

COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

FILE NO. 11-2106-S3

FROM: COUNCILMEMBER RICHARD ALARCÓN, CHAIR

COMMUNICATION FROM CHAIR, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE relative to authorization to execute an amendment to the contract with Restore Neighborhoods LA, Inc. (RNLA) to increase the total contract amount by \$717,586 and a one-year extension for continuation of Neighborhood Stabilization Program (NSP) activities, and authorization for budgetary and fiscal adjustments.

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

1. AUTHORIZE the General Manager, Los Angeles Housing Department (LAHD), or designee, to execute the Eighth Amendment to Contract No. C-115683 with RNLA to include the following provisions, subject to the review and approval of the City Attorney as to form:
 - a. Increase the total contract in an amount not to exceed \$717,568 to reflect the additional City funding sources in Recommendation No. 1b below.
 - b. Amend Exhibit H, entitled "Administrative Budget," to:
 - 1) Increase Neighborhood Stabilization Program 1 (NSP1) funds allocated for Administrative Costs by \$143,517, from \$1,358,246 to an amount not to exceed \$1,501,763.
 - 2) Increase Neighborhood Stabilization Program 2 (NSP2) funds allocated for Administrative Costs by \$502,310, from \$2,217,040 to an amount not to exceed \$2,719,350.
 - 3) Increase Neighborhood Stabilization Program 3 (NSP3) funds allocated for Administrative Costs by \$71,759, from \$387,558 to an amount not to exceed \$459,317.
 - c. Increase the contract term for one year from March 1, 2014 through February 28, 2015.
2. AUTHORIZE the Controller to:
 - a. Allocate funds to Contract No. C-115683 that were authorized in Council File (C.F.) 07-2438-S8 for NSP sub-recipient grant program activities as follows:
 - 1) An amount not to exceed \$143,517 in NSP Fund No. 50T, Department 43, Account 43E820, NSP Program Administration.
 - 2) An amount not to exceed \$502,310 in NSP2-ARRA Fund No. 52J, Department 43, Account 43F830, NSP2/ARRA Program Admin – RNLA.
 - 3) An amount not to exceed \$71,759 in NSP3-WSRA Fund No. 53T, Department 43, Account 43G820, Program Administration.

- b. Reduce appropriations by an amount not to exceed \$44,305 within NSP Fund No. 50T, Department 43, Account 43F304, Admin Reserve, to be consistent with the 2011-12 Adopted Budget, which resulted in \$44,305 being appropriated to NSP Fund No. 50T, Department 43, Account 43H143 Housing.
- c. Reduce appropriations by an amount not to exceed \$58,106 within NSP Fund No. 50T, Department 43, Account 43F304, Admin Reserve, to be consistent with the 2012-13 Adopted Budget, which resulted in \$58,106 being appropriated to NSP Fund No. 50T, Department 43, Account 43J112, City Attorney.
- d. Transfer appropriations within NSP Fund No. 50T, Department 43, as follows:

Transfer from:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43E143	Housing	\$0.74
43F143	Housing	79,724.85
43F299	Related Costs	39,143.53
43F844	Technical Services	437,350.00
43G143	Housing	181,767.12
43G299	Related Costs	<u>17,160.60</u>
	Total:	\$755,146.84

Transfer to:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43E820	NSP Program Administration	\$37,225.61
43F304	Admin Reserve	198,795.38
43J143	Housing	372,892.85
43J299	Related Costs	<u>146,233.00</u>
	Total:	\$755,146.84

- e. Expend funds on an as-needed basis in an amount not to exceed \$755,146.84 from the accounts listed above in NSP Fund No. 50T, Department 43, upon the proper written demand by the General Manager, LAHD, or designee, whereby \$755,146.84 consists of:
 - 1) An amount not to exceed \$355,939.84 for administration costs in 2012-13.
 - 2) An amount not to exceed \$399,207.00 for reimbursement of administrative costs from prior fiscal years that were initially paid from other City fund sources for NSP projects.
- f. Transfer appropriations within NSP2-ARRA Fund No. 52J, Department 43 as follows:

Transfer from:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43F304	Admin Reserve	\$382,542.57
43G143	Housing	177,755.99
43G245	NSPII/Professional Svcs Contracts	177,972.85
43H143	Housing	290,000.00
43H108	Building and Safety	98,639.97
43H299	Related Costs	<u>144,947.77</u>
	Total:	\$1,271,850.15

Transfer to:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43F830	NSP2/ARRA Program Admin-RNLA	\$502,310.00
43J143	Housing	502,740.15
43J299	Related Costs	<u>266,800.00</u>
	Total:	\$1,271,850.15

g. Expend funds on an as-needed basis in an amount not to exceed \$1,271,850.15 from the accounts listed above in NSP2-ARRA Fund No. 52J, Department 43, upon the proper written demand by the General Manager, LAHD, or designee, whereby \$1,271,850.15 consists of:

- 1) An amount not to exceed \$769,540.15 for administration costs in 2012-13.
- 2) An amount not to exceed \$502,310.00 for Contract No. C-115683 that was authorized in C.F. 07-2438-S8 for NSP sub-recipient grant program activities described in Recommendation No. 1 above.

h. Increase appropriations within General Fund 100, Department 43, for 2012-13 as follows:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
1010	Salaries	\$503,596
1090	Salaries Overtime	36,713
3040	Contractual Services	52
3310	Transportation	34,726
6010	Office and Admin	14,640
6030	Leasing	<u>1,732</u>
	Total:	\$591,459

3. INSTRUCT the City Clerk to place on the agenda for the first Council meeting in 2013-14, or shortly thereafter, the following items for Council action:

a. Authorize the Controller to take the following actions:

- 1) Transfer appropriations within NSP Fund No. 50T, Department 43 as follows:

Transfer from:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43F820	NSP Program Administration	\$430,957

Transfer to:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43K143	Housing	\$293,654
43K299	Related Costs	<u>110,303</u>
	Total:	\$403,957

- 2) Expend funds on an as-needed basis in an amount not to exceed \$403,957 from the accounts listed above in NSP Fund No. 50T, Department 43, upon the proper written demand by the General Manager, LAHD, or designee.

- 3) Transfer appropriations within NSP2-ARRA Fund No. 52J, Department 43 as follows:

Transfer from:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43F304	Admin reserve	\$461,667

Transfer to:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43K143	Housing	\$335,605
43K299	Related Costs	<u>126,062</u>
	Total:	\$461,667

- 4) Expend funds on an as-needed basis in an amount not to exceed \$461,667 from the accounts listed above in NSP2-ARRA Fund No. 52J, Department 43, upon the proper written demand by the General Manager, LAHD, or designee.

- 5) Establish new accounts within NSP3-WSRA Fund No. 53T, Department 43 as follows:

<u>Account</u>	<u>Name</u>
43K143	Housing
43K299	Related Costs

- 6) Transfer appropriations within NSP3-WSRA Fund No. 53T, Department 43 as follows:

Transfer from:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43G304	Admin Reserve	\$9,191
43G820	Program Administration	<u>281,350</u>
	Total:	\$288,541

Transfer to:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43K143	Housing	\$209,753
43K299	Related Costs	<u>78,788</u>
	Total:	\$288,541

- 7) Expend funds on an as-needed basis in an amount not to exceed \$288,541 from the accounts listed above in NSP3-WSRA Fund No. 53T, Department 43, upon the proper written demand by the General Manager, LAHD, or designee.
- 8) Increase appropriations within General Fund 100, Department 43, for 2013-14 as follows:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
1010	Salaries	\$839,012

4. AUTHORIZE The General Manager, LAHD, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions on these matters, subject to the approval of the City Administrative Officer (CAO), and AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. The recommendations in this report address the expenditure of NSP grant funds issued by the U.S. Department of Housing and Urban Development. The recommendations also authorize the LAHD to negotiate and execute a contract amendment with RNLA, in an amount not to exceed \$717,586, to continue the acquisition, rehabilitation and sale of foreclosed and abandoned housing properties to meet the NSP grant requirements. The recommendations comply with the City's Financial Policies in that the continuation of the NSP grant activities is contingent on the continuation of federal funding.

Community Impact Statement: None submitted.

(Personnel and Animal Welfare Committee waived consideration of the above matter).

SUMMARY

At a regular meeting held on June 5, 2013, the Chair of the Housing, Community and Economic Development Committee considered a report from the LAHD dated May 6, 2013, and a report from the CAO dated June 4, 2013, relative to authorization to execute an amendment to Contract No. C-115683 with RNLA to increase the total contract amount by \$717,586 and a one-year extension of the contract for continuation of NSP activities; authorization for various

budgetary and fiscal adjustments in Fiscal Years 2012-13 and 2013-14, including allocating funds to renew position authorities, for continued implementation of NSP; and related actions. In its report, the CAO notes that the authority for 12 grant-funded exempt resolution positions requested by the LAHD to administer the NSP will be addressed in a separate report.

After providing an opportunity for public comment, the Committee Chair recommended that Council approve the recommendations in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

COUNCILMEMBER RICHARD ALARCÓN, CHAIR
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
ALARCON:	YES
REYES:	ABSENT
WESSON:	ABSENT
PERRY:	ABSENT

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