

# Expected Resources

## AP-15 Expected Resources – 91.220(c)(1,2)

### Introduction

On December 21, 2020, Congress passed the federal budget for these grants, which allowed the City to have actual entitlement amounts in time for the draft Annual Action Plan budget, which saves considerable time.

**CDBG:** The 2021-22 entitlement amount of \$53.9 million is comparable to the amounts of recent years. The City relies on other resources to leverage CDBG, depending on the type of project or program. For example, local Proposition K, Quimby Act, and LA84 Foundation funds support park development. The City's Capital Improvement Expenditure Program also funds improvements to existing and construction of new public facilities and infrastructure. Additional resources for affordable housing, homeless services and public services are described below.

**HOME:** The 2021-22 entitlement amount of \$27.5 million reflects a 2% decrease from the previous year. As with CDBG, HOME leverages several other sources for the construction of affordable housing, which is detailed below. HOME also leverages CDBG and the Mortgage Credit Certificate Program federal income tax credits to assist first time, low- or moderate-income homebuyers to achieve the dream of homeownership.

**HOPWA:** This year's HOPWA allocation of \$20.7 million is the City's highest in the last ten years. In 2017, the HOPWA federal allocation formula changed, and is now based on a jurisdiction's proportion of people living with HIV/AIDS rather than cumulative cases of HIV/AIDS, and also factors in the jurisdiction's housing cost and poverty rate. HOPWA covers all of LA County, which has high rates in all of these factors, resulting in increased grant amounts each year since 2017. HOPWA service providers coordinate with other resources to augment assistance to clients, including the federal Ryan White HIV/AIDS Program and County public and mental health programs.

**ESG:** This year's ESG allocation of \$4.6 million is comparable to the amounts of recent years. ESG is leveraged with CDBG, Continuum of Care, local General Fund, local County Measure H and various State grants to deliver homeless assistance programs.

**Continuum of Care:** The HUD CoC Program award for the Los Angeles Continuum of Care (CoC) is \$150,913,363 for 2021-2022. Funding includes continuation of most previous programs and two new programs for survivors of domestic violence. CoC Programs will leverage ESG, as well as local and state funds to help address homelessness. The Expected Remainder amount is adjusted from the original five-year amount as more funding was awarded to address domestic violence and homelessness than was originally anticipated for the five-year period.

**Public Housing Capital Fund:** Public Housing Capital Funds are allocated to address critical physical needs in the Housing Authority of the City of Los Angeles (HACLA) public housing portfolio. HACLA estimates the 2021 and 2022 funding will be \$20.2 million and \$19.5 million, respectively. The Expected Remainder amount is adjusted from the original five-year amount as more funding was awarded to address HACLA's needs than was originally anticipated for the five-year period.

**Section 8 Rental Assistance:** The Section 8 Housing Choice Voucher Program (HCVP) subsidies provide rental assistance for extremely low-income individuals and families from the HACLA general waitlist and for a variety of at-risk populations, including homeless and chronically homeless, seniors, disabled, and transition-aged youth, through special programs established by HUD and by HACLA. An estimated \$609 million is expected for 2022. These dollars include 6%

for HUD's Veteran Affairs Supportive Housing (VASH) rental assistance for homeless and chronically homeless veterans in conjunction with supportive services from the U.S. Department of Veterans Affairs.

**City General Fund:** The City's General Fund contribution is estimated at \$100 million in 2021-22, primarily to support emergency and transitional housing and supportive services for homeless persons, as well as services for domestic violence survivors, youth and older adults. These funds will leverage CDBG, ESG, CoC, CSBG, Proposition HHH, County Measure H, and other sources in support of the reduction and prevention of homelessness and the economic stabilization of low-income families. The Expected Remainder amount is adjusted from the original five-year amount as more funding was awarded to address homelessness and other public services than was originally anticipated for the five-year period. In addition, the City continues to have an amount of its General Fund available to be loaned for Con Plan expenses until the federal funds are set up in the accounts, to allow for activities to begin in a timely manner pending the availability of federal funds.

**Community Services Block Grant (Other):** The Community Services Block Grant leverages with CDBG and City General Fund to fund services that support low-income families to become self-sufficient by addressing needs for employment preparation, education, and asset building. The City's grant for 2021-2022 is \$6 million. The Expected Remainder amount is adjusted from the original five-year amount as more funding was awarded to address low-income families' needs than was originally anticipated for the five-year period.



Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	4,633,822	0	0	4,633,822	8,125,697	See Introduction for Narrative Description.
Continuum of Care	public - federal	Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Supportive services Transitional housing	150,913,363	0	0	150,913,363	128,443,743	See Introduction for Narrative Description.
General Fund	public - local	Admin and Planning Overnight shelter Public Services Supportive services Transitional housing	99,974,200	0	0	99,974,200	86,888,086	See Introduction for Narrative Description.
Public Housing Capital Fund	public - federal	Housing Multifamily rental new construction Multifamily rental rehab	20,200,000	0	0	20,200,000	19,500,000	See Introduction for Narrative Description.
Section 8	public - federal	Rental Assistance	609,000,000	0	0	609,000,000	411,015,893	See Introduction for Narrative Description.
Other	public - federal	Public Services	6,000,000	0	0	6,000,000	6,000,000	See Introduction for Narrative Description.

Table 1 - Expected Resources – Priority Table

## **Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

Con Plan grants will be leveraged with a variety of private, other federal, state, and local resources for the development and preservation of affordable housing and the prevention and reduction of homelessness, including:

- New Generation Fund, a partnership with several banking institutions and private foundations to develop permanent supportive and other affordable housing (private).
- Low Income Housing Tax Credits, Homeless Emergency Assistance Program, No Place Like Home (state).
- City General Fund, Proposition HHH, Affordable Housing Linkage Fee, LA County Measure H, publicly owned land (local).

The HOME program normally requires a 25% match; however, due to the large poverty population of Angeles, the City's match is reduced by HUD to 12.5%, and the match is met with the private, state and local funding sources stated above. As a result of the CARES Act enacted in March 2020, the contribution match requirement is eliminated for funds expended from October 1, 2019 to September 30, 2021, in presidentially declared-disaster areas. These waivers were granted with the acknowledgement that participating jurisdictions are burdened with even greater-than-usual housing and economic needs, with even fewer resources available.

ESG requires a 100% match, which is met by the expenditure of City General funds for homeless assistance programs.

### **American Rescue Plan (ARP)**

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) into law, allowing \$1.9T in various types of aid to benefit the American people, including supporting economic revitalization and recovery from the COVID-19 pandemic. The City is set to receive \$99,891,031 in HOME-ARP funds which will be used to complement ongoing efforts in the development of affordable housing, tenant-based rental assistance, supportive services, and acquisition and development of non-congregate shelter units.

This is part of a larger package of assistance that Los Angeles expects to receive from ARP, which totals approximately \$777 million: \$151 million for equity and justice programs, \$281 million for homeless services, \$282 million to restore vital services, and \$64 million for COVID-19 response and recovery.

### **Coronavirus Aid, Relief, and Economic Security (CARES) Act**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law addressing a once-in-a-century pandemic. This funding was to help states and localities mitigate the many effects of COVID-19 and the resulting economic recession on individuals and families. Part of this package was funding for CDBG, ESG, and HOPWA to help prevent, prepare for and respond to those effects. Over \$250 million in supplemental one-time funding was awarded to the City of LA and is being used to prevent and reduce homelessness, address the digital divide for low-income families without access to the internet, provide food, provide childcare to support parents returning to work, provide employment training for more marketable skills for those who experienced job loss, support small businesses, and other efforts.

The Coronavirus Relief Fund (CRF) was part of the CARES Act that supported a number of functions to ease the burdens of Americans during the pandemic. The City used this additional one-time funding to implement several activities that complemented the Con Plan programs to address issues during COVID. These activities included various childcare programs, the Eviction Defense Program, Emergency Rental Assistance Subsidy, and other projects to keep Angelenos housed and safe during this time.

The CARES Act also awarded \$9 million in supplemental one-time Community Services Block Grant funds, which are assisting low-income families affected by the pandemic through direct payments, rental arrears, utility arrears, food bank support, and computer software and equipment for online learning. Assistance for survivors of domestic violence and human trafficking is also included, as there has been a sharp increase in such experiences during the pandemic. Over 16,000 families are expected to be supported with these funds.

### **COVID -19 Relief Package**

On December 31, 2020, the COVID-19 Relief Package was signed into law, which allocated approximately \$118 million in federal Emergency Rental Assistance funds, with an additional \$141 million reserved for the City of Los Angeles through the State's allocation; together, providing over \$259 million in assistance. These funds will be used mainly for rental assistance to low-income families, but will also fund eviction defense, FamilySource Centers, outreach, and administration.

## **STATE FUNDING**

### **Affordable Housing and Sustainable Communities**

The Affordable Housing and Sustainable Communities Program (AHSC) encourages compact development and infill to reduce greenhouse gas emissions. In 2020, the State of California Strategic Growth Council (SGC) awarded \$131.3 million in AHSC funding to the City to help build 595 affordable units in seven projects. Of that \$131.3 million award, \$87 million will be allocated for new affordable housing construction and \$42 million for transit-oriented infrastructure projects. This is the fifth consecutive year that HCIDLA projects have been awarded AHSC funding. All together, the City has secured nearly \$331 million in AHSC funding to support 28 housing developments with 2,668 affordable units.

### **California Emergency Solutions and Housing (CESH)**

The CESH grant awards approximately \$16 million to be deployed for the 2020-2025 period and will continue to support rapid rehousing services and subsidies, upgrades to LA CoC's Homeless Management Information System (HMIS), access centers and their associated services, and homeless prevention and diversion activities

### **California Student Aid Commission Children Savings Account Grant Program**

The City of Los Angeles was awarded \$1.5 million in grant funding from the California Student Aid Commission (CSAC) for the development and implementation of the Children's Savings Account Program for program year 2021 - 2022. The program, called Opportunity LA, will provide \$50 seed funding for each eligible first grader enrolled in the Los Angeles Unified School District (LAUSD). The purpose of the savings accounts are for post-secondary education and pre-college expenses, which will improve access to higher education for low-income families.

### **Homeless Emergency Assistance Program (HEAP)**

The grant awards of \$85 million from the State of California to the City of Los Angeles and another \$81 million to the Los Angeles Homeless Services Authority (LAHSA) in 2019-2021 will continue to support building bridge housing, increasing services on Skid Row, and increasing services for homeless youth or youth at risk of becoming homeless.

### **Homeless Housing, Assistance, and Prevention (HHAP) Program**

The grant awards of \$117 million to the City of Los Angeles, \$66 million to the Los Angeles Homeless Services Authority, and \$64 million to Los Angeles County from the State of California for the 2020-2025 period will continue to support interim housing, homelessness prevention and problem solving, rental assistance, services on Skid Row, and increased services for homeless youth or youth at risk of becoming homeless.

### **Infill Infrastructure Grant**

The Infill Infrastructure Grant (IIG) provides grant funding from the California Housing and Community Development Dept. (HCD) on a competitive basis for infrastructure-related costs for capital improvement projects. IIG provides funding directly to affordable housing developers to cover the associated costs with infill development, thus leveraging HOME funds to create more affordable housing units. Of the 14 joint applications submitted by HCIDLA and the respective developers in 2020, 13 projects were awarded a total of \$46,122,439, or 24% of the total \$194M available. The 13 projects will create a total of 1,938 affordable housing units.

### **Low Income Housing Tax Credits**

The Federal Omnibus Appropriations Bill that was enacted in 2018 included a 12.5% increase to each state's 9% tax credit allocation for years 2018 through 2021. As a result, the California Tax Credit Allocation Committee (CTCAC) has increased the available credits accordingly, beginning in July 2018 and onwards. For FY 2019- 2020, the estimated amount of capital from 9% LIHTC equity for LA City projects was \$161.7 million. This tax credit allocation dedicated to the city continues to create a level of financial certainty for affordable housing development investors, and facilitates long range planning for HCIDLA. LIHTC funding is leveraged with HOME, HOPWA, Proposition HHH, and other sources.

### **Naturally Occurring Affordable Housing (NOAH) Loan Program**

A significant number of multifamily rental properties provide housing at rates affordable to low- and moderate-income households without subsidy. However, many suffer from poor maintenance and negligent management, making them unappealing, unfit and unsafe for occupancy. The City's Naturally Occurring Affordable Housing (NOAH) loan program has been developed to provide mission-driven affordable housing providers financing tools to acquire, rehabilitate and maintain smaller multifamily properties as affordable housing for the long term. With the ever-growing demand for rental housing, many NOAH properties are under threat of conversion to market-rate, luxury units, placing families and communities at risk of displacement. The NOAH program is set to utilize the City-supported New Generation Fund, target areas of the City facing gentrification pressures (which is rapidly becoming citywide), and help preserve and stabilize the existing housing stock. The City is currently closing construction for its first NOAH project, which will preserve 50 units for households earning at or below 80% of Area Median Income.

### **No Place Like Home Program**

The No Place Like Home Program was enacted by California voters on November 6, 2018, which dedicates up to \$2 billion in bond proceeds to invest in the development of permanent supportive housing for persons in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness. The largest of the No Place Like Home grants awarded in March 2019 went to Los Angeles County, which received nearly \$230.5 million. The funds will be jointly administered by Los Angeles County Community Development Authority (LACDA) and County Department of Mental Health (DMH), and will include support for projects in the City of LA.

### **Permanent Local Housing Allocation (PLHA) Grant**

In 2017, Governor Brown signed SB 2 (Building Homes and Jobs Act), which established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. Revenue generated from the recording fee is distributed to local jurisdictions by the State of California HCD through a new program called the Permanent Local Housing Allocation (PLHA). PLHA funds are allocated to larger jurisdictions using the formula prescribed under federal law for the Community Development Block Grant, and can be used for a variety of affordable housing production, preservation, and homelessness prevention efforts in order to:

- Increase the supply of housing for households at or below 60% of area median income

- Increase assistance to affordable owner-occupied workforce housing
- Assist persons experiencing or at risk of homelessness
- Facilitate housing affordability, particularly for lower- and moderate-income households
- Promote projects and programs to meet the local government’s unmet share of regional housing needs allocation
- Ensure geographic equity in the distribution of the funds

Based on the formula, the allocation to the City of Los Angeles for 2019-20 is \$26,219,573. The City of Los Angeles has submitted an application and a five-year expenditure plan which is based on the framework set for the local Affordable Housing Linkage Fee (see below) and includes affordable housing construction, preservation, and expanding first-time moderate-income homeownership opportunities. It also includes rental assistance to stabilize the neediest families during the COVID-19 pandemic.

**Proposition 68 - Drought, Water, Parks, Climate Coastal Protection & Outdoor Access for All Act**

The voters in California authorized the State to issue \$4.1 billion in general obligation bonds for state and local parks, environmental protection and restoration projects, water infrastructure projects and flood protection. Between 15 and 20 percent of bond funds would be required to fund projects in communities with a median household income below 60 percent of the statewide average. The City was awarded \$19 million in 2020 to expand and develop four parks and recreation centers. Work will continue in Program Year 2021-22.

**Regional Early Action Planning (REAP)**

The Regional Government Planning Support Grants Program provides one-time grant funding from the State of California to regions and jurisdictions for technical assistance, preparation and adoption of planning documents, and process improvements. The overarching goals of the Program are to (1) accelerate housing production; and (2) facilitate compliance to implement the sixth cycle of the Regional Housing Need Assessment (RHNA). The award amounts are based on a jurisdiction’s population size. The Southern California Association of Governments (SCAG) has dedicated a portion of its REAP funding to the City of Los Angeles to work with other agencies and funding partners to develop and implement a public information campaign to engage and build public support for changes in local housing policy that promote fair housing, consistent with state law aimed at erasing historical patterns of segregation. The City of Los Angeles was awarded \$1,030,000.

**CalWORKs Single Allocation**

CalWORKs is California’s federal TANF program. Single Allocation funds are made available to LAHSA for the City of Los Angeles from the Los Angeles County Department of Public Social Services. These funds are appropriated as part of the State’s CalWORKs budget and are made available to counties to provide eligibility determination of CalWORKs programs and benefits, employment services, childcare subsidies, and other administrative costs and supportive services. LAHSA provides this funding to its CES for Families service providers to provide case management to families enrolled in CES programs. The amount available for the City of Los Angeles is \$738,000.

**Home Safe Program**

In FYs 19-20 and 20-21, LAHSA received \$678,900 in annual allocations from the County of Los Angeles for the Home Safe Program, a program initiated by the California Department of Social Services. Home Safe provided homeless prevention services, such as financial assistance, supportive services, case management, housing relocation, for older adults involved in Adult Protective Services and dependent adults. The State of California has recommended continued funding of Home Safe for FY 21-22, though the allocations to the County and City of Los Angeles are yet to be determined.

## **California Office of Traffic Safety (OTS) Programs**

The City of LA has been awarded OTS grants since 2005 to address child passenger safety and, since 2016, a separate grant to address traffic fatalities of pedestrians and cyclists, especially senior citizens. People living in lower-income neighborhoods are the most affected. The combined grants amount to over \$400,000 and support about 5,000 families through education on pedestrian and bicycle safety, selection and installation of child car safety seats and training on current laws. Safety items such as child safety seats, helmets, reflective arm/leg bands and front and back bicycle lights, tire repair kits are distributed at workshops and community events. The program also alerts families to the steep fines associated with failure to comply with California laws. Fines for lack of or failure to have proper child safety seats begin at \$600.00.

The program supports the goal of helping low-income families to stabilize economically, by helping to prevent the costs associated with applicable fines (and penalties) and of being the victims of pedestrian and bicycle traffic collisions.

## **LOCAL FUNDING**

### **Affordable Housing Linkage Fee**

A development impact fee is being assessed on new construction of commercial and residential buildings to mitigate the impact of additional demand for affordable housing. The recently enacted local legislation also allows developers to identify a minimal number of units as affordable for families with low-income, so the result will be more affordable units or revenue to fund the development of affordable housing. The priority use of revenues will be the construction of new units or the rehabilitation and preservation of existing affordable units. Since its inception in 2018, the total revenue collected by the Affordable Housing Linkage Fee as of December 31, 2020 is approximately \$33.1 million.

### **County Measure H**

In March 2017, the voters of the county approved Measure H, a sales tax increase that will generate an estimated \$355 million per year for 10 years to pay for homeless services and other support systems needed to move people off the street and into safe housing. These funds support the County's Comprehensive Homeless Initiative Strategies to combat homelessness, including programs that provide prevention services, crisis and bridge housing, bridge housing for persons exiting institutions, rapid rehousing, countywide street outreach, enhanced services for homeless youth, and enhanced and strengthened coordination throughout the LA County Coordinated Entry System. As of February 2021, the County's funding recommendations for the 2021-2022 grant year are pending, which are expected to continue the work of homelessness reduction and prevention through a network of organizations, including LAHSA.

### **Proposition HHH Permanent Supportive Housing Funds**

In November 2016, Los Angeles voters approved Proposition HHH, which gives the City authority to issue up to \$1.2 billion in General Obligation bonds over ten years to finance the development of permanent supportive housing (PSH) and other affordable housing units. PSH for chronically homeless and homeless households will combine with social services, which may include mental health and health services, drug and alcohol treatment, and job training. HHH funds will leverage HOME, LIHTC, and other sources. Seven projects totaling 489 units with HHH funds have been placed in service; an additional 42 projects with 2,632 units are currently in construction, and another 62 projects with 4,179 units are approved and in preconstruction.

### **County of Los Angeles Housing Support Program**

The Housing Support Program is provided to LAHSA by the Los Angeles County Department of Public Social Services (DPSS). These funds are made available to provide Crisis Housing and Rapid Rehousing for homeless families across Los Angeles County. The amount available for the City of Los Angeles is \$8,164,800.

### **County of Los Angeles Independent Living Program**

The Independent Living Program offers Transitional Housing for Transition Age Youth who are former foster youth. Funding for this program is made available to LAHSA by the County of Los Angeles Department of Children and Family Services. These funds support the operations of 169 units of safe and supportive temporary housing for young adults. The amount available for the City of Los Angeles is \$1,505,752.

### **PRIVATE FUNDING**

#### **CIT Bank Community Development Grant**

Each year since 2017, HCIDLA has successfully applied for and received \$400,000 grants, totaling \$1,600,000, from CIT Bank for the Low Income Purchase Assistance (LIPA) Program for first-time homebuyers. HCIDLA has assisted 82 low-income families in purchasing their first homes and securing permanent housing with these grant funds, which were leveraged with HOME funds. HCIDLA is expected to apply for another \$400,000 grant from CIT Bank in 2021.

#### **University of Southern California (USC) Specific Plan Affordable Housing Preservation**

There is a critical need for affordable housing in the area surrounding the main campus of the University of Southern California (USC), as a result of the expansion of the campus and an inadequate supply of on-campus student housing. Many low-income residents in the neighborhood are displaced as a result of increasing rents and low median wages. To address this housing crisis, USC committed \$20 million over 20 years, from 2012 to 2032, to build and preserve affordable housing in the area. To date, the City has received the first \$10 million and anticipates receiving an additional \$5 million in 2022. The final \$5 million is expected in 2032 if USC does not provide adequate student housing.

The City issued Requests for Proposals and executed three contracts for a total of \$5.7M for the following efforts:

- incentivize the preservation of approximately 50 affordable housing units in the area;
- provide homebuyer counseling and education services in efforts to address the displacement of families in the area; and
- develop and maintain an information system on the project.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

**Comprehensive Homeless Strategy**

The Comprehensive Homeless Strategy adopted by the City Council and Mayor in 2016 includes a strategy to Identify Public Land for Homeless Facilities. As many as 29 publicly-owned sites are being used for the A Bridge Home program which provides temporary crisis housing for homeless persons, including sites owned by the local transit authority. A Bridge Home is discussed in more detail in the Executive Summary, Section AP-05.

**Affordable Housing**

HCIDLA continues to work with various other City agencies in a coordinated effort for the evaluation, disposition, and development of City-owned properties for affordable housing. Assets include 57 sites acquired through the dissolution of the former Community Redevelopment Agency, City-owned parking lots, sites acquired through loan default, and other City assets. Since 2016, the City Council and Mayor have approved the release of several Requests for Proposals/Qualifications, and the selection of affordable housing developers for approximately 41 properties, including sixteen (16) Affordable Housing Opportunity Sites. These City-owned properties are located in various neighborhoods throughout the city, and include permanent supportive, multifamily, mixed use and homeownership developments.

**Economic Development**

As part of the City's Jobs and Business Advancement Action Plan, the City Council and Mayor approved the Asset Evaluation Framework, which established a process of evaluating and designating City-owned parcels to be sold or leased for economic development purposes. Local legislation created the Economic Development Trust Fund (EDTF) from the proceeds of those transactions. Up to 50% of the sale or lease proceeds from properties designated for economic development under the Asset Management Framework Policy may be used to encourage property development, business expansion, employment opportunities, economic development projects and programs, development subsidies and business technical assistance in areas with the greatest need. Currently there are eight (8) City-owned or City-optioned properties that have been designated for economic development.

**Discussion**

Los Angeles continues to expand the number of local, state, federal, and private resources it taps into to address the expansive homelessness crisis and the needs of low-income families. Some grants awarded in prior years are still being utilized while the City continues to look for more opportunities to collaborate and leverage with other resources.