

# TRANSMITTAL

To:

**THE COUNCIL**

Date: 08/06/2015

From:

**THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**



(Ana Guerrero)

**ERIC GARCETTI**  
Mayor



Eric Garcetti, Mayor  
Rushmore D. Cervantes, General Manager

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July 30, 2015

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Council District: Citywide  
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Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

**COUNCIL TRANSMITTAL: ASSIGNMENT, ASSUMPTION AND COOPERATION AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND CRA/LA, A DESIGNATED LOCAL AUTHORITY, SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA TO TEMPORARILY TRANSFER 22 HOUSING DEVELOPMENTS IN ORDER TO BRING THEM INTO COMPLIANCE WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) REQUIREMENTS**

**SUMMARY**

As an entitlement jurisdiction, the City receives federal Community Development Block Grant (CDBG) funds and HOME Investment Partnerships (HOME) funds from HUD. Over the past 25 years, the City has utilized these funds to help finance affordable multifamily rental housing and allocated some of these funds to the Community Redevelopment Agency of the City of Los Angeles (Former Agency) for the same purpose. More than 900 affordable housing developments have been financed during that time.

In August 2011, HUD commenced a review of the Former Agency's and the City's compliance with certain federal laws and regulations pertaining to the accessibility of housing developments to people with disabilities. As a result of that review, on September 19, 2014, CRA/LA, the Designated Local Authority (CRA/LA, DLA) and HUD entered into a Voluntary Compliance Agreement (VCA) under which the CRA/LA, DLA pledged to work cooperatively with the owners of 22 federally-funded

housing developments to resolve issues related to lack of accessibility to people with disabilities identified in the HUD Letter of Findings regarding the Former Agency. Since these housing developments were, in part, financed with federal funds through the Former Agency, the Former Agency was responsible for overseeing their development and construction. The CRA/LA, DLA VCA requires that these properties be retrofitted to make the site, common areas and designated dwelling units accessible to people with mobility impairments and hearing and vision impairments. In order for CRA/LA, DLA to carry out the requirements of its VCA with HUD, the City will need to execute an Assignment, Assumption and Cooperation Agreement (Temporary Transfer Agreement) to temporarily transfer these housing developments to it until the properties are brought into compliance with HUD regulations. Housing developments will then be transferred back to the City in accordance with the original Housing Assets Transfer Agreement (HAT Agreement).

## **RECOMMENDATIONS**

The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully recommends:

1. That your office schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) and forward it to the City Council for review and approval immediately thereafter.
2. That the City Council, subject to the approval of the Mayor, adopt the attached Resolution authorizing the General Manager, HCIDLA, to execute the Assumption, Assignment and Cooperation Agreement with CRA/LA, DLA.

## **BACKGROUND**

As a result of complaints from people with disabilities and agencies representing them, HUD commenced a review of the Former Agency's and the City's compliance with Section 504 of the Rehabilitation Act of 1973 (Section 504) and Title II of the Americans with Disabilities Act of 1990 (ADA Title II) and the administration of federally-funded loans made to housing developments. These regulations require that people with disabilities have the same opportunities as everyone else to participate in the mainstream of American life including having housing, particularly housing developments financed with federal funds that meet the needs of people with mobility and hearing/vision impairments.

On February 1, 2012, the Former Agency was dissolved in accordance with State regulations and the City became the successor agency for housing assets and functions. On April 5, 2013, a Housing Assets Transfer Agreement was executed between CRA/LA, DLA, and the City for the purpose of providing for the orderly transfer of the housing assets and functions of the Former Agency. Those assets have been transferred to the City in accordance with the HAT Agreement.

HUD continued to pursue resolution of its findings against the Former Agency and the City. On January 11, 2012, HUD issued a Letter of Findings (LOF) to the Former Agency and the City alleging violations of the accessibility requirements of Section 504 and the ADA at federally-funded housing developments

and requiring that they be retrofitted to bring developments into compliance. In order to fulfill its obligations to expeditiously wind down the affairs of the Former Agency, on September 12, 2014, CRA/LA, DLA, executed a VCA with HUD to retrofit the 22 Federally-funded housing developments identified therein. The VCA contains a five-year time limit in which the retrofit is to be accomplished. The VCA requires that the housing developments:

1. be surveyed to determine the location and types of violations;
2. create an approved plan that describes how these violations will be brought into compliance, and develop plans and specifications to do so;
3. undertake construction to retrofit in accordance with plans; and
4. obtain certification from HUD that each development is in compliance.

Only when the housing developments have been certified to be in compliance will those developments be transferred back to the City.

The attached Temporary Transfer Agreement requires that CRA/LA, DLA, and the Owners of the housing developments assume sole responsibility for the correction of any violations of the accessibility requirements of Section 504 and the ADA at the federally-funded housing developments as those requirements are defined in the VCA. Subject to the limitations and conditions set forth in the Temporary Transfer Agreement, CRA/LA, DLA, intends to temporarily assume all rights and obligations necessary to carry out its obligations under the VCA. A primary limitation in the Temporary Transfer Agreement is that the City will retain authority over these housing developments in regard to all occupancy monitoring functions: tenant income and rent requirements and rental occupancy policies. All housing assets received from the Former Agency will continue to receive the same oversight from HCIDLA's Occupancy Monitoring section, regardless of the entity responsible for the retrofit of housing developments.

### **FISCAL IMPACT**

There is no fiscal impact on the General Fund.

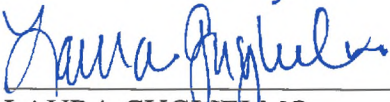
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Executive Officer

Approved by:

  
\_\_\_\_\_  
RUSHMORE D. CERVANTES  
General Manager

Attachments: Temporary Transfer Agreement  
Resolution to execute the Assumption, Assignment and Cooperation Agreement with  
CRA/LA, DLA