

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 10, 2016

CAO File No. 0220-00540-1175
Council File No. 16-0641
Council District:

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Request from the Housing Authority of the City of Los Angeles dated June 1, 2016

Subject: **REQUEST FOR A \$2.82 MILLION WAIVER OF PAYMENT IN LIEU OF TAXES (PILOT) TO PROVIDE SERVICES TO PUBLIC HOUSING RESIDENTS FROM THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES (HACLA)**

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor, take the following actions:

1. Approve the waiver of the Housing Authority of the City of Los Angeles (HACLA) Payment in Lieu of Taxes (PILOT) for 2016-17 totaling \$2,820,000;
2. Approve the following PILOT funds expenditure plan and request HACLA to allocate the \$2,820,000 in PILOT funds for 2016-17 to the following expenditures:

Expenditure Item	Amount
Summer Youth Employment Program (SYEP)	\$1,000,000
Water-wise Landscape Improvements at 3 HACLA sites	750,000
Imperial Courts Storage Facility/Building Renovation	450,000
Computer Center Upgrades at 11 HACLA sites	175,000
Playground Improvements and Equipment Replacement at 5 HACLA sites	445,000
Total:	\$2,820,000

3. Authorize the Executive Director of HACLA, or designee, to:
 - a) Expend up to \$1,000,000 directly for the Summer Youth Employment Program (SYEP) and request the Executive Director of HACLA to report to Council every six months on the status of the SYEP payments;
 - b) Expend up to \$750,000 directly for water-wise landscaping improvements to reduce water usage including turf replacement, mulching, drought tolerant plantings and irrigation upgrades at three HACLA sites: Imperial Courts, San Fernando Gardens and Estrada Courts;

- c) Expend up to \$450,000 directly for a full renovation (exterior and interior) of an Imperial Courts storage facility building into three offices, two accessible restrooms, one computer lab equipped with new computers, and an open meeting room space;
- d) Expend up to \$175,000 directly for computer equipment upgrades at computer labs or centers within the following 11 HACLA sites: Avalon Gardens, Estrada Courts, Gonzaque Village, Imperial Courts, Imperial Courts Worksource Center, Mar Vista Gardens Computer Lab, Mar Vista Gardens Computer Center, Nickerson Gardens, Pueblo Del Rio, Ramona Gardens, Rancho San Pedro Social Hall, Rose Hill Courts and William Mead Homes; and
- e) Expend up to \$445,000 directly for playground improvements and equipment replacement of play structures, swings and slides at five HACLA sites: Nickerson Gardens, Imperial Courts, Pico Gardens, Rancho San Pedro and Gonzaque Village.

SUMMARY

The Housing Authority of the City of Los Angeles (HACLA) requests authorization from the City of Los Angeles to waive payment in Lieu of Taxes (PILOT) in the correct total amount of \$2,820,000 to provide summer jobs to youth living in public housing, water-wise landscape improvements at three HACLA sites, renovation of a former storage facility at Imperial Courts, upgrades at 11 computer centers at various HACLA locations, and playground improvements and installation of new play equipment at five HACLA sites. The funding would cover the 2016-17 fiscal year. This Office concurs with the proposed allocation of the PILOT funds.

BACKGROUND

The City and HACLA signed a PILOT Cooperation Agreement in 1939. Under this Agreement the Housing Authority consented to reimburse the City for the value of municipal services provided to HACLA housing developments, although HACLA is exempt from paying property taxes. The City has historically granted waivers to HACLA to allow the Housing Authority to use these funds for services that benefit residents or for capital and infrastructure improvements at various HACLA housing developments. The annual amount is based on the level of rents collected from housing residents.

In April 2015, HACLA requested a waiver of \$2,000,000 in PILOT funds. The Council approved the use of the funds for the Summer Youth Employment Program (SYEP) and the transition of recreation programs from the Department of Recreation and Parks to non-profit service providers, including related minor facilities improvements at various public housing sites. In November 2015, HACLA requested two changes to the use of previously approved PILOT funds: expanded scope of work detailing minor facilities improvements to allow for completion of the work and a reallocation of \$300,000 in PILOT funds to be utilized for a utility system evaluation. The Council approved the requested changes.

Current Request

As approved by their Board of Commissioners, HACLA requests waivers for 2016-17 in the

amount of \$2,820,000. The funds will be used to fund SYEP and several capital and infrastructure improvements at various HACLA locations. \$1,000,000 will be utilized to support SYEP and provide over 500 jobs to youth living in HACLA's 14 public housing developments. The number of youth employed is based upon the proportion of the populations living at each public housing site compared to the total number of residents in all of the developments. \$750,000 will be used to replace turf at three HACLA sites (Imperial Courts, San Fernando Gardens and Estrada Courts) with water-wise landscape improvements including irrigation upgrades, mulch and ground covers for moisture retention, and drought-tolerant plantings. \$450,000 is proposed for a full renovation (exterior and interior) of an Imperial Courts storage facility building into usable space with new furnishings and equipment for three offices, two accessible restrooms, one computer lab with new computers and an open meeting space. Once completed, both the Community Safety Partnership (CSP) and Housing-Based Day Supervision Program (HBDSP) will utilize office space in this building.

Another \$175,000 is proposed for computer labs or computer center upgrades (computers, hardware, software) located at the following 11 public housing sites: Avalon Gardens, Estrada Courts, Gonzaque Village, Imperial Courts, Imperial Courts Worksource Center, Mar Vista Gardens Computer Lab, Mar Vista Gardens Computer Center, Nickerson Gardens, Pueblo Del Rio, Ramona Gardens, Rancho San Pedro Social Hall, Rose Hill Courts and William Mead Homes. The remaining \$445,000 will be used for playground improvements and equipment replacement at five HACLA sites: Nickerson Gardens, Imperials Courts, Pico Gardens, Rancho San Pedro and Gonzaque Village. This funding will complete the removal of playground sand with rubberized surfacing and install new play structures, swings and slides. The proposed expenditure plan is summarized in Recommendation 2.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund as a result of approval of the recommendations in this report. If the Mayor and Council approve the waiver of the Payment in Lieu of Taxes (PILOT) funds, the Housing Authority of the City of Los Angeles (HACLA) will provide funds for direct support of the SYEP for over 500 youth living at HACLA developments as well as various capital and infrastructure improvements in and around HACLA facilities. The recommendations in this report are in compliance with the City's Financial Policies in that one-time funds provided by HACLA for the SYEP and various improvement projects would pay for the expenditures associated with the SYEP and projects.