

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0590-00123-0024

Date: June 15, 2020

To: Budget and Finance Committee

From: *for* Richard H. Llewellyn, Jr., *Spinda Shawly* City Administrative OfficerSubject: **RESPONSE TO BUDGET MOTION 24 (C.F. 20-0600-S24) HOUSING AND
COMMUNITY INVESTMENT – VAN NUYS FAMILY SOURCE CENTER
REVOLVING LOAN PROGRAM****RECOMMENDATION**

Hold this item in the Budget and Finance Committee until the Committee has considered redirecting resources from the Police Department to other priorities and the City Council has considered the yet to be released report from the Housing and Community Investment Department on this matter.

DISCUSSION

Budget Motion Number 24 requests the 2020-21 Budget be amended to add \$1 million to the Housing Community Investment Department (HCID) for a Van Nuys Family Source Center Revolving Loan Program.

On April 7, 2020, the Council instructed the HCID to report on the feasibility of piloting a revolving loan program at the Van Nuys Family Source Center to help families pay for necessities during a financial emergency. As of June 11, 2020, the HCID has not released a report on the feasibility of a pilot revolving loan program, but the Department anticipates releasing a report within two weeks. The Budget and Finance Committee should defer action on this item pending the City Council's consideration of that report. The HCID confirmed that the pilot revolving loan program would not be eligible for Community Development Block Grant or Community Service Block Grant funding.

If the City Council takes action to redirect resources that the 2020-21 Budget appropriates to the Los Angeles Police Department to disadvantaged communities and communities of color (C.F. 20-0692), it may identify this program as a potential recipient for funding. In light of the City's current economic condition and the uncertainty of revenues in 2020-21 and absent this redirection of resources, this Office does not recommend the actions in this Motion.

FISCAL IMPACT STATEMENT

The recommendation to hold this item in Committee pending an evaluation of opportunities to redirect Police Department resources will have no fiscal impact. If the Motion is approved, offsetting appropriations or additional revenues in the amount of \$1 million need to be identified.

FINANCIAL POLICY COMPLIANCE

The recommendation in this report complies with the City's Financial Policies.

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