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Item No.: 5

FORM GEN. 160

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

CLA: 12-04-0302  
CAO: 0220-04698-0004

*Report from the  
CLA and  
CAO*

Date: April 17, 2012

To: The Council  
The Mayor

From: Gerry F. Miller, Chief Legislative Analyst *KEK for*  
Miguel A. Santana, City Administrative Officer *MAS*

Subject: **REPORT ON TRANSITION OF HOUSING ASSETS AND FUNCTIONS FROM THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF LOS ANGELES (CRA/LA) TO THE LOS ANGELES HOUSING DEPARTMENT (LAHD)**

**SUMMARY**

AB1x26 dissolved all redevelopment agencies as of February 1, 2012, but the legislation included a provision, which allowed the City to retain the housing assets and functions of the former CRA/LA. As a result, Council adopted a resolution (C.F. 12-0049) on January 25, 2012 to retain the housing assets and functions of the former CRA/LA and further instructed LAHD with the assistance of the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) to report to the Mayor and Council with a transition plan for the short-term and long-term management of the housing assets and functions of the former CRA/LA.

In response to Council's instructions, LAHD transmitted a housing transition plan to the CAO and CLA (attached) on March 12, 2012. The following is a report for your review, which provides an overview of the LAHD transition plan and recommended actions.

The LAHD has identified the following housing assets and functions to be transferred:

- Project Management for Development Pipeline – there are an estimated 73 housing projects, an undefined number of mixed-use projects (housing and commercial), and housing land that will require on-going development activities;
- Portfolio Management – LAHD reports that an estimated 313 affordable housing residuals loans and a number of housing amortized loans will be transferred to LAHD that will require on-going monitoring and oversight;
- Occupancy Compliance – LAHD will have the ongoing responsibility to monitor affordable housing covenants of the former CRA/LA, some of which will continue for over 50 years;
- Accounting – the increased workload will require a number of additional accounting functions to ensure proper tracking of funds and the integration of existing housing financial data of the former CRA/LA;

- Systems – transfer of housing records and data from the CRA/LA and integration into existing and new LAHD systems;
- Legal – review of contracts and agreements and other legal activities associated with former CRA/LA housing projects, loans, and covenants.

The LAHD plans to utilize a two-phased process by focusing on transition during the first phase then implementation for the second phase. The LAHD transition plan focuses primarily on the transition phase. LAHD requests to report with a comprehensive implementation plan for phase two, which will ensure that transferred housing projects will be completed and other on-going former CRA/LA functions and assets are managed in an efficient manner.

#### Additional Resources

The LAHD requested the addition of 12 new positions to address an anticipated increase in workload as part of Phase One of the transition. However, insufficient information was available to support this request at the time of the preparation of this report. It should be noted that LAHD did provide additional information concurrent with the release of this report. Our Offices will consider the new information as part of a more comprehensive Transition Plan in a subsequent report to the Mayor and Council.

Our Offices recognize the need for staff resources to initiate the housing transition from the former CRA/LA to LAHD, including overseeing projects in the pipeline, monitoring affordability covenants and managing the loan portfolio. At this time, we would support filling three positions to begin the transition. Our Offices will work with the Department to identify these positions using existing vacant position authorities. Our offices will report on additional positions in our subsequent report.

The LAHD wishes to fill the positions on a civil-service exempt basis, which would allow LAHD to expeditiously fill the positions and begin the transition of the assets and functions from the former CRA/LA to the City. In accordance with Charter Section 1001, the Department needs to submit this request to the Mayor, who in turn submits the request to the Council for approval prior to the initiation of the selection process. The LAHD should take the necessary steps to request civil service exemptions for these positions.

The estimated cost for filling three existing positions for the remaining two months in FY 2011-12 (May – June) is approximately \$67,000 (approximately \$48,000 in direct salary costs and \$19,000 in indirect costs). It was anticipated that funds from the former CRA/LA's Low and Moderate Income Housing Fund (LMIHF) and Loan Portfolio revenue could fund these positions. The issue of transferring these funds to the City along with the assets has not yet been resolved by the CRA/LA-Designated Local Authority (CRA/LA-DLA). A report on the status of the transfer of former CRA/LA housing functions and assets is scheduled to be heard at the Thursday, April 19, 2012 Governing Board meeting of the CRA/LA-DLA. In the event that these funds do not materialize in the current Fiscal Year, the CAO will make the necessary recommendations in the Year-End Financial Status Report.

As previously reported by the CAO on January 31, 2012 (C.F. 12-0049), "Consistent with advice from the City Attorney, it is clear that the language in the Retention of Existing Benefits Article in the CRA/LA MOU's does not require that any employees be included

when a function is transferred from the CRA/LA. The City is free to employ or not employ CRA/LA employees, but that freedom is constrained by the City's Charter, Administrative Code and labor contracts." It should be noted that union representation, where applicable, will be under existing City bargaining unit representation.

### State Legislation

Further amendments are needed in order to clarify the affordable housing related language in AB1x26. As a result, State Senate President Steinberg, Speaker of the Assembly Perez, and other State legislators have introduced bills to address this and other issues related to dissolution of Redevelopment Agencies (see below for an overview of these bills). With the approval of either or both SB 654 (Steinberg) and AB 1585 (Perez), the City could receive an estimated \$104 million in unencumbered LMIHF. Our offices are actively tracking the progress of these bills and the State budget.

#### **AB 1585 (Perez)**

This bill makes technical changes and clarifications to the AB1x26. On March 26, 2012 AB 1585 was passed by the full Assembly and is currently in the Senate Rules Committee awaiting a committee assignment. AB 1585 is an Urgency bill and requires a two-thirds vote. In relationship to affordable housing, AB 1585 would:

- Require that any amounts on deposit in the LMIHF of a former RDA to be transferred to the successor housing entity and continue to be used for affordable housing.
- Require that at least 80% of the LMIHF must be contracted for expenditure within two years of receipt and expended within four years - unless a waiver is granted by the state.
- Require any amounts on deposit in the LMIHF that are transferred to succeeding housing entity to be maintained in a separate account and used for the purposes defined in the Community Redevelopment Law (CRL) relating to authorized uses of the LMIHF.
- Require the successor housing entity to enforce affordability covenants and other related activities as defined in CRL.

#### **SB 654 (Steinberg)**

This bill seeks to preserve approximately \$2 billion statewide in unencumbered balances in the LMIHF for affordable housing by transferring these funds to the successor housing entity and requires that affordability covenants be enforced. On January 31, 2012 the full Senate passed the bill, was ordered to the Assembly and is currently at the Assembly waiting for a committee referral.

#### **SB 1220 (DeSaulnier/Steinberg)**

The Housing Opportunity and Market Stabilization (HOMeS) Act would initiate a document recording fee of \$75.00 per real estate transaction to be used as a permanent source of funding dedicated to affordable housing. Funds would be deposited in the Housing Opportunity and Market Stabilization Trust Fund and would be appropriated by the Legislature for the purpose of supporting development, acquisition, rehabilitation,

and preservation of housing affordable to low-moderate households. SB 1220 is currently in Senate Transportation and Housing Committee.

Conclusion

Our Offices require additional information from LAHD in order to complete a thorough analysis, ensure that the transfer of former CRA/LA housing assets and functions are completed in an efficient manner, and sufficient funding exists for necessary salary and other costs (lease space, software, etc.). As a result, we recommend that we report to Council with a more comprehensive staffing and LAHD transition Plan.

**RECOMMENDATION:**

That the Council instruct the CLA and CAO with the assistance of LAHD, to report to Council in 30 days with a detailed transition plan that also identifies staffing and other necessary resources.

**FISCAL IMPACT STATEMENT**

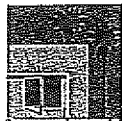
There is no immediate impact to the General Fund as a result of the recommendations contained in this report. The cost of the three positions for two months is approximately \$67,000, including direct and indirect costs. It was anticipated that the former CRA/LA's LMIHF and Loan Portfolio revenue would be transferred to the City along with the Housing assets; however, these issues remain unresolved. In the event that these funds do not materialize in the current Fiscal Year, the CAO will make the necessary adjustments in the Year-End Financial Status Report. An estimated fiscal impact associated with the assets, functions and resources to be transferred from the former Community Redevelopment Agency to the Los Angeles Housing Department will be provided in a subsequent report to the Mayor and Council.

  
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Michael Kek  
Legislative Analyst

  
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Annemarie Sauer  
Senior Administrative Analyst II

Attachment:

- A. LAHD Housing Assets and Functions Transition Plan dated March 12, 2012



Los Angeles Housing Department

**LAHD**Antonio R. Villarigosa, Mayor  
Douglas Guthrie, General Manager**INTER-DEPARTMENTAL MEMORANDUM**

**TO:** GERRY MILLER, CHIEF LEGISLATIVE ANALYST  
MIGUEL SANTANA, CITY ADMINISTRATIVE OFFICER

**FROM:** RUSHMORE CERVANTES, EXECUTIVE OFFICER *RD* *JD*  
DOUGLAS GUTHRIE, GENERAL MANAGER *DG* *FM*

**DATE:** MARCH 12, 2012

**REGARDING:** TRANSITION OF HOUSING ASSETS AND FUNCTIONS FROM THE FORMER  
COMMUNITY REDEVELOPMENT AGENCY OF LOS ANGELES (CRA/LA) TO THE LOS  
ANGELES HOUSING DEPARTMENT (LAHD)

In January 2012, the Mayor and City Council elected to retain the housing assets and functions previously performed by the Community Redevelopment Agency of Los Angeles (CRA/LA), in response to AB 1X26 (Council File 12-0049). Furthermore, on February 1, 2012 the Los Angeles Housing Department (LAHD) assumed all former redevelopment agency housing-related rights, powers, duties and obligations under California Redevelopment Law.

In response to your request, the following report is submitted for your review. The report describes the affordable housing functions and obligations assumed by LAHD, and discusses the specific tasks and recommendations relative to funding and personnel position authority required to implement these functions and obligations.

Affordable housing functions and obligations assumed by LAHD will include the following:

- Project management for the development of the affordable housing project pipeline of 73 projects with \$252 million in former CRA/LA funds, totaling approximately \$1.8 billion in development costs. In addition, there are a number of other mixed use and/or mixed income projects as well as land that may potentially be transferred to the City;
- Portfolio and asset management for the estimated 313 affordable housing residual receipts loans with a beginning principal balance of \$525.9 million. This does not include a number of amortizing loans that may be housing related that will be transferred to the City; and
- Occupancy and regulatory compliance for more than 22,700 restricted affordable housing units, out of a total of 28,000 units, with enforceable covenants formerly administered by CRA/LA.

**TWO-PHASED TRANSITION - IMPLEMENTATION PLAN**

LAHD proposes to assume all housing assets and functions previously performed by the former CRA/LA in a two-phased approach, a Transition Phase and an Implementation Phase. LAHD will need to increase its staffing levels and potentially incur other costs associated with the

project management of the development pipeline, loan portfolio, and affordable housing covenants. A Transition Team Leader at the level of a Housing Director will be required to manage the two-phased Transition and Implementation Plan.

### **Phase One – Transition Plan**

At the time of this report, it is unclear as to the totality and complexity of the assets and projects that will ultimately be transferred to the City. However, at the very least, LAHD recommends that the City hire 12 exempt employees to comprise a transition team that will identify the assets, obligations, and scope of the housing work program to be carried out. The transition team will also be responsible for drafting the Implementation Plan, and creating a budget and a staffing plan to carry out the housing program of CRA/LA.

Specific tasks required to implement these functions and obligations, and the estimated project and portfolio management costs associated with them, are described below.

#### **A. Project Management for Development Pipeline**

The former CRA/LA staff estimates that there are an estimated 73 housing projects with CRA/LA funding commitments, totaling approximately \$1.8 billion in development. Currently, LAHD is actively participating in 34 housing projects with CRA/LA funding leaving an estimated 39 legacy housing projects to be completed. Although the full extent of the housing development pipeline is still being evaluated, it is clear some new projects include larger, mixed use projects with development agreements and financing commitments. Most of these are in the predevelopment phase and include some land assembly, environmental reviews, and entitlement processing. CRA/LA staff estimates at a minimum 13 parcels of land that were purchased with Low and Moderate income housing funds and which were purchased for affordable housing development without development agreements will be transferred.

Additional tasks will be required to complete development of the affordable housing projects currently in the former CRA/LA's project pipeline that represent enforceable obligations and encumbrances of the former CRA/LA's affordable housing funds. These tasks include:

- Underwriting and assessment of project financial feasibility.
- Construction loan disbursement and monitoring.
- Identification and monitoring of funds dispersed by CRA/LA and held by third parties, including developers, lenders, escrow companies and others in charge of construction disbursement.
- Negotiation of agreements and amendments with developers, lenders, investors, and other public agencies involved in the financing and development of projects in the pipeline.
- Bond issuances for projects with CRA/LA Commitments.
- Compliance with Section 504 requirements.

The former CRA/LA staff estimates that there are up to 25 new projects, which have not yet started construction. Former CRA/LA staff and LAHD staff are currently reviewing a list of 44 projects, which are currently in construction and being monitored by CRA/LA Staff. During the transition period, the LAHD project management team will be evaluating construction monitoring issues such as the requirements of monitoring a Project Labor Agreement (PLA), and the requirements for monitoring commercial construction in mixed use projects.

Based on the workload and additional tasks identified above, the support of six additional staff comprised of two Community Housing Program Managers, two Senior Project Coordinators, one Rehab Construction Specialist II, and one Management Assistant will be required.

## **B. Portfolio Management**

LAHD proposes to hire a Finance Development Officer II to facilitate the transfer of the affordable housing loan portfolio and determine the long-term needs. These tasks will be more intensive in the first year and will continue for the 55-year life of the existing loans and the new loans associated with development of the CRA/LA affordable housing pipeline. They include the following:

- Review and amend as needed, all loan agreements, inter-creditor agreements, bank and limited partner filings, ground leases, joint venture agreements, contracts and other agreements.
- Provide notice to all project partners in loan agreements, partnership agreements, inter-creditor agreements, leases, ground leases, joint venture agreements and other housing-related contracts and agreements previously held by the former CRA/LA that LAHD has assumed the rights and responsibilities under all such agreements.
- Calculate, review, and collect residual receipts and other loan payments due to LAHD.
- Maximize portfolio income while assuring compliance with housing covenants and maintenance of sound financial status and good physical condition of all housing assets.
- Underwrite and manage project refinancing and re-syndication opportunities.
- Work out troubled loans and assets.
- Direct the County Recorder to record in a timely fashion notices of default in favor of LAHD against all properties with liens formerly held by the former CRA/LA.
- Initiate and carry out legal action and litigation, as required.
- Initiate and complete foreclosure proceedings on loans determined to be in default and for which a workout is not successful.
- Establish reserves to protect against foreclosures.
- Increase mortgage impairment insurance.

## **C. Occupancy Compliance**

LAHD proposes to utilize the services of a Senior Project Coordinator to conduct a thorough analysis of the compliance portfolio and determine the long-term needs to manage the occupancy and regulatory compliance of CRA/LA affordable housing covenants. These tasks will be more intensive in the first year and will continue for the 55-year life of existing CRA/LA loans and new loans associated with development of the CRA/LA affordable housing pipeline. They include the following:

- Occupancy compliance monitoring on each project with covenants annually or more often as required.
- Work with developers to achieve compliance on projects determined to be out of compliance with recorded covenants.
- Legal action and litigation, as required.

#### D. Accounting

The following accounting tasks, which require one Senior Auditor to provide oversight, have been identified:

- Create a new "affordable housing fund" account to receive all encumbered affordable housing assets and to receive future program income and Recognized Obligation Payment Schedule (ROPS) payments.
- Identify and classify different types of CRA's Assets, including its Portfolios' Assets, from its financial records and documentation. Analyze regulatory compliance requirements that may be different between different types of loans. Segregate housing from non-housing loans.
- Verify that the physical assets match the financial records. Work with Portfolio Management for the assessment of the value of the assets. Recommend corrections as needed.
- Identify and classify different types of CRA Liabilities and their valuation.
- Report and make recommendations on the financial structures (Chart of Accounts) and accounting of these loan portfolios.
- Work with Systems in integrating and consolidating the information in CRA's financial system(s) with LAHD's Housing Information Management System (HIMS).
- Analyze existing accounting workflows in CRA, and how to modify the workflows to be consistent with LAHD's current workflows or recommend strategy for the integration.
- Identify long-term accounting workload that will be needed after the workflows and processes have been streamlined.

#### E. Systems

The Transition Team will need a Senior Systems Analyst to provide the following Systems support:

- Identify the existing housing-related business application in CRA and what these systems do.
- Identify the existing housing-related physical infrastructure (network, server, storage, etc.)
- Determine if the business data from the above systems can be merged or migrated into the LAHD systems and the effort required to do so
- Identify the existing hardware and software licenses, which are required to support the housing-related systems, that may be transferred to LAHD.
- Identify any additional hardware and software that need to be purchased to support the housing-related systems.
- Work with other transition team members to identify any additional systems requirements for the LAHD systems to work with the CRA systems.
- Identify the long-term systems resource, including staffing, needed to support the additional workload.



## **F. Legal**

During the transition, specific actions will be taken to mitigate the risk of default and litigation. For example, all project partners in loan agreements, leases, and contracts will need to be notified of change in ownership. These actions will be the responsibility of the transition team.

The transition team and the City Attorney's Office will require a dedicated attorney at the level of Deputy City Attorney III with experience in California Redevelopment Law, transaction structuring, and experience in affordable housing development. The attorney will assist in the legal transfer of all contracts and agreements from the former CRA/LA to the City, negotiate and draft real estate agreements, including but not limited to rent lease agreements, estoppel certificates, and other transactional documents; and handle federal and state court litigation or other former CRA complex housing issues.

### **ADDITIONAL RESOURCE NEEDS**

**LAHD estimates that it will need at a minimum 12 exempt positions at a cost of approximately \$2.1 million. Factoring in the cost for March through June 2012 (\$675,000), the total cost is roughly \$2.7 million. The proposed positions will be a mixture of short-term and long-term projects depending on the responsibilities. The positions and the sections they will be in include:**

**Transition Team Lead – Will oversee all of the two-phased transition and implementation plans.**

1 – Director of Housing

**Project Management for Development Pipeline - intended to be phased-out as former CRA/LA construction projects are completed.**

2 – Community Housing Program Managers

2 – Senior Project Coordinators

1 – Rehab Construction Specialist II

1 – Management Assistant

**Portfolio Management – this position is long-term commensurate with the terms of the loan agreements.**

1 – Finance Development Officer II

**Occupancy Monitoring – this position is long-term commensurate with the terms of the 55-year covenant agreements.**

1 – Senior Project Coordinator

**Accounting – the length of time the position is needed will be evaluated periodically.**

1 – Senior Auditor

**Systems – the length of time the position is needed will be evaluated periodically.**

1 – Senior Systems Analyst

**Legal Services – the length of time the position is needed will be evaluated periodically.**

1 – Deputy City Attorney III

**Other Necessary Resources**

One-time administration expenses such as office space, workstations, office, technical equipment, and operating supplies.

**Phase Two – Implementation Plan**

Upon a thorough review of the transferred assets by the transition team, LAHD will report back with a more comprehensive Implementation Plan that will provide the appropriate resources to ensure that: 1) over the next several years, all of the existing construction projects in or soon to be in the pipeline are completed and 2) all projects in the current and future loan and affordable covenant portfolios are monitored as required. **LAHD anticipates that the Implementation Plan will require additional staff members above and beyond the transition team.** LAHD has determined that it will be able to accommodate the increased staffing level for Phase I. However, due to limited office space, LAHD's Phase II proposal will include an allocation request for additional office space within the Garland Building.

The first one to two years of this transition will be intensive and will require the highest allocation of personnel resources. Staffing associated with the development/construction projects are intended to be phased out as the workload of the former CRA/LA housing pipeline are completed and placed in service. Staffing associated with the loan and affordable covenant portfolios will be longer term, due to the duration of the loans and covenants.

Although the former CRA/LA housing work program shared a similar mission to that of LAHD, the two agencies pursued different strategies due to the different funding resources, regulations and organizational structures. Merging the two agencies creates the opportunity to align strategies, coordinate resources and build on the core strengths of each department. The Implementation Plan will be a road map for merging the two agencies including a specific plan to carry out the inherited obligations of CRA/LA, as well as, a strategic plan to successfully integrate the housing redevelopment function into the LAHD. The Implementation Plan will include a permanent staffing plan, an operating budget, and key goals for the department.

**FUNDING**

According to the California Department of Finance, as a result of the City electing not to be the successor agency of the former CRA/LA, the City is not eligible to receive any administrative allocations for the Housing component. However, the City is eligible to retain the revenue generated from the Housing loan portfolio. As stated previously, the portfolio is estimated to contain approximately 313 affordable housing residual receipts loans with a beginning principal balance of \$525.9 million. It is not yet known what the anticipated revenue stream will be, however, it is expected to contribute significantly to the operating costs. LAHD will include revenue projections as part of the report back on the full Implementation Plan.

With all existing LAHD grant and special funds allocated and no administrative allocation associated with the Housing component transfer to the City, the only funding source available is the City's General Fund. However, it is important to note that due to the State's decision to eliminate redevelopment agencies, the City will realize a long-term increase in property tax revenue that will offset the General Fund allocation to LAHD.

**RECOMMENDATIONS**

Therefore we recommend that the City Council subject to the approval of the Mayor:

1. AUTHORIZE a \$2,790,079 allocation from the General Fund to LAHD for the purposes of assuming the housing assets and functions of the former CRA/LA.
2. AUTHORIZE the Controller to:
  - a. Establish a new program entitled "Redevelopment Housing Program" for the receipt and disbursement of funds and accounting for assets, liability, equity, and future income and expenditures.
  - b. Establish a new interest bearing fund xxx entitled "Redevelopment Housing Program", and new accounts within fund xxx for fiscal year 2011-12 as follows:

Account No.	Account Title
43H411	Unallocated
43H143	Housing
43H299	Related Costs
43H112	City Attorney

- c. Transfer \$2,790,079 from the Reserve Fund to the Unappropriated Balance, and therefrom to Fund/Department xxx/43, "Redevelopment Housing Program Fund", in the following accounts and amounts:

<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
43H411	Unallocated	\$2,092,559.00
43H143	Housing	441,148.00
43H299	Related Costs	205,339.00
43H112	City Attorney	51,033.00
		<u>2,790,079.00</u>

- d. Expend funds not to exceed \$2,790,079 from the above fund and account upon proper written demand of the General Manager, or designee on an as needed basis.

- e. Increase appropriations in General Fund 100 Department 43 in FY 2011-12 as follows:

<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
001010	Salaries	\$ 383,195
003310	Transportation	784
006010	Office & Administrative	32,329
006030	Leasing	<u>24,840</u>
	Total	<u>441,148</u>

- f. Expend funds not to exceed \$441,148 from the above fund and accounts upon proper written demand of the General Manager, LAHD, or designee on as needed basis.

- g. Increase appropriations in General Fund 100 Department 12 for City Attorney Office in FY 2011-12 as follows:

<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
001010	Salaries	\$ 51,033

- h. Expend funds not to exceed \$51,033 from the above fund and account upon proper written demand of the City Attorney or designee.

3. INSTRUCT the City Clerk to place on the agenda for the first regular Council meeting after July 1, 2012 or shortly thereafter the following instructions:

- a. Re-authorize the exempt position authority, and re-appropriate the amount not to exceed \$1,323,445 in the General Fund/Department 100/43 into the fiscal year 2012-13 budget in the following accounts:

<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
001010	Salaries	\$1,149,585
003310	Transportation	2,353
006010	Office & Administrative	96,987
006030	Leasing	<u>74,520</u>
	Total	<u>\$1,323,445</u>

- b. Re-appropriate the amount not to exceed \$153,098 in General Fund/Department 100/12 in Salaries Account 1010, and reauthorize the exempt City Attorney III position authority into the fiscal year 2012-13 budget.

- c. Expend funds not to exceed \$1,323,445 from fund 100/43 and accounts mentioned in 3(a) upon proper written demand of the General Manager, LAHD, or designee on as needed basis.

- d. Expend funds not to exceed \$153,098 from fund 100/12 and account mentioned in 3(b) upon proper written demand of the City Attorney, or designee on as needed basis.

- e. Establish new accounts within fund xxx "Redevelopment Housing Program", for fiscal year 2012-13 as follows:

Account No.	Account Title
43J143	Housing
43J299	Related Costs
43J112	City Attorney

- f. Transfer appropriation within Redevelopment Housing Program fund/department XXX/43 as follows:

FROM:

<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
43H411	Unallocated	\$2,092,559

TO:

43J143	Housing	\$1,323,445
43J299	Related Costs	616,016
43J112	City Attorney	153,098
		<u>2,092,559</u>

- g. Expend funds not to exceed \$2,092,559 from the above fund and accounts upon proper written demand of the General Manager, LAHD, or designee on as needed basis.
4. AUTHORIZE personnel position authority for the following exempt positions in accordance with employment provisions cited in City Charter Section 1001(b):
- 1 Director of Housing (1568)
  - 2 Community Housing Program Managers (8500)
  - 3 Senior Project Coordinators (1538)
  - 1 Rehab Construction Specialist II
  - 1 Management Assistant (1539)
  - 1 Finance Development Officer II (1571-2)
  - 1 Senior Auditor (1518)
  - 1 Senior Systems Analyst (1596-1)
  - 1 Deputy City Attorney III (0552-G)
5. AUTHORIZE the General Manager, LAHD, or designee, subject to the approval of the City Administrative Officer (CAO), to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions, and/or in matters related to all receipts, and appropriation of funds received from interest earned, repayment from borrowers of portfolios that will be transferred from CRA, and reimbursements to other funds.
6. AUTHORIZE the General Manager, LAHD, or designee, subject to the approval of the City Administrative Officer (CAO), to make any necessary program adjustments consistent with the Mayor and Council actions.

The Los Angeles Housing Department's proposed actions require an allocation of \$2,790,079 from the City's General Fund. This allocation is offset by the increase in the City's property tax revenue as a result of the State's decision to eliminate redevelopment agencies as well as future housing loan portfolio revenue.

If you have any questions or need additional information regarding this report please do not hesitate to call me at (213) 808-8808 or Rushmore Cervantes at (213) 808-8405.

DG:RC:tcs