

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: December 28, 2015

To: The Council

From: Miguel A. Santana, City Administrative Officer and Chair, CRA/LA Bond Oversight Committee

MA

Subject: **CRA/LA BOND OVERSIGHT COMMITTEE ACTION FROM MEETING OF NOVEMBER 19, 2015**

At the CRA/LA Bond Oversight Committee (BOC) meeting on November 19, 2015, the Committee considered the attached joint report from the Economic and Workforce Development Department (EWDD) and the Housing and Community Investment Department (HCID) and substantially adopted the recommendations from the report. The recommendations, as adopted by the BOC, and now forwarded for Mayor and Council consideration below, are:

That the Council, subject to the approval of the Mayor:

1. Approve \$3,700,000 in CRA/LA Excess Bond Proceeds from the Pico Union 2 Redevelopment Project Area for affordable housing within the project area.
2. Approve \$3,900,000 in CRA/LA Excess Bond Proceeds available to Council District 1 from the Westlake Recovery Redevelopment Project Area for affordable housing preservation in the Council District 1 portion of this project area.
3. Authorize the Controller to give HCID access to the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D to process transactions related to affordable housing preservation in the Pico Union 2 Redevelopment Project Area and the Westlake Recovery Redevelopment Project Area.
4. Authorize HCID to expend funds not to exceed \$3,700,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account No. 22L9OT, Pico Union Taxable, for transactions related to affordable housing preservation in the Pico Union 2 Redevelopment Project Area.
5. Authorize HCID to expend funds not to exceed \$3,900,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account No. 22L9ST, Westlake Taxable, for transactions related to affordable housing preservation in the Council District 1 portion of the Westlake Recovery Redevelopment Project area.
6. Direct HCID to report to the Mayor and Council:

- a) With actions and recommendations needed to distribute funds for the purchase of extended bond covenants consistent with the redevelopment purposes for which the bonds were sold; and,
 - b) Report annually on the status of commitments and progress toward meeting the five-year Excess Bond Proceeds commitment deadline.
- 7. Authorize the City Administrative Officer to review HCID expenditures for consistency with Excess Bond Proceeds covenants.
 - 8. Authorize by resolution, the employment of one position of Finance Development Officer (Code 1571) in HCID for the period from January 1, 2016 through June 30, 2016.
 - 9. Exempt the requested position of Finance Development Officer (Code 1571) from the Civil Service provisions of the City Charter, based on the position being funded by Excess Bond Proceeds and for a term of no more than two years which, by application of the procedures described in the City Charter, Section 1001(d)(4), may be extended for one additional year for a maximum exemption of three years.
 - 10. Authorize HCID to release a request for proposals to select qualified technical services and outreach consultants to provide technical assistance to HCID staff and outreach assistance for tenants on an as-needed basis, for the Excess Bond Proceeds Program.
 - 11. Authorize HCID to contract with consultants selected from current and future requests for qualifications for housing studies and technical services related to the Excess Bond Proceeds Program.
 - 12. Authorize the HCID General Manager, or designee, to negotiate and execute contracts for technical services and outreach consultants for the Excess Bond Proceeds Program in an aggregate amount not to exceed \$200,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, subject to the approval of the City Attorney and compliance with all necessary City, State and Federal requirements.
 - 13. Authorize the Controller to:
 - a) establish new accounts and transfer funds within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D as follows:

From:

Account No.	Title	Amount
22L9OT	Pico Union 2 Taxable	\$ 63,960
22L9ST	Westlake Taxable	<u>63,960</u>
	TOTAL	\$127,920

To:

22M143	Housing & Community Investment	\$ 90,148
22M299	Reimbursement to General Fund	<u>37,772</u>
	TOTAL	\$127,920

- b) Appropriate the amount of \$90,148 from Fund 57D, Account No. 22M143 to the Housing and Community Investment Department Fund 100/43, Salaries General Account No. 001010.

14. Instruct the City Clerk to place on Calendar on the first available meeting date on or after July 1, 2016 the following recommendations:

a) Authorize the Controller to establish new accounts within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D and transfer appropriations as follows:

From:

Account No.	Title	Amount
22L9OT	Pico Union 2 Taxable	\$127,920
22L9ST	Westlake Taxable	<u>127,920</u>
	TOTAL	\$255,839

To:

22N143	Housing & Community Investment	\$180,295
22N299	Reimbursement to General Fund	<u>75,544</u>
	TOTAL	\$255,839

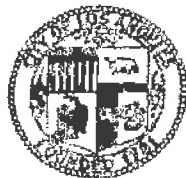
b) Appropriate the amount of \$180,295 from Fund 57D, Account No. 22N143 to the Housing and Community Investment Department Fund 100/43, Salaries General Account 001010.

15. Authorize the EWDD General Manager and the HCID General Manager, or designees, to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with this action, subject to review of the City Administrative Officer.

MAS:RAS:05160071

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

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DEVELOPMENT DEPARTMENT**

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RUSHMORE D. CERVANTES
GENERAL MANAGER

November 12, 2015

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CRA/LA Bond Oversight Committee
c/o Ramon Soto
Office of the City Administrative Officer
Room 1500, City Hall East

COMMITTEE TRANSMITTAL: REPORT TO THE CRA/LA BOND OVERSIGHT COMMITTEE ON A MOTION (CEDILLO – HARRIS-DAWSON) TO ALLOCATE UP TO \$9,124,762 IN CRA/LA EXCESS BOND PROCEEDS FROM THE FIVE REDEVELOPMENT PROJECT AREAS WITHIN COUNCIL DISTRICT 1 (CD1) TO BE UTILIZED ON EXTENDING AFFORDABILITY COVENANTS ON EXISTING AFFORDABLE HOUSING UNITS

SUMMARY

The Los Angeles City Council, on September 22, 2015, adopted a Motion (Cedillo-Harris-Dawson) (Attachment A) to allocate up to \$9,124,762 of CRA/LA non-housing Excess Bond Proceeds (EBP) available to Council District 1 (CD1) for the purpose of extending the affordability covenants on existing affordable housing units (C.F. 14-1174-S1). Assisting affordable housing is a qualified funding category for EBP in general, however in order for EBP funds to be used for this purpose, affordable housing must be an identified use for the redevelopment purposes for which the bonds were sold. These uses are identified as potential projects in the Bond Spending Plan which was adopted by City Council on October 29, 2014 (C.F. 14-1174). Of the five Redevelopment Project Areas that contain portions of CD1, three name affordable housing as potential projects and two have estimated investments for this purpose in their spending plans, namely, \$1 million is currently estimated in Pico Union 2 and \$1 million is estimated in Wilshire Center/Koreatown. The spending plan for Westlake Recovery Redevelopment Project Area names a potential affordable housing project, but does not allocate funds for affordable housing in its estimated investments.

After consulting with the Los Angeles Housing + Community Investment Department (HCIDLA), the Economic and Workforce Development Department (EWDD) and HCIDLA recommend that \$3.7 million be allocated at this time from the Pico Union 2 Excess Bond Proceeds and \$3.9 million be allocated from the Westlake Recovery Excess Bond Proceeds for affordable housing preservation to be disbursed by HCIDLA for this purpose in the Pico Union 2 and Westlake Recovery Redevelopment Project Areas. HCIDLA will report annually on preservation opportunities in both Redevelopment Project Areas and these funds will be reallocated to other activities if it appears that they cannot be committed for this purpose by the five year commitment in January 2020.

RECOMMENDATIONS

The General Manager, EWDD, and the General Manager, HCIDLA, request that the Bond Oversight Committee recommend that Mayor and Council:

1. APPROVE \$3,700,000 in CRA/LA Excess Bond Proceeds from the Pico Union 2 Redevelopment Project Area for affordable housing preservation in this project area.
2. APPROVE \$3,900,000 in CRA/LA Excess Bond Proceeds available to CD1 from the Westlake Recovery Redevelopment Project Area for affordable housing preservation in the CD1 portion of this project area.
3. AUTHORIZE the Controller to give HCIDLA access to the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D to process transactions related to Affordable Housing Preservation in the Pico Union 2 Redevelopment Project Area and the Westlake Recovery Redevelopment Project Area.
4. AUTHORIZE HCIDLA to expend funds not to exceed \$3,700,000 million from Account No. 22L9OT, Pico Union 2 Taxable, within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D for transactions related to Affordable Housing Preservation in the Pico Union 2 Redevelopment Project Area.
5. AUTHORIZE HCIDLA to expend funds not to exceed \$3.9 million from Account No. 22L9ST, Westlake Taxable, within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D for transactions related to Affordable Housing Preservation in the CD1 portion of the Westlake Recovery Redevelopment Project Area.
6. INSTRUCT HCIDLA to report to Council:
 - a) With actions and recommendations needed to distribute these funds for the purchase of extended covenants consistent with the redevelopment purposes for which the bonds were sold; and
 - b) Report annually on the status of commitments and progress toward meeting the five year EBP commitment deadline.
7. AUTHORIZE the Office of the Chief Administrative Officer (CAO) to review HCIDLA expenditures for consistency with the EBP covenants.

8. AUTHORIZE resolution position authorities for the following exempt position for the period of January 1, 2016 to June 30, 2017:

<u>No. of Positions</u>	<u>Class Code</u>	<u>Classification Title</u>
1	1571	Finance Development Officer

9. AUTHORIZE the position described above in accordance with the City Charter Section 1001 and the Civil Service Commission, as positions in the HCIDLA exempt from the civil service provisions of the Charter, based on the position being funded by the Excess Bond Proceeds 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 position from the City's managed hiring process.
10. AUTHORIZE HCIDLA to release a Request for Proposal (RFP) to select qualified technical services and outreach consultants to provide technical assistance to HCIDLA staff and outreach assistance for tenants on an as need basis.
11. AUTHORIZE HCIDLA to contract with consultants selected from current and future Request for Qualifications (RFQ) for Housing Studies and Technical Services.
12. AUTHORIZE the HCIDLA General Manager, or designee, to negotiate and execute contracts for technical services and outreach consultants, where the sum of all contracts is not to exceed \$200,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, subject to review and approval by the City Attorney as to form and compliance with all necessary City, State, and federal requirements.
13. Authorize the Controller to:
- a) Establish new accounts within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D/22 and transfer appropriations as follows:

	Account	Title	Amount
From:	22L9OT	Pico Union 2 Taxable	\$ 63,960
	22L9ST	Westlake Taxable	63,960
		Total	\$ 127,920
To:	22M143	Housing and Community Investment	\$ 90,148
	22M299	Reimbursements to the General Fund	37,772
		Total	\$ 127,920

- b) Appropriate \$90,148 within Fund 100/43 Account No. 001010 Salaries.
14. Instruct the City Clerk to place on Calendar on the first available meeting date after July 1, 2017 or soon thereafter the following recommendations:
- a) Establish new accounts within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D/22 and transfer appropriations as follows:

	Account	Title	Amount
From:	22L9OT	Pico Union 2 Taxable	\$ 127,920
	22L9ST	Westlake Taxable	127,919
		Total	\$ 255,839
To:	22N143	Housing and Community Investment	\$ 180,295
	22N299	Reimbursements to the General Fund	75,544
		Total	\$ 255,839

b) Appropriate \$180,295 within Fund 100/43 Account No. 001010 Salaries.

15. AUTHORIZE the EWDD General Manager and HCIDLA General Manager, or designees, to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with this action, subject to the review of the City Administrative Officer (CAO), and request the Controller to implement the instructions.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed allocation of CRA/LA Excess Bond Proceeds. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from the transfer of approximately \$84.1 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174). Said transfer has been deposited with the Office of the Controller.

BACKGROUND

Pursuant to the dissolution of the former Community Redevelopment Agency (CRA) of the City of Los Angeles on February 1, 2012, CRA/LA, a Designated Local Authority (CRA/LA) was established on February 3, 2012 to serve as the successor agency to the former CRA. AB 1484, which passed the State legislature on May 27, 2012, permits eligible successor agencies to use unobligated pre-2011 tax allocation bond proceeds (Excess Bond Proceeds) for new obligations, as long as the funds are used in a manner consistent with the original bond covenants.

To that end, the City of Los Angeles (City) executed a Bond Expenditure Agreement (BEA) with CRA/LA in January 2015 which authorized the transfer of approximately \$84.1 million in Excess Bond Proceeds (EBP) from the CRA/LA to the City. The \$84.1 million was generated by 26 bond issues of which seven were tax exempt (\$41.4 million), and 19 were taxable (\$42.6 million). The EBP is to be spent on bond eligible purposes that are of maximum benefit to the City, and the Affected Taxing Entities including the County, School District and Community College District. The BEA also contain provisions for 1% of taxable EBP to be expended on staff administration costs, and 15% of taxable EBP to be spent on program evaluation and implementation efforts by City staff.

The City Council also adopted a Bond Spending Plan (BSP) which was created by the offices of the Mayor, City Administrative Officer, Chief Legislative Analyst, EWDD, HCIDLA, and Bureau of Engineering (BOE) to implement the BEA. The BSP delineates each redevelopment project area's available EBP broken down by their taxable or tax-

exempt origin; and outlines permissible investments by project, program and activity per project area as follows:

1. **Public Infrastructure** – Capital improvements to roadways, utility infrastructure, streetscapes and sidewalks;
2. **Community Facilities/Open Space** – Land acquisition, new construction and improvements to schools, libraries, community centers, parks, public plazas, museums, theaters;
3. **Affordable Housing Projects** – Land acquisition, new construction, rehabilitation of existing buildings, and preservation of affordability covenants; and
4. **Business Assistance and Catalytic Commercial Development** – Establishment and investment in Business Districts to create jobs, façade programs, technical assistance to small businesses, development of underutilized/contaminated sites to address blight, develop catalytic projects to attract private investment, and rehabilitation of historic/commercial buildings.

Additionally, specific potential projects, including high priority investments, are identified per project area.

The City will use the EBP for redevelopment purposes for which the bonds were sold and consistent with the applicable bond covenants as set forth in the bond documents, BEA, applicable provisions of the Community Redevelopment Law and Redevelopment Plans, and the BSP. The BSP allows the City to transfer funds between projects, programs and activities as long as the funds remain within the Redevelopment Project Area from which the EBP are derived.

CD1 EXCESS BOND PROCEEDS AND PROPOSED PROGRAM ACTIVITIES

The CD1 portion of Excess Bond Proceeds from the five Redevelopment Project Areas totals \$9,124,761. These Redevelopment Project Areas include Adelante Eastside, Pico Union 1, Pico Union 2, Westlake Recovery and Wilshire Center/Koreatown. The CD1 EBP consist of \$247,357 in tax-exempt bond proceeds in two projects areas, and \$8,877,404 in taxable bond proceeds in all five project areas. These funds are detailed below:

CRA Project Area	CD1's Percentage of Project Area EBP	Tax-Exempt Bond Proceeds	Taxable Bond Proceeds	Total Bond Proceeds in Project Area
Adelante Eastside	2 %	\$ 94,262	\$ 37,222	\$ 131,484
Pico Union 1	100 %		\$ 485,816	\$ 485,816
Pico Union 2	100 %		\$ 3,739,238	\$3,739,238
Westlake Recovery	87 %		\$ 3,973,267	\$3,973,267
Wilshire Center / Koreatown	8.24 %	\$ 153,095	\$ 641,861	\$ 794,956
TOTAL		\$ 247,357	\$ 8,877,404	\$9,124,761

The approved bond spending within the five Redevelopment Project Areas that contain portions of CD1 total \$25,013,793. With the exception of Pico Union 1 and Pico Union 2

Redevelopment Project Areas, which are located entirely in CD1, the three other project areas contain portions of various other Council Districts as well. The proposed bond spending within each redevelopment area does not provide a breakdown per Council District. The projects, programs and activities described in the spending plans for each of the five Redevelopment Project Areas that contain portions of CD1, are summarized as follows:

Project Areas Containing Portions of CD1	Estimated Investments				Total Project Area Spending
	Infrastructure	Community Facilities	Affordable Housing	Business Assistance	
Adelante Eastside	\$ 2,800,000	\$1,913,116		\$1,861,120	\$6,574,236
Pico Union 1				\$ 485,816	\$ 485,816
Pico Union 2	\$ 739,238		\$1,000,000	\$2,000,000	\$3,739,238
Westlake Recovery	\$ 800,000	\$ 766,974		\$3,000,000	\$4,566,974
Wilshire/Koreatown		\$6,647,529	\$1,000,000	\$2,000,000	\$9,647,529
TOTAL	\$4,339,238	\$ 9,327,619	\$2,000,000	\$9,346,936	\$25,013,793

The BSP identified potential projects in each of the project areas that contain portions of CD1 as follows:

1. Adelante Eastside Project Area Spending (\$6,574,236)
 - Twelve (12) potential projects total
 - This list does not include affordable housing
2. Pico Union 1 Project Area Spending (\$485,816)
 - Two (2) potential projects total
 - This list does not include affordable housing
3. Pico Union 2 Project Area Spending (\$3,739,238)
 - Six (6) potential projects total
 - Affordable housing investment in new construction, rehabilitation or purchase of extended or new covenants to provide additional affordable housing opportunities in the project area is included
4. Westlake Recovery Project Area Spending (\$4,566,974)
 - Eleven (11) potential projects total
 - An affordable housing investment at Metro/MBS Phase 2 – Westlake Theater-adjacent 4 parcels for affordable housing is included
 - Additionally, 2 potential proposals identified a Westlake Theater Catalytic Project to rehabilitate the historic theater next to Metro Station, and to develop parking structure near Westlake Theater/Metro Station to relieve congested area for the theater and Metro station
5. Wilshire Center/Koreatown Project Area Spending (\$9,647,529)
 - Twelve (12) potential projects total
 - An affordable housing investment to assist with new construction of senior affordable housing project by Little Tokyo Service Center; and PATH

iMetro project to assist with new construction of supportive housing project by People Assisting the Homeless that will provide 160 beds

ANALYSIS AND RECOMMENDATIONS

CD1's Motion seeks to invest its entire \$9.1 million in available EBP to extend affordability covenants on existing affordable housing units. However, only two of the spending plans for Redevelopment Project Areas containing portions of CD1 identify Affordable Housing in their estimated expenditures. These estimated expenditures total \$2 million – \$1 million in Pico Union 2 and \$1 million in Wilshire Center/Koreatown. Additionally, of the 43 potential projects identified in all five of these Redevelopment Project Areas, only four are affordable housing projects.

EWDD has consulted with the HCIDLA regarding potential at-risk projects for EBP affordable housing preservation investment in the five Redevelopment Project Areas that contain portions of CD1. At this time the majority of at-risk projects are located in the Pico Union 2 and Westlake Recovery Redevelopment Project Areas. There are no affordable housing preservation opportunities in the CD1 portions of the Wilshire Center/Koreatown Redevelopment Project Area and there are no projects categorized as high risk by HCIDLA in Pico Union 1. While the estimated expenditures for the Westlake Recovery Redevelopment Project Area do not include Affordable Housing, this Redevelopment Project Area has the largest number of at-risk Affordable Housing projects that would benefit from funds to extend their covenants.

Based upon review of the Bond Spending Plans for the five Redevelopment Project Areas identified in the Motion and in discussions with HCIDLA and CD1, and subject to the CAO's clearance of applicable bond covenants and adherence to policies and Redevelopment laws, EWDD and HCIDLA recommend:

1. Allocation of \$3.7 million from Pico Union 2 EBP for extending affordable housing covenants in this Redevelopment Project Area; and
2. Allocation of \$3.9 million EBP available to CD1 from the Westlake Recovery Redevelopment Project Area be approved for Affordable Housing Preservation in the CD1 portion of this project area; and
3. That these funds be allocated for HCIDLA to distribute as preservation opportunities arise; and
4. That HCIDLA be instructed to report to Council if these funds will not be able to be committed for this purpose by the five year EBP commitment deadline.

PRESERVATION PROGRAM GOALS AND STRATEGIES

HCIDLA will utilize the \$7.6 million in EBP to preserve affordable housing covenants, affordability restrictions, and rental subsidies in the Pico Union 2 and Westlake Recovery Redevelopment Project Areas located in CD1. The CD1 Preservation Program Goals for this short-term project are:

- Track and report all affordable housing at risk of converting to market rate rents (e.g. expiring HUD contracts, expiring affordability covenants) within these two project areas;

- Preserve covenants at risk of expiring within five years by focusing on expiring CRA covenants, rental subsidy contracts, and other non-CRA covenants;
- Provide outreach and education to renters and landlords; and
- Track and report all preservation activity accomplished by HCIDLA.

HCIDLA's Preservation Strategies will preserve ongoing affordability through financial and non-financial strategies, as appropriate, within the two redevelopment project areas:

- **Buy-Down Affordability:** Compensate property owners for foregone revenues over the term of the extended affordability.
- **Service Payback Loans:** Provide loans to property owners in return for extending existing affordability covenants. Loans would be forgiven over the term of the covenant for the provision of below market rents for lower and moderate income households.
- **Rehabilitation Loans:** Provide loans to rehabilitate properties in return for extending affordability covenants requiring below market rents for lower and moderate income households.
- **Master Lease:** Provide master lease payments to property owners for housing units made available to lower and moderate income households at below market rents.
- **Loan Extension / Debt Reduction:** Negotiate loan extensions and debt forgiveness in return for extending affordability covenants for properties with existing CRA loan balances.
- **Enforcement:** Enforce existing affordability terms, occupancy requirements, state notification requirements and work with the City Attorney's Office to extend affordability terms for non-compliant properties.
- **Sale of Property to a mission driven affordable housing provider that may be financed through the New Generation Fund (NGF).**

STAFFING PLAN

HCIDLA is requesting authorization to hire one exempt position to carry out the CD1 Preservation Program delivery goals and strategies within these two redevelopment project areas as indicated below:

- Finance Development Officer I (FDO I) – Educates owners on financing options (i.e. Bond, FHA, AHTF, Preservation Loan, Rehab Loan, Debt Reduction, Master Lease, etc.). Refers owners to appropriate financing resources or potential interested buyers. Underwrites new Preservation, Rehabilitation, or Master Lease loans or NGF financing. Assists owners to extend Section 8 contracts with HUD.

The exempt position will report to HCIDLA's Asset Management Division for the duration of the CD1 Preservation Program. The exempt position will be part of a new work unit that will be responsible for implementing lending and incentive programs for

energy-efficiency retrofits across the City's affordable housing portfolio and preservation of existing affordable housing units. Refer to Attachment B for the organization chart.

HCIDLA will also need the part-time assistance of the following staff to carry out the CD1 program delivery goals.

<u>% of Time Needed</u>	<u>Class Code</u>	<u>Classification Title</u>
30%	8504	Housing Planning & Economic Analyst

The staff costs for the exempt position and one part-time staff is \$255,839 for a one year period. Outlined in the table below are the staff cost projections for a five year period:

Period		Staff Costs
January 2016 – June 2016	Half year	\$127,920
July 2015 – June 2017	Full year	\$255,839
July 2017 – June 2018	Full year	\$255,839
July 2018 – June 2019	Full year	\$255,839
July 2019 – June 2020	Full year	\$255,839
July 2020 – December 2020	Half year	\$127,920
Total	Five years	\$1,279,196

PRESERVATION PROGRAM TEAM


HCIDLA proposes to form an interdisciplinary Preservation team to implement the recommendations in this report. The Preservation team will be comprised of HCIDLA staff and technical service and outreach contractors, and will work closely with the owners to extend the affordability covenants as well as outreach to the existing tenants. HCIDLA requests for the allocation of up to \$200,000 to enter into and/or expand duties on consultant and service contracts to provide technical assistance to HCIDLA staff and provide outreach assistance for tenants on an as need basis.

In October 2014, the Mayor and Council authorized the establishment of a pre-qualified list of consultants related to the citywide strategic planning effort for asset management and economic development (C.F. 12-1549-S2). The pre-qualified list of consultants was selected through a RFQ process administered by the Office of the City Administrative Officer (CAO). HCIDLA participated in the selection committee for the RFQ. The consultants were selected to provide technical services in the following service areas: Real Estate Services and Brokerage; Project Feasibility and Underwriting; Community Outreach and Engagement; and, Master Planning and Site Planning.

HCIDLA plans to enter into agreements with consultants from this pre-qualified list. HCIDLA will utilize a Request for Bid (RFB) process established by the CAO and HCIDLA to request proposal bids, select and engage consultants to implement the recommendations in this report. For each RFB, HCIDLA will prepare a procurement request with scope of work and bid requirements and solicit proposals from the consultants on the pre-qualified list established in C.F. 12-1549-S2. When the submissions are received, consultants that are most responsive and cost effective will

be selected to enter into a contract.

HCIDLA may also elect to contract with consultants selected from current and future Request for Qualifications for Housing Studies and Technical Services or through a Request for Proposal competitive bid process.



JAN PERRY
General Manager
Economic and Workforce Development
Department



RUSHMORE D. CERVANTES
General Manager
Los Angeles Housing + Community Investment
Department

JP:SH:MB:MMS:ML:FC:DS

ATTACHMENT A: Motion (Cedillo – Harris-Dawson)

ATTACHMENT B: Organization Chart

MOTION

HOUSING

On October 29, 2014, Council authorized the City of Los Angeles (City) to enter into a Revised Bond Expenditure Agreement and adopt a related Bond Spending Plan with CRA/LA, A Designated Local Authority (CRA/LA) for the transfer of approximately \$84.1 million in pre-2011 tax allocation bond proceeds, referred to as Excess Bond Proceeds, from CRA/LA to the City (C.F. 14-1174). The Bond Expenditure Agreement was fully executed on January 16, 2015, and the Excess Bond Proceeds have been transferred to the City and deposited with the Office of the Controller.

The \$84.1 million in Excess Bond Proceeds is comprised of tax-exempt and taxable bond proceeds in various amounts for 20 existing redevelopment project areas throughout the City and may only be spent on eligible projects, programs, and activities within the boundaries of each redevelopment project area. The Bond Spending Plan identifies four general categories for eligible expenditures including public infrastructure, community facilities/open space, affordable housing, business assistance and catalytic commercial developments. A list of eligible projects, programs, and activities is also included for each redevelopment project area within the Bond Spending Plan.

All or portions of the Adelante Eastside, Monterey Hills, Pico Union 1, Pico Union 2, Westlake Recovery, and Wilshire Center/Koreatown redevelopment project areas lie within Council District One and collectively provide approximately \$9.1 million in Excess Bond Proceeds to the District. The preservation and creation of affordable housing is a top priority for the City and Council District One and is consistent with the Housing and Community Investment Department's mission of creating viable urban communities by advocating for safe and livable neighborhoods through the promotion, development and preservation of decent, safe, affordable housing and by expanding economic opportunities and public services, principally for low- and moderate income persons. Preserving existing affordability covenants is an eligible expense of both tax-exempt and taxable Excess Bond Proceeds. Within the next three years, approximately 805 affordability restricted covenants will be expiring in areas of Council District One and the Excess Bond Proceeds provides a resource and opportunity to extend the affordability of some of those units and achieve the goal of preserving affordable housing.

I THEREFORE MOVE that Excess Bond Proceeds available to Council District One from redevelopment project areas within the District be utilized to extend affordability covenants on existing affordable housing units.

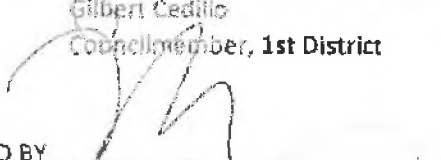
I FURTHER MOVE that the General Manager, or designee, of the Economic and Workforce Development Department, with the assistance of the Housing and Community Investment Department, City Administrative Officer, Chief Legislative Analyst, Council District One, and any other applicable City department provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate Excess Bond Proceeds in an amount to be determined to preserve affordability covenants within Council District One.

PRESENTED BY



Gilbert Cedillo
Councilmember, 1st District

SECONDED BY



JUL 31 2015

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ATTACHMENT B
HCIDLA – Asset Management Division Organization

