

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 23, 2017

CAO File No. 0130-02066-001
Council File No. 17-0171
Council District: Citywide

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Housing and Community Investment Department Transmittal dated February 9, 2017; Received by the City Administrative Officer on February 14, 2017; Additional Information Received through March 20, 2017

Subject: **REQUEST FOR AUTHORITY TO ACCEPT A DONATION FROM THE CALIFORNIA COMMUNITY FOUNDATION AND NEW POSITION AUTHORITY FOR THREE POSITIONS IN SUPPORT OF INCREASING MULTI-FAMILY AFFORDABLE HOUSING PRODUCTION**

RECOMMENDATIONS

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

1. Authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to:
 - a. Accept from the California Community Foundation (CCF) donation funds in the amount of \$300,000 which will be provided incrementally over a three-year period, to be utilized to partially fund two new HCID staff positions for the multi-family bond program;
 - b. Prepare Controller instructions for any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions;
2. Authorize the Controller to deposit \$300,000, which will be provided incrementally over a three-year period (\$100,000 in FY 2016-17; \$150,000 in FY 2017-18; and \$50,000 in FY 2018-19), into the Municipal Housing Finance Fund No. 815 and appropriate upon receipt of the funds as follows:

a.

<u>Fiscal Year</u>	<u>Fund /Dept/Account</u>	<u>Account Name</u>	<u>Amount</u>
2016-17	815/43/43N143	Housing and Community Investment	\$ 75,367
	815/43/43N299	Reimbursement of General Fund Costs	<u>24,633</u>
		Total	\$ 100,000
	100/43/001010	Salaries General	\$ 59,513
	100/43/006010	Office and Administrative	12,124
	100/43/006030	Leasing	<u>3,730</u>
		Total	\$ 75,367

b. Authorize the City Clerk to place on the agenda on the first regular Council meeting on July 1, 2017, or shortly thereafter, the following instructions:

Authorize, subject to the approval of the Mayor, the Controller to appropriate upon receipt of the funds as follows:

<u>Fiscal Year</u>	<u>Fund /Dept/Account</u>	<u>Account Name</u>	<u>Amount</u>
2017-18	815/43/TBD	Housing and Community Investment	\$ 130,074
	815/43/TBD	Reimbursement of General Fund Costs	<u>19,926</u>
		Total	\$ 150,000
	100/43/001010	Salaries General	\$ 127,155
	100/43/006030	Leasing	<u>2,919</u>
		Total	\$ 130,074

c. Authorize the City Clerk to place on the agenda on the first regular Council meeting on July 1, 2017, or shortly thereafter, the following instructions:

Authorize, subject to the approval of the Mayor, the Controller to appropriate upon receipt of the funds as follows:

<u>Fiscal Year</u>	<u>Fund /Dept/Account</u>	<u>Account Name</u>	<u>Amount</u>
2018-19	815/43/TBD	Housing and Community Investment	\$ 38,545
	815/43/TBD	Reimbursement of General Fund Costs	<u>11,455</u>
		Total	\$ 50,000
	100/43/001010	Salaries General	\$ 37,057
	100/43/006030	Leasing	<u>1,488</u>
		Total	\$ 38,545

3. Authorize resolution position authority in HCID for two positions listed below for the multi-family bond program from April 1, 2017 through June 30, 2017 to perform the duties described in the HCID transmittal dated February 9, 2017, subject to position allocation by the Personnel Department and pay grade determination by the Office of the City Administrative Officer:

Number	Class Code	Classification Title
1	1571-1	Financial Development Officer I
1	9184-2	Management Analyst II
2		Total

SUMMARY

The General Manager of the Los Angeles Housing and Community Investment Department (HCID) requests authority to accept a donation in the amount of \$300,000 from the California Community Foundation (CCF), over a three-year period and resolution authority for three staff, one Financial Development Officer I and one Management Analyst II in HCID's multi-family bond program, and one Housing Planning/Economic Analyst to coordinate a more streamlined and efficient multi-family affordable housing production approval process. The HCID proposes to use the CCF donation and HOME program delivery funds to fund the positions, including benefits and overhead. However, the HCID requests approximately \$12,000 as a General Fund match in the current fiscal year to fully fund all three positions, and will request General Fund appropriations in future years, as outlined in the Attachment to their report dated February 9, 2017.

This Office concurs with HCID's request to accept the \$300,000 donation from the CCF. However, this Office supports new resolution authority for only two staff members that can be fully supported by Special Funds, the Financial Development Officer I and one Management Analyst II in HCID's multi-family bond program. Further, our Office reported on January 6, 2017 that there is a potential deficit of \$245 million in Fiscal Year 2016-17 (C.F. 16-1322), and the City's Financial Policies states that General Fund requests for new or expanded programs should be considered during the course of the annual budget process. The HCID has already submitted a request for the Housing Planning/Economic Analyst for FY 2017-18; therefore, we recommend that this requested position be considered during the 2017-18 budget process.

FISCAL IMPACT STATEMENT

There will be no impact to the General Fund at this time. The recommendations in this report are in compliance with the City's Financial Policies in that funding for two positions, a Financial Development Officer I and Management Analyst II, will come from a \$300,000 donation from the California Community Foundation and HOME program delivery funds. In compliance with the City's Financial Policies and recent actions by the Council (C.F. 16-1322), the request for a Housing Planning/Economic Analyst and General Fund support should be considered during the 2017-18 budget process.