

TRANSMITTAL

To:

THE COUNCIL

Date: 5/11/2017

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

Community Services & Development Bureau
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April 24, 2017

Council File: 09-0318-S1/LAAC 14.8
Council District: 14
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Honorable Eric Garcetti
Mayor, City of Los Angeles
200 North Spring Street, Room 303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL TO CONVERT URBAN DEVELOPMENT ACTION GRANT (UDAG) LOAN REPAYMENT STRUCTURE FROM CASH PAYBACK TO SERVICE PAYBACK REGARDING GIRLS TODAY WOMEN TOMORROW, CONTRACT NUMBER C-115332

Summary

The Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests authorization to amend Contract Number C-115332, relative to the \$500,000 loan of Federal Urban Development Action Grant (UDAG) Miscellaneous Program Income funds made to Girls Today Women Tomorrow (GTWT) for the purpose of converting the cash repayment of the remaining loan balance from the current cash-payback to a service-payback structure.

Since 2009, HCIDLA has conducted ongoing quarterly desk reviews and twice-yearly site visits of GTWT's program delivery, documenting that GTWT has continuously been in good standing in the provision of the contracted services and in consistently meeting, if not exceeding, their contracted quarterly service goals. Accordingly, expedited approval of this loan conversion and awarding retroactive service credit to January 1, 2015 is respectfully requested.

Recommendations

The General Manager of the Los Angeles Housing + Community Investment Department respectfully requests that:

1. This transmittal be scheduled for consideration at the next available meeting(s) of the appropriate Committee(s) of the City Council and forwarded to the City Council for review and approval immediately thereafter;
2. The City Council, subject to the approval of the Mayor:

- A. Authorize the General Manager, HCIDLA, or his designee, to amend Contract Number C-115332 and accompanying Promissory Note to reflect the new service-payback loan repayment structure for the remaining loan balance of \$190,000.00;
- B. Authorize an annual flat rate service payback amortization for the UDAG loan (Contract Number C-115332) of \$100,000 per year;
- C. Authorize the General Manager, HCIDLA, or his designee, to retroactively apply the annual flat rate service payback amortization of \$100,000 per year to the UDAG loan (Contract Number C-115332) – the retroactive service payback amortization rate will begin January 1, 2015, and will fully amortize the balance of the loan as of December 31, 2016; and,
- D. Authorize the General Manager, HCIDLA, or his designee, to immediately re-convey the Deed of Trust to GTWT.

Background

Girls Today Women Tomorrow (GTWT) is a 501 (c) (3) nonprofit organization, founded in 1996 as an after-school club with the mission of providing programs specifically focused to teen-aged girls. Annually, GTWT's Community Empowerment Center provides direct services to more than 200 local girls; general outreach is estimated to touch approximately 1,500 additional girls through school presentations, resource fairs and small-group workshops. Programs include education, wellness, leadership and service training.

In April 2009, the Community Development Department (now Los Angeles Housing + Community Investment Department) provided a short-term cash-payback loan of Federal UDAG Miscellaneous Program Income funds in the amount of \$500,000 to GTWT, pursuant to Los Angeles City Contract Number C-115332. This loan assisted in the acquisition of the property located at 1927 East 2nd Street in the Boyle Heights community of Los Angeles, in Council District 14, for use as its administrative office and for the operation of the GTWT Community Empowerment Center. To date, \$310,000 of the UDAG loan has been repaid in cash with funds derived from various Federal, State and private grant-funding sources; the remaining loan balance is \$190,000. Federal Tax Returns demonstrate that GTWT has been experiencing an ongoing budget deficit since 2013.

HCIDLA seeks to amend the Promissory Note for the purpose of restructuring the repayment of the \$190,000 loan balance from the current cash-payback to a service-payback structure.

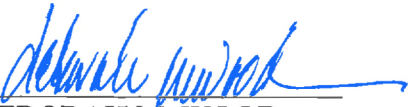
Since Contract execution in 2009, HCIDLA conducts ongoing quarterly desk reviews and twice-yearly site visits of GTWT's program delivery, documenting that GTWT has continuously been in good standing in the provision of the contracted services and in consistently meeting, if not exceeding, their contracted quarterly service goals.

HCIDLA also seeks to award service-payback credit, pursuant to the valuation of the services provided, i.e., \$100,000 per year, retroactively to January 1, 2015. Such action will fully amortize the loan balance of \$190,000 as of December 31, 2016. As such, HCIDLA would re-convey the Deed of Trust on the property to GTWT.


General Fund Fiscal Impact

There is no fiscal impact to the General Fund.


Reviewed by:


DEBORAH M. WOOD
Assistant Chief Grants Administrator
Program Operations Division

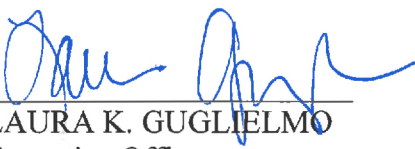
Reviewed by:


CURTIS R. WATTS
Chief Management Analyst
Program Operations Division


Reviewed by:


ABIGAIL R. MARQUEZ
Assistant General Manager
Community Services and Development Bureau

Reviewed by:


LAURA K. GUGLIELMO
Executive Officer

Approved by:


RUSHMORE D. CERVANTES
General Manager