



**HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
INTERDEPARTMENTAL MEMORANDUM**

Date: June 1, 2016

To: Honorable City Council
c/o City Clerk, Room 395, City Hall

From: Douglas Guthrie, HACLA President and CEO

Doug Guthrie

**Subject: Request for Payment in Lieu of Taxes (PILOT) Waiver for
\$2.8 Million to Provide Services to Public Housing Residents**

Summary

The Housing Authority seeks authorization from the City of Los Angeles to waive Payment in Lieu of Taxes (PILOT) in the amount of \$2.8 million to provide funds for the provision of summer jobs to public housing youth, to provide drought tolerant landscaping; to convert public housing from office space back to affordable housing; to upgrade the Authority's 11 computer centers and to improve public housing playgrounds for greater safety and cleanliness.

Background

By agreement, the Housing Authority of the City of Los Angeles (HACLA), although exempt from paying property taxes, provides an annual amount to the City for its consideration on how it might be used to support public housing. The annual amount is based on the level of rents collected from public housing residents. The City has typically granted the Authority waivers allowing the use of these funds for the support of services providing direct benefit to the residents of the various housing developments.

The HACLA Board of Commissioners has approved this request for the \$2.8 million of accrued PILOT funds to be used for the activities listed above.

Current Request

HACLA has supported the SYEP through PILOT for a number of years. Last year's request of \$1 million, which was subsequently approved by the City Council, provided funding for the hiring of public housing youth during the summer months. 530 youth received jobs through this program which was supplemented by additional funds from the City and County of Los Angeles which added another 445 jobs. HACLA proposes to use \$1 million of the PILOT funds to support the program in 2016.

An additional request for \$750,000 for landscaping would be used to replace turf at three sites, Imperial Courts, San Fernando Gardens and Estrada Courts. HACLA has reduced water consumption at public housing sites by 27% since the initiation of the Mayor's water consumption reduction plan already exceeding the goal of a 20% reduction by 2017. However, HACLA recognizes that it is one of the largest residential users of water in the Los Angeles and the landscaping program will provide an opportunity to explore the

maintenance of drought tolerant plantings and to determine the feasibility of expanding the program agency wide.

Another \$450,000 will be used at Imperial Courts. Imperial Courts maintains a vacant building previously used as a 4H club and has since been used as a quasi-storage shelter for broken office supplies and refrigerators. This building will be rehabilitated to accommodate 3 offices, 2 accessible restrooms, counter-tops for computer stations, and an open area for meetings. The additional office space will accommodate the CSP and Housing Based Day Supervision Programs (HBDSP) and will provide a safe and secure environment for those utilizing the new computer lab. The units currently occupied by the Computer Lab, CSP and HBDSP will be converted back to four ADA accessible units.

\$175,000 is proposed for upgrades of the 11 computer centers located within the various public housing sites. These centers were originally supplied through the federal BTOP grants that equipped multiple centers throughout the City. The centers have been used as training facilities for both youth and adults in computer literacy, GED acquisitions and English learning. The centers are also used by the Authority's work source center for residents to pursue skill training and job opportunities.

The remaining \$445,000 would be used to improve playgrounds and equipment at five sites; Nickerson Gardens, Imperial Courts, Pico Gardens, Rancho San Pedro and Gonzaque Village. The projects will complete the removal of all sand playgrounds and replace them with rubber surfaces which are both safer from injury and cleaner. Play structures, swings and slides will be replaced that are currently worn and are nearing the end of their useful life.