


REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: November 9, 2018

TO: Honorable Members of the Housing Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File: 18-0106
Assignment No.: 18-11-1004

44th Program Year (2018-19) Amended Consolidated Plan Budget Reprogramming

SUMMARY

During consideration of the Program Year (PY44) Consolidated Plan in April 2018, the Council instructed the Housing and Community Investment Department (HCID) to review Community Development Block Grant (CDBG) expenditures and determine if savings are available for reprogramming. The Council further instructed HCID, with the assistance of the Chief Legislative Analyst, to report with recommendations for the expenditure of these savings (C.F. 18-0106).

On September 26, 2019, the Mayor released HCID's transmittal requesting Council authority to reprogram CDBG funds in the amount of \$3,242,744 to other eligible projects and activities that are ready to expend funds (C.F. 18-0106).

This report provides recommendations for changes that occurred subsequent to the release of the HCID transmittal (Attachment 1).

1. Proposed Changes

Subsequent to the release of the report, HCID notified our Office that a contractor is in the process of submitting reimbursement requests for the Family Crisis Center (CD1) project and that \$24,531 in savings previously identified for this project are no longer available for reprogramming. Therefore, the total amount of savings available for all projects has been reduced from \$3,242,744 to 3,218,213 (Attachment 2).

Two projects have also been identified that require additional funds. The Inner City Struggle Project is currently in need of \$100,000 to complete the project in a timely manner, and the Old Fire Station 6 project requires an additional \$20,000 to complete the replacement of a warped floor. We recommend that the Certified Access Specialist (CASP) item be reduced to fund these projects. HCID states that the CASP item can be reduced inasmuch as sufficient funds remain in PY44 to meet the need. If additional funds are required, HCID will request them as a part of a future reprogramming.

The proposed changes are as follows:

- Decrease Certified Access Specialist by \$145K for a new total of \$155K.
- Increase Inner City Struggle by \$100K for a new total of \$400K.
- Add funding for Old Fire Station 6 in the amount of \$20K.

Our office will continue to work with HCID to identify savings for other projects with funding needs and will report to Council on recommended funding levels. It is anticipated that a second reprogramming will be conducted in the spring due to the new Program Year start date which changed from April 1 to July 1.

2. Los Angeles Cleantech Incubator

The Los Angeles Cleantech Incubator (LACI) received \$1,789,000 in CDBG funds in the PY44 Con Plan. As part of its consideration of the PY44 Con Plan, the Council instructed LACI to request any additional funding as part of the mid-year reprogramming action. The Council also instructed LACI to report with a budget and a plan for self-sufficiency and diversified funding sources (C.F. 18-0106).

The Mayor requests at this time that \$447,250 in CDBG funds be reprogrammed to LACI to cover April to June 2019 timeframe as a result of new the Program Year. The City has contributed approximately \$6.39 million in CDBG funds to the project from 2012 to 2018. In addition, LACI has been successful in securing approximately \$17.81 million from State, federal, and private funding sources. To ensure that CDBG is available for other priorities citywide, we recommend that LACI be instructed to report with a plan to reduce, and eventually eliminate, CDBG funds allocated to this project beginning in PY46 and in future Program Years thereafter.

3. Rancho Cienega Sports Complex

The Rancho Cienega project was provided \$3,640,432 in CDBG funds in PY40. The project is also funded with Proposition K, CIEP, and Quimby funds. The project is currently in construction and is being implemented by the Department of Public Works, Bureau of Engineering (BOE). The project currently requires approximately \$9 million to complete. To ensure that this project continues to proceed in a timely manner and to limit the General Fund request, we recommend that this project be considered as a priority for funding in PY45.

4. Sun Valley Lighting

The PY44 Con Plan included an allocation of \$500,000 for the Sun Valley – Wheatland Street Lighting Project. The Council Office has requested that these funds be reprogrammed to the Sun Valley – Jerome Street Lighting project as a result of community input and to ensure timely expenditure of grant funds. This report includes a recommendation to effectuate this change.

5. Controller Instructions

This report includes a recommendation to approve the necessary Controller Instructions to implement the changes in this report (Attachment 3).

FISCAL IMPACT STATEMENT

These actions will not have a fiscal impact to the General Fund.

RECOMMENDATIONS

That the City Council:

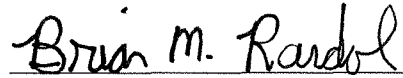
1. Receive and file the Housing and Community Investment Department transmittal dated September 26, 2018, attached to the Council File.

2. Approve the reprogramming of \$3,218,213 in CDBG funds as a source of revenue for the projects identified below for the Program Year (PY) 44 Housing and Community Development Action Plan (Con Plan), as detailed in Attachment 2.
3. Approve the projects below as an amendment to the PY 44 Con Plan, as detailed in Attachment 1:

<i>Activities and Projects</i>	<i>Amount</i>
<i>1 Aging Services Delivery System</i>	<i>\$227,585</i>
<i>2 Certified Access Specialist (CASp)</i>	<i>\$155,478</i>
<i>3 Coronado (Golden Age) Park</i>	<i>\$100,000</i>
<i>4 Green Meadows Recreation Center</i>	<i>\$450,000</i>
<i>5 InnerCity Struggle</i>	<i>\$400,000</i>
<i>6 Los Angeles Cleantech Incubator</i>	<i>\$447,250</i>
<i>7 MacArthur Park Improvements</i>	<i>\$233,000</i>
<i>8 North Sepulveda Pedestrian Island</i>	<i>\$464,000</i>
<i>9 Old Fire Station 6</i>	<i>\$20,000</i>
<i>10 South Park Improvements</i>	<i>\$520,900</i>
<i>11 Van Nuys—Marson Street Lighting Phase 2</i>	<i>\$200,000</i>
<i>TOTAL:</i>	<i>\$3,218,213</i>

4. Approve the Controller Instructions as detailed in Attachment 3.
5. Authorize the General Manager of HCID, or designee, to prepare and post for a 30-day public comment period a Substantial Amendment to the PY44 Con Plan listing the revisions and submit the amendment to the United States Department of Housing and Urban Development for approval.
6. Authorize the General Manager of HCID, or designee, to prepare Controller’s instructions, contract authorities, and any technical adjustments consistent with Mayor and City Council actions related to this matter, subject to the approval of the Chief Legislative Analyst (CLA), and request the Controller to implement these instructions
7. Instruct HCID, with the assistance of the CLA, to monitor expenditure rates of CDBG-funded projects and to report to Council with additional reprogramming recommendations, if necessary.
8. Instruct the Los Angeles Cleantech Incubator to report to Council with a plan to reduce, and eventually eliminate, its Community Development Block Grant amount starting in PY46 and future Program Years thereafter.
9. Instruct HCID to consider the Rancho Cienega Sports Complex Project for additional CDBG funds in the Program Year 45 Consolidated Plan, and to add this project to the CDBG Priority Projects list.

10. Authorize HCID to reprogram \$500,000 in PY 44 CDBG funds from the Sun Valley – Wheatland Street Lighting Project to the Sun Valley – Jerome Street Lighting project.



Brian M. Randol
Analyst

Attachments: 1. CDBG Projects Funded List
 2. CDBG Funding To Be Reprogrammed
 3. Controller Instructions

ATTACHMENT 1

Row	Activities and Projects	City Dept.	Council District	Vested or on Future Priority List	Amount	Comments
1	Aging Services Delivery System	Aging	Citywide	V	\$227,585	Additional \$138,750 of CDBG approved 9/12/18 (CF 18-0106) is insufficient for total cost for April-June for delivery system. Dept. uses all of CDBG for April-June, so needs full amount of \$555,000. There is \$300,000 available in Public Services cap.
2	Certified Access Specialist (CASp)	HCIDLA	Citywide	V	\$155,478	General Services' estimate for CASp consultant work on eight City-owned FSC sites is \$500,000. Only have \$200,000 in PY 44 for CASp. Does not cover all funding requested.
3	Coronado (Golden Age) Park	HCIDLA	1	V	\$100,000	Bid results show construction cost is higher than amount awarded.
4	Green Meadows Recreation Center	Rec & Parks	9	V	\$450,000	Needs additional funding for subsequent phases. On Rec & Parks' priority list (June 2018).
5	InnerCity Struggle	HCIDLA	14	V, P	\$400,000	Bid results show construction cost is higher than amount awarded.
6	Los Angeles Cleantech Incubator	EWDD	Citywide	V	\$447,250	Equals 25% of PY 44 contract to cover April-June 2019. See attached budget and sustainability plan requested by Council and the Housing Committee.
7	MacArthur Park Improvements	Rec & Parks	1	P	\$233,000	Requested in 8/22/18 Housing Committee Report.
8	North Sepulveda Pedestrian Island	PW-Sanitation	6	P	\$464,000	Additional \$138,000 of CDBG approved 9/12/18 (CF 18-0106) is not sufficient for total cost. Sanitation requested additional \$464,000.
9	Old Fire Station 6	HCIDLA (GSD)	1	V	\$20,000	Additional funding needed to complete flooring on project. Warped floor needs to be replaced before carpeting can be installed.
10	South Park Improvements	Rec & Parks	9	V, P	\$520,900	On Rec & Parks' priority list (June 2018) with updated amount, for baseball field phase. Does not cover all funding requested.
11	Van Nuys—Marson Street Lighting Phase 2	PW-St. Lighting	6	V	\$200,000	Requested \$200,000 to expand current project.
	Total				\$3,218,213	

Program Year 44 Action Plan (2018-19)
CDBG Funding to be Reprogrammed

ATTACHMENT 2

Program Year	Dept.	Council District	FMS Acct.	Project Title	Funds to be Reprogrammed
33	HCIDLA-ND	1	22C446	CASAS ALICIA RESTORATION PROJECT	\$2,672.71
35	HCIDLA-ND	14	22F428	BRING BACK BROADWAY STREETScape	\$6,338.57
37	HCIDLA-ND	9	22H530	4255 S Olive St. aka JUNIPERO SERRA LIBRARY	\$5,479.26
38	EWDD	CW	22H122	CDD - STAFF Return of Funds Reversion Worksheet	\$616.74
39	HCIDLA	CW	43K143	HCIDLA ADM AND PROGRAM DELIVERY	\$2.51
39	HCIDLA-ND	1	43P140	CCNP BIXEL STREET RENOVATION	\$34,991.55
39	PW-ST LIGHTING	1	43M184	NEIGHBORHOOD IMPROVEMENT FUND-- GLASSELL PARK TRANSIT PAVILION	\$14.92
39	PW-ST LIGHTING	1	43N184	NEIGHBORHOOD IMPROVEMENT FUND-- GLASSELL PARK TRANSIT PAVILION	\$17,169.49
39	PW-ST LIGHTING	1	43P184	NEIGHBORHOOD IMPROVEMENT FUND-- GLASSELL PARK TRANSIT PAVILION	\$46,516.87
39	PW-ST LIGHTING	1	43P184	NEIGHBORHOOD IMPROVEMENT FUND-- HOOVER STREET UNION AVE	\$7,491.39
40	HCIDLA	CW	43L143	HCIDLA ADM AND PROGRAM DELIVERY	\$2,867.89
40	HCIDLA-ND	15	43N140	BRADLEY MILKEN FSC RENOVATION	\$2,100.78
40	LAHSA	CW	43L381	LAHSA SPECIAL ECONOMIC DEVELOPMENT - Return of Grant Funds	\$2,483.00
41	HCIDLA-ND	15	43N140	NEIGHBORHOOD IMPROVEMENT FUND-- WILMINGTON LEARNING ANNEX	\$62.26
41	HCIDLA-ND	15	43P140	NEIGHBORHOOD IMPROVEMENT FUND-- WILMINGTON LEARNING ANNEX	\$528.00
41	HCIDLA-ND	CW	43M531	NEIGHBORHOOD IMPROVEMENT FUND	\$32.66
41	PW-Engineering	9	43M178	CD 9 SIDEWALK REPAIR PROGRAM	\$21,335.17
42	HCIDLA	CW	43N143	HCIDLA ADM AND PROGRAM DELIVERY	\$475,282.46
42	HCIDLA-HDB	CW	43N588	SINGLE FAMILY REHAB - HANDYWORKER	\$3,261.00
42	PW-ST LIGHTING	13	43N184	ELYSIAN VALLEY LIGHTING PROJECT - PHASE IV	\$2.96
43	AGING	CW	43P102	AGING ADM	\$4,752.30
43	AGING	CW	43P420	AGING DELIVERY SYSTEM	\$68,832.00
43	CITY ATTORNEY	CW	43N112	CITY ATTORNEY RESIDENTIAL ENFORCEMENT (CARE) (FORMERLY PACE)	\$27,173.98
43	CITY ATTORNEY	CW	43N112	CITY ATTORNEY TARP	\$73,117.01
43	CITY ATTORNEY	CW	43N299	CITY ATTORNEY RESIDENTIAL ENFORCEMENT (CARE) (FORMERLY PACE)	\$5,976.40
43	CITY ATTORNEY	CW	43N299	CITY ATTORNEY TARP	\$13,252.70
43	CITY ATTORNEY	CW	43P299	CITY ATTORNEY RESIDENTIAL ENFORCEMENT (CARE) (FORMERLY PACE)	\$11,595.66
43	CITY ATTORNEY	CW	43P299	CITY ATTORNEY TARP	\$14,689.36
43	CITY ATTORNEY	CW	43P112	CITY ATTORNEY RESIDENTIAL ENFORCEMENT (CARE) (FORMERLY PACE)	\$21,879.19
43	CITY ATTORNEY	CW	43P112	CITY ATTORNEY TARP	\$21,202.74
43	HCIDLA	CW	43P143/43P132/P168	HCIDLA ADM AND PROGRAM DELIVERY	\$1,400,016.13
43	HCIDLA-HDB	CW	43P281	LEAD HAZARD REMEDIATION	\$725.49
43	HCIDLA-HDB	CW	43P588	SINGLE FAMILY REHAB - HANDYWORKER	\$135,061.71
43	PW-Engineering	1	43P140	GLASSELL PARK TRANSIT PAVILION	\$143,350.91

Program Year 44 Action Plan (2018-19)
 CDBG Funding to be Reprogrammed

Program Year	Dept.	Council District	FMS Acct.	Project Title	Funds to be Reprogrammed
43	Rec & Parks	1	43P428	ALPINE RECREATIONAL CENTER (PHASE 1)	\$295,348.15
43	Rec & Parks	1	43P636	Alpine Recreational Center Playground	\$247,468.82
43	Rec & Parks	8	43P637	Curtis Roland Park Playground (name corrected)	\$104,520.31
Grand Total					\$3,218,213.05

**44th Program Year Action Plan (2018-19)
CONTROLLER INSTRUCTIONS**

- 1) Authorize the Controller to:
- a) Establish new accounts and/or increase appropriations within the Community Development Trust Fund No. 424 as follows:

Account	Title	Amount
43R248	Clean Tech Incubator	\$ 447,250.00
43R420	Aging Delivery System	\$ 227,585.00
43R464	Old Fire Station 6	\$ 20,000.00
43R522	South Park Improvements	\$ 520,900.00
43R662	Certified Access Specialist	\$ 155,478.00
43R673	North Sepulveda Pedestrian Island	\$ 464,000.00
43R709	Inner City Struggle	\$ 400,000.00
43R771	MacArthur Park Improvements	\$ 233,000.00
43R772	Van Nuys-Marson Street Lighting	\$ 200,000.00
43R773	Green Meadows Recreation Center	\$ 450,000.00
43R774	Coronado (Golden Age) Park	\$ 100,000.00
	Total	\$ 3,218,213.00

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

Account	Title	Amount
22C446	Casa Alicia Restoration	\$ 2,672.71
22F428	Broadway Streetscape	\$ 6,338.57
22H122	Community Development Department	\$ 616.74
22H530	4255 Olive Street	\$ 5,479.26
43K143	Housing and Community Investment	\$ 2.51
43L143	Housing and Community Investment	\$ 2,867.89
43L381	LAHSA Special Economic Development	\$ 2,483.00
43M178	Public Works Engineering	\$ 21,335.17
43M184	Public Works Street Lighting	\$ 14.92
43M531	Neighborhood Improvement Fund	\$ 32.66
43N112	City Attorney	\$ 100,290.99
43N143	Housing and Community Investment	\$ 475,282.46
43N184	Public Works Street Lighting	\$ 17,172.45
43N299	Related Costs	\$ 19,229.10
43N588	Handyworker	\$ 3,261.00

Account	Title	Amount
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44th Program Year Action Plan (2018-19)

CONTROLLER INSTRUCTIONS

43P102	Aging	\$ 4,752.30
43P112	City Attorney	\$ 43,081.93
43P140	General Services	\$ 35,519.55
43P143	Housing and Community Investment	\$ 1,400,016.13
43P184	Public Works Street Lighting	\$ 54,008.26
43P281	Lead Hazard Reduction	\$ 725.49
43P299	Related Costs	\$ 26,285.02
43P420	Aging Delivery System	\$ 68,832.00
43P428	Alpine Recreational Center	\$ 295,348.15
43P588	Handyworker	\$ 135,061.71
43P636	Alpine Recreational Center Playground	\$ 247,468.82
43P637	Roland Curtis Park Playground	\$ 104,520.31
43R140	General Services	\$ 145,513.95
	Total	\$ 3,218,213.05

c) Decrease \$145,513.95 within Fund No. 100/40 as follows:

Account	Title	Amount
1014	Construction Salaries	\$ 30,408.45
3180	Construction Materials	\$ 115,105.50
	Total	\$ 145,513.95