

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 1, 2011

CLA WAS No. 11-01-0020

To: The Council

From: Gerry F. Miller, Chief Legislative Analyst

Miguel A. Santana, City Administrative Officer

Subject: **2011-12 (37th PROGRAM YEAR) HOUSING AND COMMUNITY
DEVELOPMENT CONSOLIDATED PLAN (FOURTH YEAR
ACTION PLAN)**

SUMMARY

The Mayor's Proposed 37th Program Year (PY) Housing and Community Development Consolidated Plan (37th PY Con Plan) for 2011-12 was released to Council on December 30, 2010. At the January 12, 2011 meeting of the Housing, Community and Economic Development (HCED) Committee, the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) were requested to coordinate responses to various questions raised with regard to the Proposed Con Plan to allocate \$158,939,780 in U.S. Department of Housing and Urban Development (HUD) funds from four federal grants for a twelve-month program year beginning April 1, 2011 through March 31, 2012 (C.F. 10-2440). The four grants include: Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) programs. This Con Plan represents the fourth year of a Five-Year Action Plan for the period 2008-2012.

Our Offices were challenged to propose adjustments and cuts to the Mayor's 37th PY CDBG budget in the event that the CDBG entitlement amount is significantly reduced. Both the State and Federal budgets threaten to cut significant resources that would impact the CDBG and entire City Budgets. It is for this reason that our Offices are recommending a six-month (April 1, 2011 through September 30, 2011) funding plan (Phase 1) for CDBG projects. Due to potential cuts, funding for new and expanded programs was not included in Phase 1. The exceptions were: 1) one-time funding provided for Community Arts Programs, which will allow the centers in Council Districts 10, 13 and 15 to remain open through June 30, 2011; 2) District Square Retail Project, which already includes the investment of other City resources; and, 3) Gensler Business Attraction

project, which will create new jobs in the City.

The impending actions jeopardize City programs established to provide social and community services to low income and under-served residents of the City, support job creation and retention and promote economic development. Based on our review, the adjusted proposed Con Plan resources total \$156,207,660. The Findings section of this report includes responses to the Committee questions and also provides an analysis with recommendations based on assumptions about the potential cuts to CDBG. It is anticipated that subsequent to the release of this report, HUD will announce the City's final CDBG allocation.

The key State and Federal-related actions to date are as follows:

- January 10, 2011 – Governor Brown released a State budget that proposes the dissolution of redevelopment agencies statewide and includes cuts to the Community Services Block Grant (CSBG) funds, which are federal funds administered by the State of California Community Services Department. The Community Redevelopment Agency (CRA) administers numerous CDBG-funded projects in partnership with the City, including four proposals that are included in the Mayor's Proposed 37th PY Con Plan where the CRA is the Lead Agency and recipient of CDBG funds. To date, the Governor has set a March 10, 2011 deadline for State lawmakers to submit a final spending plan.
- February 11, 2011 – City Council adopts Resolution as part of its 2011-12 Federal Legislative Program to support full funding for the CDBG and CSBG programs (Programs); urge the President and the Administration to propose full funding of these Programs; and, oppose any reduction to the CDBG and CSBG programs.
- February 14, 2011 - President Obama released the FY 2012 Budget which proposes a 7.5 percent cut (\$5.8 million) to the 36th PY CDBG entitlement. This would impact the 38th PY entitlement (2012-13). With a 7.5 percent cut, the entitlement in PY38 would be approximately \$72.1 million.
- February 16, 2011 – Resolution introduced in Council to include in the City's 2011-12 Federal Legislative Program full funding for the federal Workforce Investment Act (WIA) program for the current federal fiscal year (FY 2011), at the levels proposed by the President in his FY 2011 budget, and continued full funding during the next fiscal year (FY 2012).
- February 20, 2011 – U.S. House of Representatives passed HR 1, federal legislation that proposes \$61 billion in reductions to federal "discretionary programs" through the remainder of FY 2011 (September 30, 2011). This includes a 62.5% (\$2.5 billion) cut to the federal CDBG program, elimination of the Workforce Investment Act, and a 50% reduction to the federal CSBG program. This bill is now before the Senate. It would not impact the current year (PY36) entitlement. With a 62.5% cut (\$48.8 million), the City's CDBG

entitlement in PY37 would be approximately \$29.2 million. If a 62.5 percent cut is approved as part of the federal budget, our Offices will immediately return to the Council to get direction regarding funding priorities in order to propose additional cuts and make funding recommendations for an amended 37th Program Year budget that would be subject to Council and Mayor approval.

- February 25, 2011 - The federal government is currently operating on a Continuing Resolution (a temporary bill funding the government), which expires March 4, 2011 and impacts the 37th PY entitlements. The House Appropriations Committee presented a short-term (2 week) Continuing Resolution (CR), which includes \$4 billion in spending reductions. The CR, as presented, does not include cuts to CDBG. If passed, it would prevent a government-wide shut down that would occur on March 4, if no agreement between the House, Senate and White House is reached on a longer-term funding bill.

While the final outcome of State and Federal negotiations is unclear at this time, it is recommended that the less severe reduction be assumed reflecting fewer CDBG dollars available be adopted for PY37. The Mayor's proposed allocation, which was developed prior to the more recent legislative activity that threatens to significantly reduce CDBG funding, is an overall reduction from the 36th PY of approximately six percent. Our recommended changes to the Mayor's Proposed Con Plan reflect a thoughtful and strategic approach to manage funding expectations due to the uncertainty of available resources, which result in an overall reduction from the 36th PY of approximately 13% or \$13.9 million.

The carry-over deficit amount to be re-paid to HUD in the 37th Program Year is approximately \$3.3 million; \$4.2 million is proposed to be deferred until the 38th Program Year. The Findings section of this report includes a discussion relative to resolution of the carry-over deficit. Accounting for adjustments in the program income, carry-over deficit, and reprogramming recommendations, total CDBG resources in this report represent a total net decrease to the 36th PY CDBG resources of approximately \$13.9 million, from \$103.8 million to \$89.9 million, as detailed in Attachment A, CDBG Revenues and Expenditures.

In consideration of Council and Mayor priorities, and instructions from the HCED Committee and potential CDBG reductions, these other considerations were factored into our recommendations:

- Prioritization of preservation and maintenance of existing services at levels that keep these programs viable (though at reduced funding levels) over new activities;
- To the extent possible, prevent/minimize layoff of City workforce;
- Prevent additional General Fund impacts and, to the extent possible, reduce the impacts from estimated current year levels;

- Allocate funds to projects/programs where CDBG funds are required as a match source, where the City has invested significantly and/or where funds are significantly leveraged; and
- Project readiness and eligibility determinations.

The final entitlement amount will not be known until a federal budget is passed and HUD notifies the City of its final entitlement allocation. Projects to be included in the CDBG budget would run for 12 months but because the final funding level is not yet known, the CDBG budget (Attachment A: Column F1 and Attachment B) reflects the first six month's funding from April 1, 2011 through September 30, 2011 (Phase 1). In the event of a larger reduction in CDBG entitlement funds, it is likely that additional program cuts will need to be considered. Final adjustments and contract authorities for the projects identified in Attachment C for remaining six months, from October 1, 2011 through March 31, 2012 (Phase 2), would be based on the final 37th PY CDBG Entitlement amount, and subject to Mayor and Council approval. If the cuts to the CDBG program are at the level approved by the House of Representatives, our Offices will need direction from the Council and Mayor to establish priorities in order to propose additional cuts or submit a completely new funding plan and recommendations.

As adjusted, the Proposed 37th PY Con Plan would provide \$8.7 million in budgeted reimbursements to the General Fund from the CDBG for indirect costs. This assumes an annual funding level for Phase 1, prorated for 12 months. The estimated City General Fund contribution to CDBG program indirect costs for one year is approximately \$2.8 million. The contribution represents a reduction of approximately \$500,000 in the General Fund participation, reduced from \$3.2 million in PY 36. The impact on revenue receipts is described in the Findings Section of this report titled "Indirect Costs." The impact to the General Fund will also be addressed in subsequent Con Plans.

RECOMMENDATIONS

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

Relative to the Approval of the 37th Program Year Consolidated Plan for 2011-12:

1. Find that the 37th Program Year Housing and Community Development Consolidated Plan (37th PY Con Plan) – Fourth Year Action Plan will not have a significant effect on the environment, pursuant to the City's Environmental Guidelines, and in compliance with the California Environmental Quality Act of 1970; that the Notice of Exemption and Notice of Determination reflect the independent judgment of the lead Agency of the City of Los Angeles; that the documents constituting the record of proceedings in this matter are located in the Council File in the

custody of the City Clerk, and adopt the Notice of Exemption and Notice of Determination for the 37th PY Con Plan, to be submitted by the Community Development Department (CDD) and attached to the Council File. All projects involving new construction and/or major rehabilitation will require the preparation of a Mitigated Negative Declaration or Environmental Impact Report on a site-by-site basis.

2. Authorize the General Manager, Los Angeles Housing Department (LAHD), or designee, to sign on behalf of the City of Los Angeles, the Applications for Federal Assistance for the HOME Investment Partnership Act (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grant (ESG) programs, and the associated Grantee Certifications, subject to review and approval of the City Attorney as to form and legality, and forward the documents to CDD for further processing.
3. Approve the 37th PY Con Plan and the related budgets for the Community Development Block Grant (CDBG) Program, HOME, HOPWA and ESG, included as Attachments A, D, E and F to this report, and as amended by the Council.
4. Authorize the General Manager, CDD, or designee, to submit the Final 37th PY Con Plan – Fourth Year Action Plan to the U.S. Department of Housing and Urban Development (HUD) upon approval by the Mayor and Council.
5. Authorize the General Manager, CDD, or designee, to sign on behalf of the City the Application for Federal Assistance for the CDBG Program and the associated Grantee Certifications, subject to the review and approval of the City Attorney as to form and legality, and return the documents to HUD.
6. Continue the hiring freeze on all Consolidated Plan-funded positions during PY37, or until subsequent Council and Mayor action.

Relative to Program Income

7. In reference to repayment of 20-year CDBG loans, authorize the following:
 - a. Instruct the Chief Executive Officer, or designee, of the Community Redevelopment Agency (CRA) to re-pay \$4,406,965 in the 36th Program Year from: Hollywood Redevelopment Area (\$3.9 million) and North Hollywood Redevelopment Project Area (\$0.5 million) Tax Increment revenues to be applied to the repayment of 20-year CDBG loans (Contract Nos. 65464 and 68887) and authorize the General Manager, or designee, of CDD to accept the funds and deposit them into the Community Development Trust Fund No. 424

for inclusion as a source of funds in Phase 2 or future reprogramming.

- b. Instruct the Chief Executive Officer of CRA, or designee, to immediately re-pay with Agency General Revenue \$10.5 million in 20-year CDBG loans [\$4 million due September 30, 2010 (Contract No. 68887); \$1.3 million due June 30, 2011 (Contract No. 65464); and, \$5.2 million due June 30, 2014 (Contract No. 65464)] between CDD and CRA.
 - c. Instruct the Chief Executive Officer of CRA, or designee, to meet with the CLA and CAO to develop a plan to repay any and all other outstanding CDBG loans, and report to Council by April 1, 2011, with the proposed repayment plan for each of the loans.
8. Instruct the General Manager of CDD, with assistance from LAHD and the Community Redevelopment Agency (CRA), to prepare quarterly reports for submission to the Mayor and Council on program income receipts for all Consolidated Plan sources. These receipts, as well as HOME, HOPWA and ESG balances, should be provided to the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) upon request and should include comments on any unexpended balances.

Relative to Reprogramming and Technical Adjustments

- 9. Approve the reprogramming of \$6.2 million in CDBG funds listed in Attachment G of this report, subject to final verification by CDD.
- 10. Authorize the General Managers of CDD and LAHD, or designees, and other implementing departments, or designees, to: 1) prepare Controller's instructions and make technical adjustments that may be required and are consistent with the report recommendations; 2) amend the necessary Action Plan to reflect this action; and, 3) authorize the Controller to implement these instructions, subject to approval of the CAO.
- 11. Authorize the CAO and CLA, with assistance from the General Managers of CDD and LAHD, to make any necessary technical adjustments to the documents included in this report to reflect Mayor and Council action approving the 37th PY Con Plan.

Relative to Related Cost Recovery

- 12. Instruct Departments receiving CDBG funds to submit billing and reimbursement documentation relative to related costs on a monthly basis to the CDBG fund administrator, CDD, and to continue to work with the CAO and CLA to identify salary and expense savings throughout the fiscal year and transfer those savings to the General Fund to compensate for unrecovered related costs.

Relative to Report Backs and Additional Instructions

13. Instruct all CDBG-implementing departments to submit contract authority requests within two weeks of Council and Mayor approval of the 37th PY Con Plan to the CLA and CAO.
14. Instruct the CLA and CAO to report to Council and Mayor with recommendations regarding contract authorities for program-implementing departments.
15. Instruct the CAO, or designee, to report within 60 days of the Council and Mayor's approval of the 37th PY Con Plan with recommendations on departmental requests and necessary implementing language for related authorities and administrative allocations in Phase 1 as outlined in this report.
16. Instruct the General Manager, CDD, or designee, to prepare a cash-flow analysis of its 20-year CDBG loans with the CRA (Contract Nos. 65464, 68887, 80935, 82911 and 84762), and provide this information to the Council and Mayor by May 31, 2011.
17. Instruct the General Manager, CDD, or designee, to:
 - a. Provide written notification to all applicants of the 37th PY Con Plan, as follows:
 - i. To unsuccessful applicants, informing them that they are not funded;
 - ii. To successful applicants, advising them of final award recommendation for 37th PY - Phase I (April 1 – September 30, 2011) as well as the potential for continued funding at either the same or adjusted funding levels as part of Phase II;
 - iii. To agencies funded under the Community Based Development Organization (CBDO) categories, advising them that the availability of grant funds and the execution of contracts are contingent upon their successful certification as a CBDO; and,
 - iv. For all categories, notify the relevant Council Offices and the City Attorney of these correspondences.
 - b. Provide written notice to all CDBG-implementing departments and agencies to refrain from programming or expending CDBG savings as articulated in the CDBG Expenditure Policy and Guidelines adopted by Council on September 12, 2003 (C.F. 01-2765-S2, Attachment K).

18. Instruct all CDBG-implementing departments to report to the Mayor and Council, with copies to the CLA and CAO, by April 30, 2011, with: 1) the impact of the adopted Con Plan to the department; 2) recommendations to amend the budget for CDBG-funded projects, and HOPWA, ESG and HOME projects, if applicable; 3) options to reduce General Fund impacts, including instituting furloughs, including information relative to resulting organizational and workload impacts; and, 4) if appropriate, alternative proposals that maintain the overall recommended cuts provided that such adjustments do not exceed approved expenditure caps.
19. Instruct the General Manager, CDD, or designee, to report to the Council and Mayor with a comprehensive assessment of the impact of all grant funding reductions on its programs, operations and administration by April 30, 2011.
20. Instruct the General Manager, CDD, or designee, to report to the Council and Mayor regarding the Neighborhood Improvement Program with an analysis of facility investments and their current status and needs by April 30, 2011.
21. Instruct the General Manager, CDD, or designee, to report to the Council and Mayor by June 30, 2011 with a proposed amendment to the City's Float Loan Policy articulating a consistent policy for how and when float-funded activities are recorded as program income.
22. Instruct the CLA and Chief Executive Officer, CRA, or designee, to consider the Calko and the Northeast Valley Industrial Expansion projects for funding from the CRA's proposed Economic Development Opportunity Fund (C.F. 10-2324).
23. In the event the CRA is dissolved or reconfigured as a result of approval of the State budget, instruct the CLA and CAO to report to the Council relative to the impact to all CRA CDBG-funded projects; CDBG 20-year loan repayment and impact to CDBG program income; and, options for the continued implementation of the projects.
24. Instruct the CLA and CAO to meet with the Mayor, Council Offices and departments regarding prior year unspent CDBG balances to determine if savings can be realized for potential reprogramming during the 37th Program Year.
25. Request the Mayor to submit to the Council and CDBG Grant Administrator, CDD, by April 1, 2011 the list of Summer Night Lights parks that will be funded in the 37th Program Year based on the adopted CDBG Budget; a breakdown of the cost to incrementally increase the number of parks should additional private or public funding become available; and,

the list of parks in priority order that would be considered for program expansion, subject to funding availability.

26. Instruct the General Manager, Community Development Department, or designee, to report: 1) relative to the Commission for Community and Family Services and the Human Relations Advocates, on the costs of these programs and efforts to reduce or absorb the costs consistent with Council action; and 2) relative to the Neighborhood Facilities Program, as to what the funds will be used for, and the breakdown between staff and program costs.
27. Instruct the City Clerk to refer matters relative to the Commission for Community and Family Services to the Housing, Community and Economic Development Committee, as overseer of the Community Development Block Grant and Community Services Block Grant.
28. Instruct the CLA and CAO to report to the Council with recommendations for the 37th Program Year CDBG Phase 2 funding by August 1, 2011.

FISCAL IMPACT STATEMENT

There is a General Fund impact. The recommendations within this report address the 37th Program Year Consolidated Plan (37th PY Con Plan) for 2011-12, which is comprised of total funds of approximately \$89.9 million from the federal Community Development Block Grant (CDBG), \$50.6 million from HOME Investment Partnerships, \$12.6 million from Housing Opportunities for Persons with AIDS, and a \$3.2 million Emergency Shelter Grant. All recommendations are subject to the final award of grant funds by the U.S. Department of Housing and Urban Development.

Assuming that Phase 1 (April 1 – September 30, 2011) entitlement projections are continued during the 37th PY through Phase 2 (October 1, 2011 through June 30, 2012), the 37th PY CDBG would provide approximately \$33 million to support filled positions (direct salaries: \$24.3 million, related cost reimbursement: \$8.7 million). The General Fund would contribute approximately \$2.8 million for CDBG-funded related costs. This is a reduced level of General Fund participation from the 36th PY by approximately \$500,000, due primarily to a reduced salary base and lower related costs associated with CAP 32. The reduced salary base and lower related costs impact General Fund revenue receipts which are projected to be approximately \$2.5 million less than in the 36th PY.

The other three 37th PY Con Plan entitlement grants, HOME Investment Partnership Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and the Emergency Shelter Grant (ESG) provide approximately \$4.8 million to support filled positions (direct salaries: \$3.7 million, related cost

reimbursement: \$1.1 million) for the year, providing full related cost reimbursement based on CAP 32.

The Proposed 37th PY Con Plan, inclusive of the four 37th PY Con Plan entitlement grants (CDBG, HOME, HOPWA and ESG), would provide approximately \$37.8 million (direct salaries: \$28.0 million, related cost reimbursement: \$9.8 million). The combined reduced salary base and lower related costs impact General Fund revenue receipts which are projected to be approximately \$2.7 million less than in the 36th PY.

It is a policy decision as to how and at what level the City will participate with City resources, specifically the General Fund, in funding the CDBG grant program activities. Further attempts to decrease the General Fund participation are likely to result in reduction of staff performing program delivery or cuts to programs themselves. In light of the City's fiscal constraints, efforts will continue to reduce the gap between General Fund participation and CDBG related cost reimbursement.

Attachments

- A CDBG Revenues and Expenditures
- B CDBG Expenditures Footnotes
- C CDBG Phase 2 Projects
- D HOME Resources and Expenditures
- E HOPWA Resources and Expenditures
- F ESG Resources and Expenditures
- G CDBG Prior Year Program Savings
- H CDBG Program Year 37 Sources and Cap Calculations detail
- I Council Requests
- J Departmental Impact Statements
- K CDBG Expenditure Policy and Guidelines

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FINDINGS

1. Estimated 37th PY Con Plan Resources

The 37th Program Year Consolidated Plan (37th PY Con Plan) for 2011-12 includes four federal grants for a twelve-month program year beginning April 1, 2010 through March 31, 2011. These U.S. Department of Housing and Urban Development (HUD) entitlement grants include the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) programs. The 37th PY Con Plan represents the fourth year of a Five-Year Action Plan for the period 2008-2012. At the January 12, 2011 meeting of the Housing, Community and Economic Development (HCED) Committee, the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) were requested to coordinate responses to questions raised relative to the proposed plan to allocate approximately \$158 million in federal funds.

The Mayor's Proposed 37th Program Year Consolidated Plan (37th PY Con Plan) budget is \$92.6 million, a reduction of approximately \$11.2 million (11%) from the 36th PY. This is due to a decrease in the actual, not estimated, entitlement amount for CDBG in PY36, decreases in sources of program income and partial payment of the carryover obligation in PY37. The 37th PY Con Plan budget as proposed in this report is based on entitlement estimates determined through discussions between the Mayor's Office, CDD and HUD representatives and anticipated program income and savings projections. The chart below provides a summary of estimated resources for the four Con Plan grants:

A	B	C	D	D - B
Source	36th PY	37th PY Mayor Proposed	CLA/CAO Recommended Budget	Year to Year Change Budget
CDBG	\$103,771,516	\$92,606,257	\$89,874,137	(\$13,897,379)
HOME	48,601,964	50,601,171	50,601,171	1,999,207
HOPWA	13,860,327	12,569,648	12,569,648	(1,290,679)
ESG	3,156,290	3,162,704	3,162,704	6,414
Totals	\$169,390,097	\$158,939,780	\$156,207,660	(\$13,182,437)

The Con Plan process requires community participation. The Community Development Department (CDD) and the Citizens' Unit for Participation conducted six community meetings in the fall of 2010 and January and February 2011 to solicit community comments on the Consolidated Plan. All written comments and concerns and their proposed disposition will be incorporated into the final Con Plan document submitted to HUD.

A. Community Development Block Grant (CDBG)

The CDBG funds included in this report total approximately \$89.9 million. This represents a decrease of approximately \$13.9 million from the prior

year's CDBG. The CLA/CAO proposed amount has changed from the Mayor's estimated proposal because of changes to projected program income, reprogramming amounts and the uncertainty of the City's entitlement funding. HUD will announce the City's final CDBG entitlement amount subsequent to the release of this report. Our Offices recommend adopting a twelve-month budget with an initial six-month spending plan in order to be prepared in the event the cuts to the CDBG entitlement are as drastic as approved by the U.S. House of Representatives. The plan incorporates two phases: Phase 1 (April 1, 2011 through September 30, 2011) and Phase 2 (October 1, 2011 through March 31, 2012). Once the City's entitlement is known, funding for Phase 2 can be determined at the appropriate adjusted levels.

It should be noted that this report represents a total reduction from the 36th Program Year of 13%, which includes a 7.5 percent reduction to the entitlement received in PY 36.

The Mayor's Proposed Plan included a recommendation to defer \$4.2 million of a \$7.4 million carry-in deficit to the 38th Program Year. This deficit originated with a \$13 million shortfall in program income in the 34th Program Year. The 34th and 35th Program Year CDBG budgets each accounted for a portion of this deficit; however, the deficit increased due to an over obligation in PY36. \$4.2 million remains as proposed in the Mayor's Plan. While HUD generally discourages carrying debt from one program year to another, paying the entire deficit at this time would require further cuts to proposed programs. Therefore, we recommend that a portion of the deficit (\$3.3 million) be paid in the 37th PY and the balance (\$4.2 million) be carried into the 38th PY. HUD has indicated to CDD that the continued carryover of such a deficit is a City policy decision and a responsibility of CDD, in the role of grant administrator, to manage the City's CDBG funds.

The 37th PY budgets for HOME, HOPWA and ESG are based on 36th PY entitlement amounts. Since these three sources fund programs that are administered by LAHD and operated by LAHD and the Los Angeles Homeless Services Authority (LAHSA), the extent of impacts resulting from further cuts have less of a Citywide impact. The potential impacts as a result of additional cuts, if any, are discussed below per grant source. Unlike the CDBG proposals, the recommendations contained in this report for these sources are based on an annual budget. However, like CDBG, this report does not contain recommendations for contracting authority. The LAHD is required to make recommendations to the Council and Mayor to amend the budgets for these programs and to provide impact statements based on the final entitlement amounts.

- B. **HOME.** HOME funds in the 37th PY are increased by approximately \$2 million (\$50.6 million compared with \$48.6 million in the 36th PY) due to an increase in program income. The 37th PY HOME Schedule is included as

Attachment D. If HR1 is approved, HOME funds would be cut by 10% in PY 37, reducing the project HOME entitlement amount from \$43.2 million to \$38.9 million. This would reduce the number of affordable rental housing units that could be built as well as impact LAHD's workforce. President Obama's FY 2012 Budget for the 38th PY (2012-13) would cut HOME from \$1.8 billion to \$1.65 billion, a 9.1% decrease from PY 36. This would represent a reduction to the City's HOME entitlement amount by \$3.9 million, from \$43.2 million to \$39.3 million.

- C. **HOPWA.** A decrease in HOPWA funding of approximately \$1.5 million is attributable to the expenditure of all prior-year savings. The 37th PY HOPWA schedule is included as Attachment E. There are no proposed cuts to HOPWA in HR1. President Obama's FY 2012 Budget for the 38th PY would cut HOPWA from \$8.58 billion to \$8.2 billion, a 4% decrease from PY 36. This would represent a reduction to the City's HOPWA entitlement amount by approximately \$0.5 million, from \$12.38 million to \$8.21 million.
- D. **ESG.** LAHD reports that the small increase (\$6,414) in ESG funds is attributable to a commensurate increase in program income. The schedule is included as Attachment F. There are no proposed cuts to ESG in HR1. Currently, no ESG cuts are expected. President Obama's FY 2012 Budget for the 38th PY would increase funds to homelessness assistance grants.

2. Non-Entitlement CDBG

The Mayor's Proposed Con Plan includes approximately \$14.7 million in non-entitlement CDBG funds consisting of approximately \$5.2 million in program and administrative savings and approximately \$9.5 million in program income. Our Offices reviewed both sources and determined that, to the best of our knowledge, approximately \$15.2 million in non-entitlement CDBG funds are available as PY37 resources. This represents an increase in funds available in PY37.

A. Program and Administrative Savings

Upon further examination of current and prior year CDBG-accounts, with the assistance of CDD, LAHD, and departments, our Offices have verified, to the best of our knowledge, that approximately \$6.2 million in program and administrative savings is available for reprogramming (Attachment G). This represents an increase in available resources of approximately \$1 million.

B. Program Income

The Mayor's Proposed Con Plan included approximately \$9.5 million in available program income for PY37. Our Offices reviewed program income sources using the same resources and have estimated that \$5.7 million in program income is available, to the best of our knowledge, as PY37 resources. This represents a decrease in available resources of approximately \$3.8 million. This decrease is

attributed to the Mayor's Proposed Con Plan assuming the sale of a property at 8101 S. Vermont Avenue in Council District 8, which, based on conversations with the Council Office, our Offices anticipate is unlikely to occur in PY37. Our Offices also included program income from the sale of a property at 10800 Central Avenue in CD 15 and an increase in the applicable credits based on actual averages over the past three years.

CRA 20-year CDBG Loans

In 2001, CRA amended a 20-year Block Grant Loan agreement with the City, thereby converting the terms to deferred notes (C.F. 01-2052). Under the existing terms of the loan, CRA agreed that the City provided \$3,294,000 to CRA as a 20-year loan with five percent interest. All unpaid principal and accrued interest on the loan was to be deferred and to be repayable in a lump sum upon the September 30, 2010 maturity date. CDD reported during the previous PY (C.F. 09-2665) that the amount owed would be approximately \$4.3 million. The estimate for PY36 program income anticipates that this sum will be paid in full in the 36th Program Year, along with additional CRA third-party loan obligations (\$1.1 million) for a total of \$5.4 million contributed from the CRA as program income.

When Council adopted the PY36 Consolidated Plan, the CRA was instructed to report back on the possible repayment of the full 20-year CDBG loan amount of approximately \$2.9 million (Contract No. 68887), plus all accrued interest totaling approximately \$1.8 million, for a total of approximately \$4.7 million (C.F. 09-2665).

Subsequent to the action relative to the 36th Program Year, the Council also instructed the CRA to report on a plan relative to the repayment of the 20-year CDBG loan amount of approximately \$6.4 million (Contract No. 65464), plus all accrued interest totaling approximately \$3.7 million, for a total amount of approximately \$10.1 million (C.F. 10-0646).

The CRA submitted a report on this matter in August 2010, which is superseded by their report dated November 15, 2010 (C.F. 10-2354). According to the CRA, the total amount due (principal and accrued interest) for the two loans is approximately \$14.9 million. The CRA presented three possible methods to repay the loans, but ultimately recommended a scenario wherein:

- \$5.3 million from Boyle Heights I/II and Lincoln Heights I, which never became Redevelopment Project Areas (RPA), would be forgiven;
- \$5.2 million from Central Business District (CBD), which expired in July 2010 but reached its legally-stipulated cap on tax increment receipts in Fiscal Year 1999-00, be deferred without interest until June 2014, and the CRA will report to Council in December 2013 regarding the availability of General Revenues to repay this obligation;

- \$4.1 million (\$0.5 million due on September 30, 2010 and \$3.6 million due on June 30, 2010) from the Hollywood RPA will be repaid in PY 36 or PY37 as determined by the Council; and,
- \$0.5 million due on September 30, 2010 from the North Hollywood RPA will be repaid in PY36 or PY37 as determined by the Council.

CDD submitted a report dated December 8, 2010 in response to the CRA's transmittal. CDD notes that the City cannot unilaterally authorize the debt forgiveness recommended by the CRA in their November 2010 report. CDD also reports that, because the loans were financed with federal grant funds, they would therefore require the concurrence of HUD. Further, CDD indicates that there is no immediate impact to the General Fund; however, if the Council directs CDD to write off (forgive) all or part of the loans, and HUD does not concur, the City may be required to repay the CDBG Trust Fund in full from non-grant sources.

According to CDD's transmittal, a total of \$72.2 million in CDBG loan funds is outstanding from CRA (Contract Nos. 65464, 68887, 80935, 82911 and 84762). However, based on information provided by the CRA, approximately \$21 million is due. According to CDD's records, all of the loans were included in the CRA's debt in its annual statement of indebtedness, which is submitted to the County of Los Angeles justifying the receipt of tax increment revenues.

Our Offices do not recommend forgiveness, or deferral, of the loans at this time. We are recommending that the CRA immediately repay a total of \$14.9 million from the various 20-year CDBG loans. Due to conflicting information provided by both the CRA and CDD regarding these loans, we are also recommending that CDD conduct a cash-flow analysis of all payments made by the CRA relative to the outstanding loans to determine the additional amount for which CRA must reimburse CDD. We are also recommending that the CRA meet with the CLA and CAO to develop a repayment plan for any and all outstanding CDBG loans, and report to Council with the proposed repayment plan for each of the loans.

Float Loans

There are three float loans identified in the Mayor's Proposed Plan as program income in PY36. Program income from PY36 is used to calculate the Public Services Cap for PY37. In analyzing the Proposed Plan, our Offices received conflicting information regarding float loans and the related program income. According to the HUD CFR Section 570.301, "unlike other projected program income, the full amount of income expected to be generated by a float-funded activity must be shown in the action plan containing the activity, whether or not some or all of the income is expected to be received in a future program year."

In an effort to ensure that a float-funded activity is only counted as program income in the action plan containing the activity, and to specifically identify the approval within the City that determines when that occurs (e.g. Council v. Mayor

approval), our Offices are recommending that CDD be instructed to report to the Council with a proposed amendment to the City's Float Loan Policy articulating a consistent policy that clearly indicates when and how float-funded activities are determined to be program income.

3. Public Services and Community Based Development Organizations (CBDO)

According to HUD regulations, the City may expend no more than 15 percent of CDBG resources on public service activities within the program year. The amount available for public services in the 37th PY Con Plan is highly dependent upon the estimated entitlement amount:

Public Services Calculation	
Public Services – Budgeted (annual estimate)	\$15,541,395
Entitlement Amount (includes federal reallocation)	\$77,983,283
Actual Program Income Receipts (based on 36 th PY)	28,154,793
Total Basis for Public Services Cap	106,138,076
Multiply by 15 percent	X 15%
Total Available for Public Services	\$15,920,711
Available Limit (Budgeted minus Available)	379,316

If the CDBG entitlement is cut by 62.5 percent, the Public Services Cap in PY37 would be reduced to approximately \$8.6 million. The CBDO activities are not subject to an expenditure cap. The details related to the calculation of the expenditure cap are included in Attachment H.

The following are a few noteworthy projects funded under the Public Services and CBDO categories:

Summer Night Lights (SNL) Program

The Mayor's Proposed Con Plan included \$1.7 million for this program, which would be expanded from 24 parks funded in PY36 to a total of 32 parks in PY37. According to the Mayor's Office, the SNL Program is funded with both public (CDBG and other public funds, 50%) and private funds (50%). As previously noted, one of the guiding principles in developing our recommendations was to preserve and maintain existing services at levels that keep these programs viable (though at reduced funding levels) which is why we are recommending funding of approximately \$1 million for the SNL Program in PY37.

When the Mayor's Con Plan was discussed in HCED in January 2011, the Mayor's Office staff committed to providing a list of parks to be included as part of the proposed program expansion. The Mayor's Office is still in the process of reviewing and analyzing crime data to determine which parks would be included. The funding for this program in Phase I is a reduction from the 36th PY funding level. Therefore, we recommend that the Mayor's Office report to Council with the list of parks that will be included in the Summer Night Lights Program during

Summer 2011 based on the adopted CDBG budget, and a list of parks in priority order that would be considered for program expansion if additional private or public funding becomes available.

Funds for Homelessness Prevention Programs

Proposed funding for programs that address homelessness and are administered by LAHSA, including administrative funding, generally experienced an overall cut of 10 percent from PY 36, assuming that the proposed Phase 1 funding (\$4.3 million) can be provided for a full one year. However, funding levels are proposed that would maintain current level funding to the following four LAHSA-administered Public Services programs: Homeless Emergency Shelter and Services, Streets or Services, Assistance to Homeless Families on Skid Row, Central City East Public Sanitation and Job Training and Placement. Based on input received from LAHSA, these activities are considered to be high impact programs. Further reductions would render these activities ineffective.

- As proposed, one activity, Homeless Emergency Shelter and Services, would be reduced by 13 percent, again assuming that the proposed Phase 1 funding could be provided for one year. The LAHSA reported that approximately 98 transitional housing beds (out of approximately 1,191, based on the initial funding request) throughout the City and the services associated with these beds would be discontinued. The LAHSA would likely not renew the contract with the lowest performing service provider, which would be determined following a review of performance data analysis.
- One Public Services program, Rent to Prevent Eviction, is proposed to be discontinued as its clients are eligible for similar assistance under another program. This program sought to reduce homelessness by providing one-time financial assistance to pay rent to households in need due to unforeseen (and not continuing) financial set-backs. Current year funding was \$138,000. The LAHSA reported that the same clients served by this program would be eligible for assistance through the LAHD and LAHSA-operated American Recovery and Reinvestment Act of 2009 Homelessness Prevention & Rapid Re-Housing Program (HPRP). The immediate service impact to prospective clients is not expected to be significant until the sunset of the three-year HPRP grant in late 2012. The CDD will be directed to report back to the Council and Mayor with a comprehensive assessment of the impact of all grant funding reductions on its programs, operations and administration.

HSDS/Family Source

Total funding in this report for the FamilySource Centers (FSC) (formerly the Human Services Delivery System, HSDS) is approximately \$5.2 million in Phase 1. This amount is approximately \$1.2 million less than the budget for this program in the 36th Program Year (assuming continuation of funding in Phase 2 at the same level). The FSC programs could also be impacted by the federal cuts proposed to the Community Services Block Grant (CSBG). According to

CDD, the bill (HR 1) passed by Congress on February 20, 2011 would result in a \$4.2 million reduction in funding to the FSC programs (C.F. 11-0137). If the reduction to CSBG is approved by the federal government, CDD reports that three of their 21 FamilySource Centers would be closed.

Community Arts Centers

On January 4, 2011, Motion (Garcetti-LaBonge-Hahn) was introduced regarding transitioning 15 City-controlled cultural art facilities to public-private partnerships, with an expectation to have an operator in place by January 2011 (C.F. 10-0773-S4). Various issues have arisen which impacted the timing of the release of the Request for Proposals (RFP) and the date by which the selected operators would begin to run each facility. As a result, the Department of Cultural Affairs (DCA) reported that all funds for the proposed RFP would be depleted by February 2011. DCA needs approximately \$400,000 to ensure that the facilities remain open through the end of the City's fiscal year.

DCA recommended that unexpended Council Civic Funds from FY 2009-10 are a possible funding source to cover these costs. The Motion instructed that: 1) all unallocated, unencumbered Council Civic funds from FY 2009-10 be transferred to DCA; and, 2) the CAO and CLA work with the Mayor to identify unallocated CDBG funds, and determine which facilities are CDBG-eligible to further assist DCA in continuing to operate the art facilities considered for the RFP.

On February 7, 2011, Budget and Finance approved the Motion as amended, which eliminated 1 (above) and instructed the CAO and DCA to meet with the relevant Council Offices (10, 13, 15 and 3) to discuss the possibility of using their surplus Civic funds and any CRA art funding that may be available in their Council districts. Funding of approximately \$130,000 will be transferred to DCA as part of the CAO's Mid-Year Financial Status Report.

Our Offices concur with the Mayor's recommendation to provide one-time funding of \$142,000 for the Community Arts Program in the 37th PY to keep the following centers open through June 30, 2011: William Grant Still Art Center (CD 10); Barnsdall Art Park Facilities (CD 13); and, Warner Grand Theater (CD 15). Funding for the Madrid Theatre is not included in the CDBG line item as project readiness and eligibility are yet to be determined.

4. Economic Development

Existing Small Business Support and Capacity Building

The Economic Development category of this report contains recommendations to fund the CDD-administered Los Angeles Business Assistance (LABAP) Programs and the existing ICON Business Outreach Program in Phase 1 to provide sufficient time for the completion of a Request for Proposals for the newly designed Los Angeles BusinessSource System (LABSS) which is expected to be operational in Phase 2. The LABSS would replace the LABAP Programs. The

Mayor's Proposed Plan includes \$2.5 million for the expansion of the services provided through the existing ICON Business Outreach Program and the LABAP Programs. Through LABAP, contractors provide technical assistance, support and growth resources to local businesses and low and moderate-income individuals seeking business start-up opportunities. The program is comprised of three specialized training and professional services components, including: 1) Microenterprise/Entrepreneur, 2) Targeted Retail Business, and 3) Growth Business Council.

In CDD's November 23, 2010 transmittal (C.F. 10-1901), the Department requested authority to implement its proposed redesign of the LABAP Program and to issue an RFP for the LABSS. The goal of the new LABSS is to increase the array and effectiveness of services available to small businesses in the City, and to assist small businesses expand their operations.

The Mayor's Proposed Plan includes \$2.5 million for the new Business Source Program. The RFP will establish eight newly branded City business centers located throughout the City. Selected contractors will operate the program in partnership with CDD. Priority may be given to community based organizations that have expertise in providing free or low cost assistance to small businesses. As discussed, the new LABSS will focus on providing services for small businesses. The Pre-startups (Entrepreneur) and Startups (Microenterprise) program components will be comprised of business classes in entrepreneurship and fundamentals of starting a business. The remaining business component will focus on providing assistance to growing companies. Program services will be designed to assist small businesses in enhancing their economic viability, increasing revenues and increasing operational performance.

In order to conduct the proposed RFP and fully implement the new LABSS, CDD also requested authority to extend the current LABAP contracts for three months.

On January 25, 2011, the Jobs and Business Development Committee approved CDD's request. Our Offices recommend extending the current contracts for six months; authorizing CDD to issue the LABSS RFP and report with recommendations regarding final selection and Phase 2 funding in the 37th Program Year. Although the Mayor is recommending expansion of the existing program as part of its re-design, given the potential reductions in CDBG funds, our Offices are not recommending additional funding to expand the program in Phase 2. When CDD seeks Council approval for the LABSS RFP and resulting contracts, the Department will need to address the impact to the re-designed program, given the reduction in funding.

The LABAP contract amendments, as well as the LABSS RFP and its resulting contracts, will be subject to the review of the City Attorney as to form, compliance with the City's contracting policies prior to execution, available CDBG funding, and City priorities.

Business Incubators

The Mayor's Proposed Plan recommends funding for the Los Angeles CleanTech Business Incubator (\$1 million), to be developed in cooperation with the Department of Water and Power which has purchased a building for this purpose and the CRA, and a Port Tech Business Incubator (\$1.5 million), a new project proposed in PY37.

Business incubators are designed to create conditions conducive to the growth of young firms by providing the following services: physical space, capital, coaching, and networking connections. Other goals include: facilitating economic development, job creation, building or accelerating growth in a local industry, and retaining businesses in a community. Incubators are often sponsored by economic development organizations, government agencies, or academic institutions. Incubators have been established in various cities throughout California, including: San Francisco, San Jose, San Diego, and Santa Ana.

Los Angeles CleanTech

This is an existing project, which received \$2 million in CDBG funds in PY36. Phase 1 funding is recommended in the amount of \$880,000 is recommended in this report. Recommended funds will be administered by the CRA and utilized for building improvements to create a common space for use by start-up businesses in the Clean Tech industry. The Los Angeles CleanTech Incubator (LACT) is a non-profit entity launched to accelerate the development of emerging clean technology (e.g., solar) companies in Los Angeles to facilitate the growth of new local businesses and clean technology jobs. LACT states that it will offer clean technology start-ups flexible office space, coaching and mentoring services, assistance in commercializing technology, peer-to-peer networking, and financing assistance. The CleanTech incubator contemplates leveraging PY36 and PY 37 CDBG funds, tax increment funds from the CRA, and Economic Development Administration Grants from the U.S. Department of Commerce.

Funds would be used to create an organizational structure to administer the Incubator in a temporary facility in the Arts District. After all sources of funds have been secured, the Los Angeles CleanTech Incubator would undertake capital improvements to an existing DWP-owned building located at 531 S. Colyton Street in CD 14 for core and shell improvements, tenant improvements, and public improvements, such as sidewalk and street repair, in order to create a DWP Innovation Campus located. In addition, the CleanTech Incubator plans to establish satellite locations at the University of Southern California and the University of California, Los Angeles.

As previously mentioned, the Governor's proposed State budget includes elimination of redevelopment agencies statewide. The recommendations contained in this report to fund CRA projects, like the Clean Tech Business Incubator, if approved, may be affected by State action. If the State action is approved as currently proposed, the CLA/CAO will report with anticipated

impacts to CDBG-funded projects, and the continued implementation of the projects.

PortTech LA

PortTech LA is a 501(c)(3) non-profit organization incorporated in January 2009 that focuses on identifying and recruiting technology companies to help the maritime industry meet environmental, energy, transportation, and security goals of the Port of Los Angeles region. Since 2009, PortTech LA has hosted two client companies: Marine Oil Technology and Advanced Algae, Inc. PortTech LA has leveraged funds from foundation grants, corporations, Los Angeles County Supervisor Don Knabe, and the Port of Los Angeles.

PortTech LA applied for \$2 million in CDBG funding to purchase and renovate a facility in downtown San Pedro to house its incubator operation. As this is a new project, it is not recommended for funding in Phase 1. However, our Offices are recommending that it be considered for funding in Phase 2, subject to project readiness and funding availability.

Other Economic Development Projects

Additional economic development projects recommended for funding in the Mayor's Proposed Plan are District Square, Marlton Square, Calko Industrial Expansion, Gensler Business Attraction, Northeast Valley Industrial Expansion, Pico Blvd. Commercial BID and Wilmington Industrial Tract Expansion Projects. Together, these projects represent \$5.2 million in CDBG funding. We recommend \$2.83 million in PY37-Phase I funding for District Square (\$880,000), Marlton Square (\$1,320,000) and the Gensler Business Attraction project (\$630,000). District Square and Marlton Square both have a significant investment of City and/or CRA funds, and require these additional allocations to leverage final sources of funds to complete the projects and acquire the final parcels of land, respectively. The CRA has identified other sources that will serve to provide the balance of the funding. The Gensler project is significant because of the jobs it will generate. The firm will bring 250 employees to the City, and plans to grow to 360 employees over a five-year period.

In addition to the funding being recommended, we have also included an instruction to the CLA and CRA that the Calko and the Northeast Valley Industrial Expansion projects are considered for funding from the CRA's Proposed Economic Development Opportunity Fund (C.F. 10-2324) and that the Pico Blvd. BID Support is given consideration in Phase 2, subject to project readiness and funding availability.

4. Housing Programs

Proposed funding to existing LAHD-managed activities would result in an overall cut of 13 percent (prorated for 12 months) from PY36. However these cuts are not applied equally across all LAHD's activities. We have proposed funding levels

that would maintain current level funding to one program, the Urgent Repair Program, because it was identified by LAHD to be a high impact and highly subscribed program. The Mayor also proposed the discontinuation of one program, the Home Secure (HS) Program, for PY 37. The following recommendations are based on input received from the Department.

- The HS Program sought to increase the independence of elderly and disabled residents within the City by modifying (as necessary) their living environments with the installation of such features as locks, peep holes, grab bars and tub attachments to enhance the safety and security of their homes with \$400 grants. The LAHD expects to refer prospective clients to the Handyworker (HW) Program. The HW Program provides minor home repair services to low-income elderly and disabled residents. Grants are for up to \$5,475 per client for safety, accessibility and security-related repairs or improvements. Our recommended funding to the HW Program (\$4.1 million, assuming continued funding in Phase 2) is a 16 reduction from PY 36. Based on input received from LAHD staff, this cut would result in funding reductions to contractors.
- For the Urgent Repair Program (URP), proposed funding will maintain current level funding (\$300,000, assuming continued funding in Phase 2) due to the high demand and impact of this activity. The URP provides funding for an immediate response to life-threatening conditions in multi-family rental units. When LAHD's Systematic Code Enforcement Program (SCEP) issues a 48-hour Notice to Correct but the owner does not comply, LAHD's contractor makes the repairs. This prevents homelessness, preserves the tenancy of the occupants by preventing their evacuation, and preserves affordable housing. In 2010, LAHD reports that 82 invoices were received totaling \$345,631, ranging from \$506 to \$27,621 (averaging \$4,320). In 2009, 69 invoices were recorded totaling \$287,773, ranging from \$97 to \$16,229 (averaging \$4,170 per repair).

Other significant proposed reductions would impact the Homeownership Assistance and Rehabilitation Comprehensive Programs.

- Homeownership Assistance. As proposed, funding is reduced by 38 percent, from \$2.8 million in PY36 to \$1.7 million (assuming continued funding in Phase 2), which will be managed by LAHD through staff vacancies and by directing staff to bill time to the Neighborhood Stabilization Program (NSP) where appropriate. Also, no LAHD-funded homeownership loans will be issued. Homeownership Assistance staff will also issue State Mortgage Credit Certificates (MCC), process soft second loan applications and process foreclosure prevention applications for a pilot foreclosure prevention program in Council Districts 6 and 7 that is expected to have an initial allocation of \$1.2 million. Staff will also be able to process applications through the Disaster Recovery Initiative (DRI) utilizing \$1.75 million to provide purchase assistance to victims of the 2008 Sayre wildfire who lost their homes. The LAHD expects to apply for another \$30 million in MCC authority in March 2011. This request is pending Council action (C.F. 11-0223). The LAHD has also received grants

from the California Department of Housing and Community Development, such as two CalHome grants totaling \$3 million to provide purchase assistance loans to 50 low-income first time homebuyers and numerous Building Equity and Growth in Neighborhoods Program (BEGIN) grants to be utilized for low and moderate income homebuyers to purchase project-specific new construction properties. Most of these programs do not provide operating cost funding.

- Rehabilitation Comprehensive. As proposed, funding is reduced by 42 percent, from \$2.8 million to \$1.6 million (assuming continued funding in Phase 2), which will be managed by LAHD through staff vacancies and by directing staff to bill time to the NSP by as much as 40% where appropriate. Funds will be used for CDBG program delivery costs associated with loans and loans to homeowners that are issued through other federal and state programs, such as the State CalHOME and federal NSP. The proposed reduction factors in that staff still work on non-NSP CDBG activities. However, staff will charge directly to NSP whenever they work on NSP activities.

On February 25, 2011, the Council authorized LAHD to submit an application to HUD relative to an award of the NSP3 grant, including an instruction to report to Council on opportunities to shift costs traditionally billed to CDBG to the NSP grants (C.F. 11-0223). The LAHD will prepare a report back to the Mayor and Council in conjunction with requesting authority to execute a Grant Agreement with HUD for acceptance of \$9.9 million in NSP3 funds. It should be noted that the February 20, 2011 U.S. House of Representatives HR 1 proposal also included a proposal to rescind all non-obligated NSP2 funds. If passed, LAHD would experience potential layoffs of NSP2 funded employees.

5. Neighborhood Improvements

The Neighborhood Improvements category of the Mayor's Proposed CDBG budget includes \$7.4 million in funding for Citywide and area-specific improvement projects. Due to the unknown economic impact of the Federal Budget, no new projects were recommended for funding at this time. We recommend providing funding for the following projects in the 37th Program Year, which are continuing or leveraging other resources: Boyle Heights Neighborhood City Hall; East Hollywood Gardening Achievement Center; Strathern Park North Restrooms; Lincoln Heights Senior Center Restroom Restoration; the next phase of the Sun Valley and Pacoima Street Lighting Project; and, the Pico, Venice and Washington Boulevard Streetscape.

We also recommend that any of the projects included in the Mayor's Proposed Con Plan that are not recommended for funding in Phase 1 be re-evaluated when the budget for Phase 2 is being prepared by the CLA/CAO to determine if these projects are eligible and shovel ready. Potential funding for these projects would be considered in conjunction with efforts to provide continued funding for Phase 1 projects.

6. Funds to the Community Development Department

Proposed funding to existing CDD-managed activities that also fund staff (or require ongoing staff support) would result in a 14 percent reduction in CDBG funding, assuming that the proposed Phase 1 funding (\$9.5 million) could be provided for a full one year. However, new activities were added for PY 37 which increased the overall funding level from PY36 levels, revising the reduction to CDD to an overall cut of 11 percent, again assuming that the proposed Phase 1 funding (\$9.8 million) is prorated for 12 months. This is an overall reduction of \$2.5 million from PY36.

- Neighborhood Facility Improvements. The most significant reduction (55 percent) would impact the Neighborhood Facility Improvements line item. For PY 36, the total funding was \$1.2 million. Proposed funding in this category (\$540,000 as an estimated annual amount) is sufficient to cover staff costs and some expenses for property management work. The Mayor proposed reducing this activity to \$600,000 which would pay for staff costs only to screen and implement CDBG-funded, City or nonprofit-owned acquisition, construction, and/or renovation projects. In past years, this line item was also used to pay for unexpected facility improvement repairs to 49 City-owned buildings that may arise during the year. These buildings do not receive General Fund support for building maintenance and repair as they were acquired with grant funds. At this time, it is unclear as to how future repair needs will be addressed. It is recommended that CDD report to the Council with details of how the funds will be used, and a breakdown between staff and program costs.

Commission for Community and Family Services (CCFS). Proposed funding for this activity represents an increase of 733 percent, from \$30,000 to \$250,000 (based on a pro-rated annual amount). Work that was previously performed by the Citizen's Unit for Participation (CUP), which is discontinued, has been replaced by the CCFS. The transfer of CCFS into CDD was intended to eliminate duplication of effort and save the General Fund approximately \$2.3 million in General Funds. The Mayor's proposed funding (\$303,562) included the expansion of the CCFS activity level to include building partnerships with the County of Los Angeles and other local agencies. In June 2010, the Council and Mayor authorized the transfer of the Commission for Children, Youth, and Their Families (CCYF) to CDD and consolidation with the CUP to form a new Board of Community and Family Services Commissioners (Board) to be supported by CDD through CDBG funding (C.F. 10-0707; Ordinance No. 181192). At the time of the functional transfer into CDD, there was an initial expectation that the Department would absorb this responsibility within existing CDBG resources. Therefore, CDD is instructed to report on the costs of this program and efforts to reduce or absorb the costs consistent with Council action.

Human Relations Advocates (HRAs). This is a new activity that was added to the Public Services category following the transfer of this function to CDD in 2010-11 (C.F. 10-0706-S1; Ordinance No. 181193). Initial CDBG ARRA funds and

Workforce Investment Act (WIA) ARRA Rapid Response funds were identified for the period of April 1, 2010 through March 31, 2011 to pay for this staff. Our proposed funding for this activity in PY 37 is \$403,176 (based on a pro-rated annual amount). Like CCFS, there was an initial expectation that the Department would absorb this responsibility within existing CDBG resources. Therefore, CDD is instructed to report on the costs of this program and efforts to reduce or absorb the costs consistent with Council action.

Two activities are proposed for elimination within the Administrative and Planning Section due to the limited CDBG resources, the expenditure cap in this category and the CLA/CAO's efforts to preserve the City's workforce and reduce the General Fund participation level (through related cost reimbursements).

- Capacity Building. Current year funding was \$92,400. The Mayor proposed maintaining current year funding at \$92,400. Over the past few years, consultants have trained nonprofit organizations at no cost in areas such as improving organizational operations, fundraising and quality of service delivery. The goal has been to help nonprofits in maintaining or increasing their level of service due to declining CDBG funds. No funds were recommended for this as it is a contracted activity. In addition, there are alternative sources for technical assistance of this type, though some of these services may have fees associated with them.
- Consolidated Plan Application System (CPAS) and Policy Development. Current year funding was \$172,273. The Mayor proposed funding this activity at \$89,500. Funds would be used to provide system enhancements to the CPAS to establish a comprehensive grants management system. No funds are recommended at this time consistent with our effort to not fund expansion activities.

CDD provided an impact statement to demonstrate how a 12 percent cut would potentially impact their operations. However, the Department requested an opportunity to allow their Executive Management to propose appropriate areas for reduction or elimination reflective of the final entitlement award and Council and Mayor action. As examples, CDD reported that a 12 percent reduction to their operations could result in the potential elimination of at least five programs, the elimination of approximately eight full-time positions, reduced staff support to other activities and a reduction in non-labor costs across all line items. The CDD would like to maintain current level or minimum reductions within identified priority programs. This information was received on February 25, 2011 and, given the short timeframe, we were unable to incorporate these responses into our recommendations. However, there is merit in considering the recommendation to allow CDBG-recipients receiving funds across more than one category, such as CDD, LAHD and LAHSA, to provide alternative proposals that maintain the overall reductions, provided that such adjustments do not exceed established expenditure caps or funding levels.

7. Section 108 Debt Service

The Proposed CDBG Budget contains two line items for CDD and LAHD Section 108 Debt Service. These are funds due to HUD for the repayment of Section 108 loans.

A. LAHD

The proposed CDBG allocation for LAHD's Section 108 debt service has been increased to approximately \$4.4 million in order to reflect full requirement payment and to ensure that funds are set aside for this purpose are eligible and available to meet the City's debt obligation in a timely manner. The first payment of \$3.9 million is due in July 2011 and a second payment of \$0.5 million is due in January 2012. Based on specific guidance from HUD, the City cannot use other grant funds, such as HOME funds, for repayment on Section 108 debt service. Therefore, CDBG funds are necessary to meet LAHD's entire Section 108 debt service obligation for the 37th PY. It is recommended that the first payment be allocated in Phase 1 and the second payment in Phase 2.

B. CDD

The CDD's total Section 108 loan obligation is approximately \$7.9 million. Of this amount, \$7.25 million will be offset with funds from loan beneficiary repayment receipts. Unlike LAHD's Section 108 receipts, this amount is not included as a source of funds to the City's Con Plan. This is due in part by the way the loans were structured. CDD reports that the loan repayments from the borrowers are pledged as a guarantee to the City's loan agreements with HUD. Use of these receipts as a source of funds for the Con Plan would place CDD in jeopardy of breaching the terms of the loan agreements.

As indicated above, CDD's Section 108 debt service obligations exceed the Department's receipts on these loans by \$650,000. The Mayor's Proposed Con Plan provides an allocation to cover this deficit, and this report includes the allocation in Phase 2.

8. Council Requests

In the course of reviewing the Mayor's Proposed Con Plan, several Council Offices have contacted our Offices with requests for additional funding for projects or restoration of funds proposed for reprogramming by the Mayor. The requests for additional funding for projects are summarized in Attachment I to this report. We recommend that these projects and any of the projects that were recommended for funding by the Mayor, but are not included in the CLA/CAO's recommendations for Phase 1 be given consideration along with continuing Phase 1 projects when the Phase 2 budget is prepared, and also over the course of the Program Year when funds are identified for reprogramming, along with the other priorities identified by the Council when the Plan was considered by HCED, and City priorities, such as limiting the General Fund participation. Due to the

unknown economic impact of the Federal Budget and the City's actual entitlement, our Offices were unable to recommend restoring funding to any of the Council's projects that were proposed for reprogramming by the Mayor.

9. Administration/Planning and Related Cost Recovery

Expenditure Threshold

According to CDBG regulations, the City may expend no more than 20 percent, or \$18.1 million on administrative and planning activities. Just as the public services cap is significantly impacted by the amount of entitlement funding available, the administrative/planning cap is similarly vulnerable to fluctuations. The amount available for these activities is based on the calculations below and represents a decrease of approximately \$1.2 million) from PY 36:

Administrative/Planning Calculations	
Administrative/Planning Activities – Budgeted (estimated annual)	\$18,104,986
Entitlement Amount (includes federal reallocation)	\$77,983,283
Projected Program Income Receipts (based on 37th PY assumptions)	12,621,647
Total Basis for Admin./Planning Cap	\$90,604,930
Multiply by 20 percent	X 20%
Total Available for Admin./Planning Activities	\$18,120,986
<i>Available Limit (Budgeted minus Available)</i>	<i>\$16,000</i>

Projected program income used to calculate the Administrative/Planning cap includes Section 108 Program repayment, LAHD-monitored loans receipts, sale of various City properties and float loan receipts (Attachment H). The Administrative/Planning cap availability is fully allocated in order to maximize reimbursements for City staff administrative and planning activities and their associated related costs. The Administrative/Planning cap in PY37 includes approximately 150 Full-Time Equivalents (FTE).

If the CDBG entitlement is cut by 62.5 percent, the Administrative/Planning cap in PY37 would be reduced to approximately \$8.4 million. If the cap were cut this drastically, it could potentially impact approximately 100 FTE (based on an assumption that the salary and associated related costs for each position can be averaged). This only represents a portion of the positions funded by CDBG. If such drastic cuts were required, many more employees could potentially be impacted.

Related Cost Recovery

The Proposed 37th PY Con Plan would provide approximately \$33 million to cover City positions (direct salaries: \$24.3 million, related cost reimbursement at CAP 32: \$8.7 million). It is anticipated that the General Fund would contribute approximately \$2.8 million for related costs. This reduces the level of continued

General Fund participation from PY 36 by approximately \$500,000. The need for some level of General Fund participation is due in part to CDBG cap limitations in the Public Service and Administrative and Planning programs. As previously mentioned, the CDBG imposes an administrative cap or limit on the amount of grant funds that can be spent for administration of the grant. The City can choose to pay for the Grant Administration cost, direct and indirect, with CDBG grant funds (up to the Administrative Cap limit) or with General Fund dollars or with a combination of both sources.

It should also be noted that if further reductions occur to the PY 37 CDBG entitlement amount as a result of congressional action, funds available to pay for positions and related costs are likely to be reduced. Further, the amount for unreimbursed related costs is a fluid number as it is solely based on the CAP rate and staffing levels and does not take into account additional positions that may become vacant through the course of the year. Related cost reimbursements are billed by the Controller generally for filled positions only and are computed and budgeted as a General Fund revenue item. This revenue is reduced to the extent that CDBG-funded Departments are impacted by furloughs, retirements and layoffs.

It is therefore recommended that the Council and Mayor continue the hiring freeze on all CDBG funded positions during PY37, or until subsequent Council and Mayor action. It is also recommended that Con Plan funded departments report back with options to reduce General Fund impacts, including instituting furloughs, and information relative to resulting program, service and workload impacts that will result from funding reductions.

Indirect Costs

A study released by the CAO in March 2009 indicated that the City Cost Allocation Plan (CAP) indirect cost rates, as computed by the City Controller, are appropriate for use in billing federal grants (C.F. 08-2623). Federal regulations require the City to prepare a CAP in accordance with federal guidelines and Generally Accepted Accounting Principles (GAAP) in order to determine the appropriate rate of federal reimbursement of the City's indirect costs associated with grant-funded activities. The indirect costs for the 37th PY Con Plan are calculated using CAP 32, which is the City's most recently approved CAP. This is consistent with the CAO's practice to apply the CAP rate most recently approved to the salaries in the Con Plan. CAP 33 indirect cost rates are now being calculated by the Controller. The review process required by the Federal Government could change CAP 33 rates and is not anticipated to be completed until late 2011; therefore, the use of CAP 32 rates is strongly recommended.

It should be noted that CDD recently raised a question regarding whether a review of CAP rates applied during recent years should be undertaken. The purpose of such a review would be to identify funds that might be owed to the CDBG fund as 'overpayments' due to anticipated CAP rates being reduced for a given program year. Conversely, any 'underpayments' to the General Fund

might be considered for reimbursement. Whether this type of review should result in reconciliation of CDBG funds, and if so, during what period of time, is a question that may have broader implications for other grant funds, the City General Fund, and City-wide policies and therefore should be addressed in a separate report.

It is an ongoing City policy to recover indirect costs from grants and special funds to the greatest extent possible. The City's Financial Policies state that the City will pursue grants for programs, but will limit financial support of these programs to avoid commitments beyond available funding. CDBG funds can be used to pay for direct or indirect Administration costs or a combination of both, up to the Administrative/Planning cap amount. Applying the indirect cost rates included in the approved CAP 32 identifies the maximum amount the City can charge to CDBG, which is approximately \$11.5 million. During PY 36, CAP 31 was applied, resulting in a maximum amount of approximately \$14.5 million. This reduction in the maximum amount eligible to charge CDBG directly impacts the CDBG funds that can be used to reimburse the General Fund for related costs; therefore, CDBG revenue receipts are projected to be approximately \$2.5 million less than in the 36th PY. CDBG funds can be used to pay for direct or indirect Administration costs or a combination of both, up to the Administrative/Planning cap amount.

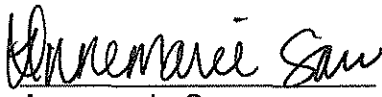
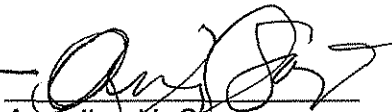

It has been difficult to achieve full General Fund reimbursement for related costs for CDBG operations in recent years due to changes in grant entitlement amounts and program income coupled with increased CAP rates and obligatory costs. These changes are exacerbated in the 37th PY Con Plan because the Budget assumes a significant decrease in overall resources from PY 36 and thereby a reduction to the amount of CDBG funding available to pay for both direct and indirect costs related to staff program delivery. Any amount of total grant administration or program delivery cost that exceeds the allowed CDBG administrative cap will continue to be covered by the General Fund, but to a lesser extent through the recommendations in this report. Budgeting costs are further impacted by the carry-over deficit incurred in the 34th and 36th Program Years, which has the effect of reducing available resources

It is recommended that, in order to minimize overall impact on the General Fund for indirect costs, CDBG-funded departments submit billing and reimbursement documentation relative to related costs on a monthly basis to the CDBG fund administrator, CDD, and that departments promptly pay related costs accordingly. The status of related costs is reported in each the CAO's Financial Status Reports and analysts provide projections for anticipated revenue as part of the reporting requirement. CAO analysts will continue to review revenue projections for their liaison departments and will bring shortfalls to their departments' attention.

10. Departmental Impacts and Contract Authorities

Departments were requested to provide statements regarding the impact of the Mayor's Proposed 37th PY Con Plan, and the impact with additional 10 and 15% reductions from PY36. We have provided copies of the responses we received to date (Attachment J). Our Offices reviewed these responses in making funding recommendations. This information may also be valuable in establishing future funding priorities.

City departments must obtain Council and Mayor approval prior to executing contracts with agencies funded through the 37th PY Con Plan. Due to the uncertainty regarding funding and impacts to services, all CDBG-implementing departments are instructed to submit contract authority requests within two weeks of Council and Mayor approval of the 37th PY Con Plan to the CLA and CAO.

		
Annemarie Sauer	Angelica H. Samayoa	Trina Unzicker
Analyst	Sr. Administrative Analyst II	Sr. Administrative Analyst II

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A		B	C	D	E	F	F-1	G	H
No.	Project	Council District	2008-2009 Adopted Budget (34th PY - 1) CF 08-0097	2009-2010 Adopted Budget (35th PY - 2) CF 09-0372	2010-2011 Adopted Budget (36th PY - 3) CF 09-2665	2011-2012 Mayor's Proposed (37th PY - 4) CF 10-2440	2011-2012 CAO/CLA Recommended (37th PY - 4)	\$\$ Change from 2010-2011 (Col. F1-E)	% Change from 2010-2011 (Col. G/E)
REVENUE / RESOURCES									
1	Entitlement		\$ 70,901,045	\$ 71,650,643	\$ 78,868,840	\$ 77,451,953	\$ 77,451,953	\$ (1,416,887)	-2%
2	Federal Reallocation		552,098	531,330	531,330	531,330	531,330	-	0%
3	Total New Year Federal Funding		71,453,143	72,181,973	79,400,170	77,983,283	77,983,283	\$ (1,416,887)	-2%
4	Program Income		19,731,022	19,721,375	16,291,176	12,691,647	9,019,734	(7,271,442)	-45%
5a	Over Obligation Carried Over from Prior Year (Deficit/Surplus)		(13,169,322)	(7,789,041)	(1,876,937)	(7,433,294)	(7,513,294)	(5,636,357)	
5b	Over Obligation Being Carried Over into Next Year (Deficit)		6,584,661	4,404,298	4,303,223	4,195,031	4,195,031	(108,192)	
6	Available Program Income		13,146,361	16,336,632	18,717,462	9,453,384	5,701,471	(13,015,991)	-70%
7	Program and Administrative Savings		12,817,207	5,399,379	5,653,893	5,169,590	6,189,383	535,490	9%
8	TOTAL RESOURCES		\$ 97,416,711	\$ 93,917,984	\$ 103,771,525	\$ 92,606,257	\$ 89,874,137	\$ (13,897,388)	-13%
TOTAL PHASE 1 RESOURCES (APRIL 1-SEPTEMBER 30, 2011)							\$ 49,863,900		
TOTAL PHASE 2 RESOURCES (OCTOBER 1, 2011-MARCH 31, 2012)*							\$ 40,010,237		
PHASE 1 FUNDING RECOMMENDATIONS									
<i>Refer to Attachment B for recommended funding descriptions for Phases 1 and 2.</i>									
A		B	C	D	E	F	F-1 2011-2012 Phase 1 CAO/CLA Recommended	G	H
PUBLIC SERVICES									
9	Aging Services Delivery System (PS)	Citywide	\$ 416,072	\$ 416,072	\$ 416,072	\$ 382,786	\$ 183,072	(49,929)	-12%
10	AIDS Prevention	Citywide	885,355	885,355	1,085,355	998,527	\$ 488,410	(108,536)	-10%
11	Bank on LA Initiative	Citywide							
11	Cash for College	Citywide	70,285	70,285	70,285	64,662	\$ 30,925	(8,434)	-12%
12	Computerized Information Center (Dept. of Disability)	Citywide	142,175	155,484	155,484	143,045	\$ 68,413	(18,658)	-12%
13	Construction Training and Placement Initiative	Citywide	300,000	300,000	300,000	200,000	\$ 132,000	(36,000)	-12%
14	Domestic Violence Shelter Operations	Citywide	2,950,688	2,950,688	2,950,688	2,714,633	\$ 1,327,810	(295,069)	-10%
15	FamilySource Centers (PS)	Citywide	1,521,790	1,521,790	706,099	649,611	\$ 317,745	(70,610)	-10%
16	Foreclosure Technical Assistance	Citywide	100,000	100,000	-			-	
17	Green Retrofit and Workforce Program	Citywide		225,000		-	-	-	Restored
18	Hire LA 16-24 Youth Employment	Citywide	300,000	300,000	475,000	437,000	209,000	(57,000)	-12%
19	Human Relations Advocates	Citywide				458,154	201,588	403,176	New
20	LAHSA - Homeless Emergency Shelter & Services	Citywide	-	-	2,177,051	2,002,887	951,326	(274,400)	-13%
21	LAHSA - Rent to Prevent Eviction	Citywide	150,000	150,000	150,000	138,000	-	(150,000)	-100%
22	LAHSA - Streets or Services	Citywide			185,987	171,108	92,994	-	0%
23	LA's BEST	Citywide	628,000	628,000	628,000	577,760	276,320	(75,360)	-12%

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A	B	C	D	E	F				
24	Youth Recreation and Nutrition Program	Citywide	1,357,189	1,357,189	1,357,189	1,248,614	610,735	(135,719)	-10%
	Subtotal - Citywide			9,059,863	10,657,210	10,186,787	4,890,336	(876,539)	-8%
25	Community Arts Program	10,13,15				142,000	142,000	142,000	New
26	FamilySource Centers--City managed	1,7,10,14,15	2,328,381	2,104,243	1,902,100	1,749,932	855,945	(190,210)	-10%
27	Housing Authority - Community Service Centers	1,7,10,11,14,15	434,032	434,032	334,032	307,309	146,974	(40,084)	-12%
28	Youth Opportunities Movement - SFV, Boyle Hts & Watts	7,14,15	667,850	675,835	840,722	773,464	369,918	(100,887)	-12%
	Subtotal - Multiple Council Districts			3,214,110	3,076,854	2,972,705	1,514,837	(189,180)	-6%
29	Computer Literacy Program - Project Tech	10		50,000	100,000	75,000	44,000	(12,000)	-12%
	Fresh Fruit and Vegetable Delivery Program	9							
30	LAHSA - Assistance to Homeless Families on Skid Row	9			133,051	122,407	66,526	-	0%
31	LAHSA - Central City East Public Sanitation	9			312,000	287,040	156,000	-	0%
32	LAHSA - Emergency Shelter for Chronic Homeless - Downtown	9	500,000	500,000	500,000	460,000	240,000	(20,000)	-4%
33	LAHSA - Emergency Shelter for Chronic Homeless - Hollywood	13	625,000	625,000	625,000	575,000	300,000	(25,000)	-4%
34	LAHSA - Job Training and Placement (formerly named Valley Chrysalis)	6	50,000	50,000	50,000	46,000	25,000	-	0%
35	LAHSA -Gramercy Housing Group	10		87,000	-			-	
36	PALS Youth Center	12				40,000	-	-	New
37	Prevention Services for Youth at Risk	15	209,475	178,054	178,054	163,810	78,344	(21,366)	-12%
38	Soledad Enrichment Action	14			50,000			(50,000)	-100%
39	Youth Opportunities Movement HS-Watts	15	200,000	200,000	200,000	184,000	88,000	(24,000)	-12%
	Subtotal - Individual Council Districts			1,690,054	2,148,105	1,953,257	997,869	(152,366)	-7%
	Phase 2 Allocation - Public Services						877,312		
	Subtotal - Public Services			\$ 13,964,027	\$ 15,882,169	\$ 15,112,749	\$ 8,280,354	\$ (340,774)	-2%
	CAP for PUBLIC SERVICES				\$ 15,682,169	\$ 15,932,711	\$ 15,920,711	\$ 238,542	2%
				15%	15%	16%	9%		
SPECIAL ACTIVITIES BY CBDOS									
40	Aging Services Delivery System (CBDO)	Citywide	\$ 1,246,253	\$ 1,246,253	1,246,253	1,146,553	548,351	(149,550)	-12%
41	Clean and Green	Citywide	1,034,045	1,034,045	1,034,045	951,321	454,980	(124,085)	-12%
42	FamilySource System (CBDO)	Citywide	8,963,617	8,463,618	9,028,513	8,306,232	4,062,831	(902,851)	-10%
43	Fresh Food Access Program (CBDO)	Citywide		128,655	230,039	425,039	187,017	143,995	63%
44	GRYD Summer Night Lights	Citywide	65,092	874,881	1,124,881	1,749,760	1,012,393	(112,488)	-10%
45	LAHSA - Special Economic Development Opportunities	Citywide	4,191,791	4,191,791	4,191,791	3,856,448	1,886,311	(419,170)	-10%
46	LITE Homeless Portal (CDD - Homeless Workforce Center / Job Training and Placement)	Citywide	250,000	250,000	500,000	250,000	125,000	(250,000)	-50%

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							F-1 2011-2012 Phase 1 CAO/CLA Recommended		
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47	Office of Community Beautification (CBDO)	Citywide	815,727	815,727	1,160,727	815,727	407,864	(345,000)	-30%
	Subtotal - Citywide			17,004,970	18,516,249	17,501,080	8,684,746	(2,159,150)	-12%
48	Day Laborer (CBDO)	1,2,6,7,8,9,10,15	1,016,832	1,206,472	1,206,472	1,109,954	530,848	(144,777)	-12%
	Subtotal - Multiple Council Districts			1,206,472	1,206,472	1,109,954	530,848	(144,777)	-12%
49	Clean Streets Clean Neighborhoods	1	200,000	200,000	100,000	92,000	44,000	(12,000)	-12%
50	Fuego Tech Fire Rangers	14	50,000	50,000	50,000	46,000	22,000	(6,000)	-12%
51	Project SAVE	10	450,000	550,000	600,000	552,000	264,000	(72,000)	-12%
52	Rita Walters Learning Complex - CBDO	8	829,451	787,978	787,978	724,940	346,710	(94,557)	-12%
53	River Keepers (formerly River Rangers)	1	150,000	150,000	250,000	230,000	110,000	(30,000)	-12%
	Subtotal - Individual Council Districts			1,737,978	1,787,978	1,644,940	786,710	(214,557)	-12%
	Subtotal - Special Activities by CBDOs			\$ 19,949,420	\$ 21,510,699	\$ 20,256,974	\$ 10,002,304	\$ (2,518,484)	-12%
				21%	21%	22%	11%		
	TOTAL SERVICES (Public Services + CBDO)			33,913,447	37,392,868	35,368,723	18,282,658		
				36%	36%	38%	20%		
ECONOMIC DEVELOPMENT									
I. EXISTING SMALL BUSINESS SUPPORT AND CAPACITY BUILDING									
54	Business Source Program (Consolidates former LABAP Programs)	Citywide	1,069,425	1,425,900	1,425,900	2,500,000	627,396	234,316	16%
55	ICON - Business Outreach Program	6,7	200,000	250,000	336,238		147,945	(188,293)	-56%
56	LABAP Growth Industry Business Assistance Centers	Citywide	142,590	285,180	285,180		125,479	(159,701)	-56%
57	LABAP Retail Business Assistance Centers - Downtown	Citywide	225,000	300,000	300,000		132,000	(168,000)	-56%
II. NEW BUSINESS DEVELOPMENT IN STRATEGIC TECHNOLOGY SECTORS									
58	Clean Tech Business Incubator	Citywide		-	2,000,000	1,000,000	880,000	(1,120,000)	-56%
59	Crown Coach Industrial Site Expansion	Citywide		-	1,000,000			(1,000,000)	-100%
60	Port Tech Business Incubator	Citywide				1,500,000		500,000	New
III. GAP FINANCING TO ACCELERATE PRIVATE DEVELOPMENT									
61	Bring Back Broadway	Citywide		1,000,000				-	
62	District Square Retail Project	10				1,000,000	880,000	880,000	New
63	Marlton Square Acquisition Fund	8	-	1,700,000	1,000,000	1,500,000	1,320,000	320,000	32%
IV. BUSINESS ATTRACTION AND RETENTION									
64	Build Rehabilitation Industries	7		-	1,000,000			(1,000,000)	-100%

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65	Calko Industrial Expansion	9			300,000		-	270,000	New
66	Gensler Business Attraction Project	9			700,000	-	630,000	630,000	New
67	Northeast Valley Industrial Expansion	7			700,000		-	616,000	New
68	Pico Blvd Commercial BID Support	10			500,000		-	440,000	New
69	Wilmington Industrial Tract Expansion	15			500,000		-	-	New
PROGRAM DELIVERY STAFF AND SECTION 108 DEBT SERVICE									
70	CDD Section 108 Debt Service	Citywide	1,316,480	1,000,000	650,000	650,000	-	-	0%
71	Economic Development Program Delivery	Citywide	1,920,627	2,237,811	2,496,418	2,296,705	1,123,388	(249,642)	-10%
Subtotal - Economic Development				\$ 8,198,891	\$ 10,493,736	\$ 13,146,705	\$ 5,866,208	\$ 2,652,969	25%
				9%	10%	14%	7%		
HOUSING AND RELATED PROGRAMS									
72	Affordable Housing Trust Fund Program Delivery	Citywide	\$ 6,433,442	6,646,495	5,540,916	5,263,870	2,579,297	(382,323)	-7%
73	Foreclosure and Nuisance Abatement/CNAP & PPRT/FALCON	Citywide	1,335,622	1,261,017	1,295,134	1,191,523	569,859	(155,416)	-12%
74	Homeownership Assistance	Citywide	5,723,264	5,223,264	2,800,000	1,799,442	872,729	(1,054,542)	-38%
75	LAHD - Section 108 Debt Service	Citywide	1,815,578	2,104,588	3,100,000	3,441,844	3,924,662	1,290,000	42%
76	Rehabilitation Comprehensive	Citywide	3,000,000	3,092,036	2,800,000	2,660,000	807,718	(1,184,565)	-42%
77	Single Family Rehabilitation - Handyworker	Citywide	3,700,000	3,717,820	3,717,820	3,705,422	1,552,711	(612,398)	-16%
78	Single Family Rehabilitation - Home Secure	Citywide	582,000	582,000	582,000	-	-	(582,000)	-100%
79	Urgent Repair Program	Citywide	300,000	300,000	300,000	300,000	150,000	-	0%
Subtotal - Housing & Related Programs				\$ 22,927,220	\$ 20,135,870	\$ 18,362,101	\$ 10,456,975	\$ (2,681,244)	-13%
				24%	19%	20%	12%		
NEIGHBORHOOD IMPROVEMENTS (Includes Public Facilities)									
80	City Trees (LACC)	Citywide	361,000	300,000	300,000	276,000	132,000	(36,000)	-12%
81	Code Enforcement (Citywide PACE)	Citywide	2,319,746	2,057,462	2,057,462	1,892,865	832,861	(391,741)	-19%
82	Code Enforcement (Citywide PACE) - City Attorney	Citywide	455,982	603,127	603,127	554,877	244,146	(114,835)	-19%
83	Neighborhood Facility Improvements	Citywide	1,200,891	1,200,000	1,200,000	600,000	270,000	(660,000)	-55%
Subtotal - City Wide				4,160,589	4,160,589	3,323,742	1,479,006	(1,202,576)	-29%
84	109th Street Pool	15		-	50,000			(50,000)	-100%
85	28th St. YMCA	9		500,000	-			-	
86	4255 S. Olive St.	9				75,000	-	-	New
87	Boyle Heights Neighborhood City Hall	14			700,000	800,000	340,000	(20,000)	-3%

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88	Bring Back Broadway Streetscape	14	550,000		200,000	-	-	(200,000)	-100%
89	Casa Alicia	1			410,000			(410,000)	-100%
90	Central Avenue Undergrounding Facilities	9		-	700,000	-	-	(700,000)	-100%
91	Century Boulevard Design	15			500,000	250,000	-	(500,000)	-100%
92	Cypress Park Basketball Court Reconstruction	1	-	150,000	-			-	
93	Devonshire PALS Youth Center	12		250,000				-	
94	East Hollywood Gardening Achievement Center	13			700,000	800,000	-	(84,000)	-12%
95	Strathern Park North Restrooms (formerly East Valley Little League)	6				200,000	-	157,000	New
96	El Dorado and Bromwich Sidewalk Improvements	6		500,000	-			-	
97	Elysian Valley Lighting Project Phase III	13		-	500,000	-	-	(500,000)	-100%
98	Girls Today Women Tomorrow Building Renovation	14			325,000			(325,000)	-100%
99	Greater Los Angeles Agency on Deafness, Inc.	14		275,000	-			-	
100	Hollywood Beautification Team	13	-	200,000	-			-	
101	Korean Senior Center HVAC	12			65,000			(65,000)	-100%
102	Laurel Canyon and Fox Pocket Park	7		-	200,000			(200,000)	-100%
103	Lincoln Heights Senior Center Restroom Restoration	1		100,000	-	200,000	-	157,000	New
104	Los Angeles River and Aliso Creek Confluence/ Reseda River Loop Project	3				255,000	-	-	New
105	MacArthur Park Restroom Project	1		250,000	-			-	
106	MacArthur Park Signal Building Improvements	1		-	150,000			(150,000)	-100%
107	Martin Luther King, Jr. Park Improvements	8		260,000				-	
108	New Horizons Adult Learning Center Expansion	12			263,250			(263,250)	-100%
109	Old Cypress Park Library	1				500,000	-	-	New
110	Pacoima Street lighting Improvements Phase IV	7				360,000	-	316,800	New
111	Pico, Venice and Washington Boulevard Streetscape	10	1,000,000	750,000	250,000	250,000	-	(30,000)	-12%
112	Pueblo Nuevo Recreational Improvements	13		500,000	200,000			(200,000)	-100%
113	Ralph Bunche House	9	-	125,000	-			-	
114	Rancho La Cienega Sports Complex Improvements	10			100,000			(100,000)	-100%
115	Reach for the Top	10	350,000	-	305,000			(305,000)	-100%
116	Ride on LA	12			400,000			(400,000)	-100%
117	San Fernando Road Bike Path	7		-	350,000			(350,000)	-100%
118	Slauson/Wall Green Space and Affordable Housing	9		-	2,716,936			(2,716,936)	-100%

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							F-1 2011-2012 Phase 1 CAO/CLA Recommended		
A	B	C	D	E	F			G	H
119	Spiraling Orchard Green Building Project	1	-	150,000				(150,000)	-100%
120	Sun Valley Lighting	6	567,398	735,000	400,000	-		(383,000)	-52%
121	Victory Blvd and Vanowen St Streetscape	2		300,000				(300,000)	-100%
122	Vision Theatre Renovation	8	750,000	1,000,000	-	-		(1,000,000)	-100%
123	Wattstar Theater	15	-	2,000,000	-	-		-	New
124	Westlake Theater	1	-	1,000,000				(1,000,000)	-100%
Subtotal - Individual Council Districts			5,860,000	12,270,186	4,090,000	340,000		(9,771,386)	-80%
Subtotal - All Neighborhood Improvements			\$ 10,020,589	\$ 16,430,775	\$ 7,413,742	\$ 1,819,006		\$ (10,973,962)	-67%
			11%	16%	8%	2%			
ADMINISTRATION / PLANNING									
125	Aging Department	Citywide	\$ 383,949	\$ 376,413	\$ 376,413	\$ 376,413	\$ 165,622	(45,170)	-12%
126	AIDS Policy Development	Citywide	719,045	431,374	475,000	475,000	\$ 213,750	(47,500)	-10%
127	Board of Public Works - OCB	Citywide	339,018	331,224	331,224	331,224	\$ 145,739	(39,747)	-12%
128	Census 2010 Outreach Plan and Programs	Citywide	334,369	334,369	-		\$ -	-	
129	City Attorney CDBG Program Administration for CDD	Citywide	140,681	135,791	135,791	135,791	\$ 59,748	(16,295)	-12%
130	Commission for Community and Family Services (formerly known as Citizens' Unit for Participation)	Citywide	40,000	40,000	30,000	303,562	\$ 125,000	220,000	733%
131	Community Development Department - Capacity Building	Citywide	102,400	102,400	92,400	92,400	\$ -	(92,400)	-100%
132	Community Development Department (incl Related Costs)	Citywide	10,986,778	11,840,302	11,636,928	11,022,138	\$ 5,181,461	(1,274,006)	-10.9%
133	Consolidated Plan Application System and Policy Development	Citywide	89,500	188,361	172,273	89,500	\$ -	(172,273)	-100%
134	Department of Transportation	Citywide			250,000	-	\$ -	(250,000)	-100%
135	eCivis Grant Locator Database Services	Citywide	15,000	15,000	15,000	15,000	\$ 7,500	-	0%
136	Fair Housing	Citywide	500,000	500,000	500,000	500,000	\$ 220,000	(60,000)	-12%
137	LAHSA (Los Angeles Homeless Services Authority)	Citywide	981,640	981,640	981,640	932,558	\$ 466,279	(49,082)	-5.0%
138	LAHSA Technical Assistance	Citywide	132,000	132,000	170,000	170,000	\$ 80,000	(10,000)	-6%
139	Los Angeles Housing Department	Citywide	3,341,432	3,341,432	4,096,637	3,871,400	\$ 1,802,520	(491,596)	-12.0%
	Phase 2 Allocation - Administration/Planning	Citywide					1,169,749		
Subtotal - Administration/Planning			\$ 18,750,306	\$ 19,263,306	\$ 18,314,986	\$ 9,637,368		\$ (2,328,059)	-12%
20% CAP for ADMINISTRATION/PLANNING			\$ 18,718,113	\$ 19,318,267	\$ 18,314,986	\$ 18,120,986		\$ (1,197,281)	-6%
ADMIN BALANCE				\$ 54,961	-	8,483,618			
			20%	19%	20%	11%			

Attachment A

PY 37 Housing and Community Development Consolidated Plan
Fourth Year Action Plan (2011-2012)
CDBG REVENUES AND EXPENDITURES

Attachment A

Refer to Attachment B for recommended funding descriptions for Phases 1 and 2.							F-1		
A	B	C	D	E	F		2011-2012 Phase 1 CAO/CLA Recommended	G	H
Phase 2 Allocation							\$ 3,801,685		
TOTAL CDBG FUNDING									
TOTAL FUNDING AVAILABLE			\$ 93,917,984	\$ 103,771,525	\$ 92,606,257		\$ 49,863,900	(13,897,388)	-13%
TOTAL PROGRAM FUNDING ALLOCATIONS			\$ 93,810,453	\$ 103,716,555	\$ 92,606,257		\$ 49,863,900	(13,866,418)	-13%
UNALLOCATED FUNDS				\$ 54,970					
BALANCE			\$ (107,531)	-	(0)		(0)		

* Subject to final CDBG entitlement and Mayor and Council approval.

CDBG EXPENDITURES FOOTNOTES *

DETAIL OF CDBG BUDGET

PUBLIC SERVICES

CDBG regulations include a 15% statutory spending cap in the Public Services category.

9 Aging Services Delivery System (PS)	183,072
The Aging Services Delivery System is a network of citywide agencies providing health, housing, social, legal, and other support services for senior citizens. The program is designed to meet the individual needs of seniors and the frail elderly who have physical, emotional, or mental impairments, and who require assistance and supervision. The system includes programs such as Adult Day Support Centers (ADSC), Emergency Alert Response System (EARS), and Legal Services.	
10 AIDS Prevention-Citywide	488,410
This program seeks to reduce the number of new HIV infections through HIV risk reduction education, HIV testing and counseling referrals, information and supplies for safer sex practices, medical and social services referrals, safer sex education for HIV positive individuals, substance abuse education and awareness, behavior modification programs, and AIDS awareness skills building.	
11 Cash for College	30,925
Funds are provided to the Los Angeles Area Chamber of Commerce to expand awareness of financial aid opportunities among City students and their families. This program also provides information seminars at local schools and at job fairs regarding employment opportunities for youth.	
12 Computerized Information Center (Dept. of Disability)	68,413
The Department on Disability operates an information and referral phone line that serves three constituencies: persons with disabilities (PWDs), businesses and community agencies, and governmental entities. Components include: 1) Helping mostly very low-income PWDs find resources and employment needed to maintain economic stability; 2) Helping businesses, community organizations, and the City to create inclusive environments and economic opportunities for PWDs, and 3) Assisting businesses and agencies with ADA compliance.	
13 Construction Training and Placement Initiative	132,000
This program is operated by Community Development Department (CDD) and leverages Workforce Investment Act funds to pay for two CDD staff and one contractor to provide job training and placement in the construction trades for City residents.	
14 Domestic Violence Shelter Operations	1,327,810
The Community Development Department (CDD) contracts with non-profit agencies to operate the Domestic Violence Shelter Operations Program (DVSO). The DVSO program funds safe and secure emergency and transitional shelter, case management and related services to domestic violence survivors and their children. Services include assisting persons in crisis situations by providing individual and family counseling, legal services, job skills development, job search activities, income management, and opportunities for education and improved literacy.	
15 FamilySource Centers (PS)	317,745
The City's FamilySource Centers will provide a continuum of core services including, but not limited to, multi-benefit screening, employment support, financial literacy, adult education, parenting classes, computer literacy, child care, and legal services designed to assist low income families in increasing their family income and economic opportunities, as well as various youth services designed to improve academic achievement.	
16 Foreclosure Technical Assistance	-
This line item is not proposed for funding in PY 37.	
17 Green Retrofit and Workforce Program	-
This line item is not proposed for funding in PY 37.	
18 HIRE LA 16-24 Youth Employment	209,000
This Community Development Department program seeks to enroll and place individuals ages 16-24 in private sector jobs. Participants may earn a Work Readiness Certificate. CDBG funds will be used citywide to: 1) recruit and enroll participants, 2) develop and produce marketing materials, 3) secure business participation, 4) host and participate in job fairs, 5) track performance outcomes, and 6) fund program/administration salary costs.	
19 Human Relations Advocates	201,588
The Human Relations Advocates (HRA) program identifies and mitigates issues and mediates inter-group tensions in low-income communities to facilitate improved police/community relations. HRAs monitor inter-group relations, develop and provide human relations and leadership training to residents and advise and intervene when community problems rooted in human relations issues are reported. The HRAs advise the volunteer Human Relations Commission.	

**PY37 Housing and Community Development Consolidated Plan
Fourth Year Action Plan (2011-2012)**

Attachment B

CDBG EXPENDITURES FOOTNOTES *

20 LAHSA - Homeless Emergency Shelter & Services	951,326
Projects provide a range of services in the homeless continuum of care including supportive services, emergency shelter, and transitional housing for homeless individuals and families. Also included under this project title is the Housing Stability Program, which provides short-term shallow subsidies to formerly homeless families to assist them to maintain stable housing in the first few months after placement in permanent housing.	
21 LAHSA - Rent to Prevent Eviction	-
Funding is discontinued for this program. This program sought to reduce homelessness by providing one-time-only financial assistance to pay rent for households in need. Applicants for this assistance must demonstrate that the rent arrears were due to unforeseen (and not continuing) expenses. Applicants must work with local social service providers to address budgeting and planning issues. Prospective applicants will receive assistance through the Homelessness Prevention and Rapid Re-housing Program funding through the American Recovery and Reinvestment Act of 2009.	
22 LAHSA - Streets or Services	92,994
Non-violent homeless misdemeanor arrestees are diverted away from jail and into transitional and permanent housing, with the objective of maintaining housing stability for at least six months. The SoS Program provides a wide range of services to clients, including transportation, comprehensive assessment, housing placement, case management and referrals to community-based services. These services are offered as an alternative to criminal proceedings. A re-design is anticipated for PY 37.	
23 LA's BEST	276,320
Funding is provided to the LA's BEST organization for after school programs at LAUSD elementary schools that provide enrichment, education, recreation, and a snack at no cost to parents for children with the greatest needs and fewest resources. Program content includes homework support, sports, math, reading, science, computer skills, arts, and fitness.	
24 Youth Recreation and Nutrition Program	610,735
Provides school age youth with a wide variety of no-cost recreational opportunities in qualifying areas of the City. These programs include: after-school recreation activities, off track nutrition and enrichment programs, and specialized sports academy programs. Participation in the program provides safe, structured, and supervised places to play, and addresses childhood obesity through physical play and nutritional programming.	
25 Community Arts Program	142,000
One-time funds are provided for this activity, which funds arts programs in City Arts Centers located in low income neighborhoods. Proposed funding for this activity, \$142,000, is recommended for issuance in Phase 1.	
26 FamilySource Centers -- City managed	855,945
City-staffed FamilySource Centers are located throughout the City of Los Angeles in ethnically diverse, low-income neighborhoods. The Centers provide a variety of public services, including ESL programs, multi-benefit screening, food distribution programs, computer education, continuation school, youth programs, including mentoring & after school tutoring, information and referral programs.	
27 Housing Authority - Community Service Centers	146,974
Funding is provided to the Housing Authority for the County of Los Angeles (HACLA) for the provision of services including job training, placement, education, technology, cultural and recreational programs at public housing facilities through the City. Participants receive support in the areas of personal motivation, access to resources and education, health care and community support, civic participation, and individual and community action.	
28 Youth Opportunities Movement - SFV, Boyle Hts & Watts	369,918
The Los Angeles Youth Opportunity Movement (LAYOM) promotes youth achievement by working with families and community partners to create opportunities that help youth reach their education, employment, and personal development goals. LAYOM works with youth ages 13-19 in the communities of Watts, Boyle Heights, and the North San Fernando Valley to reduce poverty and unemployment and to encourage youth to stay in school, obtain a GED, or enroll in job training programs.	
Multiple Districts	
29 Computer Literacy Program -- Project Tech	44,000
Funding is provided to provide digital/computer literacy classes focused on providing skills needed in today's workplace, and preparing adults for employment or training opportunities requiring information and communication technology skills. Courses are instructor-led and self-paced, including use of online and computer-based courseware. In addition, there is after-school/summer academic and college prep programs for middle and high school students focused on algebra and improving math skills.	

* Phase 2 funding recommendations are subject to final CDBG entitlement and Council and Mayor approval.

CDBG EXPENDITURES FOOTNOTES *

30 LAHSA - Assistance to Homeless Families on Skid Row	66,526
This program will fund staff to provide outreach, referral, case management, crisis intervention, hotel vouchers, housing placement and move-in assistance to homeless families living on the streets of Skid Row in Downtown Los Angeles.	
31 LAHSA - Central City East Public Sanitation	156,000
This program is composed of three projects. Two fund public toilet facilities for homeless persons in Skid Row. One funds a storage facility where homeless persons may store their belongings at no charge.	
32 LAHSA - Emergency Shelter for Chronic Homeless - Downtown	240,000
This project provides emergency shelter beds, meals, and supportive services to people who are chronically homeless, living on the street or in other places not meant for human habitation in Downtown Los Angeles. On-site services include case management, benefits assistance, mental health services, life skills training, housing placement, and follow-up services. Referrals are made to off-site providers for health care, employment services, drug and alcohol counseling, and veteran services	
33 LAHSA - Emergency Shelter for Chronic Homeless - Hollywood	300,000
Project operates a year-round emergency shelter in Hollywood targeting chronically homeless individuals. Services provided include meals, case management, benefits assistance, substance abuse counseling, mental health services, health care, employment readiness classes, and housing placement. Referral services are also provided.	
34 LAHSA - Job Training And Placement (Formerly Valley Chrysalis)	25,000
This program provides pre-employment services to disadvantaged individuals and formerly homeless persons, such as resume writing, job application, basic computer training, job search techniques, mock interviews, and other employment training supportive services in the San Fernando Valley. Funding has also provided job placement services in graffiti removal and cleaning streets for up to 6 weeks for persons without a job history.	
35 LAHSA - Gramercy Housing Group	-
This line item is not proposed for funding in PY 37.	
36 PALS Youth Center	-
The Center helps prevent and reduce juvenile delinquent behavior by providing children a safe place to learn and play after school. Funding will result in expansion of the Center's tutoring services, computer instruction classes, and arts and recreational activities.	
37 Prevention Services for Youth at Risk	78,344
The program provides prevention classes to 4th graders and 6th graders in 11 schools; parent project training for 50 parents at five sites; and will provide graffiti removal and bulky debris clean up on an as-needed basis within Council District 15.	
38 Soledad Enrichment Action	-
This line item is not proposed for funding in PY 37.	
39 Youth Opportunities High School- Watts	88,000
Founded in 2000, Youth Opportunities High School is a joint collaboration between the City of Los Angeles and the Los Angeles Conservation Corps. This charter school site is accredited by the Western Association of Schools and Colleges and serves 90 students per year. These students were unsuccessful in their local public schools and benefit from the rigorous academic program that is integrated with paid job opportunities, experiential learning activities and case management services. Funding is provided to the Los Angeles Conservation Corps, via a contract with Community Development Department, for continued operation of a charter high school at the Robert Pitts Center in Watts.	

SPECIAL ACTIVITIES BY CBDOs

40 Aging Services Delivery System - CBDO	548,351
The Aging Services Delivery System consists of programs for low-to-moderate income seniors with physical, emotional and/or cognitive impairments. Program participants have access to adult day support center programs that provide a variety of services - including nutrition and health education, recreational activities, therapy, family counseling, developmental and socialization skills activities. Also, respite care is provided to caregivers caring for one or more loved ones.	
41 Clean And Green	454,980
Through the Los Angeles Conservation Corps, Clean & Green will employ low-income youth and provide them with job training in order to decrease juvenile delinquency. These youth will also be giving back to the community by participating in clean-up activities and services.	

CDBG EXPENDITURES FOOTNOTES *

42 FamilySource Centers (CBDO)	4,062,831
The City's FamilySource Centers will provide a continuum of core services including, but not limited to, multi-benefit screening, employment support, financial literacy, adult education, parenting classes, computer literacy, child care, and legal services designed to assist low income families in increasing their family income and economic opportunities, as well as various youth services designed to improve academic achievement.	
43 Fresh Food Access Program	187,017
The Los Angeles Conservation Corps, operator of the Fresh Food Access Program, develops and maintains community gardens in order to increase the self-reliance of low-income community members to provide for their food needs. This program also subsidizes work experience for at-risk youth.	
44 GRYD Summer Night Lights	1,012,393
The GRYD Summer Night Lights (SNL) program will fund community youth per SNL site that will be hired to create and staff the extended hours and programs at parks throughout the city. The youth will be ages 17-21 and will receive stipends for the duration of the program. Since this is a Summer program, the proposed funding is recommended to be provided during Phase 1.	
45 LAHSA - Special Economic Development Opportunities - CBDO	1,886,311
Project funds community economic development projects that increase economic opportunity for homeless persons. Funded projects must include educational or vocational training as well as employment placement and retention services as a mandatory component of the program.	
46 LITE Homeless Portal (CDD - Homeless Workforce Center / Job Training and Placement)	125,000
This project provides both programmatic and electronic access to the City Workforce Development System (WDS). One resource room is designated to assist customers with a wide range of employment assistance such as self-directed job search assistance, resume writing, job leads/job fairs, and accessibility to the One-Stop system. The overall goal is to improve access, coordination and integration with the City's WDS for homeless job seekers and to improve employment outcomes.	
47 Office Of Community Beautification - CBDO	407,864
The Board of Public Works will administer contracts with three non-profit community based organizations within this category to provide job training to disadvantaged adults in the areas of commercial painting and graffiti removal. Program participants also gain work experience in the field by implementing graffiti removal activities throughout Los Angeles. Crews respond to requests received by the 311 Call Center and the OCB website. Additionally, crews will proactively monitor major City corridors on a daily basis to remove graffiti within 24 hours of its appearance.	
48 Day Laborer - CBDO	530,848
Funding is to provide fixed hiring sites in selected areas of the City where persons participating in the casual labor force can safely congregate to solicit employment from residents/businesses seeking day labor. Funding provides basic amenities to day laborers, such as water, coffee, bread, lavatories, waste disposal, benches and shade. Contracted staff work on issues of community mediation, solicitation of donated services and provision of relevant instruction (e.g., English classes).	
Multiple Districts	
49 Clean Streets Clean Neighborhoods	44,000
Through the LA Conservation Corps, the Clean Streets, Clean Neighborhoods project focuses on providing clean-up work through the City's 1st Council District. The clean-up work will include litter and graffiti abatement, recycling, tree planting and alleyway clearing. Participating youth receive job training and work experience.	
50 Fuego Tech Fire Rangers	22,000
This gang intervention project provides programs to youth (ages 13-28) through a series of fire/suppression trainings and classes that serve as alternatives to gangs, drugs and other non-productive behavior; providing life skills and structured job training, workshops and activities with community leaders, personal mentors and experienced staff.	
51 Project SAVE	264,000
This program includes employment training and employment support services as well as real world work experience through community clean-up activities. Activities include employability workshops supportive services referrals, WorkSource center referrals, education and training referrals, GED test preparation referrals, community patrol of school campuses and gang hot spots and community crisis intervention.	

CDBG EXPENDITURES FOOTNOTES *

52 Rita Walters Learning Complex 346,710

Funding is provided to the Children's Collective, Inc. to operate the Rita Walters Learning Complex which includes access to employment development activities; financial literacy and job readiness activities; family and individual counseling for area residents; and alternative high school for youth between the ages of 14 and 21 who are at a high-risk of not graduating due to multiple factors.

53 River Keepers (formerly known as River Rangers) 110,000

Through the LA Conservation Corps, the LA River Keepers supports the City's Los Angeles River revitalization efforts. Youth corps members employed by the Corps will provide clean-up services at various sites along the Glendale Narrows stretch of the River. This project will be a continuation of work by the Corps that began in 2007 to remove litter and debris and provide general clean-up along the River. The youth crew assigned to the project will also complete education and training modules.

ECONOMIC DEVELOPMENT

I. EXISTING SMALL BUSINESS SUPPORT AND CAPACITY BUILDING

54 Business Source Program (Consolidates former Los Angeles Business Assistance Programs) 627,396

The Los Angeles Business Assistance Program (LABAP) is undergoing a substantial redesign with the goal of increasing services available to small businesses in the City. This new Business Source Program (BSP) will help small businesses start, operate and expand in Los Angeles. The program will be operated in partnership with several community-based organizations throughout the City with expertise in providing free or low cost assistance to small businesses. The key services provided will be business courses, financing assistance, connecting to government procurement opportunities, available incentives, and recruiting/training employees. For Phase 1, funding is recommended to continue contracts with existing Microenterprise/Entrepreneur contractors while the BSP Request for Proposals is completed. Funding for the new BSP, \$1,032,820 is recommended for Phase 2.

55 ICON - Business Outreach Program 147,945

Continuation funds are provided for existing service providers in Phase 1 only. Activities are proposed for incorporation into the Business Source Program for Phase 2.

56 LABAP Growth Industry Business Assistance Centers 125,479

Continuation funds are provided for existing service providers in Phase 1 only. Activities are proposed for incorporation into the Business Source Program for Phase 2.

57 LABAP Retail Business Assistance Centers - Downtown 132,000

Continuation funds are provided for existing service providers in Phase 1 only. Activities are proposed for incorporation into the Business Source Program for Phase 2.

II. NEW BUSINESS DEVELOPMENT IN STRATEGIC TECHNOLOGY SECTORS

58 CleanTech Business Incubator 880,000

The Clean Tech Business Incubator will support the development of emerging clean technology companies and help commercialize clean technology being developed in the greater Los Angeles region, thereby creating new local businesses and clean technology jobs. The facility is expected to open in the Spring/Summer of 2011 in a temporary facility, and eventually be co-located in the DWP Clean Tech Innovation Campus building in the Arts District. Funds will be used for capital costs and facility tenant improvements. Additional funding for building renovation will come from a prior CDBG allocation (PY36), CRA/LA tax increment funds, and a planned EDA grant. The CDBG funds were proposed to be used as a match for the EDA grant application. The recommended funding is proposed for issuance in Phase 1.

59 Crown Coach Industrial Site Expansion -

This line item is not proposed for funding in PY 37.

60 Port Tech Business Incubator

The San Pedro Bay Port Technologies Development Center, Inc., (PortTechLA) is a non-profit business incubator and technology commercialization center. Its mission is to create jobs by finding, attracting, incubating and mentoring companies with advanced technologies that will enable the Port to meet its environmental, energy, security and logistics goals. The CDBG funds are requested for the immediate purchase and renovation of a facility in downtown San Pedro to provide office space for incubating companies. Funding would allow PortTechLA to provide office space and services for approximately 15 companies to increase those businesses chances of succeeding in the marketplace. PortTechLA estimates that as many as 300 jobs could be created over a five year period. Recommended funding of \$500,000 is proposed for consideration in Phase 2.

CDBG EXPENDITURES FOOTNOTES *

III. GAP FINANCING TO ACCELERATE PRIVATE DEVELOPMENT

61 Bring Back Broadway

This line item is not proposed for funding in PY 37.

62 District Square Retail Project

880,000

The 6.5-acre District Square Retail project is located at the southeastern intersection of Crenshaw Boulevard and Rodeo Street along the Crenshaw Commercial Corridor. The Developer will demolish the existing 78,000 sq. ft. of commercial and retail improvements and replace them with a new 296,000 sq. ft., two story, retail center with a total of 998 on-grade and third floor rooftop parking spaces. The recommended funding is proposed for issuance in Phase 1.

63 Marlton Square

1,320,000

The Marlton Square Acquisition Fund is a multi-year acquisition program leading to redevelopment of 8.3 acres of badly deteriorated commercial parcels along Martin Luther King, Jr. Blvd. and Marlton Ave. in the heart of the Crenshaw District in South Los Angeles (the Marlton Square Retail Project). Beginning in the second quarter of 2008, 6 of the 8 retail development parcels have been acquired or are in escrow, funded with CDBG grants, Section 108 Loan Guarantee funds, HUD Economic Development Initiative grants, or CRA/LA tax increment funds. Acquisition funds for one of the two remaining properties are available from prior allocations. The last parcel, plus remaining relocation costs and demolition, is estimated to require in the range of \$4 million to \$5 million, of which \$900,000 is currently reserved in the CRA/LA budget. The proposed PY 37 CDBG allocation would also be allocated to the remaining retail property acquisition program. Upon final acquisition of all parcels, the remaining occupants will be relocated, buildings demolished, and a developer selected for the retail project. An RFQ to solicit developer interest was issued in June 2010.

In addition to the 8.3 acre Marlton Square Retail Project described above, the original 19.2 acre Santa Barbara Plaza commercial center footprint also includes two other committed or proposed projects: The Buckingham Place Senior Housing Project has come out of private bankruptcy and is scheduled to complete the first 70-unit building in 2011. The recommended funding is proposed for issuance in Phase 1.

IV. BUSINESS ATTRACTION AND RETENTION

64 Build Rehabilitation Industries

No funds are proposed for this project in the 37th PY.

65 Calko Industrial Expansion

Calko Steel is a South Los Angeles based manufacturer and distributor of steel tubing. There are remaining development costs that are needed to allow for the expansion of the business by 47 employees. The project calls for the remediation and redevelopment of a 2 acre vacant lot in the Goodyear Tract into a light manufacturing facility and office space. The CDBG funds will provide gap funding to acquire the parcel of land that will be expanded upon. Proposed funding for this project, \$270,000, is recommended for issuance in Phase 2.

66 Gensler Business Attraction Project

630,000

Gensler is an international architecture firm that is relocating to Downtown Los Angeles from Santa Monica. The firm will bring 250 employees to the City and plans to grow to 360 employees over a 5 year period. They will partner with the City's WorkSource Centers to recruit low to moderate income residents for available positions. The funds will be used to assist the company in their tenant improvements at their new location. Proposed funding for this project, \$630,000, is recommended for issuance in Phase 1.

67 Northeast Valley Expansion

The proposed Northeast Valley Industrial Expansion Project would support the expansion and retention efforts for existing industrial and manufacturing businesses generally located in deteriorated industrial areas of the northeastern portion of the City within the Pacoima/Panorama City Redevelopment Project Area portions of the Sylmar and Pacoima Communities. The grant funding would be used to help support core manufacturing and industrial sectors with the greatest need for economic revitalization, potential for growth and creation of higher paying job opportunities for eligible residents. CDBG Funds may be leveraged with CRA/LA funds and State Enterprise Zone and Federal Empowerment Zone benefits. Examples of assistance may include, but not be limited to, interior and exterior construction/ rehabilitation, feasibility/ technical assistance, and off-site public improvements. Funding for this project is recommended for consideration in Phase 2.

68 Pico Blvd Commercial BID Support

The proposed Pico Blvd Commercial BID Project would support the retention and expansion of existing commercial businesses along Pico Boulevard between La Brea and Fairfax. Examples of assistance would include, but not be limited to, interior and exterior improvements, signage, sidewalk, street tree, and street furniture improvements, and feasibility/technical assistance. Funding for this project is recommended for consideration in Phase 2.

CDBG EXPENDITURES FOOTNOTES *

69 Wilmington Industrial Tract

Funds were requested for expansion of access to industrial parcels along Banning and F Streets in the Wilmington Industrial Park, immediately adjacent to the Port of Los Angeles. The CDBG funds would provide 100% of the funding needed to accelerate reconstruction of these streets to modern standards and bring these blocks and parcels to productive use in supporting Port and overall industrial activities in the Wilmington area. Due to concerns relative to readiness and committed funding resources, funding should be considered in Phase 2 subject to project readiness and funding availability.

PROGRAM DELIVERY STAFF AND SECTION 108 DEBT SERVICE

70 CDD Section 108 Debt Service

Requested amount is to pay Department of Housing and Urban Development for Section 108 loan amortizations due for the PY 2011-12. Proposed funding for this obligation, \$650,000, is recommended for issuance in Phase 2.

71 Economic Development Program Delivery

1,123,388

Funds are for CDD's Economic Development Division project implementation and staffing costs for direct assistance to businesses engaged in economic development in accordance with 24 CFR 570.203. Work includes, but is not limited to, providing businesses with grants, loans, tax incentives and technical assistance.

HOUSING & RELATED PROGRAMS

72 Affordable Housing Trust Fund Program Delivery

2,579,297

The Affordable Housing Trust Fund (AHTF) is a component of the Mayor's 5-Year Action Plan for Housing. It will support the preservation and production of affordable rental housing loans that are funded through the HOME Investment Partnerships Program for predevelopment, acquisition, refinancing, construction and rehabilitation. Funds will pay for staffing costs of this work.

73 Foreclosure and Nuisance Abatement/CNAP & PPRT/FALCON

569,859

FALCON's team works with other city agencies that comprise the Problem Property Resolution Team (PPRT). This multi-agency approach provides police officers, prosecutors, building inspectors, community organizers and zoning administrators an opportunity to work together developing short-and-long-term nuisance abatement strategies, thereby reducing crime in impacted low-mod income, primarily residential areas.

74 Homeownership Assistance (including Related Costs)

872,729

The Program seeks to increase the City's homeownership rate, foster partnerships with public and private organizations, leverage funds and prevent foreclosed properties from destabilizing neighborhoods in areas not eligible for other funds such as NSP. Funds will pay for staffing costs of this work. A significant portion of reductions in CDBG funds to this category are anticipated to be billed to the NSP grant.

75 LAHD - Section 108 Debt Service

3,924,662

Debt service for LAHD's Section 108 loans which are an advance of CDBG entitlement funds, (\$30 million from Section 108 authority for 1992 Civil Disturbance recovery efforts, and \$40 million for 1994 Northridge Earthquake rebuilding efforts). The City then repays HUD over a 20-year loan term, until 2017. Proposed funding would provide for the payment of \$3.9 million in Phase 1 and \$465,000 in Phase 2 due to HUD's repayment schedule. This is a Con Plan payment obligation.

76 Rehabilitation Comprehensive

807,718

Funds will be used for CDBG program delivery costs associated with loans and loans to homeowners that are issued through other federal and state programs, such as the State CalHOME and federal Neighborhood Stabilization Programs (NSP). A significant portion of reductions in CDBG funds to this category are anticipated to be billed to the NSP grant.

77 Single Family Rehabilitation - Handyworker

1,552,711

Minor home repair services, not requiring City permits, are provided via City-approved contractors to low-income elderly and disabled residents. Grants may be used for repairs or improvements which address safety, accessibility and security issues, including exterior and interior repairs. The Home Secure Program sought to increase the independence of elderly and disabled residents within the City by modifying (as necessary) their living environments with the installation of such features as locks, peep holes, grab bars and tub attachments to enhance the safety and security of their homes.

78 Single Family Rehabilitation - Home Secure

Proposed budget recommends consolidation with the Handyworker Program.

**PY37 Housing and Community Development Consolidated Plan
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Attachment B

CDBG EXPENDITURES FOOTNOTES *

79 Urgent Repair Program 150,000

The Urgent Repair Program (URP) quickly responds to life-threatening conditions in multi-family rental units. When LAHD's Systematic Code Enforcement Program (SCEP) issues a 48-hour Notice to Correct but the owner does not comply, LAHD's contractor makes the repairs. This prevents homelessness, preserves the tenancy of the occupants by preventing their evacuation, and preserves affordable housing. Projects must meet Slum and Blight Spot criteria.

NEIGHBORHOOD IMPROVEMENTS

80 City Trees (LACC) 132,000

The LA Conservation Corps (the Corps) hires disadvantaged, low-income youth, ages 13-24, to cut concrete tree wells and plant trees in the most-underserved communities of the City.

81 Code Enforcement (Citywide PACE) 832,861

PACE is an intervention program designed to proactively seek out code violations within targeted CDBG eligible areas, gain compliance and help revitalize communities, increase public safety, reduce crime, and enhance the economic growth and stability of these areas. Inspectors focus on violations such as graffiti, trash, hazardous/illegal construction, substandard dwellings, etc. Work is limited to low/moderate income census tracts within the City.

82 Code Enforcement (Citywide PACE) 244,146

The PACE program is a multi-agency approach between the City Attorney's office and the L.A. Dept. of Building and Safety to revitalize neighborhoods, increase public safety, reduce crime, enhance stability and resolve code violations in low-mod income, primarily residential areas. LADBS Inspectors survey designated areas and issue orders for code violations including vacant buildings, trash and debris, graffiti, illegal signs, hazardous or illegal construction and substandard single-family residences.

83 Neighborhood Facility Improvements 270,000

Requested funding will pay the salaries and related costs for 3 FTE CDBG capital development specialists and 1 FTE support staff person who screen and implement CDBG-funded, City- or non-profit agency-owned acquisition, construction, and/or renovation projects located city-wide from which CDBG-eligible services are provided. Proposed funding for this category would provide \$340,000 in Phase 1 and \$340,000 in Phase 2.

84 109th Street Pool -

No funds are proposed for this project in the 37th PY.

85 28th St. YMCA -

No funds are proposed for this project in the 37th PY.

86 4255 S. Olive St. -

4225 S. Olive is the former Junipero Sierra Library. Funding will be used to rehabilitate the property then have it conveyed to a nonprofit organization that specializes in job training for at-risk youth. Funding should be considered in Phase 2 subject to project readiness and funding availability.

87 Boyle Heights Neighborhood City Hall 340,000

Renovation of City-purchased building, including seismic repairs and retrofitting, and tenant improvements. Project is under construction, but needs additional funds to address damage due to the Chino Hills Earthquake.

88 Bring Back Broadway Streetscape -

No funds are proposed for this project in the 37th PY.

89 Casa Alicia -

No funds are proposed for this project in the 37th PY.

90 Central Avenue Undergrounding Facilities -

No funds are proposed for this project in the 37th PY.

91 Century Boulevard Design -

Funding should be considered in Phase 2 subject to project readiness and funding availability.

92 Cypress Park Basketball Court Reconstruction -

No funds are proposed for this project in the 37th PY.

93 Devonshire PALS Youth Center -

No funds are proposed for this project in the 37th PY.

94 East Hollywood Gardening Achievement Center -

The project is part of the East Hollywood Gardening Achievement Center. This phase of the project is to acquire parcels totaling about half an acre in area to be the future site of a community garden. The area will also be landscaped. Proposed funding for this project, \$616,000 is recommended for consideration in Phase 2.

* Phase 2 funding recommendations are subject to final CDBG entitlement and Council and Mayor approval.

CDBG EXPENDITURES FOOTNOTES *

95 Strathern Park North Restrooms (formerly East Valley Little League)	-
Proposed funding of \$157,000 is recommended for consideration in Phase 2.	
96 El Dorado and Bromwich Sidewalk Improvements	-
No funds are proposed for this project in the 37th PY.	
97 Elysian Valley Lighting Project Phase III	-
No funds are proposed for this project in the 37th PY.	
98 Girls Today Women Tomorrow Building Renovation	-
No funds are proposed for this project in the 37th PY.	
99 Greater Los Angeles Agency on Deafness, Inc.	-
No funds are proposed for this project in the 37th PY.	
100 Hollywood Beautification Team	-
No funds are proposed for this project in the 37th PY.	
101 Korean Senior Center HVAC	-
No funds are proposed for this project in the 37th PY.	
102 Laurel Canyon and Fox Pocket Park	-
No funds are proposed for this project in the 37th PY.	
103 Lincoln Heights Senior Center Restroom Restoration	-
Proposed funding of \$157,000 is recommended for consideration in Phase 2. This project will leverage Proposition A and QUIMBY funds.	
104 Los Angeles River and Aliso Creek Confluence/Reseda River Loop Project	-
The proposed project will provide much-needed green space, recreation, community revitalization amenities, as an alternative route to schools and other community institutions, and create an outdoor shaded respite from the summer temperatures. Funding should be considered in Phase 2 subject to project readiness and funding availability.	
105 MacArthur Park Restroom Project	-
No funds are proposed for this project in the 37th PY.	
106 MacArthur Park Signal Building Improvements	-
No funds are proposed for this project in the 37th PY.	
107 Martin Luther King, Jr. Park Improvements	-
No funds are proposed for this project in the 37th PY.	
108 New Horizons Adult Learning Center Expansion	-
No funds are proposed for this project in the 37th PY.	
109 Old Cypress Park Library	-
Funding should be considered in Phase 2 subject to project readiness and funding availability.	
110 Pacoima Streetlighting Improvements Phase IV	-
Funds would support the next phase of the streetlighting project. Proposed funding of \$316,800 is recommended for consideration in Phase 2.	
111 Pico, Venice and Washington Boulevard Streetscape	-
Funds provided for the next phase of the streetscape project. Proposed funding of \$220,000 is recommended for consideration in Phase 2.	
112 Pueblo Nuevo Recreational Improvements	-
No funds are proposed for this project in the 37th PY.	
113 Ralph Bunche House	-
No funds are proposed for this project in the 37th PY.	
114 Rancho La Cienega Sports Complex Improvements	-
No funds are proposed for this project in the 37th PY.	
115 Reach for the Top	-
No funds are proposed for this project in the 37th PY.	

* Phase 2 funding recommendations are subject to final CDBG entitlement and Council and Mayor approval.

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Attachment B

CDBG EXPENDITURES FOOTNOTES *

116 Ride on LA	-
No funds are proposed for this project in the 37th PY.	
117 San Fernando Road Bike path	-
No funds are proposed for this project in the 37th PY.	
118 Slauson/Wall Greenspace and Affordable Housing	-
No funds are proposed for this project in the 37th PY.	
119 Spiraling Orchard Green Building Project	-
No funds are proposed for this project in the 37th PY.	
120 Sun Valley Lighting	-
Funds provided for a the next phase of the streetlight project. Proposed funding of \$352,000 is recommended for consideration in Phase 2.	
121 Victory Blvd and Vanowen St. Streetscape	-
No funds are proposed for this project in the 37th PY.	
122 Vision Theater Renovation	-
No funds are proposed for this project in the 37th PY.	
123 Wattstar Theater	-
No funds are proposed for this project in the 37th PY.	
124 Westlake Theater	-
No funds are proposed for this project in the 37th PY.	
ADMINISTRATION/PLANNING - (20% CAP)	
125 Aging Department	165,622
The funding provided will support the Department of Aging's (DOA) administration of the Aging Services Delivery System, including the adult day support center programs, the alternative living for the aging, and the Emergency Alert Response System (ears) programs. These programs are administered by the DOA, with contractual monitoring, budgetary and technical assistance, in addition to outreach support provided. Direct salary of DOA staff is continued.	
126 AIDS Policy Development	213,750
Funding is provided to the Department of Disability for the AIDS Coordinator's Office staff to administer activities funded under the AIDS Policy and Planning program, including advising the Mayor and the City Council on AIDS policy issues; developing City initiatives to fund support services for persons with HIV/AIDS; building cooperative relationships with other public and private entities regarding HIV/AIDS strategies and treatment; developing research projects and capacity-building for AIDS services agencies serving residents living with HIV/AIDS. Direct salary costs of DOD staff is continued.	
127 Board of Public Works - OCB	145,739
Funding is provided to the Bureau of Public Works (Office of Community Beautification) to provide for administrative oversight of the Zero Tolerance graffiti removal program, OCB contractors, LACC Clean and Green, community-based volunteer clean-up project and educational outreach project. All programs are operated through the Office of Community Beautification, located within the Board of Public Works of the City of Los Angeles. Direct salary cost of OCS personnel is continued.	
128 Census 2010 Outreach Plan and Programs	-
No funds are proposed for this activity in the 37th PY.	
129 City Attorney CDBG Program Administration for CDD	59,748
The City Attorney provides advice pertaining to the HUD formula grants under the Consolidated Plan, including a variety of legal and regulatory issues. Some issues involve, but are not limited to, real estate and real property matters, contract questions, construction law, competitive bidding, and the interpretation of federal regulations, as well as state and local law. Attorneys also handle litigation matters, generally tort and breach of contract clauses.	
130 Commission for Community and Family Services (Formerly known as the Citizens' Unit for Participation)	125,000
Funding covers expenses related to advertising, staffing and printing materials for community meetings for the Community and Family Services commission formerly known as citizens Unit for Participation (CUP) which is an advisory board representing the community in matters concerning CDBG projects and programs.	

* Phase 2 funding recommendations are subject to final CDBG entitlement and Council and Mayor approval.

**PY37 Housing and Community Development Consolidated Plan
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Attachment B

CDBG EXPENDITURES FOOTNOTES *

131 Community Development Department - Capacity Builds LA	-
Over the past few years, funding has been used to contract with experts to provide training to nonprofit organizations designed to help them succeed, focusing on: Improving organizational operations, fundraising capabilities, and quality of service delivery. The goal has been for nonprofits to maintain or increase their level of service to low/mod income populations given declining CDBG funds. Funding is not recommended in Phase 1. Proposed funding may be considered in Phase 2.	
132 Community Development Department (incl Related Costs)	5,181,461
Funding for staff salaries, fringes, rent and some related costs in administration of CDBG activities, including program planning; project coordination; monitoring of subrecipients; review of applications; management of IDIS; Action Plans and CAPERs; contracts; other related duties. Staff work in the following divisions of CDD: Economic Development, Human Services/Family Development, Financial Management, Computer Services, Human Resources, Administrative Services; and Executive Management.	
133 Consolidated Plan Application System and Policy Development	-
Funds were requested for system enhancements. The goal of this activity is to establish a comprehensive grants management system. Funding is not recommended in Phase 1. Proposed funding may be considered in Phase 2.	
134 Department of Transportation	-
No funds are proposed for this activity in the 37th PY.	
135 eCivis Grant Locator Database Services	7,500
CDBG funding is provided for a Citywide subscription to the eCivis Corporation Grant Locator, a subscription which is administered by the City Administrative Officer. The Grant Locator provides grant alerts, search agents, and daily or weekly grant notifications. The total cost is \$128,500, which includes a research component (approximately \$49,000) and a Tracking and Monitoring component.	
136 Fair Housing	220,000
This is a HUD-mandated program to affirmatively further fair housing, handle housing discrimination cases, outreach and referrals. Provides services to residents including investigations of alleged housing discrimination complaints based on violations of federal, state and local laws; remedies for valid complaints; multi-lingual outreach and education to residents and housing providers; multi-lingual property management training; and training for City staff.	
137 LAHSA (Los Angeles Homeless Services Authority)	466,279
Funding for administrative costs related to the implementation of CDBG-funded homeless programs. LAHSA administers, through a network of nonprofit agencies, programs designed to assist homeless persons to transition from homelessness to independent living.	
138 LAHSA - Technical Assistance	80,000
This project will provide technical assistance to LAHSA in a variety of areas relating to homeless services. These areas include: assistance with the completion of the Continuum of Care SuperNOFA; program analysis and development; executive level assistance to LAHSA and the City of Los Angeles; Short-Term housing directory; program linkages & workshops; state policy and support for homeless re-entry program.	
139 Los Angeles Housing Department - General Administration	1,802,520
Administration, oversight, and management of various housing grants, programs and services. HUD grant funds managed include CDBG, HOME, HOPWA, ESG, ADDI, Neighborhood Stabilization Program 1 (NSP1), lead hazard reduction, and ARRA-funded Homelessness Prevention and Rapid Re-Housing Program (HPRP) and NSP2 grants. LAHD also oversees other federal, state and foundation grant funds. HOPWA administrative funds are listed in the HOPWA Service Provider and General Program Administration applications.	
Reserve for Admin	1,169,749

* Phase 2 funding recommendations are subject to final CDBG entitlement and Council and Mayor approval.

**PY37 Housing and Community Development Consolidated Plan
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CDBG Phase 2 Projects**

Attachment C

The projects listed below would receive CDBG funds for the period effective October 1, 2011 through March 31, 2012. The final amounts will be subject to the final CDBG entitlement for Program Year 37 (2011-12) and Mayor and Council approval. The projects are listed in the order in which they appear in Attachment A of this report.

No.	Project Name	CD
PUBLIC SERVICES		
9	Aging Services Delivery System (PS)	Citywide
10	AIDS Prevention	Citywide
11	Cash for College	Citywide
12	Computerized Information Center (Dept. of Disability)	Citywide
13	Construction Training and Placement Initiative	Citywide
14	Domestic Violence Shelter Operations	Citywide
15	FamilySource Centers (PS)	Citywide
18	Hire LA 16-24 Youth Employment	Citywide
19	Human Relations Advocates	Citywide
20	LAHSA - Homeless Emergency Shelter & Services	Citywide
21	LAHSA - Rent to Prevent Eviction	Citywide
22	LAHSA - Streets or Services	Citywide
23	LA's BEST	Citywide
24	Youth Recreation and Nutrition Program	Citywide
25	Community Arts Program	10,13,15
27	Housing Authority - Community Service Centers	1,7,10,11,14,15
28	Youth Opportunities Movement - SFV, Boyle Hts & Watts	7,14,15
26	FamilySource Centers--City managed	1,7,10,14,15
29	Computer Literacy Program - Project Tech	10
30	LAHSA - Assistance to Homeless Families on Skid Row	9
31	LAHSA - Central City East Public Sanitation	9
32	LAHSA - Emergency Shelter for Chronic Homeless - Downtown	9
33	LAHSA - Emergency Shelter for Chronic Homeless - Hollywood	13
34	LAHSA - Job Training and Placement (formerly named Valley Chrysalis)	6
35	LAHSA - Gramercy Housing Group	10
36	PALS Youth Center	12
37	Prevention Services for Youth at Risk	15
38	Soledad Enrichment Action	14
39	Youth Opportunities Movement HS-Watts	15
SPECIAL ACTIVITIES BY CBDOs		
40	Aging Services Delivery System (CBDO)	Citywide
41	Clean and Green	Citywide
42	FamilySource System (CBDO)	Citywide
43	Fresh Food Access Program (CBDO)	Citywide
44	GRYD Summer Night Lights	Citywide
45	LAHSA - Special Economic Development Opportunities	Citywide
46	LITE Homeless Portal (CDD - Homeless Workforce Center / Job Training and Placement)	Citywide
47	Office of Community Beautification (CBDO)	Citywide
48	Day Laborer (CBDO)	1,2,6,7,8,9,10,15
49	Clean Streets Clean Neighborhoods	1
50	Fuego Tech Fire Rangers	14
51	Project SAVE	10
52	Rita Walters Learning Complex - CBDO	8
53	River Keepers (formerly River Rangers)	1

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CDBG Phase 2 Projects**

Attachment C

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No.	Project Name	CD
PUBLIC SERVICES		
ECONOMIC DEVELOPMENT		
54	Business Source Program (Consolidates former LABAP Programs)	Citywide
55	ICON - Business Outreach Program	6,7
58	Clean Tech Business Incubator	Citywide
60	Port Tech Business Incubator	Citywide
62	District Square Retail Project	10
63	Marlton Square Acquisition Fund	8
65	Calko Industrial Expansion	9
66	Gensler Business Attraction Project	9
67	Northeast Valley Industrial Expansion	7
68	Pico Blvd Commercial BID Support	10
69	Wilmington Industrial Tract Expansion	15
70	CDD Section 108 Debt Service	Citywide
71	Economic Development Program Delivery	Citywide
HOUSING AND RELATED PROGRAMS		
72	Affordable Housing Trust Fund Program Delivery	Citywide
73	Foreclosure and Nuisance Abatement/CNAP & PPRT/FALCON	Citywide
74	Homeownership Assistance	Citywide
75	LAHD - Section 108 Debt Service	Citywide
76	Rehabilitation Comprehensive	Citywide
77	Single Family Rehabilitation - Handyworker	Citywide
79	Urgent Repair Program	Citywide
NEIGHBORHOOD IMPROVEMENTS (Includes Public Facilities)		
80	City Trees (LACC)	Citywide
81	Code Enforcement (Citywide PACE)	Citywide
82	Code Enforcement (Citywide PACE) - City Attorney	Citywide
83	Neighborhood Facility Improvements	Citywide
86	4255 S. Olive St.	9
87	Boyle Heights Neighborhood City Hall	14
91	Century Boulevard Design	15
94	East Hollywood Gardening Achievement Center	13
95	Strathern Park North Restrooms (formerly East Valley Little League)	6
103	Lincoln Heights Senior Center Restroom Restoration	1
104	Los Angeles River and Aliso Creek Confluence/ Reseda River Loop Project	3
109	Old Cypress Park Library	1
110	Pacoima Street lighting Improvements Phase IV	7
111	Pico, Venice and Washington Boulevard Streetscape	10
120	Sun Valley Lighting	6
ADMINISTRATION / PLANNING		
125	Aging Department	Citywide
126	AIDS Policy Development	Citywide
127	Board of Public Works - OCB	Citywide
129	City Attorney CDBG Program Administration for CDD	Citywide
130	Commission for Community and Family Services (formerly known as Citizens' Unit for Participation)	Citywide
131	Community Development Department - Capacity Building	Citywide

**PY37 Housing and Community Development Consolidated Plan
Fourth Year Action Plan (2011-2012)
CDBG Phase 2 Projects**

Attachment C

The projects listed below would receive CDBG funds for the period effective October 1, 2011 through March 31, 2012. The final amounts will be subject to the final CDBG entitlement for Program Year 37 (2011-12) and Mayor and Council approval. The projects are listed in the order in which they appear in Attachment A of this report.

No.	Project Name	CD
PUBLIC SERVICES		
132	Community Development Department (incl Related Costs)	Citywide
133	Consolidated Plan Application System and Policy Development	Citywide
135	eCivis Grant Locator Database Services	Citywide
136	Fair Housing	Citywide
137	LAHSA (Los Angeles Homeless Services Authority)	Citywide
138	LAHSA Technical Assistance	Citywide
139	Los Angeles Housing Department	Citywide

Attachment D

PY 37 Housing and Community Development Consolidated Plan
Fourth Year Action Plan (2011-2012)

**Home Investment Partnership Program (HOME)
REVENUE & EXPENDITURES**

	36 th PY	37 th PY	\$ Change	% Change
REVENUE				
Entitlement (Estimate)	43,235,443	43,235,443	0.00	0%
Program Income	5,366,521	7,365,727	1,999,206	37%
Prior Year Savings	0	0	0	0%
Total Revenue	\$48,601,964	\$50,601,170	\$1,999,206	4%
EXPENDITURES				
Affordable Housing Trust Fund	43,741,768	45,541,053	1,799,285	4%
General Program Administration	4,860,196	5,060,117	199,921	0.5%
Total Expenditures	\$48,601,964	\$50,601,170	\$1,999,206	4%

REVENUE

The 37th Program Year (2011-12) HOME budget is proposed for a total amount of \$50,601,170 which represents an overall increase of 4%, or \$1,99,206 from the 36th Program Year (2010-11). The estimated entitlement amount is projected to be the same as for the 37th Program Year; the Federal 2011 budget has not been approved and is funded via a continuing resolution of Congress.

Program income available for budgeting is projected to be \$7,365,727, an increase of \$1,999,206 or a 37% increase from the amount available in the 36th program year. In prior years the program income amount available for the Action Plan budget was reduced due to shortfalls in the 34th Program Year which have now been resolved. Based on previous experience, the LAHD projects that going forward, each year will yield approximately \$7 million in HOME program income.

EXPENDITURES

Affordable Housing Trust Fund - \$ 45,541,053

In order to make the most strategic use of limited HOME dollars, the proposed 37th PY budget allocates \$44,282,236 in capital funds for the Affordable Housing Trust Fund (AHTF). Combined with \$1,258,817 for staffing and program delivery costs for a total of \$45,541,053, the HOME funds will be dedicated to the development of affordable rental and permanent supportive housing. The HOME Program grant provides the majority of funding for the City's Affordable Housing Trust Fund (AHTF), which is a key component of the Mayor's 5-Year Action Plan for Housing.

HOME dollars will fund loans for predevelopment, acquisition, refinancing, construction and rehabilitation. Funding priorities include transit-oriented and workforce housing, preservation of 'at-risk' housing developments that may lose their affordability restrictions and permanent supportive housing for homeless and chronically homeless adults, families, and transition-age youth, including emancipated foster youth.

The AHTF and the Permanent Supportive Housing Program (PSHP) use a variety of funding sources including City General Fund revenues, redevelopment tax increment funds, Section 8 vouchers and LADWP funds for sustainable building practices. The \$30 million Los Angeles Supportive Housing Loan Fund and the \$200 million New Generation Fund provide acquisition finance to enable the City to move quickly and take advantage of market opportunities to create additional affordable housing but rely on construction and permanent financing from the AHTF.

CDBG funds play a critical role as they pay for the staffing needed to implement the Affordable Housing Trust Fund, for finance development officers, construction specialists, accountants and other administrative staff who work on these multi-year projects, multimillion dollar projects. AHTF staff spends many hours on financial, environmental, and architectural application reviews. If the projects do not progress, staff time spent is classified as administrative, not program delivery, by HOME regulations, which are more restrictive than CDBG. LAHD maximizes eligible HOME delivery costs, but relies on CDBG to operate the AHTF, to ensure compliance with federal rules, and to fully reimburse the General Fund for related costs.

General Program Administration - \$5,060,118

In the 37th PY, \$5,060,117 (10% of the HOME Entitlement plus 10% of the HOME program income) will be used by the Los Angeles Housing Department to fund administrative costs, including personnel and non-personnel expenses directly associated with administering the HOME grant and the programs it funds. Services funded include accounting, budget and grants management, portfolio management and occupancy monitoring, citywide policy and planning, evaluation of program effectiveness, coordination, and program operations.

All administrative services are under direct executive oversight, resulting in improved efficiencies and greater accountability. However, with the dramatic increase in related costs and salaries in recent years, there is overwhelming strain on the administrative budget. When possible, LAHD has identified eligible program delivery costs and removed them from the HOME administrative budget to free up funds for the increases; however this is difficult given the limited definition of 'HOME program delivery' as compared to 'CDBG program delivery' as described above.

PY37 Housing and Community Development Consolidated Plan
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**HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)
REVENUE & EXPENDITURES**

	36 th PY	37 th PY	\$ Change	% Change
REVENUE				
Entitlement (Estimate)	12,384,800	12,569,648	184,848	1%
Program Income	0	0	0	0%
Prior Year Savings	1,475,527	0	(1,475,527)	(100%)
Total Revenue	\$13,860,327	\$12,569,648	(\$1,290,679)	(9%)
EXPENDITURES				
Housing Subsidy Assistance	6,255,000	6,155,000	(100,000)	(2%)
Supportive Services	3,850,000	3,755,709	(94,291)	(2%)
Technical Assistance/ Resource Identification	230,000	230,000	0.00	0%
Permanent Supportive Housing Development	1,001,933	0.00	(1,001,933)	(100%)
Housing Placement Assistance Activities	1,350,000	1,250,000	(100,000)	(7%)
Service Provider and General Admin	1,173,394	1,178,939	5,545	<1%
Total Expenditures	\$13,860,327	\$12,569,648	(\$1,290,679)	(9%)

REVENUE

The 37th Program Year (PY) Housing Opportunities for Persons with AIDS (HOPWA) budget proposes a total amount of \$12,569,648 which is the estimated HOPWA Entitlement (an increase of \$184,848 over the 36th PY). Because there are no anticipated program savings, the available funding is a decrease of \$1,290,679, or 9% less than the 36th PY total of \$13,860,327.

EXPENDITURES

Housing Subsidy Assistance – \$6,155,000

HOPWA Subsidy Assistance programs give low-income persons living with HIV/AIDS and their families short and long-term financial assistance to help them access and retain affordable housing throughout Los Angeles County. This budget category includes Tenant-based Rental Assistance (TBRA), Project-based Rental Assistance (PBRA), Short-Term Rent, Mortgage and Utility Assistance Program (STRMU), Scattered Site Rental Assistance, Emergency Motel Vouchers and Transitional/Short Term Housing. Four local housing authorities implement the TBRA Program: the Housing Authority of the City of Los Angeles (HACLA), the Housing Authority of the County of Los Angeles (HACoLA), the Housing Authority of the City of Long Beach and the Pasadena Community Development Commission. The other program services are provided by community-based organizations selected through a competitive process.

Due to budget constraints, this program has been cut by \$100,000 for the 37th PY, compared to the amount allocated for the 36th PY.

Supportive Services– \$3,755,709

HOPWA Supportive Services programs assist low-income persons living with HIV/AIDS and their families to improve their access to housing, financial resources, employment, health care, and enhances their quality of life. The program includes supportive services for clients in permanent housing and housing locator services. Other services include meal preparation/delivery, food banks, meal vouchers and legal assistance. Services are provided by project sponsors selected through a competitive Request for Proposal (RFP) process. Due to budget constraints, this program has been cut by \$94,291 for the 37th PY, compared to the amount allocated for the 36th PY.

Technical Assistance/ Resource Identification– \$230,000

In PY37, this funding will be used to provide technical assistance to HOPWA programs and services. Specifically, an accounting contractor will perform audits of the project sponsors and provide audit reports in the area of financial management and recordkeeping of HOPWA funds. In addition, an outside consultant will provide LAHD with various services including strategic planning, proposal development, survey and program design, report writing, Request for Proposals development, and associated applications and scoring forms for local HOPWA formula funding proposals. The consultant will also conduct bidders conferences associated with these competitive bids, facilitate housing case management contractor trainings, advise LAHD on newly enacted federal regulations and provisions related to the HOPWA program, and other tasks as needed. LAHD also plans to conduct a HOPWA needs assessment to determine the greatest needs and highest and best use of the funds.

Permanent Supportive Housing Development– \$0

In previous years when the budget permits, HOPWA funds have been combined with other resources in the Affordable Housing Trust Fund NOFA, for Permanent Supportive Housing Program development, to be leveraged with CDBG and HOME funds, the State Multifamily Housing Program (MHP), City of Industry tax increment dollars, HUD's 811 Program, Low Income Housing Tax Credits and other housing resources to develop affordable housing for persons living with HIV/AIDS and their families. It is not currently possible to budget funds for the HOPWA Permanent Supportive program. However the LAHD proposes to allocate funds to this line item in PY37 if HOPWA program savings funds become available

Housing Placement Assistance Activities– \$1,250,000

HOPWA Permanent Housing Placement programs provide low-income and homeless persons living with HIV/AIDS and their families assistance to access affordable housing in LA County. One program is the Permanent Housing Placement Grant that provides financial assistance for a security deposit and first month's rent, not to exceed twice the rent amount. It may be used in conjunction with subsidized housing. The other provides funding for a website and hotline for people to search for housing. Due to budget constraints, this program has been cut by \$100,000 for the 37th PY, compared to the amount allocated for the 36th PY.

Administrative Costs – \$1,178,939

PY37 funding will be used for program oversight, management, monitoring, and coordination of the HOPWA grant-funded programs and activities. The HOPWA Program allows 10% of the grant to be used for administration: 7% must go to the project sponsors and 3% can be used by LAHD as the grantee. This amount is \$5,545 more than that allocated for the 36th PY, based on an anticipated slight increase in the entitlement amount.

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**EMERGENCY SHELTER GRANT (ESG)
REVENUE & EXPENDITURES**

	36th PY	37th PY	\$ Change	% Change
REVENUE				
Entitlement (Estimate)	3,147,488.00	3,162,704	15,216	<1%
Program Income	0	0	0	0%
Prior Year Savings	8,802.00	0	(8,802)	(100%)
Total Revenue	\$3,156,290	\$3,162,704	\$6,414	<1%
EXPENDITURES				
Downtown Drop-In Center	470,959	470,959	0.00	0%
Emergency Response Team	155,120	155,120	0.00	0%
Homeless Access Centers	142,000	142,000	0.00	0%
Homeless Shelter and Services	493,942	493,942	0.00	0%
Job Training and Placement	116,866	116,866	0.00	0%
Winter Shelter Program	1,620,029	1,625,682	5,653	<1%
Admin – LAHSA	94,425	94,881	456	<1%
Admin – LAHD	62,949	63,254	305	<1%
Total Expenditures	\$3,156,290	\$3,162,704	\$6,414	<1%

REVENUE

The proposed budget provides \$3,162,704 in estimated entitlement funds for the 37th Program Year (PY), \$15,216 more than last year's allocation from HUD. There is also a decrease of \$8,802 which was prior year savings from the 35th PY available in the 36th Program Year. Total funds available for the 37th PY are estimated to be \$6,414 more than the previous year.

EXPENDITURES

For the 37th PY, \$3,004,569 is budgeted for shelter operating costs and essential services. In addition, \$158,135 (5% of the ESG entitlement for the 37th year) will be used by the Los Angeles Homeless Services Authority (LAHSA) and the Los Angeles Housing Department (LAHD) to fund administrative costs, including personnel and non-personnel expenses directly associated with administering the ESG grant. This critical funding will allow LAHD, LAHSA, and its subcontractors to continue providing a

significant range of programs to address the needs of the homeless, including those who are dually diagnosed and other homeless subpopulations, and individuals and families at risk of becoming homeless.

Program Costs - \$3,004,569

Downtown Drop-In-Center – \$470,959

The Drop-In Center offers an array of services to homeless persons. Services offered include showers, toilets, laundry, storage, case management, health screening, and counseling. The Center offers 6 respite beds for women and 24 respite beds for men. The beds are available for use in 8-hour increments. Usually ESG funds are matched by a similar amount from City General Funds, which is approved through the City's budget process. ESG funding will be used for staff costs and costs associated with program participant needs.

Emergency Response Team– \$155,120

The Emergency Response Team is composed of four mobile crisis intervention teams comprised of two workers each. The ERT provides supportive services and referrals to homeless people who are sent to LAHSA via calls from the Mayor, City Council members and County Supervisors, law enforcement, business owners and community members. The ESG funding will be used for staff and limited client supplies. This program is leveraged with Los Angeles County General Funds and ESG dollars.

Homeless Access Centers – \$142,000

The access centers provide basic services to homeless persons at one central site. The services provided at the access centers include mental health counseling, crisis counseling, mail/message pick/up, and referrals to housing programs. ESG funds will be used for staff, client activities and supplies and are leveraged with federal Supportive Housing Program (SHP) funds.

Homeless Shelter and Services – \$493,942

Projects provide a range of services in the homeless continuum of care including supportive services, emergency shelter, and transitional housing for homeless individuals and families. Also included under this project title is the Housing Stability Program, which provides short-term shallow subsidies to formerly homeless families to assist them to maintain stable housing in the first few months after placement in permanent housing. Since this is a countywide program, City ESG funds are leveraged with County ESG funds, which fund emergency shelter sites in the County that serve City residents.

Job Training and Placement Program – \$116,866

This program provides employment training, which includes working in Chrysalis's StreetWorks program, cleaning streets in Central City East. The program assists homeless persons to find permanent and temporary paid positions. Funding will be used for program staff and client services.

Winter Shelter Program – \$1,625,682

The Winter Shelter Program is a seasonal program designed to open additional emergency beds around the city of Los Angeles during the most severe winter evenings (December 1 to March 15). Two meals, transportation to and from the sites, showers and toilets are also made available to homeless individuals and families. Contracted providers may issue hotel vouchers to accommodate individuals and families for whom mass shelter is inappropriate. ESG funding will be used for staff, operations, supportive services, and client supplies. **City ESG funds for this program are leveraged by County ESG funds and General Funds from the City and County of Los Angeles.**

Administrative Costs – \$158,135

In the 37th PY, \$158,135 (5% of the total ESG entitlement grant) will be used by the Los Angeles Housing Department (LAHD) to fund personnel costs, and by the Los Angeles Homeless Services Authority (LAHSA) to fund administrative costs, including personnel and non-personnel expenses directly associated with administering the ESG grant.

Los Angeles Homeless Services Authority (LAHSA) Administrative Costs – \$94,881

LAHSA's mission is to support, create and sustain solutions to homelessness in Los Angeles County by providing leadership, advocacy, planning, and management of program funding. As the lead entity administering homeless funds for the City of Los Angeles, LAHSA is responsible for the planning process for the Continuum of Care. LAHSA administers funding through nonprofit agencies for programs designed to assist homeless persons transition from homelessness to independent living.

Los Angeles Housing Department – \$63,254

In the PY37, \$63,254 will be used by the Los Angeles Housing Department (LAHD) to fund personnel expenses directly associated with administering the ESG grant.

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**Additional Prior Year Community Development Block Grant Savings Available for
Reprogramming**

DEPT	ACCT NO	PROJ ID	PROJ NAME	CD #	Available for Reprogramming Verified by CDD
AGING	C102	33-AP01	AGING-ADMIN		\$4,459.37
AGING	F102	35-AP03	AGING-ADMIN		\$10,267.32
AGING	F367	35-PS01	AGING DELIVERY SYSTEM		\$54,286.00
AGING	F366	35-CB01	AGING DELIVERY SYSTEM - CBDO		\$19,375.00
AGING Total					\$88,387.69
CDD-ADM	W345	30-27	AUDIT FEES	-	\$0.72
CDD-ADM	F122	VARIOUS - 35YR	CDD - ADMIN	CW	\$1,057,048.57
CDD-ADM	F741	CF09-0600-S203 35-AP09, ED04, NI06, PS04, PS06, PS07, PS09, PS25	CDD - ADMIN - direct and indirect costs	CW	\$292,128.00
CDD-ADM	F299		CDD - RELATED COSTS	CW	\$5,600.00
CDD-ADM Total					\$1,354,777.29
CDD-EDD	G243	36-ED06	LABAP-GROWTH BAC	CW	\$210,180.00
CDD-EDD Total					\$210,180.00
CDD-HSFD	F309	35-CB05	DAY LABORER - CBDO	1,3,6,7,8,9 ,10,15	\$125,383.00
CDD-HSFD	E305	34-PS06	DOMESTIC VIOLENCE SHELTER OPERATIONS	CW	\$3,264.07
CDD-HSFD	F305	35-PS06	DOMESTIC VIOLENCE SHELTER OPERATIONS	3,5,7,8,10, 13,14,15	\$336,032.86
CDD-HSFD	E301	34-PS11	HUMAN SERVICES DELIVERY SYSTEM	CW	\$41,803.81
CDD-HSFD	F301	35-PS12	HUMAN SERVICES DELIVERY SYSTEM	CW	\$82,159.91
CDD-HSFD	F302	35-CB09	HUMAN SERVICES DELIVERY SYSTEM - 6MO - CBDO	CW	\$92,303.53
CDD-HSFD	F304	35-CB10	HUMAN SERVICES DELIVERY SYSTEM - 6MO - CBDO - REDESIGN	CW	\$469,100.67
CDD-HSFD	E302	34-CB04	HUMAN SERVICES DELIVERY SYSTEM - CBDO	CW	\$102,611.29
CDD-HSFD Total					\$1,252,659.14
CDD-NDD	C446	33-PF02	CASA ALICIA RESTORATION PROJECT	1	\$0.23
CDD-NDD	P203	25-359	ECHO PARK SILVERLAKE	13	\$16,500.06
CDD-NDD	G140	32- PF05/BGTRAP	GSD-WATTS RECREATIONAL CENTER	15	\$53,761.66
CDD-NDD	A726	32-MYRP	INNER CITY ARTS SITE AND LANDSCAPING	14	\$20.00
CDD-NDD Total					\$70,281.95
CDD-WDD	E429	34-CB07	CDD - HOMELESS WORKFORCE CTR	CW	\$300.09

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DEPT	ACCT NO	PROJ ID	PROJ NAME	CD #	Available for Reprogramming Verified by CDD
CDD-WDD	C265	33-CB08	COMM RESOURCE FR TECH 7 COMP	15	\$1,871.00
CDD-WDD	E433	34-PS04	CONSTRUCTION TRAINING & PLACEMENT	CW	\$1,939.55
CDD-WDD	E261	34-AP15	HACLA - ADMIN	7,11,14,15	\$2,851.58
CDD-WDD	E434	34-PS09	HIRE - LA	CW	\$43,020.00
CDD-WDD	C358	33-CB17	LAHSA - WORKFORCE CTR / JOB TRAIN	CW	\$8,456.74
CDD-WDD Total					\$58,438.96
CDD-YOM	A268	32-PF05	WATTS RECREATIONAL YOUTH CTR	15	\$433.09
CDD-YOM	E716	CF09-0184	YOM STIPENDS		\$500.00
CDD-YOM Total					\$933.09
CITY ATTORNEY	F229		CITY ATTORNEY - LAHD		\$21,522.45
CITY ATTORNEY Total					\$21,522.45
CRA	P225	VARIOUS-25 YR	CRA	VAR	\$4,968.95
CRA Total					\$4,968.95
DOD	F473	35-PS02	AIDS PREVENTION	CW	\$420.40
DOD Total					\$420.40
ITA	F132	35-AP09	INFORMATION TECHNOLOGY AGENCY	-	\$11,686.00
ITA	F291	35-AP09	INFORMATION TECHNOLOGY AGENCY - RELATED COSTS	CW	\$36,450.71
ITA Total					\$48,136.71
LAHD	F212	35-HO01	AFFORDABLE HOUSING TRUST FUND	CW	\$328,095.00
LAHD	T211	28-7,8	HOUSING - NEW CONSTRUCTION	CW	\$3,431.63
LAHD	C845	33	HOUSING - PROGRAM PERFORMANCE FEE	CW	\$9,000.00
LAHD	A143	VARIOUS	LAHD - ADMIN	CW	\$445.33
LAHD	E298	VARIOUS	LAHD - RELATED COSTS	CW	\$2,635.34
LAHD	F298	VARIOUS	LAHD - RELATED COSTS	CW	\$437,376.56
LAHD	F270	35-PS08	FORECLOSURE TECH ASSISTANCE	CW	\$50,000.00
LAHD	F208	35-HO11	HANDYWORKER	CW	\$25,981.00
LAHD	E143	34-HO01, HO03, HO11, HO12, HO14	LAHD - ADMIN	CW	\$5,473.42
LAHD	F143	35-HO01, HO03, HO10, HO11, AP01	LAHD - ADMIN	CW	\$200,000.00
LAHD	A209	32-HO13	SF BASIC AND COMPREHENSIVE	CW	\$26,394.35
LAHD	C209	33-HO14	SF REHAB	CW	\$27,549.92
LAHD	F371	35-HO12	SF REHAB - HOME SECURE	CW	\$18,170.00
LAHD	F209	35-HO10	SF REHAB 1-28 UNITS	CW	\$45,304.40
LAHD	E419	34-NI12	MARIACHI HOTEL RECREATION ROOM	14	\$4,084.01
LAHD	F217	35-HO08	SECTION 108 DEBT SERVICE - LAHD	CW	\$1.01

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DEPT	ACCT NO	PROJ ID	PROJ NAME	CD #	Available for Reprogramming Verified by CDD
LAHD	A750	CF06-0100	TECHNICAL ASSISTANCE PROJECT	-	\$200.00
LAHD	E844	34-HO12	TECHNICAL SERVICES	CW	\$27,758.50
LAHD Total					\$1,211,900.47
LAHSA	F702	CF09-1212	BEYOND SHELTER		\$1,050.00
LAHSA	F703	CF09-1212	LAHSA - CENTRAL CITY SHELTER		\$8.00
LAHSA	F352	35-CB11	LAHSA - ECONOMIC OPPORTUNITIES	CW	\$5,807.00
				3,4,5,6,7,8 9,10,11,1	\$484.00
LAHSA	A354	32-PS21	LAHSA - HOMELESS EMER SHELTER	3,14,15	
LAHSA	C354	33-PS20	LAHSA - HOMELESS EMER SHELTER	CW	\$1,712.62
LAHSA	F701	CF09-1212	LAHSA - HOMELESS EMER SHELTER		\$3,438.00
LAHSA	A348	32-PS24	LAHSA - RENT TO PREVENT EVICTION	CW	\$800.00
LAHSA	E355	34-PS18	LAHSA - RENT TO PREVENT EVICTION	CW	\$2,450.00
LAHSA	F355	35-PS18	LAHSA - RENT TO PREVENT EVICTION	CW	\$2,361.00
LAHSA	E353	34-PS20	LAHSA - YEAR ROUND DOWNTOWN	9	\$5,807.00
LAHSA	F349	35-PS21	LAHSA - YEAR ROUND HOLLYWOOD	13	\$2,847.00
LAHSA	A350	32-AP14	LAHSA - ADMIN	CW	\$1,455.18
LAHSA	C350	33-AP13	LAHSA - ADMIN	CW	\$1,121.47
LAHSA	W731	30-MYRP	LAHSA - BRING LA HOME	CW	\$301.01
LAHSA	F355	35-PS18	EVICTON	CW	\$2,361.00
LAHSA Total					\$32,003.28
MAYORS	w245	30-108	BLOCK GRANT INVESTMENT FUND	CW	\$3,000.00
MAYORS	E385	34-PS08	GANG MEMBERSHIP ILLEGAL NUISANCE	15	\$28,688.00
MAYORS	F385	35-PS23	PREVENTION SERVICES YOUTH AT RISK	15	\$251.00
MAYORS Total					\$31,939.00
NBG	A551	32-NI05	NEIGHBORHOOD BLOCK GRANT PROGRAM	CW	\$27,392.16
NBG	W551	30-19	NEIGHBORHOOD BLOCK GRANT PROGRAM	CW	\$21,465.39
NBG	A186	VARIOUS, CF06- 0100	PW BOSS - NEIGHBORHOOD BLOCK GRANT PROGRAM		\$33,514.76
NBG	C186	VARIOUS	PW BOSS - NEIGHBORHOOD BLOCK GRANT PROGRAM	CW	\$77,774.64
NBG	E186	VARIOUS	PW BOSS - NEIGHBORHOOD BLOCK GRANT PROGRAM	CW	\$61,132.48
NBG	A140	32-NI05, 30-19	GSD - NEIGHBORHOOD BLOCK GRANT PROGRAM	CW	\$35,565.93
NBG	A140	32-NI05, 30-19	GSD - NEIGHBORHOOD BLOCK GRANT PROGRAM	CW	\$35,565.93
NBG	V830	CF03-0008	NBG II - WATTS	-	\$150,000.00
NBG	A843	CF06-0100	NEIGHBORHOOD BLOCK GRANT PROGRAM	-	\$27,933.58
NBG	V840	29-24	NEIGHBORHOOD BLOCK GRANT PROGRAM	CW	\$1,126.88

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DEPT	ACCT NO	PROJ ID	PROJ NAME	CD #	Available for Reprogramming Verified by CDD
NBG	C184	VARIOUS	PW BSL - NBGII / WEST ADAMS STREET LIGHTING	VARIOUS	\$1,000.78
NBG	A184	VARIOUS, CF06- 0100	PW BSL - NEIGHBORHOOD BLOCK GRANT	CW	\$48.71
NBG	E184	VARIOUS	PW BSL - NEIGHBORHOOD BLOCK GRANT	VARIOUS	\$371.25
NBG	W184	30-19	PW BSL - NEIGHBORHOOD BLOCK GRANT - WEST ADAMS	8	\$474.31
NBG	S847	27-93	TNI II - OLD BANK DISTRICT	9	\$835.17
NBG Total					\$474,201.97
PW-BOARD	G514	36-NI24	PW BOARD - SAN FERNANDO ROAD BIKE	7	\$350,000.00
PW-BOARD Total					\$350,000.00
PW-STREET LIGHTING	A375	32-NI04	PW BSL - DELANO & BECK ST LIGHTING		\$2,832.42
PW-STREET LIGHTING	C184	33-NI08	PW BSL - DELANO AND BECK PHASE II	2	\$807.09
PW-STREET LIGHTING Total					\$3,639.51
PW-STREET SERVICES	E186	CF09-0372	PW BOSS - BROWNFIELDS		\$8,571.19
PW-STREET SERVICES	F436	35-NI12	PW BOSS - EL DORADO & BROMWICH SIDEWALK IMPRV	6	\$500,000.00
PW-STREET SERVICES	C186	30-74, CF04- 0064-S1	PW BOSS - EL DORADO SIDEWALK CONSTRUCTION	6	\$37,463.93
PW-STREET SERVICES	C186	28-MYRP	PW BOSS - SIDEWALK REPAIRS FOR CD 2	2	\$7,785.39
PW-STREET SERVICES	E186	28-MYRP	PS BOSS - SIDEWALK REPAIRS FOR CD 2	2	\$15,107.39
PW-STREET SERVICES	G186	36-NI28	PW BOSS - VICTORY/VANOWEN STREET		\$254,000.00
PW STREET SERVICES	G521	36-NI28	PW BOSS - VICTORY/VANOWEN STREET		\$46,000.00
PW-STREET SERVICES	C186	CF06-2366-S3	PW BOSS - PICO / WASHINGTON BLVD STREETSCAPE	10	\$0.00
PW-STREET SERVICES Total					\$868,927.90
R & P	F140	35-NI16 / BGTRAP	GSD - MLK PARKS AND MCLEOD BETHUNE	8	\$50,000.00
R & P	G140	35-NI16 / BGTRAP	GSD - MLK PARKS AND MCLEOD BETHUNE	8	\$53,484.37
R & P	A745	CF07-0666-S1	R&P - BANDINI CANYON TRAIL PARK	15	\$1,951.00
R & P	F414	35-NI03	R&P - CYPRESS PARK BASKETBALL COURT RECONSTRUCTION	1	\$628.73
R & P Total					\$106,064.10
Grand Total					\$6,189,382.86

**PY37 Housing and Community Development Consolidated Plan
Fourth Year Action Plan (2011-2012)
CDBG Program Year 37 Sources and Cap Calculations Detail**

Attachment H

PROGRAM YEAR 37 SOURCES	36TH YEAR PROJECTION FOR PROGRAM INCOME APRIL 2010 TO MARCH 2011		37TH YEAR PROJECTION PROGRAM INCOME APRIL 2011 TO MARCH 2012
	ORIGINAL PROJECTION (36TH YEAR CON PLAN) Attachment B CF 09- 2665	REVISED PROJECTION (36TH YEAR CON PLAN)	
PRIOR YEAR SURPLUS (DEFICIT)	2,527,361	190,395	(3,210,071)
34th Year deficit carried forward to 36th year	(4,404,298)	(4,404,298)	
34th Year deficit carried forward to 37th Year	4,303,223	4,303,223	(4,303,223)
Prior years deficit carried forward to 38th Year			4,195,031
LAHD MONITORED LOANS	10,779,099	10,779,099	10,222,466
CRA	4,787,801	5,406,965	832,000
EDD LOANS	187,486	199,755	149,754
NEIGHBORHOOD FACILITIES	56,781	49,130	37,427
MISC PROGRAM INCOME	200,000	200,000	200,000
SALE OF BONSALE PROPERTY			
APPLICABLE Credits (Not counted for CAP purposes)	200,000	200,000	816,350
8101 S. Vermont Avenue (COCO), CD 8			0
WLCAC 10800 Central Avenue, CD 15	80,000	0	80,000
	\$ 18,717,453	\$ 16,924,269	\$ 9,019,734
LESS: AMOUNT USED CONSOLIDATED PLAN		(18,717,453)	
LESS: REDUCTION IN 36TH YR ENTITLEMENT		(1,416,887)	
CARRY FORWARD SURPLUS (DEFICIT)		\$ (3,210,071)	
PROGRAM INCOME AVAILABLE FOR 37TH YEAR			9,019,734
ADD PROJECTED ENTITLEMENT AMOUNT			77,983,283
PRIOR YEAR SAVINGS			4,689,398
AVAILABLE RESOURCES FOR 37TH YEAR			\$ 91,692,415
37TH YEAR CAP COMPUTATION			
	PUBLIC SERVICE CAP COMPUTATION 36TH YEAR PROJECTION FOR PROGRAM INCOME		ADM CAP COMPUTATION 37TH PROJECTION FOR PROGRAM INCOME
LAHD MONITORED LOANS	10,779,099		10,222,466
CRA	5,406,965		832,000
EDD LOANS	199,755		149,754
NEIGHBORHOOD FACILITIES	49,130		37,427
MISC PROGRAM INCOME	200,000		200,000
8101 S. Vermont Avenue (COCO), CD 8			-
Section 108 CDD	1,100,000		1,100,000
WLCAC 10800 Central Avenue, CD 15	0		80,000
Hope Street Family Center Float Loan	8,000,000		
Boyle Heights Neighborhood City Hall/Chicago Bldg Float Loan	1,219,844		
Rancho Cienega Float Loan	1,200,000		
TOTAL PROJECTED PROGRAM INCOME RECEIPTS	28,154,793		12,621,647
ADD PROJECTED ENTITLEMENT AMOUNT	77,983,283		77,983,283
	106,138,076		90,604,930
MULTIPLY BY CAP RATE	15.00%		20.00%
TOTAL PY37 PUBLIC SERVICE CAP AVAILABLE	\$ 15,920,711		
TOTAL PY37 ADMINISTRATIVE CAP AVAILABLE			\$ 18,120,986

**PY37 Housing and Community Development Consolidated Plan
Fourth Year Action Plan (2011-2012)**

Requests from Council Offices

Council District	Project Name	Public Service	Admin/ Planning	Other CDBG
1	SALEF - building purchase			\$500,000
1	Lincoln Heights City Jail feasibility study		\$30,000	
1	Westlake Theatre			\$1,000,000
1	Taylor Yard Transit Village payback			\$500,000
1	Las Villas			\$750,000
2	Vanowen Fulton Pocket Park			
4	North Hollywood Industrial Infrastructure			\$500,000
4	Burbank Boulevard Improvements			\$500,000
6	ICON			\$350,000
6	Sun Valley Street Lighting			\$200,000
6	El Dorado and Bromwich Sidewalk Improvements			\$600,000
7	UHC-Crossings at North Hills			\$600,000
7	Neighborhood Legal Services of Los Angeles County (NLSLA)			\$35,000
7	Tom Bradley Legacy Foundation (financial literacy) - to leverage federal/state grant funding			\$150,000
8	Acquisition of 5975 S. Western			\$1,000,000
8	Vision Theatre			\$3,000,000
8	Western/Slauson BID study		\$75,000	
9	Gensler			\$300,000
9	Shelter upgrades			\$100,000
12	New Horizons			\$200,000
14	Fuego Tech			\$50,000

**Departmental Impact Statements
Received to Date
Relative to Proposed CDBG Cuts**

CDBG Cut Exercise

Aging

Program	Original Proposed Amount	10% Cut	Impact	15% Cut	Impact
Admin.	\$ 376,413	\$ 37,641	Administrative work related to CDBG will have to be covered by General Fund because other grants can't cover the cost. An Accountant processing CDBG contractor invoices can't charge this part of his work to other grants.	\$ 56,462	Administrative work related to CDBG will have to be covered by General Fund because other grants can't cover the cost. An Accountant processing CDBG contractor invoices can't charge this part of his work to other grants.
Public Services	\$ 416,072	\$ 41,607	Would reduce the number of EARS clients by 218 from 1006 to 788. The 218 seniors will either be placed in a nursing home, placed in full-time care of a family member, if any, or elect to live without the means to contact emergency response in event of a health episode/emergency.	\$ 62,411	Would reduce the number of EARS clients by 327 from 1006 to 676. The 327 seniors will either be placed in a nursing home, placed in full-time care of a family member, if any, or elect to live without the means to contact emergency response in event of a health episode/emergency.
CBDO	\$ 1,246,253	\$ 124,625	Based on PY09-10 service levels, the Adult Day Program served 588 (363 seniors and 225 family caregivers). The projected reduction will result in 36 seniors being denied service for PY11-12. The economic benefit of the program to those seniors and caregivers is \$2,304,640 in payroll, because the caregivers can remain employed instead of quitting to become full-time caretakers. Potentially 12 full time working caregivers and 4 part-time working caregivers will be affected. At minimum wage, the 12 F/T + 4 P/T caregivers generate \$232,960 in income per year.	\$ 186,938	Based on PY09-10 service levels, the Adult Day Program served 588 (363 seniors and 225 family caregivers). The projected reduction will result in 54 seniors being denied service for PY11-12. The economic benefit of the program to those seniors and caregivers is \$2,304,640 in payroll, because the caregivers can remain employed instead of quitting to become full-time caretakers. Potentially 18 full time working caregivers and 6 part-time working caregivers will be affected. At minimum wage, the 18 F/T + 6 P/T caregivers generate \$349,440 in income per year.

At the request of agencies such as Mayor, City Council, and Neighborhood Councils, the Los Angeles Department of Building and Safety's (LADBS') Community Development Block Grant (CDBG) Pro-Active Code Enforcement (PACE) funded teams target specific code enforcement problems in CDBG-eligible areas (low/moderate income). PACE is an intervention program designed to proactively seek out code violations, gain compliance and help revitalize communities, increase public safety, and enhance the economic growth and stability of these areas. Inspectors focus on violations such as graffiti, trash, hazardous/illegal construction, substandard dwellings, etc. For the past several years, CDBG programs at LADBS have not received full funding (PY's 34, 35, 36 and 37). This is the City's last remaining pro-active code enforcement program (previously LADBS/the City had 3 grant funded teams and one General Fund team).

LADBS estimates a reduction of 20 Orders Issued and 75 Cases Closed per Clerk Typist reduction and a reduction of 308 Cases Issued and 1,079 Cases Closed per Building Mechanical Inspector reduction (based on application estimates of 4,100 Cases Issued and 15,000 Cases Closed). Impacts of not funding or reducing funding to this last remaining program (aside from additional layoffs) will include increasing backlogs processing new cases and closing cases, increasing crime, and creating unlivable or undesirable neighborhoods. All of these impacts are contrary to the Mayor's goal of livable and safe neighborhoods. The Broken-Windows Theory states that monitoring and maintaining urban environments in a well-ordered condition may prevent further vandalism as well as an escalation into more serious crime: PACE is intended to relieve blight and mitigate hazardous and other related conditions.

- A. Salaries are based on FY 10-11 Wages and Count.
- B. CAP 31 was used for submittal of the application; CAP 32 included lower costs and was used in this Cost Reduction Exercise.
- C. Mileage for inspectors is based on \$3,470.
- D. Cellular phones for inspectors is based on \$420 annually.
- E. Contractual Services for inspectors is based on \$61 (Notebook Replacement Insurance) + \$618 (Notebook Wireless Services Annual Fee) + \$300 (Contractual Services) = \$979; \$300 contractual services for clerical staff.

CITYWIDE PACE	APPLICATION FUNDING FOR ALL INSPECTOR POSITIONS	10% FURLOUGH FOR ALL POSITIONS, REDUCED EXPENSE FOR INSPECTORS, & REDUCED STAFF TO RESOLVE UNDER FUNDING ¹	10% REDUCTION EXERCISE WITH 10% FURLOUGH FOR ALL POSITIONS, REDUCED EXPENSE FOR INSPECTORS, & REDUCED STAFF TO RESOLVE UNDER FUNDING ¹	15% REDUCTION EXERCISE WITH 10% FURLOUGH FOR ALL POSITIONS, REDUCED EXPENSE FOR INSPECTORS, & REDUCED STAFF TO RESOLVE UNDER FUNDING ¹
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		Salary FY 10-11	Furlough FY 10-11	Sally 10%	Furrough FY 10-11	Sally 10%	Furrough FY 10-11	Sally 10%	Furrough FY 10-11
	Staff Quantity	Wages and Count	Staff Quantity	Wages and Count	Staff Quantity	Wages and Count	Staff Quantity	Wages and Count	Staff Quantity
SR BLDG MECHANICAL INSPECTOR	1	\$ 98,356	1	\$ 88,520	1	\$ 88,520	1	\$ 88,520	1
SR BLDG MECHANICAL INSPECTOR	1	\$ 98,356	1	\$ 88,520	1	\$ 88,520	1	\$ 88,520	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
BLDG MECHANICAL INSPECTOR	1	\$ 87,157	1	\$ 78,441	1	\$ 78,441	1	\$ 78,441	1
SR CLERK TYPIST	1	\$ 56,739	1	\$ 51,065	1	\$ 51,065	1	\$ 51,065	1
CLERK TYPIST	1	\$ 44,747	1	\$ 40,272	0	\$ -	0	\$ -	0
CLERK TYPIST	1	\$ 44,747	0	\$ -	0	\$ -	0	\$ -	0
TOTAL SALARIES	18	\$ 1,475,986	16	\$ 1,209,674	14	\$ 1,090,960	13	\$ 1,012,519	
MILEAGE:	\$ 3,897	\$ 58,455	\$ 3,470	\$ 48,580	\$ 3,470	\$ 45,110	\$ 3,470	\$ 41,640	
CELLULAR PHONE:	\$ 420	\$ 6,300	\$ 420	\$ 5,880	\$ 420	\$ 5,460	\$ 420	\$ 5,040	
CONTRACTUAL SERVICES - INSP	\$ 1,101	\$ 17,415	\$ 979	\$ 14,306	\$ 979	\$ 13,027	\$ 979	\$ 12,048	
CONTRACTUAL SERVICES - CLERICAL	\$ 300		\$ 300		\$ 300		\$ 300		
RELATED COSTS - CAP 31		\$ 1,105,218							
RELATED COSTS - CAP 32				\$ 608,345		\$ 548,644		\$ 509,196	
PACE City Wide Totals		\$ 2,663,374		\$ 1,886,785		\$ 1,703,201		\$ 1,580,443	
37TH PY Approved		\$ 1,892,865		\$ 1,892,865		\$ 1,703,579		\$ 1,608,935	
Funding Over or Under (Negative = Under)		- \$770,509		\$ 6,080		\$ 377		\$ 28,493	

CAP No.	Fringe Benefit	Central Services	Dept Admin & Support
32	0.3542	0.1487	0.1457
31	0.3363	0.2104	0.2021

At the request of agencies such as Mayor, City Council, and Neighborhood Councils, the Los Angeles Department of Building and Safety's (LADBS) Community Development Block Grant (CDBG) Pro-Active Code Enforcement (PACE) funded teams target specific code enforcement problems in CDBG-eligible areas (low/moderate income). PACE is an intervention program designed to proactively seek out code violations, gain compliance and help revitalize communities, increase public safety, and enhance the economic growth and stability of these areas. Inspectors focus on violations such as graffiti, trash, hazardous/illegal construction, substandard dwellings, etc. For the past several years, CDBG programs at LADBS have not received full funding (PY's 34, 35, 36 and 37). This is the City's last remaining pro-active code enforcement program (previously LADBS/the City had 3 grant funded teams and one General Fund team).

LADBS estimates a reduction of 20 Orders Issued and 75 Cases Closed per Clerk Typist reduction and a reduction of 308 Cases Issued and 1,079 Cases Closed per Building Mechanical Inspector reduction (based on application estimates of 4,100 Cases Issued and 15,000 Cases Closed). Impacts of not funding or reducing funding to this last remaining program (aside from additional layoffs) will include increasing backlogs processing new cases and closing cases, increasing crime, and creating unlivable or undesirable neighborhoods. All of these impacts are contrary to the Mayor's goal of livable and safe neighborhoods. The Broken-Windows Theory states that monitoring and maintaining urban environments in a well-ordered condition may prevent further vandalism as well as an escalation into more serious crime; PACE is intended to relieve blight and mitigate hazardous and other related conditions.

- A. Salaries are based on FY 10-11 Wages and Count.
- B. CAP 31 was used for submittal of the application; CAP 32 included lower costs and was used in this Cost Reduction Exercise.
- C. Mileage for inspectors is based on \$3,470
- D. Cellular phones for inspectors is based on \$420 annually
- E. Contractual Services for inspectors is based on \$61 (Notebook Replacement Insurance) + \$618 (Notebook Wireless Services Annual Fee) + \$300 (Contractual Services) = \$979; \$300 contractual services for clerical staff.

UNDER FUNDED: \$770,509 PRCNT UNDER FUNDED 29%

1 SALARIES

¹Reduced expenses include CAP 32 (less than CAP 31), reduced mileage used (from \$3,897 to \$3,470), and Notebook Replacement Insurance (from \$183 to \$61).

CAP No.	Fringe Benefit	Central Services	Dept Admin & Support
32	0.3542	0.1487	0.1457
31	0.3363	0.2104	0.2021



Annemarie Sauer <annemarie.sauer@lacity.org>

Fwd: Follow-up Con Plan Questions

Zita Davis <zita.davis@lacity.org>

Thu, Feb 24, 2011 at 10:41 PM

To: Angelica Samayoa <angelica.samayoa@lacity.org>, Annemarie Sauer <annemarie.sauer@lacity.org>
Cc: Rhonda Gaston <rhonda.gaston@lacity.org>, "O'Leary, Julie" <julie.oleary@lacity.org>, Beryl Taylor <beryl.taylor@lacity.org>, Manuel Chavez <manuel.chavez@lacity.org>, Ivania Sobalvarro <ivania.sobalvarro@lacity.org>

Please let me know if you have any questions regarding the information provided. Thank you.

Below is a summary of how a 12% cut might impact CDD:

- CDD CDBG resources for CDD operations would be reduced by about \$2.3 million.
- CDD would eliminate 4 programs (and full-time staffing for one program) totaling about 1.6 million.
- CDD would reduce Neighborhood Improvement by 600,000.
- CDD would reduce non-labor costs across all line items by \$100,000.
- CDD would eliminate 3 public service programs: Construction and Training, Hire LA, and HRC.
- Elimination of 3 public service programs reduces CDD staff by 7 FTE.
- CDD would eliminate 1 admin program, Capacity Build and full-time staffing for CCFS.
- Elimination of 1 admin program and full-time staffing for CCFS reduces CDD staff by 2 FTE.
- CDD staffing for CDBG programs would be about 130 FTE.

The Domestic Violence line item is reduced to a .8 FTE; YOM, city-managed Family Source, Economic Development, Neighborhood Improvement and CDD Admin staffing are not reduced. Please note that the abovementioned reductions are for purposes of this reduction exercise per CLA request. The CDD Executive Management will determine what, if any, programs are appropriate for reduction or elimination.



Annemarie Sauer <annemarie.sauer@lacity.org>

CDBG Budget Exercise - RUSH!

Julie O'Leary <julie.oleary@lacity.org>

Tue, Feb 15, 2011 at 6:27 PM

To: "Samayoa, Angelica" <angelica.samayoa@lacity.org>, Annemarie Sauer <annemarie.sauer@lacity.org>, Trina Unzicker <trina.unzicker@lacity.org>

Below are some more impact answers re the CDD staffing line items and the 10% and 15% question. Thanks.
Julie

----- Forwarded message -----

From: **Zita Davis** <zita.davis@lacity.org>

Date: Tue, Feb 15, 2011 at 5:59 PM

Subject: Re: CDBG Budget Exercise - RUSH!

To: Julie O'Leary <julie.oleary@lacity.org>

Cc: "Hoffman, Mark" <mark.hoffman@lacity.org>, "West, Janet" <janet.west@lacity.org>, "Gaston, Rhonda" <rhonda.gaston@lacity.org>, "Chavez, Manuel" <manuel.chavez@lacity.org>

Hi Julie,

Below is a summary response to the CLA's request about the possible impact on staffing if CDD received a 10% or 15% reduction in CDBG resources as compared to the adopted CDBG 36th Year budget. Please note that based on the Mayor's proposed budget, CDD has received a \$1 million reduction in CDBG resources for CDD's personnel and expenses (not contractors). The additional cuts proposed in this exercise would further reduce resources by \$771,000, and bring CDD's 10% reduction in resources to \$1.8 million; the total reduction would be \$2.9 million if there is a 15% cut in resources. Since CDD Executive Management would determine which, if any, CDBG positions would be reduced or eliminated, a list of specific positions by Con Plan line item is not provided at this time.

The proposed CDBG reduction is having an impact this year on the Department's inability to backfill critical positions performing grant administration functions, since CDD must demonstrate a two-year period of sufficient funding for each position unfreeze request. The number of vacant positions is having a direct impact on CDD's ability to meet budgeted revenue projections, which depends on actual salary expenditures. For example, if CDD received level CDBG resources in the 37th Year and were approved to backfill critical grant administration positions, the General Fund would realize several hundred thousand dollars in related costs contributions for this and each succeeding fiscal year. When the Department's positions remain vacant, critical grant administrative functions are not performed and the City's General Fund receives less revenue.

The CDD administration of CDBG includes staff who perform grant accounting, auditing, and grant compliance functions to avoid HUD findings. Programmatic staff provide a combination of direct service or monitor non-profit organizations who provide human services, neighborhood improvement and economic development services to individuals, families and businesses. Also, the CDD has new responsibilities with three commissions: the Commission for Community and Family Services, the Human Relations Commission and the Commission on the Status of Women. The added operational costs for these commissions, who support 15-, 11- and 7-member volunteer boards, is nearly half of the proposed 10% reduction to CDD's CDBG resources. If additional cuts are realized, the CDD will continue to reduce non-labor costs in an effort to maintain staffing levels. Nonetheless, the reduction in resources will most likely result in a reduction of CDBG staff. As indicated below, a 10% cut will reduce CDD staffing by at least 5 full-time equivalent (FTE) positions. A 15% cut will reduce CDBG staffing by about 10 FTE.

Since the majority of the positions vacated through the City's Early Retirement Incentive Program were in the Department's Financial Administration and Systems Group, any further reductions will directly impact the

Department's programs. The CDD's program operations staff provide direct services to individuals, families and young people, as well as monitor contracts to ensure compliance with grant regulations.

10% Reduction

- Reduces total CDBG resources by \$1.8 million (CDD personnel and expenses only, not contractors).
- CDD would reduce non-labor resources by \$700,000 (includes reducing contractual services).
- CDD would reduce salary resources and related costs resources by \$530,000 or the equivalent of about 5 FTE.
- Assumes CDD's request to carry forward \$657,000 in FY09-10 is approved.

15% Reduction

- Reduces total CDBG resources by \$2.9 million (CDD personnel and expenses only, not contractors).
- CDD would reduce non-labor resources by \$1,000,000 (includes reducing contractual services).
- CDD would reduce salary and related costs resources by \$1.2 million or the equivalent of about 10 FTE.
- Assumes CDD's request to carry forward \$657,000 in FY09-10 is approved.

Please let me know if you have any questions.

Thanks,
Zita

On Thu, Feb 10, 2011 at 1:14 PM, Julie O'Leary <julie.oleary@lacity.org> wrote:

The CLA has requested info. on the impact of possible 10% or 15% cuts to CDBG funding, including "Where these cuts affect personnel (direct salaries and related costs), indicate whether additional cuts would result in layoffs." You previously prepared the spreadsheet as to what the impact to CDD staff line items would be for the Mayor's proposed cuts. We need to get the impact to them for potential increased cuts. Thanks.

----- Forwarded message -----

From: **Annemarie Sauer** <annemarie.sauer@lacity.org>

Date: Thu, Feb 10, 2011 at 10:17 AM

Subject: CDBG Budget Exercise - RUSH!

To: Julie O'Leary <julie.oleary@lacity.org>, Sally Richman <sally.richman@lacity.org>, Greg Kung <greg.kung@lacity.org>, Steve Andryszewski <sandryszewski@lahsa.org>, Stephen Simon <stephen.simon@lacity.org>, Dale Osborne <dale.osborne@lacity.org>, Leonor Palangio <leonor.palangio@lacity.org>, Carolyn James <carolyn.james@lacity.org>, Michel Claiborne-Thompson <michel.thompson@lacity.org>

Cc: Trina Unzicker <trina.unzicker@lacity.org>, "Samayoa, Angelica" <angelica.samayoa@lacity.org>

[Quoted text hidden]

CDD 37TH YEAR CDBG PROJECTED RESOURCES AND EXPENSES BY APPLICATION
Based on Mayor's Con Plan Letter (dated 12/30/10)

Acct. No.	Account Title	Total CDBG	YOM	Construction	Hire LA	DV	FSCs	Capacity Bld	CPAS	CCFS	HRAs	Econ	Neighbrhd	CDD Admin
		18,132,242	773,464	200,000	437,000	109,387	1,749,932	92,400	89,500	303,562	458,154	2,296,705	600,000	11,022,138
Acct. No.	Account Title	139.6 FTE	5.6 FTE	1 FTE	1.8 FTE	1 FTE	15 FTE	2 FTE	4 FTE	17 FTE	4 FTE	88.2 FTE		
		CATEGORY	PUBLIC SVC	PUBLIC SVC	PUBLIC SVC	PUBLIC SVC	PUBLIC SVC	ADMIN	ADMIN	ADMIN	PUBLIC SVC	ECON DEV	NEIGHBRHD	ADMIN
Acct. No.	Account Title	Total CDBG	YOM	Construction	Hire LA	DV	FSCs	Capacity Bld	CPAS	CCFS	HRC	Econ	Neighbrhd	CDD Admin
1010	Salaries, General	10,127,684	434,478	85,745	167,625	78,363	1,093,845	-	-	194,159	328,214	1,449,754	326,933	5,968,568
	GASP Salaries	1,388,522												1,388,522
1070	Salaries, As Needed	221,138	-	-	30,000	-	-	-	-	-	-	40,138	-	151,000
1090	Salaries, Overtime	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
	Total Salaries	11,787,344	434,478	85,745	197,625	78,363	1,093,845	-	-	194,159	328,214	1,489,892	326,933	7,558,090
		-												
2120	Printing and Binding	85,352	1,552	-	-	-	50,000	-	-	-	-	13,300	500	20,000
2130	Travel	13,000	-	-	-	-	-	-	-	-	-	-	-	13,000
3040	Contractual Services	1,410,637	85,021	22,138	142,000	-	250,000	80,000	89,500	-	-	224,223	300,916	216,839
3310	Transportation	13,500	-	-	-	-	-	-	-	-	-	2,000	500	11,000
3340	Utilities	86,683	6,000	-	-	-	80,683	-	-	-	-	-	-	-
4160	Governmental Meetings	-	-	-	-	-	-	-	-	-	-	-	-	-
6010	Office and Admin	489,913	100,056	58,171	37,254	-	77,959	-	-	10,848	25,625	55,000	5,000	120,000
6020	Operating Supplies	117,498	41,605	-	15,500	-	-	12,400	-	-	41,158	6,635	200	-
6030	Rent and Parking	948,034	-	-	10,402	-	-	-	-	21,687	-	123,575	36,518	755,852
7300	Furniture and Ofc. Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Labor	3,164,618	234,234	80,309	205,156	-	458,642	92,400	89,500	32,535	66,783	424,733	343,634	1,136,691
	Total Budget	14,951,962	668,712	166,054	402,781	78,363	1,552,487	92,400	89,500	226,694	394,997	1,914,625	670,567	8,694,781
	Related Costs*	4,602,432	172,010	33,946	72,219	31,024	433,053	-	-	76,868	129,940	581,793	129,433	2,942,147
	Grand Total for Resources Requested	19,554,394	840,722	200,000	475,000	109,387	1,985,540	92,400	89,500	303,562	524,937	2,496,418	800,000	11,636,928
	(Over)/Under 37th Yr Resources Recco's	(1,422,152)	(67,258)	0	(38,000)	0	(235,608)	0	0	0	(66,783)	(199,713)	(200,000)	(614,790)

*Related costs estimate calculated at CAP 32: 39.59% for fill time staff and 19.52% for as-needed staff.

Proposed Amendments to accommodate reductions in the Mayor's proposal (assuming no restoration by Council)

YOM - Reduce O/A account by \$67258

Hire L.A. Reduce O/A by \$30,000 and Operating Supplies by \$8,000

FSC Eliminate Printing and O/A; Reduce Contractual Services by \$80,000 and Utilities by \$27,649 (charge these instead to CSBG)

HRA Eliminate O/A and Supplies (charge to WIA)

Neighborhood Eliminate Contractual Services and request transfer \$100,916 to Econ Develo Program Delivery

Econ Deve Reduce Printing, Transportation, O/E, Supplies and Contractual Services and request transfer of \$100,916 from Neighborhood Development

Adm Request to carry forward PY35 Savings of \$657,048.60 (Refer to B/F Committee Report Back dated 1/5/11)

IMPACT OF 8% REDUCTION IN FUNDS

FamilySource System (Item Nos. 15, 26, and 42)

- All 16 FamilySource Centers will be subject to a \$48,800 reduction in funding.
- \$780,800 in funds allocated to participant financial support and/or FamilySource subcontractors will be lost.
- Participant related costs include but are not limited to transportation costs, emergency medical and dental, clothing, etc.
- Subcontractor costs are those funds awarded to FamilySource nonprofit agencies for the provision of services not provided by the lead agency.
- Given that the lead agency must cover all of the fixed costs related to FamilySource Center operations, these are the only two funding categories where this is flexibility for reduction.
- Of concern is that there is direct impact on financial support for participants. This support often serves as incentive for their continued participation in FSC services.
- Secondly, a reduction in subcontractors deviates from the FamilySource model that is intended to bring the best providers of a variety of services under a single umbrella with all centers providing the same service. The loss of even a single subcontractor could result in FamilySource Centers no longer offering the same comprehensive menu of services.
- Given the increasing demand for services and public awareness of their services, a reduction in funds will probably not impact the number of participants served by the FamilySource Centers. However, it will impact the capacity of FSC staff to provide such services in a comprehensive manner.

Domestic Violence Shelter Operations (Item No. 14)

- The DV Program will be subject to a \$236,055 reduction in funding.
- 1,500 individuals are served by the DV Program on an annual basis. With the reduction in funding the number of individuals served will be reduced by a minimum of 120 individuals. There is a direct correlation between funds and individuals served given that we are paying for available beds.

Day Laborer Program (Item No. 48)

- The Day Laborer Program will be subject to a \$96,518 reduction in funding.
- Each site requires a minimum funding of \$130,000 to operate. As such, the number of sites managed may have to be reduced by 1.
- 2,400 individuals are served by the Day Laborer program on an annual basis. With the reduction in funding and potential loss of 1 site, the number of individuals served could be reduced by 10% or 240.

IMPACT OF REDUCTION IN FUNDS

LA's Best (Item No. 23)

- LA's Best has already lost \$649,000 in federal funding for PY 10-11. Additional cuts will mean fewer school children will be served through this program. An 8% percent reduction will cut services to 59 school children.
- A 10% percent reduction will cut services to 74 school children.
- A 15% percent reduction will cut services to 111 school children.

Housing Authority—Community Service Centers (Item No. 27)

- The Mayor's proposed 8% reduction would result in a reduction of services and participants served by 19 participants. Current participant goal is 238; the revised number of participants would be 219.
- A 10% cut would reduce the amount of clients served from 238 to 214. Also cuts to the number of activities provided such as job referral, educational activities (tutoring, homework assistance and a Spelling Bee contest), and their organized Sports and Rec. A 10% to 15% cut would also affect staffing. They would have to reduce or eliminate staff. Last year the contract was reduced from \$432,000 to \$334,000--a 22.6% cut. To continue to provide top level service, they had to reduce the number of clients they served, and number of activities. Staffing was affected also because one staff person resigned and wasn't replaced.

Computer Literacy Program - Project Tech (Line No. 29)

- Original contract goal: 50 Adults, 17 Youth = 75 Total.
- With the proposed 8% cut, 10 fewer participants would be served = 65 participants in total.
- 13 fewer participants would be served = 62 participants in total, with potentially 1 to 2 personnel laid off, depending on program-administration cost allocation.
- 19 fewer participants would be served = 56 participants in total, with potentially 2-3 personnel laid off, depending on program-administration cost allocation.

Prevention Services for Youth at Risk (Line No. 37)

- The program provides prevention programs to 4th and 6th graders in community schools, and positive parenting programs, a total of 1580 participants are served annually. The program also provides meaningful employment to area residents through a bulky item removal program. The majority of the cuts would greatly impact the bulky item removal component of the program.
- The current contract provides services to 1580 participants. Proposed cuts at the 8%, 10% and 15% levels would reduce the number of participants served as follows:
 - 8% cut in funds would reduce the number of participants by 126 to 1454
 - 10% cut in funds would reduce the number of participants by 158 to 1422
 - 15% cut in funds would reduce the number of participants by 237 to 1343
- Proposed cuts would reduce item pick up from 2 days per week to half a day in each area per week (i.e., ½ day in Wilmington and ½ day in Watts) and would eliminate the number of funded positions as follows:
 - 8% cut in funds would eliminate 1.6 positions
 - 10% cut in funds would eliminate 2 positions
 - 15% cut in funds would eliminate 3 positions
- Additionally, the Mayor's Office, Council District 15, CDD, and service providers work together with the local chambers of commerce in the Harbor Area to attract new, and retain

existing, businesses. The chambers are contacted by business owners for all kinds of information regarding city services, including information on crime levels, debris removal debris and graffiti cleanup. The reduction of funds would negatively impact the efforts of these entities to improve the economic development and quality of life in the Harbor area; as fewer young people are presented with "gang free" alternatives a waterfall effect is created leading to more crime.

- The cuts may also result in higher unemployment as area residents working on the bulky item removal program would lose 20% of their salary. An additional 10,000 pounds of bulky item debris would remain on the streets of Wilmington and Watts.
- The program also provides an opportunity for area residents to complete community service through the bulky item removal component. If full-time positions are reduced, there will be no staff available to provide necessary supervision of these residents resulting in elimination of five openings.

Fuego Tech Fire Rangers (Line No. 50)

- With an 8% cut, agency would modify staff salaries, reduce staff time and reduce services. The funding reduction will bring the agency below the minimum funding of a CDBG funded program as outlined by the CDBG Expenditure Policy.
- With a 10% cut, the program could not function and would cease to exist given the already reduced service months, minimal number of staff and nominal funding.
- With any additional cuts, the program could not exist. Currently, the agency does not have another funding source other than CDD. More importantly, the agency is concerned that the drastic cuts would result in possibly losing the CBDO status with CDD and consequently eliminating them from any future funding opportunities.

Project Save (Item No. 51)

- With the Mayor's proposed budget, Community Build would have to reduce the number of clients served by 24, from 245 to 221. They would have to reduce the number of activities provided such as job referral, counseling, recreational activities, job readiness, computer training, tutoring, college prep classes, mentoring, community events, and Safe Passages.
- A 10% to 15% reduction would result in not only a loss of service but a loss of staffing. Either some full time staff will have to become part time or several part time staff will be laid off.

Department on Disability Budget Cut Scenarios

In the Mayor's Budget for the 37th Program Year Housing and Community Development Consolidated Plan, he proposes a budget cut of approximately 8% for the AIDS Prevention budget. This would shrink the current allocation of \$1,085,355 by \$86,828 for a new total available allocation of \$998,527. The scenarios below outline different approaches the ACO can take to absorb the proposed cut.

Scenario 1:

The ACO currently funds three HIV testing contracts¹, a total allocation of \$210,000, to identify new positives under the Mayor's HIV Testing Initiative. If the total amount of the cut were taken under this contract the ACO would likely only fund two testing programs which bring down by close to 3,000 the number of people who will not be tested under this program.

Testing efforts focused on hard to engage communities has been a high priority for the ACO in the last three years. Women and people of color in certain areas of the city have long evaded the reach of traditional testing efforts, but are being tested under the ACO's program.

Scenario 2:

Three agencies are funded to provide health education and risk reduction programming to young people at risk. The ACO allocates \$140,355 to the Los Angeles Gay and Lesbian Center, Children's Hospital Los Angeles and Reach LA to target young people through structured interventions that build self esteem, job skills and education. With these skills the young people can train their peers on a variety of health education topics.

The ACO can choose to eliminate this category altogether, or fund only one program under this category. Losing all or some of these programs means that more than 300 young people will not participate in the structured interventions offered through the funded providers and the hundreds of peers they would reach with their training would significantly be diminished.

Scenario 3:

Six agencies² receive funding to provide syringe exchange services (SEP) in the city with a total allocation of \$450,000. Acknowledging that used syringes are a public health and safety issue, the ACO has funded SEP services in the city for more than a decade. Services focus on exchanging used syringes for clean ones and referring participants to drug treatment.

If the cut was taken under this category, the ACO would likely drop one or two contractors. This scenario would likely mean approximately 200,000 less syringes collected from the streets and fewer individuals being referred to drug and/or medical treatment.

¹ AIDS Healthcare Foundation, Saban Free Clinic and St. John's Well Child and Family Center

² Asian American Drug abuse Program, Bienestar Human Services, Common Ground-The Westside HIV Clinic, Clean Needles Now, Homeless Healthcare Los Angeles and Tarzana Treatment Centers Inc.

CDBG Funding Reduction Exercise 2011-12

Department On Disability
Computerized Information Center
Current CDBG Funding \$155,484

Current funding provides for two positions under the CIC Program, a Management Analyst II/Program Coordinator and Management Analyst I/Information & Referral Specialist. The CIC staff are responsible for ensuring equal access to public facilities, community programs and government services for many of the approximately 375,000 persons with disabilities residing within the City of Los Angeles. Low to moderate income constituents who reside throughout the City of Los Angeles are provided with information and referral services, advocacy assistance, and/or other emergency services, particularly in times that independent living within their community is jeopardized. The CIC primary mission supports the Mayor's priorities to create economic opportunities and to promote livable or viable communities throughout Council Districts 1 thru 15. Currently the CIC program provides direct service to approximately 1,000 persons with disabilities annually. Thousands of others receive indirect services through community outreach and education.

In the 37th Year Housing and Community Development Consolidated Plan, the Mayor has proposed an 8% budget reduction to all grant funded programs. The current CDBG allocation is \$155,484. The Mayor's recommended 8% reduction, and additional 10% and 15% reduction would reduce the allocation by approximately \$12,439; \$27,987; \$35,761 respectively. Each of these scenarios would eliminate one of the two full-time staff positions, resulting in a layoff. The following service reductions would likely occur:

- The capability to provide quality information and referral services, advocacy assistance, and/or other emergency services would be dramatically reduced with over 500 low-mod income disabled clientele no longer served.
- The 18% and 23% cuts would result in the elimination of most of the diverse community education and outreach activities and events throughout the disability community, such as; Abilities Expo, Deaf Festival, Disability Mentoring Day, Emergency Preparedness Fairs, EmployAbility Partnership, Ticket to Work Events, and Housing Rights Summit.
- Our ability to leverage updated, comprehensive disability related resources with community-based organizations and service providers would be significantly.
- The larger cut scenarios would also eliminate CIC staff development to maintain accurate information and effective implementation of federal and state mandated disability access laws (e.g. the Americans with Disabilities Act).

CDBG Funding Reduction Exercise 2011-12

Department On Disability
AIDS Prevention Program
Current CDBG Funding \$1,085,355

Budget Cut Scenarios

In the Mayor's Budget for the 37th Program Year Housing and Community Development Consolidated Plan, he proposes a budget cut of approximately 8% for the AIDS Prevention budget. This would shrink the current allocation of \$1,085,355 by \$86,828 for a new total available allocation of \$998,527. The scenarios below outline different approaches the ACO can take to absorb the proposed cut.

Scenario 1:

The ACO currently funds three HIV testing contracts¹, a total allocation of \$210,000, to identify new positives under the Mayor's HIV Testing Initiative. If the total amount of the cut was taken under this contract the ACO would likely only fund two testing programs which brings down by close to **3,000** the number of people who will **not be tested** under this program.

Testing efforts focused on hard to engage communities has been a high priority for the ACO in the last three years. Women and people of color in certain areas of the City have long evaded the reach of traditional testing efforts, but are being tested under the ACO's program.

Scenario 2:

Three agencies are funded to provide health education and risk reduction programming to young people at risk. The ACO allocates \$140,355 to the Los Angeles Gay and Lesbian Center, Children's Hospital Los Angeles and Reach LA to target young people through structured interventions that build self-esteem, job skills and education. With these skills the young people can train their peers on a variety of health education topics.

The ACO can choose to eliminate this category altogether, or fund only one program under this category. Losing all or some of these programs means that more than 300 young people will not participate in the structured interventions offered through the funded providers and the hundreds of peers they would reach with their training would be significantly diminished.

¹ AIDS Healthcare Foundation, Saban Free Clinic and St. John's Well Child and Family Center

Scenario 3:

Six agencies² receive funding to provide syringe exchange services (SEP) in the City, with a total allocation of \$450,000. Acknowledging that used syringes are a public health and safety issue, the ACO has funded SEP services in the City for more than a decade. Services focus on exchanging used syringes for clean ones and referring participants to drug treatment.

If the cut was taken under this category, the ACO would likely drop one or two contractors. This scenario would likely mean approximately 200,000 less syringes collected from the streets and fewer individuals being referred to drug and/or medical treatment.

In addition to the program reductions above, the scenarios below take into account additional 10% and 15% cuts on top of the already proposed 8% cut to available AIDS Prevention funds. If an additional funding cut of 10% were implemented, available funding for AIDS Prevention would fall from \$1,085,355 to \$889,991, amounting to a loss of approximately \$195,364 (18%). If an additional funding cut of 15% were implemented, available funding for AIDS Prevention would fall to \$835,723, a loss amounting to \$249,632 (23%).

Scenario 4:

4A. If an 18% reduction is recommended, the ACO would eliminate all efforts to identify the more than 5,000 individuals estimated to be infected with HIV in the City of Los Angeles³, but unaware of their status. The ACO currently allocates \$200,000 towards HIV testing as part of the Mayor's HIV Testing Initiative.

4B. If a 23% reduction were recommended, the ACO would proceed with **eliminating all HIV testing programs** and implement a 5% reduction in the allocation of all other funded programs.

Scenario 5:

5A. If an 18% reduction were recommended, the ACO would eliminate **half** of the Syringe Exchange Program. This would result in approximately 500,000 more dirty syringes circulating in neighborhoods around the City. This would severely limit the availability of this program in the City, likely leading to increased syringe sharing, more dirty syringes being found on the streets and a smaller number of individuals being linked to drug treatment programs.

5B. If a 23% reduction were recommended, the ACO would consolidate and eliminate all 6 current Syringe Programs into one main provider for the City. This would greatly inhibit the diversity and availability of services in most areas of the City. Under current funding, the program already is limited due to geographical restrictions, even with six programs; losing five of them would severely limit the reach and impact of the program.

² Asian American Drug abuse Program, Bienestar Human Services, Common Ground-The Westside HIV Clinic, Clean Needles Now, Homeless Healthcare Los Angeles and Tarzana Treatment Centers Inc.

³ 26,361 PLWHA in LA City * 20% = 5,272 individuals undiagnosed. Percentage is derived from CDC estimates.

Scenario 6:

6A. If an 18% reduction were recommended, the ACO would eliminate programs targeting individuals, including our very successful program targeting young Transgender individuals and another program targeting young Latino men. The ACO also would proceed with the **elimination of one of the HIV testing programs.**

6B. If a 23% reduction is recommended, the ACO would eliminate all programs targeting groups, including programs for African American men, incarcerated men and women, Latina women, young Asians, Native Americans and homeless youth. This scenario is particularly extreme, as it would eliminate the interventions that have the most diversity of clients and program type.

Los Angeles Housing Department - Consolidated Plan 2011/12 - CDBG Reduction Scenarios

PY 10/11 total funding = \$23,437,373		PY 11/12 Mayor's Proposed Budget = \$21,562,383 = \$21,562,383 (8% cut over PY 10/11)			PY 11/12 Mayor's Proposed Budget = \$21,562,383 10% Reduction= \$2,156,238 Target = \$19,406,145				PY 11/12 Mayor's Proposed Budget = \$21,562,383 15% Reduction = \$3,234,357 Target = \$18,328,026			
PROGRAM	ADOPTED PY 10/11	MAYOR'S PROPOSED PY 11/12			10% REDUCTION SCENARIO OVER MAYOR'S PROPOSED PY 11/12 BUDGET				15% REDUCTION SCENARIO OVER MAYOR'S PROPOSED PY 11/12 BUDGET			
		TOTAL	Staff	Program	TOTAL	Staff	Program	TOTAL	Staff	Program		
Affordable Housing Trust Fun	5,540,916	5,263,870	5,263,870		5,158,593	5,158,593		Reduce staffing cost by 2%	5,158,593	5,158,593		Reduce staffing cost by 2%
Homeownership Assistance	2,800,000	1,799,442	1,799,442		1,745,458	1,745,458		Eliminate all loan funds and reduce staffing costs by 3%; rely primarily on other state and federal grants instead (NSP, CalHOME, BEGIN, etc)	1,745,458	1,745,458		Eliminate all loan funds and reduce staffing costs by 3%; rely primarily on other state and federal grants instead (NSP, CalHOME, BEGIN, etc)
SF Rehab 1-4	2,800,000	2,660,000	2,660,000		1,379,777	1,379,777		Reduce staffing cost by 48%. Charge NSP 2 admin for NSP 2 related work	1,330,000	1,330,000		Reduce staffing cost by 50%. Charge NSP 2 admin for NSP 2 related work
Handyworker	3,717,820	3,705,422	505,422	3,200,000	3,105,422	505,422	2,600,000	Reduce contractor funding from \$3.2M to \$2.6M (19% cut) and reduce staffing cost by 0% (5% below PY 10/11 budget)	2,437,124	437,124	2,000,000	Reduce contractor funding from \$3.2M to \$2.0M (37% cut) and reduce staffing cost by 14%
HomeSecure	582,000	-						Eliminate all funding and rely instead on Handyworker to serve target population				Eliminate all funding and rely instead on Handyworker to serve target population
Urgent Repair	300,000	300,000		300,000	300,000		300,000	No reduction since funds are fully utilized and reduction has minimal impact	300,000		300,000	No reduction since funds are fully utilized and reduction has minimal impact
General Administration	4,096,637	3,891,805	3,891,805		3,775,051	3,775,051		Reduce staffing cost by 3%	3,775,051	3,775,051		Reduce staffing cost by 3%
Section 108 Debt Service	3,100,000	3,441,844		3,441,844	3,441,844		3,441,844	Funding needed for 1st payment is \$3,924,662; total need is \$4,390,000. At the requested level, LAHD will need \$482,818 in July, and an additional \$465,000 in January.	3,181,800		3,181,800	Funding needed for 1st payment is \$3,924,662; total need is \$4,390,000. At the requested level, LAHD will need \$482,818 in July, and an additional \$465,000 in January.
Fair Housing	500,000	500,000		500,000	500,000		500,000	No reduction	400,000		400,000	20% reduction
TOTAL BUDGET	23,437,373	21,562,383	14,120,639	7,441,844	19,406,145	12,564,301	6,841,844		18,328,026	12,446,226	6,881,800	
			65%	35%		65%	35%			66%	32%	

PROJ NAME	36th Program Year Budget	Mayor's Proposed Cuts	Mayor's Proposed Budget	Proposed Cuts at 8%	LAHSA's Proposed Budget with 8% cuts	Proposed Cuts at 10%	LAHSA's Proposed Budget with 10% cuts	Proposed Cuts at 15%	LAHSA's Proposed Budget with 15% cuts
LAHSA - ADMIN	981,640	(49,082)	932,558	(49,082)	932,558	(49,082)	932,558	(49,122)	932,518
LAHSA - ASSISTANCE TO HOMELESS FAMILIES ON SKID ROW	133,051	(10,614)	122,407	-	133,051	-	133,051	-	133,051
LAHSA - CENTRAL CITY EAST PUBLIC SANITATION	312,000	(24,960)	287,040	-	312,000	-	312,000	-	312,000
LAHSA - EMER SHELTER FOR CHRONIC HOMELESS - DOWNTOWN	500,000	(40,000)	460,000	-	500,000	(20,000)	480,000	(25,000)	475,000
LAHSA - EMER SHELTER FOR CHRONIC HOMELESS - HOLLYWOOD	625,000	(50,000)	575,000	-	625,000	(25,000)	600,000	(40,000)	585,000
LAHSA - HOMELESS SHELTER AND SERVICES	2,177,051	(174,164)	2,002,887	(180,647)	1,996,404	(274,400)	1,902,651	(332,600)	1,844,451
LAHSA - JOB TRAINING AND PLACEMENT	50,000	(4,000)	46,000	-	50,000	-	50,000	-	50,000
LAHSA - RENT TO PREVENT EVICTION	150,000	(12,000)	138,000	(150,000)	-	(150,000)	-	(150,000)	-
LAHSA - SPECIAL ECONOMIC DEVELOPMENT OPPORTUNITIES - CBDO	4,191,791	(335,343)	3,856,448	(335,343)	3,856,448	(419,170)	3,772,621	(628,769)	3,563,022
LAHSA - STREETS OR SERVICES	185,987	(14,879)	171,108	-	185,987	-	185,987	(185,987)	-
LAHSA - TECHNICAL ASSISTANCE	170,000	-	170,000	-	170,000	(10,000)	160,000	(10,000)	160,000
LAHSA Total	9,476,620	(715,072)	8,761,448	(715,072)	8,761,448	(947,652)	8,629,868	(1,421,478)	8,055,042

PROJ NAME	Effect of Proposed Cuts	36th Program Year Budget	Proposed Cuts at 10%	Effect	Proposed Cuts at 15%	Effect
LAHSA - ADMIN	Slow down LAHSA's ability to process service provider cash requests, lower our ability to provide adequate monitoring, impede our ability to provide timely program reporting and limit our ability to provide oversight to these programs.	981,640	(49,082)	loss of 1 FTE	(49,122)	loss of 1 FTE
LAHSA - ASSISTANCE TO HOMELESS FAMILIES ON SKID ROW		133,051	-		-	
LAHSA - CENTRAL CITY EAST PUBLIC SANITATION		312,000	-		-	
LAHSA - EMER SHELTER FOR CHRONIC HOMELESS - DOWNTOWN	Proposed cuts will dramatically reduce the case management services available to participants and result in fewer participants being permanently housed through this program	500,000	(20,000)		(25,000)	
LAHSA - EMER SHELTER FOR CHRONIC HOMELESS - HOLLYWOOD	Proposed cuts will dramatically reduce the case management services available to participants and result in fewer participants being permanently housed through this program	625,000	(25,000)		(40,000)	
LAHSA - HOMELESS SHELTER AND SERVICES	Proposed cuts will result in the elimination of transitional housing beds throughout the city and the services associated with these beds. The lowest performing program based upon data captured through the continuum HMIS system will be targeted for reduction or elimination	2,177,051	(274,400)	loss of 85 TH beds and/or Supportive Services	(332,600)	loss of 115 TH beds and/or Supportive Services
LAHSA - JOB TRAINING AND PLACEMENT		50,000	-		-	
LAHSA - RENT TO PREVENT EVICTION	This program will likely be eliminated and clients currently being assisted by this program will most likely be diverted to the City funded Homelessness Prevention and Rapid Rehousing (HPRP) program.	150,000	(150,000)	Program eliminated	(150,000)	Program eliminated
LAHSA - SPECIAL ECONOMIC DEVELOPMENT OPPORTUNITIES - CBDO	This funding stream funds four non-profit service providers that operate programs focusing on job training and development for homeless individuals, the proposed cuts will result in the elimination of one or more of these four programs. The lowest performing program(s) based upon data captured through the continuum HMIS system will be targeted for elimination.	4,191,791	(419,170)	60 fewer participants receiving job training and housing	(628,769)	75 fewer participants receiving job training and housing
LAHSA - STREETS OR SERVICES	The loss of CDBG-R funding as well as the proposed cut in the Mayor's budget would mean a reduction from 36 to 5 set-aside beds, a loss of 85% of total beds, available for homeless misdemeanor arrestees accepted into the program. Unless additional leveraged funds are identified, current, available funds would render this program infeasible.	185,987	-	Possibly leveraged with ESG funded Access Center Program	(185,987)	Program eliminated
LAHSA - TECHNICAL ASSISTANCE		170,000	(10,000)		(10,000)	
		9,476,520	(947,652)		(1,421,478)	

PROJ NAME	36th Program Year Budget	Mayor's Proposed Cuts	Mayor's Proposed Budget	Proposed Cuts at 8%	LAHSA's Proposed Budget with 8% cuts	Proposed Cuts at 10%	LAHSA's Proposed Budget with 10% cuts	Proposed Cuts at 15%	LAHSA's Proposed Budget with 15% cuts
LAHSA - ADMIN	981,640	(49,082)	932,558	(49,082)	932,558	(49,082)	932,558	(49,122)	932,518
LAHSA - ASSISTANCE TO HOMELESS FAMILIES ON SKID ROW	133,051	(10,644)	122,407	-	133,051	-	133,051	-	133,051
LAHSA - CENTRAL CITY EAST PUBLIC SANITATION	312,000	(24,960)	287,040	-	312,000	-	312,000	-	312,000
LAHSA - EMER SHELTER FOR CHRONIC HOMELESS - DOWNTOWN	500,000	(40,000)	460,000	-	500,000	(20,000)	480,000	(25,000)	475,000
LAHSA - EMER SHELTER FOR CHRONIC HOMELESS - HOLLYWOOD	625,000	(50,000)	575,000	-	625,000	(25,000)	600,000	(40,000)	585,000
LAHSA - HOMELESS SHELTER AND SERVICES	2,177,051	(174,164)	2,002,887	(180,647)	1,996,404	(274,400)	1,902,651	(332,600)	1,844,451
LAHSA - JOB TRAINING AND PLACEMENT	50,000	(4,000)	46,000	-	50,000	-	50,000	-	50,000
LAHSA - RENT TO PREVENT EVICTION	150,000	(12,000)	138,000	(150,000)	-	(150,000)	-	(150,000)	-
LAHSA - SPECIAL ECONOMIC DEVELOPMENT OPPORTUNITIES - CBDO	4,191,791	(335,343)	3,856,448	(335,343)	3,856,448	(419,170)	3,772,621	(628,769)	3,563,022
LAHSA - STREETS OR SERVICES	185,987	(14,879)	171,108	-	185,987	-	185,987	(185,987)	-
LAHSA - TECHNICAL ASSISTANCE	170,000	-	170,000	-	170,000	(10,000)	160,000	(10,000)	160,000
LAHSA Total	9,476,520	(715,072)	8,761,448	(715,072)	8,761,448	(947,652)	8,528,866	(1,421,478)	8,055,042

PROJ NAME	Effect of Proposed Cuts	36th Program Year Budget	Proposed Cuts at 10%	Effect	Proposed Cuts at 15%	Effect
LAHSA - ADMIN	Slow down LAHSA's ability to process service provider cash requests, lower our ability to provide adequate monitoring, Impede our ability to provide timely program reporting and limit our ability to provide oversight to these programs.	981,640	(49,082)	loss of 1 FTE	(49,122)	loss of 1 FTE
LAHSA - ASSISTANCE TO HOMELESS FAMILIES ON SKID ROW		133,051	-		-	
LAHSA - CENTRAL CITY EAST PUBLIC SANITATION		312,000	-		-	
LAHSA - EMER SHELTER FOR CHRONIC HOMELESS - DOWNTOWN	Proposed cuts will dramatically reduce the case management services available to participants and result in fewer participants being permanently housed through this program	500,000	(20,000)		(25,000)	
LAHSA - EMER SHELTER FOR CHRONIC HOMELESS - HOLLYWOOD	Proposed cuts will dramatically reduce the case management services available to participants and result in fewer participants being permanently housed through this program	625,000	(25,000)		(40,000)	
LAHSA - HOMELESS SHELTER AND SERVICES	Proposed cuts will result in the elimination of transitional housing beds throughout the city and the services associated with these beds. The lowest performing program based upon data captured through the continuum HMIS system will be targeted for reduction or elimination	2,177,051	(274,400)	loss of 85 TH beds and/or Supportive Services	(332,600)	loss of 115 TH beds and/or Supportive Services
LAHSA - JOB TRAINING AND PLACEMENT		50,000	-		-	
LAHSA - RENT TO PREVENT EVICTION	This program will likely be eliminated and clients currently being assisted by this program will most likely be diverted to the City funded Homelessness Prevention and Rapid Rehousing (HPRP) program.	150,000	(150,000)	Program eliminated	(150,000)	Program eliminated
LAHSA - SPECIAL ECONOMIC DEVELOPMENT OPPORTUNITIES - CBDO	This funding stream funds four non-profit service providers that operate programs focusing on job training and development for homeless individuals, the proposed cuts will result in the elimination of one or more of these four programs. The lowest performing program(s) based upon data captured through the continuum HMIS system will be targeted for elimination.	4,191,791	(419,170)	60 fewer participants receiving job training and housing	(628,769)	75 fewer participants receiving job training and housing
LAHSA - STREETS OR SERVICES	The loss of CDBG-R funding as well as the proposed cut in the Mayor's budget would mean a reduction from 36 to 5 set-aside beds, a loss of 85% of total beds, available for homeless misdemeanor arrestees accepted into the program.	185,987	-	Possibly leveraged with ESG funded Access Center Program	(185,987)	Program eliminated
LAHSA - TECHNICAL ASSISTANCE	Unless additional leveraged funds are identified, current, available funds would render this program infeasible.	170,000	(10,000)		(10,000)	
		9,476,520	(947,652)		(1,421,478)	

BOARD OF PUBLIC WORKS – OFFICE OF COMMUNITY BEAUTIFICATION

SERVICE DESCRIPTION: CLEAN & GREEN

The Office of Community Beautification oversees the Clean and Green Program administered and operated by the Los Angeles Conservation Corps (LACC). The Program employs youth from throughout the City of Los Angeles. Youths participate in beautification projects such as graffiti removal, litter abatement and tree planting. When school is in session, work occurs during weekends and during the week during off-track periods. On an annual basis, over 2,000 Los Angeles youths are employed throughout the year.

Workload Indication: 2000 Youths employed

10% REDUCTION

A reduction of this size would reduce the Clean & Green Program citywide by 10 percent. It is reasonable to assume that there will be a 10 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 1800 Youths employed (a reduction of 200)
Decrease of \$103,405 in funding

15% REDUCTION

A reduction of this size would reduce the Clean and Green contracts citywide by 15 percent. It is reasonable to assume that there will be a 15 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 1700 Youths employed (a reduction of 300)
Decrease of \$155,106 in funding

BOARD OF PUBLIC WORKS – OFFICE OF COMMUNITY BEAUTIFICATION

SERVICE DESCRIPTION: OFFICE OF COMMUNITY BEAUTIFICATION (CBDO)

The Office of Community Beautification coordinates graffiti removal services via contracts with Central City Action Committee (CCAC) , People Who Care (PWC), and Coalition for Responsible Community Development (CRCD). Each contractor primarily serves low/mod income clientele and communities by training and hiring disadvantaged adults. It provides job opportunities and training for difficult to employ individuals such as reformed gang members or persons with little to no job skills. Once hired and trained, they learn life skills such as interacting with others, communication and customer service skills. The activity also improves the quality and quantity of public improvements and services.

Workload Indicators: Square Footage of Graffiti Removed: 8,841,106

Number of Locations: 83,372

10% REDUCTION

A reduction of this size would reduce graffiti abatement contracts citywide by 1.6 percent. It is reasonable to assume that there will be a 1.6 percent reduction in the level of service being provided to residents of Los Angeles. There will be a 10 percent reduction in the level of service provided to Council District 1, 8, and 9 that is served by CCAC, PWC and CRCD respectively.

Impact: Less 884,111 square feet of graffiti removed from 8,337 fewer locations.

Decrease of \$116,073 in funding

15% REDUCTION

A reduction of this size would reduce graffiti abatement contracts citywide by 2.5 percent. It is reasonable to assume that there will be a 2.5 percent reduction in the level of service being provided to residents of Los Angeles. There will be a 15 percent reduction in the level of service will be provided to Council District 1, 8, and 9 that is served by CCAC, PWC and CRCD respectively.

Impact: Less 1,326,166 square feet of graffiti removed from 12,506 fewer locations.

Decrease of \$174,109 in funding

BOARD OF PUBLIC WORKS – OFFICE OF COMMUNITY BEAUTIFICATION

SERVICE DESCRIPTION: CLEAN STREETS, CLEAN NEIGHBORHOODS

The Office of Community Beautification oversees the Clean Streets, Clean Neighborhoods Program administered and operated by the Los Angeles Conservation Corps (LACC). The Program adds a Clean and Green crew for CD1 to increase clean-up efforts. It employs youths who participate in clean-up projects such as graffiti removal, litter abatement and tree planting. When school is in session work occurs during weekends and during the week during off-track periods. On an annual basis, 100 Los Angeles youth are employed throughout the year.

Workload Indicator: 100 Youths employed

10% REDUCTION

A reduction of this size would reduce the Clean Streets Program by 10 percent. It is reasonable to assume that there will be a 10 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 90 Youths employed (a reduction of 10)
Decrease of \$10,000 in funding

15% REDUCTION

A reduction of this size would reduce the Clean Streets Program by 15 percent. It is reasonable to assume that there will be a 15 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 85 Youths employed (a reduction of 15)
Decrease of \$15,000 in funding

BOARD OF PUBLIC WORKS – OFFICE OF COMMUNITY BEAUTIFICATION

SERVICE DESCRIPTION: CITY TREES

The Office of Community Beautification oversees the City Trees Program administered and operated by the Los Angeles Conservation Corps (LACC). Youths participate in projects to cut concrete tree wells and plant trees in the most-underserved communities of the City.

Workload Indicator: 1,080 Trees planted

10% REDUCTION

A reduction of this size would reduce the City Trees Program by 10 percent. It is reasonable to assume that there will be a 10 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 972 Trees planted (a reduction of 108)
Decrease of \$30,00 in funding

15% REDUCTION

A reduction of this size would reduce the City Trees Program by 15 percent. It is reasonable to assume that there will be a 15 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 918 Trees planted (a reduction of 162)
Decrease of \$45,000 in funding

BOARD OF PUBLIC WORKS – OFFICE OF COMMUNITY BEAUTIFICATION

SERVICE DESCRIPTION: RIVER KEEPERS (FORMERLY RIVER RANGERS)

The Office of Community Beautification oversees the River Ranger Program administered and operated by the Los Angeles Conservation Corps (LACC). The Program combines classroom education with outdoor work experience for 16-to-21 year old at-risk youth. A nine-member crew is provided education and training sessions covering topics that include watershed habitat, native landscapes, river hydrology, ecology, water quality best management practices and community outreach. Participants are trained and capable of providing the following services along the river: litter abatement, graffiti removal, and vegetation management. On an annual basis, 100 Los Angeles youth will be employed throughout the year.

Workload Indicator: 100 Youths employed

10% REDUCTION

A reduction of this size would reduce the River Rangers Program by 10 percent. It is reasonable to assume that there will be a 10 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 90 Youths employed (a reduction of 10)
Decrease of \$25,000 in funding

15% REDUCTION

A reduction of this size would reduce the River Rangers Program by 15 percent. It is reasonable to assume that there will be a 15 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 85 Youths employed
Decrease of \$37,500 in funding

BOARD OF PUBLIC WORKS – OFFICE OF COMMUNITY BEAUTIFICATION

SERVICE DESCRIPTION: CITY TREES

The Office of Community Beautification oversees the City Trees Program administered and operated by the Los Angeles Conservation Corps (LACC). Youths participate in projects to cut concrete tree wells and plant trees in the most-underserved communities of the City.

Workload Indicator: 1,080 Trees planted
80 Youths employed

10% REDUCTION

A reduction of this size would reduce the City Trees Program by 10 percent. It is reasonable to assume that there will be a 10 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 972 Trees planted (a reduction of 108)
72 Youths employed (a reduction of 8)
Decrease of \$30,00 in funding

15% REDUCTION

A reduction of this size would reduce the City Trees Program by 15 percent. It is reasonable to assume that there will be a 15 percent reduction in the level of service being provided to residents of Los Angeles.

Impact: 918 Trees planted (a reduction of 162)
68 Youths employed (a reduction of 12)
Decrease of \$45,000 in funding

Recreation and Parks - Youth Recreation and Nutrition

Site/Attendance	Total yearly numbers	8% cut
103 total sites		8 less Sites served
Self Cert Forms Collected 4/1/2010 thru 3/31/2011 (Registered)	16,730	1,338 less children served
Attendance 4/1/2010 thru 3/31/2011	217,937	17,434 less children served

Youth Recreation and Nutrition

Approximately 40 children per
day would be affected or 7,800
meals per program year

Approximately 40 less meals per
day would be would be served or
7,800 per program year.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
EXPENDITURE POLICY AND GUIDELINES**

Part I - CDBG General Program

A. General

1. All project program and administrative unencumbered funds (with the exception of admin funds identified as part of City Budget (Schedule 8) and Los Angeles Housing Development- Notice Of Funding Availability (NOFA)) allocated to City Departments must be expended within one program year (April 1 through March 31), or funds are subject to reprogramming.
2. Capital projects will be funded incrementally. Funding will be provided for the portion of the project that may reasonably be expended within one program year.
3. The City will undergo a mid-year reprogramming process every year. All projects will be reviewed, subject to the policies and guidelines contained herein.
4. Request the Council President to refer all Council Motions or reprogramming requests to the Housing Community and Economic Development Committee (HCED). Continue these motions in HCED until a reprogramming is conducted. Additional reprogramming may be conducted as deemed necessary by Mayor and Council.
5. Each department receiving CDBG funds must submit monthly invoices to the Community Development Department (CDD) to enable CDD to draw down on the City's CDBG line of credit and reimburse the General Fund in a timely manner.
6. Each department allocated CDBG funds must submit an environmental checklist and Project Expenditure Plan (PEP) for the year to CDD for each project funded. These documents are to be submitted no later than March 15th for projects funded through the annual Consolidated Plan, and during the application process for reprogramming.
7. CDD shall provide monthly reports to the Mayor, President of the City Council, Chair of HCED Committee, City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) on all CDBG expenditure information which will include the following information for each program and administrative function: original and current allocation, expenditure, encumbrance (i.e. signed contracts), and unspent and unencumbered balances, including notations on disposition of these balances (i.e., declare savings and reasons for unspent funds).

B. Readiness Process

1. All projects proposed for funding during the annual Consolidated Plan process or during a Reprogramming process must meet a "readiness" standard that includes a CDD determination that the project is CDBG-eligible and able to fulfill all environmental requirements.

2. The operating department in charge of project administration will provide to the Mayor and CDD a written funding application that includes: lead agency, project budget and identification of all funding sources, a breakdown of requested funds by account, project schedule, and confirmation that the CDBG funds will be expended within the authorized period of project completion.
3. CDD will review submitted material, research project status and make a readiness determination for each project/application, and submit its findings to the Mayor's Office, CLA, and CAO.
4. For projects approved in the annual Consolidated Plan process, funds can be expended prior to the end of the Consolidated Plan year in which the funds are provided (April-March), or within the period specified by the Mayor and City Council during the approval process; notwithstanding the projects close out phase.
5. For projects approved during a reprogramming process, funds must be spent during the specified time period.
6. Borrowing of CDBG funds will not be allowed unless deemed necessary to meet federal timeliness requirements, or other instances deemed appropriate by the Mayor and Council.

C. Reprogramming Process

7. City Departments and agencies should refrain from spending or programming their CDBG savings. All savings identified will be appropriated during reprogramming or as directed by the Council and Mayor.
8. The City will undergo a mid-year reprogramming process every program year in which all projects will be reviewed, subject to the policies and guidelines contained herein.
9. The CLA will monitor and maintain a log of Council Motions involving CDBG allocations and it will be made available to Committee and Council during the reprogramming process.
10. The CDD will submit to the Mayor's Office, President of the City Council, CAO, CLA, and Chair of HCED CDBG expenditure report(s) 45 days prior to each reprogramming, which will include the following information for each program: original allocation, expenditure, encumbrance (i.e. signed contracts), unspent and unencumbered balances.
11. Prior to each reprogramming, funding priorities will be established by the Mayor and Council, and reviewed by the CAO and CLA. A determination will be made subject to need, readiness, and availability of funds for each item.
12. Based on Mayor and Council adopted funding priorities for the consolidated plan year, and a "readiness" determination, as delineated below, the Mayor's Office will submit funding recommendations to the Council.

D. Urgent Need

Should a department or agency identify an urgent need that involves reprogramming or a change in scope; outside a regularly scheduled reprogramming process, a transmittal should be prepared and sent to the HCED Committee. The CAO at the direction of the Mayor and Council, will evaluate the request and make recommendations to the Committee. Urgent need would be considered for reallocation within the same project only and on the basis of public health and safety, disruption of critical services, compromised financial feasibility, and in relation to other standing priorities.

E. Repayment of funds

1. Projects from which funds were borrowed in previous reprogrammings for HUD timeliness purposes, are not interchangeable with other projects or subject to reprogramming, (Attachment 1). A change of scope for the same project may be considered subject to: (1) availability of funds; (2) a readiness determination; (3) Council priorities; and (4) meeting an expenditure deadline.
2. Funds borrowed from projects during the reprogramming process must show readiness within 24 months.
3. All requests for reimbursement of borrowed reprogrammed funds must be submitted to the Mayor's Office demonstrating "project readiness". CDD will review submitted material, research of project status and make a readiness determination for each project/application and submit to results to the Mayor's Office, CLA, CAO and Chair of HCED.

Part II: Los Angeles Housing Department (LAHD)

- A. Funding commitments for housing projects awarded through LAHD's NOFA would only be provided for a 24-month period after Council has awarded the RFP.
- B. LAHD shall provide monthly reports to the Mayor, President of the City Council, Chair of HCED Committee, CAO and CLA on all CDBG, HOME, HOPWA expenditure information which will include for each program and administrative function : original allocation, expenditure, encumbrance (i.e. signed contracts), unspent and unencumbered balances.