

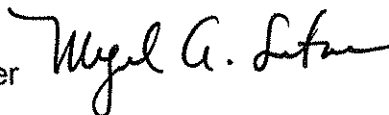
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-00540-0961

Date: September 30, 2011

To: Budget and Finance Committee
Attn: Erika Pulst, Office of the City Clerk

From: Miguel A. Santana, City Administrative Officer

Subject: **ADDENDUM TO THE 2011-12 FIRST FINANCIAL STATUS REPORT – LOS ANGELES HOUSING DEPARTMENT**

The City Administrative Officer issued the First Financial Status Report (FSR) on September 29, 2011. This addendum to the First FSR includes new recommendations for a request received from the Los Angeles Housing Department (LAHD) after the release of the FSR. The following actions are included:

- Transfer \$461,856 in unexpended, prior-year appropriations from the Affordable Housing Trust Fund (AHTF) to cover staff costs incurred by LAHD in the 36th Program Year (PY 36: April 1, 2010 – March 31, 2011) for projects that were not funded with federal Community Development Block Grant (CDBG), Home Investment Partnership (HOME) or Housing Opportunities for Persons with AIDS (HOPWA) funds, and therefore, are non CDBG-eligible expenditures in PY 36.
- Reprogram a total of \$90,000 in 36th Program Year CDBG savings to enable the Los Angeles Homeless Services Authority (LAHSA) to make temporary emergency shelter beds available on or around October 15, 2011 to accommodate an increased number of homeless individuals in and around West Los Angeles. Section C, No. Seven of the CDBG Expenditure Policy requires, in part, that "City Departments and agencies should refrain from spending or programming CDBG savings. All savings identified will be appropriated during reprogramming or as directed by Council and Mayor" (C.F. 01-2765-S2). While the reprogramming is consistent with the expressed Council priority of funding homeless services during the development of the 37th PY CDBG Budget (C.F. 10-2440), it is a policy decision of the Council and Mayor whether to reprogram \$90,000 from PY 36 CDBG savings. In light of possible future reductions to CDBG funds available to the City, our intent is to provide the Council and Mayor with sufficient information as to the fiscal implications of reprogramming additional funds. It should be noted that the Community Development Department and City Departments are in the process of reviewing potential projects for the upcoming 38th Program Year Consolidated Plan. The reprogramming of \$90,000 at this time will reduce the amount available for Council and Mayor priorities in PY 38.

- Authorize the General Manager, LAHD, to amend Contract C-117330 with LAHSA to add \$90,000 to provide the aforementioned temporary emergency shelter beds.

RECOMMENDATIONS

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

1. Establish a new account 43H443 within fund 44G/43 entitled "Prior Year Project Costs"
2. Transfer appropriations within fund 44G as follows:

From:

<u>Fund/Dept</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
44G/43	43E143	Housing	\$ 6,696.00
44G/43	43F143	Housing	105,349.95
44G/43	43G143	Housing	159,907.02
44G/43	43A347	Central City East: Sanitation	9.00
44G/43	43A351	Winter Shelter	71,426.00
44G/43	43A354	Emergency Shelter	115,650.11
Subtotal			<u>\$459,038.08</u>

To:

44G/43	43H443	Prior Year Project Costs	<u>\$459,038.08</u>
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3. Transfer appropriation between funds and accounts as follows:

From:

<u>Fund/Dept</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
815/43	43E143	Housing	\$ 2,818.27

To:

44G/43	43H443	Prior Year Project Costs	\$ 2,818.27
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4. Transfer expenditures from Community Development Block Grant (CDBG) Fund 424 Account Number 43F143 to Affordable Housing Trust Fund (AHTF) 44G/43 Account Number 43H443 in the amount of \$461,856 upon proper written demand of the General Manager LAHD or designee.

It is a Policy decision to reprogram \$90,000 in 36th Program Year Community Development Block Grant (CDBG) savings. Should the Council and Mayor determine that these funds should be reprogrammed, Recommendations 5 through 7 below should be approved:

5. Transfer uncommitted balances within CDBG Fund 424/22 as follows:

From:

<u>Fund/Dept</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
424/22	43F143	Housing	\$ 90,000.00

To:

424/22	22H354	LAHSA-Homeless Shelter and Services	\$ 90,000.00
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6. Expend funds in an additional amount of \$90,000 from Fund 424/22 Account 22H354 for LAHSA Homeless Services Contract C-117320 upon proper written demand.

7. Authorize the General Manager, Los Angeles Housing Department (LAHD), or designee, to amend Contract C-117320 with the Los Angeles Homeless Services Authority (LAHSA) and increase the contract amount by \$90,000 to provide additional temporary emergency shelter beds.

8. Authorize the General Manager, LAHD, or designee, subject to the approval of the City Administrative Officer (CAO), to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions for the matters related to this transmittal.

FISCAL IMPACT STATEMENT

Approval of these actions will mitigate the potential assignment of these costs to the General Fund. \$90,000 is available from 36th Program Year Community Development Block Grant (CDBG) savings, should the Council and Mayor determine that this amount can be reprogrammed to provide temporary emergency shelter beds.