

RESOLUTION APPROVING & ADOPTING THE FISCAL YEAR 2023 OPERATING BUDGETS AND AUTHORIZING THE PRESIDENT TO EXECUTE ANY REQUIRED BUDGET DOCUMENTS AND TO ADMINISTER THE BUDGETS FOR THE LOS ANGELES LOMOD CORPORATION AND E3 HOUSING SOLUTIONS



Digitally signed by Connie Loyola
DN: cn=Connie Loyola, o=Los Angeles LOMOD
Corp, ou=President/Director,
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Date: 2022.12.08 16:20:51 -08'00'

Connie Loyola-Calumnag, President



Digitally signed by Armine
Petrosyan
Date: 2022.12.08 16:24:29 -08'00'

Armine Petrosyan, Secretary

Purpose: To approve and adopt the Fiscal Year (“FY”) 2023 Operating Budgets for Los Angeles LOMOD Corporation (“L.A. LOMOD”) and the E3 Housing Solutions (“E3”) business enterprise and authorize the President to execute any required budget documents and administer the budgets. In compliance with L.A. LOMOD’s Operating Budget Policy, L.A. LOMOD is proposing a balanced FY2023 operating budget that provides staffing and resources sufficient to meet planned objectives and expenditures.

Issues: On October 26, 2021, the U.S. Department of Housing and Urban Development (“HUD”) sent the tenth amendment to the Annual Contributions Contract (“ACC”), granting an ACC extension effective February 1, 2022 through January 31, 2023 in addition to up to four, six-month extensions. On July 26, 2022, HUD issued a draft request for proposals for the new Housing Assistance Payment (HAP) Contract Support Services. L.A. LOMOD anticipates at least another 12-month extension since a final request for proposal has not yet been issued. Therefore, L.A. LOMOD is proposing a 12-month operating budget for 2023, totaling \$854 million which includes approximately \$29.5 million in earned administrative fees.

There is no request to increase staffing since HUD has not announced any further property assignments. L.A. LOMOD’s budget also includes management fees in excess of \$2.9 million to the Housing Authority (“HACLA”) for support services plus approximately \$13.7 million for various HACLA projects including: \$1.8 million for the annual contribution to the Community Safety Partnership program; \$2.1 million for Oracle upgrade; \$2.96 million for bulk scanning; and \$3.8 million for capital projects including the Rampart parking lot and unit conversions at Imperial Courts.

L.A. LOMOD has also included a separate 12-month line item budget for E3, L.A. LOMOD’s affiliated business enterprise. Per Board approval, L.A. LOMOD provides direct support for marketing and advertising costs while the remaining expenses in E3’s budget are directly associated with the projected revenue that would result from acquired service contracts.

The Memorandum of Understanding with HACLA states that L.A. LOMOD may transfer some or all of the earned administrative fees remaining after L.A. LOMOD covers its costs, including payments to its contractors, to HACLA to be used for other legal public purposes. The listed contributions provided above are consistent with the existing policy. The funding of the initiatives selected reflects the long-term

uncertainty over L.A. LOMOD's revenue stream and generally does not include recurring expenses.

Funding: The Chief Administrative Officer of the HACLA confirms the following:

Source of Funds: L.A. LOMOD receives Section 8 administrative fees under the Performance-Based Contract Administration ("PBCA") Annual Contributions Contract ("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 FY2023 budget for L.A. LOMOD and E3, its affiliated business enterprise.

Attachments: 1. Proposed FY 2023 Budgets for L.A. LOMOD and E3 Housing Solutions
 2. Resolution

RESOLUTION NO. _____

RESOLUTION APPROVING & ADOPTING THE FISCAL YEAR 2023 OPERATING BUDGETS AND AUTHORIZING THE PRESIDENT TO EXECUTE ANY REQUIRED BUDGET DOCUMENTS AND TO ADMINISTER THE BUDGETS FOR THE LOS ANGELES LOMOD CORPORATION AND E3 HOUSING SOLUTIONS

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

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 Southern California counties;

WHEREAS, on October 26, 2021, HUD sent the tenth amendment to the ACC to L.A. LOMOD, granting an ACC extension effective February 1, 2022 through January 31, 2023;

WHEREAS, L.A. LOMOD anticipates at least a 12-month ACC extension since the final Request for Proposals has not been issued by HUD; and

WHEREAS, L.A. LOMOD is proposing a 12-month fiscal year 2023 operating budget to cover all expenditures for L.A. LOMOD and E3 Housing Solutions, its affiliated business enterprise.

NOW THEREFORE BE IT RESOLVED that the Board of Directors approves and adopts the fiscal year 2023 operating budget 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:
JAMES JOHNSON

LOS ANGELES LOMOD CORPORATION

BY: _____
General Counsel

BY: _____
Chairperson

DATE ADOPTED: _____

2023 Budget

LA LOMOD - PBCA

COST CTR		*	2022 Midyear			2023		
ACCOUNT	OBJECT	Account Name	2022 Mod9	YTD Sept	% Used	ADJ	Budget	Notes
REVENUE								
70600	*	HUD Grants	824,405,348	640,606,599	78%	29,259,748	853,665,096	
70600	340010	HAP Income	797,000,000	620,036,573	78%	26,927,405	823,927,405	FMR increases, no add'l units
70600	341210	Administrative Fee - S8 Special Allocations	26,805,348	20,570,026	77%	2,732,343	29,537,691	FMR increase
70600	369055	Other Income - HAP	600,000	-	0%	(400,000)	200,000	
71100	*	Investment Income - Unrestricted	80,000	346,277	433%	1,228,682	1,308,682	
71500	*	Other Revenue	50	1,582		2,950	3,000	
TOTAL REVENUE			824,485,398	640,954,458	78%	30,491,380	854,976,778	
EXPENSES								
[91100,9150]	*	Administrative Salaries & Benefits	6,949,375	3,474,618	50%	273,416	7,245,217	
91200	423120	Auditing & Tax Prep Fees	103,855	99,267	96%	(90,205)	13,650	
91300	801010	Management Fee	2,680,535	2,057,003	77%	273,234	2,953,769	10% of admin
91400	423450	Advertising & Marketing	10,000	8,418		4,500	14,500	
91600	*	Office Expenses	318,229	213,420	67%	39,741	357,969	
91700	*	Legal Expenses	400,000	12,764	3%	-	400,000	
91800	*	Travel	33,400	28,167	84%	100	33,500	
91900	*	Other Administrative Expenses	2,448,906	249,927	10%	10,894	2,459,800	
92400	*	Tenant Services - Other	600,000	-		(400,000)	200,000	
94200	*	Ordinary Maintenance - Materials	1,000	338	34%	-	1,000	
94300	*	Ordinary Maintenance - Contracts	7,000	403	6%	-	7,000	
961*	*	Insurance	508,700	365,050	72%	13,647	522,347	
97300	*	Housing Assistance Payments	797,000,000	620,036,573	78%	26,927,405	823,927,405	
TOTAL EXPENSES			811,061,000	626,545,947	77%	27,052,732	838,136,157	3%
Revenue over Expenses			13,424,398	14,408,511		3,438,648	16,840,621	
NON-OPERATING								
51110	*	(To)/From Reserves	(313,141)	(3,955,373)		(2,800,127)	(3,113,268)	net surplus
509*	*	Transfers btw Programs In/(Out)	(13,111,257)	(3,649,945)	28%	(616,096)	(13,727,352)	See detail below
TOTAL REVENUE			(13,424,398)	(7,605,318)	57%	(3,416,223)	(16,840,621)	
Net Revenue over Expenses			0			-		

Transfers to	Transfers to Other Programs	2022 Midyear	YTD Sept	% Used	Inc/(Dec)	2023	Notes
05017	Community Safety Partnership	1,842,500	624,631	34%	-	1,842,500	
05580	Program Partnerships Unit	890,572	467,094	52%	113,793	1,004,365	
05581	Agency Strategy & Metrics Unit	962,320	421,177	44%	168,335	1,130,655	
04019	Imperial - Unit Conversions	840,000		0%	-	840,000	
06054	Rampart Parking Lot	1,995,000	298,477	15%	1,018,089	3,013,089	
06103	Build HOPE (KPI) - Operations	331,566	178,577	54%	(255,136)	76,430	
06053	Worksource Center	135,773	999,863	736%	(41,039)	94,733	
05010	WFD Unbillable/Match	150,000	236,490	158%	-	150,000	
26002	E3 Solutions	101,026	79,639	79%	2,054	103,080	
05002	Oracle Upgrade	2,212,500		0%	(150,000)	2,062,500	
Multiple	Bulk Scanning	2,700,000	242,371	9%	260,000	2,960,000	\$1.9M S8; \$900k HS; \$150k CO
	CLC Renovations	850,000		0%	(400,000)	450,000	
05520	Public Housing		1,544				trash and security concerns
06055	Jordan Downs Remediation	100,000	100,081		(100,000)		
Total		13,111,257	3,649,945		716,096	13,727,352	

COST CTR		*	2022 Midyear			2023		
ACCOUNT	OBJECT	Account Name	2022 Mod9	YTD Sept	% Used	ADJ	Budget	Notes
			0.00	-				
Business Consulting								
Rent comparability studies.								
		<i>Dennis B Cunningham</i>	42,442	11,900	28%	558	43,000	
		<i>Doyle Real Estate</i>	42,442	3,675	9%	558	43,000	
		<i>Gill Group, Inc</i>	42,442	27,950	66%	558	43,000	
		<i>REGISTERED AGENT SOLUTIONS INC</i>	800	800	100%	200	1,000	
		<i>Contracting Matters</i>	17,481	11,081	63%	19	17,500	<i>RFP assistance</i>
		<i>National Quality Assurance</i>	2,000	2,219	111%	500	2,500	
		<i>HYLAND SOFTWARE INC</i>		1,025		-		
		Total	147,606	58,651		2,394	150,000	
			-	-	(0)	0	-	
Software								
		<i>Hyland Onbase</i>	26,000	50,166		13,000	39,000	
		<i>Calypso</i>	18,000			-	18,000	
		<i>Office365</i>	21,000			-	21,000	
		<i>AppRiver</i>	6,000	3,376		-	6,000	
		<i>GoToMeeting</i>	5,000	1,884		(3,000)	2,000	<i>GoToMeeting will replace with Zoom</i>
		<i>ZOOM</i>		1,797				
		<i>Adobe Pro Subscription</i>		1,408			14,000	
		<i>HOPEWELL</i>		10,062				
		<i>Domain, Smart Draw, Constant</i>		1,022				
		<i>ArcGIS</i>		844				
		<i>DocuSign</i>	10,000					
		Total	86,000	70,559			100,000	

2023 Budget

LA LOMOD - E3 Solutions

E3 Solutions is LA LOMOD's business enterprise aimed at expanding LOMOD's revenue stream beyond the PBCA program and increasing its footprint outside of Southern California. E3 develops training and consulting services for HUD multifamily owners and management agents. In 2021, E3 will continue to market its services in the southeast and western U.S. in an effort to expand its existing clientele in these areas.

FUND	26002						2023		
COST CTR	*	2022 Midyear					Dept Proposed	Adj Budget	Notes
ACCOUNT	OBJECT	Account Name	2021	2022 Mod9	YTD Sept	% Used			
REVENUE									
71500	*	Other Revenue	57,157	70,000	20,217	29%	-	70,000	
71500	369050	Other Income	57,157	70,000	20,217	29%	-	70,000	
TOTAL REVENUE			57,157	70,000	20,217	29%	-	70,000	
EXPENSES									
[91100,9150	*	Administrative Salaries & Benefits	63,587	105,506	53,396	51%	4,484	109,990	
91100	[411010,4:	Salary	39,971	77,886	40,701	52%	3,115	81,002	
91500	413010	FICA	3,096	4,829	2,713	56%	193	5,022	
91500	413020	Medicare Tax	718	1,129	634	56%	45	1,175	
91500	413030	Federal Unemployment	20	122	42		5	127	
91500	413040	State Unemployment	184	779	273	35%	31	810	
91500	413050	Life	335	480	168	35%	-	480	
91500	413060	Medical	8,739	7,560	3,032	40%	-	7,560	
91500	413070	Dental	472	558	208	37%	-	558	
91500	413081	Defined Contribution Pension Plan	1,724	1,752	-	0%	678	2,430	
96210	412190	General Leave	4,892	6,815	2,521		273	7,088	
96210	[412200,4:	Other Compensated Absences	3,437	3,595	3,103		144	3,739	
91400	423450	Advertising & Marketing	2,705	3,250	3,069		1,750	5,000	
91400	423450	Marketing & Leasing	2,705	3,250	3,069		1,750	5,000	
91600	*	Office Expenses	935	4,970	840	17%	80	5,050	
91600	426430	Duplicating & Copying	-	200	-	0%	-	200	
91600	426060	Form, Stationery, Office Supplies	-	150	91	61%	-	150	
91600	426460	Meeting	-	500	-	0%	-	500	
91600	426211	Mobile Devices	843	900	695	77%	-	900	
91600	426295	Parking	-	100	-	0%	-	100	
91600	426220	Postage / Mail	-	100	-	0%	-	100	
91600	426420	Software/Software Maintenance	-	2,900	-	0%	100	3,000	
91600	426210	Telephone	92	120	55	46%	(20)	100	
91800	*	Travel	371	2,000	4,310	216%	1,500	3,500	
91800	425100	Out-of-Town Travel	371	2,000	4,310	216%	1,500	3,500	
91900	*	Other Administrative Expenses	50,323	55,300	38,240	69%	(5,760)	49,540	
91900	426510	Bank Charges	367	800	142	18%	(710)	90	
91900	423050	Business Consulting	-	14,942	-	0%	(9,942)	5,000	
91900	426570	Licenses and Fees	-	500	-	0%	-	500	
91900	426500	Membership Dues & Fees	665	1,500	950	63%	-	1,500	
91900	423090	System Design/Programming	47,908	34,658	34,658	100%	6,342	41,000	website
91900	424200	Training	1,303	2,450	2,450	100%	(1,450)	1,000	
91900	426214	TW Stipend - Data	80	450	40	9%	-	450	
TOTAL EXPENSES			117,921	171,026	99,856	58%	2,054	173,080	
Revenue over Expenses			(60,763)	(101,026)	(79,639)		(2,054)	(103,080)	
NON-OPERATING									
5*	*	Transfers and Surplus	60,763	101,026	79,639	79%	2,054	103,080	
5*	281000	Transfers In from LA LOMOD	60,763	101,026	79,639	79%	2,054	103,080	
TOTAL NON-OPERATING			60,763	101,026	79,639	79%	2,054	103,080	
Net Revenue over Expenses			-	-	-		-	-	