

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your **HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT** Committee

reports as follows:

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to Council oversight for the Housing Authority of the City of Los Angeles (HACLA).

A. SUBMITS WITHOUT RECOMMENDATION the following recommendations of the Chief Legislative Analyst (CLA):

1. INSTRUCT the Chief Legislative Analyst (CLA) to work with the City Attorney to prepare and present an amendment to the HACLA Cooperation Agreement (Los Angeles City Charter Article 5 Section 8.110) with the following protocols and submit it to the Council for final approval within 30 days:
 - a. Forward to each Councilmember all Board of Commissioner posted agendas.
 - b. Remove from HACLA agendas, any items requested by Council for review.
 - c. Upon a Councilmember request, submit for Council review any items scheduled on any HACLA agendas.
 - d. Be available to present to Council and its Committees.
2. INSTRUCT the CLA, with the assistance of HACLA, to monitor the effectiveness of the proposed HACLA reporting procedures and report in one year to Council with recommendations.

B. SUBMITS WITHOUT RECOMMENDATION the following recommendations of Councilmembers Alarcón and Perry:

1. INSTRUCT the CLA to include in the amended HACLA Cooperation Agreement a time limit of 30 days for Council to review HACLA items.
2. INSTRUCT the CLA, with the assistance of the City Attorney, to include within the protocol a procedure for review of time-sensitive items, such as the HACLA annual budget, that are governed by federal time-limit requirements.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on May 30, 2012, the Housing, Community and Economic Development (HCED) Committee considered a CLA report dated May 25, 2012 relative to oversight of the Housing Authority of the City of Los Angeles (HACLA) by the Council, pursuant to Council Action of October 23, 2009 as initiated by Motion (Perry – Garcetti) (Council File [CF] [09-1731](#)) and pursuant to Motion (Alarcón – Huizar) (CF 11-2105).

Motion (Perry – Garcetti) (CF 09-1731) originally requested the City Attorney, with the assistance of the CLA, to prepare and present an oversight ordinance relative to HACLA and that it be modeled upon an existing CRA/LA oversight ordinance. However, in a report dated October 13, 2009, the CLA advised Council that HACLA is considered a state entity under California Health and Safety Code and as such is not subject to direct oversight by the City. Instead, the CLA recommended an amendment to the existing Cooperation Agreement between the City and HACLA to provide the City with authority to review and influence decisions by the Board of Commissioners that governs HACLA. On October 23, 2009, Council instructed CLA to negotiate an amendment to the Cooperation Agreement with HACLA and to report back.

Subsequently, on December 13, 2011, Motion (Alarcón – Huizar) (CF 11-2105) was introduced that requested the CLA, with the assistance of the City Attorney, to report relative to including HACLA under the purview of Section 245 of the City Charter and the process needed to effectuate such a change. Pursuant to Council Action initiated by Motion (Perry – Garcetti) (CF [09-1731](#)) and pursuant to Motion (Alarcon – Huizar) (CF 11-2105), the CLA prepared a report dated May 25, 2012 responding to both Motions (as well as another related Motion [Garcetti – Perry – Zine], CF 09-1731-S1).

During the HCED Committee meeting of May 30, 2012, representatives of the CLA and the City Attorney, and the General Manager of HACLA, appeared before the Committee to discuss the Motions and the CLA's report, and to respond to related questions. The CLA reported that based on consultation with the City Attorney and HACLA, any oversight structure that provided the Council authority to directly approve HACLA items, including placing HACLA under the purview of City Charter Section 245, would subject the City to liability. The CLA stated that its report contained several options relative to oversight of HACLA matters, however it ultimately recommended Council instruct the CLA to work with the City Attorney to draft an amendment to the current HACLA Cooperation Agreement to include a protocol for: Council review of all agendas for HACLA Board of Commissioners (Board) meetings, removal from HACLA Board agendas of any items requested for Council review, submission upon request to Council for review of items scheduled on HACLA Board agendas, and that HACLA officials be available to present to Council and its Committees.

The Committee requested clarification from the City Attorney regarding the level of liability the City would have based on the recommendations in Motions (Perry – Garcetti) (CF 09-1731) and (Alarcón – Huizar) (CF 11-2105). The City Attorney reported that HACLA is a state chartered entity and as such the City is currently not liable for any of HACLA's actions, however, once the Council takes any direct oversight role over HACLA matters, the City would have a certain level of liability. Of the two options presented in the CLA's report for Council action, the City Attorney stated that the first option of negotiating Council's ability to review HACLA Board matters through an amendment to the HACLA Cooperation Agreement as recommended by the CLA would not pose any additional liability to the City. However, the Committee questioned whether the removal of items from HACLA Board agendas for Council review, as proposed by the CLA's recommended protocol, rises from the level of a request to an instruction, and if so, whether

such review would present any liability to the City. The City Attorney advised the Committee that the City would have liability for oversight of HACLA matters if the Council dissolves the HACLA Board and assumed direct oversight over HACLA, as presented in the second option of the CLA's report.

The new General Manager of HACLA was then asked to comment on the CLA's recommendations. The General Manager advised the Committee that HACLA was in support of the CLA's recommendations and agreed that HACLA will provide the Council with HACLA Board agendas in advance, so that if there are any items of concern or questioned by the Council, the Council would have the ability to request the HACLA Board table the item or defer it. Additionally the General Manager expressed willingness to have a regular relationship with the Council, and to appear before HCED Committee on a regular basis and provide regular reports. HACLA would prefer this level of oversight rather than the Council making formal decisions since that option would open up the issue of liability on the part of the City.

After further discussion of the matter, the Committee Chair was still concerned that the protocol for identifying items for review by Council and requesting that they be pulled from the HACLA Board agenda could be construed as an instruction or requirement, rather than a request (and as such could potentially expose the City to liability). Additionally, concern was expressed by the other members of the Committee that were present, and HACLA, that Council could potentially indefinitely delay items it had identified for further review and consideration, and that some HACLA items, such as its annual budget, which are governed by federal requirements relative to approval within fixed time limits, could be jeopardized by a delay in Council's review.

A vote was then taken on the matter with the Committee Chair, Councilmember Cárdenas, recommending disapproval of the CLA recommendations to amend the HACLA Cooperation Agreement to establish a protocol for Council review of HACLA items, and Committee members, Councilmembers Alarcón and Perry, voting to approve the CLA recommendations as amended to also: 1) require a time limit of 30 days for Council to consider HACLA items it identified for further review or the items would be deemed waived for consideration by Council, and, 2) request that the City Attorney and the CLA work together to draft and include in the protocol language relative to procedures for review of time sensitive items such as the HACLA annual budget.

After further consideration and after having provided an opportunity for public comment, the Committee submits the matter without recommendation as amended, pursuant to Council Rules 69 and 71. This matter is now submitted to Council for its consideration.

Respectfully submitted,

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CARDENAS:	YES
REYES:	ABSENT
WESSON:	ABSENT
ALARCON:	YES
PERRY:	YES

REW
6/7/12
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