

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 11, 2013

CAO File No. 0220-00540-1069

Council File No. 12-0049

Council District: Various

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Transmittal from the Housing and Community Investment Department dated October 4, 2013; Referred by the Mayor to the Council on October 29, 2013; Request from Council District 1 for the City Administrative Officer to report on this item received December 5, 2013

Subject: **REQUEST FOR AUTHORITY TO AMEND AND NEGOTIATE CONTRACTS AND TO TAKE OTHER ACTIONS RELATED TO THE MANAGEMENT OF THE HOUSING ASSETS THAT WERE TRANSFERRED FROM THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF LOS ANGELES**

SUMMARY

The Los Angeles Housing and Community Investment Department (HCID), formerly the Los Angeles Housing Department (LAHD), requests authority to amend and negotiate contracts related to the management of housing assets that were transferred to HCID from the former Community Redevelopment Agency of Los Angeles (CRA/LA, C.F. 12-0049). In addition, HCID requests authority to hire the Department of General Services (GSD) to provide property management services, to service as a conduit for affordable housing loan payments, and to reimburse the General Fund for prior-year related costs.

This Office recommends approval of the recommendations in the HCID October 4, 2013 transmittal, with the changes to the Occupancy Monitoring and Computer Technical Services contracts as described below. A copy of the HCID transmittal is included as an Attachment to this report

Contracts

First, the Department requests authority to negotiate and execute a contract with PFA, Incorporated, for document and records management services. The total for this contract would be \$115,000. The Department also requests authority to amend Contract No. C-121127 with AmeriNational Community Services, Inc. for loan servicing in an amount not to exceed \$50,000. The proposed contract amendments for PFA, Incorporated and AmeriNational Community Services, Inc. are included as attachments to the HCID transmittal dated October 4, 2013.

In addition, in the October 4, 2013 transmittal, HCID requested a \$200,000 amendment to Contract No. C-118528 with Urban Futures, Inc. (UFI) for Occupancy Monitoring services. The HCID recently completed a Request for Proposals (RFP) and recommends executing a new contract with Urban Futures Bond Administration, Inc. (UFBA, C.F. 13-1574) for those services. This Office recommends and HCID concurs that the proposed \$200,000 amendment to the UFI contract be applied instead to the new Occupancy Monitoring contract. The amendment would need to be prepared by HCID and submitted for review and approval by this Office and the City Attorney after Council takes action on the UFBA recommendation. Therefore, the recommendations in the HCID transmittal related to Occupancy Monitoring should be revised to allow HCID time to prepare a contract amendment once the new contract has been approved.

The Department also requests authority to amend Contract No. C-120169 with Rydek Computer Professionals to provide up to \$160,000 of additional Computer Technical Services to support the housing assets transferred from the CRA/LA. The Second Amendment to Contract No. C-120169 was executed on October 1, 2013 for this purpose. Therefore, the HCID recommendation should be updated to remove the request to amend the contract.

In February 2013, the Council and Mayor approved a request from LAHD to negotiate and execute a contract in an amount not to exceed \$150,000 with a consultant auditor via the Controller's Audit Assistance Master Service Agreement to conduct auditing and accounting functions for the CRA/LA housing assets for one year. The recommendations in the October 4, 2013 transmittal do not request authority to execute a contract at this time, but HCID does request authority to expend funds from Fund 55J once an auditing contract has been negotiated and executed.

The total amount for the contracts would be \$675,000 and the source of funds would be Fund No. 55J Low and Moderate Income Housing Fund. The terms of the amended contracts would not be affected.

Other CRA/LA Housing Asset Actions

The HCID intends to issue an RFP with a scope of work that includes the technical expertise needed to provide property management services for the former CRA/LA properties. Until that contract is executed, HCID requests allocation and expenditure authority for an amount not to exceed \$475,000 to pay GSD for interim property management services at various CRA/LA-acquired properties. The Department proposes to pay GSD in installments and requests an initial amount of \$157,783 to address the properties requiring immediate services. The balance of up to \$314,328 would be paid on an as-needed basis.

The Hollywood Community Housing Corporation (HCHC) is the developer of two affordable housing projects, Coronel Apartments and Florence Mills Affordable Housing Project, which were awarded funding commitments from the former CRA/LA (C.F. 10-1063 and C.F. 11-0356). Loan agreements have been fully executed for both projects. At the time the projects were transferred to HCID, the loan proceeds were only partially disbursed. The HCID requests authority to facilitate the disbursement of the remaining \$2,507,556.02 of the loans. For this transaction, HCID will serve as a conduit for the payment of the loan funds.

During 2012-13, HCID incurred staff costs for activities related to managing former CRA/LA assets. The direct salary costs were reimbursed; however, other related costs were not appropriated. The Department requests authority to reimburse \$21,400 to the General Fund.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor, approve the recommendations in the Housing and Community Investment (HCID) transmittal dated October 4, 2013 and included as an Attachment to this report with the following changes:

1. Replace Recommendation II.A.1. with the following language and table:

Execute the first contract amendment with the contractor identified below for Amortized Loan Servicing for a total of \$50,000 utilizing Fund No. 55J Low and Moderate Income Housing Fund, in conformance with the original terms adopted by the Mayor and City Council pursuant to Council File No. 12-0049, and subject to the review and approval of the City Attorney as to form and compliance with the City's contract requirements:

Service Type	Contract No.	Contractor Name	Amount
Amortized Loan Servicing	C-121127	AmeriNational Community Services, Inc.	\$50,000

2. Replace the table in Recommendation II.B.4. with the following table:

Service Type	Contract No.	Contractor Name	Amount
Occupancy Monitoring (See C.F. 13-1574)	New	New	\$200,000
Amortized Loan Servicing	C-121127	AmeriNational Community Services, Inc.	50,000
Computer Technical Services	C-120169	Rydek Computer Professionals	160,000
Document and Records Management Services	New	PFA, Incorporated	115,000
Auditing and Account Services	N/A	To be determined	150,000
Property Security	N/A	Department of General Services	157,783
Total:			\$832,783

FISCAL IMPACT STATEMENT

There is a positive impact to the General Fund. Approval of the recommendations in this report would reimburse \$21,400 the General Fund for related costs that were not reimbursed during 2012-13. In addition, the recommendations would authorize the Housing and Community Investment Department

(HCID) to allocate and expend up to \$3,678,956 from Fund No. 55J Low and Moderate Income Housing Fund for contracts, services and loan payments. The recommendations in this report comply with City Financial Policies in that the full cost of the services provided is funded entirely by special funds designated for housing and monitoring of bond projects.

MAS:MMR:02140059C

Attachment

TRANSMITTAL

To:

THE COUNCIL

Date:

(OCT 29 2013)

From:

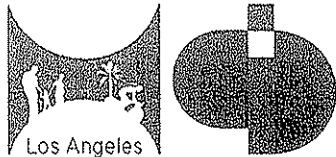
THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Los Angeles
HOUSING+COMMUNITY
Investment Department

Housing Development Bureau
1200 West 7th Street, 8th Floor, Los Angeles, CA 90017
tel 213.808.8638 | fax 213.808.8610
hcidla.lacity.org



OFFICE OF THE MAYOR
RECEIVED

2013 OCT 17 PM 2:06

Eric Garcetti, Mayor
Mercedes M. Márquez, General Manager

CITY OF LOS ANGELES

Council File: 12-0049
C.D.: Citywide
Contact Persons:
Rushmore Cervantes (213) 808-8405
Helmi Hisserich (213) 808-8662
Doug Swoger (213) 808-8948
Manuel Bernal (213) 808-8901
Vasken Djansezian (213) 808-8978
Timothy Elliott (213) 808-8596
Lemona Lott (213) 808-8935

October 4, 2013

Honorable Eric Garcetti
Mayor, City of Los Angeles
200 North Spring Street, Room 303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO ADD FUNDS TO EXISTING CONTRACTS AND OTHER ACTIONS NECESSARY FOR THE MANAGEMENT OF THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES (CRA/LA) HOUSING ASSETS

SUMMARY

The General Manager of the Los Angeles Housing and Community Investment Department (HCIDLA), formerly known as the Los Angeles Housing Department, requests authority to allocate and/or expend \$3.68 million to execute contract amendments and further allow the Department to fulfill management responsibilities related to the housing assets and functions of the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA). In February 2013, the Mayor and City Council approved various actions to facilitate the transfer of housing assets and functions from the CRA/LA to HCIDLA (C.F. 12-0049). At the time of approval, interim funds totaling \$750,000 were borrowed as a loan from the Housing Production Revolving Fund (Fund No. 240) to cover initial personnel and other service delivery costs. Of this amount, \$250,000 was set aside to fund five specialized service contracts and HCIDLA was authorized to execute these contracts for an amount not to exceed \$875,000, pending the identification of an additional \$625,000 to cover the full approved amount. At this time, HCIDLA has identified sufficient funds and is prepared to move forward with certain activities, addressed in this transmittal, for an amount not to exceed \$675,000. The funds will be expended from the Low and Moderate Income Housing Fund (Fund No. 55J).

In addition, HCIDLA requests the following approvals totaling \$3,003,956:

- 1) Allocation and expenditure authority for an amount up to \$475,000 to pay the Department of General Services over a six-month period for property management services at various CRA/LA-acquired properties that are currently vacant;
- 2) Expenditure authority for \$2,507,556 to continue providing payment to an affordable housing developer, Hollywood Community Housing Corporation, for two projects that were previously funded by the CRA/LA. For this transaction, HCIDLA will serve as a conduit for the payment of the loan funds; and,
- 3) Allocation and expenditure authority for \$21,400 as reimbursement to the General Fund for costs incurred in FY 2012-13.

The requested actions, which will be funded with available Fund No. 55J resources, are needed in order to proceed with the contract execution process and to remit payment at the appropriate funding levels, as summarized in the table below.

Table 1. Summary of Approved Contracted Services & Property Management Services

Proposed Activity/Service Type	Pursuant to C.F. 12-0049:	Proposed from Fund No. 55J
	Approved Amounts	
A. Contracted Services:		
Occupancy Monitoring (6 months' funding)*	\$400,000	\$200,000
Amortized Loan Servicing	50,000	50,000
Computer Technical Services	160,000	160,000
Document & Records Management Services	115,000	115,000
Auditing and Accounting Services	150,000	150,000
<i>Subtotal Contracted Services</i>	<i>\$875,000</i>	<i>\$675,000</i>
B. Property Management – Dept. of General Services		\$475,000
C. Payments of Loans for Previously Approved Projects		2,507,556
D. General Fund Reimbursement for Prior Year Cost		21,400
<i>Subtotal Additional Payments</i>		<i>\$3,003,956</i>
Total Requested Approvals		<u>\$3,678,956</u>

*For Occupancy Monitoring services, HCIDLA will identify a source for the balance of the approved amount, \$200,000, under a separate cover following the results for a Request for Proposals process.

A new fund, Fund No. 55J, was established with the expectation that it will eventually generate sufficient receipts from the CRA/LA-related residual receipt loan portfolio and the bond administrative fee payments to pay departmental costs associated with the CRA/LA assets management in Fiscal Year 2013-14, including the specialized service contracts, and also to reimburse Fund No. 240 for the initial \$750,000 loan. To date, sufficient cash balances are available in Fund No. 55J to pay the amounts requested in this transmittal.

The recommendations identified in this transmittal require immediate action. The Department will continue to monitor and assess activities related to the former CRA/LA-assets management and present requests for administrative and other adjustments in Financial Status Reports (FSRs) throughout the year.

RECOMMENDATIONS

The General Manager of the HCIDLA respectfully requests that:

- I. Your office refer and schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) and forward it to the City Council for review and approval immediately thereafter;
- II. That the City Council, subject to the approval of the Mayor:
 - A. Authorize the General Manager of the Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
 - 1. Execute contract amendments with the Contractors identified below, augmenting the compensation by a total of \$410,000, utilizing Low and Moderate Income Housing Funds, No. 55J, in conformance with the original terms adopted by the Mayor and City Council pursuant to Council File No. 12-0049.

<u>Service Type</u>	<u>Contract No.</u>	<u>Contractor Name</u>	<u>Amount</u>
Occupancy Monitoring	C-118528	Urban Futures, Inc.	\$200,000
Amortized Loan Servicing	C-121127	AmeriNational Community Services, Inc.	50,000
Computer Programming Services	C-120169	Rydek Computer Professionals	160,000
		Total	\$410,000

- 2. Negotiate and execute a Professional Services Agreement (PSA) with PFA, Incorporated for an amount not to exceed \$115,000 to provide document and records management services for a term of one year, effective from the date of execution, with two one-year renewal options, in substantial conformance with the draft PSA attached to this transmittal (Attachment II), and subject to the following: a) funding availability; b) satisfactory Contractor performance; c) Department need; d) compliance with all applicable Federal, State and City regulatory requirements; e) approval of the City Attorney as to form; and, f) adherence with City contracting requirements.

B. Authorize the Controller to:

- 1. Increase/decrease and/or establish new accounts and appropriate within Fund No. 55J, Low and Moderate Income Housing Fund as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
43J143	Housing	(\$57,286.40)
43J299	Reimbursement of General Fund Costs	21,400.00
43J411	Unallocated	(25,000.00)
43J412	Service Delivery	425,000.00
43K140	General Services	157,783.00
43K443	HCIDLA Costs	0.00
43K444	GSD Property Management	317,217.00

43K008	Affordable Housing Trust	2,507,556.27
	Total	\$3,346,669.87

2. Appropriate \$157,783.00 within Fund No. 100/40 as follows:

Account	Title	Amount
001014	Construction Salaries	\$94,700.00
003180	Construction Materials	63,083.00
	Total	\$157,783.00

3. Establish a receivable in the amount of \$750,000 within Fund No. 240 and a payable in the amount of \$750,000 within Fund No. 55J Low and Moderate Income Housing Production Revolving Fund;
4. Expend funds within Fund No. 55J, Low and Moderate Income Housing Fund, from Accounts No. 43J412 (\$675,000) and No. 43K140 (General Services) upon proper demand of the HCIDLA General Manager, or designee, as follows:

Service Type	Contract No.	Contractor Name	Amount
Occupancy Monitoring	C-118528	Urban Futures, Inc.	\$200,000
Amortized Loan Servicing	C-121127	AmeriNational Comm. Services, Inc.	50,000
Computer Technical Services	C-120169	Rydek Computer Professionals	160,000
Document & Records Management Services	New	PFA, Incorporated	115,000
Auditing and Accounting Services	n/a	To be Determined	150,000
Property Security	n/a	General Services	157,783
		Total	\$832,783

5. Expend funds within Fund No. 55J, Low and Moderate Income Housing Fund, Account No. 43K008, Affordable Housing Trust, upon proper demand of the HCIDLA General Manager, or designee, as follows:

Project Type	Loan No.	Project Name	Amount
Affordable Housing Project; C.F. 10-1063	Original #: 876124-001; HCIDLA #: CRA876124-001	Coronel Apartments	\$1,024,499.81
Affordable Housing Project, C.F. 11-0356	Original: 876165-001 HCIDLA #: CRA876165-001	Florence Mills Affordable Housing Project	1,483,056.21
		Total	\$2,507,556.02

6. Expend funds upon proper demand of the HCIDLA General Manager, or designee; and,

- C. Authorize the General Manager of the HCIDLA, or designee, to prepare Controller instructions and make 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 request the Controller to implement these instructions.

III. The Mayor concurs with the action of the City Council.

BACKGROUND

The HCIDLA's seeks funding authority necessary to execute contracts totaling \$675,000 as authorized by the Mayor and City Council in February 2013 to implement services needed to manage the housing assets and functions assumed from the former Community Redevelopment Agency/Los Angeles (CRA/LA), in conformance with the Housing Asset Transfer Agreement (C.F. 12-0049). In addition, HCIDLA requests authority to allocate and expend an additional \$3 million, to be used in addressing additionally identified urgencies. The contracts and property management services will be funded by the newly established Low and Moderate Income Housing Fund (Fund No. 55J).

A. New Contracts and Amendments - \$675,000

From the previously approved \$875,000 in contracting authority, HCIDLA requests funding approvals for an amount of \$675,000, as summarized below:

- **Occupancy Monitoring – \$200,000.** The HCIDLA is now responsible for occupancy monitoring of approximately 23,000 additional CRA/LA restricted units, and over 500 loans (including residual receipt, homeownership, and single family). In its action of February 2013, the Mayor and City Council authorized HCIDLA to execute an amendment to Contract No. C-118528 with Urban Futures, Inc. to augment compensation by up to \$400,000 to conduct occupancy monitoring functions at the CRA-acquired inventory (C.F. 12-0049).

Recently, on September 11, 2013, the City Council authorized HCIDLA to execute a Fourth Amendment to Contract No. C-118528 with Urban Futures, Inc., augmenting the compensation by \$240,000, from \$1,267,742 to \$1,507,742, and extending the term of performance by six months, from July 1, 2013 through December 31, 2013 (C.F. 12-0901). The extension provides HCIDLA time to complete a new Request for Proposals (RFP) process for this activity. A new contract is expected to be in effect on or about January 1, 2014. HCIDLA will set aside the remaining \$200,000 from Fund No. 55J for the contractor selected through the new RFP.

In consideration of favorable approval of the time extension amendment, HCIDLA requests authority to add \$200,000 (or six-months' funding) to the Urban Futures, Inc. contract to allow the contractor to perform the necessary services and to properly charge the Department for work performed at the CRA/LA rental housing projects through December 31, 2013. With the increase of units, the contractor is required to process the ongoing occupancy

reports, evaluating rent increases, income verifications, and general compliance in accordance with CRA requirements.

- **Amortized Loan Servicing - \$50,000.** The Mayor and Council authorized HCIDLA to execute a First Amendment to Contract No. C-121127 with AmeriNational Community Services, Inc. to augment compensation by up to \$50,000, from \$450,000 to \$500,000, to service amortizing loans in conformance with the Housing Asset Transfer Agreement. The existing contract expires on April 30, 2015. The CRA/LA housing loan portfolio consists of five housing asset loan types: amortized loans, deferred payment loans, home ownership loans, contingent grants and residual receipt loans. Deliverables include monthly reports to include but not be limited to portfolio status, reconciliation, delinquent aging, foreclosure reports that will be submitted in electronic and hard copy form. The Department requests authority to utilize \$50,000 from Fund No. 55J for this purpose.
- **Computer Technical Services - \$160,000.** The Mayor and Council authorized HCIDLA to execute an amendment to Contract No. C-120169 with Rydek Computer Professionals to augment compensation by \$160,000, from \$900,000 to \$1,060,000, to provide programming services to enhance current HCIDLA systems to migrate the housing assets data from the former CRA/LA into HCIDLA systems for the purpose of managing them. The existing contract expires on December 31, 2013, with one remaining renewal option. The systems used by CRA/LA included the following: Housing Management Systems, Loans Receivable Reporting Systems, Housing Monitoring Application, Land Inventory, Historical and Cultural Sites systems, Legato Document Management System, and a GIS System. At this time, HCIDLA requests authority to utilize \$160,000 from Fund No. 55J for this service.
- **Document and Records Management Services - \$115,000.** The Mayor and Council authorized HCIDLA to select a contractor in an amount not to exceed \$115,000 to provide document and records management services by either issuing a Request for Proposals (RFP) or by utilizing an existing Los Angeles Department of Building and Safety (LADBS) document management services contract. The scope of work for the document management service contract includes: configuring, scanning, indexing, and importing CRA documents into the HCIDLA's existing document management system. Upon discussion with LADBS and review of their document management services contract with PFA, Incorporated (C-122636), it was determined that the scope of work is substantially similar and requests that the Mayor and Council authorize HCIDLA to negotiate and execute a contract with PFA, Incorporated, for an amount up to \$115,000 to provide similar document management services for a one-year period, with two one-year renewal options.
- **Auditing and Accounting Services - \$150,000.** The Mayor and Council authorized HCIDLA to execute a contract in an annual amount not to exceed \$150,000 with a consultant auditor via the Controller's Audit Assistance Master Service Agreement to conduct auditing and accounting functions. The selected contractor will conduct an in-depth evaluation of the transferred CRA/LA loan portfolio and housing assets. The scope of work for the accounting and auditing services contract will include: audit of accounting records of housing assets. At this time, HCIDLA requests authority to set aside \$150,000 within Fund No. 55J for this activity. However, HCIDLA will seek authority to execute a contract at a later date, once a qualified firm is identified.

B. Property Management Services - \$475,000

In addition to the previously approved actions, there is an immediate need to obtain interim property management services across various CRA/LA-acquired properties identified in the list attached to this transmittal (Attachment 1). HCIDLA requests authority to set aside funds to provide payment to the Department of General Services (GSD) up to \$475,000 from Fund No. 55J until a new RFP for these services can be completed. The HCIDLA proposes to issue the payments in installments.

Although the HCIDLA recently executed two contracts for property management services based on the results of a Technical Services Request for Proposals (RFP) process (C.F. 12-0194), it was determined that the RFP did not clearly reflect the anticipated compensation and scope of work required in managing the CRA-acquired properties. As approved, the source of compensation is from fees collected through project rents, with no HCIDLA funds allocated for this purpose. However, of the newly acquired properties, those that are vacant will not collect rents and will not provide a source of compensation.

In consultation with the City Attorney, the Department concluded that a new RFP should be issued to provide accurate and clear information about anticipated compensation and funding levels. In the interim, there is an immediate need to provide property management services at the properties. The GSD agreed to provide property management services and estimated a cost of \$475,000 for a six-month period. The HCIDLA requests authority to set aside an initial amount of \$157,783 to address the properties requiring immediate services. In addition, additional authority to transfer up to an additional \$314,328 thereafter, on an as-needed basis through December 31, 2013, or until such time as a new contract can be executed following an RFP.

C. Payments for Previously Approved Projects - \$2,507,556

The Hollywood Community Housing Corporation is the developer of two projects affordable housing projects, Coronel Apartments and Florence Mills Affordable Housing Project, which were awarded funding commitments from the former CRA/LA (C.F. 10-1063 on July 2, 2010 and C.F. 11-0356 on March 8, 2011, respectively). Coronel Apartments is located at 1601 North Hobart Avenue and 1600-1608 North Serrano Avenue and would provide 53 affordable housing units with an acquisition and predevelopment loan award of \$5 million. Florence Mills is located at 3501-3515 South Central Avenue and 1036-1038 E. 35th Street and would provide 69 affordable housing units with for acquisition and predevelopment award of \$3.1 million. These two projects are included in the Housing Asset Transfer list that contains properties which have been approved for transfer to HCIDLA. Loan agreements have been fully executed for both projects.

At the time of the transfer of assets, these projects were identified as being in the predevelopment phases. Loan accounts were originally established by the former CRA/LA but loan proceeds were only partially disbursed (\$4,002,500 to Coronel Apartments and \$1,616,943 to Florence Mills). To facilitate the disbursement of remaining balance of the loans, \$1,024,499.81 and \$1,483,056.46, respectively, the HCIDLA requests expenditure authority and approval of the implementing Controller Instructions contained in the Recommendations portion

of this transmittal. The balance of the loan amounts were deposited into Fund 55J but are not considered revenue since HCIDLA's involvement is to serve as a conduit to issue payment of the funds.

Earlier this month, the City Council authorized an extension to the term of the acquisition and predevelopment loan agreement for the Coronel Apartments through September 29, 2015 to enable the developer sufficient opportunity secure leverage financing prior to the start of construction (C.F. 13-1217).

Table 2. Loans Previously Awarded by CRA/LA

Project Name	Loan Amount	Previously Disbursed by CRA/LA	Requested Amount
Coronel Apartments	\$5.0 million	\$4.0 million	\$1.0 million
Florence Mills Affordable Housing Project	\$3.1 million	\$1.6 million	\$1.5 million
Total	\$8.1 million	\$5.6 million	\$2.5 million

General Fund Reimbursement - \$21,400

During FY 2012-13, HCIDLA incurred staff costs for activities related to managing former CRA/LA assets. While direct salary costs for these activities were reimbursed, Other Related Costs were not appropriated. The HCIDLA requests approval to establish an account to reimburse the General Fund for Other Related Costs incurred for this activity totaling \$21,400.

Fund No. 55J Activity and Reconciliation of Obligations

The HCIDLA previously estimated that total income of \$5.6 million derived from housing bond fee proceeds and residual receipt loan payments deposited in Fund No. 55J would become available to cover approximately \$3.7 million in annual costs to HCIDLA (C.F. 12-0049). As of September 30, 2013, the reported cash balance in Fund No. 55J is \$4.2 million. This amount includes \$2.5 million in restricted loan awards that were paid by the former CRA/LA to HCIDLA for specific projects (discussed earlier in this transmittal), leaving \$0.9 million collected from program income and interest since April 2013 (when the fund was established). An additional \$0.7 million remains in the fund from the initial allocation of \$0.75 million as loan from Fund No. 240. Therefore, there are sufficient unspent funds available in Fund 55J to address the recommendations contained in this transmittal, which total \$3,678,956. The current fund activity is summarized below in Table 3.

Table 3. Fund 55J - Low and Moderate Income Housing Fund, Status as of September 30, 2013

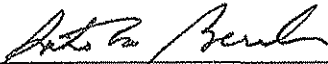
	<i>FY 12-13</i>	<i>FY 13-14</i>	<i>Total</i>
Fund Revenue to Date:			
4977-Program Income	\$356,762.24	\$573,990.75	\$930,752.99
5741-Other Financing Sources	1,682,556.27	825,000.00	2,507,556.27
4902-Interest Income	358.12	2,948.90	3,307.02
5188-Miscellaneous Revenue	0	50.60	50.60
Fund 240 Loan (to be reimbursed prior to end of FY 2013-14)	750,000.00	0	750,000.00
Total Revenue	\$2,789,676.63	\$1,401,990.25	\$4,191,666.88
Expenditures to Date:			
Housing Admin. Expenditures	\$44,941.85	\$0	\$44,941.85
Contracted Services - <i>Proposed</i>	0	675,000.00	\$675,000.00
Property Management by General Services - <i>Proposed</i>		475,000	\$475,000.00
HCIDLA Related Costs Reimburse for FY12-13 - <i>Proposed</i>	0	21,400.00	\$21,400.00
Florence Mills Affordable. Hsng. Project Loan - <i>Proposed</i>	0	1,483,056.46	\$1,483,056.46
Coronel Apartments Loan - <i>Proposed</i>	0	1,024,499.81	\$1,024,499.81
Total Expenditures	\$44,941.85	\$3,678,956.27	\$3,723,898.12
Difference (Revenue minus Expenditures)			\$467,768.76

Since, pursuant to AB 1484, funds deposited in Fund No. 55J must be expended for housing, monitoring and monitoring of bond projects, the proposed expenditures identified in this transmittal are allowable uses of the funds.

FISCAL IMPACT

There is no General Fund impact. Approval of the recommendations contained in this transmittal involves the allocation and expenditure of \$3,678,956 in funds derived from the Low and Moderate Income Housing Fund (Fund No. 55J).

Prepared by:



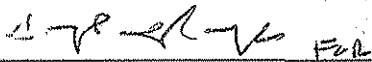
ROBERT BERNAL
Sr. Management Analyst I
Administrative Services Bureau

Prepared by:



ANGELICA SAMAYOA
Sr. Management Analyst II
Administrative Services Bureau

Reviewed by:



VASKEN DJANSEZIAN
Community Hsg. Programs Manager
Asset Management Division

Reviewed by:



TIMOTHY ELLIOTT
Community Hsg. Programs Manager
Finance and Development Division

Reviewed by:



DOUGLAS SWOGER
Director, Asset Management Division

Reviewed by:



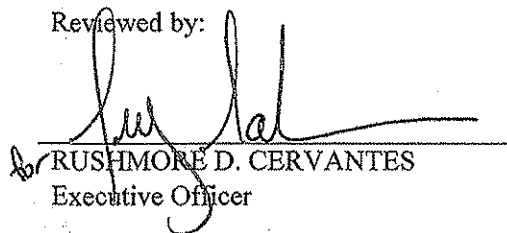
MANUEL BERNAL
Director, Finance & Development Division

Reviewed by:



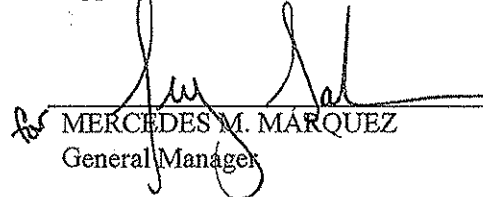
HELMI HISSERRICH
Assistant General Manager

Reviewed by:



RUSHMORE D. CERVANTES
Executive Officer

Approved by:



MERCEDES M. MARQUEZ
General Manager

Attachment 1 – Property Management Services for CRA/LA Property List
Attachment 2 - Professional Services Agreement with PFA Incorporated

MMM:RC:AS:RB

Los Angeles Housing and Community Investment Department
Property Management Services for CRA/LA Property List

Summary of the cost estimate provided by the Department of General Services to provide property management services at the properties identified below, including boarding up or otherwise securing the properties and ongoing maintenance, for a six-month period. This work excludes demolition.

Properties are listed by Zip Code and Property Address

#	CRA/LA Asset #	Property Address	Zip Code	Status	Cost Estimate	Parcel Sq. Ft.
1	1, 2, 32	214, 226 W. 94th Street, 9513 S. Spring, 9426 S. Broadway	90003	Vacant Lots	\$ 80,750	121,286
2	4	5887 - 5879 Crocker Street	90003	Vacant Lot	\$ 7,618	10,000
3	4	5888 - 5910 Crocker Street	90003	Vacant Lot	\$ 14,752	36,377
4	5,6,7,8	6901 - 6915 S. Main Street	90003	Vacant Lot	\$ 10,370	79,682
5	17	1035 & 1039 S. Berendo St.	90006	Vacant Lot	\$ 8,088	11,802
6	31	1047 & 1053 S. Mariposa Ave.	90006	Vacant Lot	\$ 7,411	11,799
7	11	2600 S. Hoover St.	90007	Vacant Bldg	\$ 16,199	37,417
8	41	5828- 5936 S. Wall Street & 5829- 5935 S. Los Angeles St.	90011	Vacant Lot	\$ 73,625	303,904
9	64	2515 S. Sycamore Avenue	90016	Vacant Lot	\$ 7,411	5,993
10	65	2520 Alsace Avenue	90016	Vacant Bldg	\$ 6,392	5,160
11	63	2528 S. Orange Drive	90016	Vacant Bldg	\$ 8,656	4,499
12	66	2535 S. Sycamore Avenue	90016	Vacant Lot	\$ 7,951	5,915
13	22	3900 W. Jefferson Blvd	90016	Vacant Lot	\$ 40,549	25,332
14	12	2444 Crenshaw Blvd & 2450	90018	Vacant	\$ 10,739	16,365
15	23	4314 W. Adams Blvd	90018	Vacant Lot	\$ 6,923	15,209
16	3	1808 S. St. Andrews Place	90019	Vacant Bldg	\$ 10,918	8,913
17	21	2375 W. Washington Blvd	90019	Vacant Lot	\$ 6,923	40,964
18	19	5215 S. Figueroa	90037	Vacant Lot	\$ 10,370	
19	19	5260 S. Figueroa	90037	Vacant Lot	\$ 19,505	46,322
20	10	6527 Crenshaw Blvd.	90043	Vacant Bldg	\$ 9,458	10,742
21	24	1636 W. Manchester Avenue	90047	Vacant Lot	\$ 9,523	19,502
22	25	619 S. Westlake Avenue	90057	Vacant Bldg	\$ 8,648	32,198
23	26	3551 E. 4th Street	90063	Vacant Bldg	\$ 7,594	6,006
24	18	1816 N. Wilton Place	90068	Vacant Bldg	\$ 11,719	7,349
25	67	8431 Geyser Ave., Northridge	91324	Vacant Bldg	\$ 9,544	10,620
26	14	13574 W. Foothill Blvd., Sylmar	91342	Vacant Lot	\$ 36,599	53,489
27	9	206 E. Washington & 1918 S. Los Angeles Street	90011, 90015	Vacant Lot	\$ 13,137	49,521
				Total	\$461,372	