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LOS ANGELES COUNTY
2014–2015
CIVIL GRAND JURY



FINAL REPORT

LOS ANGELES COUNTY

2014–2015

CIVIL GRAND JURY



John Acevedo
Octavio "Toby" Chavez
Jim Contreras
Ben Cowitt
Jimmy Dixon
Virgil L. Greer Jr.
Larry Lyman
Dany Margolies
Earline C. Parker
Shari E. Pearce
John A. Rangel
Doris K. Reed
Joyce Simily
Ken Star
Wesley C. Thompson
Adrian Tigmo
Gloria M. Wilson
Margaret M. Yasuda
Steve Yi
Simeon Zano

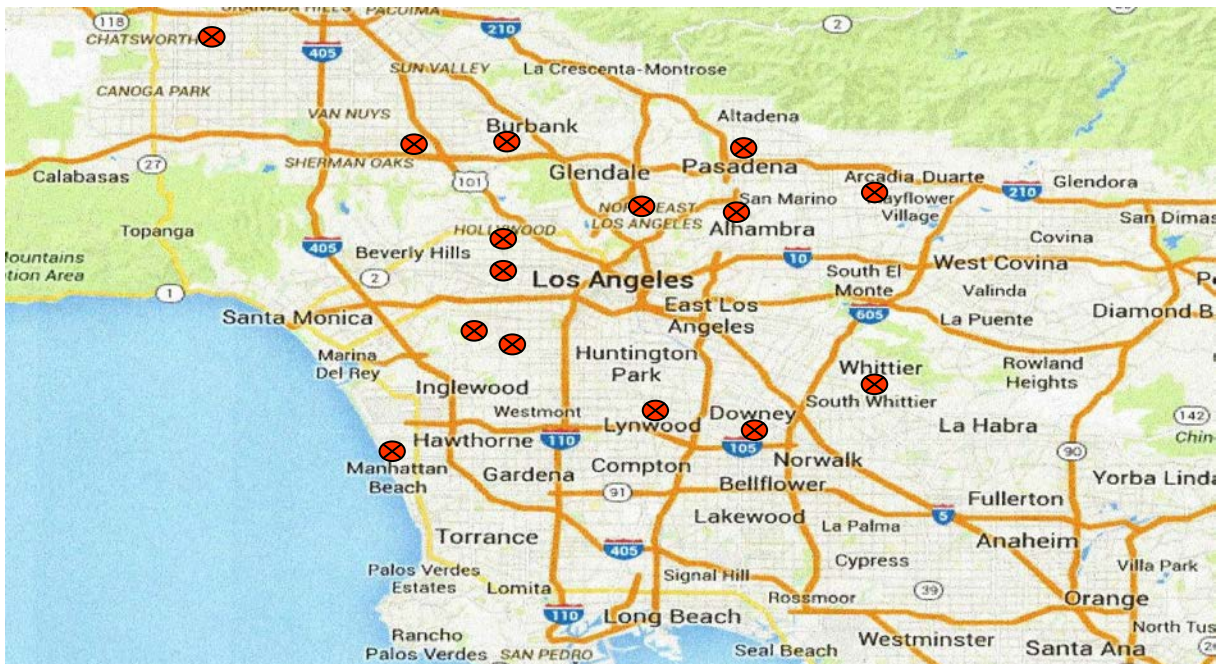
FINAL REPORT

LOS ANGELES COUNTY 2014–2015 CIVIL GRAND JURY

Doris K. Reed.....Foreperson
 Steve Yi..... Foreperson pro tem
 Virgil L. Greer Jr..... Secretary
 Earline C. Parker..... Secretary pro tem
 Wesley C. Thompson.....Sergeant at arms
 John A. Rangel.....Sergeant at arms pro tem
 Dany Margolies Information Technology Specialist
 Shari E. Pearce.....Parliamentarian

John Acevedo	Joyce Simily
Octavio “Toby” Chavez	Kenneth Star
Jim Contreras	Adrian Tigmo
Ben Cowitt	Gloria M. Wilson
Jimmy Dixon	Margaret M. Yasuda
Larry Lyman	Simeon Zano

The following cities are represented by the Los Angeles County 2014–2015 Civil Grand Jury:





Seated, left to right: Virgil L. Greer Jr., Steve Yi, Doris K. Reed, Wesley C. Thompson, Simeon Zano. **Standing, left to right:** Jim Contreras, Ken Star, Earline C. Parker, Larry Lyman, John A. Rangel, Shari E. Pearce, John Acevedo, Jimmy Dixon, Joyce Simily, Gloria M. Wilson, Ben Cowitt, Octavio "Toby" Chavez, Adrian Tigmo, Margaret M. Yasuda. **Not pictured:** Dany Margolies.



County of Los Angeles CIVIL GRAND JURY

CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
210 WEST TEMPLE STREET • ELEVENTH FLOOR • ROOM 11-506 • LOS ANGELES, CALIFORNIA 90012
TELEPHONE (213) 628-7914 • FAX (213) 229-2595
<http://www.grandjury.co.la.ca.us/>

To the Citizens of Los Angeles County:

On July 1, 2014, 23 people from various communities in Los Angeles County were sworn in to serve as members of the Los Angeles County 2014–2015 Civil Grand Jury. Considering that Los Angeles County’s population is more than 10 million, to be chosen to serve was quite an honor and a feat not to be taken lightly.

The primary functions of the Civil Grand Jury are tri-fold.

First we act in a “watchdog” capacity, charged with examining carefully and completely the operations of governmental agencies within Los Angeles County—which includes 88 cities, 96 school districts, and 493 special districts. Second, by statute, we are required to inspect jails and juvenile detention facilities within the county, and report on their condition and management. Third, state law mandates that we review and it authorizes us to investigate individual complaints from the citizens of Los Angeles County.

Service on the Civil Grand Jury is a full-time responsibility—five days, 30–40 hours a week. After we were sworn in, our first month and a half of service involved intensive training on what was expected of us as jurors and the intricacies of group dynamics. We began to learn how to navigate local governments. We visited a multitude of places within Los Angeles County. We invited guest speakers from county government, school districts, and cities to address the jury regarding their respective functions and to voice their concerns. However, the biggest hurdle was for 23 people from various backgrounds and life experiences to learn how to work together in a constructive and conciliatory way. That involved active listening and the willingness to cede individual viewpoints at times for the bigger picture.

The realization that this was not about us as individuals but about being of service kept the group moving forward through hours of discussions to determine what areas would be looked at in depth, becoming part of the Final Report. Always at the forefront of our brainstorming was, “What would best serve the citizenry of Los Angeles County?” As the foreperson, my role was to encourage open communication among the jurors and to keep the group “on point,” using tact, common sense, humor, and restraint to ensure that the jury functioned as a whole and that each committee within the jury functioned effectively and efficiently.

The end result of the work done by the Los Angeles County 2014–2015 Civil Grand Jury is reflected in the Final Report. In wanting to provide the readers with our best effort, no detail was too small and sufficient time was given for the jurors to make comments and/or suggestions on each section. In addition to the seven standing committees (Detention, Citizens’ Complaints, Continuity, Audit, Edit and Publication, Social, and Speakers and Tours), 10 investigative committees were formed to address issues including housing, public health, and environment.

We wish to express our sincere gratitude to those who made it possible for us to complete our work:

- Supervising Judges James R. Brandlin and Charlene F. Olmedo for their responsiveness to our legal questions and issues;
- The Civil Grand Jury staff—Mark Hoffman, Cora Artizada, and Natalie Rascon—who were not only supportive but also encouraging and patient as we developed into a cohesive group;
- Our legal advisor, Deputy County Counsel Jonathan McCaverty, who met with us weekly to ensure that we were not overstepping our legal mandates and boundaries;
- All of those from the various county departments and other agencies who freely gave of their time to meet with us and provide requested documentation in a timely fashion to assist in our investigations; and
- The Los Angeles County Sheriff's Department, who provided our transportation to all site tours.

On a personal note, I would like to thank the incredible jurors I had the honor of working with, serving as their foreperson this past year. It was a life-enhancing experience made even more pleasurable by these people who demonstrated commitment, passion, and the desire to make a difference by giving of their time and efforts. To them I would like to say, "Well done!"



Doris K. Reed, Foreperson
Los Angeles County 2014-2015 Civil Grand Jury

INTRODUCTION

LOS ANGELES COUNTY 2014–2015 CIVIL GRAND JURY

A precursor to the present Grand Jury is defined in Article 61 of the Magna Carta, signed by King John of England in 1215. Thus the Grand Jury is celebrating its 800th birthday in 2015. English colonists brought the Grand Jury to the United States, enshrining it in the Fifth Amendment to the Constitution, which reads, “No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury....”

The Los Angeles County 2014–2015 Civil Grand Jury served from July 1, 2014, to June 30, 2015. Below is an overview of the Civil Grand Jury—its history, function, and makeup.

HISTORY

In its early years, the English grand jury was an instrument of the crown. In the 17th century, the grand jury began to assert its independence from the crown and function to protect the people from the power of the king.

By the time the English colonists brought the grand jury to the United States, it had developed with three important powers that are still used today:

- **Indictment:** A formal written document that accuses a person of having committed a crime (Criminal Grand Jury)
- **Accusation:** A process similar to indictment except that it carries no criminal penalties; its purpose is the removal of a public employee from office (Civil Grand Jury)
- **The power to report its findings concerning local government (both Criminal and Civil Grand Jury)**

In 1902, California citizens rejected a proposed constitutional amendment to restrict grand jury powers. Today, California Penal Code Section 888 et. seq. allows the Superior Court to impanel two grand juries: one to return indictments and another to perform the civil function of accusation and local government oversight.

The required number of civil grand jurors is based on the size of the county: 23 in a county with a population exceeding 4 million; 11 in a county with a population of 20,000 or less; and 19 in all other counties. Article 1, Section 23, of the state of California's Constitution requires that each of its 58 counties draw and summon a grand jury at least once a year.

FUNCTION

The primary function of the Los Angeles Civil Grand Jury is to investigate county, city, special districts, and school districts in Los Angeles County. The investigative powers of the Civil Grand Jury include the ability to audit the operations, accounts, and records of officers and departments. All investigations and audits by the Civil Grand Jury must be conducted and completed during its term of office. The only exception is citizens' complaints that are not brought to a satisfactory conclusion upon the completion of the grand jury term; they may either be referred to the next year's Civil Grand Jury or the complainant may be asked to resubmit the claim.

The Civil Grand Jury has no power to substitute its own policies, practices, and/or procedures for those of local governments. It is not an alternative form of government, nor does it have arrest powers nor investigative powers like those exercised by established law enforcement agencies.

The jurisdiction of the Civil Grand Jury is limited by statute, as follows:

- It must exercise its powers within the geographical boundaries of Los Angeles County.
- Its subject matter jurisdiction is confined to the exercise of specific statutory powers. The Civil Grand Jury has no jurisdiction or authority to investigate federal and state agencies, nor the courts.
- In carrying out its civil functions, members of the grand jury have no privilege to write or speak with immunity from civil or criminal action.
- With the exception of auditors, it cannot hire experts nor investigators upon its own initiative.
- The grand jury can act only as a body; individual grand jurors have no authority nor official identity except when they sit as members of the jury.

- The powers of the Civil Grand Jury are exercised only at its regular and lawful meetings.

The findings of investigations conducted by the Civil Grand Jury can be communicated only in the Final Report published at the conclusion of the jury's term of impanelment (June 30). Prior to that, all matters discussed are kept private and confidential.

REQUIREMENTS FOR BECOMING A CIVIL GRAND JUROR

To become a civil grand juror, an individual:

- Must be a United States citizen, 18 years of age or older and a resident of the state of California and Los Angeles County for at least a year immediately prior to service.
- Cannot have been discharged as a Grand Juror in any California court within one year of the beginning date of service.
- Cannot have been convicted of wrongdoing in office or any felony or any other high crime.
- Must possess sufficient knowledge of the English language.
- Must not be serving as a trial juror in any California court.
- Must not be an elected public official.

As part of the process, prospective jurors are subject to background investigations prior to their being selected.

TERM OF SERVICE

The civil grand jury sits for a term of one year—July 1 until the following June 30. Each July, 23 Los Angeles County residents are sworn in to serve for a 12-month term. Service is a full-time job, five days per week for approximately 30 to 40 hours per week. Anyone selected to serve should consider the time involved and thoughtfully weigh any and all obligations before accepting the nomination.

COMPENSATION

Jurors are paid \$60 per day plus mileage and are compensated for only those days worked. Jurors who choose to use public transportation to and from court are reimbursed for the cost of said transportation. Because serving as a juror is considered a voluntary position, no sick or vacation time is accumulated.

FOR MORE INFORMATION OR AN APPLICATION, PLEASE WRITE OR CALL:

Los Angeles Superior Court
Civil Grand Jury
210 West Temple Street, Room 11-506
Los Angeles, CA 90012-3210
(213) 628-7914
www.grandjury.co.la.ca.us

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AFFORDABLE HOUSING



Shari E. Pearce, chair
Octavio "Toby" Chavez, vice chair
Earline C. Parker, secretary
John A. Rangel
Margaret M. Yasuda
Steve Yi
Simeon Zano

AFFORDABLE HOUSING

TOPIC

Los Angeles County funding for affordable housing expires in 2017, and there is no plan to continue funding. The Los Angeles County 2014–2015 Civil Grand Jury created the Affordable Housing Committee (committee) to investigate this issue.

BACKGROUND

Los Angeles County (county) is the second-largest metropolitan area in the United States. It has a population of approximately 10 million, making it the most populous county in the United States. The annual median rent in California has grown 21 percent since 2000, while median income for renter households has fallen 8 percent.¹ In 2012–2013, county residents experienced the largest rent increase in Southern California when rents increased 2.86 percent to an average of \$1,435 per unit.² This makes affordable housing in Los Angeles County more important than ever.

According to the California Housing Partnership Corporation (CHPC),³ the housing market has failed to meet the needs of an entire segment of the Los Angeles County population. “Rent is considered affordable when it consumes no more than 30 percent of household income,” states the CHPC.⁴ “In Los Angeles County there are homes with affordable rents for only two out of 10 extremely low income (ELI) renter households—those earning 30 percent or less of their metro area’s median income. The county is home to 465,985 ELI renter households.⁵ Very Low Income (VLI) households, those who earn up to half of their area’s median income, fare only slightly better; there are homes with affordable rents for fewer than four out of every 10 VLI households in the county.” The range of housing patterns, from very low income housing to lavish dwellings, reflects the enormity of this issue.

¹ Update on California’s Affordable Housing Crisis: the critical Role of Housing Access and Affordability in Reducing Poverty, April 2015, California Housing Partnership Corporation.

² Source: REIS & USC Casden Forecast.

³ CHPC was created in 1988 by the state legislature to provide leadership on affordable housing policy and resource issues of benefit to California.

⁴ California Housing Partnership Corporation report, How Los Angeles County’s Housing Market Is Failing to Meet the Needs of Low-Income Families, May 2014.

⁵ Ibid.

Households in these categories are predominately composed of the elderly, disabled, veterans, low-wage workers, and homeless. Of this group, the homeless and the mentally ill require more on-site services provided by Los Angeles County Department of Mental Health, creating a drain on the already limited funds.⁶ A client-centered housing-first approach is the focus for individuals who are homeless, providing harm-reduction strategies, substance abuse treatment, immediate psychiatric assessment, and medication support.

The Housing Authority of the County of Los Angeles (HACoLA), a department of the Community Development Commission (CDC), currently provides 3,237 affordable housing units throughout the county. HACoLA's management model combines management, law enforcement/security, resident services, and partnerships with other public agencies and community groups to offer ELI residents needed tools and opportunities including:⁷

- A Family Self-Sufficiency Program
- Case Management
- Educational and Computer Learning Services
- Employment Training and Childcare
- Juvenile Justice Crime Prevention Act Services for youth
- Smoking Cessation Programs (all HACoLA units are smoke-free)

There are 13 site-based waiting lists of which seven are for seniors only (62 years or older). Waiting periods of up to a year depend upon:

- The jurisdiction
- Number of bedrooms needed
- Current vacancies for a specific site-based waiting list
- Preferences
- Date and time of application

Demographics of residents at HACoLA's 3,237 units break down as follows:

- Average annual income of \$14,278 per household
- Average rent of \$337 per month
- Ethnicity:
 - 59% White, of which 41% is Latino
 - 35% African American
 - 4% Asian
 - 1% Native American

⁶ Los Angeles County Department of Mental Health published a pamphlet titled Addressing the Needs of People Who Are Homeless and Mentally Ill, referencing the 2012–2013 budgeted programs that include outreach and engagement, providing intensive treatment programs.

⁷ Community Development Commission of the County of Los Angeles, Economic and Housing Development Power Point presentation Aug. 28, 2014.

- Age groups:
 - 36% 0–17 years
 - 43% 18–61 years
 - 21% 62 years and older
- Length of stay:
 - 43% 0–5 years
 - 21% 6–10 years
 - 36% 11 years and longer
- Total population: 6,390 persons
- Average households: 2.2 persons

Affordable Housing Funding

Affordable housing development projects require a complex mix of financing tools—with loans, grants, and various other programs imposing numerous qualifications and restrictions. The federal government typically provides major capital support through the Low-Income Housing Tax Credits program (LIHTC), Community Development Block Grants (CDBG), and HOME Investment Partnership Program (HOME) funds, in addition to operating subsidies provided through U.S. Department of Housing and Urban Development (HUD) programs. As federal support declined in recent years, local and state governments started offering financing and incentive programs as well, including housing trust funds and state tax credits. Los Angeles County complies with the state of California–mandated density bonus program, which allows market-rate developers to add units to their projects if affordable units are included, but the bonus program does not have a dedicated funding source.⁸

Dissolution of California Redevelopment Agencies

As part of the 2011 Budget Act, and in order to address the state’s ongoing budget deficit, the California State Legislature approved the dissolution of the state’s redevelopment agencies. Redevelopment agencies had provided local governments the ability to capture a greater share of property taxes. After an area was declared a redevelopment project area, the share of property taxes that went to schools and other local agencies was frozen. All of the growth in property taxes (known as property tax increment) from that point until the redevelopment area expired—which can be up to 50 years—went back to the redevelopment agency. Redevelopment agencies were required by California state law to set aside not less than 20 percent of all tax increment revenues into a Low and Moderate Income Housing Fund to develop housing for low and moderate income households.

⁸ Calif. Government Code Section 65915–65918.

Following unsuccessful litigation to preserve them, the redevelopment agencies were officially dissolved as of Feb. 1, 2012. As a result, property tax revenues are now used to pay required payments on existing bonds for the dissolved redevelopment agencies, other enforceable obligations, and pass-through payments to local governments. The remaining property tax revenues that exceed the enforceable obligations are now allocated to cities, counties, special districts, and school and community college districts.

To help facilitate the redevelopment agency winding-down process at the local level, successor agencies have been established to manage redevelopment projects currently underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties. In Los Angeles County, the CDC has assumed the function of the redevelopment.

Los Angeles County Community Development Commission

Created in 1982 by the Los Angeles County Board of Supervisors (BOS), the CDC brought together HACoLA, the former Redevelopment Agency, and the CDC. The BOS serves as the governing Board of Commissioners for the CDC and the Housing Authority.

The CDC manages affordable housing and economic development programs that benefit residents and business owners in unincorporated Los Angeles County areas and in participating cities, serving an estimated one million residents.

Receiving more than 70 percent of its funding from HUD, the CDC operates in four main areas: subsidized housing, housing development and preservation, community development, and economic development. In Fiscal Year 2014–2015, the CDC’s budget totaled \$474 million, with 563 employees.

The CDC’s affordable housing development projects are managed internally by its Economic and Housing Development Division, with 54 employees.

METHODOLOGY

The committee conducted interviews and, based on the information gleaned, hired an audit firm to further investigate county funds transferred to the CDC for affordable housing development between 2012 and 2015.

The compliance audit was designed to:

- Determine the level of funding the county has allocated to the CDC for affordable housing or other purposes during the current and past three fiscal years.
- Review all actions by the BOS to determine the board's plans for all of the funds transferred to the CDC for specific affordable housing programs.
- Determine how the transferred funds have been used by the CDC, including development of new affordable housing, rehabilitation of existing housing, housing for the homeless, and other uses.
- Assess whether or not the funds transferred to the CDC from the county have been used as intended by the BOS.
- To the extent that transferred funds have not been used as intended by the BOS, or not expended within established time frames, determine how they have been used and why there were changes in the time frames.

The audit process included interviews with CDC employees, as well as the Los Angeles County Chief Executive Office (CEO), and a site visit to one of the projects funded with county General Funds. In addition, the following documents were reviewed:

- Affordable housing project budget variance reports
- Development agreements for affordable housing projects
- Construction monitoring reports
- Staff reports to the CDC Loan Committee and Board of Commissioners
- Community Development Commission resolutions

INVESTIGATION

Components of Affordable Housing Funding

Low-income housing tax credits

The federal LIHTC represents a major source of funding for much of the affordable housing in construction today. Created under the Tax Reform Act of 1986, LIHTC is administered at the state level with a fixed allocation from the federal government based on the state's population. Tax credits are then awarded competitively, in two "allocation rounds" held every year, to projects that best meet the state's priorities and goals.

In California, the Tax Credit Allocation Committee (TCAC), a division of the State Treasurer's Office, administers state and federal tax credits. TCAC awards these tax credits to eligible projects within geographic regions through a competitive process.

There are two types of tax credits: competitive 9 percent credits and non-competitive 4 percent credits. The 9 and 4 percent federal tax credits are available for 10 years, and the state tax credits are available for four years. The federal government awards the 9 percent competitive credits to each state equal to \$2.15 per capita. TCAC then allocates the competitive tax credits to specific types of projects (such as projects sponsored by nonprofits or targeted to individuals with special needs) and to geographic regions within the state, based on population and housing needs.

Projects that have certain other federal subsidies or are financed with more than 50 percent tax-exempt bonds are eligible for 4 percent annual tax credits. The state ceiling for 4 percent annual tax credits is tied to the state ceiling for issuing private activity tax-exempt revenue bonds. The federal government sets the annual ceiling for each state to issue private activity tax-exempt revenue bonds, which is approximately \$75 per capita.

Developers typically "sell" the tax credits by entering into limited partnerships with investors. The investors get tax shelters while the developers get much needed equity to finance the construction of the affordable units.

As shown in the project summary in Table 3, tax credits provide a significant amount of funding for affordable housing development.

HOME Funds Investment Partnership Program

The HOME Investment Partnerships Program (HOME) is a federal block grant that provides states and localities with a flexible funding source to address affordable housing needs. Government bodies typically use these funds—often in partnership with local nonprofit groups—to support the construction or rehabilitation of affordable housing for rent or home ownership and to provide direct rental assistance to low-income people. HOME is the largest federal block grant designed exclusively to create affordable housing for low-income households.

Homeless Prevention Initiative 2006

In response to the growing homeless problem in the county, the BOS adopted a strategic plan in 2006, for which it allocated \$100 million to fund pilot programs collectively referred to as the Homeless Prevention Initiative. As part of this Initiative, the CDC released a Request for Proposals for the Homeless & Housing Program Fund. This made available \$32 million in one-time funding for capital development or service programs serving homeless clients and those at risk of becoming homeless.

Homeless Service Center Funds

Also as part of the Homeless Prevention Initiative approved by the BOS in 2006, each supervisor was allocated \$1,425,000 in ongoing annual funding. These funds—called the Homeless Service Center Funds—can be used for capital development, operations, or services programs serving the homeless, at the discretion of the supervisor. The CDC administers only the capital projects—some of which are included in the annual Notice of Funding Availability (NOFA) process—through which the CDC formally announces funding available for affordable housing and developers apply for funding for prospective projects in the county. The Los Angeles Homeless Services Authority administers services and operations contracts.

County General Fund Allocations: Notices of Funding Availability

To date, the county has allocated \$101,051,000 in General Fund revenues to the CDC for affordable housing development, as shown on Table 1 (below).

Table 1: Dates and Amounts of County Fund Transfers to the CDC for NOFAs

Fiscal Year	Date of Board Motion	Amount Transferred	Allocated?
FY 2012-13	October 23, 2012	\$11,000,000	Yes, NOFA 18
FY 2012-13	March 5, 2013	\$15,000,000	Yes, NOFA 19
FY 2013-14	June 24, 2013	\$15,000,000	Yes, NOFA 20
FY 2014-15	June 23, 2014	\$15,000,000*	Yes, NOFA 21
FY 2014-15	June 23, 2014	\$35,072,000	Yes, NOFA 20, 22 & 23
FY 2014-15	February 24, 2015	\$9,979,000	Yes, NOFA 21
Total		\$101,051,000	

Source: Board motions and CEO documents.

* An additional \$800,000 in Homeless Prevention Initiative Funds was also transferred at this time but was specifically allocated to Supervisorial District 1.

Of these funds transferred from the county, \$38,189,000 in county General Funds has been made available to affordable housing developers thus far by the CDC through NOFAs 18–20, along with other funding sources such as Homeless Bonus Funds and HOME funds.

Summaries of the NOFAs executed during the audit scope period are below in Table 2.

Table 2: Total Funding Available in Recent NOFA Rounds

	NOFA 18	NOFA 19	NOFA 20	Total
County General Funds	\$8,800,000	\$11,939,000	\$17,400,000	\$38,139,000
Homeless Bonus Funds	\$524,446	\$3,036,946	\$2,650,000	\$6,211,392
HOME Funds	\$1,669,000	\$3,500,000	\$2,700,000	\$7,869,000
Total Available Funds	\$10,993,446	\$18,475,946	\$22,750,000	\$52,219,392

Source: NOFA Documents

These county funds, along with the other affordable housing funding sources, are provided to affordable housing developers by the CDC as low-interest loans, which in general become due in 55 years. The CDC is flexible in that it does not require regular annual payments from these developers unless they have residual receipts (net proceeds after all expenses are paid). The CDC reports it does expect to be repaid over the term of the loan; in instances of non-payment, the CDC would attempt to restructure the loan or might pursue a foreclosure. The loan agreements between the CDC and the developers provide for such a proceeding if necessary. Payments received by the CDC are returned to their respective original funding source pools for future reallocations.

In order to ensure that the most qualified and “shovel-ready” projects receive the funds, the CDC outlines selection criteria for each NOFA, which include:

- Project financing
- Readiness
- Design
- Supportive services
- Development team qualifications

Additional preferences are given to projects that target low-income populations with special needs, such as: the homeless, homeless veterans, the chronically homeless, the mentally disabled, those with HIV/AIDS, transition-aged youth, the developmentally disabled, and frequent users of the healthcare and mental health systems.

Technical reviews of applications for NOFA funding are performed by a panel of consultants, and the CDC’s Independent Review Panel reviews the consultants’ scoring. The panel of consultants has development, design, or service provision expertise and is solicited by the CDC through a competitive Request for Statements of Qualifications or Request for Proposals. The consultants are ranked by an evaluation committee, composed of CDC staff, based on their experience, performance history, and approach to the task. Selected consultants serve a one-year term with four one-year options to extend the contract. The CDC staff reviews and confirms consultant scoring before projects are presented to the Independent Review Panel.

As discussed in more detail below, the Board of Supervisors required that the CDC pace the allocation of the transferred funds over five years. As such, the current schedule for releasing the remaining county General Funds is:

- NOFA 21: September 2015
- NOFA 22: September 2016
- NOFA 23: September 2017

Summary of Affordable Housing Projects Receiving County General Funds

The county resources provide essential gap financing for affordable housing developments in Los Angeles County, however, all funded projects must demonstrate sound financial planning and that other funding sources have been secured before the county will begin disbursement. Table 3 below details the amount of county funds awarded to each project funded through NOFAs 18 and 19, as well as the amount of other resources leveraged by the projects. Low-income housing tax credits represent the primary funding source for affordable housing. All projects approved for funding by the CDC must also receive tax credits.

Table 3: NOFA Project Awards and Total Project Financing

NOFA	PROJECT	TOTAL NOFA FUNDING ALLOCATION		Other Financing		Total
		County General Fund Loan Amount (A)	Total CDC Loan Amount* (B)	Tax Credit Equity (C)	Other Financing (D)	All Sources (B) + (C) + (D)
18	Whittier Place**	\$78,400	\$2,188,825	\$7,917,000	\$3,500,000	\$13,605,825
18	Harding	\$1,100,000	\$2,769,000	\$7,712,091	\$250,000	\$10,731,091
18	Vermont Manzanita	\$965,425	\$965,425	\$11,703,535	\$6,000,000	\$18,668,960
18	Path Villas	\$950,000	\$950,000	\$5,251,577	\$3,200,000	\$9,401,577
18	Mar Vista Union	\$950,000	\$950,000	\$5,508,000	\$6,677,064	\$13,135,064
18	Step Up	\$1,100,000	\$1,100,000	\$6,880,564	\$5,810,002	\$13,790,566
18	The Paseo	\$1,100,000	\$1,100,000	\$7,774,954	\$12,564,880	\$21,439,834
18	LDK Senior	\$1,100,000	\$1,100,000	\$9,378,293	\$15,120,903	\$25,599,196
Subtotal NOFA 18		\$7,343,825	\$11,123,250	\$62,126,014	\$53,122,849	\$126,372,113
19	Gateway	\$1,500,000	\$3,000,000	\$5,562,765	\$1,071,261	\$9,634,026
19	Winnetka Senior	\$1,500,000	\$1,500,000	\$8,620,680	\$16,485,987	\$26,606,667
19	Crest	\$1,700,000	\$1,700,000	\$15,154,720	\$6,690,080	\$23,544,800
19	Immanuel Senior	\$1,817,500	\$1,817,500	\$6,860,512	\$3,473,745	\$12,151,757
19	Cedar Springs	\$2,937,500	\$5,389,822	\$12,558,776	\$5,410,376	\$23,358,974
19	Whittier Place**	\$2,115,000	\$2,115,000	\$7,917,000	\$5,688,825	\$15,720,825
Subtotal NOFA 19		\$11,570,000	\$15,522,322	\$56,674,453	\$38,820,274	\$111,017,049
Total NOFA 18 & NOFA 19		\$18,913,825	\$26,645,572	\$118,800,467	\$91,943,123	\$237,389,162

* This includes the General Fund Loan amount shown in Column (A) and HOME funds and County Homeless Funds not separately presented.

** Whittier Place received capital development funds through NOFA 18 and operating subsidies through NOFA 19.

Funding From Los Angeles County to Meet Affordable Housing Goals

County commitment to affordable housing development

In the wake of the dissolution of redevelopment agencies and continued cuts in federal funding, the Los Angeles County Board of Supervisors took action in 2012 to transfer \$11 million from the Assignment for Budgetary Uncertainties account to the CDC to allocate through the CDC's NOFA process. This funding, for the creation of affordable housing units, also covers a 20 percent administration fee and monitoring costs.

At the same time, the BOS directed the CEO to work with the CDC to design a framework and implementation plan to address eight broad economic development objectives, one of which was affordable housing development.

Prior to the completion of the framework and implementation plan, the BOS acted again to move resources to the CDC for continued housing development, through a \$15 million allocation in March 2013. In this motion, the BOS directed the CDC to release NOFAs as quickly as possible, and to use "no less than half of the funds for homeless special needs populations." The motion specifically noted that the BOS would "defer consideration of the dispensation of the remaining funds until the FY 2013–14 budget process."

In April 2013, the CDC in cooperation with the CEO presented to the BOS the Affordable Housing and Economic Development Framework and Implementation Strategy (Framework). This plan detailed recommendations to the county to provide annual allocations of \$34,649,500 of former redevelopment money for a period of five years, or \$173,247,500 to finance the ongoing development of affordable housing targeting special-needs populations, including homeless, veterans, and transitional-age foster youth. These allocations would be in addition to the prior allocations of \$11 million and \$15 million, or \$26 million for the first two transfers by the Board of Supervisors.

The goals and strategy outlined in the Framework document for the use of these funds included:

- the incorporation of operating subsidies to ensure long-term financial viability of affordable housing developments;
- a predictable NOFA issuance timeline to give developers sufficient planning time for site control, environmental reviews, and finance leveraging; and
- a unit production goal of 900 total units, including 450 for special needs populations.

As such, the Framework recommended a total additional allocation from the county of \$173,247,500, over the five years—bringing the combined total allocation, incorporating the initial \$26 million allocation, to a total commitment of \$199,247,500.

County housing goals

The county established affordable housing development goals in its 2014–2021 state-mandated Housing Element, which is part of the county’s General Plan. The Los Angeles County Department of Regional Planning produces the county’s Housing Element to define overall housing needs and goals. As one of seven required elements of the County General Plan, the Housing Element serves as a policy guide to address comprehensive housing needs in the unincorporated areas. This document reflects goals for various county agencies and programs, including the CDC. The CDC’s goals, as defined by the Housing Element, are highlighted in Table 4 (following).

Table 4: LA County Housing Element: Quantified Objectives for 2014–2021

Program	Housing Unit Development/Subsidy Goal					TOTAL
	30% AMI* and below	31-50% AMI*	51-80% AMI*	81-120% AMI*	120% AMI* and above	
Section 8 Rental Assistance	1,560	2,340	0	0	0	3,900
Family Self Sufficiency	25	75	0	0	0	100
First 5 LA	560	0	0	0	0	560
CDC Multifamily Construction	175	175	0	0	0	350
CDC Homeownership Program	0	0	43	0	0	43
Homebuyer Assistance	0	200	425	425	0	1,050
Ownership Housing Rehabilitation	1,265	1,050	1,050	0	0	3,365
Public Housing Modernization	972	973	0	0	0	1,945
Preservation of At-Risk Housing	24	662	263	0	0	949

Source: 2014-2021 Los Angeles County Housing Element

*AMI = Area Median Income