

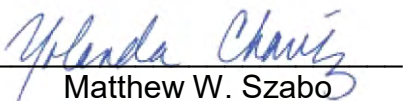
0220-03145-0404

**TRANSMITTAL**

TO The City Council	DATE 06-27-25	COUNCIL FILE NO.
FROM Proposition K - L.A. For Kids Steering Committee	COUNCIL DISTRICT Various	

At its meeting held on June 26, 2025, the L.A. for Kids Steering Committee approved the attached annual financial status report for the Health Alternatives To Smoking Fund, which is hereby transmitted for Council consideration. It is recommended that the City Council receive and file this report.

There is no impact on the General Fund as this an administrative action.

  
for Matthew W. Szabo  
City Administrative Officer  
Chair, L.A. for Kids Steering Committee

MWS:MG:05250157c

**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

Date: June 26, 2025

To: L.A for Kids Steering Committee

From: Melinda Gejer, Senior Administrative Analyst *Melinda Gejer*  
Office of the City Administrative Officer

Subject: **HEALTH ALTERNATIVES TO SMOKING - ANNUAL FINANCIAL  
REPORT PER LOS ANGELES ADMINISTRATIVE CODE SECTION  
5.512 (e)**

**RECOMMENDATIONS**

That the L.A. for Kids Steering Committee (Steering Committee) recommend that the City Council receive and file the Health Alternatives to Smoking (HATS) Trust Fund annual report.

**BACKGROUND**

In July 1999, the Los Angeles City Council approved the HATS Trust Fund (Ordinance No. 172727). The HATS Trust Fund was created to disburse the \$4 million collected from the National Tobacco Settlement. The Ordinance designates the City Administrative Officer (CAO) to administer, manage and expend funds from the HATS Trust Fund in accordance with the Ordinance. Per Section 5.512 (b) of the Administrative Code, Disbursements shall be made through Proposition K: LA for Kids Program Request for Proposal (RFP). Monies from the Fund may only be used for the acquisition of park land and recreation improvements in under-served areas. For purposes of this section, under-served areas are census tracts that meet all of the following criteria based on the latest available census:

- 1) above average youth in poverty (greater than 36 percent);
- 2) above average persons 18 and under (greater than 26 percent);
- 3) below average acreage in parks (less than two percent); and,
- 4) not adjacent to major parks or national forest land.

In accordance with Los Angeles Administrative Code 5.512 (e), the CAO is transmitting this report on the HATS Trust Fund and identifies all expenditures and the purposes for which the expenditures were made.

## **ANNUAL DEVELOPMENT FEE REPORTING**

The monies in the HATS Trust Fund are accounted for in a separate Special Revenue Fund (No. 43G), with interest earnings restricted to the same uses as the original collection fees. To date, the HATS Trust Fund has received \$4,000,000 in fee collections and \$972,808 in interest earnings for a total of \$4,972,808. Of this amount, \$4,750,000 has been appropriated for qualified projects, of which \$1,140,000 remains unspent, leaving a remaining balance of \$222,808 available for future projects. No expenditures of funds from the HATS Trust Fund occurred in the reporting period from July 1, 2024 through June 30, 2025.

The Ordinance requires the award of HATS Trust Fund monies through the Proposition K Request for Proposals (RFP) competitive process that is open to non-profit organizations, governmental entities, and City departments for projects within the boundaries of the under-served areas. The Bureau of Engineering released the 11th Cycle Proposition K RFP in February 2023, which included the remaining HATS Trust Fund monies, plus the ability to award any remaining interest or interest accrued during the RFP process. No proposals for the use of the funds were received as part of the RFP process. As there are no remaining Proposition K competitive cycles, a standalone RFP to award the remaining funds is in the development process.

## **FISCAL IMPACT**

There is no General Fund impact as this is an administrative action.

### **Attachments**

1. Health Alternatives to Smoking Trust Fund Financial Report
2. Health Alternatives to Smoking Trust Fund Expenditure Report

43G (Health Alternatives to Smoking (HATS) Trust Fund)			
Financial Report			
Non-Interest Revenues from Revenue Source 4969			
FY	2000	\$	4,000,000
<b>Total Non-Interest Revenues from Revenue Source 4969</b>		<b>\$</b>	<b>4,000,000</b>
Interest Revenues from Revenue Source 4903			
FY	2001	\$	181,863.33
FY	2002		165,149.57
FY	2003		86,970.76
FY	2004		41,858.77
FY	2005		37,154.92
FY	2006		36,767.20
FY	2007		40,716.18
FY	2008		51,835.84
FY	2009		41,517.01
FY	2010		25,438.44
FY	2011		20,833.15
FY	2012		17,490.57
FY	2013		16,464.65
FY	2014		13,971.54
FY	2015		12,708.30
FY	2016		13,581.02
FY	2017		13,724.93
FY	2018		14,953.73
FY	2019		22,999.38
FY	2020		26,623.42
FY	2021		17,048.87
FY	2022		14,054.84
FY	2023		26,724.30
FY	2024		32,357.34
FY	2025		TBD
<b>Total Interest Revenues from Revenue Source 4903</b>		<b>\$</b>	<b>972,807.66</b>
<b>Total Revenue from All Sources</b>		<b>\$</b>	<b>4,972,807.66</b>

## Healthy Alternatives to Smoking

Expenditures as of 02/28/2025

BFY	ACCT	ACCOUNT NAME	PROJECT ID	SCOPE	COMPLETION DATE	APPROPRIATION
2001	10R202	MAR VISTA FAMILY CENTER	C74-2	CONSTRUCTION OF YOUTH CENTER	3/14/2009	\$ 95,225.00
2001	10R203	PROPERTY AT FIGUEROA & SLAUSON	C66-2	URBAN GREENING OF DWP PROPERTY AT FIGUEROA AND SLAUSON	N/A	\$ 134,696.00
2001	10R204	QUEEN ANNE RC-GREENING	C71-2	DEMOLITION AND URBAN GREENING	3/17/2004	\$ 73,503.69
2001	10R205	DELANO RC	C55-2	INSTALL FOUNDATION FOR NEW GYMNASIUM AND ENVIRONMENTAL MITIGATION	10/18/2006	\$ 450,692.00
2001	10R206	TEMPLE-BEVERLY PARK-ACQUISITION	C80-2	LAND ACQUISITION AT 227 N. LAKE ST	8/20/2007	\$ 200,000.00
2001	10R207	TEMPLE-BEVERLY PARK-LANDSCAPING	C81-2	LANDSCAPING, IRRIGATION	8/20/2007	\$ 200,000.00
2001	10R208	TEMPLE-BEVERLY PARK-ATHLETIC	C83-2	PRACTICE ATHLETIC FIELDS	8/20/2007	\$ 301,955.00
2001	10R210	FIELD OF DREAMS	C90-2	BUILD A SOCCER COMPLEX	8/14/2002	\$ 727,268.00
2001	10R212	CATHOLIC CHARITIES	C49-2	CONSTRUCTION OF SPORTS FACILITIES	10/31/2002	\$ 248,244.00
2001	10R213	TEMPLE-BEVERLY PARK-REC CTR	C84-2	DEMOLITION OF BUILDING, BUILD RECREATION CENTER WITH MULTIPURPOSE ROOM AND RESTROOMS	8/20/2007	\$ 692,688.00
2001	10R238	SEPULVEDA PARK WEST	C16-1	ACQUISITION OF LAND	12/9/1998	\$ 259,990.00
2001	10R243	JUNTOS PARK	C79-2	PARK DEVELOPMENT	11/5/2003	\$ 116,549.00
2001	10R309	QUEEN ANNE RECREATION CENTER	C70-2	ACQUISITION OF LAND TO EXPAND PARK	3/17/2004	\$ 34,925.00
2001	10R403	SEPULVEDA PARK WEST	C16-1	ACQUISITION OF LAND	12/9/1998	\$ 166,084.54
2004	10V140	GENERAL SERVICES				\$ 250,000.00
2004	10V178	BUREAU OF ENGINEERING				\$ 22,835.76
2004	10V299	RELATED COSTS				\$ 8,283.80
2004	10V302	RECREATION AND PARKS				\$ 17,060.21
2023	TBD	ANDERSON SENIOR CITIZEN CENTER	C270-10	PLAYGROUND, LANDSCAPING, LIGHTING, FENCING, PARKING LOT IMPROVEMENT, PATH OF TRAVEL, AND PARK AMENITIES	N/A	\$ 750,000.00
					<b>TOTAL</b>	<b>\$ 4,750,000.00</b>