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Council File: 18-0600
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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, California 90012

Attention: Heleen Ramirez, Legislative Coordinator

EXECUTIVE DIRECTIVE #3 TRANSMITTAL: LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT (HCIDLA) REQUEST FOR AUTHORIZATION TO RE-PROGRAM APPROXIMATELY \$2.4 MILLION IN LOS ANGELES HOMELESS SERVICES AUTHORITY (LAHSA) FISCAL YEAR (FY) 2018-19 CITY GENERAL FUND SAVINGS, AMEND CONTRACT C-133697 WITH LAHSA TO ADD FUNDING FOR TWO PREVIOUSLY AUTHORIZED PROJECTS, AND ADDITIONAL ACTIONS.

Summary

In accordance with Executive Directive No. 3, the General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office review and approve this transmittal. Through this transmittal, HCIDLA seeks authorization to re-program \$2,436,755.39 in FY 2018-19 Los Angeles Homeless Services Authority (LAHSA) General Funds to implement the 2019-20 City homeless budget. HCIDLA also requests identification of savings of \$862,776.61 in the FY 2019-20 LAHSA budget to fully fund homeless services programs authorized in the 2019-20 City budget and Council Files.

Recommendations

That the Mayor review this transmittal for further action;

- I. AUTHORIZE the City Controller to:

- A. Decrease appropriations within Fund 10A - HCID GENERAL FUND PROGRAM, as follows:

From		
Account No.	Account Name	Amount
10A/43R474	LAHSA Administration and Operations	\$181,587.03
10A/43R475	Homeless Management Information System Cash Match	\$0.75
10A/43R480	Coordinated Entry System Regional Coordination	\$37,329.00
10A/43R242	(Winter) Shelter Program	\$24,455.00
10A/43R685	Homeless Engagement Teams	\$65,635.99
10A/43R687	Homeless Engagement Teams – HOPE	\$417,056.30
10A/43R276	Safe Parking	\$659,897.29
10A/43R230	Operation Healthy Streets	\$219,927.38
10A/43R684	C3 Partnership - Skid Row	\$11,822.00
10A/43R688	Oasis at San Julian Center	\$160,432.95
10A/43R695	Vehicle Fleet	\$10,838.70
	Total	\$1,788,982.39

- B. Increase appropriation within Fund 10A - HCID GENERAL FUND PROGRAM, as follows:

To		
Account No.	Account Name	Amount
10A/43S479	Coordinated Entry System Crisis and Bridge Housing	\$1,788,982.39
	Total	\$1,788,982.39

- II. AUTHORIZE the HCIDLA General Manager, or designee, to execute a first amendment to an existing City Contract with LAHSA, No. C-133697, to increase the contract amount by \$647,773 to add \$152,372 for Bridge Home Operations Casa Azul and \$495,401 for Problem Solving at FamilySource Centers;
- III. INSTRUCT LAHSA to identify \$862,776.71 in FY 2019-20 savings;
- IV. INSTRUCT LAHSA, HCIDLA and the Office of the City Administrative Officer (CAO) to report to the City's Homeless Strategy Committee on LAHSA's FY 2019-20 expenditures and any fund transfers, if necessary; and

- V. AUTHORIZE the HCIDLA General Manager, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the CAO, and request the Controller to implement these instructions.

Background

LAHSA is a Joint Powers Authority created by the City and County of Los Angeles to act on behalf of both entities to address homelessness. In FY 2019-20, the City has authorized \$74 million for LAHSA to provide homeless services programs through 10 contracts, including \$40,345,406 in City General Funds and \$34 million in State Homeless Emergency Aid Program funds, as well as Federal Community Development Block Grant and Emergency Solutions Grant (PY 44 and PY 45) funds.

The \$40.3 million in General Funds includes \$35,471,307 authorized by the Mayor and City Council as part of the 2019-20 budget for homeless programs to be implemented by LAHSA, \$723,000 for Bridge Home Operations Sylmar Armory (CF 18-0628-S3) and \$4,150,799.35 for Bridge Home Operations at Beacon Ave. and Eubank St. (CF 18-0628).

Recommendation A: Request to Transfer \$1,788,982.39 in Unspent FY 18-19 Funds for FY 19-20 General Fund Contract C-133697

In 2018-19, the City allocated \$33,153,964 for LAHSA to implement 20 homeless services programs. HCIDLA determined that \$2,436,755.39 in 12 program categories is unspent as of June 30, 2019.

HCIDLA requests that the City Council and Mayor approve the transfer of \$1,788,982.39 of the unspent amount within Fund 10A so that HCIDLA can reimburse LAHSA for expenditures authorized under the FY 2019-20 General Fund Contract C-133697.

Recommendation B: Request for Contract Authority to Add \$647,773 in Unspent FY 18-19 Funds for FY 19-20 Contract C-133697

HCIDLA requests contract authority to use \$647,773 unspent during FY 2018-19 to increase the FY 2019-20 General Fund Contract C-133697 in order to implement two previously-approved programs, Bridge Home Operations Casa Azul and Problem Solving at FamilySource Centers. Funds and accounts for these programs are already in place; contract authority is necessary to add these programs and amounts to the FY 2019-20 General Fund Contract.

In January 2019, the City Council and Mayor approved \$1,200,000 in State Homeless Emergency Aid Program and City General Funds for LAHSA to implement programs to divert persons from the homeless services system by placing problem-solving specialists at FamilySource Centers (CF 18-0628). HCIDLA was directed to add \$495,401 to FY 2018-19 General Fund Contract C-131969 for this program. As of June 30, 2019, the program had not begun. HCIDLA needs authority to add this program to the FY 2019-20 General Fund Contract C-133697.

In December 2018, the City Council and Mayor approved \$563,070 in City General Funds for Bridge Home Operations Casa Azul and directed HCIDLA to add this amount to the FY 2018-19 General Fund contract C-131969 with LAHSA (CF 18-0941-S1). \$152,372 of this allocation was not spent by June 30, 2019 when contract C-131969 expired. HCIDLA needs authority to add this program to the FY 2019-20 General Fund Contract C-133697.

\$862,776.61 Needed to Fund FY 2019-20 Homeless Services Programs

The Council and Mayor recognized \$2,651,759 in 2018-19 savings from LAHSA to fund the 2019-20 homeless services programs. The final 2019-2020 Budget Resolution includes the footnote on page R-139: *“The 2018-19 General Fund appropriation for LAHSA is reduced to reflect the agency's anticipated underspend of \$2,651,759, which is being used to offset its 2019-20 General Fund appropriation.”* As a result, City Controller transferred \$32,819,548 to HCIDLA for accounts to reimburse LAHSA during FY 2019-20.

If the City Council and Mayor approves recommendation A to use \$1,788,982.39 in FY 2018-19 savings for FY 2019-20 programs, and recommendation B for contract authority to add \$647,773 in previously approved programs to the FY 2019-20 contract, \$862,776.61 will still be needed to fully fund the homeless services programs approved by the City Council and Mayor for LAHSA to implement.

Direct LAHSA to Identify FY 2019-20 Savings

HCIDLA recommends that LAHSA identify potential FY 2019-20 savings. Several of the approved programs, such as operations funding for A Bridge Home shelters, are at different stages of implementation. Some funds approved for the City's FY 2019-20 contract with LAHSA may not be fully expended by June 30, 2020, therefore current year savings may be available.

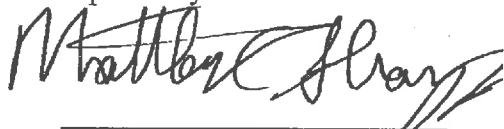
HCIDLA, LAHSA and the CAO should present potential FY 2019-20 savings to the City's Homeless Strategy Committee. Recommendations for fund transfers between accounts established for LAHSA's FY 2019-20 General Fund contract, if necessary, may be presented for consideration and approval by the City Council and Mayor at that time.

If current year savings are identified and transferred between programs to fully fund the FY 2019-20 contract, HCIDLA will need authority and funds appropriated in the FY 2020-21 City budget to contract with LAHSA to complete the previously-approved programs.

Fiscal Impact

No additional resources are needed if LAHSA identifies sufficient FY 2019-20 savings.

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FOR: ABIGAIL R. MARQUEZ
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Reviewed By:



LAURA K. GUGLIELMO
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