



Chief Executive Office.

COUNTY OF LOS ANGELES

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CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

June 23, 2025

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

From: Fesia A. Davenport
Chief Executive Officer

AFFORDABLE HOUSING BUDGET: FISCAL YEAR 2025-26 (ITEM NO. 34.7-5, AGENDA OF SEPTEMBER 26, 2017)

Background

On October 27, 2015, the Los Angeles County (County) 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 (LAHSA), 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

The Affordable Housing Programs Budget is funded at \$100 million. Of the \$100 million, a total of \$70.063 million is from Additional Fund Balance, and \$29.937 million is from one-time Deferral Repayments from Former Redevelopment Agencies and Sales of Former Redevelopment Agencies' Fixed Assets.

Recommended Funding Allocations for FY 2025-26

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, CEO-Homeless Initiative (CEO-HI) 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-HI's administrative and staffing expenses.

On January 10, 2023, the Board declared a local emergency for homelessness in the County and subsequently adopted four strategic missions – Encampment Resolution, Housing, Mental Health and Substance Use Disorder Services, and Eviction Prevention. 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 2025-26 Affordable Housing Programs Budget. 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, Affirmatively Furthering Fair Housing Programs, the Open Doors Program, rental subsidies, and the Affordable Housing and Sustainable Communities Program.

Funding recommended for LACDA's Notice of Funding Availability meets the 75 percent minimum allocation to production and preservation of affordable housing. Additionally, funding has been allocated to the Project Homekey Program, as well as to the County Land Bank Pilot to support pre-development and capital costs for new 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 2024-25, CEO-HI will provide recommendations in the next budget phase, which is Supplemental Changes.

Future Allocations from the Affordable Housing Budget Unit

As the County advances its housing goals, CEO-HI 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.

FAD:JG:CT:AS
DP:VD:ym

Attachment

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

**Table I: FY 2025-26 AFFORDABLE HOUSING
BUDGET FUNDING ALLOCATION PLAN**

Program

LACDA Notice of Funding Availability (NOFA)

Open Doors Program

Land Bank Pilot Pre-development and Capital
Contribution

Rental Subsidies for Health Services - Community
Programs (formerly Office of Diversion and
Reentry)

Project Homekey Tribal Project and Round 2
Funding Gaps

CEO Affordable Housing Administrative Costs

Land Bank Pilot - Administrative Costs

Affirmatively Furthering Fair Housing

Department of Public Works assistance with
Affordable Housing and Sustainability Communities
(AHSC) Program application

TOTAL

**Table I: FY 2025-26 AFFORDABLE
HOUSING BUDGET**

FUNDING ALLOCATION PLAN

Administering

Agency or

FY 2025-26 Recommended

Amount

Description

\$75,000,000

Los Angeles County Development Authority's (LACDA) Notice of Funding Availability (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. Over 11,000 affordable housing units have been funded to date.

\$11,482,300

Funding for 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.

\$4,000,000

The County launched its Land Bank Pilot in May 2024 and is selecting 4-5 sites to acquire. In the next phase, the County will select developer teams to build affordable housing on the sites. The funding will be allocated to help support developers build affordable housing on County-owned land.

\$3,000,000

Funds allocated for 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.

\$3,000,000

Gap funding to cover unanticipated costs of conversion to permanent supportive housing of the Project Homekey Tribal Project and projects from Round 2.

\$2,000,000

Affordable Housing staff salaries, consultants, and County services.

\$812,800

To fund additional administrative costs to select the developer teams in the next phase of the County Land Bank Pilot.

\$504,900

On January 15, 2019, the Board directed the Chief Executive to allocate funding to support County programs to affirmatively further fair housing. The programs include, but are not limited to, the following strategies: 1) Customer/Incentive Programs for Landlords; 2) Displacement/Gentrification Study; 3) Establish/Develop Displacement Database; 4) Expand Home Ownership Program; and 5) Expand Fair Housing Services. In addition, funds can be used for fair housing education and testing, outreach, investigation, and legal consultation for tenants and landlords. The funds are leveraged to expand fair housing services provided by the Housing Rights Center and its subcontractors.

\$200,000

To fund staffing costs for assistance with the AHSC application process to apply for state funding for affordable housing and community infrastructure improvements.

\$100,000,000

TOTAL