

CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to The Community Redevelopment Agency of the City of Los Angeles, CA)

APPROVED

MEMORANDUM

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DATE: JUNE 27, 2013 **VARIOUS**

TO: GOVERNING BOARD

FROM: NELSON RISING, CHAIRMAN

SUBJECT: CHIEF EXECUTIVE OFFICER. APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER AND APPROVAL OF ANNUAL SALARY RATE

RECOMMENDATION(S)

That the Governing Board take the following actions:

1. Appoint Mr. Steve Valenzuela as Chief Executive Officer (CEO), and
2. Approve the salary rate for the CEO at \$225,000 annually.

SUMMARY

On June 13, 2013, current CEO, Mr. David Riccitiello announced his decision to retire from the CRA/LA-DLA effective June 30, 2013. Current Chief Financial Officer (CFO), Mr. Steve Valenzuela, is being appointed as the new Chief Executive Officer as of July 1, 2013. As CEO, Mr. Valenzuela will perform the combined duties of the CEO and CFO.

Sections 201 and 302 of the CRA/LA-DLA Bylaws state that the Governing Board appoints the CEO and sets the compensation. This recommendation is made in accordance with the Bylaws.

PREVIOUS ACTION

None.

DISCUSSION AND BACKGROUND

In February 2012, the Governing Board appointed Steve Valenzuela as Chief Financial Officer (CFO) of the Successor Agency. Prior to his appointment as CFO, Mr. Valenzuela also served as CFO of the former Community Redevelopment Agency of the City of Los Angeles (Prior Agency) and also as the Regional Administrator for the Eastside and Harbor regions. In his role

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as CFO, Mr. Valenzuela is responsible for all CRA/LA's finance functions and critical winding down activities, including implementation of the Recognized Obligation Payment Schedule (ROPS) as required by AB1x26 and AB1484.

His background includes extensive work in both the private and public sectors, with a special emphasis on urban real estate development and finance. Previously, Mr. Valenzuela was President/CEO of the Los Angeles Community Development Bank, Senior Manager with Ernst & Young and a Senior Associate with Economics Research Associates. He has also served as both President and a Director of the Los Angeles Development Fund and on the Advisory Board of the USC Ross Minority Program in Real Estate. Mr. Valenzuela has completed four terms as an appointee by the Los Angeles County Board of Supervisors, to the Los Angeles County Employees' Retirement Association (LACERA) Board of Investments. Mr. Valenzuela is a product of the local public school system and a Harvard graduate.

The salary and benefits package offered to Mr. Valenzuela is consistent with previously established salary and benefits for the CEO position. (See Attachment A)

SOURCE OF FUNDS

Bond Proceeds, Reserve Balance, Administrative Cost Allowance and Other Funds

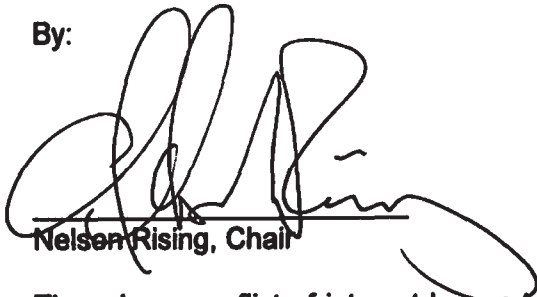
ROPS Administration and Budget Impact

The payment of salary and associated fringe benefit costs of CRA/LA-DLA employees is identified in ROPS 13-14A under Line Item #1199. There is no budget impact since the recommended appointment backfills a position for which funding was included in the approved Administrative Budget and ROPS 13-14A schedule.

ENVIRONMENTAL REVIEW

The proposed action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA).

By:



Nelson Rising, Chair

There is no conflict of interest known to me, which exists with regard to any CRA/LA officer or employee concerning this action.

CRA/LA, A Designated Local Authority
CHIEF EXECUTIVE OFFICER
2013 SALARY & BENEFITS SUMMARY SHEET

Salary Range: \$175,000 \$250,000 Annually

Proposed Rate: \$225,000 Annually

Medical/Dental Insurance: \$1,367.32 Monthly Subsidy

HMOs: Blue Shield and Kaiser
 Indemnity Plan: PERSCare; PERSCheck; PERSSelect (by Anthem Blue Cross)
 Dental: Delta Dental PPO and Deltacare USA
 Vision: Vision Services Plan

Life Insurance: Term life insurance and accidental death coverage equivalent to annual salary.

Disability Plan: Agency pays basic monthly coverage of \$2,000.

State Disability/Unemployment Insurance: Agency participates in both state insurance programs.

Retirement Plan(s): Agency participates in the Federal Social Security program and in the California Public Employees Retirement System. The CalPERS contribution is partially paid by the CRA/LA-DLA. 2.25% is to be paid by the employee. CEO will not be deemed ineligible for the Two Years' Additional Service Credit (TYSC), if offered.

Flexible Spending Account: Agency will contribute \$100 per month for the CEO to use for a number of available benefit options, such as supplemental term life. Certain reimbursements may be received tax free as permitted by the IRS.

Deferred Compensation Plan: Agency has a 457 Plan wherein employees may defer their earned salary of up to \$17,500 per year for income tax purposes. Deferred earnings are not taxable until the time of withdrawal from the plan and/or retirement.

Sick Leave: Accrues sick leave of 8 hours per month at full pay, and 3.33 hours per month at 75% pay.

Vacation: Accrual at the rate of 21 days per year.

Administrative Leave: 8 days/64 hours per fiscal year.

Floating Holiday: 20 hours per fiscal year.

Paid Holidays: 12 designated holidays per year.

9/80 Work Schedule: A program which allows employees to complete the required number of weekly hours in nine (9) days every two (2) weeks instead of ten (10) days.

Transportation/Parking Subsidy: Agency will provide vehicle and insurance coverage or \$500 per month (paid bi-weekly) if using personal vehicle; must provide own insurance coverage.

Credit Union: Staff may participate in the California Bear Credit Union or the Los Angeles City Employee's Federal Credit Union.

EMPLOYMENT STATUS:

Staff members are not Civil Service employees but are public employees. As Federal funds are a source of CRA salaries, employees must adhere to the HATCH ACT which restricts partisan political activities.

The CEO is an at-will position, serving at the pleasure of the CRA/LA-DLA Governing Board.