



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

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

September 22, 2009

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

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SEPTEMBER 22, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
FISCAL YEAR 2009-2010 SUPPLEMENTAL BUDGET
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval of the Fiscal Year 2009-2010 Supplemental Budget for the Housing Authority of the County of Los Angeles (Housing Authority). The Supplemental Budget includes additional revenues and expenditures of \$2,500,000, which will fund 21 new regular positions and additional administrative costs for the Housing Choice Voucher (Section 8) Program. Approval of these actions will allow the Housing Authority to stay current on annual reexaminations for the Section 8 Program.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt and instruct the Chairman to sign a revised resolution approving the Housing Authority's Fiscal Year 2009-2010 Budget, which includes additional revenues and expenditures of \$2,500,000.
2. Instruct the Executive Director to implement the Housing Authority's Supplemental Budget to fund 21 new regular positions and additional administrative costs for the Section 8 Program, and to take all related actions, including execution of all required documents, following approval as to form by County Counsel.
3. Find that the approval of the Housing Authority's Supplemental Budget is not subject to the provisions of the California



Environment Quality Act (CEQA) because the activity is not defined as a project under CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve the Fiscal Year 2009-2010 Supplemental Budget of the Housing Authority.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The total cost of \$2,500,000 will be funded using Section 8 Administrative Reserve Funds to be incorporated into the Housing Authority's approved Fiscal Year 2009-2010 Budget.

The Fiscal Year 2009-2010 Budget approved by your Board on June 9, 2009 includes revenues and expenditures of \$309,908,000. The proposed Supplemental Budget of \$2,500,000 will increase the Housing Authority's Budget to \$312,408,000. The Supplemental Budget will be used to fund 21 new regular positions and additional costs for administrative needs as detailed on Attachment B.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The U.S. Department of Housing and Urban Development (HUD) requires that the Board of Commissioners adopt a resolution approving the Housing Authority's Budget for administration of Housing Authority programs. The attached resolution has been approved as to form by County Counsel.

On March 31, 2009, your Board approved a contract with McKay Management Services (McKay) to complete delinquent annual reexaminations for the Housing Authority. On April 7, 2009 the Board directed the Housing Authority to identify a Corrective Action Plan (CAP) within 90 days. The CAP was sent to your Board on July 7, 2009 and included recommendations set forth herein.

The Housing Authority will allocate 21 new positions to the Section 8 program for Quality Control Review, Case Management, Inspections, and Applications and Eligibility. In addition, funds are being directed to information technology enhancements for the Section 8 program, which include purchasing new imaging equipment, developing automation processes, improving functionality of Yardi property management software, implementing an annual reexamination program, and creating web portals for landlords and tenant participants.

The Supplemental Budget also includes funding for outsourcing while staff are transitioned into the program, training for all staff, and miscellaneous non-personnel

expenses such as computers, telephones, automobiles for inspectors, and reconfiguration of existing workspace.

In addition, the Supplemental Budget includes carryover authority of \$340,000 for the McKay contract, which had project start delays due to system access and setup time. The McKay contract states that payment to the vendor would be made upon successful transmission and data validation from HUD which postponed payments that had been previously planned for Fiscal Year 2008-2009.

County Counsel has approved the attached resolution as to form. On August 26, 2009, the Housing Commission recommended approval of the Housing Authority's Fiscal Year 2009-2010 Supplemental Budget and related actions.

ENVIRONMENTAL DOCUMENTATION

This activity is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves an administrative activity that will not have a physical impact on 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 PROGRAM

Approval of the Supplemental Budget and attached resolution will allow the Housing Authority to hire 21 additional staff to stay current on completion of annual reexaminations for the Section 8 program, prevent future backlogs, reduce caseloads, and align staffing levels for critical functions.

Respectfully submitted,


for SEAN ROGAN
Executive Director

cc: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

Attachments: 2

REVISED RESOLUTION APPROVING THE FISCAL YEAR 2009-2010
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 Supplemental Budget for Fiscal Year 2009-2010 and has found:

1. That the proposed expenditures are necessary for the efficient and economical operation of housing programs for the purpose of serving low- and very-low income families.
2. That the budget is reasonable in that:
 - (a) It indicates a source of funding adequate to cover all proposed expenditures.
 - (b) It does not provide for use of federal funding in excess of that payable under the provisions of 24 Code of Federal Regulations Part 990.
3. That all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contracts with the U.S. Department of Housing and Urban Development.
4. That no employee serving in a variety of positions is reflected in the operating budget as serving an aggregate amount of time exceeding 100 percent.
5. That the U.S. Department of Housing and Urban Development requires that the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.

WHEREAS, it is necessary for the Board of Commissioners of the Housing Authority of the County of Los Angeles to adopt the Supplemental 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 supplemental budgeted revenues and appropriations for Fiscal Year 2009-2010, as set forth in the Budget for the Housing Authority of the County of Los Angeles:

Estimated Funding \$312,408,000

Expenditure and Reserve Appropriations: \$312,408,000

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 Revised Resolution shall take effect immediately.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on this 22nd day of September, 2009.

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk of
the Board of Commissioners

By: Lachelle Smitherman
Deputy

By: Don Krabe
Chairman of the Board of
Commissioners

APPROVED AS TO FORM:
ROBERT E. KALUNIAN
Acting County Counsel

By: [Signature]
Deputy



HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
FISCAL YEAR 2009-2010 SUPPLEMENTAL BUDGET

970,000	Salary and benefits for 21 new positions
215,000	Non-personnel and overhead costs
425,000	Technology improvements
400,000	Additional consulting services
150,000	Training for Housing Authority staff
<u>2,160,000</u>	Total supplemental Budget
<u>340,000</u>	McKay contract - carryover from FY 2008-2009
<u>\$ 2,500,000</u>	Total additional Budget request