince them," Villaraigosa said. "These are good people, hard-working people who just need some help at this point in their lives to get ahead."

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THE AV PRESS - THIS WEEKEND
L.A. SERVICES FROM
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Personal side of Section 8 dilemma

This story appeared in the Antelope Valley Press on Sunday, December 31, 2006.

By LISA WAHLA HOWARD
Valley Press Staff Writer

PALMDALE - Trish Coffman has lived next door to difficult Section 8 neighbors, and she promised she wouldn't be anything like them.

A single mother of two now-grown children, unable to work because of medical problems, the 48-year-old Coffman has been on the waiting list for a Section 8 voucher off and on for 12 years. The Section 8 program uses federal money administered through the Los Angeles County Housing Authority to help low-income families pay their rent.

Her governmental disability check leaves her with only \$167 a month after the rent is paid on her two-bedroom house off a dirt road in Palmdale, near 15th Street East and Avenue Q.

"If I was able to get a voucher and was able to find a place, to me, that would be a gift," she said. "There's no way I would abuse it, for fear of getting caught. I wouldn't jeopardize that."

Coffman first applied for a voucher in 1994, while separated from her husband and raising a daughter and son, then in elementary school. She was working part-time for a school district and receiving welfare benefits. Her husband died in 1995, and Coffman got sick a year later.

In 1997, after suffering through numerous symptoms and tests, she was diagnosed with lupus, an autoimmune disease. She continued working but required a lot of time off. Then, in 2000, she had a heart attack and needed major heart surgery.

"After that, my doctors wouldn't let me go back to work," said Coffman, who also battles lupus-related rheumatoid arthritis. "I've tried going back to work in the last few years, and I can't make it. I can't do it."

Coffman tried working again for a few weeks in September and ended up with major back pain that required surgery in October.

Coffman said she is able to make her rent and buy food and other necessities with the help of her family.

But that grew more difficult when her daughter Ashley graduated from high school in

surgery. "I've been waiting 10 years for this, I wasn't about to blow it, to let it slip through my fingers, after waiting as long as I had."

But the package she mailed apparently arrived late or never arrived. Coffman later received a letter saying she was put back on the waiting list.

"That could be eight, nine, 10 months - by then I could be living in my car," she said.

Coffman said she has left numerous messages with the Section 8 office since the mix-up but hasn't heard back.

"I'm losing faith in our system to help out people who really need it," she said. "The only reason I need help is because I'm disabled. I'm not looking for a handout."

When questioned by the Valley Press, Los Angeles County Housing Authority officials said they were looking into Coffman's situation.

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But when those rules aren't followed, the Section 8 home is poorly maintained or any of a myriad of other problems take place, nearby residents complain.

A dramatic increase in enforcement efforts, requested by area city officials in response to residents' complaints, has uncovered hundreds of cases of Section 8 voucher-holders in the Valley breaking the rules. During the last 18 months in the Valley, more than 360 vouchers have been terminated because Section 8 subsidy recipients allowed unauthorized guests to live with them, under-reported their income or engaged in drug dealing or other criminal activities.

"The enforcement that goes on here in the Antelope Valley is really a model for L.A. County and other housing authorities," said Norm Hickling, an aide to Los Angeles County Supervisor Michael D. Antonovich. "By far, there is more enforcement, more reviews, more attention to it than anywhere else."

Influx reported

County officials attribute the increase in problems in the Valley to an influx of Section 8 voucher holders about four years ago, when the Los Angeles city housing authority released hundreds of vouchers with minimal criminal background checks. The city allowed voucher applicants to merely attest that they had no criminal or drug histories, without verification.

In 2001, about 2,100 voucher-holders lived in the Valley, and that number increased to 3,400 by mid-2004, according to Valley Press records.

"Four years ago, the (L.A.) rental market was pretty tight, and people migrated to the Antelope Valley because the housing costs were lower," Jackson said. "So we ended up with people who shouldn't be allowed on the program."

There was confusion over whether the county's Housing Authority could subject other agencies' voucher holders to its own strict background checks as they move into county territory, county officials said. That was resolved after Antonovich wrote in 2004 to HUD officials in Washington, asking for clarification on HUD rules, which did in fact allow the county to conduct criminal checks on other agencies' voucher holders.

But the official green light apparently came too late, after an unknown number of Section 8 recipients with Los Angeles-issued vouchers moved into the Antelope Valley.

"It helped, but I think the bulk had already moved in by the time we got that clarification from HUD," Glover said. "Certainly, since then it's helped a lot, and we do 100% criminal background checks."

is among some 130 programs rated as "troubled" out of the nation's 2,000 or so housing authorities, HUD officials said.

On the assessment, the Housing Authority received 0 of 10 possible points in two categories related to housing quality inspections and in a third category related to "timely annual re-examinations," whereby Section 8 personnel verify that participants' income remains low enough to stay on the program.

The Housing Authority received 0 of 20 points possible in two categories: determination of adjusted income, as participants are allowed to deduct certain expenses such as utilities from their income to determine program eligibility, and in "lease up."

The county has contracted with three agencies to help bring the program's rating back up to "standard."

~~To be eligible for a voucher, families must qualify as very low-income or extremely low-income: For a family of four, extremely low-income is capped at \$20,800, and very low-income is capped at \$55,450. The majority of vouchers are to go to families with extremely low incomes.~~

"We have people who will release their vouchers after they get stabilized and people who will stay on, who will still have a good life, people who have maybe capped off their earnings," Jackson said. "It will allow them to remain sheltered as opposed to becoming homeless. And we have people who abuse the program."

With increasing complaints from residents about Section 8, Lancaster and Palmdale worked with Antonovich to increase enforcement of Section 8 rules in the Valley. The investigators stay busy fielding tips from the public, thanks to a hotline promoted by Antonovich, (877) 881-7233.

"For those who would defraud the taxpayers, the supervisor wants to make it as uncomfortable for them as he possibly can," Hickling said. "Everything we're doing is going toward that objective."

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investigator, Bob Nishimura, also lends a hand in the county's northernmost end.

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consistently rent to problem tenants. One possibility is a landlord agreement that must be reaffirmed every year or so and would list the program rules and the landlord's obligations.

"If you're a landlord and you're on your third tenant we're removing from the program, that tells you it's the landlord, not the tenant," said Antonovich aide Paul Novak. "We have some landlords with the best-maintained house on the street, but if we have a property where our enforcement guys are going out there all the time, ... let's find a way to get them out of there."

Hickling agreed.

"It can be very frustrating for residents, who call with concerns about a home in the neighborhood," Hickling said, "if the investigators find there are violations, determine the subsidy will be taken away and yet they remain in the neighborhood."

Overall, officials from Lancaster and Palmdale say they are pleased with the work performed by the investigators they help fund.

"It's a needed and necessary program," said Long, the Palmdale official. "But it's the people abusing the system and causing a negative impact on our city, that's where we want to come down hard and assist where we can."

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According to a report prepared by Housing Authority investigator John O'Neal, Franklin's adult son told sheriff's deputies investigating a fight in the neighborhood that he lived in the home with his mother. The report also states that Franklin's friend reported as his address a former home used by Franklin and her family, which Section 8 helped subsidize. The friend was not authorized to live in that home.

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Franklin said she believes Housing Authority investigators target African Americans: "Every time I go into the (Housing Authority) office, everyone I've seen waiting for their hearings is African American."

Nishimura said his investigators don't target minorities and simply respond to complaints, regardless of the race of the Section 8 participants.

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Personal side of Section 8 dilemma

By LISA WAHLA HOWARD
Valley Press Staff Writer

PALMDALE — Trish Coffman has lived next door to difficult Section 8 neighbors, and she promised she wouldn't be anything like them.

A single mother of two now-grown children, unable to work because of medical problems, the 43-year-old Coffman has been on the waiting list for a Section 8 voucher off and on for 12 years. The Section 8 program uses federal money administered through the Los Angeles County Housing Authority to help low-income families pay their rent.

Her governmental disability check leaves her with only \$167 a month after the rent is paid on her two-bedroom house off a dirt road in Palmdale, near 15th Street East and Avenue Q.

"If I was able to get a voucher and was able to find a place, to me, that would be a gift," she said. "There's no way I would abuse it, for fear of getting caught. I wouldn't jeopardize that."

Coffman first applied for a voucher in 1994, while separated from her husband and raising a daughter and son, then in elementary school. She was working part-time for a school district and receiving welfare benefits. Her husband died in 1995, and Coffman got sick a year later.

In 1997, after suffering through numerous symptoms and tests,

she was diagnosed with lupus, an autoimmune disease. She continued working but required a lot of time off. Then, in 2000, she had a heart attack and needed major heart surgery.

"After that, my doctors wouldn't let me go back to work," said Coffman, who also battles lupus-related rheumatoid arthritis. "I've tried going back to work in the last few years, and I can't make it. I can't do it."

Coffman tried working again for a few weeks in September and ended up with major back pain that required surgery in October.

Coffman said she is able to make her rent and buy food and other necessities with the help of her family.

But that grew more difficult when her daughter Ashley graduated from high school in June, and her daughter's Social Security survivor benefits from her father's death were cut off.

Coffman said she doesn't like depending on help from her 83-year-old mother, either, but she must.

"My mother is helpful, but ... I shouldn't be depending on her. It doesn't make me feel very good to ask her for help," she said.

In addition, she wants her children, now 22 and 19, to go to school and make a future for themselves instead of working to help take care of her.

Ashley is attending Antelope Valley College and hopes to go into social work; son Brian battles bipolar disorder and substance abuse problems.

"I'm starting to feel like I'm being a burden on my children, and I don't want to do that," she said. "I've always been a very independent woman, until I got sick."

Coffman knows about the reputation some Section 8 recipients have, and she has had her own negative experience with former neighbors who received the assistance.

"There were five families with 12 or 13 kids, and they didn't care what the house looked like," she said. "They all drove brand-spanking-new cars, and they were

constantly adding people to the home as others left. They were rude, mean, and the kids had no respect."

Coffman's home is neat and tidy, inside and out, and she said she has tried to clean up the front and back yard.

"I don't own this property, so I need to treat it with respect because it belongs to someone else," she said.

Over the summer, Coffman learned that her name had been chosen to receive a Section 8 voucher.

"I was ecstatic — I was so happy," she said.

But in mid-September, the application packet was delivered to her neighbor's mail box — a common problem on her dirt road, she said — and the neighbor was on vacation. Coffman said she didn't receive the packet until just a few days before it was due back at the Housing Authority's office.

"I spent three days straight putting everything together," she said. "I was frantic, running around trying to get all this paperwork together, and I was also getting ready for (back) surgery. I've been waiting 10 years for this, I wasn't about to blow it, to let it slip through my fingers, after waiting as long as I had."

But the package she mailed apparently arrived late or never arrived. Coffman later received a letter saying she was put back on the waiting list.

"That could be eight, nine, 10 months — by then I could be living in my car," she said.

Coffman said she has left numerous messages with the Section 8 office since the mix-up but hasn't heard back.

"I'm losing faith in our system to help out people who really need it," she said. "The only reason I need help is because I'm disabled. I'm not looking for a handout."

When questioned by the Valley Press, Los Angeles County Housing Authority officials said they were looking into Coffman's situation.

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AV deals with Section 8 abuse

Crackdown cleans up federal housing program

By LISA WAHLA HOWARD
Valley Press Staff Writer

LANCASTER — A necessary helping hand to people on society's economic fringe or a government handout that harms neighborhoods by importing residents who drag down the quality of life?

The federally funded Section 8 rent subsidy program was designed to help the less fortunate afford homes, and in Southern California's high-priced real estate market, it serves an obvious need.

But in the Antelope Valley, the program has been maligned for its perceived impact on neighborhoods, with some residents blaming crime, blight and general neighborhood deterioration on the occupants of Section 8-subsidized rental homes.

Using federal funds from the U.S. Department of Housing and Urban Development but administered by local government officials, Section 8 allows low-income residents to pay approximately 30% of their income toward the rent, with the government paying the rest.

"In general, it's a very good program," said Carlos Jackson, director of the Los Angeles County Housing Authority, which operates the program in the Antelope Valley. "Like any situation, you're going to have some bad apples. I have a feeling it's a very small percentage; unfortunately, those are the ones that get your attention."

The county's Housing Authority administers about 21,500 vouchers, with about 3,000 in use in the Valley; other housing authorities operated by

Los Angeles and other cities have authority over another 60,000-plus vouchers in Los Angeles County.

As of Oct. 31, 1,844 vouchers were in use in Lancaster and 1,136 in Palmdale, with others spread across the Valley's unincorporated communities.

Stiff rules govern who can live in Section 8-subsidized homes, officials said. All potential Section 8 residents over 18 are screened for criminal and drug histories when the county Housing Authority reviews their applications, said Bobbette Glover, the agency's assistant executive director. Only people listed on the rental agreement are allowed to live in a Section 8 home, and probationers and parolees aren't allowed at all. Any changes in income must be reported quickly.

But when those rules aren't followed, the Section 8 home is poorly maintained or any of a myriad of

other problems take place, nearby residents complain.

A dramatic increase in enforcement efforts, requested by area city officials in response to residents' complaints, has uncovered hundreds of cases of Section 8 voucher holders in the Valley breaking the rules. During the last 18 months in the Valley, more than 360 vouchers have been terminated because Section 8 subsidy recipients allowed unauthorized guests to live with them, under-reported their income or engaged in drug dealing or other criminal activities.

"The enforcement that goes on here in the Antelope Valley is really a model for L.A. County and other housing authorities," said Norm Hickling, an aide to Los Angeles County Supervisor Michael D. Antonovich. "By far, there is more enforcement, more reviews, more attention to it than anywhere else."

Influx reported

County officials attribute the increase in problems in the Valley to an influx of Section 8 voucher holders about four years ago, when the Los Angeles city housing authority released hundreds of vouchers with minimal criminal background checks. The city allowed voucher applicants to merely attest that they had no criminal or drug histories, without verification.

In 2001, about 2,100 voucher holders lived in the Valley, and that number increased to 3,400 by mid-2004, according to Valley Press records.

"Four years ago, the (L.A.) rental market was pretty tight, and people migrated to the Antelope Valley because the housing costs were lower," Jackson said. "So we ended up with people who shouldn't be allowed on the program."

There was confusion over whether the county's Housing Authority could subject other agencies' voucher holders to its own strict background checks as they move into county territory, county officials said. That was resolved after Antonovich wrote in 2004 to

HUD officials in Washington, asking for clarification on HUD rules, which did in fact allow the county to conduct criminal checks on other agencies' voucher holders.

But the official green light apparently came too late, after an unknown number of Section 8 recipients with Los Angeles-issued vouchers moved into the Antelope Valley.

"It helped, but I think the bulk had already moved in by the time we got that clarification from HUD," Glover said. "Certainly, since then it's helped a lot, and we do 100% criminal background checks."

Affordability a draw

The Valley's affordability also draws Section 8 voucher holders because they can get better homes for their subsidies.

HUD establishes the fair market rent guidelines for regions throughout the country, and the Antelope Valley is included in the L.A./Long Beach region. The regional guideline allows the Housing Authority to pay \$1,016 for a one-bedroom apartment, \$1,269 for a two-bedroom, \$1,704 for a three-bedroom and \$2,051 for a four-bedroom. The number of bedrooms for which a family qualifies in general is determined by the number of family members, though in the Antelope Valley families sometimes can live in larger homes because of the lower rent.

In the L.A. basin, the rent limits mean many potential Section 8 participants have to return their vouchers because they can't find landlords willing to rent to them.

In the Antelope Valley, it's a different story. The amounts easily cover the rent in numerous apartment complexes and in many single-family homes.

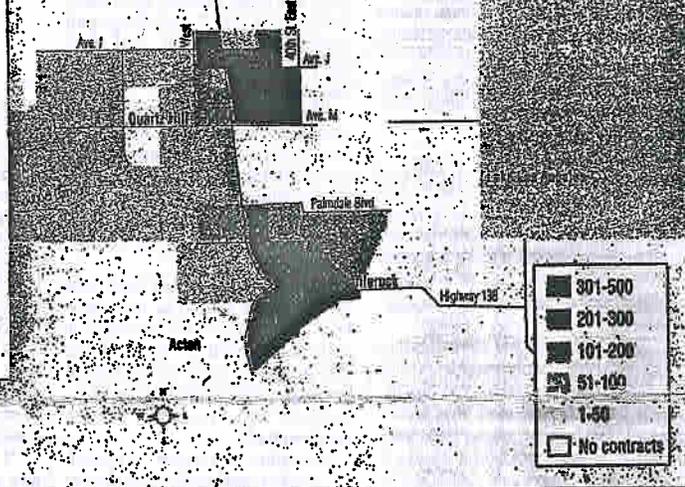
County officials say they take into consideration comparable rents when determining the subsidy so as not to inflate rents in a community. Landlords must supply three comparable rental amounts to show that what they are charging is fair, and Section 8 employees confirm them.

"We have good landlords, and

Antelope Valley Section 8 homes

By census tract - July 2006

3,000 Antelope Valley households receive help paying their rent through the Section 8 government rent subsidy program. Most of those families are concentrated in central Lancaster and Palmdale; more than 1,800 Section 8 voucher holders live in Lancaster, and more than 1,100 in Palmdale. Others live in Lake Los Angeles, Littlerock and other unincorporated communities. This map shows concentrations of Section 8 households, based on census tracts.



Map not to scale.
All locations are approximate.

Source: Los Angeles County Housing Authority

we have landlords who try to stretch it," Jackson said, referring to a landlord's ability to find three high rents to submit for comparison.

To reduce the time county staffers must spend checking comparable rents, the Housing Authority has hired Rentallect, a company

that collects rent rates, to determine reasonable rents.

Troubling review

Obtaining a voucher can be a years-long process for a low-income family, with the county waiting list at times containing tens of thousands of applicants. The list has shrunk in recent months, Jackson said, as the agency made a concerted attempt to put more of its available vouchers into usage. HUD wants to see housing authorities using 95% of their vouchers, and the county was using 87%.

The county's subpar "lease up" rate, as the percentage is called, was one of four areas for which the Housing Authority received failing grades in a recent HUD program review.

The county's program scored 73 points out of a possible 145 to earn a "troubled" rating; it is among some 130 programs rated as "troubled" out of the nation's 2,000 or so housing authorities, HUD officials said.

On the assessment, the Housing Authority received 0 of 10 possible points in two categories related to housing quality inspections and in a third category related to "timely annual re-examinations," whereby Section 8 personnel verify that participants' income remains low enough to stay on the program.

The Housing Authority received 0 of 20 points possible in two categories: determination of adjusted income, as participants are allowed to deduct certain expenses such as utilities from their income to determine program eligibility, and in "lease up."

The county has contracted with three agencies to help bring the program's rating back up to "standard."

To be eligible for a voucher, families must qualify as very low-income or extremely low-income: For a family of four, extremely low-income is capped at \$20,800, and very low-income is capped at \$55,450. The majority of vouchers are to go to families with extremely low incomes.

"We have people who will release their vouchers after they get stabilized and people who will stay on, who will still have a good life, people who have maybe capped off their earnings," Jackson said. "It will allow them to remain sheltered as opposed to becoming homeless. And we have people who abuse the program."

With increasing complaints from residents about Section 8, Lancaster and Palmdale worked with Antonovich to increase enforcement of Section 8 rules in

the Valley. The investigators stay busy fielding tips from the public, thanks to a hotline promoted by Antonovich, (877) 881-7233.

"For those who would defraud the taxpayers, the supervisor

wants to make it as uncomfortable for them as he possibly can," Hickling said. "Everything we're doing is going toward that objective."

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'Model tenant' loses her Section 8 voucher

By LISA WAHLA HOWARD
Valley Press Staff Writer

LANCASTER — News about Section 8 voucher holders losing their government rent subsidy for violating rules may draw cheers from some Antelope Valley residents, but not from Sylvia Franklin.

Franklin lost her Section 8 voucher in September, after Los Angeles County Housing Authority investigators determined she allowed her adult son and a male friend to live with her in a Quartz Hill home subsidized by the program.

Franklin said the investigators came to the wrong conclusion: her son lives across town with his wife, and her friend lives a few blocks away but visits often. She said county officials ignored documents that prove her case, including a notarized letter from her landlord stating she is a model tenant, and mail showing her son's Palmdale address.

"They put a lot of bad stuff about Section 8 in the paper, and ... there are a lot of people abusing the Section 8 program," said Franklin, a widow who lives with sons Christian, 10, and Daniel, 4. "But I think before cutting people off like that they should do more investigating, and not just ambush people solely on the fact that they're on Section 8."

Bob Nishimura, the county Housing Authority's supervising investigator, said investigations often involve much more than just visiting the home.

"In some instances, it may appear like (a) brief visit), but our guys have done more background investigation, looking at calls for service (to the Sheriff's Department) and looking at what's been documented, the statements people make, where the vehicles are registered at," Nishimura said.

Franklin lost her appeal of the termination and since has moved from the Quartz Hill home into a Lancaster home she is able to afford based on Social Security payments coming to the family after the death of her husband.

"Being poor can happen to anyone. It doesn't mean you're a bad person because you don't have financial status," she said. "I

think we're getting a bad rap, and I'm sick of it. They want to make it seem like every time we go to these Section 8 houses, there's drugs and parolees lying around, and they don't want to say there are good Section 8 tenants."

The fact that a tenant recommended for termination lost his or her appeal isn't surprising; of the 365 terminations recommended by county Housing Authority investigators in the last 18 months, nine have been overturned on appeal, officials say.

"Some of the stuff is legit, but I'm sure now they (the investigators) have done stuff to bend it their way," Franklin said. "When they get you in there (to the appeal hearing), you're scared to death. ... You're in there by yourself with no legal counsel."

According to a report prepared by Housing Authority investigator John O'Neal, Franklin's adult son told sheriff's deputies investigating a fight in the neighborhood that he lived in the home with his mother. The report also states that Franklin's friend reported as his address a former home used by Franklin and her family, which Section 8 helped subsidize. The friend was not authorized to live in that home.

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"I don't believe we're targeting any group. Most of the time we're doing reactive work, responding to complaints that come through the hot line or through cities or through the Sheriff's Department," Nishimura said. "We look into those complaints, and we don't even know what race these people are."

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Antelope Valley Press – Monday, January 1, 2007

350 renters lose support

By LISA WAHLA HOWARD
Valley Press Staff Writer

LANCASTER
— More than 350 households drawing Section 8 rent assistance in the Antelope Valley have lost their subsidies in the past 18 months, thanks to a crackdown carried out by extra investigators funded by Palmdale, Lancaster and Los Angeles County.

And though local officials praise the work performed by county investigators, still more enforcement is needed, say aides to county Supervisor Michael D. Antonovich, whose office funds the county's share of the extra Section 8 supervision.

"From a community standpoint, it is still a very large issue throughout the Antelope Valley," said Norm Hickling,

an aide to Antonovich, whose 5th District includes the Valley. "We're looking at both cities and Supervisor Antonovich substantially increasing their level of (funding for) enforcement activity."

Operated by the Los Angeles County Housing Authority, the Section 8 program helps some 3,000 households in Antelope Valley pay their rent. The vouchers, funded by the U.S. Department of Housing and Urban Development, allow residents to pay roughly 30% of their income for rent, with the government covering the rest.

But HUD provides very little money for housing authorities to enforce program rules, and local leaders say those violating the rules drag down the quality of life for law-abiding residents.

This past year, Lancaster and Palmdale paid \$50,000 and approximately \$25,000, respectively, for extra investigators, and Antonovich's office has matched the funds. That will likely increase this year, to pay for more hours and more backup support for the local investigators, all former sheriff's detectives.

"The reality is, we have an interest in anything that affects the overall public safety of our residents,

and our residents have strongly said they have concerns," said Kelly Long, a community relations specialist in Palmdale's public safety office. "If Section 8 is a priority, as we feel it is, to assist the county and to maintain the health of our city ... we're paying a portion of the investigation costs. It's definitely helping."

With the funding, investigator John O'Neal spends all his time following up on tips in Lancaster, while Gary Brody serves the same function in Palmdale. Investigator Lee D'Errico also spends much of his time in the Valley, and the county's supervising investigator, Bob Nishimura, also lends a hand in the county's northernmost end.

Nishimura said that 42% of his investigators' hours are allocated to the Antelope Valley, though the Valley contains 16% of the Section 8 vouchers administered by the Los Angeles County Housing Authority. The county agency is one of more than a dozen housing authorities operating within Los Angeles County.

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"If someone is doing something wrong, they're going to go after it and root out the problem."

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Some Section 8 investigations stem from law enforcement officers cross-checking addresses of parolees with the Section 8 database; if a parolee is found registered to be living at a Section 8 address, the voucher-holder can say "good-bye" to the government subsidy.

At one Section 8 apartment in Lancaster last March, deputies and housing investigators dropped by looking for a parolee who was registered to be living there. The voucher-holder and parolee weren't home, but the apartment was filled with teenagers and young men smoking marijuana. That voucher-holder was recommended for termination.

Some hotline tips come in on residences not subsidized by Section 8; those cases are often referred to the Sheriff's Department's Partners Against Crime team in Palmdale and its Lancaster Community Appreciation Project team in Lancaster.

Appeals possible

When investigators recommend terminating a voucher, the resident has an opportunity to appeal the decision before a hearing officer. In the vast majority of cases, the recommendation stands, officials say. Of the 365 local voucher holders whose subsidies were recommended for termination in the last 18 months, investigators can recall only two or



SWEPT CLEAN

East Lancaster was the scene March 23, 2006 of a law enforcement sweep, targeting Sec. 8 parole and probation offenders. Juveniles on Trevor Avenue were questioned and cited before being delivered by Sheriff deputies to AV High School.
RON SIDDLE
Valley Press files

three who kept their vouchers. In all, nine local appeals have succeeded, but those included administrative terminations related to paperwork problems, Nishino said.

"I think it points out that our guys are doing a great job of gathering evidence showing program violations," Nishimura said. Still, termination of the subsidy has little bearing on whether the resident remains in the neighborhood. Eviction isn't automatic, especially if the resident can continue paying the rent.

"We abate the subsidy," said Carlos Jackson, who heads the county's Housing Authority. "It's up to the landlord at that point if they wish to continue to have that person as a tenant."

Landlords eyed

Taking enforcement in another direction, Housing Authority officials are paying more attention to

landlords. As of July 1, two policies were implemented that allow the Housing Authority to take action against or, actually, not do business with, certain landlords, said Bobette Glover, the Housing Authority's assistant executive director.

Under the new policies, rental home or apartment owners can be "disapproved" for five years for "failing to terminate the tenancy of tenants assisted under Section 8 ... for ... threaten[ing] the right to peaceful enjoyment of the premises by other residents; (or) threaten[ing] the health or safety of other residents; (or) threaten[ing] the health or safety of, or the right to peaceful enjoyment of, their residences by persons residing in the immediate vicinity of the premises; or (for) drug-related criminal activity or violent criminal activity."

Aides to Antonovich are looking into other measures to use against landlords who consistently rent to

problem tenants. One possibility is a landlord agreement that must be reaffirmed every year or so and would list the program rules and the landlord's obligations.

"If you're a landlord and you're on your third tenant we're removing from the program, that tells you it's the landlord, not the tenant," said Antonovich aide Paul Novak. "We have some landlords with the best-maintained house on the street, but if we have a property where our enforcement guys are going out there all the time, ... let's find a way to get them out of there."

Hickling agreed.

"It can be very frustrating for residents, who call with concerns about a home in the neighborhood," Hickling said, "if the investigators find there are violations, determine the subsidy will be taken away and yet they remain in the neighborhood."

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Overall, he said, Section 8 "is meeting a very serious need in our community. It's just become a lightning rod and a third-rail issue for many people. Now, are they justified in their criticism of the abuse by irresponsible people who are looking to game the system? Yes, they are."

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This story appeared in the Antelope Valley Press on Tuesday, January 2, 2007.

Who was Section 8 created for? Read on

By LISA WAHLA HOWARD Valley Press Staff Writer

Misty and Frederick Powell are the type of family the Section 8 program is designed to help.

Frederick works part time at Desert Haven, a Lancaster training center and workshop for developmentally disabled adults, and receives disability payments. Misty receives welfare payments and is slowly working toward her high school equivalency diploma. They are each 26, the parents of two young boys, Frederick's disability makes it hard for him to earn more money, while Misty's professional work history begins and ends with a department store job when she was in her teens.

She got pregnant in high school and dropped out to raise their son, Bryan, now 6, and later had Kyle, 2.

The couple make about \$1,500 a month and had trouble keeping the bills paid before getting help from the Section 8 program, which pays most of the rent for their three-bedroom house.

"When I got on this program, my family and friends were happy," Misty Powell said. "They always know my kids will have a roof over their heads, that I'm not going to struggle making my rent."

The rent subsidy program is run through the Los Angeles County Housing Authority, using federal funds from the U.S. Department of Housing and Urban Development.

"It's not a bad program. It's very important that they have it," Misty said. "Unfortunately, not everyone can get a good job ... and a nice house. It depends on your education."

The program has caused contention in the Antelope Valley, where about 3,000 households receive the rent subsidies, because some recipients abuse program rules. The rules prohibit unauthorized guests from living with voucher recipients, since the amount of taxpayer-funded rent assistance depends on the total household income. Parolees aren't allowed, and recipients undergo criminal background checks.

But in the last 18 months, more than 350 AV residents have lost their vouchers because they were found to be violating rules.

Powell said she's glad to see the enforcement sweeps, as they free up vouchers for the truly needy.

"I think it's important for them to do stuff like that because people shouldn't use Section 8 just for the heck of it," she said.

"It should be going to good people, not to people who are taking advantage of the whole thing."

The program rules don't bother Powell and her family - they're "goody-goodies," she said. She even reported to her landlord when her mom stayed over two weeks over the Christmas holidays.

Powell said she hopes to earn her diploma and get a part-time job when her youngest son is in preschool.

Chanyn Breen has used help from the Section 8 program to earn a bachelor's degree and get a teaching job that will likely end her need for the rental assistance.

Ten years ago, as a 25-year-old single mom of a baby girl, Breen moved to the Antelope Valley and learned from a friend about the Section 8 program. Over the years, she had two sons and finished her schooling. Since September, she has worked as a long-term substitute teacher at a local high school for expelled students.

To others on Section 8 assistance, Breen offers this advice: "Use it to your benefit - work hard to get a job. Take advantage the proper way; taking advantage doesn't mean sitting on your butt and being lazy."

Breen praised the local workers at the county Housing Authority office for their support, calling them instrumental to her improved life.

"There have been times in the last two years where I made maybe \$300 a month - I have three children, and there was no way I could have supported them and paid rent," she said. The rental assistance "really enabled me to ... do everything that needed to be done so we could have a stable, firm home."

Her Section 8 voucher is supposed to pay for a two-bedroom home, but for the same price she is able to rent a larger home, as Antelope Valley rents are generally lower than other parts of Los Angeles County.

A few years ago, she was looking for housing in Burbank, Sun Valley and Sunland; her voucher limit was under \$1,100, but the lowest rents she could find for apartments were around \$1,500.

Now, home for Breen and Noelle. 10; Reilly. 4; and River, 3, is a four-bedroom house in Quartz Hill.

"We have a beautiful house, and my kids have a place to play and a yard," she said.

Breen has paid about 30% of her income toward her housing, and knows that will change as she now makes more money.

"It will probably change in the next few months because I'm finally making money, but that's what (the program is) supposed to be for," she said. "It allowed me to finish at AV College, and to finish at CSUN and get a bachelor's degree."

luE06F

Margaret Douglass moved to the Antelope Valley as a single woman pregnant with twins, with a history of substance abuse and not much of a work history to speak of.

She utilized government-subsidized housing and welfare for several years - but while receiving the help, she helped herself.

She stayed sober and earned her associate's degree from Antelope Valley College and a drug and alcohol certificate from California State University, Bakersfield. Twin boys Ricky and Randy stayed in day care at AVC.

"I buried myself full time in school," she said.

While raising the boys, who are now 15, Douglass saved her pennies. Nine years ago, with a decent tax refund as a down payment, she bought a three-bedroom home in east Lancaster.

Douglass said the government aid gave her a boost when she needed it most.

"It allowed me to better myself by allowing me to save money, to buy a home," she said. "It helped me because I was only on government assistance and couldn't afford full rent."

In the mid-1990s, Douglass was able to rent a townhome for a little over \$100 a month as her share, which was covered by her welfare payments. As she began earning a living with her new education, her share of the rent went up, and Douglass realized she could buy a home for not much more than she would be paying in rent.

"It's not easy. I struggle on a daily basis, but I'm determined," Douglass said. "I'll do anything legal to keep my bills paid, food on the table and a roof over my kids' heads."

After working with emotionally disturbed teenagers and with prisoners dealing with substance abuse, Douglass now provides in-home care to children and adults with physical and mental disabilities, and, through a different agency, to adults needing supportive services.

"I absolutely love it," she said of her two jobs, which allow her to set her own work schedule. "What I have now is perfect."

Though she understands why people might need government help during hard times, Douglass doesn't like to see people take advantage of the system long-term.

"If they're out there on Section 8 or HUD and have no documented disability, they should be forced to go get a job, and there should be a cap on it," she said.

She also doesn't mince words for those who bring down the quality of life for their neighbors.

"It doesn't matter if you're low-income, on Section 8 or on welfare - you don't have to live like it," Douglass said. "You don't have to have your trash in the driveway, your 3- and 5-year-old kids running the streets at 11 o'clock. Water your grass, put your trash out each week. And if you're capable of working, go out and look for a job."

MS2 - THE BACKYARD OF LOCAL POLITICS, MAYOR SAM'S SISTER

CITY BLOG TUESDAY, JANUARY 02, 2007

LA County Website Adds New Feature



Los Angeles County has added a new online feature regarding the Board of Supervisors meetings. You may go into the archives and watch a complete meeting of a Board meeting from 2003 to present. The website is at:

<http://bosvideoap.co.la.ca.us/mgasp/lacountyvideo/meetingyear.asp>

This feature is in addition to the video-transcript website that allows you to view a specific segment of a meeting, with the transcript portion for that segment. This website, which we have had since 2003, is at <http://bosvideoap.co.la.ca.us/mgasp/lacounty/homepage.asp>

And, of course, if you want to read only the certified transcript of the meeting, it can be viewed at <http://lacounty.info/BOS/SOP/TRANSCRIPTS/>

The page to select any of these options is at <http://lacounty.info/transcripts.htm>



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Housing Funds

Date: 01-03-2007 4:52 PM - Word Count: 205

Housing Funds

Eds: Tricia Tasto, with the Community Development Commission, can be reached at (323) 890-7182.

LOS ANGELES (CNS) - The Los Angeles County Community Development Commission announced today the availability of \$30 million in funding for special needs rental housing and affordable multi-family developments.

The commission will allocate \$12 million to build rental housing for people who are developmentally disabled, mentally ill, victims of domestic violence, emancipated foster youths, homeless or living with HIV/AIDS.

Another \$12 million will be made available for multi-family and senior citizen rental developments. The U.S. Department of Housing and Urban Development will also provide \$6.5 million through the HOME Affordable Rental program.

"I am confident that this new combined (notice of funding availability) will create a more streamlined application process for affordable housing developers and ultimately lead to the creation of additional affordable housing units throughout the county," said Carlos Jackson, executive director of the Community Development Commission.

On Jan. 17, the commission will hold conferences for developers interested in special needs and affordable housing developments. The commission will begin accepting applications Feb. 2, and will fund projects on a first-come, first-served basis.

For more information, log onto www.lacdc.org or call the commission at (323) 890-7235.

CNS-01-03-2007 16:52

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County fraud explodes

BY TROY ANDERSON
Staff Writer

After downplaying the scope for years, Los Angeles County officials have started to quietly acknowledge that scams by county employees and recipients of county services may be costing taxpayers nearly \$2 billion a year.

While there are no exact figures, the county Grand Jury last summer estimated welfare recipients are defrauding taxpayers of \$500 million a year. Prosecutors have estimated

fraud in the food stamp, in-home care and health care programs costs more than \$200 million.

"It's as though in all the public assistance programs — be it

welfare, food stamps; child care or Section 8 housing — someone put a pot of gold in the middle of the street and walked away from it with very little integrity controls," said James Cosper, head deputy in the District Attorney's Office Welfare Fraud Division.

"It's bad throughout the entire county. ... We do two or three major sweeps a year where we go out and arrest people. In case after case, they are driving Beemers, Lexus and Mercedes automobiles, or we have evidence they are taking expensive vacations, going on very nice cruises or living in expensive homes."

And it's not just service recipients who are defrauding the county. The national Association of Certified Fraud Examiners estimates 5 percent of all business and government agency revenues are lost to employee fraud, waste and abuse each year.

That would mean L.A. County government — with a \$21 billion budget — loses at least \$1 billion a year.

 TAKE OUR ONLINE POLL Do you think most welfare recipients are honest?

go to dailynews.com to vote

Employee fraud up

Investigations of county employee fraud have surged from 340 in 2000 to 583 in 2005 amid increased calls to a county fraud hotline.

Calls to the hotline hit 621 in 2003-04 and are projected to reach 1,000 this fiscal year.

"(Fraud is) a tremendous problem," said Tony Bell, spokesman for Supervisor Michael D. Antonovich, who created the hotline in 1988.

"It's a problem that our office has targeted as a high priority. And we're working with the district attorney to increase the number of investigations."

The acknowledgment that county fraud is a growing problem follows a warning three years ago by the Citizen's Economy and Efficiency Commission about workers' compensation scams.

Since then, officials have reduced county workers' compensation abuses from \$324 million in 2003-04 to \$263 million last fiscal year.

And some officials have begun to take more seriously the warnings of the grand jury, prosecutors and the commission about a "culture of entitlement."

"I think at this point, very few people could deny that there is very much a culture of corruption in the county of Los Angeles, both from the public sector side, and certainly with the entitlement mentality on the recipient side," said Jon Coupal, president of the Howard Jarvis Taxpayers Association.

"The citizenry is very cynical about politics because they see this pervasive fraud, corruption and abuse and also see nothing being done about it."

Size hurts county

Some county officials, however, say efforts to stem abuse and fraud are in place.

"We have systems in place that try to prevent it from happening," Assistant Chief Administrative Officer Shapiro-Harper said.

And some experts say that simply because of its size, Los Angeles County is a prime candidate for vast fraud.

"The very largest organizations and the very smallest organizations are the ones that get hit the most," said Sarah Carson, president of the Los Angeles chapter of the fraud examiners' association.

"The bigger organizations, where so much money is involved, are the prime candidates for those who want to milk the system."

Although reluctant to make estimates now, County Auditor-Controller Tyler McCauley has previously indicated employee fraud, waste and abuse costs the county about \$250 million annually.

And McCauley — who said he's seen a dramatic increase in the number of people willing to participate in illegal activities — concedes the county doesn't require enough income and asset proof from welfare recipients.

Child care probed

Department of Public Social Services Director Bryce Yokomizo has disputed estimates by prosecutors and the grand jury on the extent of child care fraud, but recently he told the Board of Supervisors that fraud in the state-controlled portions of the program is a serious problem.

DPSS has 178 fraud investigators and supervisors who helped avert \$59 million in welfare fraud last fiscal year, up from \$45 million in 2000-01. More than 800 child-care fraud investigations are under way now.

Supervisor Don Knabe said the state estimates up to 7 percent of all child-care cases include fraud, but two-thirds of the program is administered by the state, and DPSS can't investigate those cases.

"(The state has) no clear policies in place that meaningfully address program integrity or quality control, let alone a means of preventing criminal activity in child-care programs," Knabe said.

"The result is that a majority of child-care funding — nearly \$235 million given out locally ... last year — is left wide open to fraud."

Abusing time cards

Concerns about county employee fraud, waste and abuse escalated after investigators discovered employees at Martin Luther King-Drew Medical Center were engaged in widespread workers' compensation and time-card abuses.

County investigators found "systemic deficiencies" throughout county government, noting a growing number of employees are being fired and disciplined for time-card abuses and hundreds of investigations are under way.

The Board of Supervisors directed officials last year to revamp time-card protocols, but Chief Administrative Officer David Janssen said those changes cannot be made until a new human resources computer system is installed.

“The fiscal system has been totally redone,” Janssen said. “But it will be another year or two before we have a new time-card system.”

The county’s overtime costs have shot up from \$296 million in 2003-04 to \$423 million last fiscal year — \$113 million over budget.

“(Time-card abuse is) a more widespread problem,” said Marion Romeis, chief of the Office of County Investigations. “A substantial number of our referrals involve time abuses. It goes across the county.”

Time-card abuse investigations rose from 14 in 2000 to 49 last year.

Romeis attributed the increase to heightened employee awareness of possible problems and the fraud hotline, which makes it easier to anonymously report possible abuse.

But Romeis concedes she doesn’t have enough investigators and only investigates the “very egregious” cases.

The Board of Supervisors recently funded two extra investigators for Romeis’ office, bringing the total to 14. The investigators refer criminal cases to the District Attorney’s Office and send other completed investigations to various departments for discipline.

Few disciplined

The District Attorney’s Office has 273 Bureau of Investigation investigators, some of whom handle county cases.

Since 1999, the District Attorney’s Office Public Integrity Division has filed felony charges against 75 county employees, including 28 welfare workers.

“It’s much more than has ever been done in the 156-year history of the Los Angeles County D.A.’s Office,” District Attorney Steve Cooley said.

Despite the large number of prosecutions, critics say only a small proportion of county

employees ever are disciplined or charged.

While investigators substantiated 120 fraud hotline cases last year, only 38 — or 32 percent — led to employees being fired, suspended, transferred or allowed to resign.

While some fault the county Civil Service Commission, Romeis said departments vary in their efforts at disciplining employees.

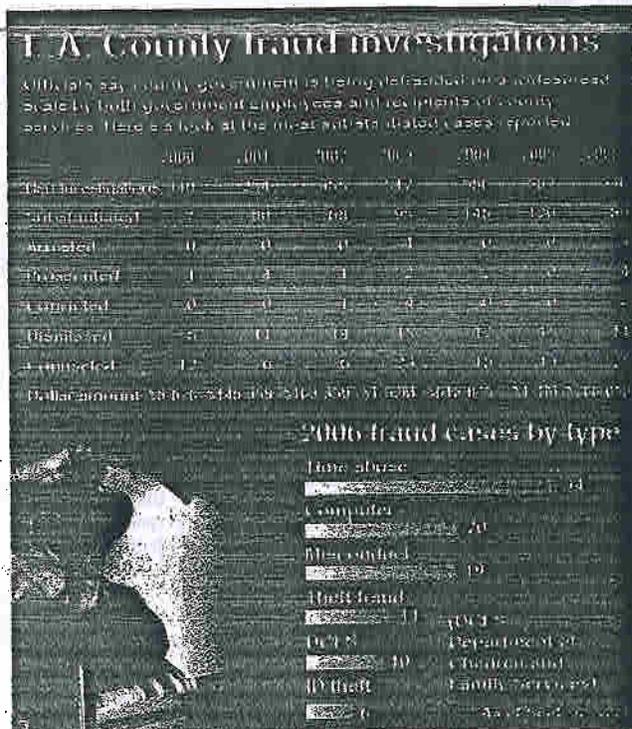
“Overall, over time, I’d say it’s gotten better, but there is still a big discrepancy among departments,” Romeis said.

Bell said Antonovich’s office continues to look for ways to identify and prosecute cases and said the county set up a multi-department Public Assistance Fraud Task Force that has cracked down on Section 8 housing fraud in the Antelope Valley in recent months.

“I think the level of fraud being deterred is up because of our efforts in the welfare fraud and public integrity divisions,” Cooleysaid. “But it doesn’t mean we’ve won the war.”

troy.anderson@dailynews.com
(213) 974-8985

\$2 billion annual tab for worker, public abuse



Source: Auditor Controller's Office

Daily News

Fraud hotline To report fraud, waste or abuse in Los Angeles County government, go to www.lacountyfraud.org/hotline.html or call (800) 544-6861.

Lax enforcement invites Section 8 abuse

This story appeared in the Antelope Valley Press on Sunday, January 7, 2007.

Valley Press

reporter Lisa Wahla Howard gave readers a robust report this past week on how the federal Section 8 housing subsidy program is used - and abused - in Los Angeles County.

The county Housing Authority administers about 21,500 vouchers, some 3,000 of them in the Antelope Valley. As our Valley Press reporter related: "In the Antelope Valley, the program has been maligned for its suspected impact on neighborhoods, with residents blaming crime, blight and general neighborhood deterioration on the occupants of Section 8-subsidized rental homes.

Using funds provided by the federal Department of Housing and Urban Development and administered by local government officials, Section 8 allows low-income residents to pay approximately 30% of income toward rent, with taxpayers providing the rest.

"In general, it's a very good program," said Carlos Jackson, director of the Los Angeles County Housing Authority. "You're going to have some bad apples. I have a feeling it's a very small percentage. Unfortunately, those are the ones that get your attention."

Do they ever. No one likes to find their once peaceable neighborhood invaded by drug dealers, career criminals and people who permit such activity, whether they are renters or absentee landlords. But that is exactly what happened.

As of Oct. 31, 1,844 vouchers were in use in Lancaster and 1,136 in Palmdale, with others spread across the Valley's unincorporated communities. Because of stepped-up enforcement, 360 vouchers have been pulled locally in the last 18 months or so.

The Valley Press reporter related: "Stiff rules govern who can live in Section 8-subsidized homes, officials said. All potential Section 8 residents over 18 are screened for criminal and drug histories when the county Housing Authority reviews their applications. Only people listed on the rental agreement are allowed to live in a Section 8-home, and probationers and parolees aren't allowed at all."

County officials attribute increased Valley woes to an influx of Section 8 voucher holders about four years ago when the Los Angeles city housing authority released hundreds of vouchers with minimal or no criminal-background checks. In 2001, about 2,100 voucher-holders lived in the Valley; that number increased to 3,400 by mid-2004, according to Valley Press records.

"People migrated to the Antelope Valley because the housing costs were lower," Jackson said. "So we ended up with people who shouldn't be allowed on the program."

The program is supposed to be a hand up, not a handout. The program is supposed to assist people who have authentic needs. When government officials decline to enforce the rules, it

amply demonstrates yet another failure of government.

We applaud Los Angeles County Supervisor Michael D. Antonovich for spearheading increased enforcement. In saying so, we hasten to add that officials at every level of the program should have been strict on the rules in the first place.

Our communities have been subjected to crime that need not have occurred if the Housing Authority gnomes "down below" did their job.

Chanyn Breen , a legitimate Section 8 beneficiary, used that hand up to get a degree and a teaching career. To other Section 8 recipients, Ms. Breen offers, "Use it to your benefit. Work hard to get a job. Take advantage the proper way. Taking advantage doesn't mean sitting on your butt and being lazy."

Say amen to that. And we urge people - outside government and within its ranks - to keep up the pressure to keep such programs honest. Letting it slide breeds decay and crime.

More funds for foster youths on own sought

This story appeared in the Antelope Valley Press on Monday, January 8, 2007.

By LISA WAHLA HOWARD
Valley Press Staff Writer

When foster children reach 18 years old and have graduated from high school, they sometimes lack the resources necessary to get off to a good start in the world.

Without families providing help with tuition, advice or a simple bed and roof, some of the young adults end up struggling as they leave the oversight of the Los Angeles County Department of Children and Family Services, county officials say.

"Research shows that most youth who emancipate without permanency or a connection to a committed adult, do so without adequate resources to succeed," said Supervisor Michael D. Antonovich, whose 5th District includes the Antelope Valley. "This places them at greater risk of unemployment, homelessness, incarceration, substance abuse/mental health issues and long-term dependence on public assistance."

The county offers various services to emancipated foster youth, including nearly 250 transitional housing beds, life skills training, job training, transportation and help accessing college tuition assistance, said Rhelda Shabazz, the department's division chief of emancipation services.

The department unit is limited in the amount of services it can offer by its \$18 million budget, which is based on the number of children aged 16 to 18 under departmental care, Shabazz said. "We always (say), if we're expected to serve youth until 21, we need funding for youth until they're 21," she said. "We don't want to deny youth services because of funding issues, but it becomes a challenge for the county."

Antonovich and the department would like to see state support for providing services until emancipated foster youth reach age 21.

On Tuesday, Antonovich will ask the Board of Supervisors to direct county departments to work with other agencies to sponsor legislation "to provide enhanced services and financial supports" to such young adults.

"Just as youth who leave their families as young adults depend upon the continued support of their birth parents to meet their individualized needs, so do youth emancipating from foster care," Antonovich said. "These needs may include housing, educational or employment support and/or specialized supports as youth transition to the adult service systems designed to accommodate their higher level needs."

Similar legislation last year failed because of concerns about the cost, Antonovich said.

Each year, about 4,000 youths statewide are emancipated from the foster care system, including

about 1,200 from L.A. County. Shabazz said about 1,000 youths are emancipated from Children and Family Services, and the rest come from the county Probation Department.

Youths taking advantage of the county's transitional housing program must be working or looking for work, and must pay a percentage of their income as rent. That money is saved in a trust fund and given back when they leave the housing, Shabazz said.

Because of federal regulations, at least four of the beds are in the Antelope Valley service planning area, and generally 10 or more beds are in the Valley, she said.

lhoward@avpress.com

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Affordable housing gets boost

County allots funding to encourage development

By Melissa Pamer, Correspondent
San Gabriel Valley Tribune

Article Launched:

Following a year in which the median home price in Los Angeles County hit a record high, county housing officials announced this week that the largest-ever yearly allocation of funds is available for new affordable housing developments.

Developers can apply for more than \$30 million in county and federal funds to build special needs, multifamily and senior rental housing, officials at the county's Community Development Commission said. A new, streamlined application process is designed to draw an increased number of funding requests from developers to meet the growing demand for affordable housing.

"This is without question making a difference, but there's just overwhelming need out there," said Blair Babcock, the county's manager of affordable housing development.

The county's median home price hit \$522,500 in July, according to data from the California Association of Realtors. Only 19 percent of first-time buyers could afford a home in the county in the third quarter of 2006, the association reported.

The majority of the newly announced housing funds come from a program that redistributes Industry's redevelopment revenue to nearby towns and cities. Because of Industry's low number of residents, the Board of Supervisors in 1998 moved to allocate the city's redevelopment revenue to housing projects within a 15-mile radius of Industry.

Since its inception, the "City of Industry Funds program" has distributed \$136 million for 148 projects, providing more than 5,300 residential units, Babcock said.

"It's fantastic program," said Alfredo Izmajtovich, director of acquisition at the Southern California Housing Development Corp., which has obtained Industry funds for four housing projects in the past.

"There are positive impacts by letting people stay in the community who would otherwise be forced out," Izmajtovich said.

The county will begin accepting developers' applications Feb. 2. More information can be found at www.lacdc.org.

Antelope Valley Press — Wednesday, January 10, 2007

County to help fund extra Section 8 investigator

LOS ANGELES — Extra investigations in the Section 8 housing program will continue in Palmdale, with the addition of \$31,355 in county Economic Development funds.

County supervisors on Tuesday agreed to grant the funding to the county's Housing Authority to help pay the salary of an investigator for the Palmdale area.

The investigator will be dedicated to enforcing the rules for the housing program, which gives vouchers to low-income residents to help them pay their rent.

Palmdale pays a matching share of the investigator's salary.

"Those who fraudulently obtain Section 8 benefits are stealing from taxpayers and the elderly or disabled these subsidies are designed to assist," said Supervisor Michael D. Antonovich, whose 5th District includes the Antelope Valley.

"Along with the cities of Lancaster and Palmdale, Los Angeles County is focused and committed to protecting the safety and integrity of all our communities."

People can report fraud and abuse to the Los Angeles County Housing Authority fraud hotline at (877) 881-7233.

AMERICANS FOR LEGAL IMMIGRATION L.A. County fraud may cost taxpayers \$2 billion

Posted: Wed Jan 10, 2007 3:47 pm Post subject: L.A. County fraud may cost taxpayers \$2 billion

Los Angeles County officials have started to quietly acknowledge that scams by their employees and recipients of services may be costing taxpayers as much as \$2 billion a year.

While there are no exact figures, the county's Grand Jury last summer estimated welfare recipients are defrauding taxpayers of \$500 million a year. Prosecutors have estimated fraud in the food stamp, in-home care and health-care programs cost more than \$200 million.

"It's as though in all the public assistance programs - be it welfare, food stamps, child care or Section 8 housing - someone put a pot of gold in the middle of the street and walked away from it with very little integrity controls," said James Cosper, head deputy in the District Attorney's Office Welfare Fraud Division.

"It's bad throughout the entire county. ... We do two or three major sweeps a year where we go out and arrest people. In case after case, they are driving Beemers, Lexus and Mercedes automobiles, or we have evidence they are taking expensive vacations, going on very nice cruises or living in expensive homes."

It's not just recipients of services who are defrauding the county. The National Association of Certified Fraud Examiners estimates 5 percent of the revenues of businesses and government agencies are lost to employee fraud, waste and abuse each year.

That would mean L.A. County government, with a \$21 billion budget, loses at least \$1 billion a year.

Investigations of county employee fraud have surged from 340 in 2000 to 583 in 2005 amid increased calls to a county fraud hot line. Calls to the hot line hit 621 in 2003-04 and are projected to reach 1,000 this fiscal year.

"(Fraud is) a tremendous problem," said Tony Bell, spokesman for Supervisor Michael D. Antonovich, who created the hot line in 1988 that is credited with saving taxpayers \$13.5 million.

"It's a problem that our office has targeted as a high priority. And we're working with the district attorney to increase the number of investigations."

The acknowledgment that county fraud is a growing problem follows a warning three years ago by the Citizen's Economy and Efficiency Commission about costly workers' compensation fraud.

Since then, officials have reduced county workers' compensation abuses from \$324 million in 2003-04 to \$263 million in the last fiscal year.

Some officials have begun to take more seriously the warnings of the grand jury, prosecutors and the commission about a "culture of entitlement" among county employees and recipients of county services.

"I think at this point very few people could deny that there is very much a culture of corruption in the county of Los Angeles, both from the public sector side, and certainly with the entitlement mentality on the recipient side," said Jon Coupal, president of the Howard Jarvis Taxpayers Association.

Still, some county officials disagree that there is a culture of corruption.

"We have systems in place that try to prevent it from happening," Assistant Chief Administrative Officer Sharon Harper said.

Some experts said that simply because of its size, Los Angeles County is a prime candidate for fraud.

"The very largest organizations and the very smallest organizations are the ones that get hit the most," said Sarah Carson, president of the Los Angeles chapter of the fraud examiners' association. "The bigger organizations, where so much money is involved, are the prime candidates for those who want to milk the system."

County Auditor-Controller Tyler McCauley has estimated in the past that employee fraud, waste and abuse annually costs the county about \$250 million, although he's reluctant to make estimates now.

McCauley, who said he's seen a dramatic increase in the number of people willing to participate in illegal activities, concedes that the county doesn't require enough income and asset proof from welfare recipients.

Department of Public Social Services Director Bryce Yokomizo has disputed estimates by prosecutors and the grand jury on the extent of child care fraud, but recently wrote in a memo to the Board of Supervisors that fraud in portions of the program under state control is a serious problem.

DPSS has 178 fraud investigators and supervisors who helped prevent \$59 million in welfare fraud last fiscal year, up from \$45 million in 2000-01. More than 800 child care fraud investigations are currently under way.

Supervisor Don Knabe said the state estimates child care fraud exists in up to 7 percent of all statewide cases, but two-thirds of the program is administered by the state and DPSS can't investigate those cases.

The state has "no clear policies in place that meaningfully address program integrity or quality control, let alone a means of preventing criminal activity in child care programs," Knabe said.

"The result is that a majority of child care funding - nearly \$235 million given out locally ... last year - is left wide open to fraud."

Concerns about county employee fraud, waste and abuse also have escalated after investigators discovered that Martin Luther King-Drew Medical Center employees were engaged in widespread workers' compensation and time card abuses.

Investigators found more than 120 instances where employees filed injury claims for tumbling out of chairs and doctors who claimed to work for 24 hours a day for weeks at a time.

Since January 2004, more than 500 MLK employees have been disciplined for time card and other abuses, including 255 who resigned or were fired.

County investigators found the problems involved "systemic deficiencies" throughout county government, noting a growing number of employees are being fired and disciplined for time card abuses and hundreds of investigations are under way.

Following reports that thousands of employees earned overtime equal to half or more of their pay and hundreds doubled or tripled their salaries, the Board of Supervisors directed officials last year to revamp time card protocols.

Chief Administrative Officer David Janssen said those changes cannot be made until a new human resources computer system is installed.

"The fiscal system has been totally redone," Janssen said. "But it will be another year or two before we have a new time card system."

Still, the county's overtime costs have shot up from \$296 million in 2003-04 to \$423 million last fiscal year - \$113 million over budget.

"(Time card abuses are) a more widespread problem," said Marion Romeis, chief of the Office of County Investigations. "A substantial number of our referrals involve time abuses. It goes across the county. Some of the big ones always involve the doctors."

Time card abuse investigations rose from 14 in 2000 to 49 last year.

Romeis attributed the increase in fraud investigations to heightened employee awareness of possible problems and the fraud hot line, which makes it easier for employees to anonymously report possible abuse.

But Romeis concedes she doesn't have enough investigators and only investigates the "very egregious" cases because it's time-consuming to conduct surveillance on employees.

The Board of Supervisors recently funded two extra investigators for Romeis office, bringing the total to 14. The investigators refer criminal cases to the District Attorney's Office and send other completed investigations to various departments for discipline.

The D.A.'s Office has 273 Bureau of Investigation investigators, some of whom handle county cases.

The District Attorney's Office Public Integrity Division filed felony charges against 75 county employees since 1999, including 28 welfare workers. A total of 23 were sent to jail, eight to state prison and 38 were placed on probation.

"It's much more than has ever been done in the 156-year history of the Los Angeles County D.A.'s Office," District Attorney Steve Cooley said. "Since I've been D.A., we've had a strong commitment to pursue public corruption."

Despite the large number of prosecutions, critics said only a small proportion of county employees found to have engaged in fraud and misconduct are disciplined or charged criminally.

While investigators substantiated 120 fraud hot line cases last year, only 38 employees, or 32 percent, were fired, suspended, transferred or allowed to resign.

City gives OK to inspection of rental units

This story appeared in the Antelope Valley Press on Friday, January 12, 2007.

By MARISSA BELLES
Valley Press Staff Writer

LANCASTER - The City Council moved to introduce a rental home inspection program that would allow code enforcement officers to inspect all apartments and rental houses within the city limits.

The rental inspection program falls under the umbrella of the strong neighborhood initiative, which the city has been unveiling during the past several months.

"The proposed ordinance will proactively identify blighted, deteriorated and substandard rental housing stock and to ensure the rehabilitation and/or elimination of such housing that does not meet minimum standards," Housing and Revitalization Director Elizabeth Brubaker said. "These standards not only address life, health and safety issues, but also the results of deferred or inadequate maintenance."

Introduced on a 5-0 vote, after Brubaker presented the program specifics along with PowerPoint photos of problem rentals at a council meeting Tuesday night, the proposal comes back before the City Council in two weeks for formal approval.

According to a staff report, there is a strong presence of affordable rental housing throughout Lancaster. The 2000 census shows approximately 14,815 rental units, which does not include rental properties constructed or converted during 1999 to 2006.

"Since that time the city has seen tremendous growth and changes within the fabric of the community," Brubaker said. "Consultants believe there are as many as 20,000 rental (units) based on historical information and preliminary investigation."

Over half of those, Brubaker said, are not contained in multi-housing apartment complexes but are single-family rentals, duplexes, triplexes and fourplexes scattered throughout the city.

"Daily the city receives complaints about single-family residential rentals negatively affecting the neighborhood in relation to code enforcement violations, crime and uncivil behavior," Brubaker said.

The staff report said the State Housing and Community Development Department has estimated one in every eight dwellings is substandard and fails to meet minimum housing code requirements.

"The state Legislature has declared that the effects of even one substandard unit can lead to the deterioration of an entire neighborhood," Brubaker said.

The proposed ordinance establishes a regulatory inspection program while incorporating financial incentives for landlords to bring their buildings into compliance quickly. This is done by establishing regular inspection schedules at three years, two years and one year.

For buildings where no major violations are found, the next inspection is three years from the date of their certificate of compliance.

Buildings where violations have been found, but corrections are completed within 30 days, will be reinspected in two years. Buildings where violations were found but were not corrected within 30 days will be re-inspected in one year.

The fees include \$60 per facility for processing the Rental Business License; a \$93 fee for inspection of the first rental unit and a \$23 fee per additional unit. The license fees are expected to produce \$315,000 to cover the cost of administering the license process, and the Rental Inspection fees are expected to produce \$520,000 to cover the cost of operating the Rental House Inspection Program.

The program also would add three more code enforcement officers to the staff as well as one administrative clerk.

Steve Rice, chairman of the Greater Antelope Valley Association of Realtors, said the group supports the ordinance, but he asked for a clarification on tenants who own multiple buildings.

"It is our understanding that if a rental housing owner or business entity owns several properties, the owner will only be required to pay one business license fee although they will be required to pay the inspection fee on each unit as required by ordinance; is this correct?" Rice asked.

Finance Director Barbara Boswell said each individual property would need its own business license, so if a property is an apartment building with units, there would be one license fee.

"If a property owner owns several properties at different locations, each location would have its own license and would have to pay its own license fee," Boswell said.

Rice said it was his understanding from a previous meeting that the consensus was if an owner owned several properties there would be one business license.

City attorney Dave McEwen said that was not his recollection of the consensus or the response of staff at that meeting.

"It really gets to be difficult when you start to talk about ownership of multiple single-family units at multiple locations," McEwen said.

"That was why we have the provisions the way they are, that you have one license for each separate property, but if it's a 16-unit apartment building it's one license."

Boswell added that the current fee structure under LAN-CAP is \$65 for the first two units and

\$25 for each additional unit.

"So if it's an apartment building, it's \$65 for the first two units and \$25 for each additional unit, but that's annually; there is no reduction for renewal," Boswell said. "Under the new fee structure you'd pay \$60 per each individual property, and the renewal is \$25 for each additional property."

Councilman Ron Smith asked Rice if he was OK with the ordinance as it stands or if he thought there was a problem with it.

"I think it's a problem for the multiple owner. The \$60 per, if you own 10 units that's \$600 bucks, and that transfers over to the tenant," Rice said "We're trying to get affordable housing, and this is one of the steps to do that. We do need inspections, I agree with that 100%, but I think to protect the business people who still have rentals, to protect them, the fee that would take care of all the properties, whether it was a reduced fee after the first one, that would be agreeable to us as well."

Smith asked city staff the purpose of having that \$60 dollars for every additional unit.

"Why couldn't someone have one business license and list that I have 10 single-family houses throughout the city?" Smith asked. "Does it cost us anything else to process that?"

Boswell said staff could look at having one license and have multiple units covered by it.

McEwen pointed out a complication if a property owner with several units and one business license has one unit that doesn't comply.

"Do we have to reinspect all 10 units? If it was an apartment building, we certainly would," McEwen said. "Do we inspect all of those and charge the re-inspection fee on all of those? And that is why we were thinking of a single business license for each property."

Lancaster resident Gary Burgess said the bottom line was the city needs funds to hire code enforcement officers because what it has now is not working.

"I urge you to approve the ordinance and the resolution," Burgess said. "As everyone is aware of, I have been pretty diligent in addressing a particular house in my neighborhood that after a year and a half of dealing with code enforcement and writing letters, it's only now being brought into compliance because the owner sold it."

Burgess said the homeowner has been cited and taken to court by the city, but the need for stronger ordinances to address code enforcement is prevalent.

"A year and a half is way too long to get a place shut down," Burgess said. "I don't fault the code enforcement; I fault the fact that these guys are just spread too thin."

Councilman Andy Visokey asked if staff could sit down with the Realtors Association and go

over the fee structure before the ordinance goes for final adoption in two weeks.

"If you asked me six to eight months ago on this particular issue, I had some very serious reservations when it came to individual liberties and invasion of privacy," Visokey said. "Looking at the pictures up there I can see the absolute need for this type of inspection."

Visokey asked if the owner and occupant will be given adequate notification before the inspection.

"Absolutely," Brubaker said. "They will probably be notified more than two weeks in advance."

Brubaker said if the council voted to adopt the ordinance and resolution, all the information will be posted on several sources, including the city's Web site and the association's.

Visokey said he would support the program as long as the city would be sensitive and respectful during the inspections and keep in mind there are many responsible landlords and tenants who will be affected.

Smith asked that it be amended that owners of several single-family homes only be required to have one business license.

McEwen said that was something which needs to be thought through completely, since there may be other issues that might not be identified yet.

"I guess we could pass it and you can take the concerns of GAVAR up and see if anything else has to be done," Smith said.

Vice Mayor Sileo moved to introduce the ordinance, which was seconded by Councilman Jim Jeffra and approved 5-0.

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<http://www.latimes.com/classified/realestate/printedition/la-re-tenant14jan14,1,85374.story>

THE TENANTS

Two sides of a coin

Is rent control the lifeline that makes living in Los Angeles possible for teachers, nurses, police, the elderly and the working poor? Or is it a stranglehold that chokes off landlords' livelihoods and

By Gayle Pollard-Terry
Times Staff Writer

January 14, 2007

DON'T let the Hollywood lights blind you: Los Angeles is a city of renters, and without rent control, the workers who keep the city running couldn't afford to live here, tenant advocates insist.

Frail but feisty, 79-year-old Doris McKendall could be the poster child for the rent-control cause. She lives on \$851 a month from Social Security and pays \$653 for a rent-controlled one-bedroom apartment a few blocks west of La Cienega Boulevard. When she moved there in 1984, the rent was around \$400.

Spending 75% or so of one's income on housing is not unheard of in Los Angeles, a city with one of the biggest gaps between housing prices and income. It's "a perfect storm" regarding the cost of living here, said Mercedes Marquez, head of the Los Angeles Housing Department.

Of the city's 780,000 rental units, Housing Department figures show, the 1979 Rent Stabilization Ordinance covers 550,000 that had a certificate of occupancy issued on or before Oct. 1, 1978.

Without rent control, the average market-rate rent for an apartment in central Los Angeles is \$1,485, as of the third quarter of 2006, said Delores Conway, director of the Casden Real Estate Economic Forecast at USC. In the West L.A. area, which includes Santa Monica, Beverly Hills and the Westside, it is \$2,079. In the Hollywood, West Hollywood and North Hollywood grouping, \$1,625; and in the San Fernando Valley, \$1,398.

McKendall pays much less than the market rate for her neighborhood east of Cheviot Hills: Should she move out, state law allows the landlord to raise the rent as high as the market will bear. Similar apartments in the area rent for \$1,000 per month.

Clearly, her landlord isn't bringing in top dollar on her unit. But that's the way it is for apartments covered by the rent stabilization ordinance, said the Housing Department's Marquez, and owners who have purchased buildings since the ordinance went into effect knew the rules when they bought.

The city's Housing Department enforces the ordinance, including the annual allowable rent increase — currently 4% — and the requirements for eviction and relocation assistance.

"The regulations are in the public interest," Marquez said, citing the affordable housing shortage and low vacancy rate. Without regulation, she said, disabled tenants, seniors and those on fixed incomes would suffer.

Larry Gross, executive director and one of the founders of the Coalition for Economic Survival, which has been organizing renters to fight for their rights since 1973, is more blunt.

Before rent control, he said, landlords "were increasing rent two, three, four times a year." In many cases, Gross added, speculators bought buildings, raised the rent and then made quick profits by selling to new owners, who increased rents again. Some tenants faced rents that had doubled in a matter of months, according to stories published in The Times in 1977.

Plus, Gross said, owners could evict tenants without just cause.

He and his organization participated in the campaign that resulted in the city's Rent Stabilization Ordinance in 1979.

That same year, Santa Monica voters approved the Rent Control Charter Amendment, said Dennis Zane, a leader of that campaign who later went on to become mayor.

Of Santa Monica's households, 70% rent today, Zane said. The city has just over 31,000 renter-occupied units, according to 2005 census data, the most recent available. Of that number, the Rent Control Board regulates 92%. Most units built after April 10, 1979, are exempt, and owners who occupy duplexes or triplexes may apply for a temporary exemption for the building. Annually, the elected Rent Control Board determines the rent increase for eligible units — currently 4% or \$54 a month, whichever is less. The board also enforces eviction protections and mandatory maintenance, and informs tenants and owners about required relocation assistance.

"Overwhelmingly, tenants and landlords have a good relationship," Zane said. Rent control is "intended to protect tenants from those small number of property owners that behave badly and harass them."

However, he added, as it becomes possible to make more money — as market-rate rents shoot up in Santa Monica — landlords are "increasingly

inclined to bad behavior."

As a result, more tenants are complaining.

"In the last two fiscal years, we have seen an increase in the number of formal complaints," said Adam Radinsky, who heads the consumer protection unit for the Santa Monica City Attorney's Office, which investigates those complaints. And, he said, "We are seeing increased sophistication and creativity in the types of illegal harassment that landlords are using to get tenants to leave the apartments."

Tactics include pretending not to receive the rent, trying to evict tenants on false or invalid grounds, refusing to make repairs in the hope that renters will leave and even threatening them, he said.

Landlords caught intentionally harassing tenants face fines of \$1,000 for each act, can be ordered to pay attorneys fees under the Santa Monica law and could even go to jail.

Tenant complaints have shot up in Santa Monica and other rent-control cities since the state vacancy decontrol law, which allows landlords to set new rents on empty apartments, went into effect Jan. 1, 1999. Many renters also contact legal aid lawyers, Bet Tzedek, tenants' rights clinics and self-help centers set up by the state court system in addition to the appropriate government agencies.

The L.A. Housing Department received nearly 9,000 complaints in 2006, up from 7,566 in 2004. If an investigator finds a violation, the landlord is given a deadline to correct the problem. When an owner fails to respond, the Housing Department sends the case to the Los Angeles City Attorney's Office. Last year, 69 cases were referred.

Although Beverly Hills has not seen a marked increase in complaints, the numbers are up in West Hollywood, where 16,000 of the 23,000 households are rent controlled. "We have had more tenant harassment complaints," said Marney Hill, rent stabilization manager for that city. Some renters also fear that their buildings will be demolished to make way for stores or condominiums.

"With all the talk of development," she said, "tenants are really nervous."

Rent control has a political history in West Hollywood. Voters who supported maintaining affordable apartments helped advocates for cityhood win the 1984 election that created the municipality. A year later, the City Council adopted a permanent rent control law.

The rent stabilization ordinance covers apartments occupied on or before July 1, 1979. It sets maximum allowable rents, annual increases — 4% as of September — the amount of the security deposit, a maintenance schedule, causes for eviction and the amount for relocation fees when appropriate. Owner-occupied units qualify for a temporary exemption.

In Beverly Hills, the City Council approved existing rent control regulations in 1978.

That ordinance, and a second approved eight years later, cover all apartments and duplexes, approximately 12,000 to 13,000 units, primarily located south of Santa Monica Boulevard, said Bart Swanson, code enforcement manager. Tenants — including those who live in hotels or motels for 30 or more days — fall into two categories.

The first covers the small number of tenants, who have paid \$600 a month or less for rent at any point. Their annual rent increase, based on the federal consumer price index, is calculated monthly, but it goes up only once a year. For tenants who got their annual increase this month, it is 4.1%; for December, it was 4.2%. Protected from eviction without cause, except when a landlord or a relative wants to move in, they also receive relocation benefits of up to \$5,000 if their apartment is torn down, taken off the market or undergoes a major remodel that requires them to leave.

All other tenants can expect an annual rent increase of up to 10%, Swanson said. After their leases have expired, they can be evicted without cause with a 60-day notice and they receive no relocation benefits. Owner-occupied units are exempt from both categories.

Aside from L.A., Santa Monica, West Hollywood and Beverly Hills, no other areas in Los Angeles County mandate rent control. There are no rent stabilization ordinances in Orange, San Bernardino or Riverside counties. In Ventura County, the Thousand Oaks ordinance covers a small number of tenants who moved into their apartments in 1987 or before that.

Rent control regulations don't prevent condo conversions, the latest threat to tenants. In L.A., close to 13,000 rent-controlled apartments have been converted to condos or demolished in the last five years.

As more apartments are turned into condos, Marla Joseph, a college administrator, questions where working people like her are expected to live.

A single mother earning just under \$50,000 annually, she has lived for 21 years in a two-bedroom, rent-controlled apartment in a large, lushly landscaped Sherman Oaks complex. During that time, her monthly rent has increased from \$800 to \$1,074, which she said represents 42% of her take-home pay. Joseph said market rent is \$1,895 for a two-bedroom unit in her building.

She and other tenants in the complex, which has 104 units, received a letter in November from building management indicating an application had been made for a condominium conversion.

"Eventually, people like me, senior citizens, teachers, social workers, won't have a place to go and Los Angeles will become an elitist city," said Joseph's neighbor Judi Mesisca. For 10 years, Mesisca, 56 and partially disabled, and her husband, Chet, 75, have lived in a two-bedroom apartment in the complex. The original rent of \$795 has risen to \$1,069. Their combined annual income is \$26,000.

Another neighbor, Karen Pardy, 62 and a nurse for a home healthcare agency who earns about \$50,000 a year, has lived there for nine years. Her

rent has gone from \$825 to \$1,106.

"I don't know where I would go" if forced to move, she said. "I can't afford to spend \$1,800 a month on rent. I'll be 63 in March. I'm looking to retire."

Retirement has not been kind to Doris McKendall, who worked in real estate. She once was a homeowner with her then-husband, but that went the way of the divorce. To be able to eat after paying utilities, she depends on donations from her ex-husband, friends and Jewish Family Service of Los Angeles. Without rent control, she could not afford the apartment that has been her home for more than two decades.

"I pay my rent every month," said McKendall, who wants to remain in her apartment for the rest of her life. "I'm not a well person. I'm crippled. I'm old. I just want to be left alone."

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(INFOBOX BELOW)

Rent control: How some local cities stack up

Los Angeles

When:

The Rent Stabilization Ordinance took effect May 1, 1979.

What's covered:

Buildings occupied on or before Oct. 1, 1978. Two or more units on the same lot, whether apartments, condominiums, town homes, houses or duplexes; rooms in a hotel, motel, rooming house or boarding house occupied by the same tenant for 30 or more consecutive days.

Increase allowed:

As of July 1, 2006, a 4% annual increase plus 1% for electric service and 1% for gas if they are provided by the landlord.

Relocation policy:

If a tenant is forced to move out under specified situations, landlords must pay relocation assistance of \$3,450 per unit unless the tenant has minor children, is disabled or over the age of 62. In those cases, the amount is \$8,550.

Santa Monica

When:

The Rent Control Charter Amendment (Article 18 of the Municipal Code) was adopted on April 10, 1979.

What's covered:

Most residential rental units constructed before April 10, 1979. Some single-family homes and condos.

Increase allowed:

As of Sept. 1, 2006, 4% or \$54, whichever is less, plus \$7 for gas service the landlord supplies for tenants occupying units prior to Jan. 1, 1999.

Relocation policy:

Relocation benefits, based on the size of the apartment, start at \$4,400 and go up to \$8,050. Tenants 62 or older receive an additional \$1,000.

West Hollywood

When:

The Rent Stabilization Ordinance was approved on June 27, 1985.

What's covered:

Apartment buildings and duplexes issued a certificate of occupancy on or before July 1, 1979. Under an amendment, rented condos and single-family homes, if a tenant moved in before 1996.

Increase allowed:

4% as of Sept. 1, 2006.

Relocation policy:

Benefits are based on income, age, disability and other factors. The assistance ranges from \$2,000 to \$15,000. All households receive \$1,000 for moving expenses.

Beverly Hills

When:

There are two rent control ordinances. The first applies to tenants who paid \$600 or less per month any time during their tenancy. It was adopted Sept. 19, 1978. Tenants who paid more than \$600 are covered by an ordinance OK'd Oct. 7, 1986.

What's covered:

All apartment units and duplexes.

Increase allowed:

The annual increase allowed under the first ordinance is 4.1% as of Jan. 1, 2007. In the second group, which is much larger, it's up to 10%.

Relocation policy:

Up to \$5,000 for tenants under the first ordinance and nothing for tenants covered by the second.

Sources: Los Angeles Housing Department, Santa Monica Rent Control Agency, West Hollywood Department of Rent Stabilization and Housing, the code enforcement division of the Beverly Hills Department of Building and Safety, ESRI, TeleAtlas.

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HUD home program is expanded

By Lew Sichelman
United Feature Syndicate

January 14, 2007

WASHINGTON — Federal housing authorities are adding first responders to a restructured program aimed at getting government-owned homes into the hands of workers who are seen as the key to improving the quality of life in distressed urban communities.

Under a newly adopted rule, firefighters and emergency medical technicians join police officers and teachers in a Good Neighbor Next Door sales program that allows them to purchase foreclosed houses in designated neighborhoods at half their appraised values.

But only those employed by a government agency are eligible. First responders working for nongovernment entities do not qualify, even though they may provide the same services as their colleagues.

Their inclusion, a Department of Housing and Urban Development spokesman said, would "create ambiguity" in assessing eligibility and would be too costly.

The program, which was first offered to full-time law enforcement officers in 1997 and then expanded to include educators and firefighters, allows participants to purchase HUD-acquired homes in designated revitalization areas at a 50% discount from their list prices.

The new rules took effect Dec. 1, more than a year after they were first proposed.

The changes open the door to more participants, but other parts of the program have been tightened. For example, buyers cannot have owned any other residential property for one year before submitting an offer.

The change was necessary, according to the HUD spokesman, because previous owners have had difficulty selling their properties in time to close on their Good Neighbor homes.

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Lawsuit targets L.A. Housing Authority

Lawyers say the city illegally cut the amount of Section 8 rent subsidies for the poor.

By Jessica Garrison
Times Staff Writer

January 17, 2007

A coalition of public interest law firms and civil rights groups Tuesday filed a class-action lawsuit against the Los Angeles Housing Authority, charging that the city agency broke the law when it effectively raised the rent for more than 20,000 poor residents.

In 2004, reeling from financial mismanagement that includes allegations that employees committed fraud and embezzlement, the Housing Authority decided to reduce Section 8 rent subsidies by about \$121 per month per family, according to public interest lawyers.

Lawyers for tenants say it is outrageous for the department to make poor people pay more because the agency failed to manage its finances.

"You are putting poor people at high risk of becoming homeless," said Louis Rafti, an attorney with the nonprofit firm Public Counsel. He said he believes many families may have been evicted because they could not make the higher payments.

But Rudy Montiel, the agency's new executive director, said the increases were done at the request of the federal Department of Housing and Urban Development, which oversees the Section 8 program. "The previous administration did this in complete compliance with federal regulations," he said.

The lawsuit affects about 23,000 of the about 100,000 tenants in the Section 8 program. That program gives tenants vouchers for the difference between what they can afford and what their landlords charge.

The lawsuit, filed in federal court, said the city was required to give tenants a year's notice before decreasing their subsidy, but that the agency "did not make any meaningful attempt to comply," instead sending tenants a "nondescript" flier that "failed to convey any useful information."

Montiel disputed that. "Tenants received multiple notices and were provided precise information," he said.

Among the named plaintiffs are a 53-year-old disabled man who suffers from HIV/AIDS whose rent payment increased from \$231 to \$342, and a single mother whose payment went up 177%, forcing her to choose between rent and food for her daughter, according to the suit.

The lawsuit is the latest in a series of challenges facing the agency. Last year, it sued its former executive director and one of his top deputies, charging that it could not account for more than \$70 million in federal funds.

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Wednesday, January 17, 2007, Antelope Valley Press

L.A. sued over cut in housing voucher value

LOS ANGELES (CNS) — Several groups sued the city of Los Angeles' housing agency Tuesday, alleging it decreased the value of subsidized housing vouchers without giving proper notice to the low-income renters who use the subsidies.

The federal lawsuit, which seeks class-action status, contends the city Housing Authority did not give tenants at least one year's notice before decreasing the value of the vouchers. The one year notice period is required under the federal housing program known as Section 8, according to the suit.

A spokesman for the city attorney's office did not have immediate comment on the lawsuit.

The Asian Pacific American Legal Center and the law firm Public Counsel, which represent two renters, and the Los Angeles Coalition to End Hunger & Homelessness in the suit, contend that the decrease in the vouchers' value affected more than 20,000 low-income recipients of government housing aid.

APALC attorney Julie Su said it was not clear exactly how much the city decreased the value for each of its various categories of rent subsidies, but that a voucher for a

studio apartment dropped \$121 per month, leaving the tenant would be required to make up the difference.

The suit alleges that instead of giving the Section 8 recipients proper notice of the change, the city housing agency sent a piece of paper that did not convey meaningful information.

"At best, HACLA sent a flyer that said nothing about the fact that Section 8 recipients would now be required to pay higher rent," another attorney for the plaintiffs, Barry Litt, said in a statement.

Su said the alleged notification failure meant that "(more than) 20,000 poor families in Los Angeles literally and figuratively had the rug pulled out from under them. At a time when homelessness remains one of the most devastating problems in L.A., the city should be doing all it can to prevent people from losing their homes, not making it harder for them to stay."

The suit seeks to have the city reimburse the renters for the difference between the past and present subsidy amounts. It also seeks a return to the previous voucher values and notices can be given in accordance with Section 8 requirements.



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

January 24, 2007

Honorable Housing Commissioners
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**CONSTRUCTION CONTRACT FOR REPLACEMENT OF TOT LOT AT
THE NUEVA MARAVILLA HOUSING DEVELOPMENT (1)**

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that replacement of the vandalized Tot Lot at the Nueva Maravilla housing development, located at 4919 East Cesar E. Chavez Avenue in unincorporated East Los Angeles, is exempt from the California Environmental Quality Act (CEQA), because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute a Construction Contract with ZK Construction, in the amount of \$61,969, to replace the vandalized Tot Lot at the Nueva Maravilla housing development, located at 4919 East Cesar E. Chavez Avenue, in unincorporated East Los Angeles, to be effective upon issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Executive Director to accept and incorporate into the approved Fiscal Year 2006-2007 budget of the Housing Authority a total of \$72,000 in insurance reimbursement funds from McLarens Young International, and \$25,000 in CDBG funds allocated to the First Supervisorial District, for the project described above.



4. Recommend that the Board of Commissioners authorize the Executive Director to execute administrative amendments to the Construction Contract in an amount not to exceed \$15,492 for unforeseen project costs, as necessary to complete the project described above, following approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to award a Construction Contract to replace a Tot Lot that was damaged beyond repair by vandals at the Nueva Maravilla housing development.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The total construction cost is \$81,508, of which \$ 61,969 is for the construction contract to replace the vandalized Tot Lot, and \$19,539 is for project management-related costs and fees. The insurance company, McLarens Young International, will provide \$72,000 for reconstruction costs and \$10,031 towards the unforeseen contract costs. The First Supervisorial District has allocated CDBG funds in the amount of \$25,000, of which \$5,461 is for the balance of the unforeseen contract costs and \$19,539 is for project management-related costs and fees. The staff estimate to complete the project is \$97,754.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On September 7, 2004, your Board approved a \$74,500 construction contract for the original Tot Lot at Nueva Maravilla. In February 2006, the Tot Lot was severely damaged by vandals, necessitating replacement of the main play structure and rubberized surface.

The Housing Authority wishes to award the attached Construction Contract to ZK Construction to replace the Tot Lot at Nueva Maravilla. The Contract includes: replacement of the main play structure and rubberized surfacing, repair of the entry gate, and painting. It is anticipated that the entire project will be completed within 30 calendar days following the issuance of the Notice to Proceed.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, ZK Construction will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and

very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Construction Contract has been approved as to form by County Counsel and executed by ZK Construction.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35 (a)(3)(ii), this project is excluded from the National Environmental Policy Act (NEPA), because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

The environmental review record for this project is available for viewing by the public during regular business hours at the Housing Authority's main office located at 2 Coral Circle, Monterey Park.

CONTRACTING PROCESS:

On October 5, 2006, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to 465 contractors identified from the Housing Authority's vendor list. Advertisements also appeared in nine newspapers and on the County Website. Six bid packages were requested and distributed.

On October 24, 2006, five bids were received and formally opened. The lowest bid, submitted by ZK Construction, was determined to be responsive and is being recommended for the contract award.

The Summary of Outreach Activities is provided as Attachment A.

Honorable Housing Commissioners
January 24, 2007
Page 4

IMPACT ON CURRENT PROJECT:

The contract award will provide for replacement of a Tot Lot at Nueva Maravilla and improve the quality of life for the residents.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Construction Contract for rehabilitation of Tot Lot at Nueva Maravilla Housing Development

On October 5, 2006, the following outreach was initiated to identify a contractor to replace the Tot Lot at the Nueva Maravilla housing development.

A. Newspaper Advertising

Announcements appeared the following nine local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
LA Opinion	WAVE Community Newspapers
	Long Beach Press Telegram

An announcement was also posted on the County Web Site.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 465 contractors, of which 391 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, six packages were requested and distributed.

C. Pre-Bid Conference and Site Walk

On October 10, 2006, a pre-bid conference and site walk was conducted. Three firms were in attendance.

D. Bid Results

On October 24, 2006, a total of five bids were received and publicly opened. The bid results were as follows:

<u>Company</u>	<u>Bid Amount</u>
ZK Construction	\$61,969.00
AZ Homes, Inc.	\$71,874.00
H.J. Hunsaker Construction Inc.	\$72,592.01

C.A.S. General Contractor
Malibu Pacific Tennis Courts Inc.

\$92,300.00
\$109,000.00

E. Minority/Female Participation –Contractor and Subcontractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
ZK Construction	Non-Minority	Total: 1 1 minorities 0 women 50% minorities 0% women
Little Tikes Commercial (Sub) (Playground Equipment)	Non-Minority	Total: 329 7 minorities 76 women 2% minorities 23% women
Safeguard (Sub) (Playground Surfacing)	Non-Minority	Total: 25 21 minorities 3 women 84% minorities 12% women
Kleen Play (Sub) (Little Tikes Installer)	Minority	Total: 13 9 minorities 2 women 69% minorities 15% women

F. Minority/Female Participation – Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
AZ Homes	Non-Minority	Total: 9 2 minorities 2 women 22% minorities 22% women

H.J. Hunsaker Construction Inc.	Non-Minority	Total: 6 4 minorities 1 women 67% minorities 17% women
C.A.S. General Contractor	Minority	Total: 4 4 minorities 0 women 100% minorities 0% women
Malibu Pacific Tennis Courts Inc.	Non-Minority	Total: 18 10 minorities 2 women 56% minorities 11% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

Contract Summary

Project Name: Maravilla "Tot Lot" Replacement
Location: Nueva Maravilla Family Housing Development
Bid Number: CM-06-094
Bid Date: October 24, 2006
Contractor: ZK Construction
Services: The scope of work includes: replacement of the main play structure and rubberized surfacing, and repair of the entry gate and painting.

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statement of Bidder; Drawings dated October 5, 2006 and all addenda.

Time of Commencement and Completion: The work to be performed under this Construction Contract shall be commenced within ten (10) calendar days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within 30 calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars (\$400)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Housing Authority.

Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **SIXTY-ONE THOUSAND NINE HUNDRED AND SIXTY-NINE DOLLARS (\$61,969)**. The Contract Sum is not subject to escalation, and includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: \$15,492



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

January 24, 2007

Honorable Housing Commissioners
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**AWARD ONE-YEAR CONTRACTS TO PROVIDE COUNTYWIDE RELOCATION
SERVICES (ALL DISTRICTS)**

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the provision of relocation services under one-year Contracts for Consulting Services (Contracts) is not subject to the California Environmental Quality Act (CEQA), because the proposed activity will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute one-year Contracts with Overland, Pacific & Cutler, Inc., Paragon Partners, Ltd., Henry Nunez Real Estate Services, Inc., Shoher Consulting, Inc., and Epic Land Solutions, Inc., using substantially the form of the attached contract, the aggregate amount of which will not exceed \$2,000,000 per year, to provide relocation consulting services on a project-by-project basis for various housing projects throughout the County of Los Angeles, to be effective upon approval by County Counsel and execution by all the parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use funds contained in the Housing Authority's fiscal year 2006-2007 approved budget, for the purposes described herein.



4. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the one-year Contracts, following approval as to form by County Counsel, to extend the time of performance for a maximum of two years, in one-year increments, at \$500,000 for the second year, and \$500,000 for the third year, using funds to be approved through the Housing Authority's annual budget process.

PURPOSE /JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of the recommended action is to enter into the Contracts to retain the services of five firms to provide relocation consulting services on a project-by-project basis for various housing projects throughout the County of Los Angeles.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The maximum amount for all three years of the Contracts, if fully extended, will be \$3,000,000.

For the first year of services under the Contracts, the Housing Authority will use a maximum of \$2,000,000 comprised of HUD funds included in the Housing Authority's approved fiscal year 2006-2007 budget.

After the first year, the Housing Authority may extend the Contracts for an additional two years, in one-year increments, at \$500,000 for the second year and \$500,000 for the third year, contingent upon the availability of funds. Funds for years two and three of the Contracts, if extended, will be requested through the Housing Authority's annual budget approval process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Uniform Relocation and Real Properties Acquisitions Act of 1970, as amended, mandates that all federal and federally-funded agencies provide relocation advisory services and provide monetary and/or other relocation benefits to individuals and businesses that are displaced as the result of housing, economic development, redevelopment, and environmental projects. The State of California adopted legislation in 1972 with the similar requirements. Relocation services are also required when displacement occurs as a result of environmental rehabilitation activities such as noise reduction, asbestos and lead-based paint abatement, as well as seismic retrofitting of structures.

The proposed Contracts define the basic services to be performed by the five firms over the initial one-year term, including: meeting with displaced persons and businesses; determining eligibility for relocation assistance; preparing relocation assistance notices

and claim forms; conducting replacement dwelling inspections; and completing other related functions. The one-year Contracts may be amended to incorporate specific sites, and detailed scopes of work for each project. The Contracts may also be amended to extend the time of performance for a maximum of two years, in one-year increments, and to include additional projects and compensation.

The firms will be assigned relocation projects and will receive compensation based on the scope of services performed on a project-by-project basis. The addition of projects to each Contract will be determined based on relocation needs, qualifications of the consultant in the various aspects of the relocation process, and the complexity of the assignment. The cost of services will not exceed the negotiated dollar amount for individual relocation assignments or work programs.

Should the firms require additional or replacement personnel after the effective date of the contracts, the firms will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet the minimum qualifications for the open positions. The firms will contact the County's GAIN Division for a list of participants by job category.

The Contracts will be effective following approval by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION:

The proposed execution of one-year Contracts is exempt from the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves activities that will not have a physical impact or result in any physical changes to the environment. The activities are also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On October 10, 2006, a Request For Proposal (RFP) process was initiated to identify firms to provide relocation consulting services. An RFP announcement was mailed to 63 relocation consulting firms, which were identified from the Community Development Commission's vendor list. Announcements appeared in the Los Angeles Times and on the County's Office of Small Business website. A copy of the RFP also was posted on the Commission's website.

Five firms submitted proposals. The proposals were evaluated, and based on the RFP requirements and the rating process, Overland, Pacific & Cutler, Inc., Paragon Partners,

Honorable Housing Commissioners
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Page 4

Ltd., Henry Nunez Real Estate Services, Inc., Shoher Consulting, Inc., and Epic Land Solutions, Inc., were selected for inclusion on a list of firms to be utilized on a project-by-project basis.

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROGRAMS:

The proposed Contracts will provide Countywide relocation services for various housing projects on a project-by-project basis.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

Attachment: 1

ATTACHMENT A
CONTRACTS FOR RELOCATION SERVICES

Summary of Outreach Activities

On October 10, 2006, the following outreach was initiated to identify qualified firms to provide relocation consulting services.

A. Request for Proposal Advertising

A Request for Proposals (RFP) announcement appeared in the Los Angeles Times on October 10, 2006:

The announcement was also posted on the County Office of Small Business (OSB) website.

B. Distribution of Proposal Packets

The Commission's vendor list was used to mail out the RFP to 63 relocation consulting firms, of which 34 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). A total of 15 firms received copies of the RFP either by mail or by downloading the RFP package from the Commission's website.

C. Proposal Results

By the deadline of November 2, 2006, RFPs were received from five firms, of which four firms indicated they are minority-owned and/or female-owned. The proposals were evaluated, and based on the RFP requirements and rating process, Overland, Pacific & Cutler, Inc., Paragon Partners, Ltd., The Nunez Group, and Epic Land Solutions, Inc., were selected for inclusion on a list of firms to be utilized on a project-by-project basis.

D. Minority/Female Participation – Firms Selected for Pre-Qualified List

<u>Firm Name</u>	<u>Ownership</u>	<u>Employees</u>	
Overland, Pacific & Cutler, Inc.	Non-Minority	107	Total
		35	Minorities
		49	Women
		33%	Minority
		46%	Women

Epic Land Solutions, Inc.	Female	26	Total
		5	Minorities
		13	Women
		19%	Minority
		50%	Women
Henry Nunez Real Estate Services, Inc.	Minority	53	Total
		31	Minorities
		24	Women
		58%	Minority
		77%	Women
Paragon Partners, Ltd.	Female	92	Total
		24	Minorities
		34	Women
		26%	Minority
		37%	Women
Shober Consulting Inc.	Female	10	Total
		N/A	Minorities
		N/A	Woman
		N/A	Minority
		N/A	Women

The Housing Authority encourages the participation of minorities and women in the contract award process including: providing information about the Housing Authority at local and national conferences; conducting seminars for minorities and women regarding the Housing Authority's programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations which represent minorities and women. The above information has been voluntarily provided by the above firms.

The recommendation to award the Consulting Services Contracts to the above firms is being made in accordance with federal regulations, and without regard to race, creed, color, gender, sexual orientation, or religion.



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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

January 24, 2007

Honorable Housing Commissioners
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**ADOPT RESOLUTIONS APPROVING ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR MULTIFAMILY HOUSING IN
UNINCORPORATED EAST LOS ANGELES (1)**

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that issuance of Multifamily Housing Mortgage Revenue Bonds is not subject to the California Environmental Quality Act (CEQA), because the proposed administrative activity will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners and instruct the Chairman to sign a Resolution (Attachment B) as required under Treasury Regulations, declaring an intent by Villa Gardenias Senior Limited Partnership, a California Limited Partnership, (the Developer), to undertake financing, in an amount not exceeding \$15,000,000, for site acquisition and construction of Villa Gardenias Senior Apartments (the Project), a 125-unit affordable multifamily rental housing development, to be located at 3965 East Olympic Boulevard and 1141 South Ditman Avenue in unincorporated East Los Angeles.
3. Recommend that the Board of Commissioners authorize the Executive Director of the Housing Authority to submit an application to the California Debt Limit Allocation Committee (CDLAC) for a private activity bond allocation in an aggregate amount not exceeding \$15,000,000 for the purposes described herein.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the issuance of Multifamily Housing Mortgage Revenue Bonds in an aggregate amount not exceeding \$15,000,000, and authorize the Executive Director of the Housing Authority to apply to CDLAC for a private activity bond allocation in the same amount, in order to finance acquisition and construction of 125 units, which include 124 affordable multifamily rental housing units and one manager's unit that will have no affordability requirements.

FISCAL IMPACT/FINANCING:

No County costs will be incurred. The Developer will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Project, to be located at 3965 East Olympic Boulevard and 1141 South Ditman Avenue in unincorporated East Los Angeles, will consist of a complex of five apartment buildings containing a total of 125 units, comprised of 105 one-bedroom units and 20 two-bedroom units. Thirty-seven of the units will be reserved for households with incomes that do not exceed 50 percent of the area median income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area (MSA), adjusted for household size, as determined by the U.S. Department of Housing and Urban Development (HUD). Eighty-seven of the units will be reserved for households with incomes that do not exceed 60 percent of AMI for the Los Angeles-Long Beach MSA, adjusted for household size, as determined by the HUD. The affordability requirements will remain in effect for 55 years. The manager's unit will have no affordability requirements.

Adoption of the Resolution by the Board of Supervisors approving issuance of the bonds is required prior to submission of the Housing Authority's application to CDLAC for a private activity bond allocation. This action does not, however, authorize the issuance and sale of the bonds. The Housing Authority must return to the Board of Commissioners for this authorization at a later date.

Adoption of the Resolution by the Board of Commissioners of the Housing Authority announcing the intent to issue Multifamily Housing Mortgage Revenue Bonds is required to establish a base date after which costs incurred by the Developer may be included in the construction and permanent financing obtained pursuant to issuance of the tax-exempt bonds. The Resolution is also required to complete the Housing Authority's application to CDLAC.

Honorable Housing Commissioners
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Page 3

On January 9, 2007, the Housing Authority conducted a hearing, at its office located at 2 Coral Circle in the City of Monterey Park, regarding the issuance of multifamily bonds to finance the Villa Gardenias Senior Apartments development, pursuant to Section 147(f) of the Internal Revenue Code. No comments were received at the public hearing concerning the issuance of the bonds or the nature and location of the Project. The Board of Supervisors will conduct a public hearing on February 6, 2007.

The attached Resolution was prepared by Orrick, Herrington & Sutcliffe, Housing Authority Bond Counsel, and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION:

The proposed activity is exempt from the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activity that will not have a physical impact or result in any physical changes to the environment. The activity is also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECT:

The proposed action is a necessary step to provide bond financing for the Project which will increase the supply of affordable multifamily housing in the County.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

Attachments: 2

ATTACHMENT

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES DECLARING ITS OFFICIAL INTENT TO UNDERTAKE THE FINANCING OF A MULTIFAMILY HOUSING PROJECT AND RELATED ACTIONS

WHEREAS, the Housing Authority of the County of Los Angeles (the "Authority") is authorized and empowered by the provisions of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") to issue and sell mortgage revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, Villa Gardenias Senior Limited Partnership, a California Limited Partnership (or an affiliate or assign) (the "Borrower"), has requested that the Authority issue and sell its mortgage revenue bonds pursuant to the Act to provide financing for the acquisition and construction of a multifamily rental housing development consisting of 125 units to be located at 3965 East Olympic Boulevard and 1411 South Ditman Avenue in unincorporated East Los Angeles (the "Project"); and

WHEREAS, this Board of Commissioners of the Authority (the "Board") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to finance multifamily housing projects pursuant to the Act, in order to increase the supply of multifamily housing in Los Angeles County available to persons and families within the income limitations established by the Act; and

WHEREAS, as an inducement to the Borrower to carry out the Project, this Board desires to authorize the issuance of mortgage revenue bonds by the Authority to finance the Project (the "Bonds") in a principal amount not to exceed \$15,000,000; and

WHEREAS, the Authority, in the course of assisting the Borrower in the financing of the Project expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, Section 1.142-4 and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California (the "Government Code") governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue multifamily housing mortgage revenue bonds; and

WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an application with the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of multifamily housing mortgage revenue bonds; and

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by the Act.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. This Board hereby determines that it is necessary and desirable to provide financing for the Project by the issuance and sale of mortgage revenue bonds pursuant to the Act and hereby authorizes the issuance and sale of the Bonds by the Authority in aggregate principal amounts not to exceed \$15,000,000. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, provided that nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any officer, agent or employee of the Authority will grant any approval, consent or permit which may be required in connection with the acquisition and construction of the Project or the issuance of the Bonds.
3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be agreed upon by the Authority and the Borrower and the initial purchasers of the Bonds; provided, however, that the Bonds shall not be sold or issued unless specifically authorized by the subsequent resolution of this Board.
4. This Resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.142-4 and Section 1.150-2 of the Treasury Regulations. In that regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. Notwithstanding the foregoing, this Resolution does not bind the Authority to make any expenditure, incur any indebtedness, or proceed with the Project.
5. The proper officers of the Authority are hereby authorized and directed to apply to CDLAC for a private activity bond allocation for approval of the Authority to issue the Bonds for the Project in an amount not to exceed \$15,000,000, to collect from the Borrower an amount equal to the performance deposit required by CDLAC and to certify to CDLAC, that such amount has been placed on deposit in an account in a financial institution.
6. The proper officers of the Authority are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable, provided that the terms and conditions under which the Bonds are to be

issued and sold shall be approved by this Board in the manner provided by law prior to the sale thereof.

7. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this ____ day of January, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chairman of the
Board of Commissioners

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy



**HOUSING AUTHORITY
of the County of Los Angeles**

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

January 24, 2007

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**ADOPT A RESOLUTION APPROVING SUBMISSION OF APPLICATION FOR
DISPOSITION OF VACANT LAND AT 1542 EAST 85TH STREET IN
UNINCORPORATED LOS ANGELES COUNTY (2)**

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that disposition of the vacant land located at 1542 East 85th Street in unincorporated Los Angeles County, is excluded from the provisions of the National Environmental Policy Act (NEPA) and exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activity does not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution authorizing the Housing Authority to prepare and submit to the U.S. Department of Housing and Urban Development (HUD) a Disposition Application, which will permit the Housing Authority to dispose the vacant land to the Community Development Commission.
3. Recommend that the Board of Commissioners instruct the Executive Director to submit to HUD the Resolution and Disposition Application for the purpose described herein.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to authorize submission of a Disposition Application to HUD.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. Adoption of a Resolution authorizing an application to HUD for disposition of the subject vacant land is required. There are no debt obligations on the subject vacant land.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 30, 2001, your Board adopted a Resolution authorizing the Housing Authority to submit an application to HUD for the demolition of 13 vacant apartment units located at 1542 East 85th Street in unincorporated Los Angeles County, to remove blighting conditions and permit the future development of six units of family housing under the Conventional Public Housing Programs.

After HUD approved demolition of the vacant units on July 17, 2001, your Board approved the award of a construction contract to Vision's West for the demolition and site clearance of the subject property. Funding for the construction contract was provided by HUD under the Capital Fund Program. The demolition and site clearance were completed in December 2001.

Since the cost of public housing development is prohibitive and HUD does not provide funding for this purpose, the Housing Authority has determined that the vacant land be disposed and title be transferred to the Community Development Commission (Commission) for the provision of affordable housing or homeownership. In exchange, the Housing Authority has received from the Commission, title to two sites located at 4621 and 4625 Linsley Street in unincorporated East Rancho Dominguez, and 11117 and 11119 Firmona Avenue in unincorporated Lennox. The Housing Authority also received Replacement Housing Factor funding from HUD for the rehabilitation of the two sites.

HUD requires that your Board adopt the attached Resolution approving the proposed Disposition Application.

County Counsel has approved the Resolution as to form.

Honorable Housing Commissioners
January 24, 2007
Page 3

ENVIRONMENTAL DOCUMENTATION

This project is categorically excluded from the provisions of NEPA, pursuant to 24 CFR Part 58, Section 58.35 (a)(5), because it involves disposition of property and will not have a physical impact or result in any physical changes to the environment. It is also exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15061 (b)(3), because the activity does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROGRAM:

The proposed action will authorize the transfer of title of the vacant land to the Commission which will explore projects that will increase the supply of affordable family housing in the County.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

Attachment: 1

**RESOLUTION APPROVING SUBMISSION OF APPLICATION TO THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR
DISPOSITION OF VACANT LAND AT 1542 EAST 85TH STREET IN
UNINCORPORATED LOS ANGELES COUNTY**

WHEREAS, the U.S. Department of Housing and Urban Development (the "Department") has established the Capital Fund Program to provide funds for the modernization, rehabilitation, and replacement of public housing;

WHEREAS, the Housing Authority submitted an application to the Department for the demolition of thirteen vacant apartment units located at 1542 East 85th Street in unincorporated area of Los Angeles County (the "site") on January 30, 2001, which was approved by the Department on June 8, 2001;

WHEREAS, the Housing Authority completed the demolition of the site in December 2001; and

WHEREAS, the Housing Authority desires to dispose of the site to the Community Development Commission and such disposition requires the approval of the Department.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority as follows:

1. The Housing Authority has made a reasonable decision to dispose of the site located at 1542 East 85th Street in the unincorporated area of Los Angeles County to the Community Development Commission.
2. The Executive Director is instructed to submit to the Department an application for disposition of the site to the Community Development Commission, which application must be approved by the Department before such disposition.

HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

By: _____
Chair, Board of Commissioners

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk of
the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By: _____
Deputy

APPROVED BY BOARD ACTION ON _____