

**Quality and Productivity Commission**  
**30<sup>th</sup> Annual Productivity and Quality Awards Program**  
**"Heritage of Excellence"**

**2016 APPLICATION**

Title of Project (Limited to 50 characters, including spaces, using Arial 12 point font):

**NAME OF PROJECT: MAINTAINING INTEGRITY IN HOUSING ASSISTANCE**

**DATE OF IMPLEMENTATION/ADOPTION:** MARCH 2013  
 (Must have been implemented at least one year - on or before July 1, 2015)

**PROJECT STATUS:**  Ongoing  One-time only

**HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT?**  Yes  No

**EXECUTIVE SUMMARY:** Describe the project in 15 lines or less using Arial 12 point font. State clearly and concisely what difference the project has made.

1 The Housing Authority of the County of Los Angeles (HACoLA) is responsible for  
 2 ensuring that more than 24,000 families within Los Angeles County, assisted through  
 3 rental housing programs, comply with federal, state, and local rules and regulations.  
 4 However, there is no U.S. Department of Housing and Urban Development (HUD)  
 5 prescribed method or system to provide Public Housing Agencies (PHAs) the means to  
 6 precisely detect fraud or crime in rental housing programs. As a result, HACoLA  
 7 obtained publicly available arrest data from Los Angeles County law enforcement  
 8 agencies, as maintained by the Los Angeles County Sheriff's Department (LASD), for its  
 9 use in reviewing criminal activity of program participants. The system in which the  
 10 automated data is transferred is called the Data Compliance System, which is the first  
 11 known arrest data transfer system in the PHA industry, and a forward thinking solution  
 12 to the problem of maintaining integrity in the administration of housing assistance  
 13 programs.  
 14  
 15

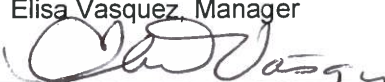
**BENEFITS TO THE COUNTY**

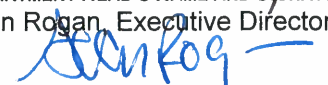
(1) ACTUAL/ESTIMATED ANNUAL COST AVOIDANCE	(2) ACTUAL/ESTIMATED ANNUAL COST SAVINGS	(3) ACTUAL/ESTIMATED ANNUAL REVENUE	(1) + (2) + (3) = TOTAL ANNUAL ACTUAL/ESTIMATED BENEFIT	SERVICE ENHANCEMENT PROJECT
\$	\$426,083	\$	\$ 426,083	<input type="checkbox"/>

**ANNUAL = 12 MONTHS ONLY**

<b>SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS</b> Housing Authority of the County of Los Angeles 700 W. Main Street Alhambra, CA 91801	<b>TELEPHONE NUMBER</b> (626) 586-1500
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<b>PROGRAM MANAGER'S NAME</b> Margarita Lares, Director	<b>TELEPHONE NUMBER</b> (626) 586-1670  <b>EMAIL</b> Margarita.Lares@hacola.org
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<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b> (PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME) Elisa Vasquez, Manager 	<b>DATE</b> 6/29/16	<b>TELEPHONE NUMBER</b> (626) 586-1762  <b>EMAIL</b> Elisa.Vasquez@lacdc.org
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<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b> Sean Rogan, Executive Director 	<b>DATE</b> 6/29/16	<b>TELEPHONE NUMBER</b> (626) 586-1500
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**1<sup>st</sup> FACT SHEET – LIMITED TO 3 PAGES ONLY:** Describe the **Challenge, Solution, and Benefits** of the project. State clearly and concisely what difference the project has made. Use Arial 12 point font

**Challenge:** HACoLA is responsible for ensuring that more than 24,000 families within Los Angeles County, assisted through rental housing programs comply with federal, state, and local rules and regulations. However, there is no HUD prescribed method of reporting or system to provide PHAs the means to precisely detect fraud or crime in rental housing programs. In 2010, HACoLA began reviewing its program compliance methods which included an anonymous tip-based hotline and a team of field investigators who conducted home visits to validate allegations of criminal activity or program violations. The problem with these methods was twofold: the anonymous tips often lacked sufficient information to initiate thorough reviews and staffing the investigative unit was too costly. In fact, the field investigative unit was staffed at an annual cost of \$426,083. The challenge was establishing a process that upheld HACoLA’s legal and regulatory requirements, while considering cost savings and alternative solutions for the program compliance enforcement.

**Solution:** HACoLA already had an existing intergovernmental agreement and partnership in place with LASD, which made it easy to brainstorm how to create a fair and equal fraud and crime detection process. HACoLA is bound by the Privacy Act of 1974, which limits information sharing, and LASD is bound by disclosure laws, policies, and regulations governing its agency to ensure the public’s right to privacy. LASD processes all of Los Angeles County’s booking slips on behalf of more than 1,250 policing agencies that operate within the County, therefore, all arrests that occur within the County are captured by LASD’s database.

In March 2013, HACoLA launched the DCS, which automates the transfer of publicly available information, directly to HACoLA via an automated process that also cross matches arrest data against HACoLA’s assisted units. The DCS filters arrested individuals and arrests that occurred at households’ listed in HACoLA’s housing software system. As a result, DCS also aids in identifying unauthorized guests.

**Benefit:** The DCS is the first known arrest data transfer system in the PHA industry and is a forward thinking solution to the problem of maintaining integrity in the administration of housing assistance programs. Given the sensitive nature of information being received, the size and diverse population of Los Angeles County, and the scope of both LASD’s and HACoLA’s operations, the development of a neutral system that accurately meets HACoLA’s needs is truly unique and offers an efficient and effective alternative to previous program compliance methods.

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The DCS was developed in-house by HACoLA's Information Technology Department, yielding no additional costs. The launch of DCS created a shift in method of operation which eventually led to the elimination of the field investigative staff. The DCS replaced the work previously conducted by the field investigative staff, yielding a savings of employees' salaries, which totaled approximately \$426,083 per year. Lastly, because HACoLA already had an intergovernmental agreement in place with LASD, the agreement was simply amended to include access to data with no additional costs to HACoLA.

The creation of the electronic arrest data transfer system met its objective in that it effectively filtered out non-disclosable information and efficiently cross matched arrests for HACoLA program participants and subsidized households. As a condition of receiving housing assistance, HACoLA participants must abide by its zero tolerance policy in regard to drug related and violent criminal activity.

Since its inception in March 2013, through the end of last Fiscal Year (June 30, 2015), DCS generated a total of 989 cases with varying degrees of violations. Of the 989, 198 families that were seriously non-compliant with program rules and regulations were terminated. However, the termination of benefits to non-compliant families was not the only goal of the program. HACoLA also sought to utilize this tool as a means to encourage families to correct low-level criminal behavior before it escalated to a degree that required the termination of benefits. HACoLA reached out to 530 families found to be involved with low level criminal activity and counseled them about the possible consequences of further criminal behavior. Ultimately, 96 of the total families were counseled and permitted to remove the perpetrator from their household composition as a condition of maintaining their subsidized housing assistance and 165 were found compliant or unfounded.

DCS also provides an excellent opportunity to dispel myths and stigmas related to subsidized housing and its contributions to increase in crime in local communities because the actual percentage of arrests of HACoLA participants is extremely low. Far too often, communities throughout the nation have tried to make a correlation between increases in crime and subsidized housing programs. PHAs have faced tough questions regarding the perceived harm that rental subsidy programs have created in their local communities. DCS provides a means to dispel this correlation by offering hard facts about the true level of crime within rental subsidized and public housing households. With this information, HACoLA can speak to the actual low levels of crime from program participants from a position of fact rather than perception.

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**LINKAGE TO THE COUNTY STRATEGIC PLAN (DETAIL IS REQUIRED FOR COUNTY DEPARTMENTS): Use Arial 12 point font**

Not applicable as HACoLA is not a County Department.

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**COST AVOIDANCE, COST SAVINGS, AND REVENUE GENERATED (ESTIMATED BENEFITS TO THE COUNTY):** If you are claiming cost benefits, include a calculation on this page. You must include an explanation of the County cost savings, cost avoidance or new revenue that matches the numbers in the box. Remember to keep your supporting documentation. Use Arial 12 point font

**Cost Avoidance:** Costs that are eliminated or not incurred as a result of program outcomes.

**Cost Savings:** A reduction or lessening of expenditures as a result of program outcomes.

**Revenue:** Increases in existing revenue streams or new revenue sources to the County as a result of program outcomes.

(1) ACTUAL/ESTIMATED ANNUAL COST AVOIDANCE	(2) ACTUAL/ESTIMATED ANNUAL COST SAVINGS	(3) ACTUAL/ESTIMATED ANNUAL REVENUE	(1) + (2) + (3) TOTAL ANNUAL ACTUAL/ESTIMATED BENEFIT	SERVICE ENHANCEMENT PROJECT
\$	\$426,083	\$	\$ 426,083	<input type="checkbox"/>

The elimination of the field investigators provided an annual salary and benefits savings of \$426,083 to HACoLA.