

HOLLY L. WOLCOTT  
CITY CLERK

City of Los Angeles  
CALIFORNIA

OFFICE OF THE  
CITY CLERK

SHANNON D. HOPPE  
EXECUTIVE OFFICER



Council and Public Services Division  
200 N. SPRING STREET, ROOM 395  
LOS ANGELES, CA 90012  
GENERAL INFORMATION - (213) 978-1133  
FAX: (213) 978-1040

ERIC GARCETTI  
MAYOR

PATRICE Y. LATTIMORE  
ACTING DIVISION MANAGER

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Council File No.: [18-0435](#)

**OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL**

June 1, 2018

**Council File No.:** [18-0435](#)  
**Council Meeting Date:** May 30, 2018  
**Agenda Item No.:** 29  
**Agenda Description:** HOUSING COMMITTEE REPORT relative to request for Payment in Lieu of Taxes Waiver for \$7.5 million from 2018 through 2020.

**Council Action:** HOUSING COMMITTEE REPORT - ADOPTED

**Council Vote:**

YES	BLUMENFIELD	YES	HARRIS-DAWSON	YES	O'FARRELL
YES	BONIN	YES	HUIZAR	YES	PRICE
YES	BUSCAINO	ABSENT	KORETZ	YES	RODRIGUEZ
YES	CEDILLO	ABSENT	KREKORIAN	YES	RYU
ABSENT	ENGLANDER	YES	MARTINEZ	YES	WESSON

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**Pursuant to Charter/Los Angeles Administrative Code Section(s): 341**

FILE SENT TO MAYOR:

LAST DAY FOR MAYOR TO ACT:

**APPROVED**

**\*DISAPPROVED**

**\*VETO**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
DATE SIGNED

HOUSING COMMITTEE REPORT relative to request for Payment in Lieu of Taxes Waiver for \$7.5 million from 2018 through 2020.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the:

- a. Waiver of the Los Angeles Housing Authority (HACLA) Payment in Lieu of Taxes (PILOT) for calendar years 2018, 2019, and 2020, totaling \$7.5 million.
- b. PILOT funds expenditure plan; and, request HACLA to allocate the \$7,500,000 in PILOT funds for calendar years 2018, 2019, and 2020 to the following expenditures:

<u>Expenditure Item</u>	<u>Annual Amount</u>	<u>Total Amount 2018-20</u>
Summer Youth Employment Program	\$1,000,000	\$3000,000
Camera Systems Upgrade and Maintenance	750,000	2,250,000
Employment Technology Centers/Computer Labs	300,000	900,000
Recreation Program and Operation of Facilities	<u>450,000</u>	<u>1,350,000</u>
Total:	\$2,500,000	\$7,500,000

2. AUTHORIZE the Executive Director, HACLA, or designee, to:

- a. Expend up to \$3,000,000 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 \$2,250,000 directly for camera systems upgrade and maintenance at five HACLA sites.
- c. Expend up to \$900,000 directly to support staffing and needed enhancements for HACLA's existing ten Employment Technology Centers/Computer Labs.
- d. Expend up to \$1,350,000 directly for recreational programs and operation of recreational facilities at six HACLA sites.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no additional impact on the General Fund. The recommendations contained in the May 16, 2018 CAO report are in compliance with the City's Financial Policies in that the one-time funds provided by HACLA for the SYEP, improvements, and staffing would pay for the expenditures associated with those programs.

Community Impact Statement: None submitted.

Summary:

On May 23, 2018, your Committee considered a May 16, 2018 CAO report relative to a request for Payment in Lieu of Taxes Waiver for \$7.5 million from 2018 through 2020. According to the CAO, the City and HACLA signed a PILOT Cooperation Agreement in 1939. Under this Agreement, HACLA

reimburses the City for the value of municipal services provided to its developments, given that HACLA is exempt from paying property taxes. The City has historically granted waivers to allow HACLA to use these funds for services that benefit residents or for capital and infrastructure improvements at the various housing developments. The annual amount is based on the level of rents collected from public housing residents.

In November 2016, HACLA requested a waiver of \$2,400,000 in PILOT funds. In May 2017, the Council approved the use of funds to support the SYEP (\$1,000,000), make water-wise landscape improvements (\$37,492), upgrade and maintain camera systems supporting the Community Safety Partnership (CSP) program (\$490,000), upgrade computer centers (\$283,000), establish and refurbish community gardens (\$56,000), and reimburse the City's General Fund (\$533,508) for services provided by the Department of Recreation and Parks (RAP) at the Imperial Courts location (Council File No.16-0641). The RAP ceased all operations at HACLA facilities effective December 2017, so no further General Fund reimbursements are anticipated.

PILOT waiver requests from HACLA have previously been made on an annual basis. In October 2017, the HACLA Board of Commissioners authorized HACLA to request a three-year PILOT waiver, from 2018 to 2020, amounting to \$7,500,000. The three-year term is requested to provide financial consistency for HACLA and greater contracting flexibility with non-profit partners operating recreational programs on-site at HACLA's facilities. The HACLA request includes \$1,000,000 annually (\$3,000,000 over the three-year term) for the SYEP, which is consistent with previous requests approved by Council for 2014, 2015, and 2016. This program funds the summer hiring of over 500 youth living in public housing; over 1,500 in the three-year period.

HACLA also requests \$750,000 annually (\$2,250,000 over three years) for upgrades and maintenance to its existing camera systems, which are used to support Los Angeles Police Department activities and the efforts of its CSP program. New systems are needed at five sites (Nickerson Gardens, Imperial Courts, Mar Vista Gardens, Pico Gardens, and Ramona Gardens) since the existing systems will be obsolete and no longer supported by the manufacturer(s)

In May 2018, Council authorized \$490,000 for this program in 2017. A request for \$300,000 annually (\$900,000 over three years) will fund upgrades and staffing for HACLA's ten Employment Technology Centers/Computer Labs. These centers serve as an important resource for the City's Economic and Workforce Development Department's (EWDD) WorkSource centers located at the Imperial Courts and Jordan Downs sites. The centers provide access to General Education Development (GED) and English as a Second Language (ESL) training and resources for both high school and college students. Council has authorized \$283,000 for this program in 2017. Lastly, HACLA requests \$450,000 annually (\$1,350,000 over three years) to fund recreational programs at six sites: Estrada Courts, Ramona Gardens, Nickerson Gardens, Mar Vista Gardens, Imperial Courts, and Rancho San Pedro. These programs are provided through contracts with non-profit partners such as the Boys and Girls Club and Proyecto Pastoral. The RAP no longer provides recreational programs at any HACLA housing site.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the May 16, 2018 CAO report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	ABSENT
HARRIS-DAWSON:	YES

ARL  
5/23/18

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**