

TRANSMITTAL

To:

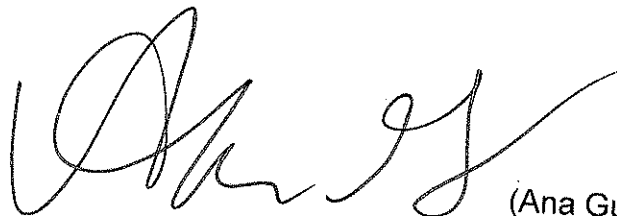
THE COUNCIL

Date: OCT 09 2013

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



ERIC GARCETTI
Mayor

(Ana Guerrero)



OFFICE OF THE MAYOR
RECEIVED



2013 OCT -3 PM 1:14

Eric Garcetti, Mayor
Mercedes M. Márquez, General Manager

CITY OF LOS ANGELES

September 26, 2013

Council File: 11-1371
Council District: All
Contact Person(s):
Franklin Campos (213) 808-8651
Claudia Monterrosa (213) 808-8650

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR VARIOUS ACTIONS RELATIVE TO THE CONTINUATION AND CLOSE-OUT OF THE JOHN D. AND CATHERINE T. MACARTHUR FOUNDATION GRANT

SUMMARY

The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office process this transmittal for Mayor and City Council review and approval. On February 2009, the former Los Angeles Housing Department (LAHD) received a \$700,000 grant from the John D. and Catherine T. MacArthur Foundation (Foundation) to be used over an initial three year period, from January 1, 2009 through December 31, 2011 (Council File #08-0952). A two year no-cost extension of the grant term was approved to complete the grant deliverables as well as embark on new grant approved initiatives through December 31, 2013 (Council File #11-1371). Throughout the grant period, funds have been used to further enhance the Department's assisted affordable housing preservation strategies. The Department's transmittal addresses authority to continue the implementation of the grant.

The HCIDLA requests authority to re-appropriate \$107,982.99 in previously approved funds to continue its affordable housing preservation strategies, direct more resources towards the preservation of affordable rental housing, and fully expend funds in support of its Affordable Housing Preservation Program (AHPP).

There is no impact on the General Fund.

RECOMMENDATIONS

The General Manager, HCIDLA, respectfully recommends:

A. That your office schedule this transmittal at the next available meeting of the appropriate City Council committee(s) for review and forward it to the City Council for review and approval immediately thereafter;

B. That the City Council:

1. Authorize the Controller to establish accounts and transfer special fund and Housing Fund 100/43 appropriations for the Affordable Housing Preservation Program as follows:-

a. Establish new accounts within the HCIDLA Small Grants and Awards Fund No. 49N Fiscal Year 2013-14 as follows:

<u>Account No.</u>	<u>Account Name</u>
43K143	Housing
43K299	Related Cost

b. Transfer appropriations within the HCIDLA Small Grants and Awards Fund No. 49N Fiscal Year 2013-14 as follows:

From:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43F143	Housing	\$1,962.28
43G143	Housing	\$6,378.64
43H143	Housing	\$8,718.60
43J143	Housing	\$20,013.10
43J244	Admin Reserve	<u>\$70,910.37</u>
		\$107,982.99

To:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43K143	Housing	\$86,164.99
43K299	Housing	<u>\$21,818.00</u>
		\$107,982.99

- c. Increase appropriations within Housing Fund No. 100/43, Fiscal Year 2013-14 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
001010	Salaries General	\$59,238.99
002130	Travel	\$10,000.00
006010	Office and Administrative	<u>\$16,926.00</u>
		\$86,164.99

- d. Expend funds from the funds and accounts specified above upon proper written demand by the HCIDLA General Manager, or designee, for grant program administration in accordance with applicable state and federal guidelines and all City rules, regulations and ordinances.

2. AUTHORIZE the General Manager, HCIDLA, or designee to prepare Controller instructions and make any necessary technical adjustments consistent with Council and Mayor actions on this matter, subject to the approval of the City Administrative Officer (CAO) and request the City Controller to implement these instructions.

C. That the Mayor concur with the action of the City Council.

BACKGROUND

Affordable Housing Preservation Program (AHPP)

In response to the loss of affordable rental housing units due to the expiration of affordability agreements, the Mayor and the City Council instructed the former LAHD to develop a comprehensive program to preserve the City's at-risk affordable housing stock. In 2004, the City Council approved the Affordable Housing Preservation Program (AHPP) (CF 03-0530-S2).

The AHPP proactively monitors the City's expiring affordable housing inventory through the at-risk Affordable Housing Database (AHD). The AHD is utilized to monitor and track expiring affordable restrictions as well as to assist in the analysis of housing policy and programs. There are approximately 69,000 affordable housing units in 1,900 developments within the City of Los Angeles, serving very-low, low and moderate-income households. These units are home to many of the City's poorest and most vulnerable residents. In the next 5 years, the rental subsidies for approximately 15,000 affordable housing units will expire, subsequently converting the rent to market rate. Most of the City's at-risk developments are owned by private for-profit entities and there are several factors that play a significant role in an owner's decision to extend the affordability restrictions on income-restricted projects.

The AHPP, in partnership with other City housing agencies, enforces notification requirements when affordability restrictions are expiring or terminated, and develops non-monetary tools that provide outreach and education on options available to owners, developers, managers and residents of at-risk housing. The AHPP staff convenes and participates in various state and local working groups to share information and develop preservation strategies. The AHPP leads the HCIDLA's department-wide preservation, efforts, activities and provides technical assistance.

John D. and Catherine T. MacArthur Foundation Grant

On May 9, 2008, the City Council authorized the LAHD and the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) to apply to the John D. and Catherine T. MacArthur Foundation Awards for State & Local Housing Preservation Leaders (CF 08-0952). These awards were part of the Foundation's Window of Opportunity Initiative, a national \$150 million, 10-year effort to preserve affordable rental homes across the nation. In addition, the Council authorized the agencies to accept and execute grant agreements with the Foundation if selected and funded.

On February 26, 2009, the Foundation awarded the City \$1 million dollars in grant funds to be used over a three year period, from January 1, 2009 through December 31, 2011 to enhance its affordable housing preservation efforts. The Foundation granted \$700,000 to the former LAHD and \$300,000 to the former CRA/LA. A two year no-cost extension of the former LAHD grant term was approved by the Foundation to complete grant deliverables and embark on new initiatives through December 31, 2013 (Council File #11-1371). The requests contained in this transmittal address the HCIDLA (then-LAHD) portion of the grant.

The goals and objectives of the approved grant were to enhance the AHPP by engaging in a robust data collection effort on affordable housing, develop criteria to identify and prioritize at-risk projects, enhance the owner and tenant outreach components, improve coordination with other City and financing agencies, hire program support staff and direct more resources toward preserving affordable rental housing, in accordance with the Foundation-approved grant.

GRANT IMPLEMENTATION

Over the last four years, the grant has been instrumental in facilitating the City's efforts to develop new policies and strategies that focus on the preservation of affordable housing. Over the last four years, preservation of affordable housing has been at the forefront of citywide housing program development and policy, and has culminated in several large scale grant and policy influencing initiatives that:

- Improved the coordination with other City and financing agencies to enhance and develop Citywide affordable housing preservation strategies;
- Enhanced at-risk affordable housing data tracking systems and strategies;
- Completed an at-risk assessment ranking criteria to prioritize and better predict and assess the risk of conversion to market-rate;

- Developed preservation strategies, and identified properties for targeted owner outreach and education;
- Implemented and expanded the AHPP tenant outreach and education component and outreached to approximately 8,000 families living in at-risk expiring housing units;
- Analyzed policies, processes and financial tools to streamline HCIDLA's preservation programs;
- Engaged and led affordable housing preservation policy discussions through interagency group meetings and two annual citywide Affordable Housing Preservation Summits;
- Commissioned a Transit-Oriented Districts (TODs) study to identify and prioritize areas for the preservation of existing affordable housing based on various housing indicators and proximity to transit; and
- Directed more staff resources towards the preservation of affordable rental housing.

The HCIDLA has to re-appropriate funds to continue implementing the grant. Therefore, the HCIDLA is requesting authority to continue implementing the grant and fully expend previously approved funds in support of the AHPP through the end of the current Fiscal Year, June 30, 2014. The funds will be used to pay for costs of staff assigned to administer the day-to-day operations of the AHPP (i.e., data collection, reporting, monitoring properties, trainings, office and administrative approved activities) and close-out of the grant.

POTENTIAL GRANT FUNDS

The Foundation has expressed their satisfaction with the completed grant initiatives resulting in the integration of preservation of affordable housing as a core element of citywide policy. Consequently, the HCIDLA and the Foundation are discussing the receipt of additional funds and/or a new grant to continue supporting current and/or new initiatives starting in 2014.

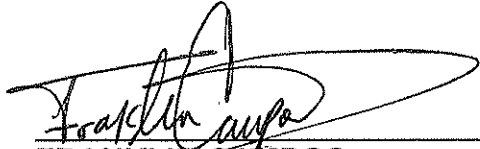
In the event that the Foundation awards additional grant funds, the HCIDLA will report back to the Mayor and Council via a transmittal to request the necessary authorities to appropriate any new funds to continue implementation of the grant and/or any new grant.

FISCAL IMPACT STATEMENT

There is no negative impact on the General Fund. These activities will continue to be fully supported by a grant from the John D. and Catherine T. MacArthur Foundation.

Prepared by:

Reviewed by:



FRANKLIN CAMPOS
Housing Planning and Economic Analyst



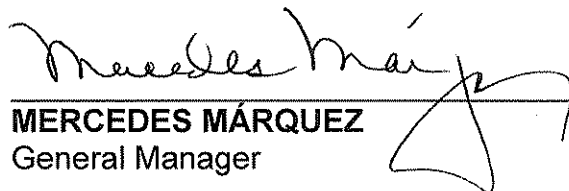
CLAUDIA MONTERROSA
Director, Policy and Planning Unit

Approved by:

Approved by:



RUSHMORE D. CERVANTES
Executive Officer



MERCEDES MARQUEZ
General Manager