

# TRANSMITTAL

To:

**THE COUNCIL**

Date: 2/17/2017

From:

**THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**



(Ana Guerrero)

**ERIC GARCETTI**  
Mayor



Eric Garcetti, Mayor  
Rushmore D. Cervantes, General Manager

**Community Services & Development Bureau**  
1200 West 7th Street, 9th Floor, Los Angeles, CA 90017  
tel 213.928.9071 | fax 213.808.8999  
hcidla.lacity.org

February 16, 2017

Council File: 16-0600  
Council District(s): Citywide  
Contact Person(s):  
Darryl Booker (213) 922-9664  
Curtis Watts (213) 808-8479  
Abigail Marquez (213) 808-8462

The Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Attention: Mandy Morales, Legislative Coordinator

**COMMITTEE TRANSMITTAL: REQUEST FOR CITY COUNCIL AUTHORIZATION TO RE-PROGRAM UNSPENT FISCAL YEAR (FY) 2015-16 CITY GENERAL FUNDS AND UNSPENT GENERAL FUNDS FROM PRIOR FISCAL YEARS ORIGINALLY AUTHORIZED FOR USE BY THE LOS ANGELES HOMELESS SERVICES AUTHORITY (LAHSA) TO FUND CITY HOMELESS STRATEGY 7H, FACILITATE UTILIZATION OF FEDERAL HOUSING SUBSIDIES**

**Summary**

The General Manager of the Los Angeles Housing and Community Investment Department (HCIDLA) respectfully submits this transmittal requesting City Council authorization to re-program \$1,031,489 in previously approved but unspent FY 2015-16 City General Funds and \$307,757.51 in unspent City General Funds from prior fiscal years, all originally authorized for use by LAHSA, to fund the implementation of City Homeless Strategy 7H, Facilitate Utilization of Federal Housing Subsidies.

**Recommendations**

The General Manager, HCIDLA, respectfully requests the following:

1. That your office schedule this transmittal for consideration at the next available meeting(s) of the appropriate Committees of the City Council and forward it to the City Council for review and approval immediately thereafter.
2. That the City Council, subject to the approval of the Mayor:

- A. Authorize the General Manager, HCIDLA, or designee, to amend City Contract No. C-126258 to reprogram a total of \$1,031,489.00 of unspent FY 2015-16 City homeless program General Funds, previously approved for use by LAHSA, to be used in FY 2016-17 to implement City Homeless Strategy 7H;
- B. Authorize the General Manager, HCIDLA, or designee, to amend City Contract No. C-126258 to add \$307,757.51 of unspent prior fiscal years' City homeless program General funds, previously approved for use by LAHSA, to be used in FY 2016-17 to implement City Homeless Strategy 7H; and
- C. Authorize the General Manager, HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council action in this matter, subject to the approval of the City Administrative Officer, and request the Controller to implement these instructions, as follows:

- 1. Establish and appropriate a new account within Fund 10A, HCIDLA GENERAL FUND PROGRAM, as follows:

<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
43N495	Homeless Strategy 7H	\$1,339,246.51

- 2. Decrease appropriations within the Affordable Housing Trust Fund 44G, as follows:

<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
43M242	Homeless Shelter Program	\$56,707.00
43M236	Homeless Services for Veterans-GCP	\$444,829.00
43M351	Winter Shelter	\$48,781.00
43M344	Rapid Re-housing-Veterans	\$112,330.00
43M345	Rapid Re-housing	\$250,368.00
43M238	Operation Healthy Streets	\$118,474.00
43A354	Emergency Shelter and Services-GF	\$30,527.02
43F242	Homeless Shelter Program	\$73,041.61
43G242	Homeless Shelter Program-GCP	\$40,696.96
43H242	Homeless Shelter Program	\$5,947.67
43J242	Homeless Shelter Program	\$94,132.14
43J374	Emergency Response-OHS-LAHSA	\$29,243.67
43K242	Homeless Shelter Program	\$34,168.44
		\$1,339,246.51

- 3. Transfer the available cash balance of \$1,339,246.51 from the Affordable Housing Trust Fund 44G to HCIDLA General Fund Program Fund 10A.

## **Background**

During FY 2015-16, the City awarded a total of \$29,970,160 in City General Funds and AB 1290 Funds to LAHSA to implement a variety of homeless programs and activities. These activities included crisis and bridge housing, housing and related services for families, expanded emergency shelter and services during the winter months (winter shelter), street outreach and engagement under the City's Operation Healthy Streets and Skid Row C-3 programs, emergency response team expansion, Homeless Management Information Systems data collection, analysis and reporting, rapid re-housing for homeless veterans and single adults, Housing Authority of the City of Los Angeles (HACLA) lease-up staffing for its Veterans Affairs Supportive Housing (VASH) voucher program, facility review/assessments, Coordinated Entry System (CES) regional coordination, activities associated with the Downtown Drop-in Center project, and the 2016 homeless count. Under contract C-126258, in FY 2015-16 LAHSA served more than 16,521 persons, of which 2,639 persons (16%) were placed into permanent housing and 1,215 (7.3%) showed an increase in overall income.

A significant portion of the funds authorized under LAHSA's FY 2015-16 General Fund contract C-126258 was not received by HCIDLA and LAHSA until well into the 2015-16 fiscal year period. Consequently, LAHSA was unable to spend the entire General Fund homeless program allocation by the end of FY 2015-16. Based on HCIDLA staff's review of LAHSA's FY 2015-16 General Fund contract closeout package and its own fiscal records, a total of \$7,063,883 remained unspent as of September 30, 2016. Of that amount, \$6,032,394 was authorized by City Council during the City's FY 2016-17 budget process to be re-appropriated to LAHSA's FY 2016-17 General Fund contract C-126258, leaving a balance of \$1,031,489 in FY 2015-16 unspent funding. HCIDLA hereby requests that the City Council consider using the \$1,031,489 in unspent FY 2015-16 General Funds and \$307,757.51 in unspent LAHSA homeless program General Funds from prior fiscal years to fund City Homeless Strategy 7H (Facilitate Utilization of Federal Housing Subsidies), which is one of the 64 homeless strategies approved by the City Council in 2015, but also one for which dedicated funding was not allocated.

### **Homeless Strategy 7H (corresponds with County Homeless Strategy B4)**


During the process of developing the various strategies that the City adopted to combat homelessness, there was general acknowledgement that it is increasingly more difficult for families and individuals with federal housing subsidies to secure housing in the city. The problem is due, in large part, to the City's on-going very low vacancy rate in the rental housing market and the hesitation on the part of landlords to accept potential tenants with federal housing vouchers. Homeless Strategy 7H is designed to encourage landlord acceptance of subsidized tenants by (1) establishing a program that provides financial assistance to landlords to mitigate the damage caused by tenants during their occupancy under HUD's Housing Choice Voucher program and modest financial assistance to repair and/or modify a property to comply with HUD's housing quality standards, if property non-compliance is the only barrier to accepting a subsidized tenant; (2) developing a program that provides landlords with "vacancy payments" to hold a rental unit for one or two months once the subsidized tenant has been accepted by the landlord, and at the time the landlord is going through the HUD approval process; and (3) providing security deposits and other move-in assistance that generally leads to greater stability on the part of the tenant and also serves as an incentive for landlords to accept the prospective tenant. The Housing Authority of the City of Los Angeles has determined that over the next two years, an annual budget of \$3,000,000 is required to effectively implement Homeless Strategy 7H. Approval of HCIDLA's request, as stated herein, will provide some of the funding needed to implement Strategy 7H in FY 2016-17.

HCIDLA and LAHSA propose using unspent FY 2016-17 rapid re-housing funding to cover the balance of funding needed to implement Strategy 7H during FY 2016-17 and FY 2017-18.

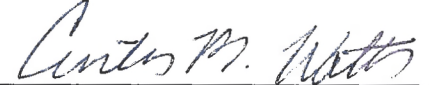
**Fiscal Impact**

HCIDLA proposes reprogramming prior year unspent funds authorized for use by LAHSA in implementing City Homeless Strategy 7H.


Prepared by:

  
DARRYL BOOKER  
Sr. Project Coordinator  
Homeless Services Unit  
Program Operations Division


Reviewed by:

  
CURTIS WATTS  
Chief Management Analyst  
Program Operations Division  
Community Services and Development Bureau

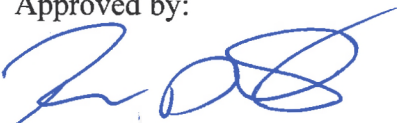
Reviewed by:

  
ABIGAIL R. MARQUEZ  
Assistant General Manager  
Community Services and Development Bureau

Reviewed by:

  
LAURA GUGLIELMO  
Executive Officer

Approved by:

  
RUSHMORE D. CERVANTES  
General Manager