



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
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First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

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MICHAEL D. ANTONOVICH
Fifth District

March 20, 2012

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

Dear Supervisors:

**APPROVAL FOR APPROPRIATION ADJUSTMENT TO ESTABLISH AN
ALTERNATIVE FUNDING SOURCE FOR THE HOUSING AUTHORITY'S
AFFORDABLE HOUSING PROJECTS
(4 VOTES)**

SUBJECT

Recommendation to approve an appropriation adjustment in the amount of \$13,451,000 for the Reserve for Housing Authority Program to provide an alternative funding source for affordable housing projects recommended by the County Housing Authority.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve an appropriation adjustment in the amount of \$13,451,000 to establish a County General Fund Reserve for Housing Authority Program as an alternative source of funding for affordable housing projects recommended by the County Housing Authority.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Los Angeles County Housing Authority has filed a separate Board letter recommending approval of allocation of City of Industry tax increment funds and environmental documentation for six affordable housing developments. On March 13, 2012, your Board, on motion of Supervisors Ridley-Thomas and Molina, directed this Office to prepare a Board letter for consideration at the March 20, 2012 Board meeting

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that allows the Board to approve the Housing Authority's recommended affordable housing projects using the City of Industry tax increment funds, and commit to the use of County General Funds as an alternative source of funds should the City of Industry funds not be upheld as an enforceable obligation. In addition, as amended by Supervisor Yaroslavsky, the Board approved the order of the source of funding if the City of Industry funds are not available: property tax first, and then County General Fund as a last resort.

Special legislation allowed the City of Industry to transfer tax increment generated by the 20 percent affordable housing set-aside required of redevelopment projects to the County Housing Authority to be spent on affordable housing projects within a 15-mile radius of the City of Industry. Due to the recent dissolution of redevelopment in the State of California, the Housing Authority does not know whether the Industry Housing Funds will be accessible during the dissolution process. According to the Dissolution Bill (ABx1 26), unspent housing fund balances of all former redevelopment agencies are to be returned to the County Auditor-Controller, who will distribute the funds to all taxing entities as property tax. There are current attempts in the Legislature to overturn the disbursement of unspent housing funds, and return those funds to the local housing authorities. Because of this uncertainty, the provision of the County General Fund as a backstop will allow the Housing Authority to continue the process of recommending affordable housing projects selected through the Housing Authority's Notice of Funding Availability (NOFA) process.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the Fiscal Management Initiative under Goal 1 of the Strategic Plan: Operational Effectiveness.

FISCAL IMPACT/FINANCING

The appropriation adjustment for FY 2011-12, in the amount of \$13,451,000 will establish a Reserve for Housing Authority Program using secured property taxes revenue as an alternative source of funds should the City of Industry funds not be upheld as an enforceable obligation. Due to the dissolution of redevelopment agencies in the State, the City of Industry funds may not be available. However, should legislative efforts to preserve unspent affordable housing balances be successful, the City of Industry funds will be available for affordable housing projects.

The Honorable Board of Supervisors
March 20, 2012
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FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Not Applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The requested action will allow the Housing Authority to continue the process of recommending affordable housing projects in the County of Los Angeles.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:EFS:MKZ
CA:RTM:ib

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Community Development Commission/Housing Authority

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

DEPT'S. NO. 060

March 20, 2012

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2011-12

4 - VOTES

SOURCES

FINANCING ELEMENTS
A01-AO-80-8003-99999
PROP TAXES-CURRENT-SEC
INCREASE REVENUE 13,451,000

USES

FINANCING ELEMENTS
A01-301B
RESERVE FOR HOUSING AUTHORITY PROGRAM
INCREASE RESERVE 13,451,000

SOURCES TOTAL: \$ 13,451,000

USES TOTAL: \$ 13,451,000

JUSTIFICATION

To establish a General Fund reserve as an alternative source of funding for the Housing Authority's affordable housing program, should the use of City of Industry tax increment funds not be upheld as an enforceable obligation. Approved by the Board on March 13, 2012.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Matt McGloin
AUTHORIZED SIGNATURE Matt McGloin, Manager, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

12 MAR 20 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---

[] ACTION
[] RECOMMENDATION

[x] APPROVED AS REQUESTED
[] APPROVED AS REVISED

AUDITOR-CONTROLLER

BY Karen Siskuma

CHIEF EXECUTIVE OFFICER

BY Jacqueline White

B.A. NO. 133

March 14 20 12

March 14 20 12