

MOTION BY SUPERVISORS KUEHL
AND KNABE

February 24, 2015

The preservation and creation of affordable housing in Los Angeles County has been a longstanding goal of the County and its 88 cities. According to a recent study from UCLA's Ziman Center for Real Estate, Los Angeles is the least affordable rental market in the country, based on the portion of a renters' income that goes to pay rent. Programs to preserve and create affordable housing were hampered by the February 2012 dissolution of Redevelopment Agencies that supplied much of the funding for affordable housing development. In October of 2012, to mitigate this loss of funding, the Board of Supervisors (Board) allocated \$11 million of County General Fund to create additional affordable housing units, through the County's Community Development Commission (CDC).

Since the dissolution of Redevelopment, the County has received over \$80 million in proceeds from the State-mandated Community Redevelopment Agency Low-and-Moderate Income Housing Fund (LMIHF) Due Diligence Review process. To create additional affordable housing units, the Board transferred \$15 million to the CDC on March 5, 2013; \$15 million on June 24, 2013; and \$15 million on June 23, 2014.

MOTION

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ANTONOVICH _____

The Board transferred the remaining LMIHF balance of \$35 million to the CDC, via separate Board motion, on June 23, 2014, and directed the Executive Director of the CDC to distribute these funds, using the Affordable Housing Trust Fund Notice of Funding Availability (NOFA) bid process. The motion instructed the CDC's Executive Director to distribute \$5 million of this funding in the Fall 2014 NOFA, \$15 million in the Fall 2015 NOFA and \$15 million in the Fall 2016 NOFA, to support multiple years of affordable housing creation.

On September 30, 2014, the Board adopted changes to Board Policy No. 4.030, Budget Policies and Priorities. Board Policy No. 4.030.17 requires that all revenue received from Redevelopment Agency Asset Sales is used for one of four purposes: General Fund Capital Projects, Deferred Maintenance, Low to Moderate Income Housing and Economic Development.

In the Fiscal Year (FY) 2014-15 Mid-Year Budget Adjustment, the Interim Chief Executive Officer (CEO) has proposed recognizing \$7,262,000 of additional Low-and-Moderate Income Housing Fund Due Diligence Review funding and \$2,717,000 of additional Property Asset Sale funding in the County's FY 2014-15 budget and sets these amounts aside as obligated fund balance.

WE, THEREFORE, MOVE that the Board of Supervisors:

- a) Direct the Interim Chief Executive Officer to transfer \$7,262,000 of obligated fund balance committed for Low to Moderate Income Housing, included in Adjustment No. 11, to the Project and Facility Development budget unit.
- b) Direct the Interim CEO to transfer \$2,717,000 of obligated fund balance committed for Board Budget Policies and Priorities, included in Adjustment No. 12, to the Project and Facility Development budget unit.

- c) Authorize the Interim CEO to enter into a Funding Agreement to transfer \$9,979,000 to the Community Development Commission to create additional affordable housing units.

ACTING AS THE BOARD OF COMMISSIONERS OF THE COMMUNITY

DEVELOPMENT COMMISSION, WE FURTHER MOVE that the Board direct the Executive Director of the CDC to accept and deposit the \$9,979,000 into the Affordable Housing Trust Fund, to be used to augment the upcoming Fall 2015 NOFA.

S: KK/Housing NOFA