

REPORT FROM

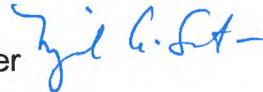
OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 30, 2016

CAO File No. 0220-00540-1195
Council File No. 14-1662
Council District: 1, 2, 7, 8, 9, and 10

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Housing and Community Investment Department transmittal dated June 14, 2016; Received by the City Administrative Officer July 22, 2016; Additional information received August 16, 2016

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT (HCID) REQUEST TO UTILIZE \$525,000 IN PROGRAM INCOME FOR PROPERTY MANAGEMENT EXPENSES RELATED TO SITES TRANSFERRED FROM THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, Housing and Community Investment Department (HCID), or designee, to:
 - a. Expend \$675,000 in program income received from Community Redevelopment Agency of the City of Los Angeles (CRA/LA) projects to pay invoices for property management costs including security, electricity, water, fire service charges, signage, and maintenance for 22 former CRA/LA sites;
 - b. Prepare Controller's instructions, and any necessary technical adjustments, consistent with the actions of the Mayor and Council, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions;
2. Authorize the Controller to:
 - a. Establish new accounts and appropriate funds totaling \$675,000 within Low and Moderate Income Housing Fund No. 55J as shown below:

Account	Title	Amount
43N140	General Services	\$ 296,000
43N143	HCIDLA	26,000
43N447	Security	353,000
TOTAL		\$ 675,000

- b. Appropriate funds totaling \$296,000 within Fund No. 100/40 as follows:

Account	Title	Amount
001014	Construction Salaries	\$ 177,600
003180	Construction Materials	118,400
TOTAL		\$ 296,000

- c. Appropriate \$26,000 within Fund No. 100/43, Account No. 003340 Water and Utilities; and,
- d. Expend funds upon proper written demand of the General Manager, HCID, or designee.

SUMMARY

The Housing and Community Investment Department (HCID) requests approval to utilize \$675,000 in program income to pay for property management expenses for housing assets transferred from the former Community Redevelopment Agency of Los Angeles (CRA/LA) to HCID as the Housing Successor to the former CRA/LA. The requested program income was received from former CRA/LA projects transferred to HCID as the Housing Successor Agency to the former CRA/LA. The HCID also requests authorization for the Controller to establish accounts within Low and Moderate Income Housing Fund (LMIHF) No. 55J, and to appropriate funds within the new accounts. There will be no impact to the General Fund as a result of these actions. This Office is in concurrence with the HCID recommendations as amended based on additional information received from the Department.

BACKGROUND

On August 1, 2016, subsequent to the release of the HCID report, there was a structural fire at a vacant medical office located on one of the former CRA/LA project sites transferred to HCID and the Department of Building and Safety has designated the structure for demolition. Based on demolition cost estimates received from the General Services Department (GSD), the HCID requested that this Office include adjusted recommendations for increased appropriations from the LMIHF in the amount of \$150,000 to finance the demolition of the vacant medical office by GSD. This change has no impact on the General Fund as the additional requested funding is provided by program income from the LMIHF.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund as a result of the recommendations of this report. Funding to provide security, maintenance, and utilities services for the former CRA/LA housing assets is provided by program income from the former CRA/LA. The recommendations of this report comply with City Financial Policies, in that funding for the recommended services is available within the identified special funds.

MAS:NSC:02170026C