

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 22, 2023

CAO File No. 0220-05291-1434

Council File No. 20-0021-S1

19-0317-S1

Council District:

To: The Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Mayor Transmittals dated April 3, 2023 and May 11, 2022

Subject: **RESERVE FUND LOAN REQUESTS FOR THE PROPOSITION 47 COHORT 3 GRANT AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION GRANT**

RECOMMENDATIONS

That the Council:

1. Approve, and request the Controller to process, a Reserve Fund Loan in the amount of \$400,000 for cash flow purposes related to the Proposition (Prop) 47 Cohort 3 Grant, to be repaid upon receipt of grant funds;
2. Approve, and request the Controller to process a Reserve Fund Loan in the amount of \$560,000 for cash flow purposes related to the Caltrans Cooperative Agreement grant, to be repaid upon receipt of grant funds; and
3. Authorize the Mayor, or designee, to prepare Controller instructions and/or make technical adjustments that may be required to implement the actions approved by the Mayor and Council on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

SUMMARY

The Mayor's Office of Economic Opportunity (MOEO) administers the Project Impact and the New Roads to Second Chances (New Roads) programs, which are both funded by grants received on a cost-reimbursement basis. Project Impact is supported by the Proposition (Prop) 47 Cohort 3 Grant, and the New Roads Program is supported by a grant from the California Department of Transportation (Caltrans). The Mayor's Office requests approval of two Reserve Fund Loans in the amount of \$400,000 for Project Impact under the Prop 47 Cohort 3 Grant and \$560,000 for the New Roads Program under the Cooperative Agreement with Caltrans for cash flow purposes. The Reserve Fund loans are necessary to facilitate the immediate disbursement of funds to service providers and avoid disruption in the delivery of program services.

Proposition 47 Cohort 3 Grant

In May 2023, the Council approved the acceptance of a \$6 million Prop 47 Cohort 3 Grant from the California Board of State and Community Corrections (BSCC) to continue Project Impact for the grant performance period of September 1, 2022 through June 1, 2026. The MOEO Office of Reentry, serves as the grant administrator. Project Impact Cohort 3 serves formerly incarcerated individuals by providing behavioral health, legal, employment, and peer support services to increase employment placement and retention and housing stability, thereby reducing recidivism. The table below shows the total contract amounts for each service provider for the 45-month grant period.

Region	Service Provider	Service	Contract Amount
Downtown LA	Center for Employment Opportunities	Employment	\$ 492,500
San Fernando Valley	El Proyecto Del Barrio	Employment	400,000
South LA	Friends Outside LA	Employment	492,500
Watts	Watts Labor Community Action Committee	Employment	565,000
Downtown LA	Homeless Healthcare LA	Behavioral Health	537,500
San Fernando Valley	Homeless Healthcare LA	Behavioral Health	
South LA	Arming Minorities Against Addiction and Disease	Behavioral Health	537,500
Watts	Arming Minorities Against Addiction and Disease	Behavioral Health	
San Fernando Valley	Neighborhood Legal Services LA	Legal	365,000
Downtown LA	Legal Aid Foundation LA	Legal	1,095,000
South LA	Legal Aid Foundation LA	Legal	
Watts	Legal Aid Foundation LA	Legal	
All Regions	Anti-Recidivism Coalition	Youthful Offender Services	300,000
		Total Services	4,785,000
All Regions	Rand Corporation	Data Collection and Evaluation	515,000
		Total Contracts	\$5,300,000

California Department of Transportation Grant

In June 2022, the Council approved the acceptance of a \$10.16 million grant through a Cooperative Agreement with Caltrans to implement the 2022-25 New Roads Program for the period from July 1, 2022 through June 30, 2025. The New Roads Program is a transitional employment services litter abatement program with a goal of serving 1,300 Los Angeles area parolees and probationers. The Mayor's Office has partnered with Chrysalis Enterprises for a total amount of \$9,740,536 for the three-year grant period.

FISCAL IMPACT STATEMENT

The proposed Reserve Fund Loans in the amounts of \$400,000 for Project Impact and \$560,000 for the New Roads to Second Chances Program will be used to address cash flow issues and will be repaid upon reimbursement of Prop 47 Cohort 3 Grant funds from the BSCC and New Roads Cooperative Agreement grant funds from Caltrans.

FINANCIAL POLICIES STATEMENT

The recommendations in this Report are in compliance with the City's Financial Policies in that eligible grant activities will be funded by grant funds.

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