

HOUSING COMMITTEE REPORT relative to reprogramming Community Development Block Grant (CDBG) funding in connection with the changing the Program Year (PY) 44 Housing and Community Development Consolidated Plan (Con Plan).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the reprogramming of \$3,218,213 in CDBG funds as detailed in Attachment 1 of the November 9, 2018 Chief Legislative Analyst (CLA) report, attached to the Council file, as a source of revenue for the following projects identified below for the PY 44 Con Plan:

<u>Project:</u>	<u>Amount:</u>
Aging Services Delivery System	\$227,585
Certified Access Specialist	155,478
Coronado (Golden Age) Park	100,000
Green Meadows Recreation Center	450,000
InnerCity Struggle	400,000
Los Angeles Cleantech Incubator	447,250
MacArthur Park Improvements	233,000
North Sepulveda Pedestrian Island	464,000
Old Fire Station 6	20,000
South Park Improvements	520,900
Van Nuys- Marson Street Lighting Phase 2	<u>200,000</u>
Total: \$3,218,213	

2. APPROVE the Controller Instructions as detailed in Attachment 3 of the November 9, 2018 CLA report, attached to the Council file.
3. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
 - a. Prepare and post for a 30-day public comment period a substantial amendment to the PY 44 Con Plan listing the revisions and to submit said amendment to the US Department of Housing and Urban Development for approval.
 - b. Prepare Controller's instructions and any technical adjustments consistent with Mayor and City Council actions related to this matter, subject to the approval of the CLA; and, REQUEST the Controller to implement these instructions.
4. INSTRUCT the HCIDLA, with the assistance of the CLA, to monitor expenditure rates of CDBG-funded projects and report with additional reprogramming recommendations if necessary.
5. INSTRUCT the Los Angeles Cleantech Incubator to report with a plan to reduce and

eventually eliminate its Community Development Block Grant amount starting in PY 46 and future PYs thereafter.

6. INSTRUCT the HCIDLA to consider the Rancho Cienega Sports Complex Project for additional CDBG funds in the PY 45 Consolidated Plan, and to add this project to the CDBG Priority Projects list.
7. AUTHORIZE the HCIDLA 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.
8. RECEIVE and FILE the September 26, 2018 HCIDLA report, attached to the Council file, relative to reprogramming CDBG funding in connection with the changing the PY 44 Con Plan.

Fiscal Impact Statement: The HCIDLA reports that there is no impact to the General Fund, as all costs are paid by the Federal CDBG.

Community Impact Statement: None submitted.

Summary:

On November 14, 2018, your Committee considered November 9, 2018 CLA and September 25, 2018 HCIDLA reports relative to reprogramming CDBG funding in connection with the changing the PY 44 Con Plan. According to the HCIDLA, during August and September 2018, it held meetings focused on each Council District with projects funded by CDBG, and met with staff from City Departments administering CDBG and staff from the offices of the Mayor, Council, CLA, and City Administrative Officer to review CDBG projects. The status of projects was discussed, including impediments to ongoing projects and CDBG savings available for reprogramming. At these meetings, the HCIDLA also gathered ideas, input, and concerns on reprogramming recommendations for this report.

On March 28, 2018, the Housing Committee instructed that any additional funding requests for PY 44 be considered as part of the next mid-year reprogramming action for the Los Angeles Cleantech Incubator (LACI), and that LACI provide a budget for the expenditure of funds and a plan for self-sufficiency and diversified funding sources. As additional funding was requested for LACI for the three-month extension of the contract through June 2019 to cover the movement of the program year.

The CLA then noted that subsequent to the release of the September 25, 2018 HCIDLA report, the HCIDLA notified the CLA 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 and is detailed in Attachment 2 of the CLA report. 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. It is recommended that the Certified Access Specialist (CASP) item be reduced to fund these projects. The HCIDLA states that the CASP

item can be reduced inasmuch as sufficient funds remain in PY44 to meet the need. If additional funds are required, the HCIDLA will request them as a part of a future reprogramming.

The proposed changes are as follows:

- Decrease Certified Access Specialist by \$145,000 for a new total of \$155,000.
- Increase Inner City Struggle by \$100,000 for a new total of \$400,000.
- Add funding for Old Fire Station 6 in the amount of \$20, 000.

The CLA 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 PY start date which changed from April 1 to July 1. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the CLA report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	YES
HARRIS-DAWSON:	ABSENT

ARL
11/14/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-