

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: June 26, 2025

To: L.A for Kids Steering Committee

From: Melinda Gejer, Senior Administrative Analyst *Melinda Gejer*
Office of the City Administrative Officer

Subject: **HEALTH ALTERNATIVES TO SMOKING - ANNUAL FINANCIAL REPORT PER LOS ANGELES ADMINISTRATIVE CODE SECTION 5.512 (e)**

RECOMMENDATIONS

That the L.A. for Kids Steering Committee (Steering Committee) recommend that the City Council receive and file the Health Alternatives to Smoking (HATS) Trust Fund annual report.

BACKGROUND

In July 1999, the Los Angeles City Council approved the HATS Trust Fund (Ordinance No. 172727). The HATS Trust Fund was created to disburse the \$4 million collected from the National Tobacco Settlement. The Ordinance designates the City Administrative Officer (CAO) to administer, manage and expend funds from the HATS Trust Fund in accordance with the Ordinance. Per Section 5.512 (b) of the Administrative Code, Disbursements shall be made through Proposition K: LA for Kids Program Request for Proposal (RFP). Monies from the Fund may only be used for the acquisition of park land and recreation improvements in under-served areas. For purposes of this section, under-served areas are 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 two percent); and,
- 4) not adjacent to major parks or national forest land.

In accordance with Los Angeles Administrative Code 5.512 (e), the CAO is transmitting this report on the HATS Trust Fund and identifies all expenditures and the purposes for which the expenditures were made.

ANNUAL DEVELOPMENT FEE REPORTING

The monies in 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. To date, the HATS Trust Fund has received \$4,000,000 in fee collections and \$972,808 in interest earnings for a total of \$4,972,808. Of this amount, \$4,750,000 has been appropriated for qualified projects, of which \$1,140,000 remains unspent, leaving a remaining balance of \$222,808 available for future projects. No expenditures of funds from the HATS Trust Fund occurred in the reporting period from July 1, 2024 through June 30, 2025.

The Ordinance requires the award of HATS Trust Fund monies through the Proposition K Request for Proposals (RFP) competitive process that is open to non-profit organizations, governmental entities, and City departments for projects within the boundaries of the under-served areas. The Bureau of Engineering released the 11th Cycle Proposition K RFP in February 2023, which included the remaining HATS Trust Fund monies, plus the ability to award any remaining interest or interest accrued during the RFP process. No proposals for the use of the funds were received as part of the RFP process. As there are no remaining Proposition K competitive cycles, a standalone RFP to award the remaining funds is in the development process.

FISCAL IMPACT

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

Attachments

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

| 43G (Health Alternatives to Smoking (HATS) Trust Fund) | | | |
|---|------|-----------|---------------------|
| Financial Report | | | |
| Non-Interest Revenues from Revenue Source 4969 | | | |
| FY | 2000 | \$ | 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 | | 26,623.42 |
| FY | 2021 | | 17,048.87 |
| FY | 2022 | | 14,054.84 |
| FY | 2023 | | 26,724.30 |
| FY | 2024 | | 32,357.34 |
| FY | 2025 | | TBD |
| Total Interest Revenues from Revenue Source 4903 | | \$ | 972,807.66 |
| Total Revenue from All Sources | | \$ | 4,972,807.66 |

Healthy Alternatives to Smoking

Expenditures as of 02/28/2025

| 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-ACQUISITION | C80-2 | LAND ACQUISITION AT 227 N. LAKE ST | 8/20/2007 | \$ 200,000.00 |
| 2001 | 10R207 | TEMPLE-BEVERLY PARK-LANDSCAPING | 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, BUILD 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 |