

11-2105

DEC 13 2011

MOTION

Housing Authority of the City of Los Angeles (HACLA) defines its Mission to collaborate with residents and public, non-profit and private entities to create viable, healthy communities and to empower able residents to achieve financial independence. It proposes to achieve the above while maintaining strong internal controls and developing and maintaining a strong culture of mutual respect, fiscal responsibility, and ethical behavior by our employees, residents and other key stakeholders.

Division 8, Chapter 6, Section 8.105 of the City of Los Angeles Administrative Code provides for a Cooperative Agreement between the City of Los Angeles and the HACLA. The City and HACLA have a valid Cooperative Agreement, as amended.

Recent reports, including a preliminary audit report from the City Controller, demonstrate that there are "several serious concerns over multiple irregularities and indicate that HACLA appears to have an environment that allows the misuse and abuse of public funds. A comprehensive top to bottom review must be undertaken by my (Controller's) office to ensure that precious public funds are safeguarded."

These allegations and audits follow a significant number of fiscal and management crises, extremely poor management – tenant relationship, the unusual use of HACLA funds for certain employee personal travel and entertainment, and an extremely high payment of \$1.2 million to the Mr. Rudy Montiel upon his termination from HACLA.

Given the role of the City of Los Angeles in the creation of HACLA and the fact that HACLA is governed by a Board appointed by the Mayor and confirmed by the Council but is then not accountable to the duly elected appointing or confirming authority, it is imperative that HACLA's actions, when deemed to be of such significance to merit Council attention, should be brought to the Council under Section 245 of the City Charter. Section 245 provides for timely and public examination, with some exceptions, of the actions of the City's boards of commissioners. Section 245 can only be invoked by a vote of two-thirds of the Council members.

THEREFORE, I request that the CLA, with the assistance of the City Attorney and the CAO, provide the Council with a report within thirty days on including HACLA in the purview of Section 245 of the Charter. The report should provide the Council with the options and process needed to effectuate the change, including if needed, amending the Charter, state or federal legislation, or the Cooperative Agreement of the City with HACLA.

Presented by: *Richard Alarcon*
RICHARD ALARCON, Seventh Council District

Seconded by: *Joseffuizar*

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