



June 4, 2024

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

Dear Commissioners:

**FISCAL YEAR 2024-2025 BUDGET OF THE LOS ANGELES COUNTY
DEVELOPMENT AUTHORITY
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval of the Fiscal Year (FY) 2024-2025 recommended Budget of the Los Angeles County Development Authority (LACDA). The FY 2024-2025 Budget totals \$1,095,380,200, an increase of \$132,454,500 or 14% over the approved FY 2023-2024 Budget of \$962,925,700.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt and instruct the Chair to sign a Resolution (Attachment A) approving the \$1,095,380,200 FY 2024-2025 Budget.
2. Instruct the Executive Director, or designee, to implement the LACDA's FY 2024-2025 Budget and take all related actions for this purpose, including execution of all required documents.
3. Find that the approval of the LACDA's FY 2024-2025 Budget is not subject to the California Environmental Quality Act (CEQA) because the activities are not defined as a project under CEQA.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

2-D June 4, 2024

CELIA ZAVALA
EXECUTIVE OFFICER



lacda.org

Administrative Office
700 West Main Street, Alhambra, CA 91801
Tel: (626) 262-4511 TDD: (626) 943-3898

Executive Director: Emilio Salas

Commissioners: Hilda L. Solis, Holly J. Mitchell, Lindsey P. Horvath, Janice Hahn, Kathryn Barger



4. Authorize the Executive Director, or designee, to execute funding agreements or amendments to any existing funding agreements with the County of Los Angeles (County) and all required documents necessary to accept \$475,000 for the Cooperative Extension Program, \$1,007,000 for the Community Policing Program (CPP), \$425,000 for South County Public Housing Scattered Sites, \$11,043,000 for Measure H (Homeless Prevention Initiative), and \$216,000 for the Homeless Coordinator and ancillary services.
5. Authorize the Executive Director, or his designee, to execute a Memorandum of Understanding (MOU), and any necessary amendments to the MOU, with the County and all required documents necessary to accept \$661,064 for the Juvenile Justice Crime Prevention Act (JJCPA).
6. Adopt and instruct the Chair to sign the Public Housing Agency (PHA) Board Resolution (Attachment B) approving the operating budget and certifying submission of the LACDA's FY 2024-2025 Budget to the United States Department of Housing and Urban Development (HUD).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to establish the FY 2024-2025 appropriation authority for LACDA operations and activities.

On March 3, 2024, a final Federal Fiscal Year (FFY) 2024 Transportation, Housing and Urban Development spending bill was released that provides a substantial increase in funding for affordable housing and homeless programs. The final spending bill provides HUD programs with an extra \$8.3 billion compared to FFY 2023; the LACDA anticipates this funding increase will have a positive impact on the LACDA's budget, however, there are some budget reductions in key areas such as the Administrative Fees for the Housing Choice Voucher Program that will pose serious challenges in the administration of this critical rental subsidy program. Additionally, the HUD budget does not provide adequate funding for our deteriorating public housing portfolio which is a key factor in our planned repositioning strategy that will begin this coming fiscal year. The exact allotment will not be known until HUD releases the final allocation and proration levels. The LACDA continues to support COVID-19 related efforts and implement programs that are in line with the County's Strategic Plan. Despite budget challenges at the State and Federal levels, we remain on strong financial footing, and remain dedicated to serving the residents and businesses of Los Angeles County.

The recommended FY 2024-2025 Budget of the LACDA totals \$1,095,380,200, an increase of 14% over the approved FY 2023-2024 Budget of \$962,925,700. The increase is primarily attributed to the increases in Housing Assistance funding for Housing Choice

Voucher (HCV) and Continuum of Care (CoC) landlord payments; capital improvements at our Housing Operations sites; HOME American Rescue Plan and Affordable Housing Development programs to reduce homelessness and increase housing stability; Community Care Expansion (CCE) for the rehabilitation and preservation of existing Adult Residential Care Facilities and Residential Care Facilities for the Elderly; and Permanent Local Housing Allocation (PLHA) for unmet housing needs in local communities. The increase is offset by a decrease in Measure H, Economic Development Administration grants, and Section 108 loans.

FISCAL IMPACT/FINANCING

The FY 2024-2025 Budget includes \$212 million in County funds consisting of the following: Affordable Housing Trust Fund (AHTF), County Departments, Measure H, and Other Countywide Initiatives.

BUDGET OVERVIEW:

The total FY 2024-2025 Budget of \$1,095,380,200 consists primarily of Federal funding provided by HUD for housing and community development programs. Over half of the budget is in support of the Housing Assistance and Public Housing programs for low-income families, seniors, persons with disabilities, and veterans. Local revenue sources include County funds, public housing rental income, and other grants received in support of housing activities.

HUD funds are budgeted at \$742.7 million and consist of the following: \$485.8 million in Section 8 Housing Choice Voucher funding to provide rental assistance families; \$59.4 million in HUD American Rescue Plan (ARP) funding to provide rental assistance for Emergency Housing Vouchers and to develop supportive and affordable housing for the homeless and/or individuals and families battling mental illness; \$44.9 million in CoC funding to provide rental assistance and supportive services to families and individuals experiencing homelessness; \$38.3 million in Public Housing Operating Fund funding to manage and maintain public and affordable housing units; \$34.9 million in Veterans Affairs Supportive Housing (VASH) funding to provide rental assistance to homeless veterans; \$32.5 million in Community Development Block Grant (CDBG) funding to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons; \$13.1 million in Capital Funds funding to rehabilitate and provide site improvements at the public housing sites; \$12.5 million in HOME funding to increase homeownership and affordable housing opportunities for low- and very low-income households; \$6.5 million in Multi-Family Housing Assistance Payments (HAP) funding to provide rental assistance at Kings Road and Lancaster Homes; \$4.2 million in HUD Other funding for resident services activities and to mitigate lead hazards in multi-

family units with children under the age of six; \$4.2 million in Mainstream funding to provide rental assistance to non-elderly persons with disabilities; \$3.2 million in Emergency Solutions Grants (ESG) funding for rapid rehousing for persons who are experiencing homelessness or at-risk of homelessness; \$1.4 million in Family Self-Sufficiency funding to help assisted families achieve self-sufficiency; \$1 million in CARES Act HUD CDBG funding to assist County residents impacted by COVID-19; and the remaining funding is to support other HUD initiatives.

County funds are budgeted at \$212 million and consist of the following: \$88.1 million in AHTF funding to develop supportive and affordable housing for the homeless and/or individuals and families with mental illness; \$80.1 million in County Departments funding to support lead-based paint mitigation activities, to provide rapid rehousing to families experiencing homelessness in cases involving Child Protective Services, and to rehabilitate and preserve existing adult residential care facilities; \$27.5 million in Other County funding for various Housing Development Special projects to develop supportive and affordable housing for very low-income person and households who are homeless and to support public housing resident services related activities; \$11.3 million in Measure H funding to provide sign-on bonus, security deposit assistance, damage mitigation and vacancy loss incentives; \$3.1 million in County Homeless Prevention Initiative (HPI) funding for predevelopment and acquisition funding for the development of affordable housing; and \$1.9 million in County Capital Project funding to provide construction management services to complete Renovate business façade improvement projects.

State funds are budgeted at \$115.7 million and consist of funding primarily from the California Department of Housing and Community Development to support affordable housing developments and to address unmet housing needs in local communities.

Other Federal funds are budgeted at \$13.4 million and consist of the following: \$5.9 million in ARP funding to support the County's Stay Housed L.A. program and to issue grants to childcare businesses impacted by COVID-19; \$5.8 million in Federal Aviation Administration (FAA) funding to provide improvements to reduce the exterior noise impact on properties located within the flight path of Los Angeles International Airport; \$1.7 million in U.S. Department of Commerce's Economic Development Administration funding to create and retain jobs by providing grants to eligible businesses; and the remaining funding is to support Other Federal initiatives.

Other funds are budgeted at \$11.6 million and consist of the following: \$7.3 million in General Fund funding for general activities such as legal and the Antelope Valley Office building improvements; \$3.4 million in Court funding to provide oversight of traffic administration services and to monitor the Community Services Referral Agencies (CSRA) on behalf of the courts; and the remaining funding is to support other LACDA program initiatives.

The LACDA Budget includes 709 positions, an increase of 16 positions from the FY 2023-2024 adopted budget. The 16 new positions are necessary to support newly mandated HUD programs and to comply with local unfunded mandates such as the multiple rent stabilization ordinances that exist within the LACDA's jurisdiction.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In January 2001, the Community Development Commission and the Housing Authority of the County of Los Angeles, predecessors to the LACDA, with the concurrence of the County Auditor-Controller, developed an administrative policy for establishing a Capital Budget. FY 2024-2025 marks the 23rd year that the LACDA will submit a Capital Budget that details carryover and future projects. The FY 2024-2025 operating budget includes \$24 million in Capital Budget for 15 projects.

On June 4, 2024, the Board of Supervisors is considering the FY 2024-2025 One-Year Action Plan (Action Plan) for the allocation of Federal funds, which includes the planned use of CDBG, HOME, and ESG funding by the LACDA, County departments, participating cities, community-based organizations, and other public agencies. The Action Plan was created with citizen input, as required by Federal regulations.

Adoption of the attached Resolution approving the FY 2024-2025 Budget (Attachment A) is necessary to establish new fiscal year appropriation authorities for the LACDA, 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 2, 1994. HUD Form 52574 (Attachment B) must also be approved by the Board of Commissioners to certify the LACDA's operating budget. This letter also recommends authority for the Executive Director, or designee, to execute any other documents for implementation of the budget, such as financial reports, audit requests and related documents required by HUD or any other governing bodies.

We are recommending the Board authorize the Executive Director, or designee, to execute and/or amend funding agreements with the County for the following:

- \$475,000 for the Cooperative Extension Program for direct and indirect support towards the offering of educational programs to residents in the Los Angeles County area.
- \$1,007,000 for CPP in public housing sites throughout the County to help pay for existing deputies and officers.
- \$425,000 for the South County Public Housing Scattered Sites operational costs.

- \$11,043,000 for the Measure H Program to offer monetary incentives to encourage landlords to rent their available units to homeless Section 8 voucher holders.
- \$216,000 for the Homeless Coordinator position and ancillary services.

We are recommending the Board authorize the Executive Director, or designee, to execute an MOU with the County for the JJCPA program to implement effective programs aimed at reducing crime and delinquency among at-risk youth and youthful offenders. These programs focus on prevention and intervention strategies to address juvenile delinquency and promote positive outcomes for young individuals.

ENVIRONMENTAL DOCUMENTATION

Approval of the LACDA's FY 2024-2025 Budget 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 they involve administrative activities that will not have a physical impact or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b) because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the FY 2024-2025 Budget will enable the LACDA to conduct program activities to benefit low- and moderate-income residents of the County and participating cities and will support the County's Declaration of Emergency on Homelessness.

Respectfully submitted,



EMILIO SALAS
Executive Director

ES:MF:sla

Enclosures

ATTACHMENT A

RESOLUTION APPROVING THE FISCAL YEAR 2024-2025
BUDGET OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

WHEREAS, the Board of Commissioners of the Los Angeles County Development Authority has received the Annual Budget for Fiscal Year 2024-2025 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; and

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

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

1. The above recitals are true and correct.
2. The Los Angeles County Development Authority adopts the following annual budgeted revenues and appropriations for Fiscal Year 2024-2025, as set forth in the Annual Budget for the Los Angeles County Development Authority:

Estimated Funding	<u>\$1,095,380,200</u>
Expenditure and Reserve Appropriations:	<u>\$1,095,380,200</u>


3. This Resolution shall take effect immediately.

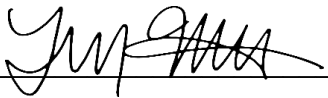
APPROVED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority on this 4th day of June, 2024.

ATTEST:

EDWARD YEN
Executive Officer-Clerk of the
Board of Commissioners

LINDSEY HORVATH
Chair, Board of Commissioners

By: 
Deputy

By: 

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: 
Deputy



PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 06/30/2022)

Public reporting burden for this collection of information is estimated to average 10 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 collect this information, and you are not required to complete this form, unless it displays a currently 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 public housing program and provides a summary of the 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 public housing agency (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.

PHA Name:PHA Code:

PHA Fiscal Year Beginning:Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

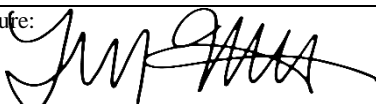
- Operating Budget approved by Board resolution on:
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure 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 PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, 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 and 3802)

Print Board Chairperson's Name:	Signature: 	Date:
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Previous editions are obsolete



ATTEST: EDWARD YEN
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

form HUD-52574 (06/2019)

By , Deputy