



Community Redevelopment Agency
of the CITY OF LOS ANGELES

DATE / **NOV 16 2006**

FILE CODE /

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CRA File No. 5028
Council District 3
Contact Person: Leslie Lambert
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Honorable Council of the City of Los Angeles
John Ferraro Council Chamber
200 N. Spring Street
Room 340, City Hall
Los Angeles, CA. 90012

Attention: Alan Alietti, Office of the City Clerk

COUNCIL TRANSMITTAL:

Transmitted herewith, is a Board Memorandum, adopted by the Agency Board on November 16, 2006, for City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

AMEND CONTRACT NO. 502523 WITH LOS ANGELES NEIGHBORHOOD HOUSING SERVICES, INC., AS AMENDED, BY INCREASING THE AMOUNT BY \$1,080,000, FROM \$2,240,000 TO \$3,320,000, TO PROVIDE AN ADDITIONAL \$1,000,000 IN RESEDA-CANOGA PARK HOUSING TRUST FUNDS FOR THE COUNCIL DISTRICT 3 FIRST TIME HOMEBUYERS' PROGRAM AND PLANNING AND IMPLEMENTING THE COMMUNITY PRIDE PROGRAM FOR RESIDENTIAL NEIGHBORHOOD IMPROVEMENTS, ADOPT THE JOINT FINDING OF BENEFIT TO PERMIT EXPENDITURE OF RESEDA-CANOGA PARK HOUSING TRUST FUNDS, IN AN AMOUNT NOT TO EXCEED \$1,000,000, OUTSIDE THE BOUNDARIES OF THE PROJECT AREA FOR THE COUNCIL DISTRICT 3 FIRST TIME HOMEBUYERS' PROGRAM, AND AMEND THE ADOPTED FY07 BUDGET AND WORK PROGRAM TO TRANSFER \$1,080,000 FROM RP1990 (RESPONSE TO HOUSING OPPORTUNITIES) TO RP1030 (FIRST TIME HOMEBUYERS' PROGRAM) WEST VALLEY REGION (CD3)

RECOMMENDATION

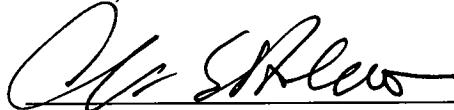
That City Council approve the recommendation(s) on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

The proposed action does not constitute a "project" as defined by the California Environmental Quality Act ("CEQA").

FISCAL IMPACT STATEMENT

There is no fiscal impact to the City's General Fund, as a result of this action.



Cecilia V. Estolano, Chief Executive Officer

cc: Alan Alietti, Office of the City Clerk (Original & 3 copies-three hole punched)
Annemarie Sauer, Nancy Duong, Office of the CAO
Paul Smith, Ivania Sobalvarro, Office of the CLA
Adriana Martinez, Office of the Mayor
Noreen Vincent, Office of the City Attorney

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CA

MEMORANDUM

10

DATE: NOVEMBER 16, 2006

RP1030
RP1990

TO: AGENCY COMMISSIONERS

FROM: CECILIA V. ESTOLANO, CHIEF EXECUTIVE OFFICER

RESPONSIBLE
PARTY: LESLIE LAMBERT, REGIONAL ADMINISTRATOR

SUBJECT: AMEND CONTRACT NO. 502523 WITH LOS ANGELES NEIGHBORHOOD HOUSING SERVICES, INC., AS AMENDED, BY INCREASING THE AMOUNT BY \$1,080,000, FROM \$2,240,000 TO \$3,320,000, TO PROVIDE AN ADDITIONAL \$1,000,000 IN RESEDA-CANOGA PARK HOUSING TRUST FUNDS FOR THE COUNCIL DISTRICT 3 FIRST TIME HOMEBUYERS' PROGRAM AND PLANNING AND IMPLEMENTING THE COMMUNITY PRIDE PROGRAM FOR RESIDENTIAL NEIGHBORHOOD IMPROVEMENTS, ADOPT A JOINT FINDING OF BENEFIT TO PERMIT EXPENDITURE OF RESEDA-CANOGA PARK HOUSING TRUST FUNDS, IN AN AMOUNT NOT TO EXCEED \$1,000,000, OUTSIDE THE BOUNDARIES OF THE PROJECT AREA FOR THE COUNCIL DISTRICT 3 FIRST TIME HOMEBUYERS' PROGRAM, AND AMEND THE ADOPTED FY07 BUDGET AND WORK PROGRAM TO TRANSFER \$1,080,000 FROM RP1990 (RESPONSE TO HOUSING OPPORTUNITIES) TO RP1030 (FIRST TIME HOMEBUYERS' PROGRAM)
WEST VALLEY REGION (CD3)

RECOMMENDATIONS

That the Agency and the City Council:

1. Adopt the Joint Finding of Benefit Resolution (Attachment B) to allow the Agency to use up to \$1,000,000 of Reseda-Canoga Park Low and Moderate Income Housing Trust Funds outside the boundaries of the Project Area within the area shown on the Location Map (Attachment A); and

That the Agency, subject to City Council review and approval:

2. Authorize the Chief Executive Officer or designee to execute an Amendment to Contract No. 502523 with Los Angeles Neighborhood Housing Services, Inc., as amended, by increasing the contract amount by \$1,080,000, from \$2,240,000 to \$3,320,000, and planning and implementing the Community Pride Program; and

3. Amend the Agency's adopted FY07 Budget and Work Program to transfer \$1,080,000 from RP1990 (Response to Housing Opportunities) to RP1030 (First Time Homebuyers' Program).

SUMMARY

Approval of the recommended actions will enable continuation and expansion of the Council District 3 First Time Homebuyers' Program (FTHB Program). To date ten low and moderate income households have purchased dwellings and two additional families are in escrow. It is anticipated that the current funding level of \$1,000,000 for Agency-financed silent second trust deed mortgages will be depleted by December 1, 2006. The additional funding requested will allow for purchase of homes by at least five families, depending on the amount of the silent second trust deed mortgage required for affordability. Staff believes that current conditions in the residential real estate market are conducive to increasing opportunities for first time homebuyers, hopefully with less Agency financial participation than has been necessary in the past few years of implementation of the FTHB Program.

In order to provide this additional funding the Agency and City Council must adopt a Joint Finding of Benefit Resolution to allow for use of \$1,000,000 of Reseda-Canoga Park Low and Moderate Income Housing Funds outside of the Project Area. The proposed Resolution is attached as Attachment B. The use of Low and Moderate Income Housing Funds outside a Project Area is permitted by Section 33334.2 (g)(1) of the California Health and Safety Code provided that the Agency and City Council adopt a resolution finding the use of said funds will be of benefit to the Project Area. Staff recommends that both the Agency and City Council adopt the resolution in accordance with this statutory requirement. The Agency and the City Council adopted a Finding of Benefit in March and April of 2005 respectively to allow for the expenditure of up to \$1,000,000 outside the Project Area for the FTHB Program. The proposed Finding of Benefit will supplement the previous resolution and will also clarify the boundaries within which the Low and Moderate Income Housing Funds may be spent: Roscoe Boulevard on the north, Louise Avenue on the east, Victory Boulevard on the south except where the Project Area boundaries are south of Victory Boulevard, and Shoup Avenue on the west. A map of these boundaries is attached as Attachment A.

In addition to increasing the contract amount, staff is proposing that a new community improvement program be added to the contract to be administered by Los Angeles Neighborhood Housing Services (LA-NHS). The purpose of the proposed Community Pride Day Program is to upgrade the appearance of the area's residential neighborhoods by providing free exterior paint, landscaping, minor exterior repairs, and technical assistance to low and moderate income homeowners. To ensure that the exteriors of the dwellings are painted properly, a licensed contractor must perform the necessary preparatory work, i.e. sanding, cleaning, and priming the exterior surface. LA-NHS, which is experienced in providing these services, will plan and implement the program, including completing all preparatory work. LA-NHS has conducted nine Community Pride Days in the Pacoima community.

The estimate per dwelling is \$8,000, depending on the size of the home and the preparatory work needed. Of the proposed contract increase, \$80,000 will be earmarked for planning and implementing two Community Pride Days, one in Canoga Park and one in Reseda. Functions to be performed by LA-NHS include outreach and homeowner counseling, preparing the dwellings for painting using a licensed contractor, event organizing and volunteer recruitment, securing necessary permits for street closures, executing agreements with participating homeowners, ensuring that all infrastructure is there on the days of the events, and providing insurance for the contractor and any volunteers. The painting is performed by community volunteers on the day of the event. The Los Angeles Conservation Corps will be asked to participate for the purpose of planting trees in the yards of homes to be improved.

Participation is generally limited to low and moderate income owners of single family homes. However, tenants of single family homes may also be eligible depending upon the willingness of the property owner to participate and the condition of the dwelling.

Finally, an amendment of the adopted FY07 Budget and Work Program to transfer \$1,080,000 from RP1990 (Response to Housing Opportunities) to RP1030 (First Time Homebuyers' Program) is necessary to implement the contract amendment.

RE

October 6, 2005 – Board approval to increase Contract No. 502523 by \$1,000,000 and adoption of a Joint Finding of Benefit Resolution #6903.

November 5, 2005 – Council approval of Board action and adoption of the Joint Finding of Benefit Resolution.

SOURCE OF FUNDS

Reseda-Canoga Park Low and Moderate Income Housing Funds.

PROGRAM AND BUDGET IMPACT

Approval of this action is consistent with the adopted FY'07 Reseda-Canoga Park Work Program and Budget although at an increased dollar amount. Sufficient funds exist to implement the contract amendment by effecting the recommended transfers. Since Objective RP1990 (Response to Housing Opportunities) is a line item to place housing funds pending the identification of specific uses, this transfer is consistent with the intent of Objective RP1990.

ENVIRONMENTAL REVIEW

The proposed actions are not a "project" as defined by the California Environmental Quality Act ("CEQA").

BACKGROUND

The Council District 3 First Time Homebuyers' Program (CD3 FTHB) offers eligible low- and moderate-income households the opportunity to purchase a single family home or condominium in the Reseda, Canoga Park or Winnetka community within the boundaries of Council District 3. The Reseda/Canoga Park Project and its surroundings contain many neighborhoods with single-family homes, which are often renter-occupied and in deteriorated condition. It has been demonstrated that increasing homeownership in neighborhoods upgrades the condition of the housing supply, increases housing opportunities for low- and moderate-income residents, and stabilizes the community. These are the objectives of the FTHB Program.

The Council District 3 First Time Homebuyers' Program is being implemented by the Los Angeles Neighborhood Housing Services (LA-NHS), which is a nonprofit corporation involved exclusively in homeownership programs for low and moderate income buyers. The Agency selected LA-NHS through a competitive process in 2003.

A qualified buyer must provide a downpayment based upon their income level, i.e. very low income buyers must provide at least a 1% downpayment, low-income buyers must contribute a 3% downpayment, and moderate-income buyers must provide a 5% downpayment. Agency funds may not be used for the downpayment but may be used to cover closing costs.

Additionally, the buyer must execute and record a Promissory Note, which is secured by a Second Deed of Trust. They must also record an Agreement Containing Covenants on the unit.

The Council Office has expressed its support for this program.

Cecilia V. Estolano

Chief Executive Officer

By:

A handwritten signature in black ink, appearing to read "Glenn Wasserman", written over a horizontal line.

Glenn F. Wasserman
Chief Operating Officer

There is no conflict of interest known to me, which exists with regard to any Agency officer or employee concerning this action.

Attachment A
Attachment B

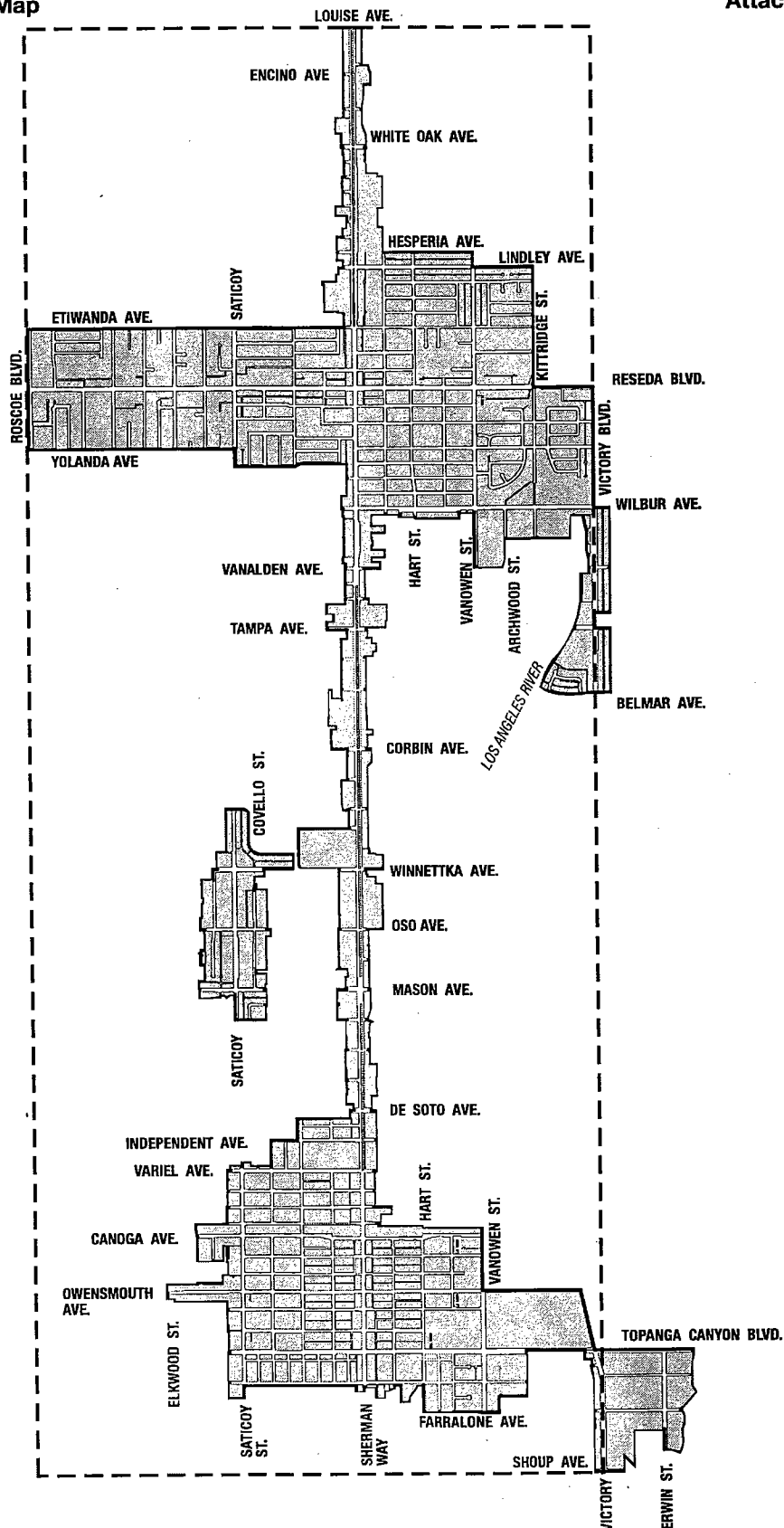
Council District 3 FTHB Program Boundaries
Finding of Benefit Resolution

Reseda / Canoga Park Recovery Redevelopment Project Area

CRA/LA

Location Map

Attachment "A"



ATTACHMENT ``B``

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS
ANGELES, CALIFORNIA AND THE CITY COUNCIL OF THE CITY OF LOS
ANGELES, CA

RESOLUTION NO. _____

A JOINT RESOLUTION OF THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF LOS
ANGELES, CALIFORNIA AND THE CITY COUNCIL
OF THE CITY OF LOS ANGELES, CALIFORNIA
FINDING THAT THE USE OF EARTHQUAKE
DISASTER ASSISTANCE PROJECT FOR PORTIONS
OF COUNCIL DISTRICT 3 LOW AND MODERATE
INCOME HOUSING FUNDS FOR THE COUNCIL
DISTRICT 3 FIRST TIME HOMEBUYERS'
PROGRAM WILL BE OF BENEFIT TO THE
EARTHQUAKE DISASTER ASSISTANCE PROJECT
FOR PORTIONS OF COUNCIL DISTRICT 3

WHEREAS, The Community Redevelopment Agency of the City of
Los Angeles, California (the ``Agency'') has established the
Earthquake Disaster Assistance Project for Portions of
Council District 3 (Reseda-Canoga Park) Housing Fund and has
deposited therein tax increment revenues received by the
Agency from the Earthquake Disaster Assistance Project for
Portions of Council District 3 (the ``Reseda-Canoga Park
Project'') to be used for the purposes of improving,
increasing and preserving the community's supply of low- and
moderate-income housing available at affordable housing

cost, pursuant to Section 33334.2 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, Health and Safety Code Section 33334.2(g) provides that the Agency may use such Housing Funds outside of the Reseda-Canoga Park Project Area if a finding is made by resolution of the Agency and the City Council that such use will be of benefit to the Reseda-Canoga Park Project; and

WHEREAS, pursuant to Health and Safety Code Section 33334.6, the California Legislature has found and declared that the provision and improvement of affordable housing as provided by Section 33334.2 outside of a redevelopment project area can be of benefit to the project area; and

WHEREAS, one of the purposes of the Reseda-Canoga Park Project is to increase homeownership opportunities available to low- and moderate-income families or persons; and

WHEREAS, the Agency has established the Council District 3 First Time Homebuyers Program for the purpose of increasing homeownership opportunities for eligible low- and moderate-income families and persons; and

WHEREAS, it has been demonstrated that there is an inadequate supply of affordable single family dwelling units within the Reseda-Canoga Park Project; and

WHEREAS, it is necessary to increase the supply of affordable single family dwelling units in order to effectively implement the Council District 3 First Time Homebuyers' Program; and

WHEREAS, the Agency and the City Council adopted a Joint Resolution finding it of benefit to use up to \$1,000,000 of Reseda-Canoga Park Project Housing Funds outside the boundaries of the Project Area for the purpose of increasing homeownership opportunities on March 17, 2005 and April 20, 2005 respectively; and

WHEREAS, additional funding, in an amount not to exceed \$1,000,000 of Reseda-Canoga Park Project Housing Funds, is necessary to continue implementation of the Council District 3 First Time Homebuyers' Program.

NOW, THEREFORE, THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, AND THE CITY COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA DO HEREBY RESOLVE AS FOLLOWS:

1. The Agency and the City Council hereby find, determine and resolve that the use of up to \$1,000,000 of Reseda-Canoga Park Project Housing Funds outside of the Reseda-Canoga Park Project Area is necessary to meet the purpose of increasing homeownership opportunities for eligible low- and moderate- income families and persons and is therefore of benefit to the Reseda-Canoga Park Project. The boundaries within which these Funds may be used are defined by Roscoe Boulevard on the north, Louise Avenue on the east, Victory Boulevard on the south, except where the Project Area boundaries are south of Victory Boulevard, and Shoup Avenue on the west.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2006

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Los Angeles, California, at its regular meeting held _____, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Los Angeles on this ___ day of _____, 2006

Frank T. Martinez, City Clerk

By: _____

Deputy