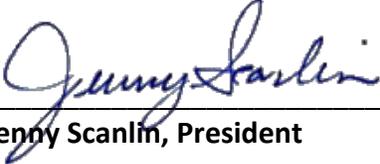


**RESOLUTION APPROVING AND ADOPTING THE BUILD HOPE, INC. FISCAL YEAR 2023  
OPERATING BUDGET AND AUTHORIZING THE PRESIDENT OR DESIGNEE TO EXECUTE ANY  
REQUIRED DOCUMENTS AND ADMINISTER BUILD HOPE, INC. IN ACCORDANCE WITH  
ADOPTED BUDGET AUTHORITY**

  
\_\_\_\_\_  
Jenny Scanlin, President

  
\_\_\_\_\_  
Marlene Garza, Treasurer

**Purpose:** Build HOPE, Inc. (BHI) was founded in 2002 by the Housing Authority of the City of Los Angeles (HACLA) to ensure that clients and residents participating in HACLA’s programs and housing receive the full social, health, educational, and work opportunities to which they are entitled, and to enhance quality of life through long-term academic and economic success. To achieve these goals, the operating budget provides the financial resources needed.

**Revenue:** The primary sources of funding for BHI include donations from external supporters and operating cash from HACLA’s affiliate, LA LOMOD. As described further below, grants and donations continue to be a priority for the ongoing growth and development of BHI.

**Initiatives:** The BHI FY2023 Operating Budget includes several ongoing and new initiatives as itemized below.

*Scholarship Program - \$140,200*

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 FY2023, BHI will take important steps to expand the scholarship program significantly. First, BHI has secured a two-year grant in partnership with SoCal CAN from the *California Community Foundation* which includes two years of funding directly to BHI for both direct scholarship awards (\$37,500 in FY2023) as well as funding to administer the program (\$25,000 in FY2023). In addition, we expect to fundraise an additional \$50,000 from other sources for additional awards. Complementary funding has been provided to SoCal CAN to support mentorship as well as recruitment and retention of non-traditional populations for college admission. Our collective goals include: (1) increasing the number of scholarships awarded from 100 to 135, (2) offering job training and internships to 100% of our

scholarship recipients and enrolling at least 25 scholars in job training and placement, and (3) diversifying our recipient pool to ensure at least 15% of our scholarship recipients are either (a) adults ages 21+; (b) youth with GED's; (c) immigrants (adults or youth not born in the United States); or (d) adults or youth who have spent time in jail or juvenile hall or who were previously gang-affiliated.

In addition, we continue to invest in tools to improve the accessibility and administration of our Scholarship Fund through the creation of a portal for submitting and tracking applications. BHI has entered into a contract with Kaleidoscope, a firm who specializes in developing and hosting portals for specialized applications as well as online donations. The contract is structured as an annual subscription service at a rate of \$5,500 per year.

We expect to leverage \$100,000 made available in FY2022 from LOMOD to develop an Employee and Private Match Program challenging HACLA's staff, outside philanthropy and institutions to donate.

Finally, we have been engaged in the establishment of a Board of Trustees that would focus on helping in the fundraising efforts for the Scholarship Fund and additional supports for our recipients during their college career. Next year, BHI hopes to establish the Board of Trustees and will set aside \$10,000 to use for marketing and events directed and organized by the Board of Trustees for fundraising purposes.

#### *Support Services for Residents - \$200,000*

FY2023'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, particularly education, digital connectivity and health. We have put \$50,000 in the BHI budget to allow us to match or flexibly fund additional resources and initiatives for our residents and address these areas of need.

BHI also acts as a vehicle for unique partnerships and investment in our physical environment. In FY2023 BHI expects to continue to pursue sources to build out healthy environments for our residents, including a focus on parks, green space, and energy efficiency. We also continue to carry funding for the Cal VIP Program in the amount of \$150,000 covered by a grant from the Ballmer Foundation. These funds will be used to support the One Watts Initiative, a partnership between the Watts/LA WorkSource Center and the Watts Gang Taskforce to uniquely intervene and assist system-involved or formerly gang-affiliated youth and adults to transition to full employment careers or entrepreneurial endeavors. FY2023 is the final grant year for the One Watts Program and we expect it will meet, if not exceed, its established goals.

### *In-Kind Support and Future Growth - \$20,250*

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, who assists with fundraising for BHI. So far through October 2022, approximately \$30,000 in staff time has been dedicated to BHI, and in FY2023, this in-kind staffing support will continue to be tracked to reflect all 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. We are establishing \$20,250 in the budget in FY2023 for software, subscriptions, consultants for grant writing and fund development. Grants will be focused mostly on growing our Scholarship Fund, digital literacy initiatives and supporting the rebranding of HACLA's Computer Labs to dynamic Learning Centers. Additional grants pursued will be focused on the priorities provided to BHI in collaborative discussions with HACLA's primary programs and departments.

Additionally, in order to grow BHI's ability to support HACLA's initiatives, build partnerships and fundraise effectively, we are recommending establishing a full-time executive director position for the non-profit. This cost of this position is not currently included in the FY2023 Budget; however, the President will return to the Governing Board at its first Regular Meeting in FY2023 to establish a position description and salary range, and if approved will pursue recruitment in FY2023.

#### **Attachments:**

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

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION APPROVING AND ADOPTING THE BUILD HOPE, INC. FISCAL YEAR 2023 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 2023 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 2023 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, 2023; 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 2023 Budget

In addition to ongoing initiatives to expand resources and services, BHI's focus will continue on expanding the Scholarship program and on establishing the brand of BHI with individual donors and private philanthropy.

ACCOUNT	OBJECT	Account Name	2021	2022 Midyear			2023	
				2022 MOD9	YTD Sept	% YTD	Increase/ (Decrease)	Budget
<b>REVENUE</b>								
[71500,70400,71*]		Other Revenue	80,690	225,000	6,651	3%	62,500	287,500
71500	369050	Other Income	-	-	259		25,000	25,000 CA Community Foundation (scholarship admin)
71500	369120	Donations - Scholarships	10,000	100,000	-		(12,500)	87,500 CA Community Foundation (\$37.5k) and Other Donations (\$50k)
71500	369120	Donations - Support Services	59,707	125,000	6,392		50,000	175,000 Ballmer (150K for One Watts/CalVIP); \$25k AmazonSmile and private one-time donations
<b>TOTAL REVENUE</b>			<b>80,690</b>	<b>225,000</b>	<b>6,651</b>	<b>3%</b>	<b>62,500</b>	<b>287,500</b>
<b>EXPENSES</b>								
91200	*	Auditing Fees	13,000	13,650	10,500	77%	-	13,650
91200	423120	Auditing	13,000	13,650	10,500	77%	-	13,650 per contract increase
91600	*	Office Expenses	3,835	12,000	4,133	34%	(4,000)	8,000
91600	426430	Duplicating & Copying	-	-	1,723		2,500	2,500 printing for grant applications
91600	426460	Meeting	1,790	10,000	-	0%	(8,500)	1,500
91600	426320	Off Site Storage	2,045	2,000	1,492	75%	(1,000)	1,000 for books, baby to baby donations
91600	426420	Software/Software Maintenance	-	-	680		3,000	3,000 Monday.com, website updates, adobe pro
91900	*	Other Administrative	56,973	102,550	8,881	9%	(29,350)	73,200
91900	426510	Bank Charges	330	850	266	31%	(650)	200
91900	423050	Business Consulting	-	60,000	300		(20,000)	40,000 itemized below
91900	426570	Licenses and Fees	150	200	250	125%	550	750 GoDaddy and other web services
91900	423090	System Design/Programming	56,493	40,000	8,065	20%	(8,500)	31,500 itemized below
91900	423070	Translation	-	1,500	-	0%	(750)	750 as necessary for marketing materials; meetings
[92200,92400]	*	Tenant Services	26,870	325,000	52,899	16%	(62,500)	262,500
92400	427170	Supportive Services	21,370	125,000	3,149	3%	50,000	175,000 One Watts (\$150K), other TBD (\$25K)
92400	427200	Youth Scholarship Awards	5,500	200,000	49,750	25%	(112,500)	87,500 \$37.5k CCF, \$50k Other
961*	*	Insurance	6,207	5,050	5,344	106%	1,530	6,580
<b>TOTAL EXPENSES</b>			<b>106,885</b>	<b>458,250</b>	<b>81,757</b>	<b>18%</b>	<b>(94,320)</b>	<b>363,930</b>
<b>Revenue over Expenses</b>			<b>(26,195)</b>	<b>(233,250)</b>	<b>(75,106)</b>		<b>156,820</b>	<b>(76,430)</b>
<b>NON-OPERATING</b>								
5*	*	Transfers and Surplus	208,469	233,250	15,888		(156,820)	76,430
50993	281000	Transfers In LA LOMOD	83,118	233,250	15,888		(156,820)	76,430
<b>TOTAL REVENUE</b>			<b>208,469</b>	<b>233,250</b>	<b>15,888</b>		<b>(156,820)</b>	<b>76,430</b>
<b>Net Revenue over Expenses</b>			<b>182,274</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>

<b>Business Consulting Detail</b>	-	<b>60,000</b>	<b>300</b>	(20,000)	<b>40,000</b>
Zeldesign - marketing campaigns		60,000	300	(55,000)	5,000 design for scholarship portal and campaign updates
Grant Writing/Administration				10,000	10,000 up to 3 grant applications
Scholarship Consultant				25,000	25,000 Consultant for CCF award admin (\$25k)
<b>Systems Design Detail</b>	-	<b>40,000</b>	<b>8,065</b>	<b>(8,500)</b>	<b>31,500</b>
Zeldesign - Website			8,065	1,500	1,500 website maintenance
donor database design		15,000		(10,000)	5,000 may use internal staff time
scholarship portal		25,000		-	25,000 begin by end of FY22 but may flow into FY23