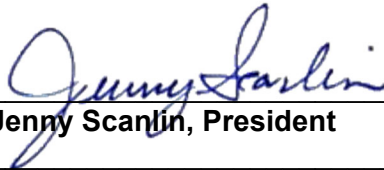



Report of the President

December 16, 2021

**RESOLUTION APPROVING AND ADOPTING THE BUILD HOPE, INC. FISCAL YEAR 2022
OPERATING BUDGET AND AUTHORIZING THE PRESIDENT OR DESIGNEE TO EXECUTE
ANY REQUIRED DOCUMENTS AND ADMINISTER BUILD HOPE, INC. IN ACCORDANCE
WITH ADOPTED BUDGET AUTHORITY**



Jenny Scanlin, President



Marlene Garza, Treasurer

Request: Review and approve the FY2022 Operating Budget for Build HOPE, Inc.

Purpose: Build HOPE, Inc. (BHI) is funded primarily by donations and operating transfers from the Housing Authority of the City of Los Angeles' (HACLA) affiliate, LA LOMOD, and supports the residents living in assisted housing, with a primary focus on HACLA's public housing residents.

Issues: The BHI FY 2022 Operating Budget includes several ongoing initiatives as itemized below.

In-Kind Support and Future Growth - \$55,000

Since its inception, BHI has relied on the in-kind support of HACLA staff for all its operational needs. This includes staff throughout the agency, including staff from the Strategic Initiatives Unit, as well as the Legal and Finance Departments. Staffing resources in the Strategic Initiatives unit have been enhanced, including the addition of a grant writer, whose primary task will be fundraising for BHI. In FY2022, this in-kind staffing support will be tracked more closely to better reflect the resources dedicated to BHI.

Notwithstanding this in-kind support, the future growth of BHI depends on establishing mechanisms for BHI to administer grants and programs directly, including the development of a donor and grant-tracking database through Monday.com and utilizing consultants for board and organizational development. Funding in FY2022 will also be used to support third-party assistance with grant writing and fund development.

Fundraising for Scholarship Endowment - \$225,000

For the past several years, BHI has been able to directly raise a small amount of funds annually for scholarships, and through additional partnerships with HACLA's Section 3 Program, LAPD's Community Safety Partnership and the County Probation Department, has raised as much as \$130,000 annually.

In FY2022, BHI will invest in tools to improve the accessibility and administration of our Scholarship Fund through the creation of a portal for submitting and tracking applications endowed scholarship fund that could offer multi-year scholarships to our current and future recipients. In addition, through a multi-year commitment from HACLA, \$100,000 is being made available to develop an Employee Match Program and challenge outside philanthropy and institutions to donate. The multi-year donation provides the balance sheet for establishment of an endowment and

staff will be working with banking and investment institutions to identify the best product.

Support Services for Residents - \$125,000

FY2022's Budget assumes a more normalized year pushing past the pandemic response and focusing on fundraising for the expansion of services and provision of resources to HACLA's tenants and clients. However, the pandemic has highlighted areas in our system that require particular focus and BHI will be gearing its efforts to expand resources in the areas of health, education and employment.

BHI also acts as a vehicle for investment in our physical environment and expects to continue to pursue sources to build out healthy environments for our residents, including a focus on parks, green space and energy efficiency.

Broadband Connectivity for Public Housing Residents - \$61,140

Another of BHI's areas of investment is our Broadband Connectivity Initiative, with significant resources tied to the continuation and improvement of internet connectivity at some of HACLA's largest sites (Jordan Downs and San Fernando Gardens).

BHI has continued to work with HACLA to secure additional partnerships to improve connectivity. This includes establishing an innovative partnership with Starry utilizing new technologies to provide even faster internet at extremely low-cost to residents. This new partnership has allowed BHI to incrementally sunset its current broadband programs at Mar Vista and the anticipation of sunsetting the program at Jordan Downs in FY2022 as residents adopt the new platform. The existing services at San Fernando will be ongoing since the internet service infrastructure was updated in 2017.

BHI will continue to be a vehicle for developing donations to eliminate the digital divide. In FY2022 this work will focus on raising funds for the build out of Computer Labs or Digital Libraries at HACLA properties and ensuring that residents have the devices and training they need successfully access critical online resources and information.

Rebranding - \$20,000

BHI continues to work on its communication plan and the development of donation campaigns. In FY2022, funds will be used to develop three donation campaigns: (1) Scholarship Match; (2) AmazonSmile; (3) Giving the Gift of Hope. These campaigns are expected to help raise individual donations and brand awareness. Additionally, funds will be used to purchase branded materials and equipment which will be deployed at events and in the community to improve name recognition and association with positive activities in the communities we serve.

Funding: The primary funding sources for BHI will continue to include private donations for the Scholarship Program and Supportive Services as well as operating support from LA LOMOD.

Attachments:

1. Resolution
2. Build HOPE, Inc. FY2022 Budget Summary

RESOLUTION NO. _____

RESOLUTION APPROVING AND ADOPTING THE BUILD HOPE, INC. FISCAL YEAR 2022 OPERATING BUDGET AND AUTHORIZING THE PRESIDENT OR DESIGNEE TO EXECUTE ANY REQUIRED DOCUMENTS AND ADMINISTER BUILD HOPE, INC. IN ACCORDANCE WITH ADOPTED BUDGET AUTHORITY

WHEREAS, the Treasurer has prepared and the President has submitted the Fiscal Year 2022 Operating Budget to the Build HOPE, Inc. Board of Directors for consideration; and

WHEREAS, the Operating Budget is reasonable in that it indicates a source of funding for proposed expenditures, and it does not provide for expenditure in excess of funding; and

WHEREAS, all proposed charges and expenditures are consistent with the Build HOPE, Inc. bylaws and purpose; and

WHEREAS, the Board of Directors has reviewed the Fiscal Year 2022 Operating Budget and finds the recommendations acceptable.

NOW, THEREFORE, IT BE RESOLVED that the Build HOPE, Inc. Board of Directors 1) approves and adopts the Operating Budget for the fiscal year ending December 31, 2022; and 2) authorizes the President, or designee, to execute all required documents and administer Build HOPE, Inc. operations and related programs in accordance with the adopted budget.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM:

BUILD HOPE, INC.

By: _____
General Counsel

Cielo Castro, Chairperson

Date Adopted: _____

Build Hope, Inc 2022 Budget Operations

In HACLA's response to COVID-19, Build HOPE has been a critical resource and tool for receiving donations to mitigate the crippling effects of the pandemic on our resident families. In 2022, it is expected this work will continue, but at this time, estimates for donations are conservative. Aside from this ongoing initiative to expand resources and services, focus will continue on expanding the Scholarship program and on establishing the brand of BHI with individual donors and private philanthropy.

FUND		[06101,06]		2021			2022		
COST CTR		*		Budget	YTD Oct.	% YTD	Increase/ (Decrease)	Budget	Notes
ACCOUNT	OBJECT	Account Name	2020	Budget	YTD Oct.	% YTD	Increase/ (Decrease)	Budget	Notes
REVENUE									
[71500,70400,7C]	*	Other Revenue	495,871	175,000	219,440	125%	50,000	225,000	
70800	*	Other Income	15,000	-	160,982		-	-	
71500	369120	Donations - Scholarships	10,000	50,000	-		50,000	100,000	
71500	369120	Donations - Support Services	470,576	125,000	58,457		-	125,000	
TOTAL REVENUE			495,871	175,000	219,440	125%	50,000	225,000	
EXPENSES									
91200	*	Auditing Fees	11,432	11,432	10,000	87%	2,218	13,650	Audited Financials and Tax Prep
91600	*	Office Expenses	1,971	7,000	3,514	50%	5,000	12,000	
91600	426460	Meeting	-	5,000	1,790	36%	5,000	10,000	Board Stewardship/Prospecting/Board Retreat & Ad Hoc committee meetings
91600	426320	Off Site Storage	1,971	2,000	1,724	86%	-	2,000	
91900	*	Other Administrative	12,500	76,710	36,929	48%	25,840	102,550	
91900	426510	Bank Charges	343	1,210	287	24%	(360)	850	Ongoing
91900	423050	Business Consulting	-	30,000	-		30,000	60,000	communications; donation campaigns; grant writing
91900	426570	Licenses and Fees	214	200	75	38%	-	200	as needed
91900	423090	System Design/Programming	11,943	45,000	36,567	81%	(5,000)	40,000	Itemized below
91900	423070	Translation	-	300	-	0%	1,200	1,500	
[92200,92400]	*	Tenant Services	476,792	175,000	15,724	9%	150,000	325,000	
92400	427170	Supportive Services	456,342	125,000	10,224	8%	-	125,000	provide funding for services, purchase of resources, etc.
92400	427200	Youth Scholarship Awards	20,000	50,000	5,500	11%	150,000	200,000	
961*	*	Insurance	6,057	4,500	5,455	121%	100	4,600	
96120	451010	General Liability Insurance	5,543	4,500	5,455	121%	100	4,600	small premium increase
TOTAL EXPENSES			508,751	274,642	71,622	26%	183,158	457,800	
Revenue over Expenses			(12,880)	(99,642)	147,818			(232,800)	
NON-OPERATING									
5*	*	Transfers and Surplus	138,232	99,642	55,898		133,158	232,800	
51110	281000	From/(To) Unrestricted Reserves	58,310	-	-		-	-	
50993	281000	Transfers In LA LOMOD	84,922	99,642	55,898		133,158	232,800	\$100k for Scholarship Match
TOTAL REVENUE			138,232	99,642	55,898		133,158	232,800	
Net Revenue over Expenses			125,351	-	-		-	-	

Build Hope, Inc 2022 Budget

Broadband Connectivity at Jordan Down, Mar Vista Gardens, and San Fernando Gardens

Through this initiative, residents at three sites are provided broadband internet connection and/or maintenance of such plans. In 2020 and 2021, through an innovative partnership with Starry, enhanced broadband have been made available directly to residents at Mar Vista. In 2022, this budget reflects ongoing services at Jordan Downs and San Fernando Gardens.

FUND		06103		2021				2022		
ACCOUNT	OBJECT	Account Name	2020	Budget	YTD Oct.	% YTD	Inc/(Dec)	Budget	Notes	
EXPENSES										
[92200,92 *	0416	Jordan Downs WiFi	43,078	26,340	28,344	108%	-	26,340		
92400	[426210,4	0416 Data / Broadband	30,204	15,000	28,344	189%	-	15,000	continue	
92400	426215	[0416,012 Telecomm Maintenance	12,874	11,340	-	0%	-	11,340	continue	
[92200,92 *	[*,/0416,/	Mar Vista Gardens WiFi	19,899	8,500	-	0%	(8,500)	-		
92400	[426210,4	[*,/0416,/ Data / Broadband	12,899	3,250	-	0%	(3,250)	-	converted to Starry	
92400	426215	0421 Telecomm Maintenance	7,000	5,250	-	0%	(5,250)	-	converted to Starry	
[92200,92 *	0422	San Fernando Gardens	19,979	34,800	29,964	86%	-	34,800		
92400	[426210,4	0422 Data / Broadband	19,979	24,000	22,707	95%	-	24,000	Spectrum	
92400	426215	0422 Telecomm Maintenance	-	10,800	7,258	67%	-	10,800	Connected Communities	
TOTAL EXPENSES			82,955.36	69,640	58,309	84%	(8,500)	61,140		
NON-OPERATING										
50993	* *	Transfers and Surplus	82,955	69,640	58,309	84%	(8,500)	61,140		
50993	281000 *	Transfers from LOMOD	82,955	69,640	58,309	84%	(8,500)	61,140		
TOTAL REVENUE			82,955	69,640	58,309	84%	(8,500)	61,140		
Net Revenue over Expenses			-	-	-		-	-		