

COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

FILE NO. 12-0018

**FROM: COUNCILMEMBER RICHARD ALARCÓN, CHAIR
COUNCILMEMBER HERB J. WESSON, JR., MEMBER
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**

COMMUNICATION FROM CHAIR AND MEMBER, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE relative to the Los Angeles Housing Department's (LAHD) loan portfolio performance for Program Year 2011-12.

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

1. AUTHORIZE the General Manager, LAHD, or designee, to:
 - a. Write off \$2,539,217 in non-collectible loan losses associated with 51 loans as identified in Attachment 6 of the LAHD transmittal dated September 24, 2012 attached to Council File No. 12-0018.
 - b. Prepare Controller instructions and make any necessary technical adjustments consistent with the actions taken on this matter, subject to the approval of the City Administrative Officer (CAO), and authorize the Controller to implement these instructions.

2. AUTHORIZE the Controller to:

- a. Establish a new account and appropriate funds within Fund No. 240, Housing Production Revolving, Department 43 as follows:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43J221	Asset Protection	\$912,385.46

- b. Transfer appropriations within Fund No. 240, Housing Production Revolving, Department 43 as follows:

From:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43H221	Asset Protection	\$587,614.54

To:

<u>Account</u>	<u>Name</u>	<u>Amount</u>
43J221	Asset Protection	\$587,614.54

- c. Expend funds not to exceed \$1,500,000 upon proper written demand from the General Manager, LAHD, or designee, for purposes of enforcing and protecting the City's liens, covenants and collateral; paying for costs associated with the security, management, maintenance, repair, and insurance of LAHD-owned or controlled properties; and for paying other costs associated with the disposition of LAHD-owned or controlled properties.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. Approval of the recommendations will result in the write-off of \$2,539,217 in losses from 51 loans that were deemed by the LAHD as either uncollectible or are considered administrative corrections. In addition, expenditure authority of \$1,500,000 will be granted to allow LAHD to address costs associated with protecting the City's liens, covenants and collateral as well as costs associated with the management and the disposition of LAHD-owned or controlled properties. The recommendations comply with City Financial Policies in that dedicated special funds will fully fund the proposed costs. The anticipated funding source will be the Housing Production Revolving Fund.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on May 15, 2013, the Chair of the Housing, Community and Economic Development Committee, and Member, considered an LAHD report dated September 24, 2012, and a CAO report dated May 14, 2013, relative to the LAHD's loan portfolio performance for Program Year 2011-12. A representative of the CAO appeared before the Committee to provide a brief overview of the CAO report and to respond to related questions.

After providing an opportunity for public comment, the Committee Chair, and Member, recommended that Council approve the recommendation 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

COUNCILMEMBER HERB J. WESSON, JR., MEMBER
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

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

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