

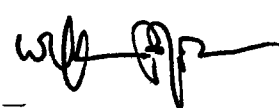
CITY OF LOS ANGELES
INTEH-DEPARTMENTAL CORRESPONDENCE

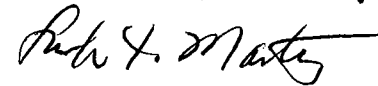
Date: February 4, 2005

Council File No. 04-0600-549
02-0473

To: Honorable Members of the Budget & Finance Committee

From: Gerry F. Miller 
Acting Chief Legislative Analyst

William T Fujioka 
City Administrative Officer

Frank T. Martinez 
City Clerk

Subject: **Community-Based Organizations - Funding in the Unappropriated Balance**

Background

As part of the Fiscal Year 2004-05 Budget process, approximately \$1.9 million for eighteen (18) community-based organizations was transferred from the General City Purposes (GCP) section of the budget to the Unappropriated Balance. In conjunction with this action, the City Clerk, City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) were instructed to report to the Budget & Finance Committee relative to establishing a better process for allocating these funds. The City Clerk was also instructed to notify affected organizations that the funds were being withheld, and that funding might become available later in the year subject to the City's fiscal condition. The City Clerk notified the affected organizations in August 2004.

Findings

Pursuant to Council action, staff considered various options to address this issue, including transferring the funds to the Reserve Fund to offset the City's budget deficit; adjusting the funding amounts equally amongst Council Districts; transferring the funds to the Community Development Department (CDD) to conduct a competitive bidding process; and, fully funding the organizations this fiscal year, but not in FY 2005-06. In addition, staff discussed the concept of using the funds to establish a mini-grant process citywide, among other ideas.

Attachment A lists the community-based organizations for which proposed funding was transferred from the GCP to the Unappropriated Balance and provides additional information about the organizations, as well as the proposed recommendations. As is evident from the chart (which is organized from lowest to highest dollar amount), funding for each community-based organization varies in amount (from \$10,000 to \$100,000); in the length of time the organization has received GCP funds (from 2 to 11 years); and, in their respective ability to access other City and non-City funds.

As a result of the City's projected budget deficit in FY 2005-06 and the City's focus on public safety and the hiring of new police officers, the CAO and CLA recommend that funding for the community-based organizations be phased-out. To this end, we recommend that fifty percent funding be provided to each organization for FY 2004-05, and that the remaining fifty percent be allocated to the Police Hiring Special Fund.

It is intended that the recommended funding for the current fiscal year will allow the organizations time to seek alternative funding sources prior to FY 2005-06. Further, many of the activities could likely be funded through the Community Development Block Grant process or through private philanthropic entities, such as the California Community Foundation.¹ State and Federal grants also provide additional opportunities for funding. It should be noted that the funding amounts, as well as the number of years an organization has been included in the GCP budget, are discretionary and have been perpetuated from year to year in the City's budget. The CAO and CLA recommend that funding for these organizations derive from a structured or competitive process, such as the Community Development Block Grant process. It should also be noted that the proposed recommendations are not intended to diminish the importance of the services provided by these organizations.

Please note the following three exceptions to the recommendations above, and which are also detailed in Attachment A:

- Item 4: Central Recovery is currently non-operational. Therefore, we recommend that \$38,000 revert to the Reserve Fund.
- Item 5: International Visitors Council already received \$40,000 from the Reserve Fund pursuant to Motion (LaBonge-Parks), C.F. 04-1512. However, this appropriation should have been expended from the Unappropriated Balance. Therefore, we recommend transferring \$40,000 from the Unappropriated Balance to the Reserve Fund to correct this action.
- Item 19: Neighborhood Matching Fund is a City program administered by the Board of Public Works. The program began in 1998 and encourages project management and community planning by awarding neighborhood groups up to \$10,000 for improvement projects citywide. Neighborhood groups are required to provide an in-kind, 1 to 1 match for the grant amount, which is generally in the form of donations of materials and supplies, volunteer labor, and/or cash donations. Funding for the Neighborhood Matching Fund has been set-aside in the GCP since the program's inception. We recommend that \$845,578 be allocated to the Board of Public Works to administer the program for Fiscal Year 2004-05. This is the same level of appropriation as FY 2003-04. It is also recommended that this program be reviewed as part of the Board's overall departmental budget when formulating the Fiscal Year 2005-06 Proposed Budget.

As a result of these recommendations, the funds currently set-aside in the Unappropriated Balance for community-based organizations would be re-allocated as follows:

<u>AMOUNT</u>	<u>ALLOCATION</u>
\$ 480,600	GCP funding for community-based organizations
\$ 480,600	Police Hiring Special Fund
\$ 845,578	Board of Public Works / Neighborhood Matching Fund
<u>\$ 78,000</u>	Reserve Fund
\$1,884,778	TOTAL

Lastly, the City Clerk reports that in order to execute the contracts for the community-based organizations, it is preferable that the Council and Mayor approve a funding recommendation by March 1, 2005. This will enable the City Clerk's Office to execute the contracts in a timely manner, prior to the end of the current fiscal year.

Recommendations

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

1. Transfer \$480,600 from the Unappropriated Balance Fund No. 100, Department 58, Account No. 0161 (Community-Based Organizations) to the General City Purposes Fund 100, Department 56, and authorize the City Clerk to allocate funding to the respective accounts in accordance with Attachment A of this report;
2. Instruct the City Clerk to notify the affected community-based organizations that they have been awarded fifty percent of the proposed funding amount for Fiscal Year 2004-05 and, with the assistance of the Community Development Department, include these organizations in the 32nd Year Housing and Community Development Block Grant Consolidated Plan application process for 2006-07;
3. Instruct the City Clerk to prepare and execute the necessary contracts or related documents in the amounts and purposes in accordance with Attachment A of this report, subject to the approval of the City Attorney as to form;
4. Transfer \$480,600 from the Unappropriated Balance Fund No. 100, Department 58, Account No. 0161 (Community-Based Organizations) to the new Police Hiring Special Fund (Fund and Account No. to be established) in accordance with Attachment A of this report;
5. Transfer \$78,000 from the Unappropriated Balance Fund No. 100, Department 58, Account No. 0161(Community-Based Organizations) to the Reserve Fund, in accordance with Attachment A of this report;
6. Transfer \$845,578 from the Unappropriated Balance Fund No. 100, Department 58, Account

No. 0161 (Community-Based Organizations) to the Board of Public Works Fund 100, Department 74, Account No. 3040 (Contractual Services) to administer the Neighborhood Matching Fund program;

7. Request the Mayor to consider the Neighborhood Matching Fund program as part of the Board's overall departmental budget when formulating the Fiscal Year 2005-06 Proposed Budget;
8. Receive and file Motion (Hahn-Garcetti), C.F. 02-0473, inasmuch as a recommendation relative to funding the Neighborhood Matching Fund is included in this report.

Fiscal Impact

If approved, the recommendations above will increase the Reserve Fund by \$78,000. In addition, \$480,600 will be allocated to the Police Hiring Special Fund, which can be used to offset future appropriations for police salaries and equipment costs.

WAS: 04-08-1304

¹ See <http://www.calfund.org/>. It appears that many of the activities undertaken by these organizations may qualify for funding.

ATTACHMENT A

ORGANIZATION	AMOUNT	CD/ AREA	YEARS IN GCP	DESCRIPTION	OTHER CITY FUNDS / NON-CITY FUNDS	RECOMMENDATION
1. Los Angeles Federation of Senior Citizen Clubs	\$10,000	City-wide	At least 11	Sponsors and organizes events, training sessions on legislative and parliamentary procedures, seminars on civic issues, and insurance programs.	None indicated in GCP application.	\$5,000 to CBO - (100/56/0565); \$5,000 to Police Hiring Special Fund. Seek alternative funding in 05-06.
2. Wilshire Community Police	\$20,000	CD 10	At least 10	Funding is used to defray community costs, especially interpreter services, in connection with a storefront substation.	None indicated in GCP application.	\$10,000 to CBO - (100/56/0564); \$10,000 to Police Hiring Special Fund. Seek alternative funding in 05-06.
3. Chinatown Service Center	\$25,800	CD 1	At least 11	Supports the Pacific Asian Resource Coordination project, which provides human resources related workshops and forums. Acts as fiscal agent for Asian Pacific Policy & Planning Council.	\$40K in non-City funds.	\$12,900 to CBO - (100/56/0568); \$12,900 to Police Hiring Special Fund. Seek alternative funding in 05-06.
4. Central Recovery / HOOPS	\$38,000	CD 9	At least 10	Supports late-night basketball in the Harvard Park area.	Organization is non-operational.	\$38,000 to the Reserve Fund inasmuch as the CBO is non-operational.
5. International Visitors Council	\$40,000	City-wide	At least 11	Sponsors short-term visitors and high-level dignitaries referred by the US Information Agency.	Contract executed pursuant to CF 04-1512. Funds were appropriated from the Reserve Fund.	\$40,000 to the Reserve Fund. Seek alternative funding in 05-06.
6. OASIS	\$43,000	CD 9	3	Provides cultural enrichment activities for seniors.	\$126K in Older American Act funds.	\$21,500 to CBO - (100/56/05AJ); \$21,500 to Police Hiring Special Fund. Seek alternative funding in 05-06.
7. Thomas Multi-purpose Center	\$45,000	CD 10	3	Provides cultural enrichment activities for seniors.	None indicated in GCP application.	\$22,500 to CBO - (100/56/05AR); \$22,500 to Police Hiring Special Fund. Seek alternative in 05-06.

ATTACHMENT A

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CBO	AMOUNT	CD/ AREA	YEARS IN GCP	DESCRIPTION	OTHER CITY FUNDS / NON-CITY FUNDS	RECOMMENDATION
8. El Rescate	\$45,000	CD 1	At least 11	Provides social and legal services to Central American immigrants.	\$898K in non-City funds.	\$22,500 to CBO – (100/56/0538); \$22,500 to Police Hiring Special Fund. Seek alternative funding in 05-06.
9. Valley Family Tech Center	\$50,000	CD 7	4	Bilingual technology project providing computer skills to families.	\$50K from CDD; \$1.6M in non-City funds.	\$25,000 to CBO – (100/56/0611); \$25,000 to Police Hiring Special Fund. Seek alternative funding in 05-06.
10. Venice Family Clinic	\$50,000	CD 11	At least 10	Provides primary healthcare and family support services for 90,000 low-income and homeless patients at four sites in the Venice area.	\$59K from CDD; \$9.4M in non-City funds.	\$25,000 to CBO – (100/56/0525); \$25,000 to Police Hiring Special Fund Seek alternative funding in 05-06.
11. Eagle Rock Cultural Center	\$50,000	CD 14	2	Provides low-cost art, music, dance, sign language and computer classes.	\$70K from Cultural Affairs and Real Property; \$138K in non-City funds.	\$25,000 to CBO – (100/56/0822); \$25,000 to Police Hiring Special Fund. Seek alternative funding in 05-06.
12. Constitutional Rights Foundation	\$67,500	CD 10	At least 10	Provides training in leadership, community and civic relations to approx 10,000 primary and 50,000 secondary youth.	\$1.5M in non-City funds.	\$33,750 to CBO – (100/56/0320); \$33,750 to Police Hiring Special Fund. Seek alternative funding in 05-06.
13. Chinatown Public Safety Association	\$75,000	CD 1	At least 11	Provides interpreter services and public safety events through a police substation.	\$60K in non-City funds.	\$37,500 to CBO – (100/56/0511); \$37,500 to Police Hiring Special Fund. Seek alternative funding in 05-06.
14. People in Progress	\$79,900	CD 1	At least 11	Provides transportation and referral services to homeless and poverty level substance abusers.	\$75K from CDD.	\$39,950 to CBO – (100/56/0540); \$39,950 to Police Hiring Special Fund. Seek alternative funding in 05-06.
15. Clinica Romero	\$100,000	CD 13	At least 10	Non-profit medical clinic serving the Central American immigrant community.	\$6M in non-City funds.	\$50,000 to CBO (100/56/0574); \$50,000 to Police Hiring Special Fund. Seek alternative funding in 05-06.

ATTACHMENT A

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CBO	AMOUNT	CD/ AREA	YEARS IN GCP	DESCRIPTION	OTHER CITY FUNDS / NON-CITY FUNDS	RECOMMENDATION
16. Gardens for Schools	\$100,000	CD 1	5	Provides assistance in establishing gardens in 25 elementary and middle schools in under-served areas citywide.	\$1.8M from CDBG and Real Property; \$15.6M in non-City funds.	\$50,000 to CBO – (100/56/050X); \$50,000 to Police Hiring Special Fund. Seek alternative funding in 05-06.
17. LA Free Clinic	\$100,000	CD 5	At least 11	Provides free health and human services in the areas of legal, dental, mental health, medication information and human sexuality.	“Sub-contracts” with CDD; \$10M in non-City funds.	\$50,000 to CBO – (100/56/0551); \$50,000 to Police Hiring Special Fund. Seek alternative funding in 05-06.
18. San Pedro Boys & Girls Club	\$100,000	CD 15	4	Supports the “Education 1 st ” program, including family counseling, tutorial assistance, and transportation for various elementary schools in the Harbor area.	\$1.6M in non-City funds.	\$50,000 to CBO - (100/56/0608); \$50,000 to Police Hiring Special Fund. Seek alternative funding in 05-06.
19. *Neighborhood Matching Fund	\$845,578	City-wide	6	Administered by the Board of Public Works. This “matching grant” program awards neighborhood groups up to \$10K for improvement projects. LA Conservation Corps serves as a “fiscal agent” to expedite check processing.	N/A	\$845,578 to Board of Public Works, inasmuch as this is an on-going City program. Instruct CAO to consider this program as part of the Board’s overall budget request when formulating the Fiscal Year 05-06 Proposed Budget.
UB TOTAL	\$ 1,884,778					

Note: The information included in this attachment was limited to 11 years. Therefore, some of the organizations may have received funding prior to FY 1993-94. In addition, the category “Other City Funds / Non-City Funds” is a “self-reported” section in the City Clerk’s GCP funding application and may not be entirely accurate.

* Department-related appropriation.

Sources: FY 04-05 Detail of Department Programs, page 626
 FY 04-05 Adopted Budget, page 182
 Office of the City Clerk, Administrative Services
 Board of Public Works, Operation Clean Sweep