Report of the President

December 17, 2020

RESOLUTION APPROVING AND ADOPTING THE BUILD HOPE, INC. FISCAL YEAR 2021 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 Scanlan, President
Marlene Garza, Treasurer

Request: Review and approve the FY2021 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 2021 Operating Budget includes several ongoing initiatives as itemized below.

In-Kind Support
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 FY2021, this in-kind staffing support will be tracked more closely to better reflect the resources dedicated to BHI.

Future Growth - $25,000
Notwithstanding this in-kind support, the future growth of BHI depends on establishing a mechanism for BHI to administer grants directly, including hiring its own staff. Relying on LA LOMOD as a model, BHI will take steps to establish the necessary administrative mechanisms, policies and insurance necessary to enable this in FY2021.

Fundraising for Scholarship Endowment - $50,000
For the past several years, BHI has been able to raise least $20,000 annually for scholarships, and through additional partnerships with HACLA’s Section 3 Program and the County Probation Department, has raised as much as $50,000 for scholars. Although we have not been able to move as aggressively to establish a more formalized fundraising backbone for the scholarship program, BHI raised enough money to fund every applicant in the 2020 scholarship round. In FY2021, BHI will focus on developing an endowed scholarship fund that could offer multi-year scholarships to our current and future recipients.

Support Services for Public Housing Residents - $125,000
Although the initial FY2020 Budget for BHI was premised on the goals of program and capacity expansion, the immediate needs of residents under the COVID-19 pandemic took precedent throughout the year, and BHI has proven to be an
invaluable tool for the receipt of donations and distribution of essential services not otherwise possible for HACLA.

With the pandemic still far from over, BHI anticipates continued fundraising activities related to COVID-19 response to remain a priority for FY2021. At this time, the budget includes a conservative estimate of $125,000 in donations for these supportive services.

**Broadband Connectivity for Public Housing Residents - $69,640**

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, Mar Vista, 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. In 2020, Starry will begin providing services at Mar Vista, Imperial Courts, Nickerson Gardens, Pueblo del Rio, and Jordan Downs, with further expansion in 2021 to Estrada Courts, Pico Gardens, Rancho San Pedro, and William Mead. This new partnership will allow BHI to incrementally sunset its current broadband programs at Mar Vista and Jordan Downs through FY2021 as residents adopt the new platform. The existing services at San Fernando will be ongoing since the internet service infrastructure was updated in 2017.

**Rebranding - $60,000**

With BHI’s name change, the organization is undertaking an initiative to create a new logo and communication plan and a complete revision to our website. In addition to promoting BHI’s programs and initiatives, the new website will also facilitate online donations.

**Funding:** The primary funding sources for BHI will continue to include private donations for the Scholarship Program and COVID-19 Supportive Services as well as operating support from LA LOMOD. However, BHI intends to pursue various grant opportunities for capacity building and has set the goal of bringing in $100,000 in new grant resources in 2021 to support BHI’s capacity growth.

**Attachments:**
1. Resolution
2. Build HOPE, Inc. FY2021 Budget Summary
RESOLUTION NO. ________________

RESOLUTION APPROVING AND ADOPTING THE BUILD HOPE, INC. FISCAL YEAR 2021 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 2021 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 2021 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, 2021; 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   Ben Besley, Chairperson

Date Adopted: ____________________________
## Build Hope, Inc 2021 Budget

**Operations**

In 2020, KPI formally changed its name to Build HOPE, in recognition of the expanded core mission that is aligned with the agency’s Vision Plan. 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 2021, it is expected this work will continue, but at this time, estimates for donations are conservative. In addition to this ongoing initiative, focus will continue on expanding the Scholarship program and on updating the website.

### 2020 Midyear

<table>
<thead>
<tr>
<th>FUND</th>
<th>COST CTR</th>
<th>ACCOUNT</th>
<th>OBJECT</th>
<th>Account Name</th>
<th>2019 Budget</th>
<th>YTD Sept</th>
<th>% YTD</th>
<th>2021 Budget</th>
<th>Increase/Decrease</th>
<th>Notes</th>
</tr>
</thead>
</table>
| [06101,06102] | * /0901 | REVENUE | Other Revenue | 71500 369120 Donations - Scholarships | 38,846 | 425,000 | 461,806 | 109% | (250,000) | 175,000 | New Donations for scholarships
|            |          |         |        | Total Revenue | 38,846 | 425,000 | 461,806 | 109% | (250,000) | 175,000 |
| [70400,71500] | *       | EXPENSES | Auditing Fees | 91200 426460 Meeting | 11,432 | 11,432 | 7,000 | 61% | - | 7,000 |
|            |          |         |        |support | 91600 426510 Bank Charges | 1,358 | 7,000 | 964 | 14% | - | 7,000 |
| [92400,92200] | *       | NON-OPERATING | Transfers and Surplus | 92000 96100 Insurance | 44,075 | 445,300 | 436,733 | 98% | (270,300) | 175,000 | Via donations, provide meal delivery and other essential services
|            |          |         |        | Total Expense | 61,705 | 527,532 | 449,004 | 85% | (252,890) | 274,642 |
|            |          | NET REVENUE | Transfers and Surplus | 51110 281000 From/(To) Unrestricted Reserves | 76,169 | 102,532 | (9,427) | - | (2,890) | 99,642 |
|            |          |         |        | Total Revenue | 76,169 | 102,532 | (9,427) | - | (2,890) | 99,642 |

### Notes

- **2021**: In 2021, it is expected this work will continue, but at this time, estimates for donations are conservative. In addition to this ongoing initiative, focus will continue on expanding the Scholarship program and on updating the website.

- **Audited Statements and Taxes Prep**: Audited Statements and Taxes Prep

- **Advisory Board for Scholarships; costs related to Scholarship event**: Advisory Board for Scholarships; costs related to Scholarship event

- **Bin at Estrada for books, diapers etc.**: Bin at Estrada for books, diapers etc.

- **Donor database**: Donor database

- **D&O; General Liability**: D&O; General Liability
# Build Hope, Inc 2021 Budget

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

Through this initiative, residents at three sites have been provided broadband internet connection and maintenance. Beginning in 2020, through an innovative partnership with Starry, enhanced broadband will be made available directly from the provider to residents at Jordan Downs and Mar Vista as well as seven (7) other developments. In 2021, this budget reflects the incremental transition from the existing plans to Starry.

<table>
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<tr>
<th>FUND</th>
<th>06103</th>
<th>ACCOUNT OBJECT</th>
<th>Account Name</th>
<th>2019</th>
<th>2020 Midyear</th>
<th>2021</th>
<th>Inc/(Dec)</th>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Budget</td>
<td>YTD Sept</td>
<td>% YTD</td>
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<td></td>
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<td>EXPENSES</td>
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<td></td>
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<tr>
<td>[92200,92 * 0416]</td>
<td></td>
<td></td>
<td>Jordan Downs WiFi</td>
<td>42,608</td>
<td>52,680</td>
<td>20,161</td>
<td>38%</td>
<td>(26,340) 26,340</td>
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<tr>
<td>92400</td>
<td>426210,4 0416</td>
<td></td>
<td>Data / Broadband</td>
<td>27,488</td>
<td>30,000</td>
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<td>(15,000) 15,000</td>
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<tr>
<td>92400</td>
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<td>Telecom Maintenance</td>
<td>15,120</td>
<td>22,680</td>
<td>-</td>
<td>0%</td>
<td>(11,340) 11,340</td>
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<tr>
<td>[92200,92 * 0416,*/0416,/ 0422]</td>
<td></td>
<td></td>
<td>Mar Vista Gardens WiFi</td>
<td>33,594</td>
<td>34,000</td>
<td>16,750</td>
<td>49%</td>
<td>(25,500) 8,500</td>
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<tr>
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<td>Data / Broadband</td>
<td>12,594</td>
<td>13,000</td>
<td>9,750</td>
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<td>Telecom Maintenance</td>
<td>21,000</td>
<td>21,000</td>
<td>7,000</td>
<td>33%</td>
<td>(15,750) 5,250</td>
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<tr>
<td>[92200,92 * 0422]</td>
<td></td>
<td></td>
<td>San Fernando Gardens</td>
<td>-</td>
<td>34,800</td>
<td>13,140</td>
<td>38%</td>
<td>- 34,800</td>
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<tr>
<td>92400</td>
<td>426210,4 0422</td>
<td></td>
<td>Data / Broadband</td>
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<td>24,000</td>
<td>13,140</td>
<td>55%</td>
<td>- 24,000 Spectrum</td>
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<tr>
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<td></td>
<td>Telecom Maintenance</td>
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<td>10,800</td>
<td>-</td>
<td>0%</td>
<td>- 10,800 Connected Communities</td>
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<td>TOTAL EXPENSES</td>
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<td></td>
<td></td>
<td>76,202</td>
<td>121,480</td>
<td>50,051</td>
<td>41%</td>
<td>(51,840) 69,640</td>
</tr>
</tbody>
</table>

**NON-OPERATING**

|       | 05993 |      | Transfers and Surplus                | 76,202 | 121,480        | 50,051     | 41%       | (51,840) 69,640         |
| 50993  | 281000 |    | Transfers from LOMOD                | 76,202 | 121,480        | 50,051     | 41%       | (51,840) 69,640         |
| TOTAL REVENUE |       |      |                                      | 76,202 | 121,480        | 50,051     | 41%       | (51,840) 69,640         |

Net Revenue over Expenses

- - - -