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## **Economy & Efficiency Commission Presentation**

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*Editorial Note: Although every effort has been made to insure the accuracy of the material in this presentation, the scope of the material covered and the discussions undertaken lends itself to the possibility of minor transcription misinterpretations.*

**PRESENTATION BY  
Dr. Carlos Jackson  
Executive Director, Los Angeles County Community Development Commission**

**Topic: Overview of the Community Development Commission**

**March 7, 2002**

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Commissioner Sylva introduced Dr. Jackson noting that the Community Development Commission (CDC) manages 3,600 units of public housing, 20,000 Section 8 rental assistance vouchers, housing rehabilitation, and administers the Urban County Community Development Block Grant Programs. The Commission's budget exceeds \$417 million and employs approximately 480 people. The Commission is well regarded in the County for its efficiency and responsiveness.

Dr. Jackson thanked the Commission for inviting him to speak. He said that it was a pleasure to speak, but describing what the CDC is and what they do is always difficult. He then introduced Ms. Julia Arozco who is a deputy to Supervisor Burke and the liaison to the CDC for the last three months.

Dr. Jackson passed out packets containing information on the CDC, its history and programs. Dr. Jackson stated that today's presentation would focus on the program activities summarized in the packets just distributed. The CDC is a unique organization originally formed to address management issues that the Board of Supervisors had with the old Housing Authority, Department of Community Development, Redevelopment Agency, etc. The Board decided to merge all of the activities into the CDC. The CDC is not a County department in the traditional sense, rather it is an at-will employer, quasi public agency, and its employees are also at will and not civil service.

The Executive Director of the CDC has three roles; Executive Director of the Housing Authority, Executive Director of the CDC and the Director of the Redevelopment Agency. In comparison, the CDC, as a single organization, performs the same functions as five departments in the City of Los Angeles.

The CDC is involved in economic development in both unincorporated and city areas and pursues development of affordable housing. It has four redevelopment project areas in the unincorporated areas of the County and extends economically to 48 cities that participate in the Commission's programs.

One of the major challenges the CDC faces is the management of 3600 public housing units from Lancaster to Long Beach to Pomona. One of the things that helps meet these challenges is that all three major

authorities are under the CDC, allowing the leverage of funds. The other major source of funding comes from the industry funds. In 1991, the City of Industry, which is primarily industrial and redevelopment, was required to develop affordable housing as part of its redevelopment efforts. Special State legislation transferred those dollars to the CDC. The question at the time was how to maximize \$70 million for housing. The CDC and the Board of Supervisors met to address this issue. Restrictions were put in place requiring monies to be leveraged with other resources, such as industry funds.

One of the major accomplishments of the CDC has been the development of partnerships with other jurisdictions. As an example of this integration, Tuesday's Board meeting considered the Economy and Efficiency Commission's report on Emancipation Services noting that the CDC was an integral part of much of what was presented. On the same day the Board heard discussions on issues related to group homes, a recent controversy.

Historically, prime sections in unincorporated areas have been annexed, the ones that make real sense commercially, leaving small pockets of unincorporated areas. Currently, the most viable of these areas is in West Alta Dena and the oldest one is the Willowbrook Redevelopment Area, where MLK Hospital is located. Incentives are required to bring businesses into these areas to make an impact. Recently the Board of Supervisors has adopted policies providing that cities can grant waivers on fees and such, which increases the incentives for businesses.

One of the prime, yet low profile, centers is the Business Technology Center in West Alta Dena. This 40,000 square foot complex incubates businesses wanting to enter high tech fields. JPL and Cal-Tech are partners in this endeavor.

Commissioner Tortorice explained that a start-up company with little capital, still needs to look like a business. The center provides things like conference rooms and secretaries while the company receives the support of the center's partners in launching their business. The companies leasing the spaces also start to develop ties in the business community and learn from other businesses around them who are in the same phase of development.

Dr. Jackson was asked about his involvement in the \$100 million trust fund set up by Mayor Hahn. Dr. Jackson replied that he and his staff found that the CDC had exceeded this fund because all the housing dollars are maintained within the CDC. If you combine the dollars of all the Commission's programs, around \$60 million dollars is leveraged and promoted annually. Some of these projects are with the City through the use of industry funds. The CDC has become a significant factor in what business does in the downtown area and in gap financing. This helps the City with up to \$1.8 million toward their activities and allows them to continue development of special needs housing that had previously been stalled.

Dr. Jackson went on to talk about the Drew Medical University and the establishment of three telemedicine clinics in the public housing sites and one in the neighborhood. These sites are the first of their kind in the urban community. Using high tech methods, doctors are able to examine the patients from their offices at Drew. It also offers job opportunities to local residents since they are the ones staffing the clinics. Currently the clinic offers Ophthalmology and Pediatric services.

Commissioner Hill asked about plans, if any, to replicate the Business Technology Center in other areas. Dr. Jackson responded that currently there is one other center, Athens-Westmont. New centers are a matter of resources and support groups to help the incubating companies be successful. Commissioner Tortorice commented that it is not possible to build these centers just anywhere since they need access to technical resources to support the group and an active community of entrepreneurs for its use.

Dr. Jackson commented that there was a tremendous need for technology. In the early 90's computer labs were put in the three main public housing centers. These centers are open to the community and not just the residents of the housing centers. One of the biggest groups to use the centers are teachers who come in to use the advanced equipment. He stated they opened the labs to the community in an effort to try and diminish the stigma associated with public housing.

Commissioner Thompson asked about the current vacancy factor in the units at this time and if there was a method to sign up for Section 8 housing. Dr. Jackson replied that currently Section 8 had a 98% lease up and public housing was at 95%. Commissioner Thompson asked Dr. Jackson if he had seen a recent motion by Supervisor Antonovich and amended by Supervisor Knabe. Dr. Jackson replied that he had. This motion was related to the vacancies in apartments operated by the Independent Living Program providing transitional housing. The Department of Children and Family Services gets dollars from the Federal Government to lease up apartments. They handle the leasing on the approximately 230 units and currently have a vacancy of approximately a 30%.

Commissioner Thompson commented that after hearing about the programs and the methods used by the CDC to leverage the dollars available, that he would prefer all the dollars for housing go through the CDC. He felt that other agencies might not have sufficient experience to handle the complicated housing issues since their expertise was in other areas. Dr. Jackson commented that it would indeed make sense at times. For example, the Group Home in San Gabriel was a collaborative effort between two departments, but as recent problems indicated, there is a lot of work remaining. Recently, a New Direction Task Force was formed to look at long term family self-sufficiency. Out of that effort, a special needs housing alliance was formed, chaired by the CDC. Support services make sense when there is stability for the families and they know where they will be living tomorrow. Section 8 was also critical, needing a significant outreach to apartment owners and homeowners to help remove the associated stigma.

Commissioner Thompson commented that it only made sense to pool resources and functions, making it easier for people to know whom to call and for the CDC to respond to needs, wherever they are. Dr. Jackson replied that his background was in management and had started looking at that immediately. The most immediate problem was the relationship with the Sheriff's Department. Now, after several years of developing resources, the CDC has a model approach to public housing. The lease is the basis of the relationship between management and resident. It has been revised several times to keep the relationship clearly defined. CDC promotes the idea of transitional housing as someplace to live until these people are able to move on.

Commissioner Thompson commented that in his experience Section 8 housing works best when the housing is spread throughout the community. He questioned whether it was more work for the CDC to have the units spread out or with one landlord. Dr. Jackson replied that people can go anywhere with Section 8 vouchers so each has to be treated individually. The issues with inspections and qualifying standards are the same.

Commissioner Fuhrman asked Dr. Jackson if there was any ability to display geographically all of the Section 8 housing that is available. Dr. Jackson responded that since the CDC is not a county department, he had to push to obtain access to the County's GIS program. The CDC is now embarking on using GIS in their programs.

Commissioner Sylva inquired if Dr. Jackson had any suggestions on how to promote economic development. Dr. Jackson responded that for the unincorporated areas, it was a matter of providing incentives to attract businesses. Initiatives that waive fees are already in place in many cities. Items like the permit streamlining will also make it easier to attract new businesses to the area.

Commissioner Farrar commented that there were a couple of groups trying to help with some of the issues faced when developing workforce housing, which would be synonymous to affordable housing. One group is trying to prepare communities for workforce housing by working with local businesses, explaining that the workforce for those businesses was already priced out of the housing and rental market. A second group is looking at buying infill sites for use as commercial or affordable housing. Currently, neither of these groups has any way to check a database to find sites that are available. He also wanted to mention that the Community Redevelopment Agency (CRA) for the City of Los Angeles is currently looking at the possibility of buying infill sites and then leasing them to others for redevelopment purposes. He inquired as to who in the County should be the focal point for developing and maintaining a database of infill sites that could then be made available for developers and redevelopment. Dr. Jackson noted that the organization should be the CDC. He further stated that the Commission did a lot of business with the CRA in the

downtown area on special needs housing.

Dr. Jackson commented that some of the management issues facing the CDC arose because they were not a true county agency. This means at times they are not automatically included in groups or in places where their expertise would provide some assistance. There are also issues with funding, in that departments providing similar services have to compete for dollars. In his opinion, pooling that money would have a greater impact in the community.

Vice Chair Lucente thanked Dr. Jackson for his presentation, which was greatly appreciated by the Commission.

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