HACLA

October 12, 2026

TO: Honorable City Council

C/O City Clerk, Room 395, City Hall

FROM: Lourdes Castro Ramirez, President and CEO

SUBJECT: **Request for Payment in Lieu of Taxes (PILOT) Waiver for 2027-2029 Resident Programs**

SUMMARY

The Housing Authority of the City of Los Angeles (HACLA) requests authorization to use PILOT funds for resident services programs from Calendar Years 2027 through 2029, ensuring the continued delivery of essential programs that strengthen opportunity, safety, and quality of life in public housing communities. Funding will support youth employment, educational and recreational programming, computer learning center services, and security camera maintenance citywide. These investments provide residents with pathways to academic and economic success, promote positive youth development, bridge the digital divide, and help maintain safe, thriving communities.

BACKGROUND

Beginning in 2008, the City authorized HACLA to retain and reinvest PILOT funds in programs and services that directly benefit public housing residents. Since 2017, the City has approved PILOT funding in three-year increments, enabling HACLA to establish multi-year partnerships, maintain service continuity, and maximize the impact of these investments. The current authorization expires in December 2026.

HACLA has consistently demonstrated its commitment to responsible stewardship of public resources by leveraging PILOT funds alongside federal, state, local, philanthropic, and private-sector investments. This approach allows HACLA to multiply the impact of every dollar invested, expand opportunities for residents, and ensure that limited resources are directed toward programs that deliver measurable benefits for children, youth, families, seniors, and the broader community.

PROGRAM SUMMARY

Through this request, HACLA will reinvest PILOT funds in proven programs that expand opportunities, strengthen families, improve safety, and leverage additional federal, state, local, and philanthropic resources to maximize benefits for public housing residents. ***See accompanying report and Board Resolution for details.***

- ***$3.67 Million for Youth Employment*** *– In partnership with the City of Los Angeles, HACLA's year-round youth employment program connects more than 500 young residents annually to paid work experiences, internships, and career pathways, equipping them with skills, income, and opportunities for long-term success.*
- ***$2.78 Million for Recreation and Education Programs*** *– – Since assuming direct oversight of these programs from the City's Parks & Recreation Department in 2011, HACLA has partnered with organizations such as the YMCA and Boys & Girls Club to deliver enriching youth and family services while maintaining and improving recreation facilities that support learning, wellness, and community engagement.*
- ***$1.87 Million for Computer Learning Centers*** *– HACLA's computer learning centers advance digital equity by providing residents of all ages with access to technology, workforce development tools, educational resources, and essential online services. PILOT funds are leveraged with City, philanthropic, and HACLA-supported investments for facility and equipment upgrades.*
- ***$1.27 Million for Safety Infrastructure*** *– Through its partnership with LAPD's Community Safety Partnership program, HACLA uses approximately 280 security cameras to support community-based public safety strategies and foster safer neighborhoods. Residents consistently identify safety as a top concern, and PILOT funding ensures the ongoing maintenance and reliability of this critical safety infrastructure.*

REPORT OF THE PRESIDENT & CEO **September 10, 2026**

RESOLUTION AUTHORIZING THE REQUEST OF A THREE-YEAR WAIVER AND USE AGREEMENT FOR CALENDAR YEARS 2027-2029 WITH THE CITY OF LOS ANGELES FOR THE USE OF PAYMENT IN LIEU OF TAXES (PILOT) FUNDS TO SUPPORT PUBLIC HOUSING RESIDENT SERVICES – INCLUDING YOUTH EMPLOYMENT, EDUCATION, DIGITAL ACCESS, RECREATION, AND PUBLIC SAFETY

Lourdes Castro Ramirez
President and CEO

Suket Dayal
Chief Administrative Officer

John King
Chief Community Affairs Officer

Request: Consistent with prior years, this board action will authorize the President and CEO to submit a waiver to and obtain a use agreement from the City of Los Angeles (City) for the use of Payment in Lieu of Taxes (PILOT) funds to provide various services to public housing residents including: youth employment, public safety infrastructure, digital literacy and access, enriched recreation and education programming for youth, and recreation center improvements.

Regarding: *Resolution 9996 adopted by the Board of Commissioners (BOC) on September 28, 2023, Resolution 9581 adopted by the BOC on February 27, 2020, and Resolution 9392 adopted by the BOC on October 21, 2017, each authorizing request of a three year waiver and use agreement with the City for PILOT funds.*

Issues: In 1938, the City and the Housing Authority of the City of Los Angeles (HACLA) entered into a Cooperative Agreement under which HACLA would reimburse the City for the value of municipal services provided to our developments. This type of agreement is standard for many public housing agencies since public housing properties are considered federal land and are therefore exempt from paying local property taxes. The annual amount is based on ten percent of tenant revenue from public housing residents less utilities. This is reflected in the public housing budget as an expense.

Beginning in 2008, rather than simply remit PILOT funds to the City, we have requested a "waiver" from the payment and instead proposed various uses of the funds that would benefit HACLA residents. The City has readily agreed to this arrangement.

Beginning in 2017, HACLA implemented a three-year budget primarily to facilitate longer-term planning and contracting stability with our non-profit partners operating recreation and education programs on-site at HACLA facilities.

This report proposes a three-year budget for Calendar Years (CY) 2027-2029 and continues existing programs with some adjustments, as well as introduces new initiatives, all of which support enriched programming for public housing residents.

Funding Projection:

Based on the most recent tenant rental activity, the expected amount of projected new funding available for 2027 through 2029 is $7.1 million over the three-year period. This assumes that tenant revenue and utility costs for most of the public housing sites will not change dramatically, and Rancho San Pedro and William Mead are converted from Public Housing to project-based Section 8 assistance under the Rental Assistance Demonstration (RAD) program in the next few years, as is currently planned. These projections are conservative and should not be jeopardized if utilities continue to increase.

In addition, because we take a conservative approach to annual projections, *prior year accruals* have exceeded amounts that have been dedicated to various programs by $1,600,214. These funds are now available for programming.

Finally, $1,299,786 from prior years is also available for *reprogramming*. These savings are from the Youth Employment Program (YEP) and Recreation and Education Programs (described further below). The savings from Recreation and Education Programs were from the "Additional Services TBD" line item that accumulated from the last few years and also as a result of service provider instability at San Fernando Gardens from 2022-2024. HACLA secured, after multiple procurements, the YMCA in 2025 to provide impactful and sustainable services for residents at San Fernando Gardens. The savings from the Youth Employment Program were the result of a shift of entry-level, blue-collar, and service jobs away from the City's urban core. Affordability of transportation costs, and employers desire for experienced labor in exchange for the high cost of the local minimum wage also contributed to the lower-than-projected use and consequent savings for this program.

As such, a total of $10 million is available for CY 2027-2029.

AVAILABLE FUNDS				
Source	**2027**	**2028**	**2029**	**3-Year Total**
Annual Projection	$ 2,500,000	$ 2,300,000	$ 2,300,000	**$ 7,100,000**
Excess Accruals prior years	1,600,214	-	-	**1,600,214**
Reprogramming	1,299,786	-	-	**1,299,786**
Total Available	**$ 5,400,000**	**$ 2,300,000**	**$ 2,300,000**	**10,000,000**

Programming Request:

In 2025, HACLA transitioned the administration of YEP from HACLA's WorkSource Center to its philanthropic arm, Build Hope, Inc. (BHI), an affiliated non-profit. BHI's administrative and delivery model will provide a new approach to recruiting participants and employers for YEP which we anticipate will result in higher participation levels and use of program funds. Lastly, HACLA's computer labs were also transitioned to BHI for administration and program delivery through a five-year agreement. As a result, we have proposed an increase in annual funding for the Youth Employment Program and computer labs from PILOT to support HACLA's desire to increase participation in both programs.

This request seeks three (3) years of funding for the following projects:

PROGRAM BUDGETS 2027 - 2029				
Program	**2027**	**2028**	**2029**	**3-Year Total**
Youth Employment	$ 1,204,000	$ 1,225,000	$ 1,248,000	**$ 3,677,000**
Safety Infrastructure (Cameras)	426,000	426,000	426,000	**1,278,000**
Computer Learning Centers	600,000	625,000	650,000	**1,875,000**
Rec Center Partners	900,000	925,000	950,000	**2,775,000**
Rec Center Maintenance & Improvements	355,000	20,000	20,000	**395,000**
Total Programming	**$ 3,485,000**	**$ 3,221,000**	**$ 3,294,000**	**$ 10,000,000**

Youth Employment Program
$3,677,000 total ($1,225,667 on average per year)

When originally conceived in 2011, HACLA's partnership with the City for youth employment mirrored the City's emphasis on summer jobs. However, this program has evolved into a year-round employment program which offers participants a wider variety of internship opportunities throughout the year. Since 2011, HACLA has dedicated over $1 million annually for this critical program.

For the new budget, HACLA requests a cumulative allocation of $3.68 million. YEP, which is currently administered by BHI, will leverage PILOT funds to support BHI's Economic Mobility strategic goals. BHI's Pathways to Jobs & Careers Program builds on YEP by providing critical employment opportunities and supportive services for HACLA youth ages 14–24. The program connects youth with career coaching and job readiness workshops to provide the path to paid work experience. The ultimate goal is to equip youth with the skills, confidence, and professional networks needed to thrive in today's workforce. At this increased funding level, HACLA will be able to support more than 500 youth employment positions while also covering the internal administrative costs associated with operating the program. These positions are also important in that they provide leverage for the City's Economic and Workforce Development grants. Core collaboration between HACLA, BHI and HACLA's WorkSource Center will expand HACLA's overall impact and reach.

Safety Infrastructure / Camera Systems Maintenance
$ 1,278,000 total ($426,000 on average per year)

Beginning in 2017, PILOT funds have been used for the maintenance of the camera system at fourteen HACLA public housing sites. Today, HACLA hosts twelve public housing sites due to the conversion of public housing into long-term, project-based Section 8 assistance under the Rental Assistance Demonstration (RAD) program. Due to system degradation and the inability to replace parts, in 2018 and 2019, HACLA replaced obsolete camera systems at virtually all HACLA sites[1].

These camera systems are used to support LAPD activities and the efforts of the Community Safety Partnership (CSP). In 2025, LAPD personnel downloaded more than 300 videos from public housing sites. More than 50 data discs containing camera footage

[1] Jordan Downs was excluded from this upgrade project since it is undergoing redevelopment.

were used in prosecutions. Moreover, as part of the Vision Plan community engagement process and through annual Site Safety Walks with CSP, residents consistently identify safety as one of their primary concerns. In 2023, HACLA executed a three-year agreement with Celplan Technologies, Inc. (Celplan) which included annual maintenance at approximately $375,000 annually, as well as funding for the replacement of obsolete or unrepairable cameras, with the budgets for such replacements varying from $320,000 to $450,000 annually. Contingency funding was also included for as needed repairs caused by vandalism.

The new system offers significant improvements on clarity of image, range of view, and functionality, including remote device access. However, we have also found that cameras require ongoing repair and replacement due to vandalism.

In June 2026, HACLA executed a new three-year agreement Celplan which includes annual maintenance at approximately $426,000 annually, which will be funded by PILOT. An additional $1,157,000 over the three-year term, is earmarked by HACLA to replace obsolete equipment, as needed repairs (contingency), and installation of additional cameras as needed.

Computer Learning Centers
$1,875,000 total ($625,000 on average per year)

The Computer Learning Labs (CLLs) at the public housing sites serve as an important resource for residents of all ages. For adults, the CLLs provide access to General Educational Development (GED) and English as a Second Language (ESL) training and resources, and for school-aged youth, tutoring and other educational support resources are provided. They are also tied to HACLA's WorkSource Center activity and initiatives. The CLLs have been supported through PILOT since 2016.

These funds are used primarily for the staffing of the CLLs including a manager who supervises the work of Digital Literacy & Learning Lab Coordinators (DLLLCs) assigned to each lab. This Manager works with the Program Director to develop and implement new and consistent programs across all 11 computer labs. The DLLLCs continue to be a critical component to the success of the labs, working as digital ambassadors to engage residents in the services offered at the CLLs. Funding also supports ongoing operating costs, including internet connectivity, and janitorial services.

This funding for operations is leveraged with significant funding provided by the City, various donors, and funding from HACLA's instrumentality Los Angeles LOMOD, Inc. for facility improvements and equipment upgrades. Additional funding from the California Public Utilities Commission - California Advanced Services Fund supports digital literacy programming and select technology and equipment needs.

Recreation and Education Programs
$2,775,000 total ($925,000 on average per year)

Beginning in 2011, HACLA assumed direct oversight of recreation programs previously managed by the City's Recreation and Parks Department at our various gyms and

community centers. The HACLA model for services relies on partners such as the YMCA, Boys & Girls Clubs or local non-profit service providers, unaffiliated with national brands, who provide a wide array of recreation and education programs for resident youth.

Over the past 15 years, these partnerships have generated significant impact on residents' lives and in the community. Since 2024, PILOT funded service providers have served over 650 unique resident youth (ages 6-17) per year, across 8 public housing sites. In 2024, the PILOT funded service provider at Imperial Courts generated $6.5 million in leveraged capital and in-kind resources. In 2025, West San Gabriel Valley & Eastside Boys & Girls Club leveraged the PILOT funds and HACLA's facilities to raise over $2.5 million in resources across their three sites at Estrada Courts, Ramona Gardens and William Mead.

The Program Partnerships Unit, responsible for managing the service providers receiving PILOT funds, is also responsible for cultivating resources and developing new and expanding partnerships by service providers to ensure our residents, specifically our youth, have the full array of services that are available. In 2025, the Program Partnerships Unit cultivated 64 new or expanded partnerships and raised approximately $1.5 million in grant funds to support digital literacy and computer lab renovations benefiting public housing facilities and residents. Program Partnerships Unit's strategic planning, leveraging of PILOT funds and collaboration with numerous stakeholders resulted in new programming to enhance resident services at public housing developments.

Anticipated service providers and funding levels are summarized below.

		PROPOSED FUNDING		
Location		**2027**	**2028**	**2029**
Estrada Courts	Boys & Girls Club, West San Gabriel Valley	90,000	95,000	100,000
Imperial Courts	Red Eye	155,000	160,000	165,000
Mar Vista Gardens	Boys & Girls Club, Santa Monica	55,000	60,000	65,000
Nickerson Gardens	LA Metropolitan Churches	250,000	250,000	250,000
Ramona Gardens	Boys & Girls Club, West San Gabriel Valley	80,000	85,000	90,000
San Fernando Gardens	YMCA	100,000	105,000	110,000
William Mead	Boys & Girls Club, West San Gabriel Valley	50,000	-	-
Pueblo del Rio	TBD	-	50,000	50,000
Pico Gardens	Proyecto Pastoral	20,000	20,000	20,000
Add'l Services TBD		100,000	100,000	100,000
TOTAL		**$ 900,000**	**$ 925,000**	**$ 950,000**

In addition to funding for the listed service providers, some funds are set aside for additional services to be provided at sites to be determined. In 2024, 2025 and 2026,

"Additional Services TBD" has supported HACLA's PILOT funded service providers to extend hours of operation, hire additional staff, and purchase program supplies as a host of Gang Reduction and Youth Development's Summer Night Lights programming at Nickerson Gardens, Jordan Downs, and Imperial Courts, supporting the Mayor's community safety strategy. In 2027 – 2029 HACLA has budgeted funds to support an impactful partner in youth development at Pico Gardens and has set aside funds in 2028 and 2029 to provide seed funding for a service provider at Pueblo del Rio. It is also possible that as needs evolve, different partners than those listed above may be engaged.

Recreation Centers: Facility Maintenance and improvements
$395,000 total

Although HACLA partners with the nonprofit organizations identified above to provide services to resident youth, HACLA remains responsible for the ongoing maintenance and capital improvements of its recreation center facilities. Similar to HACLA's housing stock, many of these facilities are aging and require ongoing maintenance and repairs, including lighting, HVAC, extermination, flooring, and alarm systems. This time, PILOT funding will also support the repair/replacement of a playground at Ramona Gardens and the repair/replacement of roofs on three modular units at the Sage Center. Staffing costs associated with this repair and maintenance work will continue to be absorbed by the Public Housing program.

Upon Board of Commissioners approval, the recommended uses of PILOT funds will be presented to the Los Angeles City Council for review and approval, with subsequent approval by the Mayor. Since this can result in modifications to the proposed uses, authorization is requested for the President and CEO to adjust the final program allocations based on those discussions.

Authority is also requested to make subsequent transfers between approved projects to meet future needs.

Vision Plan Each of the initiatives proposed is directly tied to specific Vision Plan Strategies including:

Program(s)	**Vision Plan Strategy**
• Youth Employment • Computer Learning Centers	People Strategy 7: Enhance resident access to education opportunities, workforce readiness training, and skills development.
Safety Infrastructure / Cameras	People Strategy 15: Improve Security Monitoring at all HACLA sites
Recreation Center Partners	People Strategy 4: Develop and implement onsite and offsite service linkages aligned with best practices to support broad resident needs.

Recreation Center Maintenance and Improvements	Place Strategy 6: Utilize HACLA-owned property to provide community amenities that meet broader neighborhood needs

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: PILOT funds are derived from the Public Housing program which records ten percent of tenant revenue less utilities as an expense on a monthly basis. This expense is recorded as an accrued liability until it is programmed for specific uses; it is then reflected as unearned PILOT revenue until costs are incurred.

Budget and Program Impact: PILOT uses for public housing activities represent a significant benefit to the public housing program since it relieves the program from having to absorb these costs in its operating budget.

Environmental Review: Not Applicable

Section 3: Not Applicable.

RESOLUTION NO. 10352

RESOLUTION AUTHORIZING THE REQUEST OF A THREE-YEAR WAIVER AND USE AGREEMENT FOR CALENDAR YEARS 2027-2029 WITH THE CITY OF LOS ANGELES FOR THE USE OF PAYMENT IN LIEU OF TAXES (PILOT) FUNDS TO SUPPORT PUBLIC HOUSING RESIDENT SERVICES – INCLUDING YOUTH EMPLOYMENT, EDUCATION, DIGITAL ACCESS, RECREATION, AND PUBLIC SAFETY

WHEREAS, the City of Los Angeles ("City") and the Housing Authority of the City of Los Angeles ("HACLA") first entered into a Cooperative Agreement in 1938;

WHEREAS, as part of the agreement, HACLA would make Payments in Lieu of fTaxes ("PILOT") for services, based upon the rate of 10% of the annual tenant revenue by public housing tenants less utility costs, or full property taxes, whichever is less;

WHEREAS, the City has approved PILOT waiver requests dating back to 1988 to support City services in HACLA public housing developments;

WHEREAS, with continual federal funding reductions, it is imperative that funding sources such as PILOT are used to maximize benefits for public housing residents;

WHEREAS, the funds for the waiver request for calendar years 2027 through 2029 total $10,000,000; and

WHEREAS, the recommended uses of PILOT funds require approval by the Los Angeles City Council and Mayor.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners authorizes the President & CEO to request and negotiate a three-year waiver and use agreement for calendar years 2027 through 2029 with the City for the use of HACLA's PILOT funds;

BE IT FURTHER RESOLVED that the Board of Commissioners authorizes the President & CEO to amend funding between approved projects to meet future needs; and

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

APPROVED AS TO FORM:

BY: _____
Howard Baum, Interim General Counsel

Housing Authority of the City of Los Angeles

BY: _____
Cielo Castro, Chairperson

DATE ADOPTED: 9/10/2026