

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 30, 2023

CAO File No. 0220-05762-0012
Council File No. 20-0941
Council District: 2, 3, 13

To: The City Council

From: *Yolanda Chavez*
for Matthew W. Szabo, City Administrative Officer

Reference: C.F. 20-0941: State CDBG-CV Notice of Funding Availability for Homekey1

Subject: **STATE REQUEST FOR ADDITIONAL FUNDS FOR HOMEKEY1 CDBG-CV GRANTEES**

RECOMMENDATIONS

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

1. AUTHORIZE the City Administrative Officer, in partnership with the Housing Authority of City of Los Angeles, to apply to the State of California Department of Housing and Community Development's Request for Additional Funds to fill documented cost increases for Homekey1 sites that received a CDBG-CV award in June 2021, as follows:

CD	Homekey1 Site	Additional Funding Request
2	NoHo Apartments (Best Western NoHo)	\$862,500
3	Canoga Park Place (Super 8)	\$625,000
13	Orchid	\$250,000
	Total	\$1,737,500

2. ADOPT the attached authorizing resolution as required by the State of California Department of Housing and Community Development for the funding application;
3. AUTHORIZE the City Administrative Officer or designee, to execute the amendments to the Standard Agreements for the additional funding, and any and all subsequent amendments with the State of California;
4. AUTHORIZE the City Administrative Officer, or designee, to amend its Sub-Recipient Agreements with the following entities in a form satisfactory with the State of California Department of Housing and Community Development; and,

Homekey1 Site	Sub-Recipient
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NoHo Apartments (Best Western NoHo)	HACLA
Canoga Park Place (Super 8)	Topanga Canyon Housing Partners, LP
Orchid	1753 Orchid Partners

- AUTHORIZE the City Administrative Officer to prepare Controller instructions or make necessary technical corrections, to implement the Mayor and Council intent of these transactions, and request the Controller to implement these instructions.

SUMMARY

On June 2, 2021, the Mayor and Council authorized the City Administrative Officer (CAO), in partnership with the Housing Authority of the City of Los Angeles (HACLA), to apply to the State of California Department of Housing and Community Development (HCD) Notice of Funding Availability (NOFA) for Community Development Block Grant Program (CDBG-CV) under the Coronavirus Aid, Relief and Economic Security (CARES) Act for the rehabilitation and off-site infrastructure improvements for Homekey1 sites. The City was awarded \$9,450,000 for three (3) HACLA-owned sites and one (1) City-owned site.

On November 15, 2023, the State HCD announced the availability of unclaimed CDBG-CV funds for grantees with projects that require additional construction funds. As a Homekey1 CDBG-CV grantee, the City may request up to a 25 percent increase to its previous award. The CAO is recommending that the City apply for \$1,737,500 for the three Homekey1 HACLA-owned sites as outlined below. All three sites are in the permanent housing conversion process and can document construction cost increases. The City-owned site, the Pano, is set to start its conversion process in December 2023 and has yet to expend its initial \$2.5 million State CDBG-CV award.

Homekey1 Site	2021 State CDBG-CV Award	Additional Funding Request
NoHo Apartments (Best Western NoHo)	\$3,450,000	\$862,500
Canoga Park Place (Super 8)	\$2,500,000	\$625,000
Orchid	\$1,000,000	\$250,000
Pano (Panorama)	\$2,500,000	N/A
Total		\$1,737,500

FISCAL IMPACT STATEMENT

There is no impact to the General Fund as a result of the recommendations in this report

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City Financial Policies.

MWS:YC

Attachment: Authorizing Resolution

AUTHORIZING RESOLUTION

A RESOLUTION APPROVING AN AMENDMENT TO THE STANDARD AGREEMENT ISSUED UNDER THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM CORONAVIRUS RESPONSE (CDBG-CV)

BE IT RESOLVED by the *City council of the City of Los Angeles* as follows:

SECTION 1:

The City of Los Angeles has reviewed and hereby approves the submission to the State of California (“State”) of a Request for Additional Funds to fill funding gaps created by documented cost increases. The funds would be added to the existing CDBG-CV Standard Agreement(s) with the State numbered 21-CDBG-HK-00020-Best Western NoHo, 21-CDBG-HK-00021-Super 8 Canoga Park, 21-CDGB-HK-00022-Orchid (the “Standard Agreement(s)”) pursuant to the State’s June 2020 CDBG-CV1 Notice of Funding Availability; December 2020 CDBG-CV2 and CV3 Notice of Funding Availability (NOFA); and/or the CDBG Method of Distribution as described in the State of California 2019-2020 Annual Action Plan August 2020 Second Substantial Amendment and the CDBG-CV Method of Distribution as described in the State of California 2019-2020 Annual Action Plan August 2020 Fifth Substantial Amendment.

The City of Los Angeles previously approved the use of \$9,450,000 for this CDBG-CV activity which was included in the 21-CDBG-HK-00020-Best Western NoHo, 21-CDBG-HK-00021-Super 8 Canoga Park, 21-CDGB-HK-00022-Orchid and, by this resolution, will use an additional amount not-to-exceed \$1,737,500 for a total commitment of \$11,187,500.

Property	Total Units	Eligible Units	Amount per Unit	Total Up to Amount Requested
NoHo Apartments (Best Western NoHo)	70	69	\$50,000	\$3,450,000
Canoga Park Place (Super 8 Canoga Park)	52	50	\$50,000	\$2,500,000
The Orchid	41	40	\$25,000	\$1,000,000
Panorama Inn	51	50	\$50,000	\$2,500,000
			TOTAL	\$9,450,000

List of Activity Funding:

Current Authorized amount(s) under Standard Agreement numbered 21-CDBG-HK-00019-Panorama, 21-CDBG-HK-00020-Best Western NoHo, 21-CDBG-HK-00021-Super 8 Canoga Park, and 21-CDGB-HK-00022-Orchid:

- CDBG-CV: \$9,450,000
- Program Income: \$0
- Total: \$9,450,000

Amount of new CDBG-CV funds to be added to Standard Agreement 21-CDBG-HK-00020-Best Western NoHo, 21-CDBG-HK-00021-Super 8 Canoga Park, and 21-CDGB-HK-00022-Orchid:

- CDBG Not to exceed \$1,737,500
- Program Income: \$0
- Total: \$1,737,500

Property	Total Units	Eligible Units	Amount per Unit	Current Amount Approved	Additional Request (up to 25%)
NoHo Apartments (Best Western NoHo)	70	69	\$50,000	\$3,450,000	\$862,500
Canoga Park Place (Super 8)	52	50	\$50,000	\$2,500,000	\$625,000
Orchid	41	40	\$25,000	\$1,000,000	\$250,000
Panorama	51	50	\$50,000	\$2,500,000	Not applicable
TOTAL				\$9,450,000	\$1,737,500

Total amount of amended Standard Agreement # numbered 21-CDBG-HK-00020-Best Western NoHo, 21-CDBG-HK-00021-Super 8 Canoga Park, and 21-CDGB-HK-00022-Orchid:

- CDBG Grant Not to exceed \$11,187,500
- Program Income: \$0
- Total: \$11,187,500

Property	Current Standard Agreement Amount	Additional Amount Requested	Amended Standard Agreement Amount
NoHo Apartments (Best Western NoHo)	\$3,450,000	\$862,500	\$4,312,500
Canoga Park Place (Super 8)	\$2,500,000	\$625,000	\$3,125,000
Orchid	\$1,000,000	\$250,000	\$1,250,000
Panorama	\$2,500,000	\$0.00	N/A

SECTION 2:

The City of Los Angeles acknowledges compliance with all state and federal public participation requirements with respect to the proposed amendments to the Standard Agreement described in Sections 1 above.

SECTION 3:

The City of Los Angeles hereby authorizes and directs the City Administrative Officer, or designee, to execute and deliver all application(s), "Request(s) for Additional Funds," and/or amendments to the Standard Agreement and act on the City's behalf in all matters pertaining to all such application(s), "Request(s) for Additional Funds," and/or amendments.

SECTION 4:

If an amendment to the Standard Agreement is approved as contemplated above, the City Administrative Officer, or designee, is authorized to enter into, execute, and deliver an amendment to the Standard Agreement and any and all other documentation which may be required by the State from time to time for the purposes of this grant.

SECTION 5:

If an amendment to the Standard Agreement is approved, the City Administrative Officer, or designee, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State from time to time in connection with this grant.

SECTION 6:

The City Administrative Officer and all other "Designated Officers" of the City of Los Angeles referred to herein are as follows:

Name	Title
Matthew W. Szabo	City Administrative Officer
Yolanda Chavez	Assistant City Administrative Officer

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Los Angeles held on this ____ day of _____ 2023, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

STATE OF CALIFORNIA

City of Los Angeles

I, _____, City Clerk of the City of Los Angeles, State of California, hereby certify that the above and foregoing is a full, true, and correct copy of a resolution duly adopted by said City Council on this ____ day of _____, 200220-05762-0012____; (ii) such resolution has not been amended, modified, repealed or rescinded since the date of its adoption; and (iii) such resolution remains in full force and effect.

By: _____
 City Clerk of the City of Los Angeles, State of California

 Print Name and Title