COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
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Gloria Molina
Yvonne Brathwaite Burke
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Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

June 3, 2003

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

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE THE COMMUNITY DEVELOPMENT COMMISSION AND HOUSING AUTHORITY FISCAL YEAR 2003-2004 BUDGETS (ALL DISTRICTS) (3 Vote)

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES:

1. Adopt and instruct the Chair to sign the Resolution approving the $333,377,200 Fiscal Year 2003-2004 budget, which includes $94,238,600 in Community Development Commission funding and $239,138,600 in Housing Authority funding.

2. Adopt and instruct the Chair to sign the Resolution authorizing the advance of a total of $686,636 from the Community Development Commission's general fund into four special project fund accounts to provide for eligible redevelopment activities.

3. Determine that the use of $35,581 for planning and administrative expenses charged to the Low and Moderate Income Housing Fund is necessary for the production, improvement, or preservation of low- and moderate-income housing.

4. Instruct the Executive Director of the Commission to implement the budget, and to take all related actions, including the execution of all required documents, for the purposes described herein.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES:

1. Adopt and instruct the Chair to sign the Resolution approving the $239,138,600 Fiscal Year 2003-2004 budget of the Housing Authority.

2. Instruct the Chair to sign Federal Form 52574, as required by the U.S. Department of Housing and Urban Development (HUD), to certify approval of the Housing Authority's operating budget.

3. Authorize the Executive Director to incorporate into the Housing Authority's Fiscal Year 2002-2003 budget an additional $15,000,000 in revenues received from HUD due to the 100 percent lease-up rate achieved by the Section 8 Program, to be used for landlord payments.

4. Instruct the Executive Director of the Housing Authority to implement the budget and to take all related actions, including the execution of all required documents, for the purposes described herein.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of the recommended actions is to establish new fiscal year appropriation authorities for the Commission and the Housing Authority for ongoing and anticipated activities, to approve related actions, and to increase the Housing Authority's current year budget.

FISCAL IMPACT/FINANCING:

The Commission's budget includes $794,000 in County general funds, which the Chief Administrative Officer is recommending to support the Office of Small Business and the University of California Cooperative Extension Program. These programs facilitate governmental procurement opportunities for businesses and provide educational programs for housing residents.

Funding for core programs such as the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Conventional Public Housing, and Section 8 Program will remain relatively stable, despite recent federal regulatory and legislative changes, which may impact these programs in the future. The Commission and Housing Authority continue to seek other sources of revenue to respond to the changing needs in the County and to mitigate any future reductions in federal funding.

For Fiscal Year 2003-2004, the Commission budget will be $94,238,600 and the Housing Authority budget will be $239,138,600. The budgets consist primarily of federal funding received for housing and community development programs provided by HUD. Other federal revenue sources include the Economic Development Administration (EDA) and the Federal Aviation Administration (FAA). Local revenue sources consist of public housing dwelling rental income and redevelopment tax increment funds, including those administered on behalf of the City of Industry.

Major Funding Sources

Four major funding sources will support Housing Authority programs during Fiscal Year 2003-2004. Section 8 Program subsidies are budgeted at $175.8 million. Conventional Public Housing Program operating subsidies are budgeted at $6 million, and rent revenues are budgeted at $10.2 million. Public housing modernization will have $14.5 million in funding available.

A total of $5.2 million in general funds and reserves are budgeted for Fiscal Year 2003-2004. Housing Authority funding consists of $1.5 million in general funds and $2.7 million in reserves. Commission funding consists of $.8 million in general funds and $.2 million in reserves. These funds will be used for high priority County initiatives that require additional funding, such as affordable housing construction and supportive services promoting self-sufficiency for families participating in Housing Authority programs.

Three major funding sources will support Commission programs during Fiscal Year 2003-2004. The 2003-2004 federal entitlement for the CDBG Program is comprised of the following amounts: $37.2 million in Twenty-ninth Program Year funds (July 1, 2003 to June

30, 2004); $481,000 in CDBG funds received as a joint applicant with the City of Cerritos; and $264,041 in reallocated funds. These funds, combined with $19.8 million in carryover funds and $4 million in projected program income, total $61.7 million in CDBG funds that will be used by the Housing Authority, the Commission, 48 participating cities, 8 County departments and 76 community-based organizations.

In conjunction with CDBG, the HOME and City of Industry programs will support housing development activities. HOME is budgeted at $14.1 million for loans to developers, single and multi-family rehabilitation, and the first time homebuyers program. City of Industry Redevelopment Housing Set Aside funds are budgeted at $19.4 million to finance Countywide housing development. To date, a total of $80 million has been awarded, which has leveraged approximately $438.7 million to create 4,175 units of affordable rental, homeownership and special needs housing units within a 15-mile radius of the City of Industry. On March 18, 2003, your Board approved the sixth allocation of Industry funds for the development of multi-family, senior and special needs housing.

Finally, an additional $15,000,000 in budget authority is being requested for incorporation into the Fiscal Year 2002-2003 Housing Authority budget due to a 100 percent lease-up in the Section 8 Program. The successful lease-up yielded additional revenue from HUD, which will be used for landlord payments and to provide for increases in the program's Fair Market Rents.

STAFFING:

The Fiscal Year 2003-2004 budgets include an increase of 10 regular positions due to the conversion of contract to regular positions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In January 2001, the Commission and Housing Authority, with the concurrence of the County Auditor-Controller, developed an administrative policy for establishing a capital budget. Fiscal Year 2003-2004 marks the third year the Commission and Housing Authority will each be submitting a capital budget that details ongoing and future projects. The Fiscal Year 2003-2004 operating budgets include $6,357,000 in Housing Authority and $925,000 in Commission capital projects.

On May 27, 2003, your Board approved the 2003-2004 One Year Action Plan, which includes planned usage of CDBG, HOME and Emergency Shelter Grant (ESG) funding by the Commission, the Housing Authority, participating cities, and community based organizations. The 2003-2004 One-Year Action Plan was created with citizen input, as required by federal regulations. The recommendations approved by your Board are

reflected in the Fiscal Year 2003-2004 budgets, which are being presented for approval at this time.

Adoption of the attached Resolutions approving the Fiscal Year 2003-2004 budgets are necessary to establish new fiscal year appropriation authorities for the Commission and the Housing Authority, to receive funding and to comply with Federal Notice 94-66 (Public Housing Authority) from HUD's Office of Public and Indian Housing issued September 21, 1994. HUD Form 52574 must also be approved by your Board to certify approval of the Housing Authority's operating budget. In addition, the Board must adopt the Resolution to advance funds from the general fund of the Commission to the special funds established for redevelopment projects of the County to provide for redevelopment activities. Finally, per the California Health and Safety Code, Section 33334.3, the Board must determine that a portion of tax increment funds set aside for the production, improvement or preservation of low- and moderate-income housing can be used for planning and administrative expenses, and that a total of $35,581 may be used for this purpose during Fiscal Year 2003-2004.

County Counsel has approved the attached Resolutions as to form. On April 23, 2003, the Housing Commission recommended approval of the Housing Authority Fiscal Year 2003-2004 budget, and related actions.

CONTRACTING PROCESS:

HOME funds are available on a first-come, first-served basis to qualified for-profit and non-profit developers and Community Housing Development Organizations through an ongoing, open RFP process that provides funding for housing development. Projects are selected to maximize the impact of HOME funds based on viability, financial feasibility, and appropriateness to geographic location and community need. Funds are also available on a first-come, first-served basis to qualifying homebuyers and owners of single-and multi-family housing in need of rehabilitation.

City of Industry Redevelopment Housing Set Aside funds are also allocated to developers through a competitive ongoing RFP process. These funds are used to develop multi-family rental, senior rental, affordable for-sale and special needs housing.

The award of CDBG funds to nonprofit agencies are allocated by each of the five Supervisorial Districts to conduct projects that address housing and community development needs of the County. No RFP process is conducted.

IMPACT ON CURRENT SERVICES AND PROJECTS

Approval of the Fiscal Year 2003-2004 budgets will enable the Commission and the Housing Authority to conduct program activities to benefit low- and moderate-income residents of the County and participating cities.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachments: 4

RESOLUTION APPROVING 2003-2004 FISCAL YEAR
BUDGET OF THE COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

WHEREAS, it is necessary for the Board of Commissioners of the Community Development Commission of the County of Los Angeles to adopt an annual budget;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Community Development Commission of the County of Los Angeles, hereby adopts the following budgeted revenues and appropriations for the Community Development Commission and The Housing Authority of the County of Los Angeles for the 2003-2004 Fiscal Year, as set forth in the Annual Budget for the 2003-2004 Fiscal Year, which includes $94,238,600 in funding for the Community Development Commission and $239,138,600 in funding for The Housing Authority of the County of Los Angeles.

Estimated Funding:	$333,377,200
Expenditure and Reserve Appropriations:	$333,377,200

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk of
the Board of Commissioners

By: _____
Deputy

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

By: _____
Chair

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By: _____
Deputy

RESOLUTION APPROVING 2003-2004 FISCAL YEAR
BUDGET OF THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

WHEREAS, the Board of Commissioners of The Housing Authority of the County of Los Angeles has received the budget for the 2003-2004 Fiscal Year and has found:

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

2. That the financial plan is reasonable in that:

   (a) It indicates a source of funding adequate to cover all proposed expenditures.

   (b) It does not provide for use of federal funding in excess of that payable under the provisions of 24 Code of Federal Regulations, Section 990.

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

4. That no employee reflected in the operating budget is serving in a variety of positions which will exceed a 100% allocation of his or her time.

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

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

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

1. The above recitals are true and correct.

2. The Housing Authority of the County of Los Angeles adopts the following budgeted revenues and appropriations for the 2003-2004 Fiscal Year, as set forth in the Annual Budget for The Housing Authority of the County of Los Angeles:

Estimated Funding	$239,138,600
Expenditure and Reserve Appropriations:	$239,138,600

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

4. This Resolution shall take effect immediately.

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer-Clerk of
the Board of Commissioners

By: _____
Deputy

THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

By: _____
Chair

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By: _____
Deputy

RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES AUTHORIZING THE ADVANCE OF 2003-2004 FISCAL YEAR FUNDS FROM THE GENERAL FUND OF THE COMMISSION TO THE SPECIAL FUNDS ESTABLISHED FOR REDEVELOPMENT PROJECTS OF THE COUNTY OF LOS ANGELES

WHEREAS, the Board of Supervisors of the County of Los Angeles (the "Board") has approved and adopted the following redevelopment plans (collectively, the "Redevelopment Plans") for the following projects (collectively, the "Projects"):

1. By Ordinance No. 10,661, adopted February 20, 1973, Redevelopment Plan for the Maravilla Redevelopment Project (the "Maravilla Project");

2. By Ordinance No. 11,585, adopted September 15, 1977, Redevelopment Plan for the Willowbrook Redevelopment Project (the "Willowbrook Project");

3. By Ordinance No. 84-0113, adopted July 10, 1984, Redevelopment Plan for the East Compton Redevelopment Project (the "East Rancho Dominguez Project");

4. By Ordinance No. 86-0136, adopted August 12, 1986, Redevelopment Plan for the West Altadena Redevelopment Project (the "West Altadena Project");

WHEREAS, the Community Development Commission of the County of Los Angeles (the "Commission") is carrying out the Redevelopment Plans for the Projects;

WHEREAS, the Commission is authorized and desires to advance funds from the General Fund of the Commission to the Special Fund Account of each of the respective Projects to be used to fund eligible redevelopment activities within the Project; and

WHEREAS, pursuant to Section 33670 et seq. of the Health and Safety Code of the State of California, tax increments from the Projects may be allocated to Special Fund Accounts of the Projects to pay the principal and the interest on loans, monies advanced to or indebtedness incurred by the Commission to finance or refinance, in whole or in part, the Projects, and may be irrevocably pledged by the Commission for the payment of such loans, advances and indebtedness.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES AS FOLLOWS:

Section 1. The Board hereby authorizes and directs that, from funds available from the General Fund of the Commission:

a. A sum not to exceed $389,902 shall be advanced to, and paid into the Special Fund of the Maravilla Project;

b. A sum not to exceed $184,852 shall be advanced to, and paid into the Special Fund of the Willowbrook Project;

c. A sum not to exceed $21,061 shall be advanced to, and paid into the Special Fund of the East Rancho Dominguez Project; and

d. A sum not to exceed $90,821 shall be advanced to, and paid into the Special Fund of the West Altadena Project.

The chief financial officer of the Commission shall keep appropriate accounts reflecting the advances made hereunder, as well as the repayment thereof.

Each advance of such sums shall be a loan to the respective Projects and shall be repaid, with all accrued interest, no later than the last day of the fiscal year in which each advance is made. Interest on each loan shall be charged at an annual rate equal to the interest rate applicable to 91-day United States Treasury Bills as of the effective date of the respective loan.

Section 2. The sums advanced to the Projects under Section 1 of this Resolution shall be used by the Commission solely for eligible redevelopment activities within the respective Projects and for no other purpose.

Section 3. This Resolution constitutes an indebtedness of the Commission with respect to carrying out the respective Projects, and a pledge of the tax increments from the respective Projects to repay such indebtedness under the provisions of Section 16 of Article XVI of the California Constitution and Section 33670 et seq. of the Health and Safety Code of the State of California.

Section 4. This Resolution shall take effect immediately.

PASSED AND ADOPTED this _____ day of_____, 2003, by the following vote:

AYES:
NOES:
ABSENT:

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk of
the Board of Commissioners

By: _____
Deputy

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

By: _____
Chair

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By: _____
Deputy

PHA/IHA Board Resolution

Approving Operating Budget or Calculation of Performance Funding System Operating Subsidy

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0026 (Exp. 6/30/2001)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collecton displays a valid OMB control number.

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

Acting on behalf of the Board of Commissioners of the below-named Public Housing Agency (PHA)/Indian Housing Authority (IHA), as its Chairman, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

		(date)
[X]	Operating Budget Submitted on:	June 3, 2003
[ ]	Operating Budget Revision Submitted on:	
[ ]	Calculation of Performance Funding System Submitted on:	
[ ]	Revised Calculation of Performance Funding System Submitted on:	

I certify on behalf of the: (PHA/IHA Name) Housing Authority of the County of Los Angeles (HACoLA) that:

1. All regulatory and statutory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditures are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The calculation of eligibility for Federal funding is in accordance with the provisions of the regulations;
6. All proposed rental charges and expenditures will be consistent with provisions of law;
7. The PHA/IHA will comply with the wage rate requirements under 24 CFR 968.110(e) and (f) or 24 CFR 905.120(c) and (d);
8. The PHA/IHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i) or 24 CFR 905.120(g); and
9. The PHA/IHA will comply with the requirements for the reexamination of family income and composition under 24 CFR 960.209, 990.115 and 905.315.

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Board Chairman's Name (type)	Signature	Date
		June 3, 2003