

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: April 18, 2023

CAO File No. 0220-05912-0012  
Council File No. 21-1015-S4, 22-1150  
Council District: All

To: Budget, Finance and Innovation Committee

From: *Ylenda Chavez*  
for Matthew W. Szabo, City Administrative Officer

Subject: **STATUS REPORT ON APPROVAL REQUESTS, AWARDS, AND GRANT AGREEMENTS ON 2022-23 STATE DESIGNATED GRANTS AND THE FISCAL YEAR 2023 FEDERAL COMMUNITY PROJECT FUNDING (CPF) AND CONGRESSIONALLY DIRECTED SPENDING (CDS) GRANTS**

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### RECOMMENDATIONS

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

1. Authorize the City Administrative Officer (CAO), or designee, to:
  - a. Prepare a grant application or project information package for the Watts Empowerment Center project outlined in Attachment 1;
  - b. Accept the 2022-23 State Designated Grant award in the amount of \$1,500,000;
  - c. Negotiate and execute a grant agreement with the California Arts Council and submit all requested documentation including the Governing Body Resolution attached to this report;
  - d. Establish a separate interest-bearing fund or account, accept and disburse the grant funds in the amount specified in the Attachment; and,
  - e. Negotiate and execute a Memorandum of Understanding with the Housing Authority of the City of Los Angeles to oversee the implementation of the Watts Empowerment Center project.
  - f. Accept a distribution of \$2.1 million designated in the 2022 State Budget Act for the San Fernando Valley Community Mental Health Center Homeless Street Pilot Program;
  - g. Deposit said funds into the Grants and Awards Fund No. 65W/10, and appropriate the funds into a new appropriation account within the Grants and Awards Fund No. 65W entitled San Fernando Valley Community Mental Health Center Homeless Street Pilot Program; and

- h. Negotiate and execute a contract with the San Fernando Valley Community Mental Health Center to implement the Homeless Street Pilot Program in an amount not to exceed \$2.1 million, for a one-year term, with the option to renew for two additional one-year terms, subject to the availability of funds, compliance with City contracting requirements, and approval by the City Attorney as to form.
2. Authorize the respective General Managers of departments or designees that are awarded Fiscal Year 2023 federal Community Project Funding or Congressional Directed Spending as outlined in Attachment 2 to:
  - a. Negotiate and execute a grant agreement and submit all requested documentation with the following federal agencies: Department of Labor, Department of Health and Human Services, Small Business Administration, Environmental Protection Agency, Department of Transportation, Department of Housing and Urban Development, and the Department of Justice; and,
  - b. Establish a separate interest-bearing fund or account, and accept and disburse the grant funds in accordance with the amounts specified in Attachment 2.
3. Authorize the aforementioned General Managers or designees, of these administering departments to make any technical corrections or clarifications to the above recommendations and fund transfer instructions in order to effectuate the intent of these matters, including any corrections and changes to fund or account numbers.

## **SUMMARY**

Our Office is transmitting for your consideration a status report on actions to be taken relative to a Fiscal Year 2022-23 State Designated Grant for the Watts Empowerment Center (Attachment 1) from the California Arts Council (CAC) and a distribution of State funds for the San Fernando Valley Community Mental Health Center Homeless Street Pilot Program addressed in a previous report (C.F. 22-1150). In addition, this report also addresses the City's Federal Fiscal Year 2023 (FY2023) Community Project Funding (CPF) or Congressional Directed Spending (CDS) grant awards included in the Consolidated Appropriations Act, 2023, administered by various federal agencies, and recommended for funding by members of Congress.

The 2022-23 Enacted California State Budget includes grant funds for specific City of Los Angeles projects and pass-through community-based organizational projects awarded through the state budget process. In order to receive these funds, the City is required to submit documentation including adoption of a Resolution and either an Application or a Project Information Package to the various state agencies administering the grant funds. The resultant outcome is the execution of a grant agreement between the City and the state agency. The City also serves as the pass-through grantee and administrator for several community-based organizations awarded funds in the state budget. The departments serving in this capacity will also be required to execute contracts or contract amendments with the community-based organizations to administer these funds. The

City does not receive reimbursements for the cost of administering grants on behalf of community-based organizations.

In 2021, Congress reinstated the Earmark Program. Eligible non-profit organizations and local, state, or tribal governments submit earmark requests to their respective Members of Congress, who then send their final recommendations to each chamber's Appropriations Committee. Each chamber's Appropriation Committee then selects final requests to be included in the annual federal spending bills. The earmarks are requested based on individual Members' understanding of their own state's or district's needs, rather than awarded solely based on Federal agency priorities. The House and Senate established reforms for the reinstated program to create increased transparency and accountability. Members of Congress must attest that they will not profit from any earmark and must post the earmarks they are requesting on their websites.

During the annual appropriations process, Congress determines how to allocate money in the discretionary budget. Earmarks are capped at one percent of the discretionary budget, divided proportionally between the House and Senate, Democrats and Republicans. In Fiscal Year 2022, Congressional earmarks totaled about \$9 billion. The Consolidated Appropriations Act, 2023 included \$15.3 billion in earmarks, which accounted for around 0.9 percent of discretionary spending. The Mayor and several Councilmembers submitted requests to various Congressional Members resulting in CPF or CDS grant awards totaling \$27.7 million to support project priorities in the City (Attachment 2).

As these funds are awarded on a non-competitive basis, the grant award process includes formal award notification along with a consolidated grant application and award package. The City is currently in the process of receiving correspondence and related documentation from the relevant grantor agencies.

In accordance with Los Angeles Administrative Code (LAAC) Section 14.6, departments may submit applications without Mayor and Council approval if no City General Funds, matching funds, or other commitments of City resources are required. Prior Mayor and Council approval may also be waived when the NOFA is published less than 61 days in advance of the date of application. However, all departments require Mayor and Council approval before accepting and receiving a grant award. Therefore, authority is recommended for the departments to submit grant applications or project information packages, negotiate and execute grant award agreements, and submit any necessary documentation for the proposed projects included in the report Attachments. It is further recommended that whenever a grant application contains all the elements of a binding commitment upon the City, the Council may authorize the department or office to subsequently execute the grant award on behalf of the City (LAAC Section 14.8, Subsection (c)).

## **FISCAL IMPACT STATEMENT**

Approval of the recommendations stated in this report will not impact the General Fund. Relative to the State Designated Grant, the Office of the City Administrative Officer is acting as a pass-through grantee and administrator of the Watts Empowerment Center project and the San Fernando Valley Community Mental Health Center, resulting in the implementation of two projects

that will benefit the Los Angeles community. Likewise, the 16 Federal Fiscal Year 2023 CPF and CDS grants secured by the Mayor and Councilmembers will also be utilized to support priority projects for the City. There are no match requirements for either the State or Federal grant programs.

## **FINANCIAL POLICIES STATEMENT**

The City's Financial Policies require that the City pursue Federal, State, and private grants but strictly limit financial support of these programs to avoid commitments that continue beyond available funding. The recommendations stated in this report comply with the City's Financial Policies in that the proposed funding is balanced against established revenue approved by Council actions and from Federal or State grant receipts. All funding is subject to the availability of grant funds and funding determinations by Mayor and Council.

*MWS:DP:CLF:02230084c*

Attachments:

1. State Designated Grants
2. Federal Community Project Funding or Congressional Designated Spending Grants

Resolution No. \_\_\_\_\_

GOVERNING BODY RESOLUTION

COUNCIL OF THE CITY OF LOS ANGELES  
APPROVING THE APPLICATION FOR GRANT FUNDS FOR

THE WATTS EMPOWERMENT CENTER PROJECT

WHEREAS, the Legislature and Governor of the State of California have approved a grant for the project shown above; and

WHEREAS, the California Arts Council has been delegated the responsibility for the administration of the grant project, setting up necessary procedures; and

WHEREAS, said procedures established by the California Arts Council, the Grantee to certify by resolution the approval of application(s) before submission of said application(s) to the state; and

WHEREAS, the Grantee will enter into an agreement with the State of California for subject project(s): The Watts Empowerment Center Project.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Los Angeles  
(Grantee)

1. Approves the acceptance of general fund allocation for local assistance for the above project(s); and
2. Certifies that said agency understands the assurances and certification in the Project Information Form; and
3. Certifies that said agency will have sufficient funds to operate and maintain the project(s) or will enter into an agreement with another entity to perform said operation and maintenance; and
4. Certifies that said agency has reviewed and understands the General Provisions contained in the Project Agreement shown in the Procedural Guide; and
5. Appoints the (designated position, not person occupying position) City Administrative Officer as agent to conduct all negotiations, execute and submit all documents including, but not limited to Project Information Form, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).

Approved and adopted the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, the undersigned, hereby certify that the forgoing Resolution Number \_\_\_\_\_ was duly adopted by the Council of the City of Los Angeles

Following Roll Call Vote:      Ayes: \_\_\_\_\_  
   Nos:        \_\_\_\_\_  
   Absent: \_\_\_\_\_

\_\_\_\_\_  
Clerk/Secretary for the Governing Body

**ATTACHMENT 1 – STATE DESIGNATED GRANTS**

<b>Lead Department</b>	<b>Administering Agency</b>	<b>Project Name</b>	<b>Total Grant (in millions)</b>
CAO	CAC	<b>Watts Empowerment Center</b> - Planning, design and renovation of the 4-Acre Arts and Culture Campus.	\$1.50

**ATTACHMENT 2 – FEDERAL COMMUNITY PROJECT FUNDING OR CONGRESSIONAL DESIGNATED SPENDING GRANTS**

<b>Lead Department</b>	<b>Administering Agency</b>	<b>Project Name</b>	<b>Total Grant (in millions)</b>
YDD	DOL ETA	Los Angeles Youth Ambassador Program – Workforce Development Activities and Stipends	\$0.64
EWDD	DOL ETA	Workforce Development Activities Through the South Los Angeles Vision Lab	\$1.00
LAWA	DOL ETA	Aviation Workforce Development Program	\$1.00
CAO	DHHS ACF	Los Angeles River Project – Operating Costs, Community Services Including Motel Vouchers and the Purchase of Food to Reduce Poverty	\$0.98
EWDD	SBA	LA Optimized – Small Business Assistance	\$1.50
LASAN	EPA STAG	Hyperion Water Reclamation Plan Modernization Project	\$3.45
BSS	DOT FHWA HIP	Cool Pavements and Shade Structures	\$2.50
BOE	DOT FHWA HIP	Pacific Palisades Pedestrian Trail	\$1.15
LAHD	HUD EDI	City Eviction Filing System Development Materials for Community Outreach and Support	\$0.50
LAHD	HUD EDI	El Sereno Properties Purchase and Construction	\$4.00
RAP	HUD EDI	Park Ballfield Improvements and Upgrades at Various LA City Parks Facilities (4)	\$4.00
BOE	HUD EDI	Studio City Beeman Recreational Center Capital Improvement Project	\$3.00
BSL	HUD EDI	Connecting Canoga Park (Internet)	\$1.50
LAHD	HUD EDI	Los Angeles Accessory Dwelling Units (ADU) Accelerator Program	\$0.75

**ATTACHMENT 2 – FEDERAL COMMUNITY PROJECT OR CONGRESSIONALLY DESIGNATED FUNDING**

LADOT	HUD EDI	South Valley Transportation and Infrastructure Improvements	\$0.75
EWDD	DOJ OJP	Returning Citizens Housing Stability Pilot Project	\$1.00