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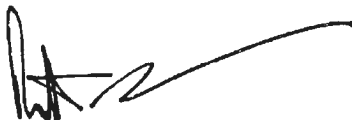
T R A N S M I T T A LTO
CouncilDATE
10-3-22

COUNCIL FILE NO.

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

At its meeting held on September 29, 2022, the L.A. for Kids Steering Committee (LAFKSC) received the annual report on the Healthy Alternatives to Smoking (HATS) Trust Fund, and recommended the award of grant funds, which is hereby transmitted for Council consideration. Council approval of this report will: (1) Authorize award of \$750,000 in HATS Trust Fund monies as part of the 10th Competitive Award Cycle (C.F. 20-0138) to the Department of Recreation and Parks to implement the authorized scope of capital improvements at the Anderson Memorial Senior Citizen Center; and, (2) Satisfy the annual financial reporting requirements for the HATS Trust Fund.

There is no immediate impact on the General Fund. Any potential incremental increases for operations and maintenance that would need to be addressed upon completion of the capital improvements to the existing Recreation and Parks facility, would be addressed as part of the City Budget process.



Matthew W. Szabo
Chair, L.A. For Kids Steering Committee

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: September 29, 2022

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

From: CAO Staff

Subject: **L.A. FOR KIDS STEERING COMMITTEE RECOMMENDATION FOR AWARD, AND ANNUAL REPORT ON THE HEALTHY ALTERNATIVES TO SMOKING TRUST FUND, IN ACCORDANCE WITH LOS ANGELES ADMINISTRATIVE CODE SECTION 5.512**

RECOMMENDATIONS

That the L.A. for Kids Steering Committee (SC) approve and authorize staff to transmit the following recommendations to Council for final action:

1. The award of \$750,000 in Healthy Alternatives to Smoking (HATS) Trust Fund monies as part of the 10th Competitive Award Cycle (C.F. 20-0138) to the Department of Recreation and Parks to implement the authorized scope of capital improvements at the Anderson Memorial Senior Citizen Center, as set forth in this report; and
2. Receive and file this (HATS) Trust Fund Annual Report.

SUMMARY

In July 1999, the Los Angeles City Council approved the HATS Trust Fund (Ordinance No. 172727) ("Ordinance"). The HATS Trust Fund was created to disburse monies collected from the National Tobacco Settlement. Monies from the Fund may only be used for the acquisition of park land and recreational improvements in under-served 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 2 percent); and, 4) not adjacent to major parks or national forest land. The ordinance designates the City Administrative Officer (CAO) to administer, manage and expend funds from the HATS Trust Fund in accordance with the Ordinance.

In accordance with Los Angeles Administrative Code 5.512, the L.A. for Kids Steering Committee is recommending that the Los Angeles City Council award the amount of \$750,000 to the Department of Recreation and Parks for the Anderson Senior Center project as part of the 10th Competitive Award Cycle as detailed in the body of this report, as well as receiving and filing the annual report on the HATS Trust Fund which identifies all expenditures out of the fund and the purposes for which the expenditures were made.

ANNUAL REPORT FOR HATS TRUST FUND

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. The Ordinance requires the award of HATS Trust Fund monies through the Proposition K Request for Proposals competitive process that is open to non-profit organizations, governmental entities, and City departments for projects within the boundaries of the under-served areas. As of July 1, 2021, the Fund had received \$4,000,000 in fee collections and \$859,890 in interest earnings for a total of \$4,859,890. Of this amount, \$3,628,957 has been appropriated and expended on qualified projects and approved by the Los Angeles City Council through the annual Proposition K Assessment Report, leaving a remaining balance of \$1,230,933 available for future projects.

10TH CYCLE AND FUTURE FUNDING AWARDS

On December 16, 2021, the L.A. for Kids Steering Committee concurred with the recommendation of the Bureau of Engineering and the Regional Volunteer Neighborhood Oversight Committee (RVNOC) and approved the award of \$750,000 to the Department of Recreation and Parks for the Anderson Senior Citizen project, as part of the 10th cycle competitive Proposition K process, leaving a remaining balance of 480,933 for the 11th competitive funding cycle, as reflected in the chart below. The report recommendations include implementing authority to proceed with the 10th Cycle Award. The funding amount may increase as the program is reconciled financially in order to insure that all available funding is awarded in the 11th competitive cycle.

Healthy Alternatives to Smoking (HATS)				
Total Available	Current 10 th Cycle Award	Project Title	Project Scope	Future Funding Award
\$1,230,933	\$750,000	Recreation and Parks - Anderson Memorial Senior Citizen Center	Playground, landscaping, lighting, fencing, parking lot improvement, path of travel, and park amenities.	\$480,933

The Bureau of Engineering anticipates releasing the 11th Cycle Proposition K request for proposals (RFP) in February 2023, which will include the remaining \$480,933 in HATS Trust Fund monies plus any additional interest earned on this account. The proposals will first be reviewed by a selection panel established for the RFP. The L.A. for Kids Steering Committee will then provide recommendations for the award of the HATS monies to the City Council as part of the Proposition K annual Assessment Report in April 2024, and the resulting grant awards are anticipated to be available within a three-year period from July 1, 2024 through June 30, 2027.

FISCAL IMPACT

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

ATTACHMENTS

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

BCH:MG:05230040

43G (Health Alternatives to Smoking (HATS) Trust Fund)			
Summary of Revenues			
Non-Interest Revenues from Revenue Source 4969			
FY	2004	\$	4,000,000
Total Non-Interest Revenues from Revenue Source 4969		\$	4,000,000
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		3,890.80
Total Interest Revenues from Revenue Source 4903		\$	859,890.09
Total Revenues from All Sources:		\$	4,859,890.09

Healthy Alternatives to Smoking

Expenditures as of 09/29/22

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, BOILED 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
				TOTAL		\$ 4,750,000.00