

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

On March 9, 2022, Congress passed the federal budget for these grants, which allowed the City to have actual entitlement amounts in time for the draft Annual Action Plan budget, which saves considerable time.

CDBG: The 2022-23 entitlement amount of \$50.9 million is comparable to the amounts of recent years. The City relies on other resources to leverage CDBG, depending on the type of project or program. For example, local Proposition K, Quimby Act, and LA84 Foundation funds support park development. The City's Capital Improvement Expenditure Program also funds improvements to existing and construction of new public facilities and infrastructure. Additional resources for affordable housing, homeless services and public services are described below.

HOME: The 2022-23 entitlement amount of \$29.8 million reflects a 2% decrease from the previous year. As with CDBG, HOME leverages several other sources for the construction of affordable housing, which is detailed below. HOME also leverages CDBG and the Mortgage Credit Certificate Program federal income tax credits to assist first time, low- or moderate-income homebuyers to achieve the dream of homeownership.

HOPWA: This year's HOPWA allocation of \$21.7 million is the City's highest in the last ten years. In 2017, the HOPWA federal allocation formula changed, and is now based on a jurisdiction's proportion of people living with HIV/AIDS rather than cumulative cases of HIV/AIDS, and also factors in the jurisdiction's housing cost and poverty rate. HOPWA covers all of LA County, which has high rates in all of these factors, resulting in increased grant amounts each year since 2017. HOPWA service providers coordinate with other resources to augment assistance to clients, including the federal Ryan White HIV/AIDS Program and County public and mental health programs.

ESG: This year's ESG allocation of \$4.5 million is comparable to the amounts of recent years. ESG is leveraged with CDBG, Continuum of Care, local General Fund, local County Measure H and various State grants to deliver homeless assistance programs.

Continuum of Care: As of early 2022, HUD has yet to formally announce HUD CoC Program funding awards. The expected HUD CoC Program award for the Los Angeles Continuum of Care (CoC) is at minimum \$150,913,363 for 2022-2023. Funding includes continuation of most previous programs. CoC Programs will leverage ESG, as well as local and state funds to help reduce homelessness.

City General Fund: The City's General Fund contribution is estimated at \$126.5 million in 2022-23,

primarily to support emergency and transitional housing and supportive services for homeless persons, as well as services for domestic violence survivors, youth and older adults. These funds will leverage CDBG, ESG, CoC, CSBG, Proposition HHH, County Measure H, and other sources in support of the reduction and prevention of homelessness and the economic stabilization of low-income families. The Expected Remainder amount is adjusted from the original five-year amount as more funding was awarded to address homelessness and other public services than was originally anticipated for the five year period. In addition, the City continues to have an amount of its General Fund available to be loaned for Con Plan expenses until the federal funds are set up in the accounts, to allow for activities to begin in a timely manner pending the availability of federal funds.

Public Housing Capital Fund: Public Housing Capital Funds are allocated to address critical physical needs in the HACLA public housing portfolio. It is anticipated that the Capital Fund Program will see increases from HUD allocations in program years 46 and 47. HACLA's 2022 funding is \$24.5 million and anticipate the 2023 funding will be a similar amount.

Section 8 Rental Assistance: The Section 8 Housing Choice Voucher Program (HCVP) subsidies provide rental assistance for extremely low-income individuals and families from the HACLA general waitlist and for a variety of at-risk populations, including homeless and chronically homeless, seniors, persons with disabilities, and transition-aged youth, through special programs established by HUD and by HACLA. HUD allocated \$619 million for the 2022 fiscal year. These dollars include rental assistance for HUD's Veteran Affairs Supportive Housing (VASH) homeless and chronically homeless veterans in conjunction with supportive services from the U.S. Department of Veterans Affairs.

(Other) Community Services Block Grant: The Community Services Block Grant leverages CDBG and City General Fund to fund services that support low-income families to become self-sufficient by addressing needs for employment preparation, education, and asset building. The City's grant for 2022-2023 is \$6,756,987 million, and the City received around \$30 million over the last five years.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		

CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	50,929,272	13,065,200	3,965,568	67,960,040	0	See Introduction.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	29,893,708	19,215,300	0	49,109,008	0	See Introduction.
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	21,794,278	0	2,669,067	24,463,345	0	See Introduction.

ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re- housing (rental assistance) Rental Assistance Services Transitional housing	4,534,618	0	0	4,534,618	0	See Introduction.
Continuum of Care	public - federal	Overnight shelter Rapid re- housing (rental assistance) Rental Assistance Supportive services Transitional housing	150,913,363	0	0	150,913,363	0	See Introduction.
General Fund	public - local	Admin and Planning Overnight shelter Public Services Supportive services Transitional housing	126,529,270	0	0	126,529,270	0	See Introduction.

Public Housing Capital Fund	public - federal	Housing Multifamily rental new construction Multifamily rental rehab	24,558,367	0	0	24,558,367	0	See Introduction.
Section 8	public - federal	Rental Assistance	619,410,027	0	0	619,410,027	0	See Introduction.
Other	public - federal	Public Services	6,756,987	0	0	6,756,987	0	See Introduction.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Con Plan grants will be leveraged with a variety of private, state, and local resources for the development and preservation of affordable housing and for the prevention and reduction of homelessness, including:

- New Generation Fund (NGF)/ Supportive Housing Loan Fund (SHLF), a partnership with several banking institutions and private foundations to develop permanent supportive and other affordable housing (private).
- Low Income Housing Tax Credits, Homeless Emergency Assistance Program, No Place Like Home, Infill Infrastructure Grant (state).
- City General Fund, Proposition HHH, Affordable Housing Linkage Fee, LA County Measure H, publicly-owned land (local).

The HOME program normally requires a 25% match, however, due to the large population of impoverished people in Los Angeles, the City’s match is reduced by HUD to 12.5%, and the match is met with the private, state and local funding sources stated above.

ESG requires a 100% match, which is met by the expenditure of City General funds for homeless assistance programs.

OTHER FEDERAL FUNDING

American Rescue Plan (ARP)

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) into law, allowing \$1.9 trillion dollars in various types of aid to benefit the American people. A large portion of this injection of funding is focused on economic revitalization and recovery from the COVID-19 pandemic. The City was awarded \$99,891,031 in HOME-ARP funds and has allotted \$58.1 million to Project HomeKey and \$20 million to the Affordable Housing Managed Pipeline for the development of affordable housing, \$10.2 million to the Eviction Defense Program and \$8.4 million to the L.A. Emergency Fund for supportive services, and \$3.1 million for administration costs.

Additionally, ARP funds were awarded to Los Angeles County 3,295 emergency housing vouchers, which is equivalent to around \$46 million. It is expected that many City residents will be able to obtain vouchers.

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied:

Coronavirus Aid, Relief, and Economic Security (CARES)

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law addressing a once-in-a-century pandemic. This funding was to help states and localities mitigate the many effects of COVID-19 and the resulting economic recession on individuals and families. Part of this package was funding for CDBG, ESG, and HOPWA to help prevent, prepare for and respond to those effects. Over \$250 million in supplemental one-time funding was awarded to the City of LA and is being used to prevent and reduce homelessness, address the digital divide for low-income families without access to the internet, provide food, provide childcare to support parents returning to work, provide employment training for more marketable skills for those who experienced job loss, support small businesses, and other efforts.

The Coronavirus Relief Fund (CRF) was part of the CARES Act that supported a number of functions to ease the burdens of Americans during the pandemic. The City used this additional one-time funding to implement several activities that complemented the Con Plan programs to address issues during COVID. These activities included childcare programs, the Eviction Defense Program, Emergency Rental Assistance Subsidy, and other projects to keep Angelenos housed and safe during this time.

The CARES Act also awarded \$9 million in supplemental one-time Community Services Block Grant funds, which are assisting low-income families affected by the pandemic through direct payments, rental arrears, utility arrears, food bank support, and computer software and equipment for online learning. Assistance for survivors of domestic violence and human trafficking is also included, as there has been a sharp increase in such experiences during the pandemic. Over 16,000 families are expected to be supported with these funds.

STATE FUNDING

Affordable Housing and Sustainable Communities

The Affordable Housing and Sustainable Communities Program (AHSC) encourages compact development and infill to reduce greenhouse gas emissions. In 2022, the State of California Strategic Growth Council (SGC) awarded \$163.3 million in AHSC funding to the City to help build 929 affordable units in seven projects. Of that \$163.3 million award, \$105.7 million will be allocated for new affordable housing construction and \$54.8 million for transit-oriented infrastructure projects. This is the sixth consecutive year that City of LA projects have been awarded AHSC funding. All together, the City has secured nearly \$494.2 million in AHSC funding to support 35 housing developments with 3,872 affordable units.

California Emergency Solutions and Housing (CESH)-LAHSA

The CESH grant awards approximately \$16 million to be deployed for the 2020-2025 period and will continue to support rapid rehousing services and subsidies, upgrades to the Continuum of Care Homeless Management Information System (HMIS), access centers and their associated services, and homeless prevention and diversion activities.

California Office of Traffic Safety (OTS) Programs

The City of LA has been awarded OTS grants since 2005 to address child passenger safety and, since 2016, a separate grant to address traffic fatalities of pedestrians and cyclists, especially senior citizens. People living in lower-income neighborhoods are the most affected. The combined grants amount to over \$400,000 and support about 5,000 families through education on pedestrian and bicycle safety, selection and installation of child car safety seats, training on current laws, and providing safety items at workshops and community events. The program also alerts families to the steep fines associated with failure to comply with California laws, which can be \$600. The program supports the goal of helping low-income families to stabilize economically.

California Student Aid Commission Children Savings Account Grant Program

The City of Los Angeles was awarded \$1.5 million in grant funding from the California Student Aid Commission (CSAC) for the development and implementation of the Children's Savings Account Program for program year 2021 - 2022. The program, called Opportunity LA, will provide \$50 seed funding for each eligible first grader enrolled in the Los Angeles Unified School District (LAUSD). The purpose of the savings accounts are for post-secondary education and pre-college expenses, which will improve access to higher education for low-income families. The program implementation continues in 2022-23.

CalWORKs Single Allocation

CalWORKs is California's federal Temporary Assistance for Needy Families (TANF) program. Single Allocation funds are made available to LAHSA for the City of Los Angeles from the Los Angeles County

Department of Public Social Services. These funds support eligibility determination of CalWORKs programs and benefits, employment services, childcare subsidies, and other administrative costs and supportive services. LAHSA provides this funding to service providers to provide case management to families enrolled in CES programs. LAHSA receives an amount of \$410,000 to provide these services for the City of Los Angeles.

Homeless Housing, Assistance, and Prevention (HHAP) Program-LAHS

The grant awards as of early 2022 include two rounds of funding -- Round 1 included \$117 million to the City of Los Angeles, \$66 million to the Los Angeles Homeless Services Authority, and \$64 million to Los Angeles County from the State of California for the 2020-2025 period. Round 2 included \$55 million to the City of Los Angeles, \$31 million to the Los Angeles Homeless Services Authority, and \$29 million to Los Angeles County. Funds will continue to support interim housing, homelessness prevention and problem solving, rental assistance, services on Skid Row, and increased services for homeless youth or youth at risk of becoming homeless. Round 3 funding of \$143 million to the City of Los Angeles, \$84 million to the Los Angeles Homeless Services Authority, and \$82 million to Los Angeles County is currently being planned.

Infill Infrastructure Grant

The Infill Infrastructure Grant (IIG) provides grant funding from the California Housing and Community Development Dept. (HCD) on a competitive basis for infrastructure-related costs for affordable housing development. The term “infill development” refers to building within unused and underutilized lands within existing development patterns. Grant funds are paid to affordable housing developers for eligible uses associated with infill development, thus stretching HOME funds to finance more affordable housing units.

In June 2020, the Los Angeles Housing Dept. received an award for 13 projects totaling \$46,122,439, securing 24% of the total \$194 million available statewide. These 13 projects will create a total of 1,938 affordable housing units. In the next round in 2021, the requirement that developers jointly-apply with a government entity was removed. Developers could apply independently, and a total of 19 projects in the City of Los Angeles applied, and all 19 projects were awarded a total of \$69,241,739.

Low Income Housing Tax Credits (LIHTC)

For FY 2022-2023, the estimated amount of capital from 9% LIHTC equity for LA City projects is \$139.9 million. This tax credit allocation dedicated to the city continues to create a level of financial certainty for affordable housing development investors, and facilitates long range planning. LIHTC funding is leveraged with HOME, HOPWA, local Proposition HHH, and other sources.

No Place Like Home Program

The No Place Like Home (NPLH) Program was enacted by California voters on November 6, 2018, which dedicates up to \$2 billion in bond proceeds to invest in the development of permanent supportive

housing for persons in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness. The largest of the NPLH grants awarded in March 2019 went to Los Angeles County, which received nearly \$230.5 million for Round 1 funding, with an expected overall program funding amount of approximately \$700 million. The funds are jointly administered by the Los Angeles County Development Authority (LACDA) and County Department of Mental Health (DMH), and will include support for projects in the City of LA.

Project Homekey

The State of California Department of Housing and Community Development (HCD) issued Project Homekey Round 1 total funds of \$296 million plus Round 2 of \$2.75 billion to rapidly expand housing for persons experiencing homelessness or who are at-risk of homelessness and impacted by the COVID-19 pandemic. Cities are expected to acquire thousands of units, including interim housing. Many of the properties acquired are motels that require significant rehabilitation and higher operating costs prior to converting to permanent housing. The City of Los Angeles has \$102 million in Project Homekey grant funds.

Proposition 68 - Drought, Water, Parks, Climate Coastal Protection & Outdoor Access for All Act

The voters in California authorized the State to issue \$4.1 billion in general obligation bonds for state and local parks, environmental protection and restoration projects, water infrastructure projects and flood protection. Between 15 and 20 percent of bond funds would be required to fund projects in communities with a median household income below 60 percent of the statewide average. The City was awarded \$19 million in 2020 and another \$30 million in 2021 to expand and develop four parks and recreation centers. Work will continue in Program Year 2022-23.

SB2/Permanent Local Housing Allocation (PLHA)

In 2017, Governor Brown signed the Building Homes and Jobs Act, also known as Senate Bill 2 (SB-2). SB-2 added a new \$75 fee for all real estate transactions for each recorded instrument with a cap of \$225. Fees are estimated to produce \$250 million annually to increase the supply of affordable homes in California. Revenue generated from the fee is then distributed to local jurisdictions by the California Department of Housing and Community Development (HCD) through a new permanent source, the Permanent Local Housing Allocation (PLHA). Entitlement jurisdictions are required to submit a five-year plan, accompanying the inaugural year's application in 2020 for the 2019-2024 funding cycle. A jurisdiction's annual allocation will be determined by the amount of fees generated at the state level.

On July 1, 2020, the Mayor and City Council adopted LAHD's five-year PLHA plan and Resolution. The State informed the City of its award amount of \$26,219,573 for its first-year allocation and \$40,753,337 for the second year. The funding percentages for each program activity for the duration of the five-year plan are as follows: 5 % Administrative, 44 % New Construction-Rental Housing, 22 % Preservation-Rental Housing, 20 % Moderate-Income Purchase Assistance Program, 5 % Eviction Defense - Emergency

Rental Assistance, 4% Accessory Dwelling Unit - Rental Assistance. Future allocations will be divided as such.

LOCAL FUNDING

Affordable Housing Linkage Fee

Since its inception in 2018, the total revenue collected by the Affordable Housing Linkage Fee as of December 31, 2021 is approximately \$58.5 million. The Affordable Housing Linkage Fee Expenditure Plan allocates revenue for various uses, including but not limited to new construction of affordable housing, preservation of affordable housing, homeownership assistance for Moderate Income home buyers, and 15% for staffing and the new housing development software system. An updated Expenditure Plan will be developed and submitted for approval in October 2022 after the full fiscal year of revenue is tabulated. Approximately \$644,211 is expected for the homeownership program for the 2022-23 year to assist seven low-income first-time homebuyers.

County Measure H

In March 2017, the voters of the county approved Measure H, a sales tax increase that will generate an estimated \$355 million per year for 10 years to pay for homeless services and other support systems needed to move people off the street and into safe housing. These funds support the County's Comprehensive Homeless Initiative Strategies to combat homelessness, including programs that provide prevention services, crisis and bridge housing, bridge housing for persons exiting institutions, rapid rehousing, countywide street outreach, enhanced services for homeless youth, and enhanced and strengthened coordination throughout the LA County Coordinated Entry System. As of February 2022, the County's funding recommendations for the 2022-2023 grant year are pending, which are expected to continue the work of homelessness reduction and prevention through a network of organizations, including LAHSA.

County of Los Angeles Housing Support Program

The Housing Support Program is provided to LAHSA by the Los Angeles County Department of Public Social Services (DPSS). Funds totaling \$15,120,000 are available to provide Crisis Housing and Rapid Rehousing for homeless families across Los Angeles County.

County of Los Angeles Independent Living Program

The Independent Living Program offers Transitional Housing for Transition Age Youth who are former foster youth. Approximately \$2.8 million is made available to LAHSA by the County of Los Angeles Department of Children and Family Services to support the operations of safe and supportive temporary housing for young adults.

Naturally Occurring Affordable Housing (NOAH) Loan Program

A significant number of multifamily rental properties provide housing at rates affordable to low- and moderate-income households without subsidy. However, many suffer from poor maintenance and negligent management, making them unappealing, unfit and unsafe for occupancy. The City's Naturally Occurring Affordable Housing (NOAH) Loan Program has been developed to provide mission-driven affordable housing providers financing tools to acquire, rehabilitate and maintain smaller multifamily properties as affordable housing for the long term. With the ever-growing demand for rental housing, many NOAH properties are under threat of conversion to market-rate, luxury units, placing families and communities at risk of displacement. The NOAH Loan Program is set to utilize the City-supported New Generation Fund, target areas of the City facing gentrification pressures (which are rapidly becoming citywide), and help preserve and stabilize the existing housing stock. Due to the COVID-19 pandemic and changes in the housing market, LAHD is currently looking to restructure the NOAH program and assist and provide solutions to preserve NOAH properties. The program is funded by a combination of local funding and private funding from the University of Southern California.

Proposition HHH Permanent Supportive Housing Funds

In November 2016, Los Angeles voters approved Proposition HHH, which gives the City authority to issue up to \$1.2 billion in General Obligation bonds over ten years to finance the development of permanent supportive housing (PSH) and other affordable housing units. PSH for chronically homeless and homeless households will combine with social services, which may include mental health and health services, drug and alcohol treatment, and job training. HHH funds will leverage HOME, LIHTC, and other sources. Eighteen (18) projects totaling 1,142 units developed with HHH funds have been placed in service; an additional 65 projects with 4,205 units are currently in construction, and another 27 projects with 1,880 units are approved and in preconstruction.

PRIVATE FUNDING

CIT Bank Community Development Grant

Each year since 2017, the City has successfully applied for and received four \$400,000 grants and one \$300,000 grant, totaling \$1,900,000, from CIT Bank for the Low Income Purchase Assistance (LIPA) Program for first-time homebuyers. The funding assisted 110 low-income families in purchasing their first homes and securing permanent housing with these grant funds, which were leveraged with HOME funds. The City is expected to apply for another \$300,000 grant from CIT Bank in 2022.

Olympic Organizing Committee Youth Sports Programming

The International Olympic Committee (IOC) entered into an agreement with the United States Olympic Committee and the City to provide \$160 million to support youth sports programming, to significantly enhance access to sports for the City's youth, beginning in 2018, over the years leading up to the 2028

Summer Olympic Games. Much of the programming will be implemented in neighborhoods where low-income families reside.

University of Southern California Affordable Housing Fund

There is a critical need for affordable housing in the University of Southern California (USC) Nexus Study Area. Many low-income residents are displaced as a result of increasing rents and low median wages. The expansion of the USC main campus and inadequate supply of on-campus student housing has led to a demand for neighborhood housing. Many residential properties are rapidly being purchased by for-profit developers and leased to students at high rents. The USC Affordable Housing Fund will preserve and/or increase the supply of housing for lower income households in the USC Nexus Study Area by providing competitive loans to borrowers for the acquisition, rehabilitation, and preservation of existing multifamily housing units.

Up to \$20 Million will go to the City's Affordable Housing Trust Fund, with the initial amount for 1) USC Neighborhood Housing Preservation Fund Administrator to manage the USC Revolving Loan Fund (USC-RLF) that is intended to incentivize the production and preservation of affordable housing in the USC area. (\$5,600,000); 2) Creation of a USC Area Housing Metrics/Data Dashboard for the purpose of tracking and analyzing local housing conditions (\$75,000); and 3) Homebuyer Education Counseling to residents in the USC area, including a case management plan and services regarding foreclosure intervention and prevention. (\$50,000).

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Comprehensive Homeless Strategy

The Comprehensive Homeless Strategy adopted by the City Council and Mayor in 2016 includes a strategy to Identify Public Land for Homeless Facilities. As many as 27 publicly-owned sites are being used for the "A Bridge Home" program which provides temporary crisis housing for homeless persons, including sites owned by the local transit authority. A Bridge Home is discussed in more detail in the Executive Summary, Section AP-05.

Acquisition of Route 710 Surplus Properties

The City is currently developing a financing and acquisition plan to purchase property in the El Sereno neighborhood from the California Department of Transportation (Caltrans) along the formerly proposed State Route 710 highway corridor extension that now will no longer be built, many decades after the properties were acquired by Caltrans. Caltrans will sell approximately 261 single family homes and vacant parcels. The plan will include HACLA purchasing approximately 40 properties for its own affordable housing program, other properties being acquired by the City to develop mixed-use affordable housing, and parcels used to expand/develop new park space. Affordable housing nonprofit providers will be selected to receive parcels through a procurement process to be managed by HACLA.

Affordable Housing Development

The Los Angeles Housing Department continues to work with various other City agencies in a coordinated effort for the evaluation, disposition, and development of City-owned properties for affordable housing. Assets include 63 sites acquired through the dissolution of the former Community Redevelopment Agency, City-owned parking lots, sites acquired through loan default, and other City assets. Since 2016, the City Council and Mayor have approved the release of several Requests for Proposals/Qualifications, and the selection of affordable housing developers for approximately 41 properties. These City-owned properties are located in various neighborhoods throughout the city, and include permanent supportive, multifamily, mixed-use and homeownership developments. As of February 2022, 21 sites have been conveyed to the developer either through ground lease or land sale, and three (3) sites are in service.

Economic Development

As part of the City's Jobs and Business Advancement Action Plan, the City Council and Mayor approved the Asset Evaluation Framework, which established a process for evaluating and designating City-owned parcels to be sold or leased for economic development purposes. Local legislation created the Economic Development Trust Fund (EDTF) from the proceeds of those transactions. Up to 50% of the sale or lease proceeds from properties designated for economic development under the Asset Management Framework Policy may be used to encourage property development, business expansion, employment opportunities, economic development projects and programs, development subsidies and business technical assistance in areas with the greatest need. Currently there are nine (9) City-owned or City-optioned properties that have been designated for economic development.

Discussion

Los Angeles continues to expand the number of local, state, federal, and private resources it taps into to address the expansive homelessness crisis and the needs of low-income families. Some grants awarded in prior years are still being utilized while the City continues to look for more opportunities to collaborate and leverage with other resources.