



**Second Substantial Amendment to the
48th Program Year (2022-23) Housing and Community Development Consolidated Annual Plan (48-02):
Reprogramming for the Community Development Block Grant (CDBG) & HOME Investment Partnerships Program (HOME)
and Change of Use**

**Substantial Amendment to the CARES Act 2020-21 Consolidated Plan:
Reprogramming for CDBG CARES and Emergency Solutions Grant (ESG) CARES**

Purpose

In accordance with the Code of Federal Regulations (found under 24 CFR Parts 91.105 and 91.505), and the City's Citizen Participation Plan, the City of Los Angeles provides the public with an opportunity to comment on all proposed Substantial Amendments to its Housing and Community Development Consolidated Annual Plan (Con Plan). The City wishes to notify the public of a substantial amendment to its 48th Program Year (PY 48) 2022-23 Con Plan and CARES Act 2020-21 Con Plan.

In accordance with the Code of Federal Regulations (found under 24 CFR §570.505), the City of Los Angeles will provide the public with an opportunity to comment on a proposed change of use at real property improved using Community Development Block Grant (CDBG) funds.

A 30-day public comment period will provide the public with an opportunity to review and comment on this proposed PY 48 amendment and change of use, beginning about March 6, 2023 and ending on April 6, 2023.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act authorizes an expedited public comment period for CDBG CARES Act (CDBG-CV) supplemental funding amendment, and the public will have at least five days to review and comment, in accordance with a federal waiver requested April 7, 2020, and effective April 9, 2020. A public comment period will provide the public with an opportunity to review and comment on the proposed changes for CDBG-CV, beginning about March 6, 2023 and ending on March 12, 2023.

The CARES Act exempts the Emergency Solutions Grant CARES (ESG-CV) supplemental funding amendment from an official public comment period, and this notice is to provide information on changes to project allocations.

Proposed Changes

I. Community Development Block Grant (CDBG)

In order for the City to accelerate spending of CDBG funding in accordance with federal regulations, funding for projects with significant delays will be reprogrammed to projects that are expected to spend much sooner. Mostly due to the COVID-19 pandemic, the City has not complied with annual federal requirements for spending CDBG the past three years, and continued non-compliance will trigger corrective processes that can include punitive measures from the federal government in the form of fund recapture. To avert this, funds will be reprogrammed primarily to projects that will acquire property to address critical issues of homelessness prevention and poverty alleviation. Proposed changes are listed in Tables 1 and 2. In some cases where funding is decreased, other funding from prior years is available. In addition, savings realized will support the proposed new projects. A total of \$5,593,509.24 in savings from projects funded in prior years specifically reflect balances remaining from completed projects or those that can no longer use the funds allocated to them.

Federal regulations also require that project amounts be adjusted due to a loss of program income for both 2021-22 (PY 47) and 2022-23 (PY 48) which resulted in an over-allocation; this will be resolved by decreasing project amounts for these years, and also adding prior year savings to PY 48.

Additionally, the 8th Council District proposed reprogramming from Dulan's Soul Food Restaurant Improvements Project to Crenshaw Coffee Company - Cali Soul Collective Acquisition Project to address food insecurity to the unhoused and formerly incarcerated individuals.

II. HOME Program Income Allocation

While last year's CDBG program income yielded a loss, in contrast the HOME Investment Partnerships Program (HOME) received a surplus of program income of \$18.1 million. HOME supports the development of affordable housing throughout the City and is implemented by the Los Angeles Housing Department (LAHD). HOME borrowers are housing development non-profit corporations. Proposed changes to HOME project amounts are listed in Table 1.

III. CDBG CARES

Through the CARES Act, the City received \$71,129,782 as one-time supplemental CDBG CARES (CDBG-CV) funds to prevent, prepare for, and respond to the coronavirus. Due to federal requirements, the City must spend 80% of its grant by January 2024 or the amount that exceeds 80% will be taken. Projects recommended to receive funding should expend the funds by December 2023 and would help the City with meeting the CDBG-CV 80% expenditure requirement. Proposed changes to the CDBG-CV amounts that are part of the CARES Act 2020-21 Con Plan budget are listed in Table 1.

Table 1: Proposed Changes to Project Amounts for CDBG, HOME and CDBG-CV

Project Name	Grant	Increase Amount	Decrease Amount	New Amount	Project Description/Notes
Affordable Housing Managed Pipeline	HOME	\$16,285,473.89		\$56,624,857.89	Development of affordable housing throughout the City.
Aging Administration	CDBG		-\$15,116	\$302,231	
Blue LA Electric Vehicle Chargers	CDBG		-\$957,902	0	
Building Creative Workforce	CDBG		-270,492	0	
Building Improvement Fund FamilySource Centers-Non Profit Owned	CDBG		-\$372,675	\$5,362,091	
Business Source Centers/ LA Optimized	CDBG-CV		-\$1,750,000	0	
Central City Neighborhood Partners New Generator & Light System	CDBG		-\$85,000	0	
Chavez Community Garden	CDBG		-\$132,769	0	
Community Investment for Families Dept. (CIFD) Administration	CDBG		-\$390,841	\$7,815,216	
CIFD Administration	CDBG-CV	\$1,500,000		\$2,870,128	Staff costs of administering CDBG-CV programs. Cap is 20%, and the total allocated amount increases from 5.9% to 8.7%.
Crenshaw Coffee Company - Cali Soul Collective Acquisition Project	CDBG	\$750,000		\$750,000	Acquire and develop a retail coffee space and training lab, and the build-out of a commercial/community kitchen to address food insecurity.

Domestic Violence & Human Trafficking Shelter Operations	CDBG-CV increase	\$250,000	-\$250,000	\$2,488,432	The overall total remains the same.
	CDBG decrease				
Domestic Violence Crisis to Shelter Program (formerly Crisis Housing Services)	CDBG-CV increase	\$75,000	-\$75,000	\$445,280	The overall total remains the same.
	CDBG decrease				
Dulan's Soul Food Restaurant Project	CDBG		-\$750,000	0	
Durable Medical Equipment for People With Disabilities	CDBG	\$57,782		\$57,782	Program to establish and implement the new service for unhoused persons.
Economic & Workforce Development Dept. (EWDD) Administration	CDBG		-\$102,333	\$2,046,248	
El Sereno 710 Freeway Housing Acquisition/Rehabilitation	CDBG		-\$500,000	0	
Emergency Winter Shelter	CDBG-CV	\$1,120,000		\$1,120,000	Emergency shelter for unhoused persons during winter months.
FamilySource System	CDBG-CV - increase	\$483,619	-\$483,619	\$5,839,431.29	The overall total remains the same.
	CDBG - decrease				
Homeboy Industries Feed Hope (Commissary Kitchen)	CDBG	\$4,130,000		\$4,630,000	Purchase buildings in Lincoln Heights to convert to job training culinary facility for individuals exiting the criminal justice system.
Homeboy Industries Parking Lot Improvements	CDBG		-\$150,000	\$400,000	
Jobs & Economic Development Incentive (JEDI) Zone Facade Improvement	CDBG		-\$145,153.24	\$354,846.76	
LAHD Administration	CDBG		-\$97,710	1,953,805	
LAHD Administration	HOME	\$1,809,496		6,720,397	
LAHD Administration	CDBG-CV	\$500,000		\$1,741,773.62	
Micro-Loan Program (Small Business)	CDBG		-\$392,496.21	\$107,503.79	
Pacoima Community Center Rehabilitation (El Nido FamilySource Center) Roof Replacement	CDBG	\$114,000		\$114,000	Replace leaking roof at the FamilySource Center.

Pallet Shelters	CDBG-CV		-\$2,800,000	\$5,200,000	
Ramon Garcia Recreation Center	CDBG		-\$3,100,069	0	
Recreation and Parks (RAP) After School/ Summer Support for Low-Income Families	CDBG – CV	\$1,371,381		\$1,371,381	Expand activities provided after school and/or in the summer to mitigate effects of COVID-19 at several sites in low-income neighborhoods.
Robert M. Wilkinson Senior Center Improvements	CDBG		-\$1,871,078	0	
Roger Jessup Park	CDBG		-\$150,000	0	
Small Business Legal/ Rental Assistance	CDBG – CV		-\$250,000	0	
St. Francis Hunger Relief Services	CDBG	\$2,550,000		\$2,550,000	Purchase a building near downtown to expand emergency food provision and wrap-around supportive services to serve more homeless and unstably housed individuals and families.
Summit View Sidewalk Public Improvements	CDBG		-\$120,000	0	
Sun Valley Street Lighting Phase 7	CDBG		-\$989,045.31	\$51,030.69	
Tech2Go Hotspot Lending	CDBG-CV		-\$500,000	\$1,500,000	
TUMO Foundation Building Acquisition & Rehabilitation		\$2,000,000		\$3,000,000	Purchase of building to create technology training center for low-income youth in South Valley area.
Van Nuys- Marson Street Lighting	CDBG		-\$886,798	0	

Table 2 lists projects that were funded in the prior year of 2021-22 (PY47) that will be decreased from the prior year CDBG budget and instead proceed as part of the current year 2022-23 (PY48) funding, in order to comply with federal regulations.

Table 2: Move from PY47 to PY48 to Resolve Over-Allocation

Project Name	Amount	Comment
Los Angeles Recovery Gap Financing Program	\$2,669,224	Project has not started yet; balance of \$80,776 remains budgeted in PY 47.
Durable Medical Equipment for People With Disabilities	\$75,000.00	This project will proceed in the current year in the amount of \$57,782.

IV. ESG CARES

Through the CARES Act, the City received \$184,897,885 as a one-time supplemental ESG CARES (ESG-CV) funds to prevent, prepare for, and respond to the coronavirus, for emergency shelters and street outreach for unhoused persons, and for homelessness prevention and rapid re-housing assistance. Changes to the ESG-CV amounts that are part of the CARES Act 2020-21 Con Plan budget are listed on Table 3.

Table 3: Changes to Project Amounts for ESG-CV

Project Type	Amount of Change	New Amount	Description
Administration	No change	\$6,658,937	Staff at LAHD and the Los Angeles Homeless Services Authority administering the programs.
Homelessness Prevention	+\$2,048,743	\$2,474,743	Includes landlord incentives, bonuses to eligible landlords, and housing navigation services to identify and access permanent housing solutions for Project Roomkey participants.
Rapid Rehousing	-\$18,831,109	\$82,285,920	Includes short-term and medium-term rental assistance, rental arrears, rental application fees, security deposits, advance payment of last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, mediation, legal services, and credit repair.
Shelter	+\$31,899,871	\$85,198,944	Includes interim housing at leased sites and City-owned sites; emergency shelters; rehabilitation of motels/hotels for interim housing as Project Homekey match; housing services to Project Roomkey participants; Safe Sleeping Village; supportive services at approx. 35 sites.
Street Outreach	+\$4,155,527	\$6,605,177	Services provided to unsheltered persons on the street, in parks, abandoned buildings, bus stations, campgrounds, and other unsheltered settings, to connect with emergency shelter and supportive services.
Total		\$183,223,721	

An amount of \$1,674,164 remains available from the total of \$184,897,885 awarded to the City to allocate to particular projects. Future notices will provide updates on the uses of the remaining amount.

V. Proposed Change of Use of Sites Assisted with CDBG

M.E.N.D. Inc., 13460 Van Nuys Blvd. Pacoima, CA 91331: This project received \$150,000 of CDBG in 1989. The building was occupied by M.E.N.D. Inc., that provided various support services for low-income families and people experiencing homelessness.

The proposed change of use under consideration is to convert the building into a mixed-use affordable housing project inclusive of a community kitchen and/or other community-serving commercial use.

The proposed national objective is Low to Moderate Income Housing and the proposed new matrix code is 14B Rehab; Multi-Unit Residential.

East 60th Street Community Improvement Club, Inc., 5863 S. Wall Street, Los Angeles, CA 90003: This project received CDBG funds in the amount of \$150,000 in 2003 (PY22) plus \$400,000 in 2005 (PY24) to design and construct a two-story, 6,500 square foot community youth center for low- and moderate-income, school-aged youth.

The proposed change of use is to test, monitor and remediate contaminated lands and buildings in order to build affordable housing, green space, and commercial space.

The proposed national objective is Low to Moderate Income Housing and the proposed new matrix code is 04A - Cleanup of Contaminated Sites.

Public Comments

Please submit questions or comments as follows:

E-mail: cifd.planning@lacity.org
Mail to*: Angela Peavy, Consolidated Planning
Community Investment for Families Department
1200 W. 7th Street, 4th Floor
Los Angeles, CA 90017

*Please note that mail processing may be delayed due to COVID-19.

Due dates: CARES Act information by March 12, 2023

All else by April 6, 2023