

Executive Summary of the Amended Annual Plan for Fiscal Year 2023-2024

The Annual Plan identifies goals, major program policies, and financial resources for both the Los Angeles County Development Authority's (LACDA) Conventional Public Housing Program and Housing Choice Voucher Program. Additionally, the Annual Plan updates information on housing needs, housing strategies, and other program and management data. The purpose of this action is to amend the Annual Plan for the following Public Housing activities only.

- To include the **disposition** of the Centro De Ninos property consisting of one non-dwelling building located at 4850 E. Cesar E Chavez Ave. in Los Angeles.
- To include the first phase of *Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under Rental Assistance Demonstration (RAD)* conversions to its portfolio.
- To include discretionary and required policy changes to the Admissions and Continued Occupancy Policy for the Conventional Public Housing Program (ACOP) before the next regular Annual Plan cycle.

Amended Annual Plan Timeline

- November 24, 2023: Public Comment period begins
- January 8, 2024: Public Comment period ends
- TBA – Cluster Meeting
- February 21, 2024: Housing Advisory Committee Approval
- March 5, 2024: Board of Commissioner Public Hearing and Approval

Proposed Amendments to the Annual Plan

1. Disposition Activity

The LACDA is proposing the following major change to the Annual Plan for Public Housing Fiscal Year (FY) 2023-2024 to include the disposition of the Centro De Ninos property consisting of one non-dwelling building located at 4850 E. Cesar E. Chavez Ave. in Los Angeles. The property is under the Nueva Maravilla Asset Management Project (AMP) - CA002000003 and will be submitted to the U.S. Department of Housing and Urban Development's (HUD) Special Applications Center (SAC) for disposition approval.

The method of sale will consist of negotiated sale at Fair Market Value (FMV) based on recent appraisal for the property. The acquiring entity is the current occupant, Centro De Ninos, Inc., who has leased the property for over 30 years, and will continue to operate as a childcare provider for the local community as well as the Nueva Maravilla

residents. The property is not needed for the continued operation of public housing, as the continued use is for a childcare facility. The disposition of the property is consistent with 24 CFR 970 and is in the best interest of the Nueva Maravilla residents to use proceeds for property improvements at the Nueva Maravilla public housing development.

A Board Motion and SAC application will follow in the current fiscal year for the sale of the Centro De Ninos property. The intended purpose and use of the property will not change. The FMV value of the property is \$2.7M. Once approved by HUD and SAC, lease amendments, purchase agreement, escrow and other related documents will be recorded and executed. A letter of intent has been submitted by Centro De Ninos, Inc. to purchase the property.

The LACDA will conduct community and board meetings to prepare for the Centro De Ninos Disposition and adhere to all resident and community outreach requirements for disposition.

- Centro De Niños, 4850 E. Cesar Chavez Avenue, Los Angeles, CA 90022;
- APN 5251-009-907;
- No units impacted/no relocation necessary;
- Parcel size 30,051 square feet, Building size 7,140 square feet;
- Justification under 24 CFR 970.17: Disposition of non-dwelling facilities does not interfere with continued operation of PH development;
- Will continue to serve the community as a childcare facility; and
- Proposed Timeline of Sale: Board Approval April 2024, HUD approval June 2024

2. Rental Assistance Demonstration (RAD) Conversion

The LACDA is proposing the following major change to the Annual Plan for Public Housing FY 2023-2024 to include the first phase of RAD conversions to its portfolio. The initial phase will consist of community meetings with the residents for resident engagement and feedback. This Significant Amendment will also include public hearing requirements, the procurement for consultant, Capital Needs Assessments, and a full RAD conversion plan for each property. Should the rehabilitation require relocation, a full relocation plan and consultant will also be contracted for relocation needs.

The first phase for RAD will include the feasibility and the structuring of the portfolio for AMPs participating in RAD; a financial proforma, analysis of financials, a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) milestones, including the Financing Plan for each AMP. The plan for these properties is to convert to the Section 8 model (Project Based Rental Assistance or Project-Based Vouchers) and for the LACDA to continue to provide the property management services where feasible. A full RAD conversion plan will be submitted in April 2024, and RAD applications to HUD and SAC office in May 2024 for the portfolio. The Inventory Management System/PIH Information Center submissions to HUD will also be submitted as required for each unit and building in their respective AMP.

Proposed Policy Changes to the Conventional Public Housing Program

1. Wait List Preference (LACDA discretionary)

Formerly incarcerated or justice involved people are 10 times more likely than the general public to be unhoused, exacerbating a cycle of law enforcement or criminal legal system involvement. Elderly individuals and families are especially vulnerable. Stable and affordable housing substantially increases the likelihood that a justice involved person will be able to receive support from family, rebuild supportive social networks, and avoid law enforcement or legal involvement.

The LACDA is proposing a pilot program in partnership with the Public Defender's Office, and Aging and Disabilities Department, to create a pathway for elderly justice involved families to access safe and affordable housing. An elderly family is a household whose head, co-head, spouse, or sole member is a person who is at least 62 years of age. An elderly family may consist of two or more persons who are at least 62 years of age living with one or more live-in aides.

Upon Board approval the LACDA will provide a waiting list preference for justice involved elderly families that were previously incarcerated or have conviction histories with obstacles to accessing or securing stable and affordable housing, limited to five (5) households per year. Elderly families must be referred by a partnering agency with a contract or Memorandum of Understanding in place with the LACDA. The referring agency must provide a certification of the elderly family's conviction history and need for housing. The LACDA will evaluate the results of the pilot program to determine necessary program adjustments in support of the long-term success of referred elderly families.

2. 30-Day's Notice (HUD required)

Currently, the LACDA provides no less than 30 days advanced notification of lease termination due to nonpayment of rent in accordance with the requirements set forth in the Interim Final Rule titled "Extension of Time and Required Disclosures for Notification of Nonpayment of Rent", effective December 8, 2021. Upon Board approval, this revision will formally add the following language to the ACOP:

During a national emergency, where the Secretary of HUD determines that additional time is necessary for families to secure available funding due to the national emergency, the LACDA will provide no less than 30 days advanced notification of lease termination due to nonpayment of rent. In the notification, the LACDA will provide information to the affected tenants on how to secure available funding. Finally, the LACDA will inform all public housing tenants that the extended timeframe for notification of lease termination due to nonpayment of rent is in effect, and that families will be provided information on available funding in that 30-day notification.