

**HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
INTERDEPARTMENTAL MEMORANDUM**

Date: March 21, 2014

To: Honorable City Council
c/o City Clerk, Room 395, City Hall

From: Douglas Guthrie, HACLA President and CEO



**Subject: Request for Payment in Lieu of Taxes (PILOT) Waiver for \$2.1
Million to Provide Services to Public Housing Residents**

Summary

The Housing Authority seeks authorization from the City of Los Angeles to waive Payment in Lieu of Taxes (PILOT) in the amount of \$2.1 million to provide funds for the provision of summer jobs to public housing youth, and to provide continued support to the Watts Regional GRYD program.

Background

By agreement, the Housing Authority of the City of Los Angeles (HACLA), although exempt from paying property taxes, provides an annual amount to the City for its consideration on how it might be used to support public housing. The annual amount is based on the level of rents collected from public housing residents. However, rather than using the funds to reimburse basic City services, the City has typically granted the Authority waivers allowing the use of these funds for the support of services providing direct benefit to the residents or for capital and infrastructure improvements at the various housing developments.

Due to severe City budget constraints for the past three years the City has negotiated to use the PILOT monies to support City services including recreation services. HACLA had also used some of the monies to bridge cutbacks in Section 8 staffing. All these activities were funded when HACLA had an accumulation of PILOT funds allowing a \$4-5 million allocation. Now that previous year funds have been exhausted HACLA is left with only the annual \$2.1 million allocation. At the same time due to further operating and capital fund reductions, HACLA has had to cutback staffing and services by nearly 20%. HACLA is now requesting that the use of PILOT be shifted back to provide valuable services to our public housing sites and that existing Recreation and Parks programs be funded by City resources as they are throughout the City.

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Current Request

HACLA requests to use the \$2.1 million allocation in two major service areas, support of our youth with summer jobs, and support of the Watts Regional GRYD program servicing four of our public housing sites.

\$1 million of the request will provide summer jobs to approximately 600 of our youth. HACLA has participated with the City's program but for years has run its own related program to recruit, supervise and provide payroll processing for the participants of our public housing sites. This request is \$400,000 more than what was requested from PILOT last year. Summer jobs through this program will serve each of the City's public housing sites in an amount equal to the proportion of each site's population compared to total of all public housing residents.

The remaining \$1.1 million would be allocated to the Mayor's Office of Gang Reduction and Youth Development (GRYD). The funding received will be utilized to continue services that support and enhance the City's regional violence reduction strategy in Watts. The strategy includes gang prevention/intervention services, crisis response, family case management, school related safe passage and community-based programs to educate the residents on non-violent alternatives to problem solving and to support existing grass roots efforts at peace-keeping/community building in the four housing developments (Jordan Downs, Imperial Courts, Nickerson Gardens, and Gonzaque Village) and the areas throughout Watts that are most impacted by gang violence. According to LAPD, GRYD's comprehensive gang prevention and intervention strategy has played a vital role in the increased perception of safety, the improved quality of life and the recent, historic decrease in violent crime seen in both the public housing developments and the surrounding neighborhoods.