



**Chief  
Executive  
Office.**

**COUNTY OF LOS ANGELES**

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**CHIEF EXECUTIVE OFFICER**

Fesia A. Davenport

June 24, 2024

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

From: Fesia A. Davenport  
Chief Executive Officer

**AFFORDABLE HOUSING BUDGET: FISCAL YEAR 2024-25 (ITEM NO. 34.7-5,  
AGENDA OF SEPTEMBER 26, 2017)**

**Background**

On October 27, 2015, the Board of Supervisors (Board) adopted a motion (2015 motion) that created a new Affordable Housing Programs Budget Unit (Budget Unit), within the General Fund, and established an Affordable Housing Coordinating Committee (Coordinating Committee) to advise the Board on matters related to affordable housing. The Coordinating Committee consists of the Chief Executive Office (CEO), Los Angeles County Development Authority (LACDA), Los Angeles Homeless Services Authority, Departments of Mental Health, Health Services, Public Health, Regional Planning, and five technical experts or community representatives appointed by each Board Office. The 2015 motion further directed the CEO to identify \$20 million in funding for the Budget Unit in Fiscal Year (FY) 2016-17, and to increase this amount by \$20 million per year in each of the subsequent four FYs, to reach an annual allocation of \$100 million per year by FY 2020-21.

The 2015 motion was supplemented on September 26, 2017, by a related motion (2017 motion) that provided new direction regarding the Budget Unit, the Coordinating Committee, and future affordable housing strategies. More specifically, the 2017 motion directed the CEO to identify funding for the Budget Unit at the time of the Final Changes Budget. The 2017 motion also directed the CEO to make recommendations on expenditures from the Budget Unit during each year's Final Changes Budget.



### **Funding Plan for the Affordable Housing Budget Unit**

During the FY 2024-25 Recommended Budget, the Board approved the Affordable Housing Programs Budget at a total of \$100 million. Of the \$100 million, a total of \$70 million is from ongoing net County cost (NCC), \$10 million is one-time Available Fund Balance, and \$20 million is from one-time deferral or redevelopment asset sales.

### **Recommended Funding Allocations for FY 2024-25**

The 2015 motion directed the CEO to allocate up to 8 percent of the Budget Unit for administrative expenses and a minimum of 75 percent to programs dedicated for production of new, or preservation and rehabilitation of existing, affordable housing for very and extremely low-income or homeless households, including workforce housing and permanent supportive housing. The 2015 motion further directed that any remaining funds be reserved to support rental assistance, rapid re-housing, shared housing, move-in assistance, and other related services. Pursuant to the 2017 motion, the CEO is responsible for making recommendations to the Board regarding expenditures from the Budget Unit. In addition, the administrative expense cap for the Budget Unit increased from 8 percent to 10 percent, with the additional 2 percent supporting CEO's administrative and staffing expenses.

On January 10, 2023, the Board declared a local emergency for homelessness in the County and adopted three strategic missions – Encampment resolution, housing, and mental health and substance use disorder services. The affordable housing budget recommendations support implementation of the declaration's housing mission.

The attached Table I presents the recommended funding allocations for the FY 2024-25 Affordable Housing Programs Budget. All but one of the recommended funding allocations support ongoing programs to which the Board has allocated Budget Unit funds in past FYs, including LACDA's Notice of Funding Availability (NOFA), rental subsidies, Affirmatively Furthering Fair Housing Programs, the Open Doors Program, and the Affordable Housing and Sustainable Communities Program. The Los Angeles County Housing Innovation Fund II (LACHIF) has not been funded with Budget Unit funds previously; this revolving loan program provides much needed funding to affordable housing developers for acquisition and predevelopment costs. Funding recommended for the LACDA NOFA and LACHIF together meet the 75 percent minimum allocation to production and preservation of affordable housing. Descriptions of each program and the recommended funding allocation are included in the attachment.

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If there is any underspend for FY 2023-24, the CEO will provide recommendations in the next budget phase, which is Supplemental Changes.

There are no final changes being recommended for the budget.

**Future Allocations from the Affordable Housing Budget Unit**

As the County plans ahead, the CEO will continue to work with relevant Departments and agencies to plan for uses of Affordable Housing Budget Unit funds that will support the County's comprehensive programs to address homelessness and the affordable housing crisis.

Should you have any questions concerning this matter, please contact me or Cheri Todoroff, Executive Director of the Homeless Initiative and Affordable Housing, at (213) 974-1752 or [CTodoroff@ceo.lacounty.gov](mailto:CTodoroff@ceo.lacounty.gov).

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EBI:VD:ym

**Attachment**

- c: Executive Office, Board of Supervisors
- County Counsel
- Health Services
- Mental Health
- Public Health
- Regional Planning
- Los Angeles County Development Authority
- Los Angeles Homeless Services Authority

AFFORDABLE HOUSING BUDGET: FISCAL YEAR (FY) 2024-25

Table I: FY 2024-25 AFFORDABLE HOUSING BUDGET FUNDING ALLOCATION PLAN

Program	Administering Agency or Department	FY 2024-25 Recommended Amount	Description
Los Angeles County Development Authority (LACDA) Notice of Funding Availability (NOFA)	LACDA	\$65,000,000	LACDA's NOFA supports the development of affordable housing, per 2015 Board Order to allocate 75 percent of the Affordable Housing Program Budget for the production or preservation of affordable housing. The LACDA NOFA provides capital funding and Section 8 Project-Based Vouchers for the creation and operation of eligible permanent affordable multifamily rental housing units, which are awarded to nonprofit or for-profit organizations through a competitive process.
Open Doors Program	LACDA	\$19,545,000	Open Doors Program provides customer service for tenants and property owners, ongoing tenant and property owner workshops, and the cost of the landlord incentives. Incentives include: 1) sign-on bonus; 2) damage mitigation fee; 3) security deposit; and 4) rent on vacant units. Funding for this program has been increased compared to previous fiscal years due to an increase in demand since the end of the COVID-19 pandemic.
Los Angeles County Housing Innovation Fund II (LACHIF II) Revolving Loan Fund Program	LACDA	\$10,000,000	LACHIF II is a revolving loan fund of approximately \$70 million administered by the LACDA in partnership with participating community lenders. Loans are made to finance acquisition and predevelopment costs for affordable housing developments in Los Angeles County. Both non-profit and for-profit Borrowers are eligible for LACHIF II Loans. Since the program's inception in 2013, LACHIF II has lent approximately \$70 million to affordable housing developers resulting in close to 2100 units of affordable housing developed or in the pipeline.

Program	Administering Agency or Department	FY 2024-25 Recommended Amount	Description
Rental Subsidies for Department of Health Services - Community Programs (formerly Office of Diversion and Reentry)	HS-COMMUNITY PROGRAMS	\$3,000,000	On August 13, 2019, the Board directed the Chief Executive Office to allocate from the Affordable Housing Programs Budget a total of \$3,000,000 for the Department of Health Services to expand the Office of Diversion and Re-Entry permanent supportive housing programs. These funds support rental subsidies for permanent supportive housing for individuals who are experiencing homelessness, have a mental health and/or substance use disorder, and who are incarcerated in the County of Los Angeles Jail.
CEO Affordable Housing Administrative Costs	CEO	\$2,000,000	These funds support affordable Housing staff salaries, consultants, and County services.
Affirmatively Furthering Fair Housing	LACDA	\$255,000	On January 15, 2019, the Board directed the Chief Executive Office to allocate funding to support County programs to affirmatively further fair housing. Using these funds, LACDA contracts with Housing Rights Center to provide the following services: housing discrimination counseling; information and referrals; intake, processing, investigation and resolution of housing discrimination complaints; audits to discover patterns of housing discrimination; education and outreach efforts; training members of the housing industry and general public on fair housing laws; and development of partnerships to further the goals of fair housing and equal opportunity in housing.
Department of Public Works (DPW) assistance with Affordable Housing and Sustainable Communities (AHSC) Program application	DPW	\$200,000	These funds support staffing costs for DPW's assistance with the AHSC application process to apply for state funding for affordable housing and community infrastructure improvements.
AH Budget Total		\$100,000,000	