

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: August 17, 2018

CAO File No. 0220-00540-1292

Council File No. 18-0106

Council District: Citywide

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr. *Ylonda Chaniz for*  
City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated August 9, 2018; Received by the City Administrative Officer on August 9, 2018; Additional Information Received through August 17, 2018

Subject: **REPORT BACK ON CHANGING THE CONSOLIDATED PLAN PROGRAM YEAR START DATE FROM APRIL 1 TO JULY 1 AND REVISIONS TO THE 44<sup>TH</sup> PROGRAM YEAR HOUSING AND COMMUNITY DEVELOPMENT CONSOLIDATED PLAN BUDGET**

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### RECOMMENDATIONS

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

1. Adopt Recommendations A through I, and M of the Housing and Community Investment Department (HCID) transmittal (Report) dated August 9, 2018 relative to the request to change the Consolidated Plan (Con Plan) year start from April 1 to July 1 (C.F. 18-0106), and amend the 44<sup>th</sup> Con Plan year Action Plan budget to allocate additional resources identified since the Con Plan was approved;
2. Amend Recommendations J and K to be subject to the review and approval of the City Attorney as to form and legality, and compliance with all City and federal contracting requirements, and adopt Recommendations J and K as amended; and,
3. Adopt the revised Controller Instructions attached to this report.

### SUMMARY

The Housing and Community Investment Department (HCID) requests authority for various actions related to changing the Consolidated Plan (Con Plan) year start date from April 1<sup>st</sup> to July 1<sup>st</sup> starting with the 45<sup>th</sup> Con Plan Program Year, and amending the 44<sup>th</sup> Con Plan Program Year (PY) Action Plan budget to allocate additional resources identified since the Mayor and Council approved the Con Plan. The HCID requests authority to: 1) provide appropriate documentation to the United States Department of Housing and Urban Development (HUD) for approval to change

the PY time period; 2) revise the PY 44 Action Plan budget per Attachment 1 of HCID's Report; 3) reprogram Community Development Block Grant (CDBG) and Housing Opportunities for Persons with AIDS/HIV (HOPWA) savings identified since the PY 44 Action Plan was approved; 4) prepare and post for a 30-day public comment period a Substantial Amendment to the PY 44 Con Plan; 5) amend a contract with the Los Angeles Homeless Services Authority (LAHSA); and 6) prepare various contract authorities.

The Department proposes funding the one-time extension of PY 44 from April 1, 2019 through June 30, 2019 with HUD allocations for federal grants that were higher than the estimates approved by the Mayor and Council (\$19,677,691), and identified program income (\$9,732,274), and savings (\$699,963). The HCID requests an additional allocation of up to \$2,718,729 of General Fund to support the Con Plan administration costs for the three-month extension. The Department has identified \$4,173,250 in General Fund that was allocated to the LAHSA Measure H Bridge Loan in FY 2017-18, but is no longer needed and can be reverted back to the General Fund as a potential source for the requested General Fund support. This Office supports the reversion of \$4,173,250 back to the General Fund. However, the City Administrative Officer (CAO) would include an appropriation of up to \$2,718,729 through the Financial Status Reports after working with the following departments to identify additional savings and actual need for General Fund support to administer the Con Plan: Department of Aging, City Attorney, Economic and Workforce Development Department, LAHSA, and HCID.

The HCID also requests authority to release a Request for Proposals to solicit professional services to conduct the Neighborhood Stabilization Study for South Los Angeles in an amount not to exceed \$100,000 (C.F. 18-0159 and C.F. 18-0600), and to negotiate and execute an agreement with the successful proposer. However, the agreement should be approved by the City Attorney as to form and legality, and comply with all City and federal contracting requirements, including a Charter 1022 determination. Finally, it should be noted that subsequent to the release of HCID's Report, the Controller Instructions were revised to reflect the correct Fund No. 517 for Recommendation K related to the Emergency Solutions Grant Fund, and are attached to this report. This Office concurs with the recommendations of the Department, as amended.

## **FISCAL IMPACT STATEMENT**

The impact to the General Fund for funding direct salaries and expenses, including contracts, for the administration of the Consolidated Plan (Con Plan) Program Year 44 from April 1, 2019 through June 30, 2019 would be up to \$2,718,729. The City Administrative Officer would request appropriation through interim Financial Status Reports based on the actual need for General Fund support for the Department of Aging, City Attorney, Economic and Workforce Development Department, Los Angeles Homeless Services Authority (LAHSA), and the Housing and Community and Investment Department to administer the Con Plan. The source of these funds is a reversion of \$4,173,250 from the LAHSA Measure H Bridge Loan to the General Fund. All other direct costs will be paid from the Community Development Block Grant (CDBG), HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS/HIV federal grants.

Our Office has calculated total related costs for support positions funded by the CDBG for the three-month period to be \$2.2 million. Of this amount, approximately \$1.9 million can be funded with CDBG dollars. This results in a balance of approximately \$300,000 in related costs that may be considered by the Council and Mayor to be potentially funded with a General Fund allocation. The City's Financial Policies state that the City will pursue program grants, but will limit financial support of these programs to avoid commitments beyond available funding. It is a policy decision regarding how and at what level the City will contribute City resources, specifically the General Fund, to leverage CDBG grant program activities.

*RHL:EIC:02190020C*

Attachment

**Attachment to City Administrative Officer Report -  
Revised Attachment 4 to HCID's Transmittal Dated August 9, 2018**

**Controller Instructions Community Development Block Grant**

1) Authorize the Controller to:

a) Establish new accounts and increase/decrease amounts within the Community Development

Trust Fund No. 424 as follows:

<b>Acct</b>	<b>TITLE</b>	<b>AMOUNT</b>
43R102	Aging	\$ (15,398.00)
43R108	Building and Safety	\$ 1,896,409.98
43R112	City Attorney	\$ 414,805.00
43R122	EWDD	\$ 419,388.00
43R291	Reimbursements of General Fund Costs - City Atty (CARE)	\$ 38,500.00
43R291	Reimbursements of General Fund Costs - City Atty (TARP)	\$ 115,500.00
43R299	Reimbursments to General Fund - EWDD	\$ 261,544.00
43R299	Reimbursments to General Fund - City Attorney	\$ 7,481.00
43R207	Fair Housing	\$ 54,392.00
43R354	LAHSA Homeless Emergency Shelter Services	\$ 989,050.00
43R420	Aging Delivery System	\$ 138,750.00
43R455	HCID Program Delivery	\$ 2,239,837.00
43R465	Ramon Garcia Rec Center	\$ 300,000.00
43R497	David M Gonzales	\$ 655,830.00
43R523	Vision Theater	\$ 2,109,547.00
43R527	City Attorney TARP	\$ (300,000.00)
43R544	City Attorney CARE	\$ (100,000.00)
43R553	San Pascual Park Improvements	\$ 200,000.00
43R592	PACE B&S	\$ (1,730,945.98)
43R663	5800 Figueroa Pocket Park	\$ (1,500,000.00)
43R673	North Sepulveda Pedestrian Island	\$ 138,000.00
43R690	CD 9 Pedestrian Tunnels	\$ 800,000.00
43R691	YWCA Angeles Mesa Empowerment	\$ 600,000.00
43R692	Neighborhood Stabilization Study	\$ 100,000.00
43R693	CD 9 Sidewalk Improvements	\$ 700,000.00
43R720	Vera Davis McClendon	\$ 300,000.00
43R729	Rolland Curtis Garden/Health Clinic	\$ 1,000,000.00
	<b>Total</b>	<b>\$ 9,832,690.00</b>

- b) Appropriate \$1,896,409.98 for the PACE Program within Fund No. 100/08 Building and Safety as follows:  
 Account No. 001010 Salaries \$1,820,553  
 Account No. 003040 Contractual Services \$9,482  
 Account No. 003310 Transportaion \$66,374.98
- c) Appropriate \$414,805 within Fund No. 100/12 City Attorney Account No. 001010  
 \$99,000 for the CARE Program, \$297,000 for TARP Program and \$18,805 Administration.
- d) Appropriate \$419,388 within Fund No. 100/22 EWDD as follows:  
 Account No. 001010 Salaries \$413,588  
 Account No. 003040 Contractual Services \$5,800
- e) Decrease appropriations in the amount of \$15,398 Account No. 001010 Salaries within Fund No. 100/02.

- f) Decrease accounts within the Community Development Trust Fund No. 424 as follows:

<b>Acct</b>	<b>TITLE</b>	<b>AMOUNT</b>
22J356	LAHSA Special Economic Development	\$ (88.00)
43P140	General Services (CCNP Bixel Street Renovation)	\$ (55,803.52)
43P140	General Services (Junipero Serra Library)	\$ (13,100.00)
43N711	Junipero Serra Library	\$ (5,000.00)
	<b>Total</b>	<b>\$ (73,991.52)</b>

**Controller Instructions For HOME Grant**

- g) Increase appropriations within the HOME Investment Partnership Program Fund No. 561 as follows:

<b>Acct</b>	<b>TITLE</b>	<b>AMOUNT</b>
43R011	Affordable Housing Trust Fund	\$ 8,362,666.00

**Controller Instructions For HOPWA Grant**

- h) Establish new accounts and/or increase (decrease) amounts within the HOPWA Trust Fund No. 569  
 as follows:

<b>Acct</b>	<b>TITLE</b>	<b>AMOUNT</b>
43R265	Savings HOPWA Program	\$ 1,909,448.00
43R266	HOPWA Program	\$ 2,530,600.00
43R268	HOPWA Resource Identification	\$ 23,358.00
43R332	HOPWA Project Sponsor Administration	\$ 183,428.00
43R338	Savings- HOPWA Project Sponsor Administration	\$ 150,739.00
43R438	HOPWA Reserve	\$ 5,147.00

43P440	HOPWA PSH	\$	2,614,041.00
43R143	HCIDLA	\$	(67,214.99)
43R299	Reimbursements to General Fund	\$	(28,627.01)
	<b>Total</b>	<b>\$</b>	<b>7,320,919.00</b>

i) Decrease accounts within the HOPWA Trust Fund No. 569 as follows:

<i>Acct</i>	<i>TITLE</i>		<i>AMOUNT</i>
43N439	Savings-HOPWA Technical Assistance	\$	(45,250.00)
43P265	Savings HOPWA Program	\$	(450,309.27)
43P266	HOPWA Program	\$	(4,064,917.03)
43P332	Savings-HOPWA Subsidy Assistance	\$	(242,243.70)
	<b>Total</b>	<b>\$</b>	<b>(4,802,720.00)</b>

j) Decrease appropriations in the amount of \$67,214.99 Account No. 001010 Salaries within Fund No. 100/43.

**Controller Instructions For ESG Grant**

k) Establish new accounts and/or increase (decrease) amounts within the ESG Trust Fund No. 517 as follows:

<i>Acct</i>	<i>TITLE</i>		<i>AMOUNT</i>
43R267	LAHSA Drop In Center	\$	(378,631.00)
43R351	LAHSA Winter Shelter	\$	(155,884.00)
43R354	LAHSA Emergency Shelter	\$	507,009.00
43R355	LAHSA Administration	\$	(1,339.00)
43R143	HCID	\$	(64,520.00)
43R299	Reimbursements to General Fund	\$	(37,095.00)
	<b>Total</b>	<b>\$</b>	<b>(130,460.00)</b>

l) Decrease appropriations in the amount of \$64,520 Account No. 001010 Salaries within Fund No. 100/43.

**Controller Instruction for General Fund**

m) Transfer cash to the General Fund in the amount of \$4,173,250 from Fund No. 10A, HCID General Fund Programs, Account No. 43P679 LAHSA Bridge Loan.