



**COMMUNITY DEVELOPMENT COMMISSION/
HOUSING AUTHORITY
of the County of Los Angeles**

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Hilda L. Solis
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Commissioners

Monique King-Viehlend
Executive Director

April 09, 2019

The Honorable Board of Supervisors
County of Los Angeles
B96 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
B96 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors/Commissioners:

**ADOPT RESOLUTION TO MERGE THE HOUSING AUTHORITY AND THE COMMUNITY
DEVELOPMENT COMMISSION INTO THE LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY AND INTRODUCTION OF TWO RELATED ORDINANCES
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends adoption of a resolution by the Board of Supervisors (Board) to dissolve the Housing Authority of the County of Los Angeles (HACoLA) as a separate legal entity and to vest the Community Development Commission of the County of Los Angeles (CDC) with all of HACoLA's rights, powers, duties and responsibilities. Thirty (30) days after the adoption of the amendment to County Code Chapter 2.58 the merged entity will thereafter be known as the Los Angeles County Development Authority (LACDA).

This letter also recommends adoption of two ordinances necessary for this reorganization: an amendment to County Code Chapter 2.58 will reflect the merging of HACoLA and CDC into LACDA; and an amendment to County Code Chapter 2.75 will replace the Housing Commission, the current advisory body to the Board in their capacity as the Commissioners of the Housing Authority, with a Community Development Committee to serve as the advisory body to the Board in their capacity as the Board of Commissioners of the LACDA. Lastly, this letter recommends approval of administrative and budgetary actions necessary for the reorganization.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

2-D April 9, 2019

CELIA ZAVALA
EXECUTIVE OFFICER

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed actions are not a project under the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and the record.
2. Adopt and instruct the Chair to sign a resolution to dissolve HACoLA as a separate legal entity, to vest CDC with all of HACoLA's rights, powers, duties and responsibilities, all of which shall take effect thirty (30) days after the adoption of the ordinance to amend County Code Chapter 2.58 relating to CDC.
3. Introduce an ordinance to amend County Code Chapter 2.58 relating to CDC in which it will operate and govern HACoLA and declare that CDC will be vested with the rights, powers, duties and responsibilities of the Commissioners of HACoLA.
4. Introduce an ordinance to amend County Code Chapter 2.75 relating to the Housing Commission in which it will be repealed and replaced with a Community Development Committee, as described herein.

IT IS RECOMMENDED THAT THE BOARD, ACTING AS THE COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

1. Find that the proposed actions are not a project under CEQA for the reasons stated in this Board letter and the record.
2. Authorize the Executive Director, or her designee, to implement and execute all necessary documents for the merger of the Housing Authority with the Commission, including but not limited to assignment of contracts and claims, transfer of Housing Authority properties, and any other related matters.
3. Authorize the Executive Director, or her designee, to implement and execute all necessary documents to effectuate the name change to the Los Angeles County Development Authority.
4. Authorize the Executive Director, or her designee, to incorporate up to \$250,000 into CDC's approved Fiscal Year 2018-2019 budget for expenses related to the reorganization, using CDC general funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to merge the rights, powers, duties and responsibilities of HACoLA and CDC, into the newly branded LACDA. On October 16, 2018, the Board adopted a resolution declaring its intent to initiate this process. Per the Board's direction, CDC/HACoLA provided the required notifications to the U.S. Department of Housing and Urban Development (HUD), bondholders, as well as all conducting business with HACoLA, regarding the Board's intention. HUD and the other parties did not express opposition to the proposed reorganization.

The recommended actions are part of the reorganization and rebranding that CDC/HACoLA is currently undertaking, in an effort to come together as one agency, with one voice, one vision and one culture. The decision to merge was not taken lightly, and has included an extensive internal and external engagement process, including vetting within CDC/HACoLA and externally with its partners and stakeholders. Presentations on the proposed merger have been made to the Housing

Commissioners, Board Deputies and Board Offices. In addition, utilizing philanthropic resources, the Executive Director engaged in an external stakeholder outreach process. Thus far, the proposed reorganization and rebranding has been met with extremely positive feedback.

Ultimately, merging into LACDA will afford the opportunity for our agency to rebrand itself as what it is: a strong, progressive, and unified entity within the County, with a rich history of providing a multitude of services to residents and businesses. The merger of CDC and HACoLA will not affect the level of service; rather, we expect that less confusion will occur as residents, clients and external stakeholders will only be working with one agency, which functions as an industry leader in the affordable housing, community development, and economic development sectors. Moreover, it is expected that the merger will lead to increased integration of CDC and HACoLA programs, with synergies that will ultimately benefit the residents and businesses that both entities currently serve.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. Expenses related to the reorganization and rebranding, including legal fees, public outreach and printing/signage, will be paid using CDC general funds. Up to \$250,000 will be incorporated into CDC's approved Fiscal Year 2018-2019 budget as needed for this purpose.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board created HACoLA by resolution on March 29, 1938, and created CDC by ordinance on February 13, 1976. Although they are separate legal entities, CDC and HACoLA have operated jointly since 1982, with a single Executive Director, and staff performing work for both agencies. The programs and clientele of the two agencies also share significant overlap.

Health and Safety Code Section 34118 permits a community development commission to operate and govern the housing authority and declare that the community development commission shall be vested with the rights, powers, duties, and responsibilities of the commissioners of the housing authority.

The attached resolution will merge CDC and HACoLA as one single entity and will dissolve HACoLA as a separate legal entity. The resolution will take effect 30 days after the adoption of proposed ordinance amending County Code Chapter 2.58. . As part of LACDA's assumption of all of HACoLA's rights, powers, duties and responsibilities, any existing HACoLA contracts and claims will be assigned to LACDA.

The Board currently serves as both the Board of Commissioners of CDC and the Board of Commissioners of HACoLA. After the merger, the Board will continue to serve as the Board of Commissioners of LACDA. The Housing Commission currently serves as the advisory body to the Board of Commissioners of HACoLA. Because the proposed actions will dissolve HACoLA, the Housing Commission will also be dissolved, and replaced with a Community Development Committee (Committee) to serve a similar advisory function to the Board of Commissioners of LACDA. The Committee will be comprised of no more than nine (9) members that will consist of five (5) "tenant" members, three (3) "nontenant" members, and one (1) formerly homeless member. The tenant members and the formerly homeless member must be tenants of properties owned or managed by LACDA or participants in HUD's Section 8 Tenant-Based Rental Assistance Program. One of the five tenant members shall be over 62 years of age. The proposed ordinance will amend County Code Chapter 2.75 to reflect these changes. CDC recommends that the Committee maintain

the current tenant members of the Housing Commission, which will meet the requirements of Chapter 2.75 when it goes into effect.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are not subject to CEQA because they are activities that are excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378(b) (5) of the State CEQA Guidelines. The proposed actions would involve administrative activities of government and would not involve any activities that may result in a potentially significant physical impact on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will complete the merging of CDC and HACoLA is to be effective 30 days after adoption of the ordinance amending County Code Chapter 2.58. This merger will streamline operations and enhance service delivery to our clients throughout the County.

Respectfully submitted,



MONIQUE KING-VIEHLAND
Executive Director

MKV:NT

Enclosures

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF LOS ANGELES COUNTY TO DISSOLVE THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES AS A SEPARATE LEGAL ENTITY, AND MERGING
AND VESTING THE RIGHTS, POWERS, DUTIES AND RESPONSIBILITIES OF THE
HOUSING AUTHORITY WITH
THE COMMUNITY DEVELOPMENT COMMISSION OF THE
COUNTY OF LOS ANGELES**

WHEREAS, on March 29, 1938, by resolution, the Board of Supervisors ("Board") of the County of Los Angeles ("County") declared that there is a need for a housing authority to function in the County and pursuant to section 34290 of the Health and Safety Code declared itself to be the Commissioners of the Housing Authority of the County of Los Angeles ("Housing Authority");

WHEREAS, on February 13, 1976, by ordinance, the Board declared that there is a need for a commission to function in the County and declared itself to be the Commissioners of the Community Development Commission of the County of Los Angeles ("Commission") pursuant to section 34115 of the Health and Safety Code, which also governs as its redevelopment agency;

WHEREAS, the laws of the State of California establish in each community, a community development commission, in order that a community may have the option of operating and governing its redevelopment agency and its housing authority under a single operating entity together with the exercise of any other powers regarding community development which the legislative body of a community may desire to delegate;

WHEREAS, Health and Safety Code Section 34118 permits a community development commission to operate and govern the housing authority and declare that the community development commission shall be vested with the rights, powers, duties, and responsibilities of the commissioners of the housing authority; and

WHEREAS, the Board declares a need to operate the Commission and the Housing Authority as one single entity and to dissolve the Housing Authority as a separate legal entity and to vest the Commission the rights, powers, duties, and responsibilities of the commissioners of the Housing Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles does hereby resolve as follows:

Section 1. The Recitals set forth above are true and correct and are incorporated in this Resolution by this reference.

Section 2. The Board of the County of Los Angeles hereby dissolves the Housing Authority as a separate legal entity and vests the Commission with the rights, powers, duties, and responsibilities of the commissioners of the Housing Authority and hereby authorizes the Commission to transact business and exercise its power with respect to the Housing Authority.

Section 3. The adoption of this Resolution shall not effect or impair the programs operated by the Housing Authority and shall be operated as if by the Commission. The title to property, debts, demands, liabilities, obligations including the proceedings involving such Housing Authority shall have the same validity and effect as if undertaken by the Commission.

Section 4. The Board declares that the above actions become effective thirty (30) days after the adoption of Ordinance No. _____.

The foregoing Resolution was passed and adopted by the County of Los Angeles at a meeting held on _____, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chair of the Board of Commissioners

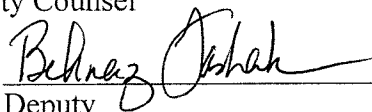
ATTEST:

CELIA ZAVALA
Executive Officer – Clerk
of the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: 
Deputy