



ERIC GARCETTI  
MAYOR

March 17, 2020

Honorable Members of the City Council  
c/o City Clerk  
Room 395, City Hall  
Los Angeles, CA 90012

**Re: 46<sup>th</sup> Program Year (PY) of the Housing and Community Development Consolidated Plan (2020-2021)**

The Program Year 46 Consolidated Plan proposed budget has been curated to restore and expand the social safety net in Los Angeles by increasing access to affordable housing, revitalizing neighborhoods, and supporting economic development primarily benefiting low-income residents. Recognizing our role as a global leader, the City of Los Angeles has embraced a shared vision for humanity through a commitment to the local implementation of the Sustainable Development Goals (SDGs) alongside 193 member states of the United Nations. This year, my team was dedicated to using the following SDGs as a guide to create a human services support system that can meet the needs of Angelenos facing the greatest risks and challenges:

- **SDG 1 Eliminate Poverty**  
End poverty in all its forms everywhere
- **SDG 4 Quality Education**  
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- **SDG 8 Decent Work and Economic Growth**  
Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all
- **SDG 10 Reduced Inequalities**  
Reduce inequality within and among communities
- **SDG 11 Sustainable Communities**  
Make our communities and human settlements, inclusive, safe, resilient, and sustainable
- **SDG 16 Peace, Justice, and Strong Institutions**  
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels

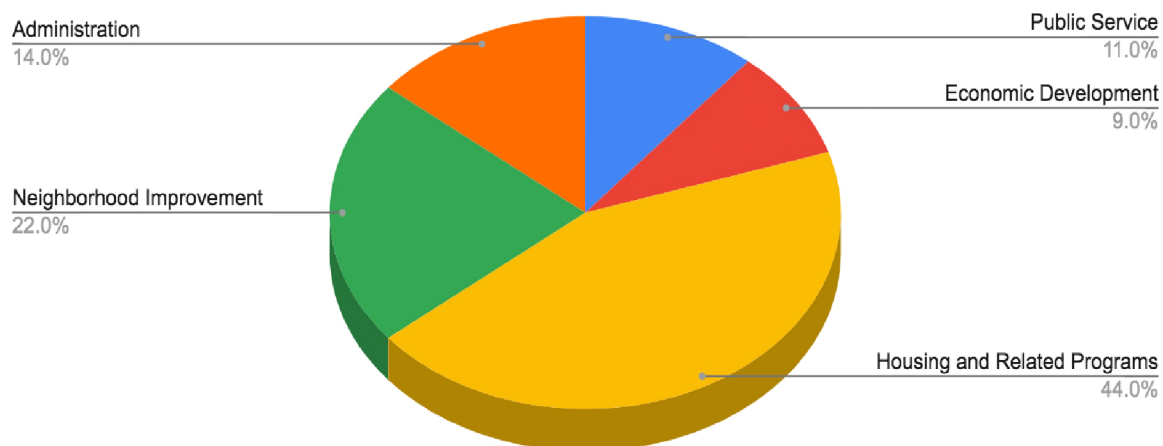
In 2018, City Council approved the 2018-2022 Consolidated Plan Overview that outlines the framework for how the City will coordinate efforts to revitalize low-income neighborhoods during a five-year period. Attached for your consideration is the proposed 46th (2020-2021) Program Year Action Plan that allocates funding for the third year implementation.

The City of Los Angeles receives four entitlement grants: (1) Community Development Block Grant (CDBG); (2) HOME Investment Partnerships Program (HOME); (3) Emergency Solutions Grant (ESG); and (4) Housing Opportunities for Persons with AIDS (HOPWA). These entitlements comprise the City's Consolidated Plan, a comprehensive, integrated approach to planning and implementing the City's housing, community development, and economic development needs and priorities.

The proposed 46th Consolidated Plan consists of more than \$140 million in annual allocations of the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships Program (HOME), and Housing Opportunities for Persons with AIDS (HOPWA) grant funding from the U.S. Department of Housing and Urban Development (HUD).

Below is a summary of the proposed allocation of CDBG dollars for the 46<sup>th</sup> Program Year (Figure 1). A comparison of the 45<sup>th</sup> PY proposed distribution of CDBG funds with the 46<sup>th</sup> program year is in Attachment A. A detailed CDBG line item budget and project descriptions are included as Attachments B and C, respectively.

**Figure 1: Proposed Allocation of PY 46 Budget by Category**



**Proposed Allocation of PY 46 Action Plan by Budget Category**

	CDBG	ESG	HOME	HOPWA	Total
Public Services	\$11,174,011	\$4,336,879	-	-	\$15,510,890
Economic Development	\$12,485,668	-			\$12,485,668
Housing & Related Programs	\$5,960,740	-	\$35,306,002	\$22,632,591	\$63,899,333
Neighborhood Improvements	\$32,124,226	-	-	-	\$32,124,226
Administration/Planning	\$14,948,000	\$351,639	\$3,922,889	\$594,366	\$19,816,894
<b>Total 46th PY Budget</b>	<b>\$76,692,645</b>	<b>\$4,688,518</b>	<b>\$39,228,891</b>	<b>\$23,226,957</b>	<b>\$143,837,011</b>

As ESG, HOME, and HOPWA funding is restrictive in their allowable uses, this transmittal focuses on the CDBG program elements. The selection of contractors for ESG, HOME, and HOPWA program components are solicited through separate procurement processes, which are administered by the Los Angeles Housing and Community Investment Department (HCIDLA) and the Los Angeles Homeless Services Authority (LAHSA).

## **RECOMMENDATIONS**

It is recommended that the City Council approve the following:

Relative to the approval of the City's Housing and Community Development Consolidated Plan Program Year 46 (2020-2021) Action Plan:

1. Find that the 2020-2021 Housing and Community Development Consolidated Plan and Program Year 46 (2020-21) Action will not have a significant effect on the environment, pursuant to the City's CEQA Guidelines, and in compliance with the California Environmental Quality Act of 1970; that the Notice of Exemption reflects the independent judgment of the lead agency of the City of Los Angeles; that the document constituting the record of proceedings in this matter is located in the custody of the City Clerk, and acknowledge the Notice of Exemption for the PY 46 Consolidated Plan, be submitted by the HCIDLA and attached to the Council File.

All new federally funded projects are subject to environmental review under the requirements of the National Environmental Policy Act (NEPA) and per the U.S. Department of Housing and Urban Development regulations, prior to any commitment of federal funds for expenditure, unless they are exempt from such review. HCIDLA has determined that some action is programmatically exempted per CFR 58.34 and categorically excluded per CFR 58.35(a)(b) from this annual environmental requirement.

Commitment of funding for new projects that could result in a direct or indirect physical change to the environment are also subject to environmental review under the California Environmental Quality Act, if implementation of the projects is authorized as part of the budgeting process. HCIDLA has determined that some action is programmatically exempt annually under CEQA Guidelines for

General Exemptions, Article 18 Statutory Exemptions Section 15260 through 15285, and Article 19 Categorical Exemptions Section 15300 through 15333.

Those projects that are not exempt or not yet defined are approved, subject to: (1) confirmation that the project to be funded is categorically excluded under NEPA per 24 Code of Federal Regulations (CFR) Part 58 and exempt under CEQA per the Guidelines prior to project implementation; or (2) appropriate environmental review prior to project implementation.

All projects involving new construction and/or major rehabilitation will require the preparation of Mitigated Negative Declaration/Environmental Assessment + Finding of No Significant Impact or Environmental Impact Report/Environmental Impact Statement on a site-by-site basis.

2. Approve the Program Year 46 Consolidated Plan and the related budgets for the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS included as Attachment B to this report.
3. Authorize the General Manager of HCIDLA, or designee, to sign, on behalf of the City, the Application for Federal Assistance for the CDBG, HOME, HOPWA, and ESG Programs and the associated Grantee Certifications, subject to the review and approval of the City Attorney as to form.
4. Authorize the General Manager of HCIDLA, or designee, to submit the annual 2020-2021 Housing and Community Development Consolidated Plan Program Year 46 Action Plan to HUD after approval by Council and Mayor and the 30-day public comment period ends.
5. Instruct the General Manager of HCIDLA, or designee, to:
  - a. Provide written notification to Program Year 46 Action Plan applicants as follows:
    - i. To unsuccessful applicants informing them that they are not recommended for award and further advising them of current and forthcoming alternative competitive application processes; and
    - ii. To successful applicants advising them of final award recommendations and required contracting processes to facilitate program implementation.
  - b. Prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with the intent of the Program Year 46 Action Plan actions and instruct the Controller to implement these instructions.
  - c. Monitor public services and administrative services expenditures against the Program Year 46 statutory spending limitations respectively and report back to the Mayor and City Council within 30 days with recommendations for necessary adjustments in the event it is anticipated that either cap will be exceeded;
  - d. Prepare, with assistance from the Economic and Workforce Development Department (EWDD) and the CRA/LA (Designated Local Authority), quarterly reports for submission to the Mayor and City Council on program income receipts for all Consolidated Plan sources; and
6. Instruct HCIDLA, CAO, and CLA to ensure that PY 46 projects recommended for funding are in compliance with the City's CDBG expenditure policy and guidelines (CF 01-2765-S2), to establish a multi-year future projects priority-funding list, and to revise the current CDBG expenditure policy to comply with the aforementioned multi-year funding list for future program years.

7. Authorize the City Controller to process a Reserve Fund loan for up to \$10 million, to be available July 1, 2020 or soon thereafter for the period of July 1, 2020 through October 31, 2020 for cash flow purposes related to the Consolidated Plan grants (CDBG, ESG, HOME, HOPWA) with said loan to be fully reimbursed from grant receipts in FY 2020-21.

Relative to Reprogramming:

8. Approve the reprogramming of \$3,414,752 in HOPWA prior year savings, as a source of revenue for the PY 46 Action Plan budget.

Relative to Contract Authorities:

9. Authorize General Managers or designees of program implementing departments to negotiate and execute contracts, contract amendments and/or interdepartmental agreements as needed with the grant recipients, subject to City Attorney review and approval as to form.
10. Instruct the General Manager of HCIDLA, or designee, with the assistance from the CAO to report within 30 days of the Council and Mayor's approval of the Program Year 46 Consolidated Plan with an analysis, recommendations and any necessary additional implementing language for related authorities and administrative allocations.

Sincerely,



ERIC GARCETTI  
Mayor

MEG:cr

Attachments A — Findings  
B — Revenues and Allocations  
C — Revenues and Allocations Footnotes  
D — CDBG Future Priority Projects  
E — CDBG Resources and Expenditure Limitation (Spending Cap) Detail  
F — Public Meetings Summary

cc: Heads of City Departments  
Commissioners, Affordable Housing Commission  
Commissioners, Commission for Community and Family Services  
Commissioners, HACLA Board of Commissioners  
Commissioners, LAHSA Commission  
Presidents, Neighborhood Councils