

TRANSMITTAL

To:

THE COUNCIL

Date:

MAY 13 2013

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Mercedes Marquez)

ANTONIO R. VILLARAIGOSA

Mayor



HOMEOWNERSHIP & PRESERVATION DIVISION – NEIGHBORHOOD STABILIZATION PROGRAM

Los Angeles Housing Department

LAHD

1200 West 7th Street, 8th Floor, Los Angeles, CA 90017

tel 213.808.8935 | fax 213.922.9611

lahd.lacity.org



Antonio R. Villaraigosa, Mayor

Mercedes M. Márquez, General Manager

May 6, 2013

Council File: 07-2438-S8; 10-0685; 10-0799; 11-0223

Council Districts: Citywide

Contact Persons:

Zina Hwang (213) 808-8970

Doug Swoger (213) 808-8948

OFFICE OF THE MAYOR
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CITY OF LOS ANGELES

The Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales
Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO EXECUTE CONTRACT AMENDMENT WITH GRANT SUB-RECIPIENT RESTORE NEIGHBORHOODS LA, INC. AND ADDITIONAL RECOMMENDATIONS FOR BUDGETARY AND FISCAL ADJUSTMENTS IN FISCAL YEAR 2012-13 AND FISCAL YEAR 2013-14 FOR THE CONTINUED IMPLEMENTATION OF THE CITY'S NEIGHBORHOOD STABILIZATION PROGRAM

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests authority for various budgetary and fiscal adjustments for the continued implementation of the City's Neighborhood Stabilization Program (NSP). The adjustments included in this transmittal are necessary to meet the ongoing demands of NSP performance goals required by the U.S. Department of Housing and Urban Development (HUD), and to ensure the completion of grant-funded rehabilitation construction projects. In February 2009, LAHD was authorized as the administrator of NSP funds for the City. To that end, the LAHD requests authority for the following actions to implement grant program activities during Fiscal Years 2012-13 and 2013-14: 1) to execute an amendment to the NSP sub-recipient agreement with Restore Neighborhoods LA, Inc. (RNLA); and, 2) to allocate NSP funds and renew position authorities for continued program implementation.

RECOMMENDATIONS

The General Manager, LAHD, respectfully requests:

- I. That your Office schedule this transmittal in the next available meeting(s) of the appropriate City Council Committee(s) for consideration and forward it to the full City Council for approval immediately thereafter.

II. That the City Council:

- A. AUTHORIZE the General Manager, LAHD, or designee, to execute an amendment to the Professional Services and Rehabilitation Agreement with Restore Neighborhoods LA, Inc. (Contract C-115683), to include the following provisions, subject to the review and approval of the City Attorney as to form:
- i. Increase the total contract amount for an amount not to exceed up to \$717,586 to reflect additional City funding sources in Recommendation II.A.ii identified below;
 - ii. Amend Exhibit H, entitled “Administrative Budget,” to:
 - 1) Increase NSP1 funds allocated for Administrative Costs by \$143,517, from \$1,358,246 to an amount not to exceed \$1,501,763;
 - 2) Increase NSP2 funds allocated for Administrative Costs by \$502,310, from \$2,217,040 to an amount not to exceed \$2,719,350;
 - 3) Increase NSP3 funds allocated for Administrative Costs by \$71,759, from \$387,558 to an amount not to exceed \$459,317; and
 - iii. Increase the contract term for an additional one-year;
- B. AUTHORIZE the City Controller to allocate funds to Contract C-115683 that was authorized in C.F. 07-2438-S8 for NSP sub-recipient grant program activities as follows:
- i. An amount not to exceed \$143,517 in NSP Fund 50T, Department 43, Account 43E820, NSP Program Administration;
 - ii. An amount not to exceed \$502,310 in NSP2–ARRA Fund 52J, Account 43F830, NSP2/ARRA Program Admin – RNLA; and,
 - iii. An amount not to exceed \$71,759 in NSP3–WSRA Fund 53T, Department 43, Account 43G820, Program Administration;
- C. AUTHORIZE the City Controller to undertake the following actions:
- i. Reduce appropriations by an amount not to exceed \$44,305 within NSP Fund 50T, Department 43, Account 43F304, Admin Reserve, to be consistent with the Fiscal Year 2011-12 Adopted Budget which resulted in \$44,305 that was appropriated to NSP Fund 50T, Department 43, Account 43H143, Housing;
 - ii. Reduce appropriations by an amount not to exceed \$58,106 within NSP Fund 50T, Department 43, Account 43F304, Admin Reserve, to be consistent with the Fiscal Year 2012-13 Adopted Budget which resulted in \$58,106 that was appropriated to NSP Fund 50T, Department 43, Account 43J112, City Attorney;

iii. Transfer appropriations within NSP Fund 50T, Department 43, as follows:

Transfer from:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43E143	Housing	\$0.74
43F143	Housing	\$79,724.85
43F299	Related Costs	\$39,143.53
43F844	Technical Services	\$437,350.00
43G143	Housing	\$181,767.12
43G299	Related Costs	\$17,160.60
TOTAL		\$755,146.84

Transfer to:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43E820	NSP Program Administration	\$37,225.61
43F304	Admin Reserve	\$198,795.38
43J143	Housing	\$372,892.85
43J299	Related Costs	\$146,233.00
TOTAL		\$755,146.84

iv. Expend funds on an as-needed basis in an amount not to exceed \$755,146.84 from the above accounts in NSP Fund 50T, Department 43, upon the proper written demand by the General Manager, LAHD, or designee, whereby \$755,146.84 consists of:

- 1) An amount not to exceed \$355,939.84 for administration costs in Budget Fiscal Year 2012-13; and,
- 2) An amount not to exceed \$399,207.00 for reimbursement of administrative costs from prior fiscal year(s) that were initially paid from alternative City funding sources for NSP projects;

v. Transfer appropriations within NSP2-ARRA Fund 52J, Department 43 as follows:

Transfer from:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43F304	Admin Reserve	\$382,542.57
43G143	Housing	\$177,755.99
43G245	NSPII/ Professional Svcs Contracts	\$177,972.85
43H143	Housing	\$290,000.00
43H108	Building and Safety	\$98,630.97
43H299	Related Costs	\$144,947.77
TOTAL		\$1,271,850.15

Transfer to:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43F830	NSP2/ARRA Program Admin - RNLA	\$502,310.00
43J143	Housing	\$502,740.15
43J299	Related Costs	\$266,800.00
TOTAL		\$1,271,850.15

vi. Expend funds on an as-needed basis in an amount not to exceed \$1,271,850.15 from the above accounts in NSP2-ARRA Fund 52J, Department 43, upon the proper written demand by the General Manager, LAHD, or designee, whereby \$1,271,850.15 consists of:

- 1) An amount not to exceed \$769,540.15 for administration costs in Budget Fiscal Year 2012-13; and,
- 2) An amount not to exceed \$502,310.00 for Contract C-115683 that was authorized in C.F. 07-2438-S8 for NSP sub-recipient grant program activities described in Recommendation A above;

vii. Increase appropriations within General Fund 100, Department 43, for Budget Fiscal Year 2012-13 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1010	Salaries	\$503,596
1090	Salaries Overtime	\$36,713
3040	Contractual Services	\$52
3310	Transportation	\$34,726
6010	Office and Admin.	\$14,640
6030	Leasing	\$1,732
TOTAL		\$591,459

D. AUTHORIZE the General Manager, LAHD, or designee, to prepare Controller instructions and make any necessary technical adjustments that are consistent with the Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer, and authorize the City Controller to implement those instructions.

E. AUTHORIZE resolution position authorities for the following grant-funded exempt positions for the period of July 1, 2013 to June 30, 2014 as follows:

i. For the following 12 positions:

<u>No. of Positions</u>	<u>Class Code</u>	<u>Classification Title</u>
1	9171-I	Sr. Management Analyst I
2	9184-2	Management Analyst II
5	1539	Management Assistant
1	1368	Sr. Clerk Typist
2	1513-2	Accountant II
1	1571	Finance Development Officer

F. AUTHORIZE the positions described above in accordance with the City Charter Section 1001 and the Civil Service Commission, as positions in the LAHD exempt from the civil service provisions of the Charter, based on the positions being grant-funded and for a term of no more than two years which, by application of the procedures described in City Charter Section 1001(d)(4), may be extended for one additional year for a maximum exemption of three years, and EXEMPT the positions from the City's managed hiring process

G. INSTRUCT the City Clerk to place on the agenda for the first Council meeting in Fiscal Year 2013-14 or shortly thereafter, the following items for Council action:

i. AUTHORIZE the City Controller to undertake the following actions:

1) Transfer appropriations within NSP Fund 50T, Department 43 as follows:

Transfer from:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43E820	NSP Program Administration	\$403,957

Transfer to:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43K143	Housing	\$293,654
43K299	Related Costs	\$110,303
TOTAL		\$403,957

2) Expend funds on an as-needed basis in an amount not to exceed \$403,957 from the above accounts in NSP Fund 50T, Department 43, upon the proper written demand by the General Manager, LAHD, or designee;

3) Transfer appropriations within NSP2-ARRA Fund 52J, Department 43 as follows:

Transfer from:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43F304	Admin Reserve	\$461,667

Transfer to:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43K143	Housing	\$335,605
43K299	Related Costs	\$126,062
TOTAL		\$461,667

4) Expend funds on an as-needed basis in an amount not to exceed \$491,667 from the above accounts in NSP2-ARRA Fund 52J, Department 43, upon the proper written demand by the General Manager, LAHD, or designee;

5) Establish new accounts within NSP3-WSRA Fund 53T, Department 43 as follows:

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

6) Transfer appropriations within NSP3--WSRA Fund 53T, Department 43 as follows:

Transfer from:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43G304	Admin Reserve	\$7,191
43G820	Program Administration	\$281,350
TOTAL		\$288,541

Transfer to:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43K143	Housing	\$209,753
43K299	Related Costs	\$78,788
TOTAL		\$288,541

7) Expend funds on an as-needed basis in an amount not to exceed \$288,541 from the above accounts in NSP3--WSRA Fund 53T, Department 43, upon the proper written demand by the General Manager, LAHD, or designee;

8) Increase appropriations within General Fund 100, Department 43, for Budget Fiscal Year 2013-14 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1010	Salaries	\$839,012

ii. AUTHORIZE the General Manager, LAHD, or designee, to prepare Controller instructions and make any necessary technical adjustments that are consistent with the Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer, and authorize the City Controller to implement those instructions.

III. That the Mayor concur with the actions of the City Council.

BACKGROUND

Since February 2009, the City has received three funding rounds of NSP grant funds (NSP1, NSP2 and NSP3 grants, respectively) awarded by the U.S. Department of Housing and Urban Development (HUD) for a total cumulative award of \$142.6 million. On behalf of the City, LAHD was authorized to be the administrator of these funds to provide homeownership and rental opportunities by renovating some of the most blighted and dilapidated foreclosed residential properties as affordable energy-efficient livable homes in identified areas of greatest need throughout the City (C.F. 07-2438-S8, 10-0685, 10-0799, 11-0223 and 11-0223-S1). To date, the LAHD has disbursed over \$145.9 million in NSP grant funds, consisting of \$137 million from the original award received in the three NSP funding rounds and \$8.9 million in program income funds, in the acquisition and rehabilitation or new construction of over 800 affordable rental and homeownership housing units on previously foreclosed upon or vacant properties. Under the HUD grant performance requirements, the LAHD successfully met the 100 percent expenditure goals of the NSP1 and NSP2 grants, and the 50 percent expenditure goal of the NSP3 grant in February 2013. The 100 percent expenditure goal of the NSP3 grant is March 1, 2014.

LAHD requests authority for the following budgetary and fiscal adjustments as necessary solutions to ensure the completion of NSP grant-funded rehabilitation construction projects that will meet the NSP performance goals required by HUD.

- LAHD proposes the execution of a contract amendment to the NSP sub-recipient contract with Restore Neighborhoods LA, Inc. to increase the amount of NSP funds as a funding source for Contract C-115683 by \$717,586. On January 16, 2013, the Mayor and Council authorized an increase to Contract C-115683 to reflect additional NSP program income grant funds for continued program operations costs (C.F. 11-2106-S1). For this purpose, LAHD estimates that RNLA will incur additional administrative costs up to \$717,586. LAHD also requests to extend the time of performance for Contract C-115683 to allow for the completion of all rehabilitation construction projects.
- LAHD requests for authority to make corrections to appropriations to NSP Fund 50T, Department 43, Account 43F304, Admin Reserve. The corrections will consist of a reduced appropriation to offset the amounts that were previously authorized in the Fiscal Year 2011-12 Adopted Budget and Fiscal Year 2012-13 Adopted Budget from NSP funds that were utilized for administrative costs at LAHD or other City departments.
- LAHD requests for all uncommitted funds from prior fiscal years to be appropriated into current year accounts to be utilized for: Fiscal Year 2012-13 administrative costs; RNLA administrative costs; or, NSP administrative costs in future fiscal years.
- On June 23, 2010 and June 24, 2010, the Mayor and Council authorized 27 grant-funded exempt resolution position authorities consisting of various classifications to operate the City's NSP (C.F. 10-0685 & 10-0799).

Since that time, the NSP positions were filled to allow for LAHD to ramp up in program delivery and administrative function areas in an effort to meet an aggressive project construction schedule; process a high volume of payments and loans resulting in grant expenditures; and, ensure program-wide compliance with HUD regulations. With the initial NSP expenditure goals achieved, LAHD staff will continue to perform grant operational and administrative functions for the production of additional affordable housing units, including loan underwriting and construction management, oversight of the HUD NSP grant requirements, tracking performance measures, and monitoring activities timelines for grant close-out.

LAHD requests for authority to make adjustments to the NSP grant-funded exempt positions that were approved at the inception of the program. The table below provides a description of the necessary adjustments to the number of NSP grant-funded exempt positions to maintain program delivery in Fiscal Year 2012-13 until grant close-out.

INITIAL STAFFING PLAN JUNE 2010

<u>No. of Positions</u>	<u>Class Code</u>	<u>Classification Title</u>
1	8500	Community Housing Programs Manager
1	9171-1	Sr. Management Analyst I
1	9184-2	Management Analyst II
1	9184-1	Management Analyst I
1	1542	Project Assistant
7	1539	Management Assistant
2	1368	Sr. Clerk Typist
1	1571	Finance Development Officer
1	1569-3	Rehabilitation Construction Specialist III
2	1569-2	Rehabilitation Construction Specialist II
3	1569-1	Rehabilitation Construction Specialist I
1	1523-1	Sr. Accountant I
4	1513-2	Accountant II
1	1223-2	Accounting Clerk II
27	TOTAL	

POSITIONS NOT CONTINUED

<u>No. of Positions</u>	<u>Class Code</u>	<u>Classification Title</u>
1	8500	Community Housing Programs Manager
1	9184-1	Management Analyst I
1	1542	Project Assistant
2	1539	Management Assistant
1	1368	Sr. Clerk Typist
1	1569-3	Rehabilitation Construction Specialist III
2	1569-2	Rehabilitation Construction Specialist II
2	1569-1	Rehabilitation Construction Specialist I
1	1523-1	Sr. Accountant I
2	1513-2	Accountant II
1	1223-2	Accounting Clerk II
16	TOTAL	

CHANGE IN CLASSIFICATION

From:

<u>No. of Positions</u>	<u>Class Code</u>	<u>Classification Title</u>
1	1569-1	Rehabilitation Construction Specialist I

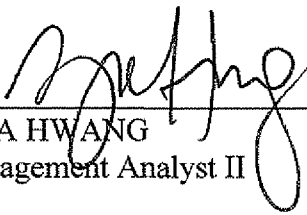
To:

<u>No. of Positions</u>	<u>Class Code</u>	<u>Classification Title</u>
1	9184-2	Management Analyst II

FISCAL IMPACT STATEMENT

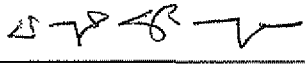
There will be no impact on the General Fund. The Neighborhood Stabilization Program is supported with federal grant funds awarded to the City by the U.S. Department of Housing and Urban Development. The requested recommendations in this transmittal will allow for fiscal and budget adjustments to implement an increased volume of program activities.

Prepared By:




ZINA HWANG
Management Analyst II

Reviewed By:




DOUG SWOGER
Director, Asset Management

Approved By:



RUSHMORE CERVANTES
Executive Officer

Approved By:



MERCEDES M. MÁRQUEZ
General Manager

Attachments

**NEIGHBORHOOD STABILIZATION PROGRAM
STAFFING BUDGET**

FY 2013-14

Count	Code	Classification Title	Projected Salaries
1	9171-1	Sr. Management Analyst I	\$87,723
2	9184-2	Management Analyst II	\$147,928
5	1539	Management Assistant	\$298,920
1	1368	Sr. Clerk Typist	\$60,219
2	1513-2	Accountant II	\$134,746
1	1571	Finance Development Officer	\$109,476
12			\$839,012

FY 2013-14

Count	Code	Classification Title	Projected Salaries	CAP 34	Related Costs
1	9171-1	Sr. Management Analyst I	\$87,723	36.83%	\$32,308
2	9184-2	Management Analyst II	\$147,928	36.83%	\$54,482
5	1539	Management Assistant	\$298,920	36.83%	\$110,092
1	1368	Sr. Clerk Typist	\$60,219	36.83%	\$22,179
2	1513-2	Accountant II	\$134,746	41.39%	\$55,772
1	1571	Finance Development Officer	\$109,476	36.83%	\$40,320
12			\$839,012		\$315,153

FY 2013-14

Count	Code	Classification Title	Salary + Related Costs
1	9171-1	Sr. Management Analyst I	\$120,031
2	9184-2	Management Analyst II	\$202,410
5	1539	Management Assistant	\$409,012
1	1368	Sr. Clerk Typist	\$82,398
2	1513-2	Accountant II	\$190,518
1	1571	Finance Development Officer	\$149,796
12			\$1,154,165

EIGHTH AMENDMENT
TO AGREEMENT NUMBER C-115683 OF CITY OF LOS ANGELES CONTRACT
BETWEEN
THE CITY OF LOS ANGELES
AND
RESTORE NEIGHBORHOODS LA, INC.
RELATING TO THE NEIGHBORHOOD STABILIZATION PROGRAM

THIS SEVENTH AMENDMENT to Agreement Number C-115683 of City of Los Angeles Contracts is made and entered into by and between the City of Los Angeles, hereinafter referred to as the City, and RESTORE NEIGHBORHOODS LA, INC. ("RNLA"), a California nonprofit public benefit corporation, hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services and act as the City's subrecipient of the United States Department of Housing and Urban Development ("HUD") Neighborhood Stabilization Program ("HUD NSP") grant funds for the purpose of implementing the City's Neighborhood Stabilization Program ("NSP") in acquiring, rehabilitating, and disposing of abandoned and foreclosed-upon homes and residential properties in accordance with federal law and HUD regulations, said Agreement effective March 1, 2009 (Council File Number 07-2438-S8), and subsequently amended (Council File Numbers 09-2721, 10-0685, 10-0799, 11-0223 & 11-2106), which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, the original funding for the Agreement are pursuant to the Funding Approval and Grant Agreement Number B-08-MN-06-0512 executed between the City and HUD on February 27, 2009 (refer to Council File Number 07-2438-S8 dated February 25, 2009, Mayor concurred on March 9, 2009), for the City to receive an allocation of HUD Neighborhood Stabilization Program funds authorized under the Housing and Economic Recovery Act of 2008 ("HERA") (Public Law 110-289 (July 30, 2008)) ("NSP 1 funds"); and

WHEREAS, the City and the Contractor entered into a First Amendment to the Agreement, effective April 20, 2010 (Council File Number 09-2721), for the purpose of providing the Contractor with Two Hundred Fifty Thousand Dollars (\$250,000) of Municipal Housing Finance Funds ("MHFF Funds") to be utilized as cash advances to pay eligible HUD NSP administrative and operating costs which shall be reimbursed to City; and

WHEREAS, the City and HUD entered into Funding Approval and Grant Agreement Number B-09-LN-CA-0046 on June 22, 2010 (refer to Council File Number 10-0799 dated June 18, 2010, Mayor concurred on June 23, 2010), for the City to receive an allocation of the second award of HUD Neighborhood Stabilization Program funds ("NSP 2 funds") authorized under the American Reinvestment and Recovery Act of 2009 (Public Law 111-005 (February 17, 2009)) ("ARRA"); and

WHEREAS, the City and the Contractor entered into a Second Amendment to the Agreement, effective November 10, 2010 (Council Files 10-0799 and 10-0685), for the purpose of increasing the amount of the Agreement by Fifty Three Million Two Hundred Thirteen Thousand Seven Hundred Fifty One Dollars (\$53,213,751) with a portion of NSP 2 Funds in an amount not to exceed Forty Five Million Dollars (\$45,000,000) plus the reallocation of NSP 1 Funds from the Walk In Program in an amount not to exceed Eight Million Two Hundred Thirteen Thousand Seven Hundred Fifty One Dollars

(\$8,213,751), for a maximum Agreement amount of Seventy Seven Million Two Hundred Fifty Nine Thousand Seven Hundred Fifty Four Dollars (\$77,259,754); and extending the time of performance to March 31, 2014; and

WHEREAS, the City and the Contractor entered into a Third Amendment to the Agreement, effective May 11, 2011 (City Council File Numbers 09-2721 and 11-0223), for the purpose of (1) revising the terminology of the MHFF Advance Funds to MHFF Bridge Loan Funds and by increasing the MHFF Bridge Loan Funds with the City's Municipal Housing Finance Fund ("MHFF Funds") by adding Four Hundred Fifty Thousand Dollars (\$450,000) to the MHFF Bridge Loan amount of Two Hundred Fifty Thousand Dollars (\$250,000) for a new total MHFF Bridge Loan amount not to exceed Seven Hundred Thousand Dollars (\$700,000); (2) revising the Compensation and Method payment to allow for the utilization of additional MHFF Funds to reimburse Contractor in the amount of Fifty Five Thousand Dollars (\$55,000) to pay for approved origination fees and interest on the line of credit obtained by Contractor pursuant to the agreement with Enterprise Community Loan Fund dated July 21, 2010; (3) increasing the total contract amount, to reflect the aforementioned addition of MHFF Funds, to Seventy Eight Million Fourteen Thousand Seven Hundred Fifty-Four Dollars (\$78,014,754), consisting of funding sources from the first award allocation of HUD Neighborhood Stabilization Program Funds ("NSP1 Funds") in the amount of Thirty Million Forty-Two Thousand Seven Hundred Fourteen Dollars (\$30,042,714); NSP2 Funds in the amount of Forty-Seven Million Two Hundred Seventeen Thousand Forty Dollars (\$47,217,040); and

WHEREAS, the City and HUD entered into Funding Approval and Grant Agreement Number B-11-MN-06-0512 on March 2, 2011 (refer to Council File Number 11-0223-S1 dated March 4, 2011, Mayor concurred on March 4, 2011), for the City to receive an allocation of the third award of HUD Neighborhood Stabilization Program funds ("NSP 3 funds") authorized under section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Public Law 111-203 (July 21, 2010)) (Dodd-Frank Act) ("WSRA"), HERA and ARRA; and

WHEREAS, the City and the Contractor entered into a Fourth Amendment to the Agreement, effective July 1, 2011 (Council File 11-0223) for the purpose of increasing the amount of the Agreement by Four Million Eight Hundred Thirty One Thousand Five Hundred Fifty Eight Dollars (\$4,831,558) with a portion of NSP3 Funds for program operation expenses in an amount not to exceed Four Million Four Hundred Forty Four Thousand Dollars (\$4,444,000) plus a portion of NSP 3 Funds for program administrative expenses in the amount of Three Hundred Eighty Seven Thousand Five Hundred Fifty Eight Dollars (\$387,558); and

WHEREAS, the City and the Contractor entered into a Fifth Amendment to the Agreement, effective December 13, 2011 (Council File 11-2106), for the purpose of increasing the amount of the Agreement by Twenty Six Million Six Hundred Sixteen Thousand Six Hundred Twenty Four Dollars (\$26,616,624) with a portion of NSP 2 Funds in an amount not to exceed Twenty Eight Million One Hundred Thousand Dollars (\$28,100,000) and a reduction of NSP 1 Funds as a City funding source for program operations by One Million Four Hundred Eighty Three Thousand Three Hundred Seventy Six Dollars (-\$1,483,376) for a combined total resulting in a maximum Agreement amount of One Hundred Nine Million Four Hundred Sixty Two Thousand Nine Hundred Thirty Six Dollars (\$109,462,936); and

WHEREAS, the City and the Contractor entered into a Sixth Amendment to the Agreement, effective November 1, 2012 (Council File 11-2106), for the purpose of increasing the amount of the Agreement by Five Million Seven Hundred Ninety Two Thousand Two Hundred Twenty Three Dollars (\$5,792,223) with a portion of NSP 1 Funds in an amount not to exceed Three Million One Hundred Twenty Nine Thousand and Nine Dollars (\$3,129,009) for program operations and a portion of NSP 2 Funds in an amount not to exceed Two Million Six Hundred Sixty Three Thousand Two Hundred

Fourteen Dollars (\$2,663,214) for program operations, resulting in a maximum Agreement amount of One Hundred Fifteen Million Two Hundred Fifty Five Thousand One Hundred Fifty Nine Dollars (\$115,255,159); and

WHEREAS, the City and the Contractor entered into a Seventh Amendment to the Agreement, effective January 1, 2013 (Council File 11-2106-S1), for the purpose of increasing the amount of the Agreement by Twenty Two Million Seven Hundred Forty Four Thousand Eight Hundred Forty One Dollars (\$22,744,841), with a portion of NSP grant funds will consisting of a combination of NSP1, NSP2 and NSP3 funds for Program Operations costs whereby NSP grant funds for program operations will be generated from Program Income received during the period beginning July 1, 2012 up to the effective date of the future grant close-out agreement executed by the City and HUD, resulting in a maximum Agreement amount of One Hundred Forty Million Dollars (\$140,000,000); and

WHEREAS, Section §706, Amendments, of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the City Council and the Mayor (refer to Council File Number ~~##-####~~ dated Month Day, 2013, Mayor concurred on Month Day, 2013), and Section 14.8 of the Los Angeles Administrative Code, which authorizes the General Manager of the Los Angeles Housing Department ("LAHD") to prepare and execute an amendment to the Agreement for purposes as follows:

- (a) Increasing the amount of the Agreement by the maximum gross amount of up to Seven Hundred Seventeen Thousand Five Hundred Eighty Six Dollars (\$717,586), for a maximum agreement amount of One Hundred Forty Million Seven Hundred Seventeen Thousand Five Hundred Eighty Six Dollars (\$140,717,586), consisting of: increasing the amount of NSP 1 Funds for administrative expenses to the Agreement by One Hundred Forty Three Thousand Five Hundred Eleven Dollars (\$143,511); NSP 2 Funds for administrative expenses by Five Hundred Two Thousand Three Hundred Ten Dollars (\$502,310); and, NSP 3 Funds for administrative expenses by Seventy One Thousand Seven Hundred Fifty Nine Dollars (\$71,759);
- (b) Extending the time of performance with an additional twelve (12) months for a new ending date of February 28, 2015 which results in a total maximum term of six (6) years;
- (c) Making technical adjustments to the Agreement by amending Exhibit H, entitled "Administrative Budget" and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended effective May 1, 2013 as follows:

AMENDMENT

§1. Amend the RECITALS by adding the following:

"WHEREAS, the City Council and Mayor authorized the General Manager of the Los Angeles Housing Department to amend this Agreement to reflect an increase in the total contract amount by Seven Hundred Seventeen Thousand Five Hundred Eighty Six Dollars (\$717,586), for a

maximum agreement amount of One Hundred Forty Million Seven Hundred Seventeen Thousand Five Hundred Eighty Six Dollars (\$140,717,586), pursuant to Council File Number ##-####."

§2. Amend Section §201, Time of Performance, by deleting Subsection A and replace with the following paragraph:

"A. The term of this Agreement shall commence on March 1, 2009 and end February 28, 2015 for a maximum contract term of six (6) years. Said term is subject to the provisions herein, including: Contractor's continuing compliance with applicable Federal, State, and local government legislation; and, the City's evaluation of Contractor's performance. Performance shall not commence until the Contractor has obtained the City's approval of the insurance required in §413 herein."

§3. Amend Section §301, Compensation and Method of Payment, by deleting Section A and replacing with the following respective paragraphs:

"A. City's Allocation of Funds for Compensation to Contractor.

2. For Allowable Administrative Costs: The total compensation to be paid to Contractor, for complete and satisfactory performance of the terms of this Agreement, shall not exceed the maximum sum of:

a. Four Million Six Hundred Eighty Thousand Four Hundred Thirty Dollars (\$4,680,430), consisting of City funding sources from: NSP 1 funds in an amount not to exceed One Million Five Hundred One Thousand Seven Hundred Sixty Three Dollars (\$1,501,763); NSP 2 funds in an amount not to exceed Two Million Seven Hundred Nineteen Thousand Three Hundred Fifty Dollars (\$2,719,350); and, NSP 3 funds in an amount not to exceed Four Hundred Fifty Nine Thousand Three Hundred Seventeen Dollars (\$459,317). The City shall only expend funds in compensation to be paid by the City to Contractor for administrative services to be performed as designated in this Agreement, the Budget and Expenditure Plan as defined in Exhibit H and made a part hereof, and in compliance with the applicable City, State, and Federal regulations and guidelines; and,"

§4. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.

§5. This Amendment is executed in four (4) duplicate originals, each of which is deemed to be an original. This Amendment includes five (5) pages which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM:

Executed this _____ day of _____, 2013

CARMEN A. TRUTANICH, City Attorney

For: THE CITY OF LOS ANGELES
MERCEDES M. MÁRQUEZ
General Manager
Los Angeles Housing Department

By: _____
Deputy/Assistant City Attorney

By: _____

Date: _____, 2013

ATTEST:
JUNE LAGMAY, City Clerk

Executed this _____ day of _____, 2013

For: RESTORE NEIGHBORHOODS LA, INC.

By: _____
Deputy City Clerk

By: _____
Jeffrey Schaffer
President, Board of Directors

Date: _____, 2013

By: _____
John Perfit
Executive Director

(Contractor's Corporate Seal)

City Business License Number: 0002445935-0001-9
Internal Revenue Service Number: 26-4142930

Council File Number	Contract/Amendments	Council & Mayoral Approval Dates
11-2106-S1	7 th Amendment	01/16/13 & 01/17/13
11-2106	6 th Amendment	11/21/12
11-2106	5 th Amendment	12/13/11
10-0799 11-0223	4 th Amendment	07/27/11 02/25/11 & 02/28/11
11-0223	3 rd Amendment	02/25/11 & 02/28/11
10-0685 10-0799	2 nd Amendment	06/23/10 & 06/25/10 06/18/10 & 06/23/10
09-2721	1 st Amendment	11/25/09 & 12/08/09
07-2438-S8	Original Contract	02/25/09 & 03/09/09

Said Agreement is the Eighth Amendment of Agreement Number C-115683 of City Contracts.