

Tuesday, February 10, 2004:

COUNTY APPROVES 7TH ROUND OF SPECIAL AFFORDABLE HOUSING PROGRAM, REACHING \$750 MILLION INVESTMENT AND NEARING 6,000TH UNIT MILESTONES

“City of Industry Funds” is County agency’s largest source for new affordable housing; developers are encouraged to apply for funding in future rounds

LOS ANGELES, CALIFORNIA – February 10, 2004. Today, the Los Angeles County Board of Supervisors approved a seventh round “City of Industry Funds” program allocation, enabling the program to cross its \$750 million investment milestone. The seven rounds will result in a cumulative 134 projects, over \$110 million in Industry Funds, over \$650 million in external funds, and over \$760 million in total investment, which will add nearly 6,000 units to the County’s affordable housing stock (see attached [chart](#)).

Today’s Board action is part of the County Community Development Commission’s (CDC) ongoing efforts to increase the supply of affordable housing. The City of Industry Funds originates from “tax increment revenue” generated from that city’s redevelopment areas (the entire city has been designated a redevelopment area). Revitalization leads to an increase in property tax revenue because land within the redevelopment areas incrementally increase in assessed value from a base year assessed value. The incremental increase in assessed value produces an incremental increase in property tax revenue (tax increment revenue), a portion of which is allocated (20 percent, which is standard for redevelopment areas, as mandated by state law) for affordable housing via the City of Industry Funds program. The funds can be used for developments within a 15-mile radius of the City of Industry (see attached [map](#)).

An agreement to distribute the revenue outside the City of Industry was reached because the overwhelmingly industrial city is home to few residents, which made increasing the affordable housing stock within its boundaries less beneficial than expanding the universe out to 15 miles. The Board of Supervisors adopted the unique Industry Funds distribution plan in June of 1998, with the CDC (www.lacdc.org) – which serves as the County’s Housing Authority -- administering the program. The Industry Funds program is the CDC’s largest funding source for new affordable housing, and the program is scheduled to extend out through the year 2017.

For its effective management of the Industry Funds Program, the County CDC has received several notable awards, including recognition from the National Association of Housing and Redevelopment Officials (NAHRO), the California State Association of Counties (CSAC), and the Los Angeles County Quality and Productivity Commission. In addition, specific developments funded in part with Industry Funds have received awards for their excellence.

Dora Leong Gallo, chief executive officer of “A Community of Friends,” a non-profit developer and CDC partner, said, “Completing an affordable housing development is rarely easy. However, the Industry Funds program makes many developments possible by leveraging other funding and by providing vital technical assistance. Without this program, thousands of individuals and families would be without

affordable housing options. It is an excellent example of a special government program delivering high-quality and essential products for County residents.”

Today, the Board of Supervisors approved a seventh round allocation of nearly \$9 million, which will fund up to nine affordable multi-family rental, senior rental, and special needs housing developments (special needs populations include individuals who are developmentally disabled, mentally ill, domestic violence victims, emancipated foster youth, and HIV/AIDS afflicted). The County’s financial contribution to these nine developments includes over \$54 million in external funding, resulting in a total investment of over \$63 million and providing a total of over 500 additional housing units.

This seventh round funds housing units in nine apartment complexes: two multi-family developments, four senior housing developments, and three special needs housing developments. The developments are located in the cities of Los Angeles, Norwalk, Monterey Park, Pasadena, Sierra Madre, and the unincorporated area of Hacienda Heights.

Carlos Jackson, executive director of the County CDC, said, “Anyone who follows the news knows that the region has a shortage of affordable housing. That is why the continuing approval of these Industry Funds is critical so we can help more lower-income and special needs individuals obtain safe, decent, and affordable dwellings. The task never ends, and we welcome the participation of more developers, especially those interested in creating special needs housing, in carrying out our mission of building better lives and better neighborhoods.”

Jackson said that a request for proposals (RFP) for an Industry Funds round eight allocation of approximately \$10 million is tentatively scheduled to be released in the fall of 2004. He encouraged developers – both for-profit and non-profit – to apply for this funding. More information can be obtained by contacting:

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