



October 27, 2023

Council File (C.F.): 22-1205  
Council Districts: Citywide  
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Honorable Karen Bass  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 N. Spring Street  
Los Angeles, CA 90012  
Attention: Heleen Ramirez  
Legislative Coordinator

Honorable Members of the City Council  
City of Los Angeles  
c/o City Clerk, City Hall  
200 N. Spring Street  
Los Angeles, California 90012  
Attention: Michael Espinosa  
Legislative Assistant

**TRANSMITTAL: AMEND 49TH PROGRAM YEAR 2023-24 CONSOLIDATED PLAN TO REPROGRAM COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) TO FUND PROPERTY ACQUISITION AND CAPITAL IMPROVEMENT NEEDS THAT WILL ADDRESS TIMELY SPENDING REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

**SUMMARY**

The General Manager of the Los Angeles Community Investment for Families Department (CIFD) respectfully requests that you review this transmittal and forward it to the appropriate committee for further consideration. As requested by the City Council in its approval of the 49<sup>th</sup> Program Year 2023-24 (PY 49) Housing and Community Development Consolidated Plan (Con Plan) budget recommendations (C.F. 22-1205-S1), CIFD uses program income, expenditure, and timeliness data to inform this report's recommended actions for the Community Development Block Grant (CDBG).

**RECOMMENDATIONS**

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

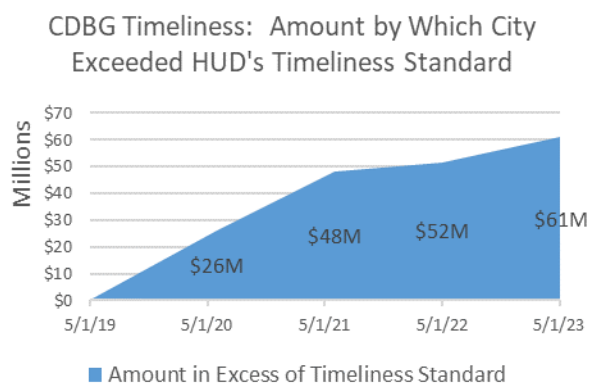
- I. APPROVE the reprogramming of \$22,802,960.93 in CDBG funds as detailed in the *CDBG to Be Reprogrammed* list (Attachment 1) plus the additional resources identified in the *CDBG Resources* (Attachment 6) combined to be used for acquisition projects identified in Table 2 below, as an amendment to the PY 49 Con Plan.
- II. APPROVE the *CDBG Vested Priority Projects* list (Attachment 2) to identify projects being considered for funding in future program years of the Con Plan that were awarded funding in the current or prior years and are being recommended for reprogramming in order to expend funds in a timely manner.

- III. APPROVE the City's *CDBG Workout Plan* (Attachment 3), which details the causes and remediation to address the City's inability to meet required, timely spending needed to bring the City into compliance with the standard for timeliness. The CDBG Workout Plan is required to be submitted to HUD, as explained in the *2023 Letter from HUD* (Attachment 4).
- IV. AUTHORIZE the General Managers, or their designees, of the program implementing departments to negotiate and execute contracts, contract amendments, and/or interdepartmental agreements as needed with grant recipients, as identified in the *Contract Authorities* (Attachment 5) and throughout this report, and consistent with Council action, in consultation with CIFD as grant administrator, and in substantial conformance with the pro forma agreements for public service activities or construction as provided in C.F. 06-2366, subject to the City Attorney review and approval, as to form and review and approval of the Public Works Bureau of Contract Administration as to compliance with the City's contracting requirements.
- V. AUTHORIZE amending contract C-138970 with Heal the Bay to add 12 months to the term for a new term ending November 30, 2024. Additional time is needed to complete the project to develop a new pocket park entitled Inell Woods Park in Council District 9. Mayor and Council previously approved (June 16, 2023) an extension to November 30, 2023, per C.F. 21-1186-S5.
- VI. INSTRUCT CIFD to prepare any additional contract authorities, Controller instructions, and/or any other documents necessary to meet HUD deadlines and submit these documents to the City Council for approval.
- VII. AUTHORIZE the General Manager, or designees, of the program implementation departments to prepare Controller instructions and any technical adjustments consistent with Mayor and City Council actions on the matter, subject to the approval of the CLA, and authorize the Controller to implement these instructions.

## **DISCUSSION**

### **Federal CDBG Timeliness Requirement**

Federal regulations (24 CFR 570.902) require that each CDBG grantee have a balance no greater than 1.5 times its annual grant remaining in the line of credit 60 days prior to the end of the program year. This has been commonly referred to as the CDBG timeliness test. The pandemic slowed or stopped progress on nearly all CDBG-funded projects. The City exceeded the timeliness standard four years in a row—2020, 2021, 2022, and 2023—and each year, the amount in excess of the standard has grown (Figure 1). Any amount the City has in its line of credit (i.e., unspent funds) in excess of the U.S. Department of Housing and Urban Development's (HUD) timeliness standard is at risk of being taken from the City's subsequent entitlement award. PY 50 which starts July 2024 could be impacted negatively by a downward adjustment.



*Figure 1*

After the City missed the timeliness standard in May 2023, HUD instructed the City to submit to HUD for approval a workout plan that indicates the City's plan to address CDBG spending. As part of the approval of the PY 49 report approved by the Mayor and Council, CIFD was instructed to provide regular updates on CDBG program income receipts, expenditures rates, and the timeliness ratio status.

### **Current CDBG Expenditures**

As noted above, the City must have no more than 1.5 times its annual award in its line of credit when HUD measures timeliness on May 2, 2024. With an annual award of \$50.2 million, the limitation of 1.5 times the award is calculated at \$75.3 million. To remain within this maximum amount, the City must spend the estimated amount as stated in the table below.

Table 1

	<b>CDBG Timeliness</b>	<b>Calculations</b>
1	Annual entitlement amount	\$50,189,777
2	Multiplier	<u>x 1.5</u>
3	1.5 times the entitlement	\$75,284,666
4	CDBG on hand, including 2023 grant (as of 10/23/2023)	\$133,442,400
5	PY 49 forecasted program income prorated to be received through April 2024	<u>\$4,715,700</u>
6	Estimated total funding City will have during PY 49	\$138,158,100
7	<b>Amount the City needs to draw down before May 2, 2024 (row 6-3)</b>	<b>\$62,873,434</b>

### **Meetings with Council Offices and City Departments**

CIFD staff held meetings from July to September of this year with City Council District staff as well as multiple City departments that currently have CDBG-funded projects in progress. During these meetings, the possibility of reprogramming funds from delayed projects was discussed as well as ascertaining how close projects are to completion in an effort to inform a Citywide strategy that would ensure the timeliness standard would not be exceeded when assessed by HUD. These meetings were held to identify and discuss the necessity of reprogramming funds and moving funds to other projects that would serve the dual purpose of spending quickly while helping the City achieve timeliness. CIFD staff continues to collect data in a central location via Google documents to track progress.

### **Current Status of CDBG Timeliness**

The City of Los Angeles has failed to meet the CDBG Timeliness test for the last four years. As such, HUD has required a CDBG Workout Plan via a letter issued on September 13, 2023 (Attachment 4) be submitted by December 14, 2023, that details the City's approach to achieve compliance with the CDBG timeliness standard. If timeliness remains elusive when assessed in May, penalties will be implemented that risk the reduction of future CDBG resources. Any reduction in the CDBG allocation would result **directly** in a reduction of funds available for public services and administrative costs. Because the City of Los Angeles has made an ongoing commitment to fund critical, citywide service networks that support working families, our aging population, and survivors of domestic violence and human trafficking, ANY reduction can render our service networks unable to meet the needs our elected officials and our communities have come to rely on. The CDBG Workout Plan takes aggressive action that ensures critical services and active projects' funding remain intact. HUD's guidance on preparing a Workout Plan calls for grantees to:

- Identify the causes for stalled or delayed spending,
- Focus on problem areas of the City's funding approach that have caused a backup of excess funds and provide details for addressing these,

- Provide specific information to HUD that will demonstrate how the City plans to bring our local funding approach into compliance within 60 days prior to the end of the next program year, and
- Provide a way to track success against the Workout Plan and identify a reasonable schedule to report to HUD to ensure continued compliance with CDBG timeliness.

### **CDBG Reprogramming Recommendations**

The amount of funding the City needs to draw down is approximately \$62.9 million. We project that nearly \$39 million will be spent by departments in the regular course of activity. As a result of the meetings with staff from City departments, Mayor's office, and Council offices, CIFD is recommending \$24.2 million in CDBG funds be reprogrammed to the projects in Table 2 below. Since the estimated \$39 million is based on projections, the funds being reprogrammed are slightly higher than the difference based on funds being made available and a slight cushion to ensure the City meets HUD's timeliness standard when next assessed in May 2024. Reprogramming funds from projects that are significantly delayed, including those that were significantly delayed prior to the pandemic, to projects for the acquisition of property will support expedited spending of CDBG and address critical issues. The property acquisitions in Table 2 will be used for facilities that deliver supportive services for expanded economic opportunities, poverty alleviation, and homelessness prevention. Acquisition projects must make timely progress in readying the buildings to provide services planned and comply with all federal requirements. This aligns with the PY 49 (2023-24) Con Plan priorities (CF 22-1205). The City also received \$1.4 million more in program income (Attachment 6) than anticipated during PY 48 and that amount is also included in the recommended projects below.

Table 2

<b>CDBG Resources</b>			
CDBG Reprogramming		\$22,802,960.93	
CDBG Surplus Program Income from PY 48		\$1,435,591.00	
<b>Total</b>		<b>\$24,238,551.93</b>	
<b>Organization</b>	<b>Project</b>	<b>Amount</b>	<b>Comments</b>
Housing Authority of the City of Los Angeles (HACLA)	HACLA Lafayette Park by CLG	\$20,172,352.00	120 Units; Affordable and low-mod Housing
New Economics for Women	<b>Hogar Propio Scattered Sites:</b>	\$486,949.00	Supportive housing for women survivors of domestic abuse
	3115 Sheffield Ave. Los Angeles (SFH)		
	5433 Huntington Dr. N Los Angeles (Vacant Lot)		
	5440-5444 1/2 Huntington Dr. (Multi-Family)		
	5532 Poplar Blvd. (SFH)		
	5548-5550 Concord Ave. (Multi-Family)		
Housing Authority of the City of Los Angeles (HACLA)	HACLA Land Acquisition for 327 Harbor Blvd. Apartments (Vacant Lot)	\$3,579,250.00	Vacant Parcel - redeveloped into public housing site
	<b>Total</b>	<b>\$24,238,551.00</b>	

Funding to support the above was determined from a thorough analysis and review of projected spending patterns for approximately 250 open projects. A subset of the approximately 250-project review was identified (Attachment 1). The attachment lists projects that have not started yet or have made little progress and, in most cases, have two or more years old funding and/or will not spend the funds by March 2024. Spending by March will allow the City to ensure it draws down all the funds needed to meet timeliness when measured May 2, 2024. Project delays have been attributed to, in some cases, lack of site control, lack of a clear scope of work, limited staff capacity, lengthy environmental assessments, and additional reasons often outside the City's control. CIFD recommends that some projects be considered for funding in a future year, subject to resolution of the reasons for the delays. These are included in the CDBG Vested Priority Projects list (Attachment 2).

Future reports with recommendations for additional reprogramming are expected to further resolve delayed CDBG spending, address compliance with the CDBG timeliness requirement, and support Citywide priorities for housing and community needs.

#### **Long-Term Strategy for CDBG Timeliness**

The PY 49 (2023-24) Action Plan report included a revised *CDBG Expenditure Policy and Guidelines* ([C.F. 22-1205-S1](#)). The policy was developed and revised as a result of the City's failure to meet the timeliness standard in 2000, 2007, and 2015. The revised policy addresses the City's struggle to meet the standard in most years, compelled to spend \$8.9 million of local funds to resolve HUD monitoring findings (C.F. 17-1392; 20-1303), and updated procedures that worked to resolve special conditions imposed by HUD. The revised policy, now in force, strengthens project selection criteria and monitoring processes to prevent similar occurrences. Implementation and enforcement of the updated *CDBG Expenditure Policy and Guidelines* will help ensure an effective CDBG program that complies fully with federal requirements and achieves meaningful results for Angelenos. CIFD will be working with City Council and Mayoral office staff, including departmental staff within the City to inform and help implement the revised policy.

#### **FISCAL IMPACT**

No impact on the General Fund. The reprogramming recommendations are comprised of federal, CDBG funds.



ABIGAIL R. MARQUEZ  
General Manager

ARM:VM:JO:RR:NB

Attachment 1: CDBG to Be Reprogrammed  
Attachment 2: CDBG Vested Priority Projects List  
Attachment 3: CDBG Draft Workout Plan  
Attachment 4: 2023 Letter from HUD  
Attachment 5: Contract Authorities  
Attachment 6: CDBG Resources

Dept.	CD	PY	FMS Acct.	PROJECT NAME	Reprogramming Amount
Aging	CW	47	21V102	Aging Department Administration	\$5,279.15
		48	21W102	Aging Department Administration	\$60,176.59
			21W420	Aging Services Delivery System	\$64,484.00
CIFD	CW	47	21V166	Personnel	\$95,968.65
			21V299	Personnel	\$56,815.84
CIFD-CP/LAHD	CW	46	43T560	TRANSLATION SERVICES	\$0.14
CIFD-Env	14	48	21W239	Homeboy Industries - Feed Hope Environmental	\$18,352.50
CIFD-ND	1	46	21V140	Central City Neighborhood Partners (CCNP) - New Generator (GSD)	\$1,784.60
			21W140	Central City Neighborhood Partners (CCNP) - New Generator (GSD)	\$129.32
	3	46	43T961	ONEgeneration Senior Enrichment Center Improvements	\$1,002,695.00
	7	45	21V140	PACOIMA COMMUNITY CENTER REHABILITATION (EL NIDO FSC)	\$0.08
	8	47	21VB31	Western and Gage Pocket Park	\$986,743.44
CIFD-OPS	CW	47	21V582	FamilySource Centers-Nonprofit Managed	\$99,222.63
			21V951	Domestic Violence Crisis Housing Services aka Crisis to Shelter Program	\$20,018.69
			21VB01	Domestic Violence Housing & Restraining Order Clinic	\$11,753.47
		48	21W582	FamilySource System	\$112,685.09
			21W951	Domestic Violence Crisis to Shelter Program (formerly Crisis Housing Services)	\$53,671.47
			21WB01	Domestic Violence Housing & Restraining Order Clinic	\$31,749.93
Disability	CW	48	21WB03	DME for People with Disabilities	\$0.21
EWDD	CW	46	43T248	LA Clean Tech Incubator	\$0.01
			43T286	SEE-LA Food Business Incubator	\$67.00
			43T586	LA BusinessSource Program	\$0.23
		47	21V286	SEE-LA Food Business Incubator	\$400.00
			21V586	LA BusinessSource Program	\$0.31
			21VB07	Sidewalk Vending Cart	\$500,000.00
EWDD/LAH D-HDB	9	42	21V62L	Slauson Wall- Affordable Housing-Econ Dev-Green Space	\$80,000.00
HACLA	15	47	21VB25	Watts Rising CNI Watts Empowerment Music & Film Studio	\$502,530.00
		48	21WB25	Watts Rising CNI Watts Empowerment Music & Film Studio	\$200,000.00
			21WB32	Watts Rising CNI Mudtown Farms Kitchen Incubator Program	\$413,479.00
		49	21YB25	Watts Rising CNI Watts Empowerment Music & Film Studio	\$800,000.00
			21YB32	Watts Rising CNI Mudtown Farms Kitchen Incubator Prg	\$300,000.00
			21YB33	Watts Rising CNI Cool Schools	\$350,000.00
			21YB35	Watts Rising CNI Grape Street School Signage	\$150,000.00
			21YB38	Watts Rising CNI Watts Station Redevelopment	\$900,000.00
LAHD-HDB	CW	45	43S281	Lead Hazard Remediation and Healthy Homes Program	\$2,987.79
			43S588	Single Family Rehabilitation—Handyworker	\$14,090.25
		46	43T588	Single Family Rehabilitation—Handyworker	\$12,000.00
LAHD-HOM	14	47	21VB05	USC Street Medicine Team	\$6,876.64
PW-Con Ad	CW	47	21V734	BCA/Prevailing Wage Labor Compliance Services	\$41,114.11
PW-Engineering	1	46	43T970	Ziegler Estate/Casita Verde/Mt. Washington Preschool	\$984,345.00
		47	21V970	Ziegler Estate/Casita Verde/Mt. Washington Preschool	\$410,000.00
		48	21W970	Ziegler Estate/Casita Verde/Mt. Washington Preschool (Relocation)	\$31,723.69
PW-Sanitation	6	44	43R673	NORTH SEPULVEDA PEDESTRIAN ISLAND	\$683,014.66
PW-St Lighting	2	45	21V184	NORTH HOLLYWOOD AREA 3 STREET LIGHTING	\$6,606.82
			21W184	NORTH HOLLYWOOD AREA 3 STREET LIGHTING	\$43,903.32
			43S184	NORTH HOLLYWOOD AREA 3 STREET LIGHTING	\$17,113.85
			43S770	NORTH HOLLYWOOD AREA 3 STREET LIGHTING	\$598,562.50
			43T184	NORTH HOLLYWOOD AREA 3 STREET LIGHTING	\$73,075.36
	6	44	43R184	SUN VALLEY JEROME LIGHTING	\$277.47
			43S184	SUN VALLEY JEROME LIGHTING	\$12,174.31
		47	21V184	North Hollywood - Morella Street Lighting (formerly known as Sun Valley CD6 Area 1 Street Lighting)	\$5,468.79
			21VB18	North Hollywood - Morella Street Lighting (formerly known as Sun Valley CD6 Area 1 Street Lighting)	\$1,116,691.00

Dept.	CD	PY	FMS Acct.	PROJECT NAME	Reprogramming Amount
PW-St	13	44	43R184	ELYSIAN VALLEY LIGHTING PROJECT PHASE 4 (PHASE VI)	\$2.12
			43S184	ELYSIAN VALLEY LIGHTING PROJECT PHASE 4 (PHASE VI)	\$4,146.68
			43T184	ELYSIAN VALLEY LIGHTING PROJECT PHASE 4 (PHASE VI)	\$258.51
	15	46	21V184	San Pedro Area 4 Street Lighting	\$30,298.16
			21V184	San Pedro-Grand Street Lighting (formerly known as San Pedro Area 2 Street Lighting)	\$14,218.08
			21W184	San Pedro Area 4 Street Lighting	\$676,845.30
			21W184	San Pedro-Grand Street Lighting (formerly known as San Pedro Area 2 Street Lighting)	\$64,228.87
			43T966	San Pedro Area 4 Street Lighting	\$4.95
	47		21VB22	San Pedro-Grand Street Lighting (formerly known as San Pedro Area 2 Street Lighting)	\$490,133.05
		48	21W459	Beacon Street Lighting	\$162,656.46
			21W460	Amar & Santa Cruz Street Lighting	\$669,024.55
	CW	47	21VB14	Get Connected LA	\$4.88
			21W184	Get Connected LA	\$2,097,860.00
PW-St	14	46	43T783	Skid Row Neighborhood Improvements	\$1,100,000.00
Services					
Rec & Parks	1	44	43R562	DOWNEY RECREATION CENTER PHASE 3	\$150,000.00
			43R745	NORMANDIE RECREATION CENTER SYNTHETIC MEADOW	\$909,450.51
		47	21VB20	Rio De Los Angeles Park	\$640,931.50
	3	48	21W532	Runnymede Park Improvements	\$1,000,000.00
	9	46	43T773	Green Meadows Recreation Center	\$150,000.00
		48	21W522	South Park Improvements	\$399,925.00
			21W524	Augustus Hawkins Park Improvements	\$400,000.00
		49	21Y773	Green Meadows Recreation Center—Swimming pool	\$300,000.00
	13	46	43T957	Elysian Valley Recreation Center Improvements	\$564,939.40
		47	21V957	Elysian Valley Recreation Center Improvements	\$800,000.00
		48	21W527	Las Palmas Senior Center Renovation	\$1,300,000.00
<b>Grand Total</b>					<b>\$22,802,960.93</b>



49th Program Year Action Plan  
CDBG Future Priority Projects

A		B	C	D	E	F	G	H	I	J	K	L	M	N	O
						Funds Awarded or Reprogrammed									
Vested*		Project	CD	Total CDBG Needed	PY Applied	PY 44	PY 45	PY 46	PY 47	PY 48†	PY 49†	CDBG Investment and Exposure to Gen Fund‡	Balance needed	PY 50 projected	Comments
1	Yes	Algin Sutton Recreation Center and Park Improvements	8	\$1,500,000	48					1,000,000		1,000,000	\$500,000	500,000	
2	Yes	Amar & Santa Cruz Street Lighting	15	\$776,250	48					776,250	(669,025)	107,225	\$669,025		
3	Yes	Beacon Street Lighting	15	\$193,750	48					\$193,750	(162,656)	31,094	\$162,656		
4	Yes	Clinica Romero Transformation Project	14	\$1,600,052	45		400,000	400,052				800,052	\$800,000		
5	Yes	Downey Recreation Center Phase 3	1	\$500,000	44	500,000					(150,000)	350,000	\$150,000		Need \$150K back to complete ballfield improvements.
6	Yes	Green Meadows Recreation Center	9	\$150,000	46			150,000			(150,000)	0	\$150,000	150,000	
7	Yes	Normandie Recreation Center Synthetic Meadow	1	\$1,250,000	44	1,250,000					(909,500)	340,500	\$909,500	910,000	
8	Yes	North Sepulveda Pedestrian Island	6	\$864,000	44	864,000					(693,000)	171,000	\$693,000		Public Works to have more staff capacity before funding
9	Yes	ONEgeneration Senior Enrichment Center Improvements	3	\$1,502,695	46			1,502,695			(1,002,695)	500,000	\$1,002,695	1,003,000	
10	Yes	Ramon Garcia Recreation Center	14	\$3,100,000	44	300,000		1,300,000	1,500,000	(3,100,000)		0	\$3,100,000	3,100,000	Construction could start 2024. Recommend fund PY50 2024-25.
11	Yes	Rio de Los Angeles Park	1	\$750,000	47				750,000		(640,932)	109,069	\$640,932	641,000	
12	Yes	Robert M. Wilkinson Multipurpose and Senior Center Building Improvements	12	\$1,871,000	46			1,201,000	670,000	(1,871,000)		0	\$1,871,000	1,871,000	Construction could start 2024. Recommend fund PY50 2024-25.
13	Yes	Runnymede Park Improvements	3	\$2,000,000	48				1,000,000	1,000,000	(1,000,000)	1,000,000	\$1,000,000	1,000,000	
14	Yes	San Pedro Area 4 Street Lighting	15	\$761,966	46			761,966			(707,148)	54,818	\$707,148		
15	Yes	San Pedro-Grand Street Lighting (formerly San Pedro Area 2 St Ltg)	15	\$643,751	46,47				643,751		(568,579)	75,172	\$568,579		
16	Yes	Sepulveda Recreation Center and Park Ball Field Improvement	6	\$1,500,000	46			1,000,556			(1,000,556)	0	\$1,500,000		
17	Yes	Skid Row Neighborhood Improvements	14	\$1,100,000	46			1,100,000			(1,100,000)	0	\$1,100,000	1,100,000	Funding needed to complete the ADA work.
18	Yes	South Park Lighting Improvements	9	\$400,000	48					400,000	(399,925)	75	\$399,925	400,000	
19	Yes	Sun Valley Street Lighting Phase 7	6	\$1,041,000	45		1,041,000			(979,000)		62,000	\$979,000	979,000	
20	Yes	Watts Rising CNI: Cool Schools	15	\$500,000	49					150,000		150,000	\$350,000	350,000	
21	Yes	Watts Rising CNI: Cultural Trail	15	\$500,000	49					500,000		500,000	\$0		
22	Yes	Watts Rising CNI: Grape Street School Signage	15	\$200,000	49					50,000		50,000	\$150,000	150,000	
23	Yes	Watts Rising CNI: Morning Star Sports Complex	15	\$420,000	47,48,49				100,000	150,000	170,000	420,000	\$0		
24	Yes	Watts Rising CNI: Mudtown Farms Kitchen Incubator	15	\$713,479	48,49					413,479	(413,479)	0	\$713,479	713,000	
25	Yes	Watts Rising CNI: Watts Empowerment Music & Film Studio	15	\$1,502,530	47,48,49				502,530	200,000	(702,530)	0	\$1,502,530	1,503,000	
26	Yes	Watts Rising CNI: Watts Station Redevelopment	15	\$900,000	49						0	0	\$900,000	900,000	
27	Yes	Watts Rising CNI: Zgrant Commitment	15	\$5,433,479	46				602,530	763,479	(246,009)	1,120,000	\$4,313,479	3,616,000	\$697,479 still to be allocated from original PY 46 \$5.4M City commitment.
28	Yes	Western and Gage Pocket Park	8	\$2,135,130	47				2,135,130		(986,743)	1,148,387	\$986,743	987,000	
29	Yes	Wilmington Multipurpose Senior Center	15	\$1,000,000	47,48				500,000	500,000	(500,000)	500,000	\$500,000	500,000	
30	Yes	Ziegler Estate/ La Casita Verde/ Mt. Washington Preschool	1	\$3,544,345	46,47,48,49			1,194,345	2,300,000	(1,250,000)	(1,394,345)	850,000	\$2,694,345	2,694,000	
31	Vested Total			\$38,353,427		2,914,000	1,441,000	8,610,614	10,101,411	(2,566,521)	(12,281,113)	8,219,391	\$29,014,036	19,451,000	
32	No	Arminta Street Lighting Project	2	\$221,884	46								\$221,884		
33	No	Arminta Street Pedestrian Improvements	2	\$2,531,000	46								\$2,531,000		
34	No	Augustus Hawkins Discovery Cube	1	\$1,500,000	49								\$1,500,000		
35	No	Augustus Hawkins Park Improvements	9	\$400,000	48					400,000	(400,000)		\$400,000		
36	No	CD 1 Streetscape Beautification	1	\$500,000	46			500,000			(500,000)		\$500,000		
37	No	CD 9 Alley Improvements	9	\$500,000	47				500,000		(500,000)		\$500,000		Public Works to have more staff capacity before funding
38	No	CD 9 Sidewalk Improvements	9	\$500,000	47				500,000		(500,000)		\$500,000		Public Works to have more staff capacity before funding
39	No	Elysian Valley Recreation Center Improvements	13	\$1,364,939	46,47			564,939	800,000		(1,364,939)		\$1,364,939	1,364,939	
40	No	Las Palmas Senior Center Renovation	13	\$1,300,000	48					1,300,000	(1,300,000)		\$1,300,000	1,300,000	
41	No	North Hollywood - Morella Street Lighting (Formerly Known As Sun Valley CD6 Area 1 Street Lighting)	6	\$1,122,160	47				1,122,160		(1,122,160)		\$1,122,160		Public Works to have more staff capacity before funding
42	No	Pendleton & Rialto Street Lighting (formerly known as North Hollywood Sun Valley CD 6 Area 3)	6	\$1,142,500	47								\$1,142,500		
43	No	Pico Union Youth and Family Innovation Center	1	\$2,000,000	48					0			\$2,000,000		Application for \$2M and only \$500K awarded. Needs additional \$1.5 million. Project total = \$13 million, w/only \$4M secured.
44	No	Pio Pico Library Pocket Park	10	\$4,951,708	44,45,46	2,000,000	2,000,000	951,708			(4,951,708)		\$4,951,708		
45	No	Rose Hills Park Playground	14	\$600,000	48								\$600,000		Note: Different from Rose Hills Recreation Center
46	No	Sidewalk Vending Cart	CW	\$500,000	47				500,000		(500,000)		\$500,000		
47	No	Slauson Connect	9	\$2,265,000	47,48				1,265,000	1,000,000	(2,265,000)		\$2,265,000		
48	No	William Mead Choice Neighborhood Planning Grant Match	15	\$200,000	49								\$200,000		<a href="#">CF 21-0709</a>
49	Not Vested Total			\$21,599,191		2,000,000	2,000,000	2,016,647	4,687,160	2,700,000	(13,403,807)	0	\$21,599,191	2,664,939	
50	Grand Total			\$59,952,618		4,914,000	3,441,000	10,627,261	14,788,571	133,479	(25,684,920)	8,219,391	\$50,613,227	22,115,939	

\* **Vested Projects** : If future CDBG funding is not identified, there is a risk that projects that already spent CDBG funds will not be completed. Therefore, the City would have to pay back the funds already expended or would delay spending funds already allocated.

† Includes all rounds of reprogramming during PY.

‡ **CDBG Investment and Exposure to General Fund** : represents the amount of CDBG project has received and what the General Fund might be liable for reimbursing the CDBG line of credit if the project is not completed and cannot meet a CDBG national objective.





**COMMUNITY  
INVESTMENT  
FOR FAMILIES  
DEPARTMENT**  
*Paths to Prosperity*



KAREN BASS, MAYOR  
ABIGAIL R. MARQUEZ, GENERAL MANAGER

## DRAFT

### City of Los Angeles Community Development Block Grant Timeliness Workout Plan

#### Introduction

On September 13, 2023, the U.S. Department of Housing and Urban Development issued a letter of noncompliance with HUD's timely expenditure requirement to the City of Los Angeles. In pertinent part, the letter tasked the City of Los Angeles with developing and submitting to the Los Angeles field office a workout plan describing what steps have and will be taken to ensure that the line of credit balance, including any program income, will be no greater than 1.5 when measured on May 2, 2024.

The letter established a submission date of 45 days from the receipt of the noncompliance letter. Realizing that the City's process for securing consensus and approval of the broad and finer points of any workout plan would extend beyond 45 days, the City of Los Angeles requested and was granted an extension. The extended submission date of December 14, 2023, will ensure that the City can discuss and approve this workout plan at the appropriate City Council committee, a subsequent meeting of the full City Council, and Mayoral concurrence thereafter. This formal show of support will ensure the City's commitment to addressing untimely spending in the immediate and long-term future.

The Workout Plan below will detail the challenges the City has and will continue to face as it relates to CDBG spending, including its approach to ensuring timely and compliant spending by May 2, 2024.

#### Main Causes of Slow Spending

**COVID-19.** In early 2020, the COVID pandemic disrupted all planned and ongoing programs, projects, and city staffing funded by the Community Development Block Grant (CDBG). Many capital projects and services were delayed, postponed, or unable to continue during 2020-2021 due to California state, county, and city COVID-19 Emergency shutdown orders. Compounding these challenges, City staff had to be swiftly reassigned to pandemic-related activities, further disrupting previously established project schedules. The situation was exacerbated by the global

disruption in supply chains and the inability to procure materials in a timely manner, negatively impacting the forward progress of capital projects and delaying the timely spending of CDBG resources. Moreover, as construction activities gradually resumed, the industry witnessed a surge in material and labor costs. Consequently, project timelines were further delayed, necessitating project managers to engage in a bureaucratic approval process to secure additional funds. These funds were essential to complete projects that had become significantly more expensive due to the prevailing economic conditions.

***Competing Interests and Forces.*** Funds received from the CARES Act and the American Rescue Plan, which had varying obligations and strict dates for expenditure, further delayed the spending of CDBG funds. The City received tens of millions of dollars from federal and state funding sources to help address COVID's impact, which detracted from the City's work on existing projects and impacted the City's ability to monitor and track expenditures of the formula grants. City partner departments were compelled to delay progress on CDBG-funded capital projects to work on more urgent projects funded by time-sensitive, COVID-related funds. For example, our key City partner, the Economic and Workforce Development Department, received a portion of the City's U.S. Department of the Treasury funds with a more accelerated obligation and spending timeline. Similarly, our Recreation and Parks Department partners provided critical, frontline services funded with COVID-related sources, detracting from their ability to work on projects funded with formula grant resources. The City witnessed a troubling increase in the amount and percentage of unspent CDBG funding tied to capital projects.

***Intractable Staffing Challenges (Shortages).*** During this period, the City experienced a significant reduction in staffing levels. The City offered an early retirement incentive to City employees that resulted in high vacancy rates for tenured employees in positions critical to the planning and execution of projects funded with CDBG resources. For example, positions such as management assistants and management analysts, both considered generalist positions remained severely understaffed. These positions play pivotal roles in various aspects of project management, including performance and fiscal monitoring, grant administration (e.g., contract execution and invoice processing), as well as program implementation and project evaluation (e.g., performance data collection and reporting). The functions performed by individuals in these roles are critical for project completion, ensuring adherence to program guidelines and spending regulation. Regrettably, the Citywide vacancies in the management assistant and analyst classifications remain high at 13% and 36%, respectively. The challenge for these classifications is symptomatic of the challenges currently faced by CDBG-funded activities.

***Construction Site Challenges.*** It is important to note that the City was on track to meet timeliness throughout 2019 and the first two months of 2020. At that time, the City could procure materials and services in a timely manner, had sufficient funds to cover the cost of projects, and relied on an appropriate staff-to-project ratio. Since the onset of the pandemic, and even now, as the City recovers, our colleagues in the Public Works department have unveiled a concerning issue. The unavailability of construction materials, particularly copper wire, has disrupted numerous construction projects, preventing them from staying on schedule for completion. This problem,

coupled with the reduction of the workforce in key trades due to early retirements, has further compounded the challenge, resulting in a significant slowdown in the completion of CDBG-funded projects. Specifically, in an effort to re-shift workforce and material resources Citywide, colleagues in the Public Works' Bureau of Street Lighting informed CIFI that they were actively working on only ONE CDBG-funded street lighting project at a time citywide. This revelation has deleteriously affected the City's ability to spend CDBG in a timely fashion. Notably, from program years 45 to 48, there were a total of 21 street lighting projects approved. These 21 projects represent about \$12.5 million in approved budget allocations, roughly 10% of the total amount of funds allocated for neighborhood improvement projects. Reducing the pipeline of active street lighting projects to only one project exacerbates the City's inability to spend funds in a timely fashion, forcing the City to consider reducing a total number of streetlighting projects funded each year, and re-shifting its focus to other eligible CDBG projects that will help accelerate CDBG spending.

### Measures of Timeliness 2019 - 2023

Program Year - Date of Measurement	Draw Ratio of Entitlement plus Program Income	Ratio Percent Changed (Year to Year)	Amount Over Timeliness Standard (in Millions)
PY 44 - May 2019	—	-	\$0
PY 45 - Jun 2020	1.99	-	\$26.3
PY 46 - Jun 2021	2.38	82.1%	\$47.9
PY 47 - May 2022	2.46	7.7%	\$51.6
PY 48 - May 2023	2.67	15.1%	\$59.4

While the City's timeliness challenge persists, the rate of growth in its timeliness ratio has slowed from the spending at the beginning of COVID closures. As shown in the table above, the rate of untimeliness from PY 46 to PY 47 slowed from 82.1% to 7.7%. Although the rate of untimeliness increased from PY 47 to PY 48 from 7.7% to 15.1%, since May 2023 we have reprogrammed funds for acquisition projects and our rate of spending has increased. To date, we have spent \$34,867,000 on acquisition projects with funds previously allocated to stalled projects. For example, CDBG funds (\$2,550,000) were reprogrammed in PY 48 to fund a property acquisition by the St. Francis Center of Los Angeles, a nonprofit that provides relief and support to homeless and extremely low-income individuals and families in downtown Los Angeles. The acquisition of a building adjacent to their current Center expands their ability to serve more individuals and families. The City also reprogrammed funds for the acquisition of several parcels in Lincoln Heights (\$4,630,000), aiding Homeboy Industries in acquiring property to help them expand their job training complex, serving the reentry population by expanding services and training clients in skills to enter the food industry.

### Identification of Activities to Be Completed or Funding Reprogrammed

As a practice, CIFD staff regularly meets with City departments and nonprofit subrecipients of CDBG funds and discusses and reviews the balances in their respective accounts, assessing next steps to assist in the timely expenditure of funds. The need for this was heightened most recently as balances remained stubbornly high and rendered us untimely an additional year. With the threat of recaptured funds, CIFD most recently discussed risk levels to projects and the schedules of construction milestones for capital projects in an effort to conduct a more surgical reprogramming of funds. Additionally, CIFD engaged in a series of meetings with City Council offices regarding the reprogramming of CDBG funding to other projects that we would solicit and vet for both eligibility and the ability to spend faster. To this end, City staff identified funds from a number of projects that were completed and had savings or projects that had not yet started spending though funds were allocated. In total, the City is currently reprogramming \$22.8 million in CDBG, which includes \$1.5 million in PY 48 program income, to spend on acquisition projects that will result in expedited funds drawn down.

### Previously-Funded CDBG Projects to be Reprogrammed

Reprogramming funds from projects that are significantly delayed, including those that were significantly delayed prior to the pandemic, to projects for the acquisition of property will support expedited spending of CDBG and address critical issues. Funding to support the acquisition projects shown below was determined from a thorough analysis and review of projected spending patterns for approximately 250 open projects. Many projects have savings or have had delays, some up to two or more years old. Project delays have been attributed to, in some cases, lack of site control, lack of a clear scope of work, limited staff capacity, lengthy environmental assessments, and additional reasons that often are outside of the City's control. Some projects will be considered for funding in a future year, subject to resolution of the reasons for the delays.

### Reprogramming Available Funds

To address timeliness challenges, the City is investing CDBG funding for the acquisition of properties that will ultimately provide interim, public and affordable housing and supportive services. To this end, Mayor Bass and the City Council approved a PY 49 Con Plan budget that allocated \$27,687,000 in CDBG funding for the acquisition of the Mayfair Hotel. This catalytic investment in the Mayor's Inside Safe Initiative leveraged other sources of local and state services funds to acquire a property that is slated to add nearly 300 units of interim housing for unhoused Angelenos. In addition to the Mayfair, the City has used \$7.18 million in CDBG for other property acquisitions for a total of nearly \$35 million being spent on acquisitions. Continuing this acquisition strategy, the City has identified properties for use by nonprofit, service provider partners that provide service and support to provide interim housing, prevent homelessness, and achieve economic stability at the individual and family level. The City has recently identified sites that require minimal improvements, are appropriately priced, and are located in areas of most need.

The City is in the process of approving the use of CDBG for the acquisition projects below.

Project	Description	Address	Amount of CDBG
1. HACLA Lafayette Park by CLG	Acquisition of real property for 120 Units; LMI Housing	Lafayette Park	\$20,172,352
2. Hogar Propio - Scattered Sites	Supportive housing for women survivors of domestic abuse	3115 Sheffield Ave. Los Angeles (SFH)	\$78,561
		5433 Huntington Dr. N Los Angeles (Vacant Lot)	\$120,962
		5440-5444 1/2 Huntington Dr. (Multi-Family)	\$125,052
		5532 Poplar Blvd. (SFH)	\$85,562
		5548-5550 Concord Ave. (Multi-Family)	\$76,812
3. HACLA Land Acquisition	Vacant Parcel - redeveloped into public housing site	327 Harbor Blvd. Apartments (Vacant Lot)	\$3,579,250
		<b>TOTAL</b>	<b>\$24,238,551</b>

### Immediate Planned Actions

**Actions to Address Capital Project Spending Challenge.** The City has shifted focus to acquisition of properties that we are confident will meet a national objective in a reasonable period of time; identified projects will increase the City's stock of interim, affordable and public housing resources. This investment strategy will enable CDBG funds to fulfill the goals and objectives of the Consolidated Plan with land acquisition projects that will both spend CDBG funds in compliance of federal regulations, but also in service to Mayor Bass' Inside Safe Initiative, which activates a series of actions and policies that move Angelenos from encampments to more stable housing situations.

CIFD staff will continue to recommend initial funding for projects that can be completed within their stated timelines, highlighting and recommending projects that have minimal dependence on other funding, have demonstrated site control, and otherwise are ready to go. Similarly, City staff will heighten the attention and take quicker action to reprogram funds for slow-to-spend projects that otherwise present unforeseen challenges that impede their timely completion.

Moreover, CIFD staff will continue to work with other City departments to focus on increasing the frequency of submitting invoices for completed work to ensure that expended funds are drawn down in a timely manner.

For Program Year 50, the City is considering holding in abeyance its traditional, open process to solicit new applications for neighborhood improvement project funding, allowing City resources to be assessed and invested in completing existing projects and minimizing the pool of funds available to fund new projects. Implementing a limited call for funding applications will give CIFI staff time to work intensively with existing nonprofit and City department subrecipients in trouble-shooting and providing technical assistance to continue to spend in a timely fashion.

***Actions to Address Staffing Challenge.*** The City Personnel Department is currently working to reduce a 23%, Citywide vacancy rate. The City has implemented new testing policies and procedures to ease entry for applicants into those positions that are critical to continue essential City functions. Since July 2022, over 7,400 new hires have been added to the City workforce, and further increases in staffing are anticipated to continue at an accelerated rate. As newer employees continue to be trained and are gaining proficiency in their duties, a resumption of the timely processing of contracts, invoicing, inspection, and the work needed to complete projects, is anticipated.

### Long Range Plans

***Actions to Improve Monitoring and Tracking.*** CIFI is exploring options to implement a more efficient way for City departments and our nonprofits partners to update and track CDBG-funded expenditures. City staff are developing a new system, highlighting the need for a shared tracking log, updated in real time via an online platform. This new system is currently under development and will allow for direct and contemporaneous input of data from departments and funded partners.

***Actions to Improve Vetting and Funding.*** The City recently approved a revised CDBG Expenditure Policy and Guidelines document as part of its PY 49 Mayor and Council approval process (Attachment 1). CIFI will be working with subrecipients and staff in the offices of the Mayor and Council to train them on the new City policy, including the revision of selection criteria for capital projects to ensure projects approved reflect a mix of projects that include acquisition projects. Through implementation of the policy and guidelines, the City will continue to seek a balance of projects with longer completion timelines (e.g., streetlighting installation) against those which can be completed more rapidly (e.g., property acquisition). When necessary, the expenditure policy will be updated to reflect reasonable funding minimums in order to limit the number of projects that are funded at amounts that render our administrative process inefficient. For example, it takes the same effort and process to draft, review, approve and execute a contract for a project funded at \$100,000 as it does for one funded at \$1,000,000. The new policy sets minimum award levels and CIFI will continue to monitor these levels to see when and if they need to be increased. Moreover, we will continue to diversify and increase the outreach and technical assistance provided to nonprofit organizations to assist these groups in understanding and accessing CDBG funds for facility improvements that will allow vital services to continue to be provided to low-income Angelenos.



## Milestone Schedule

The City is confident that its strategy to spend CDBG resources via the funding of property acquisition projects is a sound approach. To this end, the attached milestone schedule document (Attachment 2) details key points at which formal approvals and critical path process points are cleared. The City projects the expenditure of over \$24 million dollars by early 2024 in order to ensure that on May 2, 2024, the timeliness ratio measured holds at no more than 1.5 times the City's PY 49 allocation (i.e., \$75,284,666).

## Progress Reports

CIFD has a standing weekly meeting with our local (Los Angeles Office) HUD representative, during which we will continue to provide updates on our progress to meet HUD's timeliness requirements. As mentioned previously, we will continue to seek formal and informal input and recommendations from HUD.

## Commitment to Execute the Workout Plan

CIFD staff submitted this Workout Plan to City Council for their discussion and approval, securing Mayoral concurrence, in order to demonstrate a firm and binding commitment to the execution of the Workout Plan components. As a show of its earnest efforts, the City requested and received an extension for the submission of the workout plan in order to gain this legislative approval. More than a symbolic gesture, engaging the legislative approval process demonstrates the City's acknowledgement of its fiscal responsibility as it relates to vital CDBG funds. The City acted accordingly to HUD's enforcement and is taking its stewardship of federal resources seriously by implementing immediate action and looking ahead to implementing long-range changes that will guard against a repeat scenario in the future.

## Attachments

Attachment 1: CDBG Expenditure Policy and Guidelines

Attachment 2: CDBG Workout Plan Milestone Schedule



**U.S. Department of Housing and Urban Development  
Office of Community Planning and Development**

Los Angeles Field Office, Region IX  
300 N. Los Angeles Street, Suite 4054  
Los Angeles, CA 90012

September 13, 2023

Abigail R. Marquez, General Manager  
Community Investment for Families Department  
City of Los Angeles  
1200 W. 7th Street  
Los Angeles, CA 90017

Dear Ms. Marquez:

**SUBJECT:** Second Year Noncompliance with Timely Expenditure Requirement;  
Community Development Block Grant (CDBG) Program

The purpose of this letter is to advise you that City of Los Angeles is not carrying out its Community Development Block Grant (CDBG) program in a timely manner and is non-compliant, for the second consecutive year, with the CDBG timely expenditure requirements. Continued noncompliance may result in sanctions, including the loss of funds and other corrective actions. As required by 24 CFR 570.902 of the CDBG regulations, this office reviewed the City for compliance with requirements for carrying out a CDBG Program in a timely manner. A grantee is considered in compliance if, 60 days prior to the end of its program year, the balance in the grantee's line of credit, plus the balance of program income on hand, is not more than 1.5 times the most recent entitlement grant. Program income includes funds that a grantee may have in one or more revolving loan funds (RLF), referenced as "RL" funds in the Integrated Disbursement and Information System (IDIS). Collectively, these fund balances are referred to as the adjusted line of credit balance.

The City has a July 1st Program Year Start Date. When the 60-day test was conducted on May 2, 2022, it was calculated that your community had an adjusted line of credit balance of 2.46 times its annual grant. The last 60-day test conducted on May 2, 2023, indicated an adjusted line of credit balance of 2.70 times its annual grant and, therefore the City was again in non-compliance with the 1.5 performance standard. In accordance with the terms of the Department's October 21, 2021, memo, *Restarting the Corrective Actions Process for Untimely Expenditure*, HUD is treating this non-compliance as a failure to meet the 1.5 standard for a second consecutive year. Therefore, HUD requires the City to take the following action to ensure that it will meet the next timeliness test:

- Develop and submit to the Los Angeles Field Office a workout plan describing what steps you will take to ensure that the line of credit balance, including any program income, will be no greater than 1.5 on May 2, 2024.

The following four resources, a technical assistance video along with three brochures located on the HUD Exchange website, are available to assist you in your efforts to comply with HUD's timeliness standards:

- ***"CDBG Timeliness and Best Practices to Achieve Timely Performance,"***  
<https://www.youtube.com/watch?v=6z4wdiKJPG8&feature=youtu.be>

- ***“Developing and Implementing a CDBG Workout Plan,”***  
<https://www.hudexchange.info/resources/documents/developing-and-implementing-a-cdbg-workout-plan.pdf>
- ***“Keeping Your CDBG Funds Moving,”*** and  
<https://www.hudexchange.info/resources/documents/Keeping-Your-CDBG-Funds-Moving-Guide.pdf>
- ***“Ensuring CDBG Subrecipient Timeliness.”***  
<https://www.hudexchange.info/resources/documents/Ensuring-CDBG-Subrecipient-Timelines.pdf>

These resources provide guidance for keeping your CDBG program timely and will strengthen your community’s program management capacity.

The written workout plan should be submitted to this office within 45 days of the receipt of this letter. Please make sure the plan includes the information requested in “Developing and Implementing a CDBG Workout Plan.” My office will review the workout plan and determine whether it is acceptable.

The IDIS PR56 - CDBG Timeliness Report is a helpful tool for keeping track of your drawdown progress. IDIS will calculate a current drawdown ratio and the exact dollar amount you will need to draw down to reach the 1.5 standard.

My staff and I remain available to assist you in any way possible to help you achieve compliance. Should you have any questions pertaining to this matter, please feel free to contact Roy Mata at [roy.i.mata@hud.gov](mailto:roy.i.mata@hud.gov).

Sincerely,



Rufus Washington  
Director, Community Planning and  
Development Division

U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
Integrated Disbursement and Information System

DATE: 09-06-23  
TIME: 14:00  
PAGE: 1

Current CDBG Timeliness Report  
Grantee : LOS ANGELES, CA

PGM YEAR	PGM YEAR START DATE	TIMELINESS TEST DATE	CDBG GRANT AMT	--- LETTER OF CREDIT BALANCE ---		DRAW RATIO		MINIMUM DISBURSEMENT TO MEET TEST	
				UNADJUSTED	ADJUSTED FOR PI	UNADJ	ADJ	UNADJUSTED	ADJUSTED
2022	07-01-22	05-02-23	50,929,272.00	135,829,572.92	135,849,706.60	2.67	2.67		
2023	07-01-23	05-02-24	UNAVAILABLE	104,431,219.65	104,431,433.41	*****	*****	GRANT UNAVAILABLE FOR CALCULATION	

*NOTE: If \*\*\*\*\* appears in place of ratio, then ratio cannot be calculated because either the grantee's current year grant has not been obligated in LOCCS or the current program year start and end dates have not been entered in IDIS.*

### Community Investment for Families Department Neighborhood Improvement - Public Facilities

**Description:**

Neighborhood Improvement projects are acquisition, construction, improvements, and/or renovations to various facilities owned and/or operated by nonprofit agencies or City departments.

Project Name	Council District	Contractor	Contract #	Amendment #	Contract Term	Contract Total	Annual Amortization Rate
Inell Woods Park (formerly McKinley Park, Ways Park)	9	Heal The Bay	C-138970	3	9/20/2021 – 11/30/2024	\$1,200,000	

### Los Angeles Housing Department Housing Acquisition

**Description:**

Acquisition projects that will utilize CDBG in order to acquire real property either in whole, or in part by purchase, long-term lease, donation, or otherwise for any public purpose.

Project Name	Council District	Contractor	Contract/Loan #	Amendment #	Contract/Loan Term	Contract/Loan Total	Annual Amortization Rate
Hogar Propio - 3115 Sheffield Ave.	14	New Economics for Women	new		Upon execution; 1 year for rehabilitation + 5 years service payback	\$78,561	\$15,712.20
Hogar Propio - 5433 Huntington Drive North	14	New Economics for Women	new		Upon execution; 3 year for new construction + 5 years service payback	\$120,962	\$24,192.40
Hogar Propio - 5440-5444 1/2 Huntington Drive South	14	New Economics for Women	new		Upon execution; 1 year for rehabilitation + 5 years service payback	\$125,052	\$25,010.40
Hogar Propio - 5532 Poplar Blvd.	14	New Economics for Women	new		Upon execution; 1 year for rehabilitation + 5 years service payback	\$85,562	\$17,112.40
Hogar Propio - 5548-5550 Concord Ave.	14	New Economics for Women	new		Upon execution; 1 year for rehabilitation + 5 years service payback	\$76,812	\$15,362.40

**Total: \$486,949**

	A	B	C	D	E	F	G	H	
	PROGRAM YEAR SOURCES	PY 48 (July 2022 to June 2023)					PY 49 (July 2023 to June 2024)		
		Projections	Sep (CF 20-1433-S3) & Nov 2022 (CF 21-1186-S3) Reprogramming	Updated Projections & Mar 2023 Reprog (21-1186-S4)	Updated Projections & April Reprogramming (CF 21-1186-S5)	Actuals	Projections	Oct. Reprogramming	
1	ENTITLEMENT	50,929,272	50,929,272	50,929,272	50,929,272	50,929,272	50,189,777	50,189,777	
2	PROGRAM INCOME (PI)								
3	LAHD Monitored Loans	12,779,600	12,779,600	9,747,800	9,747,800	10,950,154	9,374,000	9,374,000	
4	Commercial and Industrial Earthquake Recovery Loan Program (CIERLP)	152,000	152,000	77,000	15,400	50,222	13,000	13,000	
5	EWDD Loans	48,700	48,700	48,700	33,600	35,596	33,600	33,600	
6	Neighborhood Facilities	40,600	40,600	40,600	40,600	-	-	-	
7	Misc. Program Income	44,300	44,300	44,300	44,300	13,904	59,300	59,300	
8	Program Income Subtotal	\$ 13,065,200	\$ 13,065,200	\$ 9,958,400	\$ 9,881,700	\$ 11,049,876	\$ 9,479,900	\$ 9,479,900	
9	Available Funds								
10	Prior Year's Surplus (Deficit)	\$ 1,503,800	\$ 1,503,800	(0)	(0)	(0)	(0)	1,435,591	
11	Applicable Credits	170,600	170,600	170,600	170,600	438,015	229,300	229,300	
12	District Square #C-122004 Repayment Agreement thru Dec. 2023 2020	1,000,000	1,000,000	-	-	-	-		
13	CDBG Savings	1,291,168	1,291,168	1,291,168	1,291,168	1,291,168	15,815,020	15,815,020	
14	Funding for Fall Reprogramming	-	2,650,125	2,650,125	2,650,125	2,650,125	-	22,802,961	
15	Funding for March 2023 Reprogramming			14,404,085	14,404,085	14,404,085	-		
16	Funding for March 2023 Reprogramming Motion (CF 18-0968-S4)				750,000	750,000	-		
17	Funding for April 2023 Reprogramming				2,005,685	2,005,685	-		
18	Available Funds Subtotal	\$ 3,965,568	\$ 6,615,693	\$ 18,515,978	\$ 21,271,663	\$ 21,539,078	\$ 16,044,319	\$ 40,282,871	
19		\$ 67,960,040	\$ 70,610,165	\$ 79,403,650	\$ 82,082,635	\$ 83,518,226	\$ 75,713,996	\$ 99,952,548	
20	Amount allocated for Action Plan	\$ 67,960,040	\$ 67,960,040	\$ 67,960,040	\$ 67,960,040	\$ 67,960,040	\$ 75,713,996	\$ 75,713,996	
21	Amount allocated for Fall Reprogramming		\$ 2,650,125	\$ 2,650,125	\$ 2,650,125	\$ 2,650,125		24,238,552	
22	Amount allocated for March 2023 Reprogramming			\$ 8,793,485	\$ 8,793,485	\$ 8,793,485			
23	Amount allocated for March 2023 Reprogramming Motion (CF18-0968-S4)				\$ 750,000	\$ 750,000			
24	Amount allocated for April 2023 Reprogramming				\$ 1,928,985	\$ 1,928,985			
25	Revised Action Plan Total		\$ 70,610,165	\$ 79,403,650	\$ 82,082,636	\$ 82,082,636	\$ 75,713,996	\$ 99,952,548	
26	Surplus/Deficit and CDBG Savings	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 1,435,591	\$ 0	\$ 0	
27	CAP COMPUTATIONS					PY 49 CAP COMPUTATIONS			
28						Public Service		Administrative	
29						Rev Proj PY 48 Program Income	Rev Proj PY 48 Program Income	Proj PY 49 Program Income	Rev Proj PY 49 Program Income
30	Program Income Subtotal (above)					9,881,700	11,049,876	9,479,900	9,479,900
31	Section 108 loans					5,978,500	6,193,527	2,094,100	2,927,600
32	TOTAL PROJECTED PROGRAM INCOME RECEIPTS					\$ 15,860,200	\$ 17,243,403	\$ 11,574,000	\$ 12,407,500
33	ENTITLEMENT					50,189,777	50,189,777	50,189,777	50,189,777
34	TOTAL ANTICIPATED RESOURCES FOR CAP COMPUTATIONS					\$ 66,049,977	\$ 67,433,180	\$ 61,763,777	\$ 62,597,277
35	Multiply by Cap Rate					15%	15%	20%	20%
36	TOTAL CAP AVAILABLE—PUBLIC SERVICE					\$ 9,907,000	\$ 10,114,000		
37	TOTAL CAP AVAILABLE—ADMINISTRATIVE							\$ 12,352,000	\$ 12,519,000
	Difference from PY 49 original caps					\$ 207,000		\$ 167,000	
						2%		1%	