HOUSING AUTHORITY
of the County of Los Angeles
Administrative Office
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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

REVISED

AGENDA
FOR THE REGULAR MEETING OF THE LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, JANUARY 27, 2010
12:00 NOON
NUEVA MARAVILLA
4909 CESAR E. CHAVEZ AVENUE
LOS ANGELES, CA 90022
(323) 260-2188

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1. **Call to Order**

2. **Roll Call**

Adriana Martinez, Chair
Alberta Parrish, Vice Chair
Henry Porter, Jr.
Severyn Aszkenazy
Lynn Caffrey Gabriel
Zella Knight
Mary Lou Leggett

3. **Reading and Approval of the Minutes of the Previous Meetings**
Regular Meeting of December 16, 2009

4. **Report of the Executive Director**

5. **Public Comments**
The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

Regular Agenda

6. **Approve Construction Contract for the Replacement and Modernization of Parking Lots and Sidewalks at the Carmelitos Family Housing Development in the City of Long Beach (Fourth District)**
Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a Contract with Cal-City Construction Inc. for the replacement and modernization of six parking lots and sidewalks at the Carmelitos family housing development

in Long Beach, using $1,657,000 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for this purpose; authorize the Executive Director to approve Contract change orders not exceeding $331,400 for unforeseen project costs, using the same source of funds; authorize the Executive Director to incorporate $1,988,400 in ARRA CFP funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the purposes described above. (APPROVE)

7. **Approve a Construction Contract for the Replacement and Modernization of Three Parking Lots and Adjacent Sidewalks at the Harbor Hills Housing Development in the City of Lomita (Fourth District)**

Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a Contract with Cal-City Construction Inc. for the replacement and modernization of three parking lots and adjacent sidewalks at the Harbor Hills housing development, using $955,000 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for this purpose; authorize the Executive Director to approve Contract change orders not exceeding $191,000 for unforeseen project costs, using the same source of funds; authorize the Executive Director to incorporate $1,146,000 in ARRA CFP funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the purposes described above. (APPROVE)

8. **Approve Construction Contract for Americans with Disabilities Act Upgrades at the Nueva Maravilla Housing Development in Unincorporated East Los Angeles (First District)**

Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a Contract in the amount of $234,440 with T & K Construction Co. to complete Americans with Disabilities Act (ADA) upgrades at the Nueva Maravilla housing development, using $234,440 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for this purpose; authorize the Executive Director to approve Contract change orders not exceeding $46,888 for unforeseen project costs, using the same source of funds; authorize the Executive Director to incorporate $281,328 in ARRA CFP funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the purposes described above. (APPROVE)

9. **Adopt a Resolution Accepting the Voluntary Transfer of Housing Choice Vouchers from the Community Development Commission of the City of Santa Fe Springs to the Housing Authority of the County of Los Angeles (All Districts**

Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached resolution indicating agreement to the proposed

voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority and administrative fees from the Santa Fe Springs Housing Authority to the Housing Authority of the County of Los Angeles; and authorize the Executive Director to submit the Resolution and all related documents to the U.S. Department of Housing and Urban Development (HUD). (APPROVE)

10. **Housing Commissioners Comments and Recommendations for Future Agenda Items**
Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at marisol.ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, December 16, 2009

The meeting was convened at the Business Technology Center located at 2400 North Lincoln Avenue, Altadena.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Severyn Aszkenazy at **12:12** p.m.

ROLL CALL	**Present**	**Absent**
Severyn Aszkenazy, Chair	X	
Lynn Caffrey Gabriel, Vice Chair	X	
Adriana Martinez	X	
Henry Porter, Jr.	X	
Alberta Parrish	X	

PARTIAL LIST OF STAFF PRESENT:
Sean Rogan, Executive Director
Bobbette Glover, Assistant Executive Director
Dorian Jenkins, Assistant Executive Director, Housing Programs
Maria Badrakhan, Director, Housing Management
Emilio Salas, Director, Administrative Services
Margarita Lares, Director, Assisted Housing

GUESTS PRESENT:
There were no guests in attendance.

Reading and Approval of the Minutes of the Previous Meeting
On Motion by Commissioner Porter, seconded by Commissioner Gabriel, the Minutes of the Regular Meeting of November 18, 2009, were approved. Commissioner Aszkenazy abstained.

Agenda Item No. 4 - Report of the Executive Director
Mr. Dorian Jenkins presented the following report:

The Housing Authority's application for a $2.2 million green retrofit ARRA grant is still pending. The funds will benefit the Kings Road and Lancaster Homes multi-family housing developments.

The Housing Authority's contract with the McKay Management Company will end on December 28, 2009. A full report will be provided at the next meeting.

Mr. Jenkins welcomed Ms. Sydney Jones, Manager of the Housing Authority's Contract Maintenance Unit. Ms. Jones has 10 years experience as an independent consultant with Quadel Consultants and was Director of the Section 8 Program at the Washington, D.C. Housing Authority.

Mr. Jenkins also introduced Mr. Stan Tomsic, Business Technology Center Administrator, who provided an overview of the center and answered questions from the Housing Commissioners.

Ms. Glover provided an update on Ujima Village. There are currently five occupied units. On January 12, 2010, the Housing Authority will request permission from the Board to pursue evictions. There have been 197 claims filed, of which 92 are for wrongful death. One third of the claimants have been identified.

Agenda Item No. 5 – Public Comments
No public comments were presented.

Agenda Item No. 6 – Notice of Closed Session – Anticipated Litigation
Mr. Rogan stated that the litigation related to Ujima Village cannot be discussed in closed session because the legal standard has not been met. Legal Counsel has advised that the matter be discussed in open session.

Mr. Rogan introduced Gary Meyer, Lead Attorney on the matter for County Counsel. His expertise is environmental law and he is affiliated with both HUD Washington D.C. and the local office.

Mr. Meyer provided a summary of the pending litigation. As a legal prerequisite, claims must be filed administratively before a lawsuit can be filed and claimants must demonstrate proper standing. In addition to the claims, the Housing Authority has received two letters from the claimants' attorney referring to the Public Records Act. Notices of Insufficiency have been sent to the claimants' attorneys to obtain clarification on terminology and issues raised in the claims. Similar claims have been filed against HUD, the former owner of Ujima Village.

Regular Agenda

On Motion by Commissioner Porter, seconded by Commissioner Gabriel, and unanimously carried, the following was approved by the Housing Commission:

APPROVE AN ENGINEERING AND ENERGY EFFICIENCY CONSULTANT CONTRACT WITH FACILITY STRATEGIES GROUP FOR THE NUEVA MARAVILLA HOUSING DEVELOPMENT IN UNICORPORATED EAST LOS ANGELES (DISTRICT 1)
AGENDA ITEM NO. 7

1. Recommend that the Board of Commissioners find that approval of a contract for an engineering and energy efficiency consultant is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA.

2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a two-year contract in the amount of $300,000 with Facility Strategies Group to provide engineering and energy efficiency consulting services for the Nueva Maravilla housing development, following approval as to form by County Counsel, and using a total of $300,000 in Capital Fund Recovery Competition (CFRC) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for this purpose.

3. Recommend that the Board of Commissioners authorize the Executive Director to approve contract amendments to increase the compensation amount by up to $30,000 for unforeseen project costs using the same source of funds, to extend the term as necessary without further increasing the contract sum, and to address other unforeseen issues, following approval as to form by County Counsel.

4. Recommend that the Board of Commissioners authorize the Executive Director to incorporate up to $165,000 in CFRC funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the first year of services.

On Motion by Commissioner Porter, seconded by Commissioner Gabriel, and unanimously carried, the following was approved by the Housing Commission:

APPROVAL OF AUTHORITY TO INITIATE EVICTION PROCEEDINGS FOR UJIMA VILLAGE HOUSING DEVELOPMENT LOCATED IN UNINCORPORATED WILLOWBROOK (DISTRICT 2)
AGENDA ITEM NO. 8

1. Recommend that the Board of Commissioners find that approval of authority to initiate eviction proceedings for the Ujima Village housing development is not subject to the provisions of the California Environmental Quality Act, because the actions will not have the potential for causing a significant effect on the environment.

2. Recommend that the Board of Commissioners authorize the Executive Director to serve 30-day eviction notices on the remaining Ujima Village residents, pursuant to the requirements of the Uniform Relocation Act.

On Motion by Commissioner Martinez, seconded by Commissioner Gabriel, and unanimously carried, the following was approved by the Housing Commission:

APPROVE ONE-YEAR CONTRACTS FOR SECURITY GUARD SERVICES
(ALL DISTRICTS)
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that the approval of one-year contracts for Security Guard Services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.

2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute one-year contracts for Security Guard Services (Contracts) with General Security Services, Inc., Star Alliance Security, Inc., and American Guard Services, Inc., using the form of the attached standard Contract, to provide regular unarmed security guard services at the Housing Authority's administrative offices in the cities of Santa Fe Springs and Palmdale, and as-needed armed and unarmed security guard services at various housing sites and other properties owned, leased or managed by the Housing Authority throughout the County of Los Angeles, to be effective following approval as to form by County Counsel and execution by all parties.

3. Recommend that the Board of Commissioners authorize the Executive Director to use up to an aggregate amount of $222,000, consisting of $122,000 in Section 8 Administrative Funds, $50,000 in Capital Fund Program funds, and $50,000 Housing Authority operating funds to be incorporated into the Housing Authority's approved Fiscal Year 2009-2010 budget as needed.

4. Recommend that the Board of Commissioners authorize the Executive Director to execute Contract amendments, following approval as to form by County Counsel, as necessary to incorporate specific sites, site-specific work requirements, compensation amounts, and other necessary terms and conditions; and authorize the Executive Director to extend the time of performance for a maximum of two years, in one-year increments, and to use for this purpose funds approved through the Housing Authority's annual budget process, not exceeding $222,000 annually for the three Contracts.

5. Recommend that the Board of Commissioners authorize the Executive Director to use for unforeseen regular and/or as-needed security guard services during year one of the Contracts, a maximum of $55,500 to be incorporated in the Housing Authority's approved Fiscal Year 2009-2010

budget as needed; and an equal amount of annual funding for unforeseen regular and/or as-needed security guard services for years two and three of the Contracts, to be requested through the annual budget process if needed.

On Motion by Commissioner Porter, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

APPROVE SUBLEASE FOR THE UNIVERSITY OF CALIFORNIA COOPERATIVE EXTENSION PROGRAM OFFICE SPACE AT 335-337 EAST AVENUE K-10 IN THE CITY OF LANCASTER (FIFTH DISTRICT)
AGENDA ITEM NO. 10

1. Recommend that the Board of Commissioners find that approval of a Sublease between the Housing Authority and the County is exempt from the California Environmental Quality Act as described herein, because the activities will not have the potential for causing a significant effect on the environment.

2. Recommend that the Board of Commissioners approve a Sublease between the Housing Authority and the County, which will enable the Housing Authority to lease approximately 1,035 square feet of office space located at 335-337 East Avenue K-10 in the City of Lancaster, for use by the University of California Cooperative Extension program.

3. Recommend that the Board of Commissioners authorize the Executive Director to execute the Sublease and all related documents, and to use a total of $24,715 in County general funds included in the Housing Authority's approved Fiscal Year 2009-2010 budget for this purpose.

On Motion by Commissioner Porter, seconded by Commissioner Gabriel, and unanimously carried, the following was approved by the Housing Commission:

APPROVE CONSTRUCTION CONTRACT WITH AZ HOME INC. FOR SOUTHBAY GARDENS COMMUNITY ROOM KITCHEN PROJECT IN UNINCORPORATED SOUTH LOS ANGELES (DISTRICT 2)
AGENDA ITEM NO. 11

1. Recommend that the Board of Commissioners find that the approval of a contract for the rehabilitation of the community room kitchen at the Southbay Gardens senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.

2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a contract with AZ Home, Inc. to complete the rehabilitation of the community room kitchen at the Southbay Gardens senior housing development, following approval as to form by County Counsel, using $132,100 in Community Development Block Grant (CDBG) funds allocated to the Second Supervisorial District by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose.

3. Recommend that the Board of Commissioners authorize the Executive Director to approve contract change orders not exceeding $26,420 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.

On Motion by Commissioner Porter, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

APPROVE THE 2010 HOUSING COMMISSION MEETING SCHEDULE
AGENDA ITEM NO. 12

On Motion by Commissioner Porter, seconded by Commissioner Severyn, and unanimously carried, the following was approved by the Housing Commission:

ELECTION OF CHAIR AND VICE-CHAIR FOR 2010
AGENDA ITEM NO. 13

Commissioner Martinez was elected Chair and will assume office at the January 27, 2010 meeting.

Commissioner Parrish was elected Vice-Chair and will assume office at the January 27, 2010 meeting.

Agenda Item No. 14 – Housing Commissioner Comments and Recommendations for Future Agenda Items

Commissioner Parrish congratulated staff for a great year.

Commissioner Gabriel wished everyone a Merry Christmas.

Commissioner Martinez stated that it was a privilege serving on the Housing Commission.

Commissioner Porter commented on the following:

- He appreciates the more comprehensive format of the HR1 report.
- He asked if earthquake preparedness kits are provided to housing development residents and expressed concerns about the shelf life of the kits. He stressed the need to remind residents of the importance of being self-sufficient for up to 7 days and having out-of-state contacts for emergencies. Ms. Badrakhan stated that there are kits for all staff but that they may be outdated.
- He asked about the "project start time" in the Public Housing Capital Project list included in the agenda package. Ms. Norma Nunez stated that it pertains to the duration of the project. Mr. Rogan stated that the worksheet will be updated.

Commissioner Aszkenazy stated that it has been a privilege to serve on the Housing Commission and that it has been wonderful working with staff and seeing the positive changes each year that are making a difference to the people we serve.

On Motion by Commissioner Porter the Regular Meeting of December 16, 2009, was adjourned at 1:28.

Respectfully submitted,

SEAN ROGAN
Executive Director
Secretary –Treasurer

News Articles

Housing Affairs Letter
THE INDEPENDENT WEEKLY WASHINGTON REPORT ON HOUSING

Housing Affairs Letter Stories posted week of 12/5/09 - 12/11/09

Sec. 8 Programs Broadened

Sec. 8 housing vouchers now are separated into four categories. Tenant-based vouchers would receive $18.2 billion, $1.2 billion more than the present allocation and $348 million above the HUD request to support 2.1 million individuals and families.

Project-based vouchers would receive $8.5 billion, $1.4 billion above FY 2009 and $457 million more than requested to support 1.3 million low-income families in affordable housing where two-thirds are elderly or disabled.

Veterans Affairs Housing Vouchers would receive $75 million, the same as FY 2009, to provide 10,000 new vouchers to homeless veterans. The administration did not submit a request for funding.

Family Unification Vouchers would receive $15 million, $5 million less than 2009 but $15 million more than requested to help wean youths from foster care and reunite families separated because of a lack of housing.

Affordable Housing

(HOUSING LAW) Change In Affordable Housing Law

City lawmakers in San Jose, CA move to change an affordable housing policy they initiated last December. A Los Angeles court decision and complaints from developers lead to the change in the law set to take effect when the economy recovers.

The policy in place would require developers who build 20 or more housing units in a project to set aside 15% of the units to sell below the market rate. If the developer builds the cheaper units at another site, the set-aside must be 20%. The developer could also pay a fee in lieu of the set-asides.

Council members are being urged to exclude rental properties from the law. The suggestion follows a legal decision where a judge sided with a developer who sued the city of Los Angeles because the city's affordable housing mandates included rental properties. The developer cites a state law limiting rental property rules, and the judge agreed. That case has been appealed to the state Supreme Court.

12/11/2009 12:12 PM

Assisted Housing

(CRIME) Sec. 8 Crime Report Questioned

Dubuque, IA officials return to the drawing board after a two-month study of crimes committed by Sec. 8 housing voucher holders backfired when the *Dubuque Telegraph Herald* questioned the way the survey was conducted.

The study, commissioned by the city's Housing Commission and conducted by Alta Vista Research, shows that while Sec. 8 residents account for about 4% of the city population, they represented about 22% of arrests during a two-month period during the summer.

The newspaper questioned the methodology of the study, saying it failed to include the number of Sec. 8 addresses compared with the population as a whole. The newspaper contends that, with such numbers factored in, the study would have shown that Sec. 8 tenants are arrested at a far higher rate than other renters.

The city manager asks the city council to commission a more in-depth study rather than draw conclusions from the two-month Alta Vista study. The city is drafting a request for proposals to invite bids for a 12-month study with wider parameters.

Meanwhile, the city has tightened restrictions on Sec. 8 tenants, adding some minor crimes to the list of disqualifications for participation in the program. Previously, only violent crimes and drug-related charges disqualified a participant. The Housing Commission has closed the waiting list to nonresidents who are not elderly, disabled or in supported community living.

12/11/2009 12:27 PM

Public Housing

(REAL ESTATE) REAC To Get Data Boost

Under the Obama administration's commitment to a more open and transparent government, HUD and 15 other Cabinet agencies initiate efforts to make more information accessible to the public. Among HUD's first efforts is expansion of information from the Real Estate Assessment Center (REAC).

REAC conducts inspections of a sampling of the 1.2 million public housing units and 1.4 million multifamily assisted housing units. As part of President Barack Obama's Open Government Directive, HUD will supplement its findings and property scores with a historical view of the data, including details for the five inspection areas that comprise the overall score – site, building exterior, building systems, common areas and units.

HUD says the additional information will help researchers, advocates and the general public better understand the physical condition of HUD-assisted housing

stock.

Another HUD move is establishment of a virtual suggestion box for the general public to recommend changes in the way the department operates and to have input in its Six-Year Strategic Plan.

Info: http://www.hud.gov/

12/11/2009 12:20 PM

State & Local

(SEC. 8) City In Sec. 8 Quandary

Grand Rapids, MI officials are told to return more than $100,000 in Sec. 8 program allocations and justify spending of $3 million after an audit by the HUD inspector general showed the city inadequately administered the housing voucher program.

HUD's audit of the Grand Rapids Housing Commission's (GRHC) project-based voucher program also questions $84,000 in administrative spending that OIG says is unjustified. The audit covered calendar years 2007-2008.

OIG also finds GRHC provided housing assistance to homes that shouldn't have received it, improperly adjusted payments for 78 households and provided improper housing aid for vacant units, overpaying $4,200.

In failing to administer the program properly, the inspector general placed the blame on the GRHC, saying that it lacked an understanding of the applicable program requirements. OIG is asking the HUD regional office to require GRHC to either provide documentation or reimburse $3.04 million in nonfederal funds for improper payments and administrative fees.

OIG finds the housing commission failed to provide documents to ensure that 425 units in eight projects had reasonable rents. Investigators say the Commission's director of program management did not clearly understand the regulations used to determine rent reasonableness, citing rules for multi-family projects when determining the rates for its program units. Five projects containing 263 units lacked subsidy information that the commission felt was not required; and 239 units in two projects had appropriate housing standards. Also, it found that GRHC provided housing assistance payments without executing a contract for 50 households in one project it owned.

GRHC Executive Director Carlos Sanchez disputes the claims made by OIG, responding that the GRHC made assistance payments only to eligible families, except in a single case. OIG, however, is sticking by the assertion that the need for GRHC to provide supporting documentation to show it correctly administered the program is necessary.

Info: GRHC, Carlos Sanchez, 616/235-2600

12/11/2009 11:58 AM

Housing Affairs Letter
THE INDEPENDENT WEEKLY WASHINGTON REPORT ON HOUSING

Housing Affairs Letter Stories posted week of 12/12/09 - 12/18/09

Assisted Housing

(SECTION 8) New York Nixes Thousands Of Vouchers

Faced with a cash crunch, the New York City Housing Authority (NYCHA) tells 3,018 prospective Sec. 8 housing voucher recipients they won't have a home for Christmas. In a rare move, NYCHA officials tell families who already have received vouchers that they must be returned.

The housing authority blames the cut on a move by Congress last May to yank $58 million from its annual Sec. 8 budget, leaving the agency to support its existing vouchers with the $780 million remaining. The city administers 101,000 vouchers.

Officials say the agency will not be able to issue new vouchers in 2010, even for emergencies such as domestic violence victims and participants in witness protection programs. NYCHA issues about 10,000 new vouchers in a typical year.

12/18/2009 1:20 PM

Public Housing

(CAPITAL FUND) Public Housing To Get New Assist

Public housing renovations receive a new boost with the prospect of an additional $1 billion infusion into capital funding. The money is included in the Obama administration's latest attempt to generate jobs, HR 2847. The Commerce, Justice and Science FY 2010 appropriations bill is being used as the procedural vehicle to get the proposal approved.

Public housing industry advocates are concerned about the restrictions in the latest proposal. They resemble restrictions required in the $1 billion provided to public housing authorities (PHAs) earlier this year in the economic stimulus law. That law required PHAs to offer the money competitively to public and private groups within a certain timeframe.

HR 2847 says the money would be targeted to competition for priority investments, including investments that leverage private sector funding or financing for renovations and energy conservation retrofit investments. PHAs are concerned that the mandated timeframe -- PHAs must award contracts based on bids within 120 days from the date that the money is made available by HUD -- is too restrictive.

PHAs would be required to give priority to rehabilitation of vacant rental units where renovations already are underway or included in the agency's five-year capital fund plan.

PHAs would be required to obligate 50% of the money within 180 days of the date the HUD award becomes available. The remaining money must be spent within one year. If a PHA fails to meet the 180-day requirement, HUD can recapture all the PHA's remaining money and award it to agencies in compliance with the requirement.

Advocates contend the money should be allocated according to the existing capital fund

redistribution formula. They point to success of the $3 billion Congress approved in the American Recovery & Reinvestment Act last February for formula distribution to reinforce their position. The $1 billion additional awarded at the same time for competitive grants still is in the pipeline.

12/18/2009 1:15 PM

IDEAS AND TRENDS

PUBLIC HOUSING

PHADA President Discusses Funding Issues, Future of Public Housing

The Public Housing Authorities Directors Association (PHADA) will be working next year on the perennial issue of adequate funding to preserve public housing and expand the supply of housing affordable to the lowest-income families, according to PHADA President P. Curtis Hiebert, chief executive officer of the Keene, N.H., Housing Authority.

"You've probably heard that speech before," Hiebert said in an interview with HDR. "We're trying to be a good, strong advocate voice for the preservation and the proper funding of this fantastic resource that public housing and the Section 8 program represent to this country."

Hiebert said that while funding continues to be the top priority, PHADA is also working with the National Association of Housing and Redevelopment Officials (NAHRO) on the deregulation of small PHAs and a voluntary program allowing PHAs to convert public housing to long-term Section 8 assistance. PHADA also is pushing for Section 8 reform legislation which includes the proposed Housing Improvement Program (HIP) as a replacement for Moving-to-Work (MTW).

Hiebert also said that PHADA, NAHRO, and the Council of Large Public Housing Agencies (CLPHA) are coordinating their public policy efforts more closely than ever, holding periodic conference calls which involve officers and senior staff. The groups have also consulted with tenant advocates recently on several issues, including tenant protections in HIP, he said.

Public Housing Production

There are longer-term questions about public housing, Hiebert added, noting that there has been no significant production of new public housing units in recent years.

"Tax credit housing has filled a need, but that's serving a population that's certainly more upward (in income) than a lot of the people we serve," he said. "There really has been no effort to serve the very-low- and extremely low-income population. So we really need to work and find alternatives to that."

Regulatory flexibility will help expand low-income housing production, he said, adding that PHADA is working closely with HUD on the management and regulation of public housing. Hiebert said that HUD Secretary Shaun Donovan and Sandra B. Henriquez, assistant secretary for public and Indian housing, have made an effort to discuss issues with program stakeholders that has been "really very encouraging to all of us."

Hiebert called for additional deregulation of small housing authorities, which he said "are absolutely inundated with the administrative burden and other regulations."

Housing Transformation

Hiebert said several other steps can be taken to transform public housing, including easing the way for housing authorities to borrow against their assets and use private financing and investment.

The Keene Housing Authority closed a transaction in September in which it transferred 228 public housing units to a nonprofit subsidiary which received an allocation of Section 8 project-based assistance. TD Bank North provided a $4 million commercial mortgage loan which will be used to fund rehabilitation.

Some efficiency units for the elderly were converted into one-bedroom units and accessible units were added, and family housing was rehabilitated as well. The work involved new kitchens, bathrooms, and roofs.

This was all work that the housing authority was unable to do in the past because its annual capital funds were insufficient, Hiebert said, noting that the private financing brought the equivalent of 15 years of capital funding. The loan-to-value ratio was only 25 percent, said Hiebert, "so it's a really good, safe, mortgage" for the bank.

Section 8 Conversion

One policy issue for a Section 8 conversion program, said Hiebert, is whether the subsidy should be project- or tenant-based. While residents like the mobility of tenant-based vouchers, he said, lenders may prefer the stability of project-based funding.

"You have to have a balance between those two, and there needs to be flexibility," he said.

PHADA also is a strong supporter of Section 8 voucher reform legislation which would provide a long-term allocation formula, streamline aspects of the program, and create the HIP to replace the MTW program. Keene was among the first housing agencies to enroll in MTW and has been involved in it since 1999.

Even more important than the funding flexibility of MTW, said Hiebert, is the ability to help residents to achieve self-sufficiency. "Every family has a different reason for being in public housing," he said. "We work with them, and we work with our community to find the services that they need."

AFFORDABLE HOUSING

Low-Income Rental Shortage Grew In 2008, NLIHC Analysis Shows

The shortage of rental housing units affordable to the lowest-income families increased from 2.7 million to 3.1 million units between 2007 and 2008, according to a preliminary analysis of U.S. Census Bureau data by the National Low Income Housing Coalition (NLIHC).

The analysis of American Community Survey (ACS)

FINANCE, MANAGEMENT AND DEVELOPMENT

PUBLIC HOUSING

HUD Proposes Notice to Formalize Public Housing Mortgage Program

HUD has posted for comment a proposed notice to formalize the public housing mortgage program (PHMP) authorized by Section 30 of the U.S. Housing Act of 1937, which allows mortgages to be placed on public housing property using non-public housing funds.

HUD has approved on a case-by-case basis six transactions involving about $30 million in financing since 2005.

PHMP financing can be used for new development and rehabilitation. The notice says that proceeds can also be used for predevelopment costs, but only if there is a firm commitment for permanent or other financing to repay the loan. Proceeds may also be used for acquisition, infrastructure, or site improvements.

Status of Mortgages

Mortgages can be placed in first position on non-residential property, allowing a lender to foreclose and extinguish any HUD interest in the event of default. Foreclosure is also permitted for dwelling units that are mortgaged, but a declaration of restrictive covenants would be in first position, and the public housing units would be required to continue to operate according to public housing requirements.

HUD said that reviews will continue on a case-by-case basis and that proposals to permit foreclosure on dwelling units will receive additional scrutiny since no proposals of this type have been approved yet.

The proposed notice addresses the PHMP approval process outside of the capital fund financing program (CFFP) and the operating fund financing program (OFFP). PHAs may pursue multiple financings under the three programs simultaneously to fund a single or multiple scopes of work

Loan proceeds can take the form of construction loans, bridge loans for low-income housing tax credit equity or other temporary financing, or permanent financing to be repaid through net operating income of the property. Unlike CFFP or OFFP transactions which are secured by an interest in capital or operating funds, PHMP loans are secured by a mortgage against the PHA's real property or an interest in tangible personal property owned by the housing authority.

Low-Income Housing

HUD is using its discretion under Section 30 to permit the use of PHMP financing proceeds for activities that would serve low-income populations outside of public housing and Section 8, allowing the modernization or development of units for persons at or below 80 percent of area median income.

The notice says that rental property must remain affordable for at least 15 years and that affordability for homeownership units typically only applies to the initial buyer. In a project with affordable and market-rate units, PHMP proceeds would only be used for the affordable portion on a pro rata basis.

HUD has not established any minimum underwriting criteria, such as a debt service coverage or loan-to-value ratio. Instead, it will be the responsibility of the PHA and creditor to make sure that there are sufficient repayment sources to meet debt service requirements and that property provides sufficient security to fully retire the debt in the event of a default. The notice says it will be the responsibility of the PHA to ensure that their mortgaged assets do not over-collateralize the debt.

Non-Public Housing

If the PHMP transaction involves public housing assets securing a loan to be used for non-public housing, the mortgage must encumber both the public housing units and the non-public housing units, and documents must contain language ensuring that in the case of default, the lender's first remedy will be to proceed against the non-public housing collateral.

PHMP financing may also be used in connection with grants and forgivable loans like the Federal Home Loan Bank System's affordable housing program (AHP). Section 30 requires HUD approval of any use restrictions that would be placed on the property as a condition of the grant or forgivable loan.

(The proposed notice is available at www.hud.gov/offices/pih/programs/ph/capfund/phmpnfc.cfm. Comments are due January 31. For further information, contact Kevin Gallagher, 202-402-4192.)

MORTGAGE FINANCE

Proposed Rules Would Increase FHA Net Worth Requirements, Tighten Other Mortgagee Criteria

As part of its effort to strengthen the operations of the Federal Housing Administration (FHA), HUD has issued proposed regulations to increase net worth requirements and tighten other criteria for FHA-approved mortgagees.

The regulations were published in the November 30 Federal Register, and comments are due December 30.

"With FHA's crucial role in today's housing market, it is critically important that we are able to manage risk and to ensure that our reserves are adequate to cover future losses," said David H. Stevens, assistant secretary for housing-FHA Commissioner.

"We are taking a number of aggressive steps to ensure that we are able to continue to support the housing market in the short-term and provide access to homeownership

to the underserved in the long term, while minimizing the risk to the American taxpayer," Stevens added.

HUD also issued a series of mortgagee letters on September 18 which are intended to improve FHA risk management. *(For background, see Current Developments, Vol. 37, No. CD-19, p. 582.)*

Approval of FHA Lenders

Currently, FHA approves two types of lenders: mortgagees, which can perform any mortgage origination and servicing function and can own FHA-insured loans, and loan correspondents, which are limited to certain origination functions and cannot service or own FHA loans.

Under the proposed regulations, HUD would no longer approve loan correspondents. Correspondents would still be eligible to participate in the origination of loans through association with an FHA-approved mortgagee, but the mortgagee would have to ensure that the correspondent complies with requirements to make loans eligible for FHA insurance.

Failure to comply with such requirements could lead to FHA sanctions against the mortgagee.

After final regulations are promulgated, loan correspondents already approved by FHA would not be permitted to renew their status or convert their approval to mortgagee, and only FHA-approved mortgagees would be able to request FHA case numbers.

According to HUD, limiting lender approval to mortgagees would focus the administrative burden of the approval process on the entities with the greatest responsibility for the eligibility of the loan for FHA insurance, while still allowing correspondents to participate in originations.

Lender Eligibility

The rules would also codify requirements for FHA lender eligibility established in Section 203 of the Helping Families Save Their Homes (HFSH) Act, which were announced in a September 18 mortgagee letter and are currently in effect.

These requirements generally bar applicants who are subject to administrative sanctions or who have been indicted or convicted for fraud or other offenses reflecting adversely on their integrity.

HUD is not proposing to revise its current enforcement mechanisms or procedures for the appeal of adverse determinations. "The procedures already in place by which FHA may take action against mortgagees in violation of FHA requirements continue to be sufficient," the preamble to the regulations explains.

The rules would also codify the requirement in Section 203 of the HFSH Act that directs FHA mortgagees to use their HUD-registered business names in all advertisements and promotional materials related to FHA programs. They would also codify the September 18 mortgagee letter requirement that mortgagees retain copies of advertising and promotional materials for two years.

Net Worth Requirements

The proposed rules would also increase the net worth requirements for approved mortgagees from $250,000 to $2.5 million, with at least 20 percent to consist of cash or other liquid assets.

The full increase would take effect three years after the effective date of final regulations.

As an interim step, the net worth requirement would be increased to $1 million, including at least 20 percent liquid assets, one year after final rules go into effect.

The new net worth requirements would apply to supervised, nonsupervised, and investing mortgagees. Net worth requirements currently don't apply to investing mortgagees.

The proposed rules would also simplify the net worth requirements by applying the same requirements to Title I and Title II mortgagees and eliminating the additional volume-based requirements for Title II mortgagees.

(For further information, contact Office of Lender Activities and Program Compliance, 202-708-1515.)

PUBLIC HOUSING

HUD Notice Clarifies Policy on Resident Community Service

HUD issued a notice November 25 clarifying PHA administration of the community service and self-sufficiency requirement, which requires all adult public housing residents not engaged in work activities and not otherwise exempt to contribute eight hours of community service each month. The notice supersedes all previous HUD guidance.

Notice PIH 09-48 provides guidance on developing a local community service policy through the admissions and continued occupancy policies (ACOP) in the annual plan. The ACOP must address the PHA's responsibility to administer the requirement, eligible and non-eligible activities, exemptions from the requirement, and compliance and review standards.

According to HUD regulations, community service involves the performance of voluntary work or duties that are a public benefit, improve the quality of life, enhance resident self-sufficiency, or increase resident responsibility in the community.

PHAs may administer qualifying community service and self-sufficiency activities directly or make the activities available through a contractor or partnership with other organizations, community agencies, or institutions.

Congressional Intent

HUD urged PHAs and their tenants to carry out community service in a manner consistent with the intent of Congress, citing a 1998 Senate committee report which states that the requirement is not meant to be punitive but instead should serve as a rewarding activity that will assist residents in improving economic and social well-being.

The notice lists a series of eligible community service activities, which include work at local public and nonprofit institutions.

HUD said that a PHA may set its own policy on recognizing services provided at profit-motivated entities, volunteer work at homes or offices of private citizens, and court-ordered or probation-based work.

Public housing residents are exempt from the requirement if they are 62 or older, are engaged in work activities, or are disabled and certify that they are unable to comply with the community service requirement because of the disability. Residents enrolled in state welfare-to-work programs are also exempt.

Work Activities

The notice encourages PHAs to use 30 hours per week as the minimum accepted as a work activity. PHAs can use reasonable guidelines in clarifying the statutory list of work activities in coordination with the agency in their jurisdiction which administers the temporary assistance to needy families (TANF) program, said HUD.

A PHA must also describe in its community service policy the process used to determine which family members are exempt. The PHA must provide each family with a copy of the community service policy at initial application and get a certification of receipt from the family. PHAs have the authority to make the final determination on whether to grant an exemption from the requirement, HUD said.

The housing authority must annually review resident compliance at least 30 days prior to the end of the 12-month lease.

According to the notice, a PHA that finds a tenant in noncompliance must provide a written notice that lease renewal is contingent on a workout agreement. PHAs must initiate a due process termination of tenancy and eviction of tenants or household members who are not in compliance.

MORTGAGE FINANCE

Fannie Mae Considering Changes In Multifamily Mortgage Programs To Preserve Affordable Housing

Fannie Mae is reviewing its affordable multifamily housing mortgage programs with an eye toward revisions to promote preservation of existing developments, according to Ann McCulloch, Fannie Mae senior vice president and deputy general counsel.

"Multifamily finance is in disarray," McCulloch said at a recent HDR-IPED conference in Washington, "and the market is almost dormant at this point." Loans on distressed properties have increased from $11 billion at the beginning of the year to about $22 billion at the beginning of October, she added.

McCulloch cited projections that multifamily projects will experience declines in net operating income of between 8.9 and 15 percent over the next five years because of increasing vacancy rates in most areas.

However, the lack of financing has hampered the construction of new projects even in some small markets which have experienced a decline in vacancy rates, McCulloch noted. In addition, she said, the low-income housing tax credit equity market "is in most respects broken," with prices down at least 15 to 25 percent, and tax-exempt bond financing generally isn't available.

Need for Preservation

Meanwhile, the need to preserve affordable multifamily housing has continued. Over 20 percent of the current affordable rental inventory was built before 1940, and older units outnumber those constructed since 2000 by four to one, McCulloch said.

The older units are generally smaller and located in city centers, and they are in serious need of rehabilitation, she added.

Fannie Mae is taking steps to gear its multifamily lending to support preservation, according to McCulloch. For instance, it is continuing to do fixed-rate bond transactions and has been trying to expand its network of affordable housing lenders, she said.

Additionally, the company has been working with its delegated underwriting and servicing (DUS) lenders "to help them do a better job of serving the multifamily affordable market," she added.

In particular, Fannie Mae has been working to make sure that its typical affordable multifamily credit lock will enable developers to line up all equity investors and other sources of funds so that projects can move forward, McCulloch said.

Additional Efforts

Additionally, Fannie Mae has reduced the standard debt service coverage ratio for preservation projects to 1.20, compared with 1.25 for a conventional transaction, she noted, and it has been trying to price its typical 10-year affordable multifamily housing loan at under 6 percent.

The company has also implemented special underwriting considerations for Section 8 transactions, and it will accept the appropriations risk for housing assistance payments (HAP) contract renewals and won't require a restabilization reserve.

If the HAP contract term is longer than the loan term, Fannie Mae will underwrite at the higher of Section 8 or tax credit rents, and it will work with lenders on a case-by-case basis if the HAP term is shorter than the loan term, she added.

Fannie Mae has also been working with HUD to expand its risk-sharing program, McCulloch said, and the company is "reinvigorating" a national advisory council on preservation and is teaming up with federal, state, and local governments to leverage existing resources to support developers seeking to preserve affordable projects.

PUBLIC HOUSING

Philadelphia Housing Authority Opens First Phase of Warnock Village

The Philadelphia Housing Authority (PHA) is completing construction of Warnock Village, a $48.8 million public housing mixed-finance project which includes a townhouse family development in the first phase and a three-story building providing seniors housing and 36,000 square feet of non-residential space in the second phase.

HUD Secretary Shaun Donovan and other elected officials participated in a November 24 grand opening cer-

COURTS

FAIR HOUSING

Jewish Condo Owners Can Pursue Discrimination Claim for Removal of Religious Symbols from Doorposts

Jewish condominium owners can pursue a Fair Housing Act claim against their condominium association for forcing them to remove religious symbols from their doorposts, the U.S. Court of Appeals for the Seventh Circuit ruled en banc, reversing part of a district court ruling which had previously been upheld by a three-judge Seventh Circuit panel. *(Bloch v. Frischholz, No. 063376, 2009 3789996 (7th Cir. (III)), November 13, 2009; for background, see Current Developments, Vol. 36, No. CD-15, p. 472.)*

In 2001, when Lynne Bloch chaired the association's rules committee, the committee enacted "Hallway Rules" prohibiting objects in the hallway and objects on the doors. The association generally enforced this rule by removing clutter from the hallways.

In 2004, when the association repainted the hallways, it asked residents to remove mezuzot, which are used by traditional Jews to mark a doorway, during the renovation. However, after the renovation, when the Jewish residents replaced their mezuzot, the association began removing and confiscating them, despite complaints by the residents and information from Jewish authorities about the religious significance of the symbols.

The Blochs and other Jewish residents subsequently sought an injunction and filed suit for damages for distress, humiliation, and embarrassment. The condominium board then passed a rule creating an exception to the Hallway Rules for religious objects. The city of Chicago and the state legislature also enacted legislative protections for religious signs or symbols on doorposts. These actions mooted the claim for an injunction, but the claim for damages remained.

Previous Opinion

The majority in the Seventh Circuit's first decision ruled that the Blochs failed to present sufficient evidence of intentional discrimination to survive summary judgment.

The majority held that the Hallway Rules were neutrally adopted and enforced, so the Blochs merely sought a religious accommodation, and it noted that the Fair Housing Act requires accommodations for disabilities, but not for religion.

The dissent in that opinion viewed the association's actions as intentional discrimination and held that the Blochs could maintain a claim for post-sale discrimination under the Fair Housing Act. The dissent also contended that the record contained sufficient evidence of intentional discrimination to allow the Blochs to proceed to trial.

Opinion on Rehearing

On rehearing, the court first considered the plaintiffs' claim under Section 3604(a) of the Fair Housing Act, which makes it unlawful to make a dwelling unavailable to a person based on religion.

In Halprin v. Prairie Single Family Homes of Dearborn Park Ass'n, 388 F.3d 327 (7th Cir. 2004), the court left little room for a post-acquisition discrimination claim, but did allow for the notion of constructive eviction. However, to invoke that theory, the residents would have to move out within a reasonable amount of time, and the Blochs never moved. The court said they could not claim constructive eviction, and a reasonable jury could not conclude that the defendants' conduct rendered the condominium unavailable to the Blochs. The court said the Blochs could not proceed under this theory.

Section 3604(b) prohibits discrimination in the terms, conditions, or privileges of the sale based on religion. The court's task was to determine whether this provision proscribes the post-acquisition discrimination alleged in this case.

The Blochs purchased their condominium subject to restrictions that would be imposed at the time of purchase and in the future by the condominium board. Therefore, said the court, Section 3604(b) prohibits the association from discriminating against the Blochs through its enforcement of rules, even facially neutral rules.

Agreeing with the dissent in the previous opinion, the court said that allowing post-acquisition discrimination claims under Section 3604(b) also is consistent with regulations promulgated by HUD, which is the agency charged with enforcing the Fair Housing Act. The court said that if the Blochs produce sufficient evidence of discrimination, Section 3604(b) could support their claim.

Section 3617 Claim

The Blochs also brought their claim under Section 3617, which prohibits interfering with a person's enjoyment of his dwelling. The court said the Blochs argued that interference with the enjoyment of fair housing rights "encompasses a broader swath of conduct than an outright deprivation of those rights." The court ruled that Section 3617 claims can stand on their own, even without Section 3604 claims, effectively overruling Halprin on this point.

To support a claim of discrimination under Section 3617, the court said the Blochs must show they are protected under the Fair Housing Act; they were engaged in the exercise of their fair housing rights; the defendants interfered with the plaintiffs on account of her protected activity under the Fair Housing Act; and the defendants were motivated by an intent to discriminate.

The key to this claim is discriminatory intent, the court said, adding that if the Blochs produce sufficient evidence of discrimination, they can proceed with their Section 3617 claim.

Intentional Discrimination

The court said the record provides sufficient evidence that there are genuine issues for trial on intentional discrimination. The Blochs claimed that the association reinterpreted the Hallway Rules to apply to mezuzot, which the rules were not designed to reach, the court noted, adding that the claim is supported by past board members, including Lynne Bloch.

The court said other circumstantial evidence indicated intentional discrimination. The association repeatedly removed the Blochs' mezuzot, even after the Blochs explained that Jewish law required them on their doorposts, the court said, and the Blochs also produced evidence of animus between Lynne Bloch and the board president.

The court said a combination of all the factors "pushes this case beyond summary judgment." The court reversed the summary judgment in favor of defendants on the Section 3604(b) and Section 3617 claims, while affirming the dismissal of the Section 3604(a) claim, and reinstated the state law claim, which also had been dismissed.

SECTION 8

Tenants Can't Sue New Owners For Lack of Notice of Decision Not to Renew HAP Contract

Section 8 tenants do not have standing to sue the new owners of their apartment building for damages for failure to give adequate notice of their decision not to renew the housing assistance payments (HAP) contract, ruled the U.S. District Court for the Eastern District of Washington. *(Harris v. BlueRay Technologies Shareholders, Inc., No.CCV-07-342-FVS, 2009 WL 3483953 (E.D. Wash.), October 23, 2009)*

Otis Associates Limited Partnership (OALP) entered into a HAP contract with the Spokane Housing Authority (SHA) and agreed to lease apartments in a building it owned to homeless persons in exchange for assistance payments. After a period of nonprofitability, a creditor forced the building into a nonjudicial foreclosure.

Without disclosing the status of the building, OALP successfully renegotiated its HAP contract with the SHA. Pacific First West, LLC, the purchaser at the trustee's sale, sold the property to BlueRay LLC, which notified SHA that it decided not to participate in Section 8 housing. HUD did not object to the new owner's decision.

Within three months, the SHA arranged for all Section 8 tenants to move to new apartments, and HUD continues to provide assistance to qualified tenants. Several months later, two former OALP tenants, Stephen Harris and Garry Campbell, brought an action against Pacific First West, BlueRay LLC, and the managing member of Pacific First West, BlueRay Technologies Shareholders, Inc., claiming they did not comply with the one-year notice requirements for termination of assistance contracts.

Jurisdictional Issues

The defendants raised jurisdictional issues of standing and federal question.

The court said standing requires that a plaintiff suffer an injury in fact, that there is a causal connection between the injury and the conduct complained of, and that the injury will be redressed by a favorable decision.

To show injury in fact, the plaintiffs alleged that the defendants failed to provide adequate notice of the termination of the HAP contract and forced them to vacate their apartments. The defendants did not deny these allegations, nor did they deny that plaintiffs must travel greater distances to receive services and have lost the psychological support of living in a community of Section 8 tenants. However, the defendants argued that inconvenience is not injury.

Defendants noted that plaintiffs have never been without an apartment or federal housing assistance. However, the court noted similar cases imply that forced eviction without proper notice can constitute an injury in fact.

Redressability

However, even if plaintiffs show an injury in fact and a causal connection between their injury and the defendants' actions, the court said they cannot meet the redressability requirement for standing.

Section 8(c)(8)(A), 42 U.S.C. Section 1437f(c)(8)(A), requires an owner to give a one-year notice to HUD and the tenants of the termination of a HAP contract. Section 1437f(c)(8)(B) provides that an owner which fails to give the one-year notice cannot evict tenants or increase their rent until one year after the notice has been provided. It also allows HUD to renew the contract for a sufficient period of time to provide the one-year notice.

The plaintiffs based their demand for damages on Section 1437f(c)(8)(B), but it does not provide a remedy of damages if the owner fails to give proper notice. In addition, the plaintiffs sought an injunction giving former tenants the option of reoccupying their apartments until such time as the defendants comply with the notice requirement. The request for an injunction was also based on Section 1437f(c)(8)(B).

Statutory Interpretation

Defendants argued that the court must read the two sentences of Section 1437f(c)(8)(B) together, and that the first sentence, barring evictions or rent increases, is conditioned on the second, providing for a short-term contract renewal.

The court disagreed and viewed the two sentences as a stick-and-carrot technique. The first sentence is the stick: an owner who terminates a HAP contract without proper notice may not evict his Section 8 tenants or increase their rent. The second sentence is the carrot: an owner who reconsiders his decision to terminate may continue to receive HUD subsidies until he provides proper notice and the notice period expires. The court said this is the proper reading of the statute.

However, the court said an injunction may not redress plaintiffs' injuries in this case, even if it ordered a noncompliant building owner to allow wrongfully evicted Section 8 tenants to reoccupy their former apartments. An injunction may be futile, the court explained, because the owner has substantially remodeled the building and

Instead, the court said, the finding of blight was "mere sophistry," put forward after the Columbia project was initiated as a justification for the use of eminent domain.

The court said the "most egregious" justification for the finding of blight was the underutilization of property in Manhattanville, which in turn was based on a determination that any lot built to less than 60 percent of the maximum permitted floor area ratio (FAR) was blighted.

"The time has come to categorically reject eminent domain takings solely based on underutilization," the court said. "This concept put forward by the respondent transforms the purpose of blight removal from the elimination of harmful social and economic conditions in a specific area to a policy affirmatively requiring the ultimate commercial development of all property regardless of the character of the community subject to such urban renewal."

Other Issues

The court also found that the UDCA is unconstitutional as applied in this case because the ESDC has failed to promulgate any regulation or written standard for the finding of blight.

In addition, the court said the expansion of Columbia University doesn't qualify as a civic project within the meaning of the UDCA.

The court also held that the ESDC violated the petitioners' due process rights by prematurely closing the administrative record while simultaneously withholding documents that they were entitled to receive.

Accordingly, the court concluded, the petitions challenging the ESDC determination should be granted, and the determination should be annulled.

Concurring, Dissenting Opinions

Judge Richter wrote a separate concurring opinion finding that the ESDC's determination should be annulled based on the premature closing of the record, making it unnecessary to address the other statutory and constitutional issues raised in the case.

In a dissenting opinion joined by Judge Renwick, Judge Tom would uphold the ESDC determination, concluding that the Columbia development will qualify as a civic project and serve a public purpose and rejecting the view that the finding of blight was insufficient as a matter of law and made corruptly and in bad faith.

SECTION 8

PHA Improperly Terminated Assistance, Court Rules

The Allegheny County Housing Authority (ACHA) improperly terminated a tenant's Section 8 assistance, the Pennsylvania Commonwealth Court ruled, upholding the trial court's decision. *(Cain v. Allegheny County Housing Authority, No. 2440 C.D. 2008, 2009 WL 4916539 (Pa.Cmwlth.), December 22, 2009)*

Tenant Kamala Cain was told by her landlord that she had to move out due to nonpayment of plumbing bills and rent, and the ACHA subsequently sent her a notice of intent to terminate her Section 8 assistance.

A hearing officer upheld the termination because she vacated her unit without obtaining the ACHA's approval. The trial court sustained Cain's appeal and directed that her Section 8 eligibility be reinstated.

The trial court found that the hearing officer erroneously concluded that ACHA approval was required before Cain could leave her unit. Instead, the trial court said, Cain was only required to give notice of leaving the unit, and it was undisputed that she provided such notice.

Court Ruling

On appeal, the court agreed with the trial court's conclusion that Cain did not need prior ACHA approval to move.

The court acknowledged that 24 C.F.R. Section 982.314(e) authorizes a PHA to deny a voucher holder permission to move. However, except where the PHA has insufficient funding to continue assistance, the court said, the grounds for denial of permission to move are the same as the grounds for denial or termination of assistance.

"[T]he failure to obtain approval of a move is not an enumerated basis to terminate assistance," the court said. "We agree with Tenant and the decisions of our sister courts that the ACHA cannot expand the basis for terminating assistance by stating that failure to obtain approval prior to move can result in that consequence."

Prior Notice

The court said failure to provide prior notice of a move to a new unit may result in the termination of assistance. In this case, the court noted, the timing of Cain's notice to the ACHA is unclear, and no attempt was made in the prior proceedings to resolve the issue.

The hearing officer held that Cain failed to give proper notice because she spoke to an operator, rather than a housing counselor, when she called the ACHA, and she didn't give written notice.

However, the ACHA made no argument about the type of notice to be provided or the proper recipient of the notice, the court said. "There is a reasonable inference that Tenant orally provided notice of her intention to move to ACHA," the court concluded. "On appeal, the prevailing party below is entitled to all inferences that can be reasonably drawn from the evidence."

SECTION 8

Court Upholds Decision to Terminate Tenant's Aid

The Minnesota Court of Appeals affirmed a hearing officer's decision upholding the termination of a tenant's Section 8 assistance, finding that the decision was supported by substantial evidence and was not arbitrary or capricious. *(Morford-Garcia v. Metropolitan Council Housing and Redevelopment Authority, A08-2203, 2009 WL 4909435 (Minn.App.), December 22, 2009)*

The relevant HUD regulation, 24 C.F.R. Section

982.552(b)(2), requires a housing authority to terminate Section 8 assistance if a recipient is evicted for serious lease violations.

In this case, tenant-relator Erica Morford-Garcia challenged the termination of her assistance by respondent Metropolitan Council Housing and Redevelopment Authority, contending that the regulation didn't apply to her circumstances. However, the court disagreed.

Terms of Eviction

Relator first argued that she wasn't evicted because a writ of recovery was canceled before it was executed. As the court explained, after the landlord initiated an eviction action, the parties entered into a settlement agreement in housing court and agreed to a mutual termination of the lease. The parties agreed to stay the writ of recovery at that time.

The court concluded that there was evidence to support the hearing officer's determination that relator was evicted, including the issuance of an eviction summons and complaint, the mutual termination agreement, and the issuance and posting of the writ, even though it was canceled.

"Presented with this evidence, and with Minnesota law providing that a writ of recovery will not be issued unless a judgment has been entered in the landlord's favor," the court said, "the hearing officer's decision that relator had been evicted, is supported by substantial evidence."

Serious Lease Violations

The court also found substantial evidence to support the view that the eviction was for serious lease violations, mandating the termination of Section 8 assistance.

The record indicated that the city of New Brighton cited relator and her family numerous times for failure to provide garbage services and for having a dog that attacked a neighbor. In addition, she had an overdue utility bill.

While the regulation doesn't define a serious lease violation, the court concluded that the failure to pay utilities and provide garbage service met the standard, since the landlord's property could be significantly affected.

Requirement to Vacate

The hearing officer also found that relator failed to vacate the property by July 31, 2008, as required by the terms of the settlement agreement, because she had not removed all of her personal belongings. The court agreed that substantial evidence supported this determination.

Relator contended that she substantially complied with the requirement to vacate because she and her family were no longer living on the premises, but the court said the settlement agreement did not provide for substantial compliance.

The court also rejected relator's argument that the hearing officer should have considered mitigating factors, including the severe impact on her family of the loss of rental assistance.

"[B]ecause eviction for a serious violation is mandatory, the hearing officer was not permitted to consider relator's claimed hardship," the court said. "We conclude that the decision to uphold the termination of relator's housing assistance was not arbitrary and capricious for failure to consider mitigating circumstances."

PUBLIC HOUSING

Court Won't Dismiss Negligence Claim Against PHA for Injuries Suffered In Recreation Room Accident

A public housing tenant's guest can pursue a negligence claim against the Cuyahoga Metropolitan Housing Authority (CMHA) for injuries suffered in a recreation room accident, the Ohio Court of Appeals, Eighth District, Cuyahoga County, ruled, upholding the trial court's denial of the CMHA's motion for judgment on the pleadings. *(Williams v. Cuyahoga Metropolitan Housing Authority, No. 92964, 2009 WL 4857623 (Ohio App. 8 Dist.), December 17, 2009)*

Plaintiff-appellee Tonya A. Williams filed suit against the CMHA after she was injured when a pool table collapsed. Her suit raised claims for common law negligence and violation of the Ohio Landlord-Tenant Act.

In her complaint, Williams alleged that the CMHA was negligent in constructing, maintaining and repairing the recreation room equipment; that the defective pool table was a physical defect within the grounds of CMHA property; that the CMHA had actual or constructive knowledge that the pool table wasn't safe for use; and that the CMHA had a duty to warn tenants and their guests of the danger but failed to do so.

The CMHA moved for judgment on the pleadings, arguing that it was immune from liability under state law, R.C. 2744.02(A)(1), as a political subdivision performing a governmental function and that the complaint failed to allege any facts sufficient to avoid such immunity. The trial court denied the motion, and the CMHA appealed.

Court Ruling

The court acknowledged that the CMHA is a political subdivision and that operating public housing is a governmental function. It noted, however, that the immunity under R.C. 2744.02(A)(1) is not absolute.

The next step, according to the court, is to determine whether Williams set forth sufficient allegations to establish that a statutory exception to immunity in R.C. 2744.02(B) may apply.

The court explained that Williams's complaint was based on the exception in R.C. 2744.02(B)(4), which says that a political subdivision is liable for an injury caused by the negligence of its employees that is "due to physical defects within or on the grounds of, buildings that are used in connection with the performance of a governmental function."

In Moore v. Lorain Metropolitan Housing Authority, 121 Ohio St.3d 455, 905 N.E.2d 606, the Ohio Supreme Court held that units of public housing are buildings used in connection with the performance of a governmental function.

Accordingly, the court said, a PHA may be liable for

injuries caused by employee negligence due to a physical defect in one of its buildings.

"We recognize that this case presents an issue as to whether a defective pool table may constitute a 'physical defect' under R.C. 2744.02(B)(4)," the court said. However, it added, "we conclude that CMHA has not demonstrated that the plaintiff can prove no set of facts that would entitle Williams to recover from it on her claims."

The court affirmed the trial court's judgment.

Courts in Brief

A bed and breakfast is not a dwelling within the meaning of the Fair Housing Act, the U.S. District Court for the Southern District of Alabama, Northern Division, ruled, dismissing a claim by an interracial couple that the denial of a permit to operate a bed and breakfast violated the act. *(Amazing Grace Bed & Breakfast v. Blackmun, Civil Action No. 09-0298-WS-N, 2009 WL 4730729 (S.D.Ala.), November 30, 2009)*

The U.S. Court of Appeals for the Fifth Circuit reversed the district court's certification of a class in a Real Estate Settlement Procedures Act (RESPA) suit involving title insurance premiums in mortgage refinancings. *(Mims v. Stewart Title Guaranty Company, No. 09-10127, 2009 WL 4642631 (5th Cir. (Tex.)), December 9, 2009)*

The plaintiffs alleged that they did not receive discounts mandated by Texas insurance regulations for refinancings. The district court concluded that they stated a claim under RESPA, holding that fees charged in excess of the limit under the discount requirement and split between the title insurance company and its agents may have violated the anti-kickback provision in Section 8(b).

The Fifth Circuit declined to address the merits of the claim at this stage of the litigation, but held that any Section 8(b) violation would have to be determined through an analysis of the services performed in each transaction. Accordingly, the court held that class certification was inappropriate.

Housing Affairs Letter
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Affordable Housing

(NONPROFIT) Nonprofit Salary Criticized

A Chicago nonprofit group designed to provide affordable housing is under fire for paying its president a $685,000 salary in 2008. An investigation by the *Chicago Tribune* finds that the salary for Christine Oliver is about three times what leaders at other housing development nonprofits in the area earn.

Oliver heads the Chicago Dwellings Assn. (CDA) and its management arm, the Community Management Assn. Both organizations contribute to Oliver's pay. The level of pay is determined by CDA's board of directors. The board consists of three members, the minimum number of members a nonprofit board in the state can legally have, and Oliver is one of them.

01/15/2010 12:54 PM

Green Housing

(ENVIRONMENT) Green Building Standards Established

California becomes the first state to impose mandatory green building standards The state's new Green Building Standards Code (CALGREEN) requires all new buildings to be more energy efficient and environmentally responsible.

Set to take effect Jan. 1, 2011, the code will require every new building to reduce water consumption by 20%, divert 50% of construction waste from landfills and install low-pollutant-emitting materials. It also requires separate water meters for nonresidential indoor and outdoor water use, with a requirement for moisture-sensing irrigation systems for larger landscape projects.

Mandatory inspections of energy systems such as furnaces, air conditioners and mechanical equipment are required for nonresidential buildings larger than 10,000 square feet to ensure that all are operating at maximum capacity.

After passing a state building inspection, property owners will have the ability to label their facilities as CALGREEN compliant without paying for costly additional third-party certification programs.

Heard at HUD

(HUD) Henriquez Out In the Cold

When Sandra Henriquez accepted the Obama administration's invitation to become the next

HUD assistant secretary of Public and Indian Housing, little did she know what political hornet's nest she was entering.

Henriquez left a solid career as head of the Boston Housing Authority and chief housing aide to Boston Mayor Thomas Menino (D) to take the high-profile position. Subsequent raids on her administrative turf by two HUD czars has left Henriquez with a slim portion of public housing in her portfolio.

The two major programs under Henriquez's authority have been usurped by two HUD appointees -- Carol Galante and Barbara Sard. Galante came to HUD in a lesser post as deputy assistant secretary for multifamily housing after a successful career as president of Bridge Housing. Sard's experience and political savvy as housing director with the Center on Budget & Policy Priorities landed the czar's position as Sec. 8 housing expert.

While Henriquez was required to obtain Senate confirmation, neither Sard nor Galante had to pass the Senate's muster. Yet, Sard and Galante have seized day-to-day authority for the Sec. 8 and multifamily portfolios, while Henriquez is left to answer to Congress for their activities even though she has scant involvement now.

The role of the HUD czars -- advisors to Secy. Shaun Donovan and Deputy Secy. Ron Sims -- has caused morale to plummet among HUD careerists, department sources tell *HAL*. Sources say HUD veterans are under pressure to retire and allow the new administration to install its own workforce.

01/15/2010 1:18 PM

(REHABILITATION) PHAs Get HUD Praise On Spending

Public housing authorities (PHAs) are on target regarding spending $3 billion of Capital Fund allocations awarded under the American Recovery & Reinvestment Act approved last year.

In a conference call arranged by Asst. Secy. For Public & Indian Housing Sandra Henriquez, the Public Housing Authorities Directors Assn., Nat'l Assn. of Housing & Rehabilitation Officials, and Council of Large Public Housing Authorities, are told that use of recovery money for public housing improvements had been "remarkably well executed by the industry."

PHAs have been under the gun to spend the money as quickly as possible. As of Jan. 2, PHAs have obligated 60.4% of Capital Fund Recovery Act allocations. They must obligate all the money by March 17.

Henriquez pointed to some slowness in actually getting the money spent. Under law, 60% of the $3 billion must be spent within two years of receipt and 100% must be spent within three years. So far, 18.6% of the money distributed under the standard Capital Fund formula has been spent.

01/15/2010 12:44 PM

For Your Information

HOUSING AUTHORITY COUNTY OF LOS ANGELES - CONVENTIONAL AND NON-CONVENTIONAL HOUSING

FOR YOUR INFORMATION ONLY

GROUP NO.	SITE	ADDRESS	NO. OF UNITS	HUD DEV. NO.	PROJECT NUMBER	Year Built	Year Acquired
1	Carmelitos (family)	700 Via Wanda, Long Beach 90805	558	CA16P002001	SS1102	1939	1939
1	Carmelitos (senior)	761 Via Carmelitos, Long Beach 90805	155	CA16P002026	SS1102	1939	1939
	Total Unit Count: Carmelitos		713				
2	Harbor Hills (family/senior)	26607 S. Western Ave., Lomita 90717	301	CA16P002002	SS1203	1941	1941
	Total Unit Count: Harbor Hills		301				
3	Nueva Maravilla (family/senior)	4919 E. Cesar E. Chavez Ave., Los Angeles 90022	504	CA16P002004	SS1301	1943	1942
	Total Unit Count: N. Maravilla		504				
4	West Knoll (senior)	838 West Knoll Ave., West Hollywood 90069	136	CA16P002014	SS3001	1977	1979
4	Palm Apartments (senior)	959 Palm Ave., West Hollywood 90069	127	CA16P002014	SS3002	1978	1979
	Total Unit Count: West County 1		263		Admin Project XX0930		
5	Marina Manor I (senior)	3401 Via Dolce, Marina Del Rey 90292	112	CA16P002013	SS3003	1983	1984
5	Marina Manor II (senior)	3405 Via Dolce, Marina Del Rey 90292	71	CA16P002027	SS3003	1983	1984
5	Ocean Park (family/senior)	175 Ocean Park Boulevard, Santa Monica 90405	22	CA16P002018	SS3006	1947	1986
5	Monica Manor (family)	1901-1909 11th Street, Santa Monica 90405	19	CA16P002097	SS3007	1987	1989
	Total Unit Count: West County 2		224		Admin Project XX0935		
6	Orchard Arms (senior)	23410-23540 Wiley Canyon Rd., Valencia 91355	183	CA16P002030	SS2001	1980	1980
6	Foothill Villa (senior)	2423 Foothill Boulevard, La Crescenta 91214	62	CA16P002029	SS2002	1981	1982
6	Quartz Hill I (family)	5028 West Avenue L-12, Quartz Hill 93536	20	CA16P002062	SS2003	1984	1984
6	Quartz Hill II (family)	42051 51th Street West, Quartz Hill 93536	20	CA16P002069	SS2003	1984	1984
	Total Unit Count: North County		285		Admin Project XX0920		
7	Francisquito Villa (family)	14622 Francisquito Ave., La Puente 91746	89	CA16P002015	SS4002	1979	1980
7	Carmelita Avenue (senior)	354-354 So. Carmelita Ave., Los Angeles, 90063	2	CA16P002091	SS4003	1955	1985
7	McBride Avenue (family)	1229 So. McBride Ave., Los Angeles, 90023	4	CA16P002021	SS4004	1968	1984
7	Williamson Avenue (family)	706-708 1/2 So. Williamson Ave., Los Angeles, 90022	4	CA16P002020	SS4005	1972	1983
7	Triggs Street (family/senior)	4432-4434 1/2 Triggs St., Los Angeles 90023	4	CA16P002097	SS4006	1984	1983
7	Simmons Avenue (family)	927 So. Simmons Ave., Los Angeles, 90022	4	CA16P002021	SS4007	1939	1983
7	4th & Mednick (family)	341 So. Mednik Ave., Los Angeles, 90022	2	CA16P002034	SS4009	1985	1985
7	Arizona & Olympic (family)	1003-1135 So. Arizona Ave., Los Angeles 90022	18	CA16P002048	SS4010	1984	1985
7	Whittier Manor (senior)	11527 Slauson Ave., Whittier 90606	49	CA16P002033	SS4011	1985	1982
7	Herbert Ave (senior)	133 Herbert Ave., Los Angeles 90063	46	CA16P002058	SS4012	1985	1984
7	Sundance Vista (family)	10650 Laurel Ave., Whittier 90605	41	CA16P002156	SS4014	1999	1999
	Total Unit Count: East County		263		Admin Project XX0940		
8	El Segundo I (family)	1928/37/49 E. El Segundo Blvd., Compton 90222	30	CA16P002023	SS5001	1972	1982
8	South Bay Gardens (seniors)	230 E. 130th St., Los Angeles 90061	100	CA16P002032	SS5002	1982	1983
8	1115-16 W. 90th St. (family)	1115-16 W. 90th St., Los Angeles 90044	18	CA16P002091	SS5005	1970	1984
8	El Segundo II (2140) (family)	2140-2144 1/2 E. El Segundo Blvd., Compton 90222	13	CA16P002052	SS5015	1982	1985
8	El Segundo II (2141) (family)	2141-2145 E. El Segundo Blvd., Compton 90222	5	CA16P002061	SS5015	1985	1985
8	9104-18 S. Bandera St. (family)	9104-18 S. Bandera St., Los Angeles, 90002	8	CA16P002080	SS5016	1983	1983
8	1535 E. 83rd Street (family)	1535 E. 83rd St, Los Angeles 90002	2	CA16P002080	SS5017	1985	1985
8	1615-17 E. 87th Street (family)	1615-17 E. 87th St., Los Angeles 90002	4	CA16P002067	SS5018	1982	1985
8	8739 Beach St. (88th & Beach) (family)	8739 Beach St., Los Angeles 90002	4	CA16P002056	SS5019	1982	1985
8	4212-20 E. Addington Street (family)	4212-20 E. Addington St., Compton 90221	3	CA16P002071	SS5020	1982	1984
8	W. Imperial (family)	1221 & 1309 E. Imperial Hwy., Los Angeles 90044	9	CA16P002132	SS5026	1991	1992
8	Athens (family)	1120 W. 107th St., 1310 W. 110th St., & 11104 S. Normandie Ave., Los Angeles 90044	10	CA16P002127	SS5027	1988	1996
8	1527 E. 84th (family)	1527 E. 84th St., Los Angeles 90001	4	CA16P002107	SS5029	1998	1998
8	Jarvis Avenue (family)	12920 Jarvis Ave., Los Angeles 90061	1	CA16P002107	SS5030	1997	1997
8	Woodcrest I (family)	1239 W. 109th St., Los Angeles 90044	10	CA16P002066	SS5003	1983	1984
8	Woodcrest II (family)	1245 W. 109th St., Los Angeles 90044	10	CA16P002090	SS5003	1983	1984
8	1101-09 W. 91st (family)	1101-09 W. 91st St., Los Angeles 90044	16	CA16P002021	SS5006	1965	1983
8	1232-34 E. 119th (family)	1232-34 E. 119th St., Los Angeles 90059	2	CA16P002021	SS5007	1955	1986
8	1231-33 E. 61st (family)	1231-33 E. 61st St., Los Angeles 90001	6	CA16P002021	SS5008	1961	1983
8	1100 W. 106th Street (family)	1100 W. 106th St., Los Angeles 90044	10	CA16P002021	SS5009	1970	1984
8	1104 W. 106th Street (family)	1104 W. 106th St., Los Angeles 90044	10	CA16P002020	SS5009	1970	1984
8	1320 W. 107th (family)	1320 W. 107th St., Los Angeles 90044	18	CA16P002021	SS5010	1970	1984
8	11431-463 S. Normandie (family)	11431-463 S. Normandie Ave., Los Angeles 90047	28	CA16P002020	SS5011	1970	1984
8	1027-33 W. 90th (family)	1027-33 W. 90th St., Los Angeles 90044	6	CA16P002078	SS5014	1983	1986
8	W. 106th Street & Budlong (family)	1334-36 W. 106th St., 9410 & 11126 Budlong Ave., Los Angeles 90044	11	CA16P002079	SS5021	1983	1985
8	W. 94th & 95th Street (family)	1035-37 1/2 W. 94th St. & 1324 W. 95th St., Los Angeles 90044	8	CA16P002060	SS5022	1983	1985
8	W. 105th & 106th (family)	1336-40 W. 105th St. & 1057 W. 106th St., Los Angeles 90044	13	CA16P002124	SS5024	1991	1991
8	Century Wilton (family)	10025 Wilton Place, Los Angeles 90047	40	CA16P002020	SS5025	1965	1984
8	11248 S. Budlong (family)	11248 S. Budlong, Los Angeles 90044	6	CA16P002138	SS5028	1991	1996
8	111th & Firmona	11117 & 11119 Firmona Ave., Lennox 90304	2	Pending	SS5031	1967	2008
8	Linsley	4621 & 4625 Linsley St., Compton 90221	2	CA16P002157	SS5032	1967	2008
	Total Unit Count: South County		409		Admin Project XX0950		
Total Housing Authority-Owned - Conventional			**2,962**				
City of Lomita - Conventional	Lomita Manor (senior)	24925 Walnut St, Lomita 90717	79		SS1204	1985	1985
Non-Conventional Housing							
	Kings Road JPA (senior)	800-801 N. Kings Road., West Hollywood 90069	106	122-94014	UU0001	1980	1980
	Lancaster Homes (senior)	711-737 W. Jackman St., Lancaster 93534	120	122-94013	UU0002	1978	1979
	Santa Monica RCHP (family)	1855 9th St., 1450 14th St., & 2006 20th St., Santa Monica 90405	41	80-RHC-008	SS3005	1983	1984
	Villa Nueva RHCP (family)	956-676 S. Ferris Ave., Los Angeles 90022	21	80-RHC-008B	SS4013	1985	1985
	Willowbrook (family)	11718-11740 Willowbrook Ave., Los Angeles 90044	8	CA16-M000-385	SS6001	1975	1990
	Ujima Village (family/senior)	941 E. 126th St., Los Angeles 90059	300	CA16-E000-028	SS8001	1971	1995
Total Number of Units- Non Conventional			**596**				
Total Number of Units- HM			**3,636**				

Modernization Construction Activity to be completed in FY 2008-09

FOR YOUR INFORMATION ONLY

1. 106th Street- Fire damage & rehab
2. 1101-1104 W. 106th Street - Drainage project
3. Arizona & Olympic/-Smoke Detectors
4. Carmelitos - Replace interior stair treads
5. Carmelitos Senior - Hallway painting and repairing stairs
6. Carmelitos Senior - Replace carpet
7. Carmelitos-Replace Gas Lines Phase IV
8. Foothill Villa - Replace flooring
9. Francisquito-Replace carpet
10. Francisquito-Replace smoke detectors/exit signs
11. Francisquito-Replace windows and blinds
12. Harbor Hills - Remodel kitchens Phase I
13. Herbert-Fire Alarm
14. Herbert-Replace carpet
15. Linsley and Firmona - General rehab.
16. Marina Manor I & II - Replace elevators
17. Marina Manor- Install awnings
18. Marina Manor-Replace smoke detectors & exit signs
19. McBride-Paint Building exterior
20. Ocean Park-Termite Abatement
21. Palm-Replace smoke detectors
22. Palm-Upgrade Elevator
23. Quartz Hill-Replace air conditioners
24. Scattered Sites - Replace gates at 13 sites
25. South Bay Gardens-Replace Elevator
26. SSS-CCTV at 4 sites
27. Sundance Vista - Install irrigation and replace rear yard fencing
28. Westknoll-Replace smoke detectors
29. Whittier Manor - Replace stair treads
30. Whittier Manor-Entry Door Replacement

30 Construction Contracts at 33 Housing Developments

Modernization Construction Activity anticipated to be completed in FY 2009-10

1. Carmelitos- Parking Lots
2. Carmelitos Senior-ADA Kitchen remodels/smoke detectors
3. Carmelitos-Raised Garden Beds
4. Carmelitos-Resurface Playground
5. Foothill Villa-Elevator Upgrade
6. Foothill Villa-Replace smoke detectors
7. Francisquito Villa - Upgrade elevators
8. Harbor Hills - Remodel kitchens Phase II & III
9. Harbor Hills-Parking Lots
10. Harbor Hills-Resurface Playground
11. Herbert - Upgrade elevator
12. Lomita Manor-Elevator Upgrade
13. Lomita Manor-Replace boilers/trash chutes
14. Lomita Manor-Replace roof
15. Maravilla (Rosas)- Build Bridges to connect buildings
16. Maravilla (Rosas)-Upgrade Elevator
17. Maravilla- Parking Lots
18. Marina Manor I & II - Replace security gates
19. Ocean Park - Replace wall heaters
20. Ocean Park-Remodel kitchens/bathrooms
21. Ocean Park-Repair Stucco
22. Orchard Arms- Replace boilers/copper piping
23. Orchard Arms- Smoke detectors
24. Orchard Arms-Elevator Upgrade
25. Orchard Arms-Repave driveway
26. Quartz Hill-Replace water valves
27. SSS-Vacant Unit Rehab at 4 sites
28. Whittier Manor- Smoke detectors
29. Whittier Manor-Elevator Upgrade
30. Woodcrest-Replace Roof

Anticipating 30 Construction Contracts at 24 Housing Developments

Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

January 27, 2010

TO: Housing Commissioners

FROM: Margarita Lares, Director
Assisted Housing Division

RE: FSS PROGRAM UPDATE – DECEMBER 2009

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to assist Public Housing residents and Housing Choice Voucher Program participants achieve economic independence and self-sufficiency.

Activities

RECRUITMENT	96 4	Applications received Applications Sent
ENROLLMENTS	1	New Participant
MEETINGS		No meetings were scheduled during December
WORKSHOPS **Program Presentations**		No program presentations were conducted during December
Money Smart Workshop	3 2	Disseminated Credit Repair information packets Disseminated Budget information packets
REFERRALS	5 2 1 3 4	Job referrals from the Employment Network Job Board CDC Home Ownership Program (HOP) Childcare information Community counseling services WorkSource Center employment workshops and job fairs
GRADUATIONS	0	FSS graduations

If you have any questions, please feel free to contact me at (562) 347-4837.

ML:RM:dt

Community Development Commission

FOR YOUR INFORMATION ONLY

December 30, 2009

TO: Each Supervisor

FROM: Sean Rogan, Executive Director

SUBJECT: UPDATE ON THE PURSUIT AND IMPLEMENTATION OF FUNDING MADE AVAILABLE IN H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

On March 31, 2009, the Board of Supervisors (Board) requested that the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA) report on the efforts to apply for, or take the necessary steps to accept, each category of funding contained within ARRA that the CDC/HACoLA is eligible to receive, either by formula or by competitive grant application. To date, the CDC/HACoLA has been awarded $33,603,148 of the $114,312,431 applied for; with $63,260,000 pending award notification.

The CDC/HACoLA has been working with the Auditor/Controller's Office to integrate the County's Stimulus 360 system into our reporting mechanisms. A training has been scheduled for December 30, 2009, after which the CDC/HACoLA-ARRA expenditures will be reported electronically, as well as in this memo.

Funding Awarded

PUBLIC HOUSING CAPITAL FUND (CF)

***Funding Amount:* $7,401,512 (by formula)**

Award of Funds: On March 31, 2009, the Board of Commissioners approved a motion to accept the grant funds, and funding became available to the HACoLA on May 14, 2009.

Use of Funds: The funds are being used for security improvements, energy efficiency work measures, preventive maintenance, and general improvements at 12 public housing developments comprised of 2,500 public housing units.

Expenditure Levels: As of December 18, 2009, the HACoLA had expended $1,319,224 of the $4,818,385 obligated.

Provisions: The HACoLA must obligate 100% of the funds within 1 year, expend 60% of the funds in 2 years, and complete 100% of the fund expenditures in 3 years.

***Funding Amount:* $5,924,000 (Applied for $22,399,000 by competition.)**

Award of Funds: On June 22, 2009, the HACoLA applied for $16,475,000 in funding for improvements addressing the needs of the elderly and/or people with disabilities and public housing transformation. Additionally, on July 21, 2009, the HACoLA applied for $5,924,000 in funding for energy efficient/green community projects.

Use of Funds: The HACoLA was only awarded funding in the 'Creation of an Energy Efficient Green Community' category. Funds were granted on September 29, 2009, and are being used at the Nueva Maravilla housing development to reduce energy costs, generate

resident and PHA energy savings, and reduce greenhouse gas emissions attributable to energy consumption.

Expenditure Levels: On December 1, 2009, the Board approved the acceptance of the funds and as of December 18, 2009, the HACoLA obligated $864,761. There are no expenditures to date.

Provisions: The HACoLA must obligate 100% of the funds within 1 year of the date in which funds become available for contracts. HUD requires the HACoLA to use at least 60% of the funds within 2 years and 100% of the funds within 3 years.

COMMUNITY DEVELOPMENT BLOCK GRANT-RECOVERY (CDBG-R)

Funding Amount: **$8,080,528 (by formula)**

Award of Funds: The CDC submitted an amendment to the CDBG Program Year 2008 Action Plan (as required by ARRA) on June 5, 2009, after receiving approval from the Board on June 2, 2009. The CDC received the Grant Agreements on August 26, 2009.

Use of Funds: The CDC worked with the agencies affected by CDBG/ARRA regulations and submitted a final list of projects for approval to HUD on August 13, 2009, and the Board on August 18, 2009. Both HUD and the Board approved the list for the CDC's CDBG-R Program and, with the exception of four outstanding contracts from three of our agencies, projects are underway. Most will be ready for implementation and construction at the beginning of the calendar year. The CDC started receiving the 2nd Quarterly Performance Reports (QPRs) for CDBG-R participating agencies (reflecting only initial administrative activities and expenditures) on December 18, 2009.

Expenditure Levels: As of December 18, 2009, the CDC had expended $144,721.

Provisions: The CDC must use all CDBG-R funds by September 30, 2012.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)

Funding Amount: **$12,197,108 (by formula)**

Award of Funds: The CDC submitted a completed application to HUD on May 18, 2009, which was subsequently approved in June. Trainings on reporting, program monitoring, and general implementation were held for the applicable County departments on August 19, 2009, and the CDC received the Grant Agreements on August 20, 2009.

Use of Funds: HPRP is designed to provide homelessness prevention and rapid re-housing services including, but not limited to, eviction prevention, relocation and moving cost assistance, rental subsidies, security and utility deposit assistance, and referral services. Implementation began on October 1, 2009; and the Departments of Public Social Services, Consumer Affairs, Children and Family Services, Community and Senior Services, and the Los Angeles Homeless Services Authority have been working collaboratively to deliver assistance to those in need. In addition, Neighborhood Legal Services began offering legal assistance and representation to persons and families with unlawful detainers on November 1, 2009. As with the CDBG-R program, the CDC started receiving the 2nd QPRs from HPRP participating agencies on December 18, 2009.

Expenditure Levels: As of December 18, 2009, the CDC had expended $160,477.

Provisions: HUD requires that 60% of the funds be used within 2 years, and 100% in 3 years.

Pending Grants

NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2)

Funding Amount: **Applied for $61,000,000 by competition.**

Award of Funds: On July 10, 2009, the CDC submitted an application for $61,000,000 to continue the Housing and Economic Recovery Ownership program (HERO) and Rental Infill Sites activities.

Use of Funds: The CDC will use NSP2 funding, if awarded, to supplement its NSP1 program, which includes the HERO program and Rental Infill Sites activities for tenants below 50% of the area median income (AMI).

Expenditure Levels: Most recently, the CDC was advised that all awardees would be notified by the end of December, however, as of this date, no notice has been released. There are no expenditures as this grant has yet to be awarded.

Provisions: If funds are received, 50% must be used within 2 years, and 100% in 3 years.

GREEN RETROFIT PROGRAM FOR MULTIFAMILY HOUSING

Funding Amount: **Applied for $2,260,000 by competition.**

Award of Funds: Due to a misunderstanding with HUD, last month's ARRA Memo reported that the HACoLA did not receive funding for this program. This was incorrect. HUD was under the impression that the HACoLA had failed to submit the proper documentation with its grant proposal, thereby making them unqualified for the award. However, the documentation was actually submitted months ago. Over the past several weeks, the HACoLA has clarified the issue with HUD and is working to have its applications reinstated as potential awardees for the funding.

Use of Funds: The HACoLA plans to use the funds for the modernization and rehabilitation of the Kings Road and Lancaster Homes developments.

Expenditure Levels: There are no expenditures to date as this grant has yet to be awarded.

Provisions: If funds are received, 50% must be used within 2 years, and 100% in 3 years.

Unsuccessful Grant Applications

JUVENILE JUSTICE AND CRIME PREVENTION ACT PROGRAM (JJCPA)/EDWARD BYRNE MEMORIAL COMPETITIVE GRANT PROGRAM

Funding Amount: **Applied for $974,283 by competition.**

Award of Funds: The CDC submitted an application on April 27, 2009. The CDC did not receive the grant.

Using the Funds: Had the CDC been awarded, the funds would have been used to support existing JJCPA programs.

If you have any questions, please contact me at (323) 890-7400, or Terry Gonzalez, Director, CDBG Division, at (323) 890-7150.

SR\TG\SH\nm
K:\CDBG Common\IGR-PI\ARRA Board Memo\December '09 ARRA Memo

Attachment

c: Each Deputy
Lari Sheehan, Deputy Chief Executive Officer, Chief Executive Office
Ellen Sandt, Deputy Chief Executive Officer, Chief Executive Office
Jackie White, Deputy Chief Executive Officer, Chief Executive Office
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Lisa Rizzo, Principal Analyst, Chief Executive Office
Scott Wiles, Special Assistant, Chief Executive Office
Jenny Serrano, Program Specialist, Chief Executive Office

The CDC/HACoLA

American Recovery and Reinvestment Act of 2009 (ARRA) Proposal and Award Tracking Chart

As of December 30, 2009

	ARRA GRANT OPPORTUNITY	FUNDING AGENCY	FORMULA AMOUNT/ $ APPLIED FOR	AMOUNT AWARDED	GRANT AGREEMENT*
1	Capital Fund (formula)	HUD	$7,401,512	$7,401,512	Yes
2	Capital Fund (competitive) - Disabilities Category	HUD	$9,235,000	Did Not Receive	No
3	Capital Fund (competitive) - PH Transformation	HUD	$7,240,000	Did Not Receive	No
4	Capital Fund (competitive) - Green Technology	HUD	$5,924,000	$5,924,000	Yes
5	Community Development Block Grant - Recovery	HUD	$8,080,528	$8,080,528	Yes
6	Neighborhood Stabilization Program 2	HUD	$61,000,000	Pending	No
7	Homeless Prevention and Rapid Re-Housing Program	HUD	$12,197,108	$12,197,108	Yes
8	Green Retrofit Program for Multifamily Housing	HUD	$2,260,000	Pending	No
9	Edward Byrne Memorial Competitive Grant	DOJ	$974,283	Did Not Receive	No
Total Awarded Under ARRA as of 12/30/2009		**$33,603,148**			

Grant Agreement Received – Funds available for drawdown at U.S. Treasury.

FOR YOUR INFORMATION ONLY

From: Elisa Vasquez
Sent: Tuesday, January 19, 2010 8:31 AM
To: Directors/Managers
Cc: Daniel Rofoli; Debra Solis; Elisa Vasquez; Geoffrey Siebens; Gloria Ramirez; Grace Thamawatanakul; Gregg Kawczynski; Joan Wall; Jose Pilpa; Lynna Ochoa; Marcie Miranda; meiwen fang; Nicholas Teske; Raymond Webster; Robin Pointer; Samantha Harrison
Subject: Legislative Update
Hello,

Below please find an update on State and Federal legislative activity of interest to the CDC. Please let me know if you have any questions.

State Legislature

Assembly Member John Perez has been formally elected as Assembly Speaker, but will not immediately assume the role fully. He and our current Assembly Speaker, Karen Bass, are scheduling the changeover for sometime in the next couple of months. *Framing the Issues* reports that Senate Republican leadership will also be changing later in the year. Minority Leader Dennis Hollingsworth will be termed out, and it looks like Senator Bob Dutton will take the position.

State Budget
On Friday, January 8, the Governor released his proposed 2010-11 State budget and confirmed that the State was facing a $19.9 billion shortfall ($6.6 billion from the current fiscal year and estimated $13.3 for 2010-11). The budget package includes spending cuts, funding shifts, and requests to the Federal Government. He added that should any of the solutions fail to materialize, additional cuts to programs will be made.

The CDC has faired well in the Governor's budget. Please note the budget highlights below:

- Shifting of redevelopment funds was our main area of concern as ER's funding has been continuously targeted over the past two years. However, there appears to be no additional shift of redevelopment funds above the $350 million enacted last year.
- The reduction of Emergency Housing Assistance Payment (EHAP) funds being proposed is a concern to HD&P. Although there is no direct impact to the CDC, our partners have accessed these funds in the past.
- HD&P is also concerned with the elimination of $36 million in funding for the Transitional Housing Placement for Foster Youth-Plus Program. Although the major impact will fall on DCFS, some of our existing developments, as with EHAP, may access these funds for operating costs.
- There were no significant changes to the JJCPA programs.

Based on a recent article from the L.A. Times, the Governor's proposed State budget could mean a record loss of nearly $4 billion for Los Angeles County. This would be in addition to the $426 million the County lost over the past two years, as well as the $360 million in property tax revenues the County recently loaned to the State.

Congress
Congress continues to focus on final passage of the healthcare legislation, although we are also seeing a growing concern over recent unemployment reports. Legislation proposed by Congressional leaders to create jobs may lead to green funding opportunities for the CDC. The House returned to session last week on the 12th, and the senate is scheduled to reconvene on the 20th.

Federal Budget
President Obama is set to give his 2010 State of the Union address next week on January 27. That following Monday, February 1, he plans to release his FFY 2011 Budget. It has been reported that his major focus will be on the economy, jobs, and education; but much of his agenda hangs on a special election today in Massachusetts to fill the seat left empty with the passing of Senator Ted Kennedy. A Democratic win will preserve a 60-seat Democratic majority the President needs to push through key bills.

IGR will continue to monitor and report on these and any other legislative matters of impact to the CDC.

Elisa

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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

January 27, 2010

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

APPROVE CONSTRUCTION CONTRACT FOR THE REPLACEMENT AND MODERNIZATION OF PARKING LOTS AND SIDEWALKS AT THE CARMELITOS FAMILY HOUSING DEVELOPMENT IN THE CITY OF LONG BEACH (FOURTH DISTRICT)

SUBJECT

This letter recommends approval of a Construction Contract (Contract) with Cal-City Construction Inc. for the replacement and modernization of six parking lots and sidewalks at the 558-unit Carmelitos family housing development, located at 1000 Via Wanda in the City of Long Beach. The improvements will bring the parking lots and sidewalks into compliance with Americans with Disabilities Act requirements.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a Contract with Cal-City Construction Inc. for the replacement and modernization of six parking lots and sidewalks at the Carmelitos family housing development in Long Beach, using $1,657,000 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for this purpose.

2. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding $331,400 for unforeseen project costs, using the same source of funds.

3. Recommend that the Board of Commissioners authorize the Executive Director to incorporate $1,988,400 in ARRA CFP funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the purposes described above.

4. Recommend that the Board of Commissioners find that the approval of the Contract is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to award a Contract for the replacement and modernization of six parking lots and sidewalks at the Carmelitos family housing development to meet Americans with Disabilities Act requirements.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The improvements will be funded with $1,657,000 in ARRA CFP funds allocated by HUD, to be incorporated into the Housing Authority's approved Fiscal Year 2009-10 budget.

A 20% contingency, in the amount of $331,400, is also being set aside for unforeseen costs, using ARRA CFP funds. This contingency is recommended because the replacement and modernization of parking lots and sidewalks often involves unforeseen conditions that extends further than initially identified in the scope of work.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 17, 2009, President Obama signed into law the economic stimulus package American Recovery and Reinvestment Act (ARRA) of 2009. ARRA authorizes approximately $4 billion in new Capital Fund Program (CFP) funds, of which $3 billion is distributed utilizing HUD's 2008 CFP formula and $1 billion is awarded through a competitive grant application.

On March 18, 2009, HUD allocated to the Housing Authority $7,401,512 in CFP formula funds authorized under ARRA. On September 29, 2009, HUD awarded the Housing Authority $5,924,000 in competitive funds for the Creation of Energy Efficient Green Communities at the Nueva Maravilla housing development. The proposed Contract will be funded using ARRA CFP formula funds.

The scope of work for this Contract includes the replacement and modernization of six parking lots (parking lot numbers 3, 4, 6, 8, 9 and 10) and adjacent sidewalks, additional sidewalks at parking lot numbers 1, 2, 5 and 11, and associated work. It is anticipated

that the entire project will be completed within 150 calendar days following the required commencement date.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Cal-City Construction Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by Cal-City Construction Inc.

CONTRACTING PROCESS

On November 17, 2009, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to 630 contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight newspapers and on the County website. Thirteen bid packages were requested and distributed.

On December 15, 2009, nine bids were received and formally opened. SAEICO Inc. submitted the lowest bid but did not provide the required bid bond. The next lowest bid, submitted by Cal-City Construction Inc., was determined to be both responsive and responsible and is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

ENVIRONMENTAL DOCUMENTATION

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a) (3)(ii), this project is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment

IMPACT ON CURRENT PROJECT

The award of the Contract will modernize the Carmelitos family housing development and provide residents with code-compliant and properly maintained parking lots and sidewalks.

Respectfully submitted,

for SEAN ROGAN
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

On November 17, 2009, the following outreach was initiated to identify a contractor to complete a parking lot and sidewalks replacement and modernization project to meet the requirements of the American with Disabilities Act at the Carmelitos family housing development located at 1000 Via Wanda in Long Beach.

A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Los Angeles Times (Full Run)
Los Angeles Sentinel
International Daily News
La Opinion
WAVE Community Newspapers-Zone Long Beach Area only
Dodge Construction News/Green Sheet
Eastern Group Publications
The Daily News

An announcement was also posted on the County website.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 630 contractors, of which 445 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, thirteen packages were requested and distributed.

C. Pre-Bid Conference and Site Walk

On December 1, 2009, a mandatory pre-bid conference and site walk was conducted. Thirty-two firms were in attendance.

D. Bid Results

On December 15, 2009, a total of nine bids were received and publicly opened. The bid result was as follows:

Company	Bid Amount
SAEICO, Inc.	$1,532,992.75
Cal-City Construction Inc.	$1,657,000.00
Acon Development, Inc.	$1,773,858.39
4-Con Engineering	$1,804,203.25
Torres Construction Corp.	$1,947,071.00
AZ Home Inc.	$1,948,153.00
Fast Track Construction	$1,987,573.75
JM Montoya Construction	$2,014,052.54
Y&M Construction, Inc.	$2,667,453.00

E. Minority/Female Participation – Selected Contractor

Name	Ownership	Employees
Cal-City Construction Inc.	Minority	Total: 24 23 minorities 2 women 96% minorities 8% women
Enviro-Crete Inc. (Pervious Concrete Sub-contractor)	Minority	Total: 20 14 minorities 1 woman 70% minorities 5% women

F. Minority/Women Participation - Firms Not Selected

Name	Ownership	Employees
SAEICO Inc.	Minority	Total: 10 10 minorities 0 women 100% minorities 0% women
ACON Development Inc.	Minority	Total: 4 4 minorities 1 woman 100% minorities 25% women
4- Con Engineering.	Minority	Total: 9 3 minorities 2 women 33% minorities 22% women

Torres Construction Corp.	Minority	Total: 101 89 minorities 13 women 92% minorities 13% women
AZ Home Inc.	Non-minority	Total: 15 9 minorities 1 woman 60% minorities 6% women
Fast Track Construction.	Non-minority	Total: 30 21 minorities 7 women 70% minorities 23% women
JM Montoya Construction	Minority	Total: 10 9 minorities 1 woman 90% minorities 10% women
Y&M Construction, Inc.	Not indicated	Total: N/A N/A minorities N/A women N/A% minorities N/A% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the Contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name:	Carmelitos Replacement and modernization of six parking lots (parking lot Numbers 3, 4, 6, 8, 9 and 10) and adjacent sidewalks; and additional sidewalks only at parking lot numbers 1, 2, 5 and 11.
Location:	1000 Via Wanda, Long Beach, CA 90805
Bid Number:	CD-09-162
Bid Date:	December 15, 2009
Contractor:	Cal-City Construction Inc.
Services:	Replacement and modernization of parking lots and sidewalks

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all addenda to the Contract Documents.

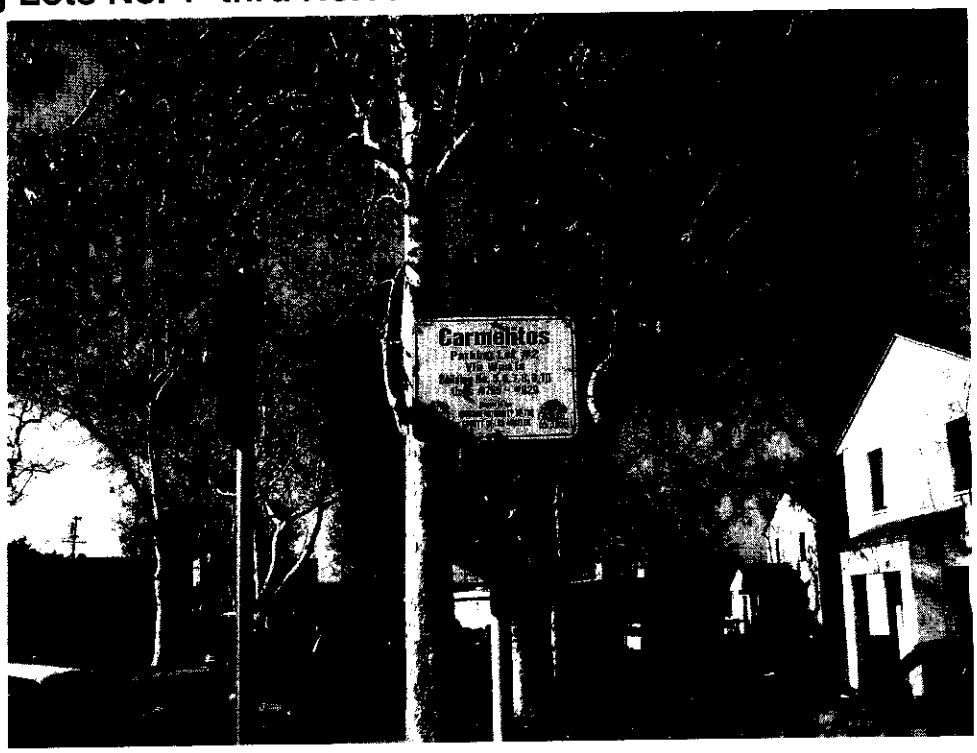
Notice to Proceed and Completion: The work to be performed under this Construction Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within one hundred fifty (150) calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Five Hundred Dollars and Zero Cents ($500.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

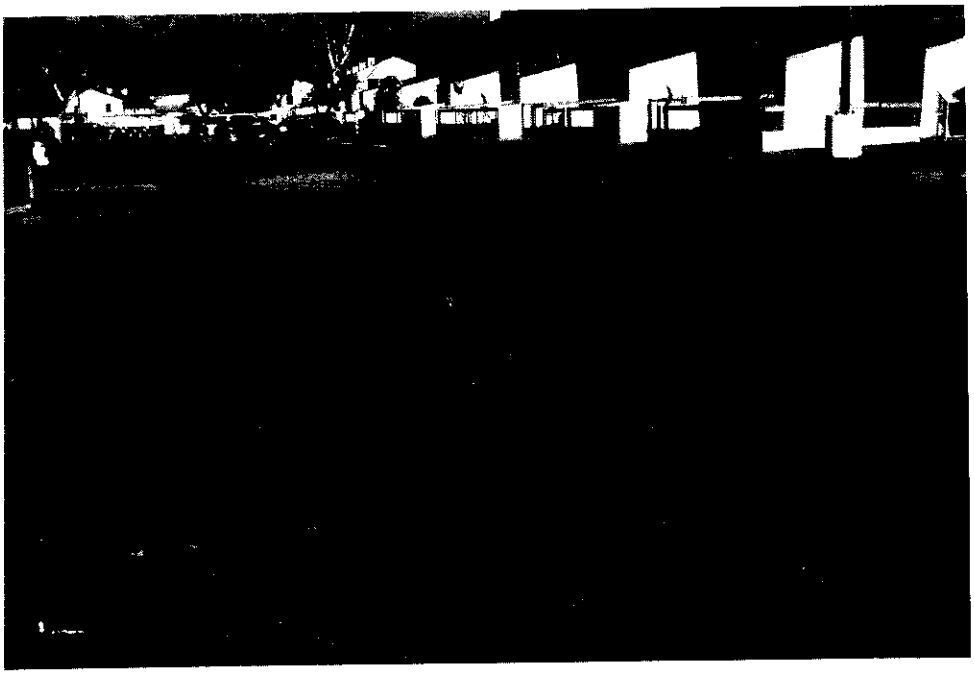
Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Million Six Hundred Fifty Seven Thousand Dollars and Zero Cents ($1,657,000.00).** The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: **$331,400.00**

Carmelitos Parking Lots and ADA Sidewalks ---Phase III.
Parking Lots No. 1 thru No.11

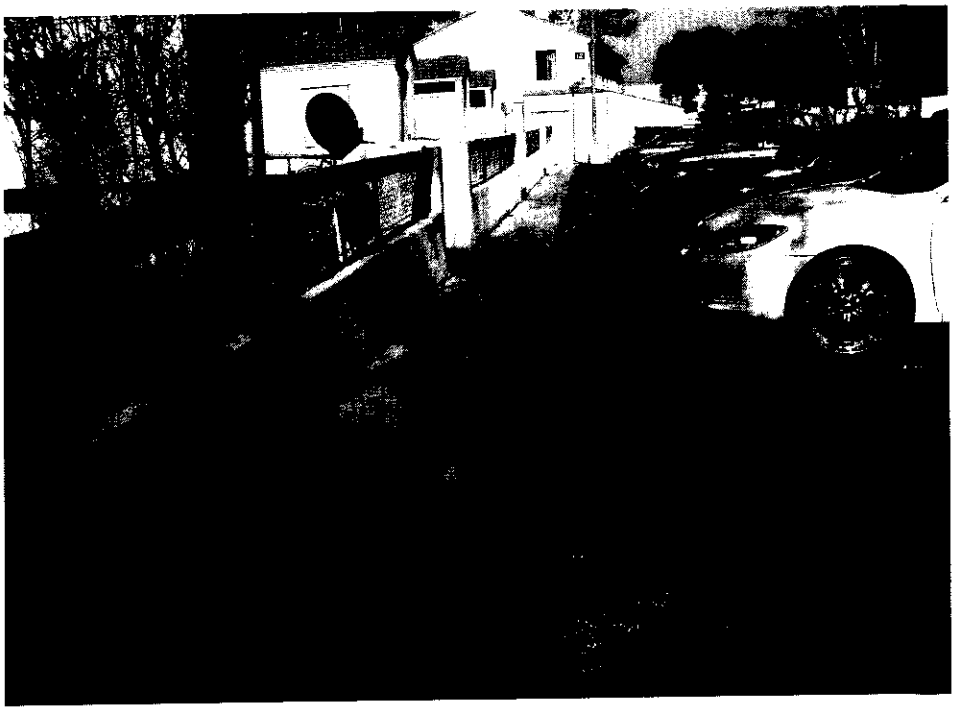


(1) Parking Lot No. 2-Handicapped parking does not meet current Code and ADA requirements.



(2) Parking Lot No 2- Asphalt is severely deteriorated. It will be new concrete.

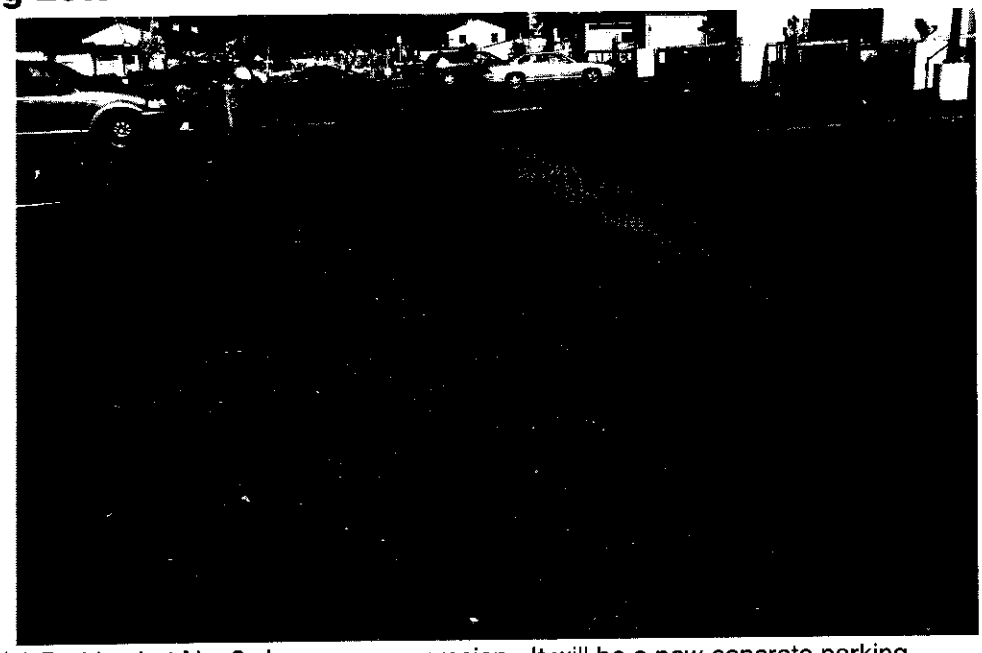
Carmelitos Parking Lots and ADA Sidewalks ---Phase III.
Parking Lots No. 1 thru No.11



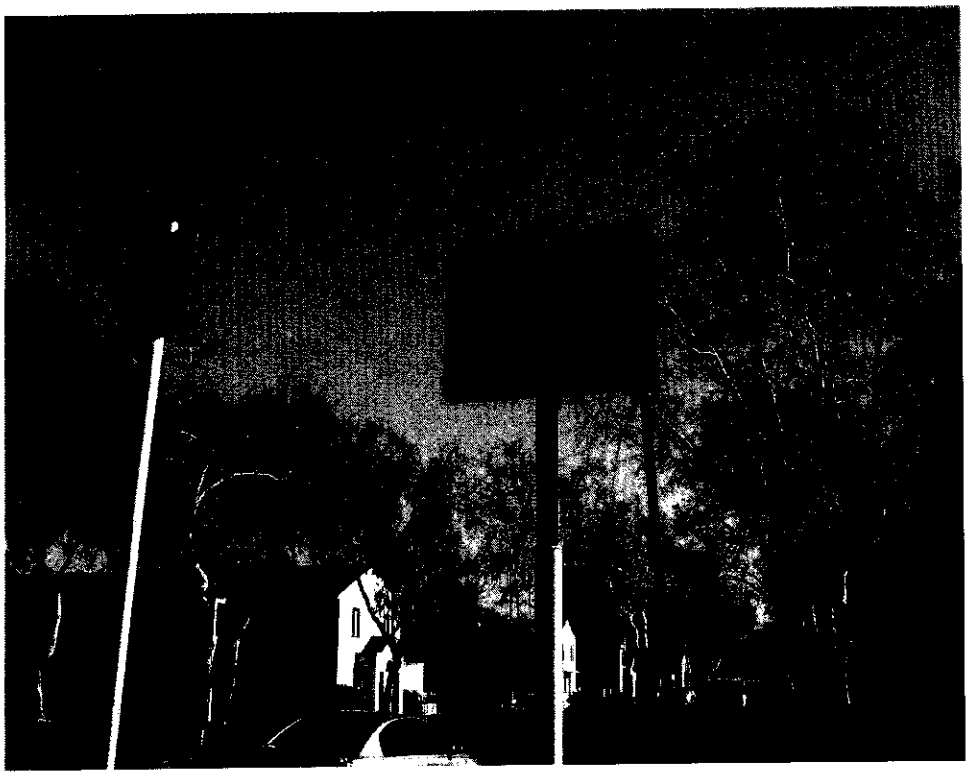
(3) Parking Lot No. 4-Handicapped sidewalk does not meet current Code and ADA requirements. New four feet sidewalks will be included.

(4) Sidewalks have deteriorated. New sidewalks will be four feet wide.

Carmelitos Parking Lots and ADA Sidewalks ---Phase III.
Parking Lots No. 1 thru No.11



(5) Parking Lot No. 8 shows severe erosion. It will be a new concrete parking area with proper markings and ADA signs.



(6) Parking area No. 8 surroundings.

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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

January 27, 2010

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

APPROVE A CONSTRUCTION CONTRACT FOR THE REPLACEMENT AND MODERNIZATION OF THREE PARKING LOTS AND ADJACENT SIDEWALKS AT THE HARBOR HILLS HOUSING DEVELOPMENT IN THE CITY OF LOMITA (FOURTH DISTRICT)

SUBJECT

This letter recommends approval of a Construction Contract (Contract) with Cal-City Construction Inc. for the replacement and modernization of three parking lots and adjacent sidewalks at the 301-unit Harbor Hills housing development, located at 26607 South Western Avenue in the City of Lomita. The improvements will bring the parking lots and sidewalks into compliance with Americans with Disabilities Act requirements.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a Contract with Cal-City Construction Inc. for the replacement and modernization of three parking lots and adjacent sidewalks at the Harbor Hills housing development, using $955,000 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for this purpose.

2. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding $191,000 for unforeseen project costs, using the same source of funds.

3. Recommend that the Board of Commissioners authorize the Executive Director to incorporate $1,146,000 in ARRA CFP funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the purposes described above.

4. Recommend that the Board of Commissioners find that the approval of the Contract is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to award a Contract for the replacement and modernization of three parking lots and adjacent sidewalks at the Harbor Hills housing development to meet Americans with Disabilities Act requirements.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The improvements will be funded with $955,000 in ARRA CFP funds allocated by HUD, to be incorporated into the Housing Authority's approved Fiscal Year 2009-10 budget.

A 20% contingency, in the amount of $191,000, is also being set aside for unforeseen costs, using ARRA CFP funds. This contingency is recommended because the replacement and modernization of parking lots and sidewalks often involves unforeseen conditions that extends further than initially identified in the scope of work.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 17, 2009, President Obama signed into law the economic stimulus package American Recovery and Reinvestment Act (ARRA) of 2009. ARRA authorizes approximately $4 billion in new Capital Fund Program (CFP) funds of which $3 billion is distributed utilizing HUD's 2008 CFP formula and $1 billion is awarded through a competitive grant application.

On March 18, 2009, HUD allocated to the Housing Authority $7,401,512 in CFP formula funds authorized under ARRA. On September 29, 2009, HUD awarded the Housing Authority $5,924,000 in competitive funds for the Creation of Energy Efficient Green Communities at the Nueva Maravilla housing development. The proposed Contract will be funded using ARRA CFP formula funds.

The scope of work for this Contract includes the replacement and modernization of three parking lots (parking lot numbers 200, 300 and 400), adjacent sidewalks and all associated work. It is anticipated that the entire project will be completed within 120 calendar days following the required commencement date.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Cal-City Construction, Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment

and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by Cal City Construction Inc.

CONTRACTING PROCESS

On November 17, 2009, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to 630 contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight newspapers and on the County website. Fourteen bid packages were requested and distributed.

On December 17, 2009, seven bids were received and formally opened. The lowest bid, submitted by Cal-City Construction Inc., is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

ENVIRONMENTAL DOCUMENTATION

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a) (3)(ii), this project is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECT

The award of the Contract will modernize the Harbor Hills housing development and provide residents with a code-compliant and a properly maintained parking lots and adjacent sidewalks.

Respectfully submitted,

for SEAN ROGAN
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

On November 17, 2009, the following outreach was initiated to identify a contractor to complete a parking modernization project to meet the requirements of the American with Disabilities Act at the Harbor Hills housing development located at 26607 South Western Avenue in Lomita.

A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Los Angeles Times (Full Run)
Los Angeles Sentinel
International Daily News
La Opinion
WAVE Community Newspapers-Zone Long Beach Area only
Dodge Construction News/Green Sheet
Eastern Group Publications
The Daily News

An announcement was also posted on the County website.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 630 contractors, of which 445 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, fourteen bid packages were requested and distributed.

C. Pre-Bid Conference and Site Walk

On December 3, 2009, a mandatory pre-bid conference and site walk was conducted. Twenty-four firms were in attendance.

D. Bid Results

On December 17, 2009, a total of seven bids were received and publicly opened. The bid result was as follows:

Company	Bid Amount
Cal-City Construction Inc.	$ 955,000.00
Acon Development	$1,060,876.70
SAEICO, Inc.	$1,099,941.00
AZ Home Inc.	$1,177,617.00
Torres Construction Corp.	$1,120,731.00
Fast Track Construction	$1,308,496.90
JM Montoya Construction	$1,349,669.74
4-Con Engineering	$1,351,994.50
Y&M Construction	$1,460,972.00
Minako America, Corp.	$1,890,429.50

E. Minority/Female Participation – Selected Contractor

Name	Ownership	Employees
Cal-City Construction Inc	Minority	Total: 24 23 minorities 2 women 96% minorities 8% women
Enviro-Crete Inc. (Pervious Concrete Sub-contractor)	Minority	Total: 20 14 minorities 1 woman 70% minorities 5% women

F. Minority/Women Participation - Firms Not Selected

Name	Ownership	Employees
Acon Development Inc.	Minority	Total: 4 4 minorities 1 woman 100% minorities 25% women
SAEICO Inc.	Minority	Total: 12 12 minorities 0 women 100% minorities 0% women

AZ Home Inc.	Non-minority	Total: 15 9 minorities 1 woman 60% minorities 6% women
Torres Construction Corp.	Minority	Total: 101 89 minorities 13 women 88% minorities 13% women
Fast Track Construction.	Non-minority	Total: 30 21 minorities 7 women 70% minorities 23% women
JM Montoya Construction.	Minority	Total: 10 9 minorities 2 women 90% minorities 20% women
4-Con Engineering.	Minority	Total: 9 3 minorities 2 women 33% minorities 22% women
Y&M Construction.	Not indicated	Total: N/A minorities N/A women N/A% minorities N/A% women
Minako America, Corp.	Non-minority	Total: 45 18 minorities 0 women 40% minorities 0% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing

information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name:	Harbor Hills replacement and modernization of three parking lots (parking lot No. 200, 300, and 400), adjacent sidewalks and all associated work project
Location:	26607 South Western Avenue, Lomita, CA 90717
Bid Number:	CD-09-198
Bid Date:	December 17, 2009
Contractor:	Cal-City Construction Inc.
Services:	Replacement and modernization of three parking lots, adjacent sidewalks and all associated work

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all addenda to the Contract Documents.

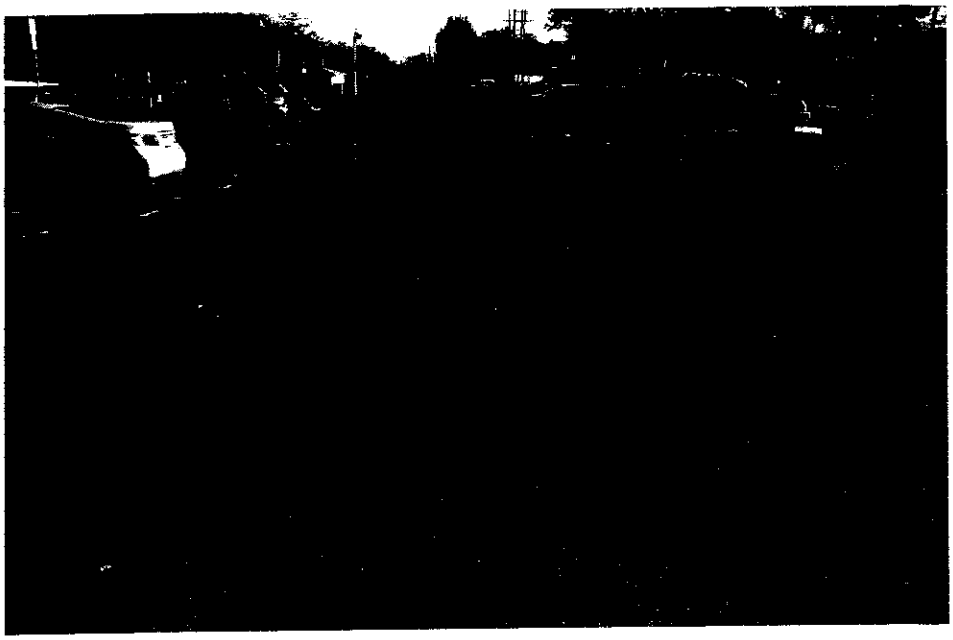
Notice to Proceed and Completion: The work to be performed under this Construction Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within one hundred twenty (120) calendar days following the required commencement date.

Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Five Hundred Dollars and Zero Cents ($500.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

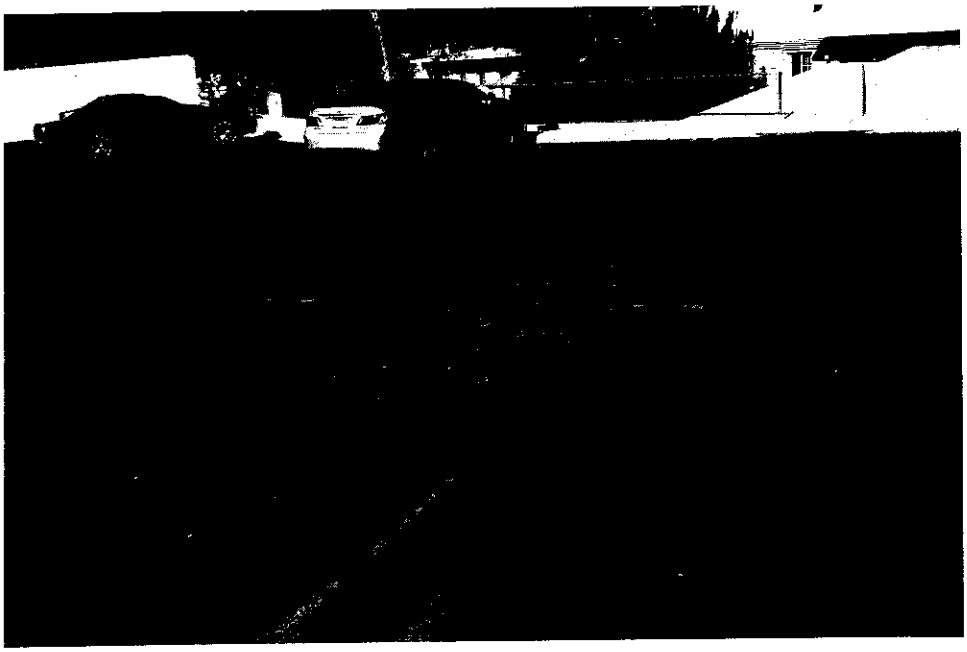
Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Nine Hundred Fifty Five Thousand Dollars and Zero Cents ($955,000.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: **$ 191,000.00**

Harbor Hills Parking Lots and ADA Sidewalks -- PHASE II
Courts No. 200, 300 and 400.



(1) Court No. 200 asphalt shows deterioration across parking lot.
View towards Western Avenue.



(2) Asphalt has deteriorated across due to rain water running across.
Project will provide drains. Park areas will be pervious concrete.

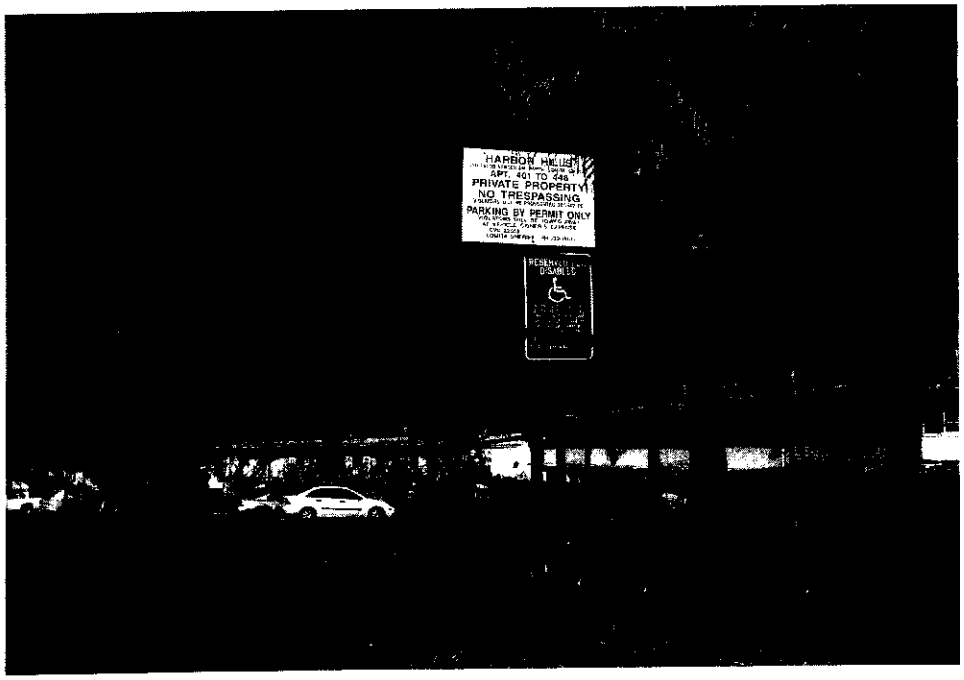
Harbor Hills Parking Lots and ADA Sidewalks -- PHASE II
Courts No. 200, 300 and 400.

(3) Handicapped parking does not meet current Code and ADA requirements. Notice floor slopes, area should be flat where car parks.

(4) West of Parking Courts 300 and 400 rain run-off has occurred. New rain drainage design preventions are part of the project.

Harbor Hills Parking Lots and ADA Sidewalks -- PHASE II
Courts No. 200, 300 and 400.

(5) Handicapped parking does not meet current Code and ADA requirements.



(6) Parking Court 400 main parking entrance at Palos Verdes Drive.

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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

January 27, 2010

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

APPROVE CONSTRUCTION CONTRACT FOR AMERICANS WITH DISABILITIES ACT UPGRADES AT THE NUEVA MARAVILLA HOUSING DEVELOPMENT IN UNINCORPORATED EAST LOS ANGELES (FIRST DISTRICT)

SUBJECT

This letter recommends approval of a Construction Contract (Contract) with T & K Construction Co. for Americans with Disabilities Act upgrades to 18 family units and 7 senior units at the Nueva Maravilla housing development, located at 4919 E. Cesar E. Chavez Avenue in unincorporated East Los Angeles. The Contract also provides for installation of key pads and push plate door activator at the senior building entrances, replacement of flooring, painting, lead-based paint and asbestos abatement, and other associated work.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a Contract in the amount of $234,440 with T & K Construction Co. to complete Americans with Disabilities Act (ADA) upgrades at the Nueva Maravilla housing development, using $234,440 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for this purpose.

2. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding $46,888 for unforeseen project costs, using the same source of funds.

3. Recommend that the Board of Commissioners authorize the Executive Director to incorporate $281,328 in ARRA CFP funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the purposes described above.

4. Recommend that the Board of Commissioners find that the approval of the Contract is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to award a Contract to provide ADA upgrades to 18 family and 7 senior units at the Nueva Maravilla housing development. Additionally, push buttons will be installed and the doors will open automatically. Currently at the senior buildings, residents open the doors manually.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The improvements will be funded with $234,440 in ARRA CFP funds allocated by HUD, to be incorporated into the Housing Authority's approved Fiscal Year 2009-10 budget.

A 20% contingency, in the amount of $46,888, is also being set aside for unforeseen costs, using the same source of funds. This contingency is recommended due to the nature of rehabilitation improvement work, which often involves unforeseen conditions that extend further than initially identified in the scope of work.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 17, 2009, President Obama signed into law the economic stimulus package American Recovery and Reinvestment Act (ARRA) of 2009. ARRA authorizes approximately $4 billion in new Capital Fund Program (CFP) funds of which $3 billion is distributed utilizing HUD's 2008 CFP formula and $1 billion is awarded through a competitive grant application.

On March 18, 2009, HUD allocated to the Housing Authority $7,401,512 in CFP formula funds authorized under ARRA. On September 29, 2009, HUD awarded the Housing Authority $5,924,000 in competitive funds for the Creation of Energy Efficient Green Communities at the Nueva Maravilla housing development. The proposed Contract will be funded using ARRA CFP formula funds.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles.

Instead, T & K Construction Co. will commit to hire Section 3 qualified residents at least 30-percent aggregate new hire positions; and/or subcontractor 25-percent or more of the contract amount to Section 3 qualified business concerns. Housing and Community Development Act of 1968, as amended, requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by T & K Construction Co.

CONTRACTING PROCESS

On November 18, 2009, the Housing Authority initiated an outreach to identify a contractor to complete the work at the subject property. Invitations for Bids were mailed to all 621 Class B licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight local newspapers and on the County website. Twenty-nine bid packages were requested and distributed.

On December 21, 2009, nine bids were received and formally opened. The lowest bid, submitted by T & K Construction Co., is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

ENVIRONMENTAL DOCUMENTATION

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECT

The award of the Contract will provide residents with ADA upgrades and improvements at the Nueva Maravilla housing development and continue to provide the residents with decent, safe and sanitary living conditions.

Respectfully submitted,

SEAN ROGAN
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

On November 18, 2009, the following outreach was initiated to identify a contractor for the ADA improvements at the Nueva Maravilla housing development located at 4919 E. Cesar E. Chavez Ave. in unincorporated East Los Angeles.

A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	Wave Community Newspapers

An announcement was also posted on the County website.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 621 B-licensed contractors, of which 526 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, twenty nine bid packages were requested and downloaded from the Housing Authority's website.

C. Pre-Bid Conference and Site Walk

On December 2, 2009 a mandatory pre-bid conference and site walk was conducted. Twenty-eight firms were in attendance.

D. Bid Results

On December 21, 2009, a total of nine bids were received and publicly opened. The bid result was as follows:

Company	Bid Amount
T & K Construction Co.	$ 234,440.00
Quality Pacific Construction, Inc.	$ 258,093.00
Aramco Construction, Inc.	$ 309,025.00
Ventura Construction, Inc.	$ 314,695.55
W E Construction Inc.	$ 315,190.00
AZ Home, Inc.	$ 325,725.00
LA Builders, Inc.	$ 349,000.00

FTC Construction Corp.	$ 359,290.00
CAS General Contractor	$ 407,745.00

E. Minority/Female Participation – Selected Contractor

Name	Ownership	Employees
T & K Construction Co.	Minority	Total: 4 4 minorities 0 women 100% minorities 0% women
Absolute Abatement	Minority	Total: 4 4 minorities 0 women 100% minorities 0% women

F. Minority/Female Participation – Contractors Not Selected

Name	Ownership	Employees
Quality Pacific Construction	Non-Minority	Total: 5 2 minorities 2 women 40% minorities 40% women
Aramco Construction Inc.	Non-Minority	Total: 5 0 minorities 1 woman 0% minorities 20% women
Ventura Construction Inc.	Non-Minority	Total: 4 0 minorities 1 woman 0% minorities 25% women
W.E. Construction Inc.	Minority	Total: 6 6 minorities 0 women

		100% minorities 0% women
AZ Home, Inc.	Non-Minority	Total: 14 8 minorities 1 woman 57% minorities 7% women
L.A. Builders, Inc.	Non-Minority	Total: 6 3 minorities 2 women 50% minorities 33% women
FTC Construction Corp.	Non-Minority	Total: 15 11 minorities 5 women 73% minorities 33% women
CAS General Contractor	Minority	Total: 3 3 minorities 0 women 100% minorities 0% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name: Nueva Maravilla ADA Upgrades
Location: 4919 E. Cesar E. Chavez Avenue, Los Angeles, CA 90022
Bid Number: CDC09-212
Bid Date: December 21, 2009
Contractor: T & K Construction Co.
Services: Senior units: replace existing flooring with new floor tiles and base, grade and place new concrete floor slab in bathrooms, raise bathroom sinks and mirrors, reset toilets for new flooring, modify kitchen cabinets, paint, replace door latches with lever sets; upgrade existing bathrooms including new roll-in showers, new floor tiles and base, new floor drains, bathroom accessories; adjust toilet flange and reroute water lines to new shower location; perform lead-based paint and asbestos abatement; and all associated work. Install key pads and push plate door activator for accessibility access into the senior buildings

Family accessible units: replace existing flooring with new floor tiles and base in the designated areas, raise bathroom sink and mirror, remove and reset toilet for new flooring and bath seat, modify kitchen cabinets, paint, and replace door latch with lever set; perform lead-based paint and asbestos abatement; and all associated work.

Contract Documents: Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

Time of Commencement and Completion: The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within ninety (90) calendar days following the required commencement date.

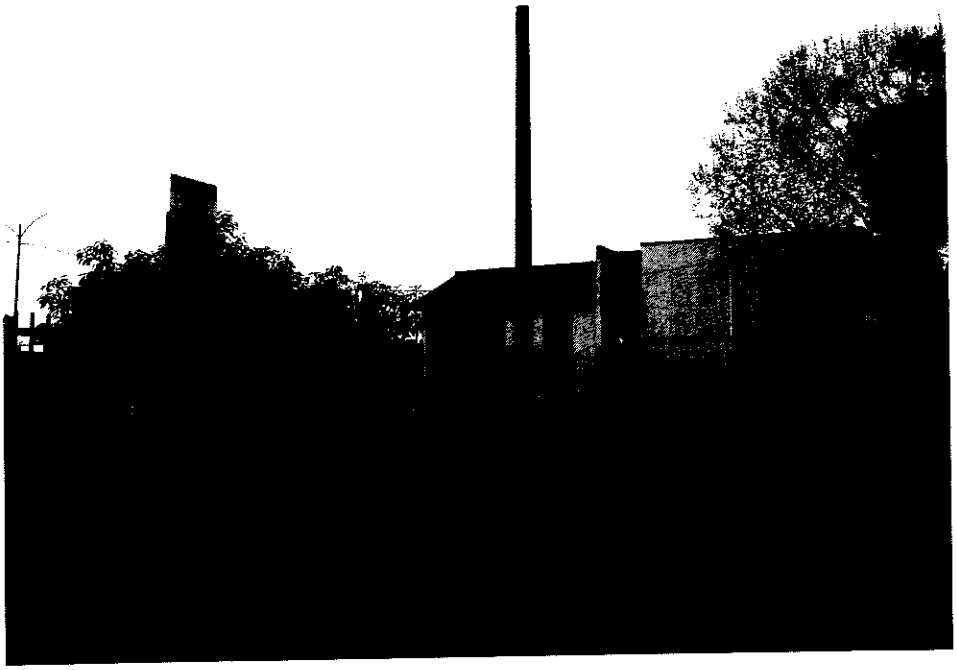
Liquidated Damages: In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Four Hundred Dollars and Zero Cents ($400.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

Contract Sum: The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Hundred Thirty Four Thousand Four Hundred Forty dollars and zero Cents ($234,440)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

Contract Contingency: $46,888

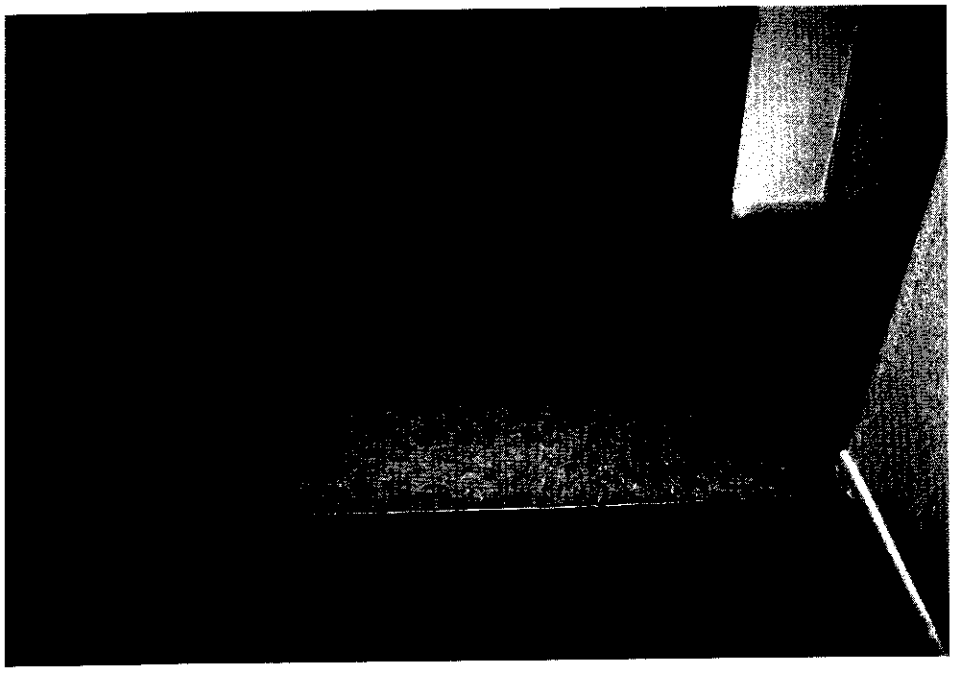
Nueva Maravilla ADA Upgrades

1) Nueva Maravilla site entrance

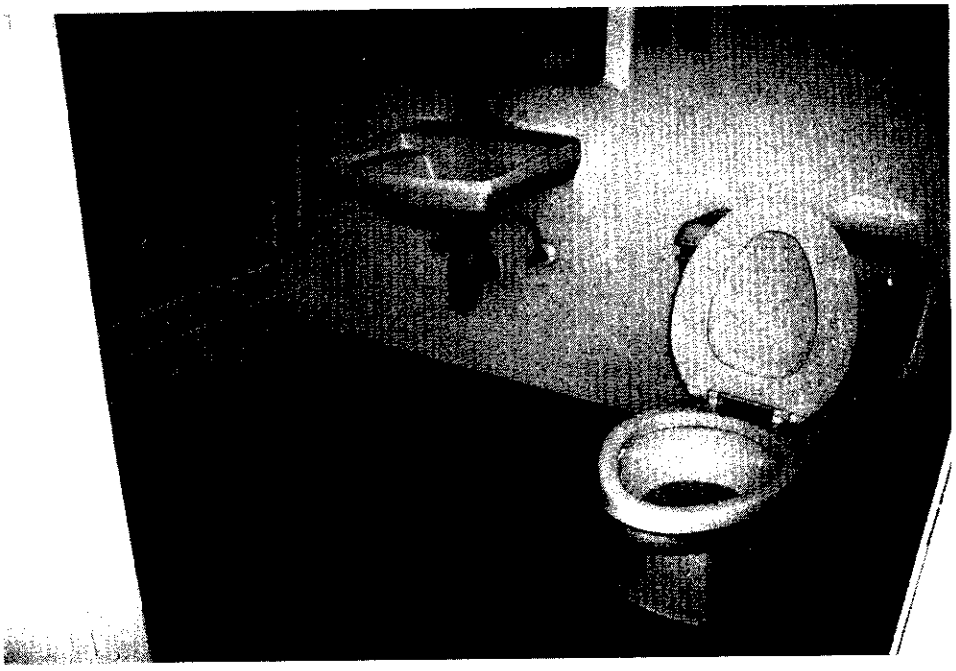


2) Senior building entrances - install recessed keypad and push plate door activator to operator the door.

Nueva Maravilla ADA Upgrades

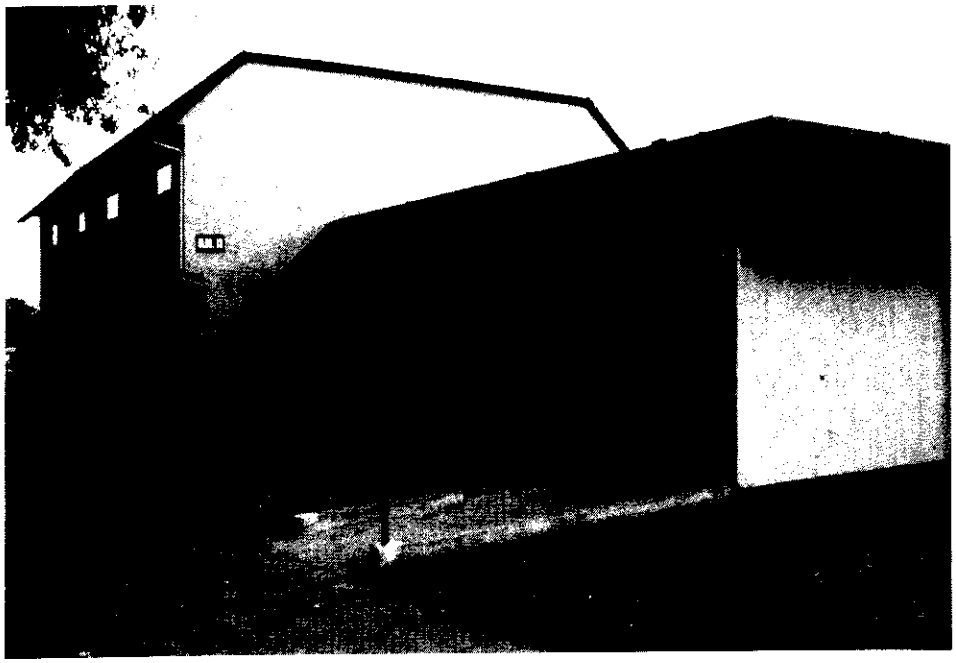


3) Senior Accessible Unit - existing flooring will be replaced with new VCT (vinyl composition tiles) throughout. Bathroom shall receive new ceramic tile flooring.

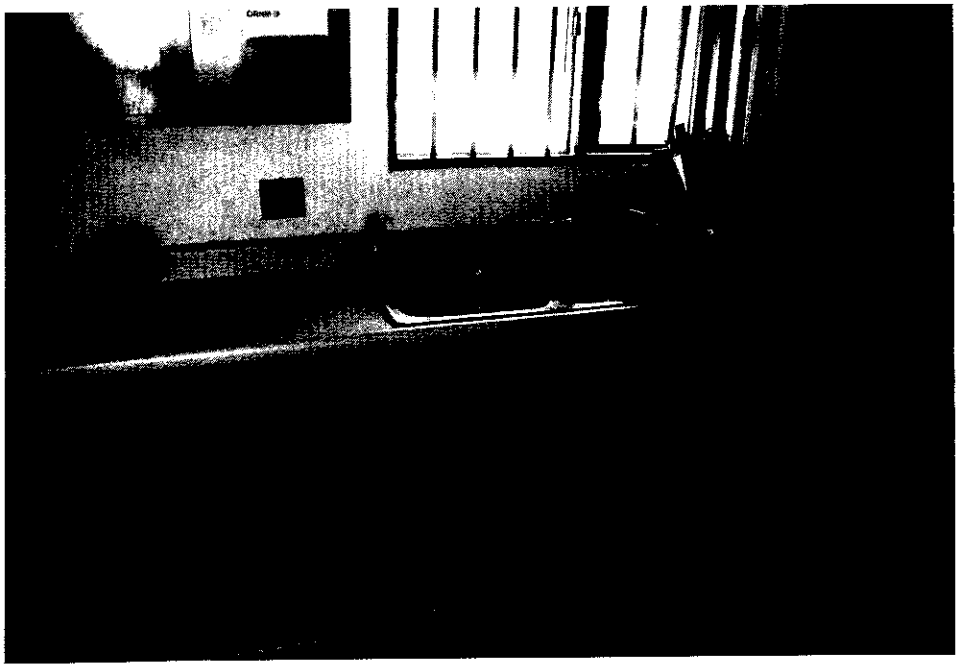


4) Senior Accessible Unit - install new roll-in shower, adjust/lower height of existing lavatory, finish with ceramic tile flooring.

Nueva Maravilla ADA Upgrades



5) Family (accessible) units



6) Kitchen countertop to be lowered and modified for accessibility

HOUSING AUTHORITY
of the County of Los Angeles
Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org

Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

January 27, 2010

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

ADOPT A RESOLUTION ACCEPTING THE VOLUNTARY TRANSFER OF HOUSING CHOICE VOUCHERS FROM THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS TO THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES (ALL DISTRICTS)

SUBJECT

This letter recommends approval of the voluntary transfer of Section 8 Housing Choice Vouchers from the Community Development Commission of the City of Santa Fe Springs (Santa Fe Springs) to the Housing Authority of the County of Los Angeles (Housing Authority).

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached resolution indicating agreement to the proposed voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority and administrative fees from Santa Fe Springs to Housing Authority; and authorize the Executive Director to submit the Resolution and all related documents to the U.S. Department of Housing and Urban Development (HUD).

2. Recommend that the Board of Commissioners find that the transfer of Section 8 Housing Choice Vouchers is not subject to the provisions of the California Environment Quality Act (CEQA) because the activity is not defined as a project under CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to transfer Santa Fe Springs Section 8 Housing Choice Vouchers and Section 8 Annual Contributions Contract (ACC) budget authority to the Housing Authority. This will provide the Housing Authority with 224 additional Section 8 Housing Choice Vouchers, which can be used anywhere within the Housing Authority's jurisdiction, which will continue to include the city of Santa Fe Springs.

FISCAL IMPACT/FINANCING

There is no fiscal impact on the County general fund. Upon approval of the voucher transfer, the Housing Authority will receive 224 additional vouchers, which will equate to approximately $214,970 in administrative fees and $1,868,108 in Housing Assistance Payments (HAP) annually for the Section 8 Tenant-Based Program.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In 1976, your Board authorized the execution of an Administration Agreement between the Housing Authority and Santa Fe Springs whereupon the Housing Authority has acted as an agent of Santa Fe Springs for the Section 8 Housing Choice Voucher Program, providing direct tenant services, including applicant selection, housing inspections, and tenant certifications. The Housing Authority is responsible for the issuance of housing assistance payment checks to landlords, program reporting, monitoring, and technical assistance. The Housing Authority also prepares annual Agency and Administrative Plans on behalf of Santa Fe Springs for submission to HUD.

The Administration Agreement provides the Housing Authority with full administrative and operating responsibilities, including the receipt and disbursement of all program funds due under the Santa Fe Springs ACC. A joint bank account has been established between Santa Fe Springs and the Housing Authority for the receipt and disbursement of all program funds, including the payment of any administrative fees to the Housing Authority that are due under the ACC.

In recent years, the Housing Authority has found that it is no longer economically feasible to administer the Housing Choice Voucher Program on behalf of Santa Fe Springs in exchange for Santa Fe Springs' Administrative Fee compensation under its ACC with HUD. Furthermore, the administrative burden occasioned by the Administrative Agreement has made the management and operation of both the Housing Authority and Santa Fe Springs Housing Choice Voucher programs a difficult challenge.

In an effort to improve on the structure of the Housing Choice Voucher program and to bring stability to a program that has been extremely difficult to manage due to the uncertainty of annual funding for housing assistance payments and administrative fees, both the Housing Authority and Santa Fe Springs have agreed to voluntarily transfer

Santa Fe Springs program vouchers and corresponding budget authority to the Housing Authority. On December 17, 2009, Santa Fe Springs' governing body adopted a Resolution agreeing to the proposed voluntary transfer of the Section 8 Housing Choice program vouchers and corresponding budget authority to the Housing Authority. The adopted Resolution is attached.

Therefore, the Housing Authority requests your adoption of the attached Resolution indicating agreement to the proposed voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority from Santa Fe Springs to the Housing Authority. Upon adoption of the attached Resolution, the Housing Authority will request that HUD consider the transfer of budget authority and corresponding vouchers for the Section 8 Housing Choice Voucher program from the Santa Fe Springs ACC to the Housing Authority's Consolidated ACC. As part of the application process, HUD requires your approved Resolution and at least 90 days' notice before the requested effective date of the transfer.

ENVIRONMENTAL DOCUMENTATION

This activity is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activity that will not have a physical impact on or result in any physical changes to the environment. The activity is also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROGRAM

Approval of this action will allow the Housing Authority to receive 224 additional vouchers, which will equate to approximately $214,970 in administrative fees and $1,868,108 in Housing Assistance Payments (HAP) annually for the Section 8 Tenant-Based Program. After the transfer is complete, the Santa Fe Springs waiting list will be merged with the Housing Authority waiting list using the applicant's original registration date. Additionally, Housing Authority staff will no longer have to prepare separate Agency and Administrative Plans for Santa Fe Springs, reducing the total workload associated with administering these vouchers.

HUD will complete the transfer of all Family Reports (form HUD-50058) so that all affected families will be recorded under the Housing Authority.

Respectfully submitted,

for SEAN ROGAN
Executive Director

Attachments: 2

RESOLUTION AGREEING TO THE VOLUNTARY TRANSFER OF HOUSING CHOICE VOUCHERS FROM THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS TO THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

WHEREAS, as a Public Housing Agency, the Community Development Commission of the City of Santa Fe Springs Housing Authority (Santa Fe Springs) receives an allocation of Housing Choice Vouchers issued by the United States Department of Housing and Urban Development (HUD);

WHEREAS, since 1976, the Housing Authority of the County of Los Angeles (Housing Authority) has been operating the Section 8 Housing Choice Voucher program (Program) on behalf of Santa Fe Springs;

WHEREAS, Santa Fe Springs and the Housing Authority opened a joint depository account for the receipt and disbursement of all Program funds and for the payment of preliminary and administrative fees to the Housing Authority which are allocated to Santa Fe Springs under its Annual Contributions Contract (ACC) with HUD;

WHEREAS, the Housing Authority is no longer able to administer the Program on behalf of Santa Fe Springs in exchange for Santa Fe Springs Administrative Fee compensation under its ACC with HUD;

WHEREAS, HUD has issued policies (Notice PIH 2007-6 and PIH 2008-19), which outline the process by which a Public Housing Agency may voluntarily transfer its Housing Choice vouchers and corresponding budget authority to another Public Housing Agency; and

WHEREAS, on December 17, 2009, Santa Fe Springs' governing body adopted a Resolution agreeing to the proposed voluntary transfer of the Program vouchers and corresponding budget authority to the Housing Authority.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles hereby resolves as follows:

1. The Housing Authority hereby agrees to the proposed voluntary transfer of Housing Choice vouchers and corresponding budget authority from Santa Fe Springs, contingent upon approval of the transfer from the HUD.

2. The Executive Director of the Housing Authority shall submit a letter to HUD, as required per Notice PIH 2007-6 and PIH 2008-19, requesting that the transfer be approved by HUD.

3. As per Notice PIH 2007-6 and PIH 2008-19, the effective date of the transfer will be a minimum of 90 days after the submittal of the letter and the approved resolution to HUD.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on this ____ day of _____, 2010.

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk of
the Board of Commissioners

By:_____
Deputy

By:_____
Chair, Board of Commissioners

APPROVED AS TO FORM:
ANDREA S. ORDIN
County Counsel

By: _____
Deputy

City of Santa Fe Springs
11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • www.santafesprings.org

State of California)
County of Los Angeles)ss
City of Santa Fe Springs)

I, Adria M. Jimenez, CMC, Deputy City Clerk of the City of Santa Fe Springs, do hereby certify that the attached copy of Resolution No. 248-2009 is a true and exact copy of Resolution No. 248-2009 which was adopted by the Community Development Commission of the City of Santa Fe Springs on December 17, 2009.

Dated this 21st day of December, 2009.

Adria M. Jimenez, CMC
Deputy City Clerk

(Seal)

RESOLUTION NO. 248-2009

A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS APPROVING THE VOLUNTARY TRANSFER OF THE BUDGET AUTHORITY AND THE 224 BASELINE UNITS OF THE HOUSING CHOICE VOUCHER PROGRAM OVER TO THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

WHEREAS, As a Public Housing Agency, the Community Development Commission of the City of Santa Fe Springs (CDC) receives an allocation of Housing Choice Vouchers offered through the United States Department of Housing and Urban Development; and

WHEREAS, Since 1984, the CDC has contracted with the Housing Authority of the County of Los Angeles (HACoLA) to administer the Housing Choice Voucher (HCV) program offered through the United States Department of Housing and Urban Development; and

WHEREAS, HACoLA notified the CDC indicating that HACoLA could no longer administer the HCV program in accordance with the contractual rate of Administrative Fee compensation, which is an amount compensated through a formula devised by the United States Department of Housing and Urban Development; and

WHEREAS, The United States Department of Housing and Urban Development issued Notice PIH 2007-6, outlining a process for Public Housing Agencies to voluntarily transfer the budget authority and corresponding baseline units of the Housing Choice Voucher program; and

WHEREAS, The United States Department of Housing and Urban Development issued Notice PIH 2008-19, extending the effectiveness of PIH 2007-6 which remains in effect until further notice from HUD; and

WHEREAS, the CDC considered this matter at its meeting of December 17, 2009;

NOW, THEREFORE, the Community Development Commission of the City of Santa Fe Springs does resolve the following:

Section 1: That the Community Development Commission of the City of Santa FE Springs, upon considering the request from the Housing Authority of the County of Los Angeles, hereby approves and adopts the voluntary transfer of the budget authority and the 224 baseline units of the Housing Choice Voucher program over to the Housing Authority of the County of Los Angeles contingent upon approval of the transfer from the United States Department of Housing and Urban and Development; and

Section 2: That the Community Development Commission of the City of Santa Fe Springs shall submit a letter to the United States Department of Housing and Urban and Development, as per Notice PIH 2007-6 and PIH 2008-19, requesting the voluntary transfer be approved by the United States Department of Housing and Urban and Development (As per Notice PIH 2007-6 and PIH 2008-19, the voluntary transfer effective date must be a minimum of 90 days after the submittal of the letter and the resolution, and must take place on the 15 of the month selected, and that October shall not be selected); and

Section 3: That the Community Development Commission direct the Executive Director to transmit a copy of this Resolution to HACoLA.

PASSED, APPROVED, AND ADOPTED, this 17th day of December, 2009.

Louie M. Gonzalez, Chairman

Attest:

Adria Jimenez, Deputy City Clerk