

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: October 21, 2019

CAO File No. 0220-00540-1394

Council File No. 15-0087-S4

Council District: Citywide

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Reference: Housing and Community Investment Department Transmittal dated September 25, 2019; Received by the City Administrative Officer on October 8, 2019; Additional Information Received through October 18, 2019

Subject: **REQUEST FOR AUTHORITY TO APPROVE THE SELECTION CRITERIA FOR THE 2019 ROUND 5 FUNDING OPPORTUNITY OF THE STRATEGIC GROWTH COUNCIL'S AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM**

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**RECOMMENDATION**

That the Council adopt Recommendations II. A and B of the Housing and Community Investment Department transmittal dated September 25, 2019 relative to approving the proposed selection criteria for the 2019 Round 5 Funding Opportunity of the Strategic Growth Council's Affordable Housing and Sustainable Communities Program.

**SUMMARY**

The Housing and Community Investment Department (HCID) requests that the Mayor and City Council approve the proposed selection criteria for the upcoming California Strategic Growth Council's (SGC) Affordable Housing and Sustainable Communities (AHSC) Program 2019 Round 5 funding opportunity. The HCID also requests authority to continue to lead the City team in its AHSC Program coordination efforts, including the developing of scopes of work and the assessment of individual housing projects. The City team includes the Los Angeles Department of Transportation, the Department of City Planning, the Department of Public Works Bureaus of Engineering, Street Lighting, and Street Services, and other City departments, as necessary. This Office concurs with the recommendations of the Department.

The AHSC Program aims to reduce greenhouse gas emissions by funding affordable housing developments in conjunction with sustainable transportation infrastructure. The HCID, along with co-applicant developers, have successfully applied for AHSC Program funding during the previous four rounds of funding. Additional information regarding the AHSC Program and funding awarded to the City can be found in the HCID transmittal dated September 25, 2019 (Report). Of the total

AHSC Program funds awarded to the City, \$34 million in grant funding will be used by the City to implement the Sustainable Transit Infrastructure (STI) and Transportation-Related Amenities (TRA) improvements for awarded projects. It should be noted that there will be a need for City departments to identify the funding sources and amounts needed to front-fund the staffing and resources needed to implement the grant funded STI and TRA scopes of work. The HCID Report includes what percentages of the grant funding may be allocated for administration, staff costs, and other eligible costs. Eligible costs will be reimbursed by AHSC Program funds. The HCID indicates that a transmittal discussing front-funding will be submitted for the Mayor and Council approval under a separate cover. The SGC will release its fifth Notice of Funding Availability (NOFA) by October 2019. The application submission deadline for 2019 Round 5 funding will be February 2020.

In August 2019, the HCID issued an AHSC Round 5 Call for Projects asking potential AHSC co-applicants to register their development projects with the HCID in preparation for the upcoming funding opportunity. HCID received 26 applications. The submissions are being evaluated using the AHSC Round 5 threshold criteria, Exhibit A of the HCID's Report, as well as the HCID's proposed selection criteria included in the HCID's Report. The HCID indicates that the proposed selection criteria will prioritize projects that leverage City resources and those that advance the Mayor and Council's planning and policy objectives. The HCID reports that a transmittal including a proposed co-applicant list, project recommendations, and related instructions for AHSC Round 5 will be submitted for the Mayor and Council approval by November 2019.

## **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund at this time. The recommendation in this report complies with City Financial Policies in that there is no cost to the City if the proposed selection criteria for the 2019 Round 5 Funding Opportunity of the Strategic Growth Council's Affordable Housing and Sustainable Communities (AHSC) Program is approved. There is a potential impact to the General Fund if the City's application for the 2019 AHSC Round 5 is approved since the City may have to identify funding sources and amounts needed to front-fund the staffing and resources needed to implement the grant funded AHSC Sustainable Transit Infrastructure (STI) and Transportation-Related Amenities (TRA) improvements for awarded projects. Eligible costs will be reimbursed by AHSC Program funds. Staff costs for implementing the STI and TRA improvements that are found to be ineligible for AHSC Program fund reimbursement could have a General Fund impact.

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