

0220-05680-0002


**TRANSMITTAL**TO  
The City CouncilDATE  
08-30-2024

COUNCIL FILE NO.

FROM  
Proposition K - L.A. For Kids Steering CommitteeCOUNCIL DISTRICT  
Various

At its meeting held on August 29, 2024, the L.A. for Kids Steering Committee (LAFKSC) approved the attached annual financial status report for the Healthy Alternative To Smoking (HATS) Fund, which is hereby transmitted for City Council consideration. It is recommended that Council receive and file this report.

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

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

MWS:MG:05250014

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

Date: August 22, 2024

To: Proposition K – L.A. for Kids Steering Committee

From: CAO Staff

Subject: **ANNUAL REPORT ON THE HEALTH ALTERNATIVES TO SMOKING (HATS) TRUST FUND IN ACCORDANCE WITH LOS ANGELES ADMINISTRATIVE CODE SECTION 5.512 (e)**

**RECOMMENDATION**

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

**SUMMARY**

In July 1999, the Los Angeles City Council approved the Health Alternatives to Smoking (HATS) Trust Fund (Ordinance No. 172727). The HATS Trust Fund was created to disburse monies 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. Monies from the Fund may only be used for the acquisition of park land and recreational improvements in under-served areas 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 fees for 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, 2023 through June 30, 2024.

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 11<sup>th</sup> 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, discussions are underway as to best distribute the remaining funds. A future report will detail the proposed solution and request authority to proceed.

#### **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

*MWS:MMG:05250014*

<b>43G (Health Alternatives to Smoking (HATS) Trust Fund)</b>			
<b>Financial Report</b>			
<b>Non-Interest Revenues from Revenue Source 4969</b>			
FY	2000	\$	4,000,000
<b>Total Non-Interest Revenues from Revenue Source 4969</b>			<b>\$ 4,000,000</b>
<b>Interest Revenues from Revenue Source 4903</b>			
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
<b>Total Interest Revenues from Revenue Source 4903</b>			<b>\$ 972,807.66</b>
<b>Total Revenue from All Sources</b>			<b>\$ 4,972,807.66</b>

### Healthy Alternatives to Smoking

Expenditure Report as of 07/31/2024

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-ACQUISITIO	C80-2	LAND ACQUISITION AT 227 N. LAKE ST	8/20/2007	\$ 200,000.00
2001	10R207	TEMPLE-BEVERLY PARK-LANDSCAPIN	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	10WPDI	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>