



****UPDATED****

**Third Substantial Amendment to the
49th Program Year (2023-24) Housing and Community Development Consolidated Annual Plan (49-03):
Reprogramming for the Community Development Block Grant (CDBG)**

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 49th Program Year (PY 49) 2023-24 Con Plan.

A 30-day public comment period will provide the public with an opportunity to review and comment on this proposed PY 49 amendment, beginning about March 1, 2024 and ending on March 31, 2024.

Proposed Changes - 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 or those that have been completed and have savings, will be reprogrammed to fund projects that are expected to spend much sooner. The City has identified Section 108 loan pre-payments as well as current, CDBG-funded projects that have funding gaps that are hindering progress to completion. 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. Proposed changes are listed in the Table below. In general, the reprogrammed funds will be reallocated to construction projects requiring additional funds due to rising construction costs in order to be completed. Prepayment of Section 108 loan balances; loans issued for economic development projects under the Section 108 program can be pre-paid under specific circumstances and with the approval of the U.S. Housing and Urban Development Department. The Section 108 program allows the City the ability to leverage portions of its CDBG funds into federally guaranteed loans large enough pursue physical and economic revitalization projects capable of redeveloping entire neighborhoods

On February 9, 2024, as part of the consideration of the 49th Program Year (2023-24) Consolidated Plan, the Council approved a motion relative to Council File No. 21-1186-S6, directing the reprogramming of \$2,500,000 in CDBG funds from the Kittridge Park project to the TUMO Center for Creative Technologies project.

Funding from prior years is available to support the proposed new funding for projects and Section 108 loan prepayments in the total amount of \$11,578,626.

Table 1: Proposed Changes to Project Amounts for CDBG in PY49

Name	Increase Amount	Decrease Amount	New Amount
Kittridge Street Park		\$2,500,000	0
TUMO Foundation Phase 2	\$2,500,000		\$2,500,000
William Mead/Choice Neighborhoods Initiative	\$200,000		\$200,000
SEED LA Gym	\$380,000		\$380,000
NEW/Zine Building	\$18,300		\$18,300
Slauson Wall Green Space		\$1,500,000	\$1,579,903
Hogar Propio-Property Acquisition		\$486,949	0
Program and Administrative Savings		\$5,374,592	0
Project Homekey		\$4,036,759	0
Sec 108 Loan Payback (Lanzit)	\$1,400,000		0
Sec 108 Loan Payback (Small Business Loan Program)	\$1,000,000		0
Sec 108 Loan Payback (Phoenix Ofc)	\$5,104,000		0
Sec 108 Loan Payback (Harold and Belles)	\$1,896,000		0
Sec 108 Loan Payback (Vineland)	\$1,772,000		0

Public Comments

Please submit questions or comments by March 30, 2024

E-mail: cifd.planning@lacity.org

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