

HOUSING COMMITTEE REPORT relative to allocating excess CRA/LA bond proceeds from the five Redevelopment Project Areas to extend affordability covenants on existing affordable housing units.

Recommendations for Council action, 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 the Los Angeles Housing and Community Investment Department (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 and the Westlake Recovery Redevelopment Project Areas.
4. AUTHORIZE the HCIDLA to:
 - a. Expend funds not to exceed \$3,700,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account No. 22L90T, Pico Union Taxable, for transactions related to affordable housing preservation in the Pico Union 2 Redevelopment Project Area.
 - b. 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.
5. DIRECT the HCIDLA 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.
 - b. Report annually on the status of commitments and progress toward meeting the five-year Excess Bond Proceeds commitment deadline.
6. AUTHORIZE the City Administrative Officer (CAO) to review HCIDLA expenditures for consistency with Excess Bond Proceeds covenants.
7. RESOLVE that employment authority for one position of Finance Development Officer (Code 1571) in the HCIDLA for the period January 1, 2016 through June 30, 2016, is APPROVED and CONFIRMED.
8. 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.

9. AUTHORIZE the HCIDLA to:

- a. Release a request for proposals to select qualified technical services and outreach consultants to provide technical assistance to HCIDLA staff and outreach assistance for tenants on an as-needed basis, for the Excess Bond Proceeds Program.
- b. Contract with consultants selected from current and future requests for qualifications for housing studies and technical services related to the Excess Bond Proceeds Program.

10. AUTHORIZE the General Manager, HCIDLA, 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 as to form and legality and with all necessary City, State and Federal requirements.

11. 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:

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

<u>Account No.</u>	<u>Title</u>	<u>Amount</u>
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.

12. INSTRUCT the City Clerk to place on the Council Calendar on the first available meeting date on or after July 1, 2016 the following recommendation:

AUTHORIZE the Controller to:

- a. Establish new accounts within the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D and transfer appropriations, as follows:

<u>Account No.</u>	<u>Title</u>	<u>Amount</u>
From: 22L9OT	Pico Union 2 Taxable	\$127,920
22L9ST	Westlake Taxable	<u>127,920</u>
		Total: \$255,840

<u>Account No.</u>	<u>Title</u>	<u>Amount</u>
To: 22N143	Housing & Community Investment	\$180,295
22N299	Reimbursement to General Fund	<u>75,544</u>
		Total: \$255,840

- 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.

13. AUTHORIZE the General Managers of HCIDLA and the Economic and Workforce Development Department, or their designees, to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with this action, subject to the approval of the CAO.

Fiscal Impact Statement: The Economic and Workforce Development and the HCIDLA report that this action will not impact the General Fund. 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. This transfer has been deposited with the Office of the Controller.

Community Impact Statement: None submitted.

(Personnel and Animal Welfare Committee waived consideration of the above matter.)

SUMMARY

In a report to the CAO's CRA/LA Bond Oversight Committee dated November 12, 2015, the Economic and Workforce Development and the HCIDLA request approval of various actions related to allocating excess CRA/LA bond proceeds from the five Redevelopment Project Areas to extend affordability covenants on existing affordable housing units. According to the Departments, assisting affordable housing is a qualified funding category for excess bond proceeds, however in order for these 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 adopted by Council in 2014. 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 Genter/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.

HCIDLA and the Economic and Workforce Development Department recommend that \$3.7 million be allocated 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. 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. In a report to the Mayor and Council dated December 28, 2015, the CAO recommends approval.

At its meeting held February 3, 2016, the Housing Committee Chair stated that this action will preserve affordable housing where it exists. The Committee recommended that Council approve the CAO's recommendations relative to this matter.

Respectfully Submitted,

HOUSING COMMITTEE

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

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-NOT OFFICIAL UNTIL COUNCIL ACTS-