

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date:

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Date:	July 20, 2010	Submitted in	HCD	Committee	7/21/10	CAO File No.	0220-01024-2693
		Council File No.:	10-0706-S1			Council File No.	10-0706-S1
To:	The Mayor	Item No.:	10-0706-S1#9			Council District:	All
	The Council	Deputy:	CAO report				
From:	Miguel A. Santana, City Administrative Officer <i>MS</i>						
Reference:	Community Development Department transmittal dated May 10, 2010; Additional information received through July 15, 2010						
Subject:	<b>COMMUNITY DEVELOPMENT DEPARTMENT REQUEST FOR RESOLUTION AUTHORITIES AND FUNDING TO SUPPORT THE HUMAN RELATIONS COMMISSION</b>						

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### SUMMARY

The Community Development Department (CDD) requests approval to add four new resolution authorities (One Senior Project Coordinator [SPC] and three Human Relations Advocates [HRA]) to support the Human Relations Commission (HRC) and its functions within CDD, subject to the approval by the Personnel Department as to Civil Service classification, allocation and exemption, as appropriate. The CDD also requests approval to reprogram \$300,000 in Community Development Block Grant-American Recovery and Reinvestment Act (CDBG-ARRA) funds previously approved for the Los Angeles City Works Academy Project (Project) for partial position costs. In addition, CDD requests authority to prepare and submit a substantial change amendment to the U.S. Housing and Urban Development Department CDBG-ARRA plan reflecting these actions.

The estimated total cost of the four positions for Fiscal Year 2010-11 is \$639,489: \$454,344 in direct salary and administrative and operating expenses and \$185,145 in indirect salary costs. The CDD states that \$339,489 of the \$639,489 is available from Workforce Investment Act (WIA)-ARRA, Rapid Response funds approved by Council in April 2010 (C.F. 10-0383).

The determination whether it is appropriate to reprogram CDBG-ARRA funds to provide partial funding for these positions is a policy matter. This report includes recommendations for the transfer of \$300,000 in CDBG-ARRA funds to CDD should the Mayor and Council direct that this amount be used for these positions. We recommend a modification to CDD's request to add four new resolution authorities. We recommend the addition of the four new resolution authorities (one new SPC and three new HRAs) and the deletion of four vacant positions in CDD (one Senior Management Analyst I and three Management Analyst IIs) that are currently held in-lieu to perform human relations functions within CDD. This modified recommendation will allow CDD to replace the in-lieu authorities with the appropriate civil service classifications of these employees. The recommendations include Controller instructions to effect transfers from the related special funds to CDD's operating budget. Additional information on the analysis and funding sources for these positions is provided in the Background Section of this report.



## Background

In March 2010, the Council approved a Motion (Hahn-Cardenas) requesting that the final ordinance relative to the restructure of HSD ensure that the functions currently performed by Human Relations Community Facilitators, including the Watts Gang Task Force, be retained (C.F. 09-0600-S162, Motion 10A).

In April 2010, the Council took action to eliminate HSD while preserving some of its functions, including its three Commissions (the Commission on the Status on Women, the Commission for Children Youth and Their Families and HRC). This action included their consolidation and functional transfer to CDD and the Mayor's Office to generate General Fund savings and increase efficiencies in the coordination of the activities of the Commissions with the functions already performed by CDD and the Mayor's Office (C.F. Nos. 09-0600-S162, 10-0706 and 10-0706-S1).

CDD transferred 12 positions from HSD to CDD during the period of February through April 2010 to avoid the layoff of these employees. These positions are funded by WIA-ARRA Rapid Response funds, with the understanding that funding may expire in June 2011. The positions are currently filled in lieu of vacant CDD positions, in compliance with the Department Personnel Ordinance. Four of the transferred positions currently provide the human relations services function within CDD. The remaining positions perform Rapid Response duties to assist City employees at risk of being laid off.

### Position Request

As stated above, the CDD requests the following four new resolution authorities:

<b><u>Class Title</u></b>	<b><u>Class Code</u></b>	<b><u>No. of Positions</u></b>
Senior Project Coordinator (SPC)	1538	1
Human Relations Advocate (HRA)	9207	3

The CDD states that the responsibilities and duties of the positions will include the following:

- The SPC will be responsible for planning, organizing, directing and supervising the work of the HRAs and for coordinating and administering the overall operations and activities of the HRC;
- The HRAs will act as Community Facilitators and maintain and, when possible, expand upon existing task forces including the Watts Gang Task Force. Other duties of the HRAs will include:
  - Monitor inter-group relations throughout the City;
  - Develop and provide human relations and leadership training to City residents;
  - Establish dialogues with appropriate groups, individuals and/or neighborhoods, to reduce violence, resolve disputes and increase both understanding and respect and reduce racial tension; and,
  - Advise and intervene appropriately when community problems rooted in human relations issues are reported.



### Position Costs

The estimated total cost of the positions for 2010-11 is \$639,489. The proposed funding sources are WIA-ARRA Rapid Response (\$339,489) and CDBG-ARRA (\$300,000) funds. The following table provides details on the expense categories and corresponding funding source:

<u>Expense Category</u>	<u>WIA-ARRA Rapid Response</u>	<u>CDBG-ARRA</u>
Salaries General	\$203,081	\$179,459
Related Costs (Cost Allocation Plan 31)	114,558	101,233
Operating Expenses and Leasing	21,850	19,308
<b>Total</b>	<b>\$339,489</b>	<b>\$300,000</b>

### Community Development Block Grant Expenditure Policy

The CDBG Expenditure Policy requires, in part, that recipients of funds for City services, programs and administrative activities (with the exception of the Los Angeles Housing Development - Notice Of Funding Availability [NOFA]) must expend funds and/or incur costs within the program year in which funds were awarded. In addition, it requires that departments refrain from spending or programming their CDBG unspent balances. All unspent balances identified will be appropriated during reprogramming or as directed by the Mayor and Council. The determination whether it is appropriate to reprogram CDBG-ARRA funds to provide partial funding for these positions is a policy matter.

The CDD states that the Project was designed to train low and moderate income residents for entry-level jobs. The Project was originally envisioned as collaboration among the CDD, Personnel Department, City departments seeking entry-level employees, the Los Angeles Workforce Investment Board and local unions. The Project was intended to provide preparation for individuals taking City tests and help them bridge into classifications with permanent employment opportunities. The CDD recommends that the funds be reprogrammed because of the pending City layoffs and lack of civil service openings for final placement of trainees if this Project was to be implemented.

If the Council finds that it is in the best interest of the City to reprogram CDBG-ARRA funds to partially fund the positions that are currently performing human relations work within CDD, the Council should instruct the CDD to expend \$300,000 for this purpose. The Council should further instruct CDD to prepare and submit a substantial change amendment to the HUD CDBG-ARRA plan reflecting these actions.

### Modified Recommendation

The recommendation to add four positions while deleting four equivalent vacant positions is to allow CDD to add the appropriate classification to its Position Resolution Authority for the positions that are currently performing human relations work within CDD. The addition of four new positions without the corresponding deletion of four vacant corresponding positions will add four new positions to CDD without identifying ongoing additional funding and increase the likelihood of having unfunded positions within CDD. The City's Financial Policies require that one-time revenue should not be used to fund on-going expenditures. The proposed funding for these four new positions is from ARRA funds which are expected to expire in 2011 or 2012. The addition of new positions will likely increase the future obligation of CDBG to fund these positions. The CDBG currently does not fully reimburse



the General Fund for related costs. In the 36<sup>th</sup> Year Consolidated Plan (2010-11), the CDBG did not provide approximately \$3 million in reimbursements for indirect salary costs for the various City Departments that are funded by CDBG.

This recommendation to consider adding and deleting positions should not affect CDD's ability to fill positions and carry out its work program. The CDD is currently authorized for a total of 303 regular and resolution authorities, approximately 27 (nine percent) of these positions is currently vacant. We are working with CDD to determine the source of funding for these vacant positions and submit unfreeze requests through the Managed Hiring Process.

The recommendations comply with City Financial Policies in that grant funds will support all expenses reflected in this report. Additional information on the HRC is provided in a transmittal from CDD, dated May 10, 2010 which is available on the City's internet website at [www.cityclerk.lacity.org](http://www.cityclerk.lacity.org), Council File Management System (C.F. 10-0706-S1).

## RECOMMENDATIONS

Should the Mayor and Council find that it is the best interest of the City to allocate unexpended Community Development Block Grant-American Recovery and Reinvestment Act (CDBG-ARRA) funds for the four positions that support human relations functions within the Community Development Department (CDD), the following recommendations should be approved:

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, Community Development Department (CDD), or designee to reprogram \$300,000 from unexpended CDBG-ARRA funds allocated for the Los Angeles City Works Academy Project for partial salary costs for four positions currently employed by CDD to perform human relations functions;
2. Authorize the General Manager, CDD, or designee, to prepare and submit a substantial change amendment to the CDBG-ARRA plan reflecting these changes to the U.S. Housing and Urban Development Department;
3. Authorize by Resolution one Senior Project Coordinator, Civil Service Code, 1538 and three Human Relations Advocates, Civil Class Code, 9207, subject to review and approval by the Personnel Department as to Civil Service classification, allocation and exemption, as appropriate;
4. Delete one vacant Senior Management Analyst I and three vacant Management Analyst IIs that are currently held in lieu of one Senior Project Coordinator and three Human Relations Advocates effective upon allocation of the authorities in Recommendation No. Three;
5. Authorize the Controller to:
  - a. Transfer appropriations within the Workforce Investment Act - American Reinvestment Act (ARRA) Trust Fund No. 51G as follows:

	<u>Account</u>	<u>Title</u>	<u>Amount</u>
From	F279	WIA Rapid Response	\$339,489
To	G122	CDD	\$224,931
	G299	Related Costs	<u>114,558</u>
		<b>Total:</b>	<b><u>\$339,489</u></b>

b. Increase appropriations within Fund 100/22 CDD as follows:

	<u>Account</u>	<u>Title</u>	<u>Amount</u>
1010		Salaries, General	\$203,081
6010		Office and Administrative	3,784
6030		Leasing	<u>18,066</u>
		<b>Total</b>	<b><u>\$224,931</u></b>

c. Transfer appropriations within the Community Development Block Grant-ARRA Fund No. 51N as follows:

	<u>Account</u>	<u>Title</u>	<u>Amount</u>
From	F204	LA City Works Academy	\$300,000
To	G122	CDD	198,767
	G299	Related Costs	<u>101,233</u>
		<b>Total:</b>	<b><u>\$300,000</u></b>

d. Increase appropriations within Fund 100/22 CDD as follows:

	<u>Account</u>	<u>Title</u>	<u>Amount</u>
1010		Salaries, General	\$179,459
6010		Office and Administrative	3,344
6030		Leasing	<u>15,964</u>
		<b>Total</b>	<b><u>\$198,767</u></b>

6. Authorize the General Manager, CDD, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer, and instruct the Controller to implement these instructions.

## **FISCAL IMPACT STATEMENT**

There is no additional impact on the General Fund if the recommendations in this report are adopted. The recommendations in this report will provide approximately \$215,971 in reimbursements to the General Fund for 2010-11 for full cost recovery for salary costs for four resolution authorities that perform human relations functions within the Community Development Department. This revenue is included in the 2010-11 Adopted Budget Revenue for CDD. Funding for these positions is recommended from the Workforce Investment Act and Community Development Block Grant (CDBG) American Recovery and Reinvestment Act grants. These positions may become the obligation of future year CDBG funds, subject to Mayor and Council approval. The recommendations in this report are in compliance with City Financial Policies in that the full cost of the proposed expenditures is available from grant funds.

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