

HOUSING COMMITTEE REPORT relative to a personal services agreement with David Paul Rosen and Associates for residual receipts loan policy analysis and recommendations.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to execute a personal services agreement with David Paul Rosen and Associates for the provision of residual receipts loan policy analysis and recommendations, with compensation in an amount not to exceed \$24,999, and for a six-month term from the date of execution with no renewal options, subject to the approval of the City Attorney as to form and legality.
2. AUTHORIZE the Controller to establish and appropriate a new account within Fund 815/43, Municipal Housing Finance Fund, as follows:

<u>Account Title</u>	<u>Amount</u>
43M246 D P Rosen - Residual Receipts Policy Analysis	\$24,999

3. AUTHORIZE the General Manager, HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with this action, subject to the approval of the CAO; and, AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. The above recommendations are in compliance with City financial policies in that the agreement will be paid for by special funds. The personal services agreement with David Paul Rosen and Associates will be funded by HCIDLA's Municipal Housing Finance Fund No. 815.

Community Impact Statement: None submitted.

SUMMARY

In a report to the Mayor and Council dated September 29, 2015, the CAO states that HCIDLA requests authority to execute a personal services agreement with David Paul Rosen and Associates for the provision of residual receipts loan policy analysis and recommendations. The CAO states residual receipts are a common loan type in public sector affordable housing lending. Public agencies, such as HCIDLA, provide residual receipts loans to support the development of affordable multi-family rental housing. Residual receipts loans are structured to allow for annual repayment to the extent that such repayment is feasible and does not jeopardize the long-term affordability and operation of an affordable housing project. Generally, residual receipts loans include repayment terms which provide for annual repayment of principal and interest from an affordable housing project's cash flow after other allowable expenses have been paid.


The CAO goes on to report that in order to develop more uniform policies for determining residual receipts that are consistent with industry standards and balance project expenses while maximizing the income generating potential for HCIDLA's loans, the Department issued a

Request for Bids for residual receipts loan policy analysis and recommendations. Two bids were submitted. Based upon the evaluation and scoring of the proposals, HCIDLA recommends entering into an agreement with David Paul Rosen and Associates. The CAO recommends approval of HCIDLA's request and related actions.

At its meeting held August 19, 2015, the Housing Committee recommended that Council approve the proposed personal services agreement with David Paul Rosen and Associates, as recommended by HCIDLA and the CAO.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES 
FUENTES:	YES
HUIZAR:	ABSENT
PRICE:	YES
HARRIS-DAWSON:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-