

BUDGET AND FINANCE COMMITTEE REPORT relative to approval of \$450,000 in funding, from the Homeless Services Program line item in the 2018-19 Unappropriated Balance, for 25 supportive housing units in the Anita May Rosenstein Campus for the LGBT Center.

Recommendations for Council action, as initiated by Motion (Ryu - Krekorian), SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE \$450,000 from the Homeless Services Programs line item in the Unappropriated Balance to fund 25 supportive housing units in the Anita May Rosenstein Campus for the LGBT Center.
2. INSTRUCT the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) to report whether the above source of funding is appropriate and whether other sources of funding are available for this project.
3. AUTHORIZE the City Administrative Officer to prepare any Controller instructions or make any necessary technical adjustments consistent with the Mayor and Council action in this matter; and, AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

### SUMMARY

At its regular meeting held on August 27, 2018, the Budget and Finance Committee considered Motion (Ryu - Krekorian) relative to approval of \$450,000 in funding, from the Homeless Services Program line item in the Unappropriated Balance in the Fiscal Year (FY) 2018-19 Adopted Budget, for 25 supportive housing units in the Anita May Rosenstein Campus for the LGBT Center.

The Motion states that the LGBT Center is opening the new Anita May Rosenstein Campus in early 2019 which will provide various services to the homeless population. The Campus will also include 25 units of supportive housing for youth. However, there is a gap in funding for the units due to the loss of a funding source and additional unforeseen costs. In order to continue the project and complete the Campus to open on time, \$450,000 is required to fill the funding gap, and funding is proposed from the Unappropriated Balance.

Representatives of the CAO and the Los Angeles Housing and Community Investment Department (HCIDLA) addressed the Committee to provide additional background on the matter and respond to various questions. They reported that the project had initially been fully funded, however, due to higher than estimated costs for Los Angeles Department of Water and Power requirements on the project, a \$450,000 shortfall in funding occurred. Additionally, they reported that the project had already received its maximum allotment of Proposition HHH funding, and therefore was not an option for closing the shortfall. The CAO representative reported that although a formal report has not been prepared, both the CAO and CLA have been working

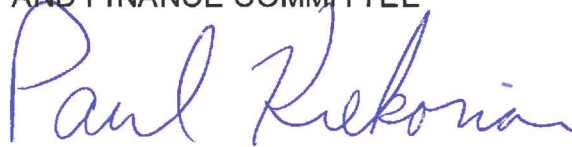
closely with HCIDLA and the Council Office (for the district in which the project is located) to verify the gap and identify funding. The Unappropriated Balance Homeless Services Program line item was identified as the only available funding source.

The Committee expressed its concern that by approving this request, it would set a precedent and signal to developers of similar projects that the Homeless Services Programs funds can be used anytime these projects have a cost overrun. Moreover, using funds Homeless Services Program funds for future permanent supportive housing construction could potentially divert funding from providing necessary immediate homeless services. The Committee also questioned the use of these funds in this manner and requested that the CAO and CLA provide a report, by the time this matter is scheduled for Council, on the appropriateness of this use and whether there might be other sources of funding. Lastly, the Committee questioned why the matter had not also been referred to Homelessness and Poverty Committee as the appropriate policy committee.

After consideration, and after providing an opportunity for public comment, the Committee ultimately approved the Motion as amended to also request that the Council President concur with the matter being additionally referred to Homeless and Poverty Committee, and that the CAO and CLA provide a report at the time this matter is scheduled for Council. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	ABSENT
ENGLANDER:	YES
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

REW 8/31/18 FILE NO. 16-0345-S6

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**