



June 9, 2026

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

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

Dear Supervisors/Commissioners:

**APPROVAL AND ADMINISTRATION OF THE 2026-2027 ACTION PLAN FOR THE
ALLOCATION OF FEDERAL FUNDS, APPROVAL OF THREE-YEAR
COOPERATION AGREEMENTS WITH PARTICIPATING CITIES TO REQUALIFY
FOR ENTITLEMENT STATUS AS AN URBAN COUNTY, AND A LOAN FOR THE
ALTADENA VISTAS APARTMENTS
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval of the Fiscal Year (FY) 2026-2027 Action Plan (Action Plan) for the County of Los Angeles (County) to apply for, receive and administer Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grants (ESG) Program funds from the U.S. Department of Housing and Urban Development (HUD) for housing and community development activities in the 47 participating cities and the unincorporated areas of the Los Angeles Urban County. The Los Angeles County Development Authority (LACDA) serves as the agent of the County in administering the Action Plan and the allocated funds described herein. This letter recommends approval of cooperation agreements with participating cities, as part of the Urban County qualification process, for participation in the CDBG program for the next three-year period (July 1, 2027 through June 30, 2030). Additionally, this letter recommends approval to execute loan documents for Altadena Vistas Apartments LP to rehabilitate and remediate 22 affordable senior units.



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Executive Director: Emilio Salas

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

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Find that approval of the FY 2026-2027 Action Plan is not subject to the provisions of the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA.
2. Approve the Action Plan, which will enable the Los Angeles Urban County to receive and administer a total of \$36,905,751 in FY 2026-2027 funding. The funding is comprised of the following amounts: \$19,213,090 in CDBG grant funds for the County and the City of Cerritos, which is a joint applicant; \$3,734,865 in future CDBG program income; \$7,263,809 in HOME Program funds; \$5,000,000 in future HOME program income; and \$1,693,987 in Federal ESG funds.
3. Designate the LACDA to serve as the agent of the County for administration of the Action Plan and the distribution of the allocated funds described herein; and authorize the transfer of these allocated funds to the LACDA.
4. Approve cooperation agreements between the County of Los Angeles and participating cities for FY 2027-2029 (July 1, 2027 through June 30, 2030), to include required federal provisions, to enable the County to administer the CDBG Program within these jurisdictions, following approval as to form by County Counsel.
5. Authorize the Executive Director of the LACDA to execute cooperation agreements with participating cities and any new participating cities for all future program years, for the purpose described above, following approval as to form by County Counsel.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Find that the acceptance of FY 2026-2027 CDBG, HOME, and ESG Program funds from the County is not subject to the provisions of CEQA because it is not defined as a project under CEQA.
2. Accept the LACDA's designation to serve as the agent of the County for the administration of the Action Plan; and accept from the County a \$36,905,751 in FY 2026-2027 funding comprised of the following: \$19,213,090 in CDBG grant funds for the County and the City of Cerritos, which is a joint applicant; \$3,734,865 in estimated CDBG program income; \$7,263,809 in HOME Program funds; \$5,000,000 in estimated HOME program income; and \$1,693,987 in Federal ESG funds, which will be included in the LACDA's FY

2026-2027 budget through the annual budget approval process; all subject to final notification of approval by HUD.

3. Designate the Executive Director, or designee, as the official responsible for completing all required actions to be taken by the LACDA for administration of the Action Plan, and the distribution of the allocated funds described within; and authorize the Executive Director, or designee, to do the following:
 - a. Execute CDBG Reimbursable and Advance Contracts, following approval as to form by County Counsel, to provide a total of \$1,224,735 in CDBG funds for 17 projects with 15 community-based organizations described in the Action Plan, to be effective from July 1, 2026 to June 30, 2027;
 - b. Approve an additional \$250,000 of CDBG funds from the 5th Supervisorial District to Antelope Valley Partners for Health (AVPH), a nonprofit organization, to complete the improvements for their Program Access & Storage Support Space project;
 - c. Execute CDBG Reimbursable Contracts with 47 participating cities, following approval as to form by County Counsel, to provide a total of \$6,689,504 in CDBG funding for eligible activities, to be effective from July 1, 2026 to June 30, 2027;
 - d. Execute CDBG Reimbursable Contract with the City of Covina, following approval as to form by County Counsel, for the purpose of repaying a Section 108 Loan previously approved by your Board; and authorize the Executive Director, or designee, to set aside approximately \$172,187.60 of the City of Covina's FY 2026-2027 CDBG allocation for repayment of the Section 108 loan;
 - e. Execute ESG contracts in the amount of approximately \$1,693,987 with the Los Angeles Homeless Services Authority (LAHSA), following approval as to form by County Counsel, to fund programs that assist persons who are experiencing homelessness, as described in the Action Plan;
 - f. Accept and incorporate additional FY 2026-2027 CDBG, HOME, or ESG funding, into the Action Plan and LACDA budget, in the event that HUD makes changes to the allocations that result in additional funding for the Los Angeles Urban County Program; and, if necessary, reprogram such funds, whether unexpended, disallowed, or recovered, in order to fully expend the grants for the purposes described in the Action Plan, within the limits prescribed by HUD;
 - g. Modify funding at the project level as needed to incorporate and utilize all FY 2026-2027 CDBG, HOME, and ESG funds allocated by HUD;

- c. Execute any future amendments to the loan documents and related documents, including taking all required actions to modify loan conditions and terms that are consistent with conditions and terms identified in this letter, following approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The National Affordable Housing Act (NAHA) of 1990 (Cranston/Gonzalez Housing Act), as amended in 1992, requires that the County provide a single, consolidated submission of the proposed expenditure of funds to be eligible for HUD formula grant funding, including CDBG, HOME, and ESG funds. The Action Plan satisfies these federal requirements to provide for the release of these allocated funds. The purpose of the recommended actions is to allow the LACDA to administer the Action Plan and the allocated federal funds on behalf of the County.

FY 2026-2027 is the fourth year of the FY 2023-2028 Consolidated Plan. The FY 2026-2027 Action Plan is a component of the Consolidated Plan that defines projects and programs to be implemented with these funds over a one-year period. Following approval by the Board of Supervisors, the Action Plan must be submitted to HUD by June 30, 2026.

The Executive Director is also requesting the following authorities:

- To terminate CDBG and ESG contracts with operating agencies that fail to address administrative deficiencies, CDBG and ESG Program compliance issues, or other contract obligations. Following consultation with County Counsel and the respective Supervisorial Districts, the LACDA will determine whether it is in the best interest of the County to suspend funding for non-compliant agencies for the CDBG and ESG Program Year and/or terminate the contract(s). If so, the LACDA will then recover any disallowed or unexpended funds and return said funds to the appropriate Supervisorial Districts.
- To execute these reimbursable and advance contracts and any necessary non-monetary amendments, as well as any monetary amendments up to \$200,000, following approval as to form by County Counsel. This would enable participating agencies to respond to immediate community needs.
- To enter into agreements with cities participating in the Los Angeles Urban County or other entitlement cities to provide administrative, construction management, and oversight of their CDBG and HOME Programs including procurement, contracting for, and carrying out construction projects within these jurisdictions. Administrative services would include such tasks as consulting with the cities to provide project recommendations; drafting information for public noticing and other citizen participation activities; conducting procurements and assisting with developing

contracts with vendors, contractors, and other service providers; assisting the cities and service providers with compiling information for project quarterly performance reports; collecting reimbursable expenditure information in order to process payment requests; and overseeing construction or other CDBG-eligible activities. The LACDA would be compensated by each jurisdiction using CDBG or non-CDBG funds. The LACDA is also requesting authority to execute contracts up to \$200,000, following approval as to form by County Counsel. Each proposed contract will be subject to environmental review. The Board will be notified each time such a contract is executed.

- To administer the CDBG Revolving Grant Fund, comprised of funds reallocated by participating cities; and to execute contracts transferring these funds to the city(ies) of up to \$200,000, following County Counsel approval. The funds withdrawn from the pool would be repaid with future CDBG funds allocated to the participating city that utilized funds from the pool.
- To increase the budget by \$250,000 using CDBG funds from the 5th Supervisorial District to complete improvements to the AVPH Program Access & Storage Support Space project.
- To accept additional FY 2026-2027 CDBG, HOME, or ESG funding, and incorporate such funding into the Action Plan and LACDA budget, in the event that HUD makes changes to the allocations that result in additional funding for the Los Angeles Urban County Program.
- In January 2012, the City Council of the City of Arcadia elected to transfer the former Arcadia redevelopment agency housing assets at 15 and 19 Lucille Street to the LACDA when the State dissolved redevelopment agencies. In 2021, these sites were declared surplus land and LACDA was instructed to dispose of the properties. The properties were sold in October 2025 for \$2,330,000. Per state law, funds from the sale of these properties must be used for affordable housing purposes; therefore, it is recommended that the \$2,330,000 be provided to Altadena Vistas Apartments LP to rehabilitate and remediate the Altadena Vistas Apartments at 815, E. Calaveras Street in Altadena that were damaged by the Eaton Canyon Wildfire. The Altadena Vistas Apartments are home to 21 low-income seniors with incomes at or below 60% AMI and one resident manager. The \$2,330,000 will be provided in the form of a 0% loan with a 30-year term payable by residual receipts split proportionately with other loans; \$2,330,000 will leverage \$285,000 in CDBG funds.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The FY 2026-2027 Action Plan allocates a total of \$36,905,751 in FY 2026-2027 funding.

The funding is comprised of the following: \$19,213,090 in CDBG grant funds for the County and the City of Cerritos, which is a joint applicant; \$3,734,865 in estimated CDBG program income; \$7,263,809 in HOME Program funds; \$5,000,000 in estimated HOME program income; and \$1,693,987 in Federal ESG funds, which will be included in the LACDA's FY 2026-2027 budget through the annual budget approval process, all subject to final notification of approval by HUD.

CDBG funds total \$22,947,955 and are comprised of new and program income funds, of which \$3,842,618 will be used for administration. A total of \$9,389,563 in CDBG funds will be allocated among the five (5) Supervisorial Districts for projects in the unincorporated areas of the County. A total of \$9,715,775 in CDBG funds will be allocated among the 47 participating cities. Projects to address housing and community needs will be implemented by the LACDA and the County Departments District Attorney, Regional Planning, Sheriff, and Economic Opportunity (collectively, County Departments) and 15 community-based organizations.

HOME funds total \$7,263,809, of which \$726,381 will be used for HOME Program administration, as determined by HUD. The First-Time Home Ownership Program will use \$1,125,000 to provide homeownership opportunities in the unincorporated areas of the County and participating cities, while housing development is allocated \$4,412,428 and \$1,000,000 for Tenant-Based Rental Assistance (TBRA) to primarily target individuals and families who are at risk of homelessness. HOME funds may be reprogrammed based on homeownership, TBRA or development needs. In addition, \$5,000,000 in previously approved HOME funds from the prior year will be allocated among the above activities.

Federal ESG funds total \$1,693,987, which will be utilized for projects to assist persons who are experiencing homelessness in the unincorporated areas of the County and participating cities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

All public notice requirements contained in 24 Code of Federal Regulations (CFR) Part 91 Section 91.105 of the NAHA for approval of the Action Plan have been satisfied. Public participation was conducted through outreach mailings, surveys, and the LACDA outreach and information website. A hybrid (in-person and virtual) community meeting was held on November 1, 2025 to solicit further public participation. Comments received through all these efforts have been incorporated into the Action Plan and the documents were posted on the outreach website in March 2026 to update the community regarding the comments received through the participation process. Public notices of the 30-day comment period were published in newspapers in various languages throughout the County and copies of the draft Action Plan were made available for review at public libraries. The comment period will conclude on June 9, 2026.

The following documents are attached to this letter: Fiscal Year 2026-2027 CDBG Program Allocation Funding Summary (Attachment A); Proposed Use of Federal HOME

Funds (Attachment B); Proposed Use of Federal ESG Funds (Attachment C); and Fiscal Year 2026-2027 Funding for Participating Cities (Attachment D). The Action Plan is also attached to this Board letter.

All the projects proposed in the Action Plan are being federally funded. As applicable, the administering agencies will be subject to the prevailing wage requirements of the Davis-Bacon Act, and related Acts, and Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to persons of limited means, particularly to persons who are recipients of HUD housing assistance; however, where Section 3 is not applicable, the agencies will be subject to the County's Greater Avenues for Independence (GAIN) Program and Skills and Training to Achieve Readiness for Tomorrow (START) Program, which furthers the same or similar goals.

HUD requires that existing urban counties requalify for entitlement status as urban counties for participation in the CDBG program every three (3) years. To meet the requirements of requalification, each urban county must enter into cooperation agreements that note the specific guidance HUD provides for the cities that wish to be part of the urban county. Currently, the LACDA is conducting the Urban County Qualification process for participation in the CDBG program for the next three-year period (July 1, 2027 through June 30, 2030).

Cooperation agreements, which include required federal provisions, will be signed by cities that wish to participate or continue participating in the Urban County Program, and the Executive Director will approve the agreements as to the program. Following execution of the cooperation agreements by the Executive Director, they will be submitted to HUD, and will become effective July 1, 2027. In future years, the Executive Director will execute the cooperation agreements and amendments to complete the qualification process. Cooperation agreements for this period (July 1, 2027 through June 30, 2030) must be submitted to HUD.

This letter has been reviewed by County Counsel.

ENVIRONMENTAL DOCUMENTATION

These actions are exempt from the provisions of the National Environmental Policy Act pursuant to 24 CFR, Part 58, Section 58.34(a)(3) because they are administrative actions and do not involve activities that will alter existing environmental conditions. The actions are not subject to the provisions of CEQA, pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

Each project within the Action Plan will be reviewed for environmental impact on a project-by-project basis before funding is released.

CONTRACTING PROCESS

The County does not use a competitive process to award CDBG contracts to non-profit agencies. Each Supervisorial District utilizes the Community Resources Investment Strategy (CRIS), citizen input from community meetings, and consultations with the LACDA to select agencies that best meet community needs.

HOME funds are used to implement a variety of affordable housing development programs available to households earning less than 80% of the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for family size, as determined by HUD. HOME funds for development are made available on an annual basis through a competitive Notice of Funding Availability (NOFA) to for-profit and nonprofit developers. Projects are selected to maximize the impacts of HOME funds based on viability, financial feasibility, and appropriateness to geographic location and community need. Funds are also made available on a first-come, first-served basis to income-qualified buyers for the purchase of existing housing. Income qualified households from an existing program that is being discontinued will be eligible for TBRA.

Federal ESG funds are allocated to LAHSA, which contracts with non-profit and government agencies to provide housing and services for persons who are experiencing homelessness, as outlined in the Action Plan.

IMPACT ON CURRENT PROJECTS

The projects contained in the Action Plan will benefit residents of limited means in the unincorporated County and participating cities.

Respectfully submitted,



EMILIO SALAS
Executive Director

Enclosures

**FISCAL YEAR 2026-2027 CDBG PROGRAM ALLOCATION
JULY 1, 2026 TO JUNE 30, 2027
FUNDING SUMMARY**

Grant Funds to be Received

County Entitlement Funds ¹	\$19,213,090
Estimated Program Income	<u>3,734,865</u>
Total	\$22,947,955

Distribution of CDBG Funds

Unincorporated Areas ²	\$9,389,563
Participating Cities ³	9,715,775
Countywide Administration	<u>3,842,618</u>
Total	\$22,947,955

¹ This amount includes funds received for the Los Angeles Urban County and the City of Cerritos, as a joint applicant. Beginning in 2018, the U.S. Department of Housing and Urban Development combined the funding for the Urban County and the City of Cerritos, instead of breaking them out separately.

² Includes funds for district allocations and half of estimated program income.

³ Includes funds for city allocations and half of estimated program income.

PROPOSED USE OF FEDERAL HOME FUNDS

The following chart depicts the distribution of new 2026-2027 HOME funds among housing activities within the Los Angeles Urban County.

ACTIVITY*	FY 2026-2027 FUNDS
HOME Administration	\$726,381
Housing Development	4,412,428
Home Ownership Program**	1,125,000
HOME Tenant-Based Rental Assistance (TBRA)	1,000,000
Total	\$7,263,809

* Note: Funds may be reprogrammed. In addition, \$5,000,000 in projected HOME program income will be allocated among the activities.

PROPOSED USE OF FEDERAL ESG FUNDS

LAHSA proposes to use the 2026-2027 ESG allocation to meet the purpose of the Stewart B. McKinney Homeless Assistance Act 24 Code of Federal Regulations 576.1 (b) as amended by The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 and to meet the goals in the Fiscal Year 2023-2028 Consolidated Plan.

In 2009, the HEARTH Act revised the Emergency Shelter Grants Program and renamed the program to the Emergency Solutions Grants Program and revised it to broaden existing emergency shelter and homelessness prevention activities to add rapid re-housing activities. As such, homelessness prevention and rapid re-housing services will be provided, along with homeless shelter and street outreach. Together, these activities will strengthen the referral system of these services to address the needs of individuals and families at risk of homelessness and persons that are now experiencing chronic homelessness.

The following are the percentages of ESG funds to be allocated to the various eligible activities:

ELIGIBLE ACTIVITY	ESTIMATED ALLOCATION	PERCENT (%)
Emergency Shelter ⁴	\$964,219	56.9
Homelessness Prevention	0	0
Rapid Re-Housing	486,180	28.7
HMIS	116,539	6.9
Administration ⁵	127,049	7.5
Total	\$1,693,987	100.0

LAHSA will meet the matching funds requirement with 100% Federal Supportive Housing Program funds for the 2026-2027 Program Year.

⁴ Subpart B Sec. 576.100 states that total outreach and operations expenses cannot exceed the greater of (a) 60% of the entire ESG contract, or (b) amount of FY 2010 grant funds committed for homeless assistance activities. The County's 2026-2027 allocation towards emergency shelter, which is \$964,219, is not greater than the FY 2010 grant funds of \$1,261,678 committed for homeless assistance activities.

⁵ Administration is split 60/40, with LAHSA receiving 60% and the LACDA receiving 40%.

FISCAL YEAR 2026-2027 FUNDING FOR PARTICIPATING CITIES

CONTRACT NO.	CITY	FY 2026-2027 ALLOCATION
70710	Agoura Hills	\$76,065
70711	Arcadia	285,499
70712	Artesia	95,728
72220	Avalon	30,580
70713	Azusa	371,366
70714	Bell	413,453
70715	Bell Gardens	499,273
70716	Beverly Hills	178,402
70718	Calabasas	112,841
72219	Cerritos ⁶	202,687
70719	Claremont	133,401
70720	Commerce	129,987
70721	Covina ⁷	291,792
70722	Cudahy	299,783
70723	Culver City	180,662
70724	Diamond Bar	275,839
70725	Duarte	119,115
70726	El Segundo	60,948
70727	Hawaiian Gardens	132,896
70728	Hermosa Beach	79,444
70729	Irwindale	6,771
70730	La Canada-Flintridge	57,816
70731	La Habra Heights	18,668
70732	La Mirada	231,538
70733	La Puente	253,220
70734	La Verne	150,528
70735	Lawndale	247,807
70736	Lomita	140,108
70737	Malibu	52,163
70738	Manhattan Beach	100,189
70739	Maywood	319,376
70740	Monrovia	241,821
70741	Rancho Palos Verdes	143,809
70743	Rolling Hills Estates	21,679
70744	San Dimas	170,941
70745	San Fernando	174,416

⁶ As a joint applicant with the County for FY 2026-2027, Cerritos receives \$253,359. The allocation amounts shown reflect the total amount that the city will receive after the administration fee is subtracted from the grant total.

⁷ Net amount after Section 108 loan repayment.

ATTACHMENT D

CONTRACT NO.	CITY	FY 2026-2027 ALLOCATION
70746	San Gabriel	296,295
70747	San Marino	64,763
70748	Santa Fe Springs	129,007
70749	Sierra Madre	40,732
70750	Signal Hill	69,843
70751	South El Monte	225,794
70752	South Pasadena	116,853
70753	Temple City	219,854
70754	Walnut	131,922
70755	West Hollywood	225,261
71556	Westlake Village	27,407