



**Los Angeles Housing + Community Investment Department (HCIDLA)
 Second Substantial Amendment to the
 45th Year Housing and Community Development Annual Action Plan (45-02)**

**Reprogramming and Revisions to Project Allocations for
 Community Development Block Grant (CDBG),
 HOME Investment Partnerships Program (HOME)
 and Housing Opportunities for Persons with HIV/AIDS (HOPWA) for 2019-20**

Purpose

In accordance with the Code of Federal Regulations (found under 24 CFR Parts 91.105 and 91.505), and our Citizen Participation Plan, the City of Los Angeles is required to provide citizens with an opportunity to comment on all proposed Substantial Amendments to its Housing and Community Development Consolidated Annual Action Plan (Con Plan). The City wishes to notify the public of a substantial amendment to its 45th Year (PY 45) 2019-20 Annual Action Plan. A 30-day public comment period will be open to provide the public with an opportunity to review and comment on this proposed second amendment.

Proposed Changes

Since adopting the PY 45 Con Plan budget on May 19, 2019, the City has identified changes to the total resources available for CDBG, HOME, and HOPWA grants. The purpose of this second substantial amendment is to reprogram prior year savings and revise project allocations.

Community Development Block Grant (CDBG)

Program income is the result of repaid loans made with prior year grant funds, which is used to support the funded projects, and the amount must be forecasted up to two years ahead per federal requirements. Actual program income for last year (2018-19) was \$1.9 million less than the amount forecasted, and this year’s program income forecast has been reduced, which affects resources available for projects. Due to federal regulatory limitations, public services and administrative costs categories are primarily affected, and project amounts are reduced as required for compliance. Although public service funds are also proposed to be reprogrammed, the net reduction in this category ensures compliance with federal requirements.

The program income forecast decrease is also offset by savings from prior year projects and a reimbursement to CDBG from the Parks First Trust Fund, resulting in a net amount of \$3.8 million to reprogram. Table 1 identifies the source for CDBG funds to reprogram, and Table 2 lists the proposed revised project allocations.

Table 1: CDBG Funds to Reprogram

Source	Amount
Program Income Forecast	-\$1,457,101
Savings from prior year projects	\$4,868,629
Reimbursement from Parks First Trust Fund	\$376,056

Source	Amount
Total CDBG To Reprogram	\$3,787,584

Table 2: CDBG Proposed Revised Project Allocations

Activities and Projects	City Dept.	Council District	Vested or on Priority List	Amount	Comments
PUBLIC SERVICES					
Aging Dept. Eviction Prevention Pilot Program for Older Adults	Aging	Citywide		\$100,000	Seed funding to establish homeless prevention program for low-income older adults per Council File 19-1087.
Aging Dept. Services Delivery	Aging	Citywide		\$600,000	Fifteen multipurpose center operators will purchase needed equipment to enhance client services.
Children's Savings Account (CSA)	HCIDLA	Citywide		-\$130,000	Delays in staffing resulted in less funding needed.
Domestic Violence Shelter Operations	HCIDLA	Citywide		\$390,000	Shelter operators will purchase moveable equipment that will enhance client services, such as computers, kitchenware and furniture.
Eviction Defense Program (formerly Displacement Prevention Right to Counsel)/Emergency Renters Relief Program	HCIDLA	Citywide		-\$937,000	Insufficient time remains in the program year to obtain all approvals and contracts for this new program. No funds are expected to be expended by June 30, 2020.
Skid Row Community Space—Union Rescue Mission	HCIDLA	14		-\$100,000	Agency has withdrawn due to a City statute exception.
ECONOMIC DEVELOPMENT					
Grid 110	EWDD	Citywide	V, P	\$57,000	Mayor's Office of Economic Development requested that the balance from the prior expired contract be made available for current year incubator activities to provide services to microenterprises.
HLH Holdings LLC—Optometry Parking Lot	EWDD	8	V	\$50,000	Project received \$200,000 in PY 44. Project has been on hold due to delay by the federal grantor in approving underwriting of project; project cost to convert a vacant lot into a parking lot for local residents seeking eye health care is now higher and additional funding is needed.
JEDI Zone Façade Improvement Program	EWDD	Citywide	V, P	\$300,000	Council instructed to prioritize program for reprogramming, per Housing Committee Report, 5/8/19.

Activities and Projects	City Dept.	Council District	Vested or on Priority List	Amount	Comments
NEIGHBORHOOD IMPROVEMENTS					
Bradley Plaza Green Alley	PW- Sanitation & St. Lighting	7	V	\$107,000	Community raised concerns about the need for lighting for improved safety as part of the project to provide clean stormwater elements underground and a public space for recreation. Total of \$850,000 was awarded in prior years.
Coalition for Responsible Community Development (Enterprise Job Training Site)	HCIDLA	9	V	\$30,000	Project funded in PY 39 at \$208,363, and is nearly complete, but agency cannot open the site, provide services and complete the National Objective without additional funding to complete final requirements to obtain the final Certificate of Occupancy from Building & Safety. CDBG has funded tenant improvements to a warehouse, including new doors, windows, lighting, ceiling, electrical, HVAC, access for persons with disabilities, walkway, and entrance.
Coronado (Golden Age) Park	HCIDLA	1	V	\$21,000	Project was awarded \$700,000 in prior years to develop vacant lot into a pocket park with garden, picnic and play areas, walk paths, public art, landscape and lighting. Project is nearly complete, and Department of Water & Power costs for connecting electricity are higher than expected, creating a funding shortfall.
DV Shelter Improvement Capital Project—Jewish Family Services of Los Angeles	HCIDLA	4	V	\$376,056	Funding to be used for facility improvements at the domestic violence transitional shelter to upgrade the facility. Reimbursement to CDBG by Parks First Trust Fund has to go to CD 4 or 13. Improvements will include replacing windows to improve egress safety and other building improvements.
North Hollywood Area 3 Street Lighting	PW- Street Lighting	2	V	\$200,000	Project was awarded \$640,706 in PY 45 for 38 lights. Further inspection of the area resulted in determining that another 12 lights are needed, increasing the total to 50.
Pio Pico Library Pocket Park	PW- Engineering	10	V	\$2,000,000	Project was awarded \$4,000,000 in PY 44. However, due to less program income being received in PY 44 than anticipated, \$2,000,000 is being unallocated from PY 44 and reallocated in PY 45. This is to comply with federal grant requirements that allocations not exceed actual resources. PY 44 funds of \$2,000,000 remain, resulting in the original total of \$4,000,000 for the conversion of existing parking into a pocket park with a dog park and playground over a submerged parking structure.
Skid Row Neighborhood Improvements	PW— Street Services	14	V, P	\$1,545,228	Part of Phase 1 of project that began this year with \$4.38 million. Of the amount recommended, \$600,000 is needed to complete Phase I, which includes pedestrian access ramp improvements and street lighting relocation. The remainder will contribute to Phase 2. St. Services applied for \$5 million for Phase 2 for PY 46.

Activities and Projects	City Dept.	Council District	Vested or on Priority List	Amount	Comments
ADMINISTRATION					
Aging Department	Aging	Citywide		-\$10,557	Respectively, administrative costs cap is reduced due to a reduced Program Income forecast for PY 45. Therefore, departments' budgets are reduced proportionately.
Economic & Workforce Development Department	EWDD	Citywide		-\$89,346	
Los Angeles Housing + Community Investment Department (HCIDLA) Administration	HCIDLA	Citywide		-\$408,597	Administrative costs cap is reduced due to a reduced Program Income forecast for PY 45. Therefore, departments' budgets are reduced proportionately. HCIDLA total includes amounts for City Attorney, City Planning and Personnel Depts.
Citywide Training on CDBG Administration	HCIDLA	Citywide		-\$13,200	Administrative costs cap is reduced due to a reduced Program Income forecast for PY 45. Some funds of original budgeted amount have already been spent during year.
Information Systems Improvements for CDBG Administration	HCIDLA	Citywide		-\$100,000	Respectively, administrative costs cap is reduced due to a reduced Program Income forecast for PY 45. No costs have been incurred to date.
Slum & Blight Studies: Central Ave & Skid Row	HCIDLA	9,14		-\$100,000	
Neighborhood Stabilization Study for South LA	HCIDLA	8,9		-\$100,000	
Total				\$3,787,584	

Housing Opportunities for Persons with HIV/AIDS (HOPWA)

The HOPWA program has prior year savings that is proposed to support two programs provided by the Housing Authority for the City of Los Angeles (HACLA), as identified in Table 3, to address funding shortfalls resulting from increased services to prevent homelessness.

Table 3: HOPWA Reprogramming

Projects	Amount	Comments
HOPWA Funds to Reprogram		
Prior Year Savings from completed projects	\$1,700,000	
Projects Proposed to Receive HOPWA Reprogrammed Funds		
HACLA Permanent Supportive Housing Connections Program	\$1,400,000	Per federal grantor, need to maintain level funding this year to support clients in secure housing.

Projects	Amount	Comments
HACLA Tenant Based Rental Assistance Program	\$300,000	Increased number of clients were served.
Total	\$1,700,000	

HOME Investment Partnerships Program (HOME)

As described above regarding CDBG, this year's HOME program income forecast is also reduced, which affects allocations as shown in Table 4. Due to federal regulatory limitations, the administration category is affected. The remaining amount will be taken from the Affordable Housing Managed Pipeline, as it is expected that not all funding will be committed to specific projects before the end of the program year, which is the typical process.

Table 4: HOME Proposed Revised Project Allocations

Source	Amount
Program Income Forecast	-\$1,929,700

Projects	Amount	Comments
HOUSING PROGRAMS		
Affordable Housing Managed Pipeline & Program Delivery	-\$1,736,730	Provides capital for preservation and production of affordable rental housing through loans for predevelopment, acquisition, refinancing, construction and rehabilitation. Funds also pay staff costs for project management. Adjusted due to reduced program income forecast.
ADMINISTRATION		
Los Angeles Housing + Community Investment Department (HCIDLA) Administration	-\$192,970	Adjusted administrative costs cap due to reduced program income forecast. HCIDLA total includes amounts for City Administrative Officer, City Attorney, Controller and Personnel Depts.
Total	-\$1,929,700	

Comment Period

HCIDLA will receive public comment on the proposed amendment between Thursday, February 13, 2020 and Sunday, March 15, 2020.

Please address questions or comments on the proposed substantial amendment to:

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