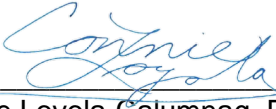


REPORT OF THE PRESIDENT

June 23, 2022

**RESOLUTION APPROVING AND ADOPTING THE FISCAL YEAR 2022 OPERATING BUDGET
MIDYEAR MODIFICATION AND AUTHORIZING THE PRESIDENT TO EXECUTE ANY
REQUIRED BUDGET DOCUMENTS AND TO ADMINISTER THE BUDGET FOR THE
LOS ANGELES LOMOD CORPORATION**



 Connie Loyola-Calumnag, President



 Armine Petrosyan, Secretary

Purpose: The Los Angeles LOMOD Corporation's ("L.A. LOMOD") Operating Budget Policy allows for bi-annual budget modifications. This modification is required to adjust both expenses and changes to staffing based on an operational realignment of work and in preparation for anticipated new contracts from the U.S. Department of Housing and Urban Development ("HUD").

Regarding: On December 16, 2021, the Board of Directors passed resolution LOC-2021-04 approving the Fiscal Year 2022 budget.

Issues: Since 2015, L.A. LOMOD has had a junior level specialist position in the Vouchers, Contracts, and Compliance departments. The position processed only the least complicated files and performed some administrative functions in support of the department. However, over the last two (2) years, L.A. LOMOD has had a very difficult time recruiting new staff in a competitive job market and retaining staff who were hired in these positions which has resulted in constant training for the supervisors. In order to address the challenges with recruiting staff and the high turnover rate, L.A. LOMOD is proposing to eliminate all junior classifications and reclassify them as specialists, and redistribute the workload in the Contracts, Vouchers, and Compliance departments. This reclassification will affect a total of thirteen (13) budgeted positions from the three (3) departments.

The proposed budget revision also includes a request for three (3) Quality Assurance Supervisors to divide the span of control into the three (3) specialized areas: contracts, vouchers, and compliance. Moreover, one (1) Contracts Specialist, one (1) Voucher Specialist, and one (1) Compliance Specialist is requested for the anticipated additional property assignments by HUD later in the year.

These staffing changes amount to an increase of \$102,515 in administrative salaries and benefits as well as an adjustment in staffing-related expenses such as computer equipment and training. L.A. LOMOD is not able to project an estimated increase in HAP and or administrative fees at this time since HUD has not given an itemization of the additional assignments.

There are no significant modifications in HACLA's initiatives or in the E3 Housing Solutions budget.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: L.A. LOMOD receives Section 8 administrative fees under the PBCA ACC for administering Housing Assistance Payments to owners of Section 8 project-based buildings.

Budget and Program Impact: The administrative fees received cover all expenditures in the proposed FY 2022 mid-year budget modification. The projected total surplus is \$13.4 million.

- Attachments:**
1. Proposed Revised FY 2022 Budgets for L.A. LOMOD
 2. Resolution

2022 Midyear Budget

LA LOMOD - PBCA

COST CTR	*	ACCOUNT	OBJECT	Account Name	2022 Adopted				2022 Midyear		
					2021	2022 Mod 4	YTD Apr	% Used	ADJ	Budget	Notes
REVENUE											
70600	*			HUD Grants	793,903,601	824,405,348	282,638,011	34%	-	824,405,348	
70600	340010			HAP Income	767,400,761	797,000,000	273,784,466	34%	-	797,000,000	FMR decrease (\$13k/mo) offset by 33 new properties
70600	341210			Administrative Fee - S8 Special Allocations	26,216,429	26,805,348	8,853,545	33%	-	26,805,348	\$75k/mo increase
70600	369055			Other Income - HAP	286,411	600,000	-	0%	-	600,000	COVID-19 Tenant Services
71100	*			Investment Income - Unrestricted	103,386	120,000	26,649	22%	(40,000)	80,000	
71100	361020			Interest Earned on Investments	103,386	120,000	26,649	22%	(40,000)	80,000	
71500	*			Other Revenue	1,596	50	-	-	-	50	
71500	369050			Other Income	1,596	50	-	-	-	50	misc
TOTAL REVENUE					794,008,583	824,525,398	282,664,660	34%	(40,000)	824,485,398	
EXPENSES											
[91100,9150]	*			Administrative Salaries & Benefits	4,020,072	5,965,930	1,304,109	22%	407,865	6,373,795	5 additional positoins for span of control
91100	[411010,411]			Salary	3,225,296	4,658,188	1,033,651	22%	303,527	4,961,714	
91100	411200			Overtime	36,926	20,000	9,335	47%	10,000	30,000	
91500	413010			FICA	216,726	290,048	67,680	23%	19,439	309,486	
91500	413020			Medicare Tax	51,177	67,834	15,828	23%	4,546	72,380	
91500	413030			Federal Unemployment	2,771	7,344	1,944	26%	492	7,836	
91500	413040			State Unemployment	23,349	46,782	12,634	27%	3,135	49,917	
91500	413050			Life	15,219	41,120	6,275	15%	3,200	44,320	
91500	413060			Medical & Vision	307,310	647,640	142,231	22%	50,400	698,040	
91500	413070			Dental	31,686	47,802	14,531	30%	3,720	51,522	
91500	413081			Defined Contribution Pension Plan	109,612	139,173	-	0%	9,406	148,579	
96210	*			Compensated Absences	452,435	526,325	127,416		49,256	575,580	
96210	412190			General Leave	252,306	312,024	76,422		35,477	347,501	
96210	[412200,412]			Other Compensated Absences	200,130	214,301	50,994		13,778	228,079	
Subtotal Personnel					4,472,507	6,492,255	1,431,525	22%	457,121	6,949,375	7%
91200	423120			Auditing & Tax Prep Fees	13,000	103,903	-	0%	(48)	103,855	
91300	801010			Management Fee	2,621,643	2,680,535	885,354	33%	-	2,680,535	
91400	423450			Advertising & Marketing	1,730	-	-		10,000	10,000	
91400	423450			Marketing & Leasing	1,730	-	-		10,000	10,000	
91600	*			Office Expenses	350,637	318,229	103,141	32%	-	318,229	
91600	426275			Computer Equipment - Expensed	49,721	26,000	262	1%	-	26,000	
91600	426430			Duplicating & Copying	4,055	4,200	1,759	42%	-	4,200	
91600	426060			Form, Stationery, Office Supplies	3,409	4,000	1,856	46%	-	4,000	
91600	423052			IT Support Services - Special Projects	-	-	-		-	-	
91600	426460			Meeting	26	30,000	42		-	30,000	
91600	426211			Mobile Devices	27,001	30,000	11,969	40%	-	30,000	
91600	426320			Off Site Storage	10,742	8,000	2,134	27%	-	8,000	
91600	426270			Office Equipment/Furniture	8,027	-	-		-	-	
91600	426260			Office Space	183,674	113,549	37,850	33%	-	113,549	
91600	426295			Parking	536	1,000	220	22%	-	1,000	
91600	426220			Postage / Mail	2,028	3,000	663	22%	-	3,000	
91600	426433			Shredding Services	301	1,000	30	3%	-	1,000	
91600	426420			Software/Software Maintenance	53,468	86,000	43,795	51%	-	86,000	Itemized below

COST CTR		*	2022 Adopted				2022 Midyear		
ACCOUNT	OBJECT	Account Name	2021	2022 Mod 4	YTD Apr	% Used	ADJ	Budget	Notes
91600	426210	Telephone	6,212	6,480	1,663	26%	-	6,480	
91600	426296	Transportation	19	5,000	897	18%	-	5,000	
91700	*	Legal Expenses	45,853	400,000	-	0%	-	400,000	
91700	423210	Attorney Fees	45,853	400,000	-	0%	-	400,000	
91800	*	Travel	34,097	33,200	12,093	36%	-	33,200	
91800	425200	Local Travel	-	200	237	-	-	200	
91800	425300	Mileage Reimbursement	16,567	15,000	4,811	32%	-	15,000	
91800	425100	Out-of-Town Travel	17,530	18,000	7,045	39%	-	18,000	onsite reviews
91900	*	Other Administrative Expenses	355,118	2,438,606	99,514	4%	7,750	2,446,356	
91900	423110	Accounting	31,378	35,000	10,278	29%	-	35,000	
91900	423060	Administrative Services	1,125	1,000	326	33%	-	1,000	
91900	426580	Awards and Indemnities	7,748	9,000	128	1%	-	9,000	
91900	423050	Business Consulting	69,301	139,856	15,594	11%	7,750	147,606	itemized below
91900	423051	IT Support Services	196,521	170,000	47,115	28%	-	170,000	
91900	423052	IT Support Services - Special Projects	9,756	5,000	-	0%	-	5,000	contingency
91900	426570	Licenses and Fees	-	500	20	4%	-	500	
91900	426374	Media Services	457	1,000	161	16%	-	1,000	
91900	426500	Membership Dues & Fees	25,374	25,000	2,150	9%	-	25,000	
91900	426520	Other Miscellaneous	-	2,000,000	-	0%	-	2,000,000	
91900	423090	System Design/Programming	-	11,000	-	0%	-	11,000	Website ADA compliance
91900	424200	Training	9,363	40,000	22,750	57%	-	40,000	
91900	423070	Translation	176	500	12	2%	-	500	
91900	426213	TW Stipend - Telephone	943	-	-	-	-	-	
91900	426214	TW Stipend - Data	2,935	750	980	-	-	750	annual estimate for employees that can't use mifi
92400	*	Tenant Services - Other	286,411	600,000	-	-	-	600,000	
92400	485007	COVID-19 Tenant Services	286,411	600,000	-	-	-	600,000	
94200	*	Ordinary Maintenance - Materials	409	1,000	80	8%	-	1,000	
94200	521200	Motor Fuels/Fluids	409	1,000	80	8%	-	1,000	
94300	*	Ordinary Maintenance - Contracts	1,305	7,000	403	6%	-	7,000	
94300	522790	Auto / Truck Repair	1,305	7,000	403	6%	-	7,000	
961*	*	Insurance	417,257	430,163	160,629	37%	78,538	508,700	
96120	451010	General Liability Insurance	4,703	4,844	1,499	31%	(144)	4,700	
96120	451070	Public Official Liability Insurance	112,935	110,731	44,200	40%	22,269	133,000	
96130	451090	Workmen's Compensation Insurance (DIR)	23,684	25,135	9,854	39%	4,865	30,000	
96140	451020	Auto Liability Insurance	35,788	38,635	11,932	31%	(3,635)	35,000	
96140	451050	Insurance Deductibles	-	20,000	-	0%	-	20,000	
96140	451060	Fidelity Commercial Insurance	238,695	230,817	90,286	39%	46,183	277,000	
96140	451210	Employment Practices Insurance	1,452	-	2,857	-	9,000	9,000	
97300	*	Housing Assistance Payments	767,400,761	797,000,000	273,784,466	34%	-	797,000,000	
Subtotal Non-Personnel			771,528,222	804,012,635	275,045,680	34%	96,240	804,108,875	0%
TOTAL EXPENSES			776,000,730	810,504,890	276,477,205	34%	553,360	811,058,250	0%
Revenue over Expenses			18,007,853	14,020,508	6,187,454		(593,360)	13,427,148	
NON-OPERATING									
51110	*	(To)/From Reserves	(9,797,533)	(726,398)	-		410,507	(315,891)	net surplus
51110	*	Transfer (To)/From Reserves	(9,797,533)	(726,398)	-	0%	410,507	(315,891)	
509*	*	Transfers btw Programs In/(Out)	(3,955,373)	(13,294,110)	(758,310)	6%	182,854	(13,111,257)	See detail below

COST CTR	*		2022 Adopted				2022 Midyear		
ACCOUNT	OBJECT	Account Name	2021	2022 Mod 4	YTD Apr	% Used	ADJ	Budget	Notes
50994	281000	Transfers Out	(3,958,514)	(13,294,110)	(759,692)	6%	182,854	(13,111,257)	
TOTAL REVENUE			(13,752,906)	(14,020,508)	(758,310)	5%	593,360	(13,427,148)	
Net Revenue over Expenses			4,254,947	(0)				-	

Transfers to	Transfers to Other Programs	2021	2022 Adopted	YTD Apr	% Used	Inc/(Dec)	2022 Midyear	Notes
05017	Community Safety Partnership		1,842,500	68,046	4%	-	1,842,500	
05580	Program Partnerships Unit		903,825	181,791	20%	(13,253)	890,572	Operating costs for Program Partnerships Unit
05581	Agency Strategy & Metrics Unit		1,078,353	171,711	16%	(116,033)	962,320	various reductions/projects deferred to 2023
04019	Imperial - Unit Conversions		840,000		0%	-	840,000	
06054	Rampart Parking Lot		1,995,000	56,220	3%	-	1,995,000	
06103	Build HOPE (KPI) - Operations and Wifi		293,940	36,317	12%	37,626	331,566	Wifi \$61,140: BH Ops \$233,250; \$37,176 Wifi at CLC
06053	Worksource Center		254,822	29,083	11%	(119,049)	135,773	Operating costs for new facility (6 mos only)
05010	WFD Unbillable		150,000	108,893	73%	-	150,000	
26002	E3 Solutions		99,612	6,809	7%	1,414	101,026	
20101	FSS unbillable		73,558		0%	(73,558)	-	increase in award; no longer needed
05002	Oracle Upgrade		2,212,500		0%	-	2,212,500	Oracle Upgrade (6 mo of 16 mos \$5.5M); ITO transition
Multiple	Bulk Scanning		2,700,000	823	0%	-	2,700,000	Bulk Scanning for S8 (\$2M), HS (\$500K), COCC (\$200K)
	CLC Renovations		850,000		0%	-	850,000	Computer Lab Renovations and Equipment upgrades
06055	Jordan Downs Remediation			100,000		100,000	100,000	
	Total	-	13,294,110	759,692		(282,854)	13,111,257	

0.00

0.20

COST CTR		*	2022 Adopted			2022 Midyear			
ACCOUNT	OBJECT	Account Name	2021	2022 Mod 4	YTD Apr	% Used	ADJ	Budget	Notes
Business Consulting									
Rent comparability studies.									
		<i>Dennis B Cunningham</i>		40,000	1,400	4%	2,442	42,442	
		<i>Doyle Real Estate</i>		40,000	1,050	3%	2,442	42,442	
		<i>Gill Group, Inc</i>		40,000	9,100	23%	2,442	42,442	
		<i>REGISTERED AGENT SOLUTIONS INC</i>		800	800	100%	-	800	
		<i>Contracting Matters</i>		17,056		0%	425	17,481	
		<i>National Quality Assurance</i>		2,000	2,219	111%	-	2,000	
		<i>HYLAND SOFTWARE INC</i>			1,025		-		
		<i>Other</i>		-			-		
		Total		139,856	15,594		7,750	147,606	
				-	-	(0)	(0)	-	
Software									
		<i>Hyland Onbase</i>		26,000	37,233		-	26,000	
		<i>Calypso</i>		18,000	4,455		-	18,000	
		<i>Office365</i>		21,000			-	21,000	
		<i>AppRiver</i>		6,000	936		-	6,000	
		<i>GoToMeeting</i>		5,000	696		-	5,000	<i>GTM for MORs (Teams for internal)</i>
		<i>DocuSign</i>		10,000			-	10,000	<i>new - enhancement - TBD</i>
		<i>Web Domain</i>			50				
		<i>INSIGHT PUBLIC SECTOR INC</i>			186				
		<i>Smart Draw Software</i>			239				
		Total		86,000	43,795			86,000	

RESOLUTION NO. _____

RESOLUTION APPROVING AND ADOPTING THE FISCAL YEAR 2022 OPERATING BUDGET MIDYEAR MODIFICATION AND AUTHORIZING THE PRESIDENT TO EXECUTE ANY REQUIRED BUDGET DOCUMENTS AND TO ADMINISTER THE BUDGET FOR THE LOS ANGELES LOMOD CORPORATION

WHEREAS, in 1973, the Housing Authority of the City of Los Angeles (“HACLA”) created the Los Angeles LOMOD Corporation (“L.A. LOMOD”), a nonprofit corporation, to increase affordable housing in the City of Los Angeles; and

WHEREAS, on December 1, 2003, U.S. Department of Housing and Urban Development (“HUD”) and L.A. LOMOD entered into an Annual Contributions Contract (“ACC”) whereby L.A. LOMOD operated as the contract administrator for providing contract administration services for Project-Based Section 8 HAP contracts in ten (10) Southern California counties; and

WHEREAS, on December 16, 2021, the Board of Directors passed resolution LOC-2021-04 approving the Fiscal Year 2022 budget; and

WHEREAS, L.A. LOMOD is proposing a midyear budget modification to reclassify and redistribute work in three (3) departments and to request additional staff for supervision and new property assignments, as more fully described in the attached corresponding Board Report.

NOW THEREFORE BE IT RESOLVED that the L.A. LOMOD Board of Directors approves and adopts the Fiscal Year 2022 Operating Budget Midyear Modification and authorizes the President to execute any required budget documents and to administer the budgets for L.A. LOMOD and E3 Housing Solutions.

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

APPROVED AS TO FORM:

LOS ANGELES LOMOD CORPORATION

JR
6/9/22

BY: _____
General Counsel

BY: _____
Chairperson

DATE ADOPTED: _____