



**Chief  
Executive  
Office.**

**COUNTY OF LOS ANGELES**

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**CHIEF EXECUTIVE OFFICER**

Fesia A. Davenport

October 22, 2024

To: Supervisor Lindsey P. Horvath, Chair  
Supervisor Hilda L. Solis  
Supervisor Holly J. Mitchell  
Supervisor Janice Hahn  
Supervisor Kathryn Barger

From: Fesia A. Davenport   
Chief Executive Officer

**NOTICE OF THIRD SET OF RECOMMENDED CHANGES TO ALLOCATIONS IN PREVIOUSLY APPROVED AMERICAN RESCUE PLAN ACT SPENDING PLANS**

All American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) must be spent or obligated no later than December 31, 2024.

As the County approaches this deadline, departments have limited time to ensure all program funds are obligated. Failure to do so may result in returning any unobligated funds to the federal government, which means these funds will not be available to support County communities.

We are working closely with the Auditor-Controller, County Counsel, and departments administering ARPA-funded programs to evaluate and monitor all ARPA allocations and ensure funding is spent or obligated by the end of 2024. In this monitoring process, we have identified \$7.9 million in ARPA funds that must be reallocated to ensure the funding is obligated and spent by the applicable federal deadlines. The funds consist of \$6.8 million in ARPA SLFRF and \$1.1 million in ARPA-enabled funding.<sup>1</sup>

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<sup>1</sup> ARPA-enabled funds consist of net County cost, realized pursuant to ARPA revenue loss provisions that allow the County to claim SLFRF for revenues lost as a result of the COVID-19 pandemic. ARPA-enabled funds support the Board-approved ARPA spending plans and must be spent in accordance with those plans.



Unless we receive objections from your Board on or before October 31, 2024, we will notify departments of the revised reallocation amounts described below and, in the attachment, and direct them to proceed with implementing program changes supported by the reallocated funding.

## **Background on Board-Approved ARPA Spending Plans and Previous Reallocations**

The County received approximately \$1.9 billion in SLFRF through ARPA in two equal tranches of approximately \$975.0 million in May 2021 and June 2022. Your Board adopted a [phase one spending plan](#) allocating the first tranche of \$975.0 million in SLFRF on July 27, 2021, and a [phase two spending plan](#) allocating the second tranche of \$975.0 million on September 13, 2022. The spending plans reflected your Board's highest priorities at the time the plans were adopted.

Throughout the ARPA spend-down period, CEO has administratively approved reallocations among existing ARPA programs at the request of departments. Since the Board's approval of the phase two spending plan, CEO has issued the following ARPA reallocation memos:

- **November 4, 2023:** ["Notice of Recommended Changes to Allocations in Previously Approved American Rescue Plan Act Spending Plans"](#)
- **May 6, 2024:** ["Notice of Second Set Of Recommended Changes of Allocations in Previously Approved American Rescue Plan Act Spending Plans"](#)
- **June 19, 2024:** ["Update to May 6, 2024, Memorandum Regarding Notice of Second Set of Recommended Changes to Allocations in Previously Approved American Rescue Plan Act Spending Plans"](#)

The reallocations identified in this memo will be the third set of administrative reallocations since your Board's approval of the phase two spending plan.

## **Recommended Reallocations**

The Internal Services Department (ISD) notified the ARPA financial recovery team that the department is unable to obligate or spend \$6.8 million in SLFRF in support of the Accelerate Digital Equity program due to circumstances outside their control. The total Board-approved allocation for ISD's Accelerate Digital Equity program is \$61.3 million. Additionally, the Chief Executive Office-Homeless Initiative notified the financial recovery team that the Homeless Initiative is unable to obligate or spend \$1.1 million in ARPA-enabled funds in support of the Safe Parking program,



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also due to circumstances outside their control. The total Board-approved allocation for the Homeless Initiative's Safe Parking program is \$5.5 million. We recommend reallocating the above \$7.9 million as follows:

- \$5 million for the Board-approved Alternative Crisis Response program to support the development of subacute psychiatric services and psychiatric treatment-supported interim and permanent housing at the Metro State Hospital site.
- \$2.9 million for the Board-approved Rent Relief program to fund additional existing applications for rent relief. The Department of Consumer and Business Affairs reports there are 2,402 applications currently pending for which funding is needed.

The above reallocations are summarized in the attachment.

### **Next Steps**

As stated above, unless we receive objections from your Board on or before October 31, 2024, we will notify departments of the revised reallocation amounts and direct them to proceed with implementing program changes supported by the reallocated funding.

The financial recovery team will continue monitoring all ARPA allocations to ensure funding is spent or obligated by the December 31, 2024, deadline. As departments notify CEO of any funding that cannot be obligated or spent, CEO will act immediately to reprogram those funds. Given the time constraints, we must prioritize reallocating funds to existing Board-approved ARPA programs with the capacity to obligate and spend funding within applicable federal timelines.

Should you have any questions, please contact me or Joseph M. Nicchitta, Chief Operating Officer, CEO at (213) 974-1104 or [jnicchitta@ceo.lacounty.gov](mailto:jnicchitta@ceo.lacounty.gov).

FAD:JMN  
AU:vn

Attachment

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller

**American Rescue Plan Act  
Reallocation Plan  
October 21, 2024**

<b>Available for Reallocation</b>	
<b>Source</b>	<b>Amount Available</b>
Accelerate Digital Equity	\$6,800,000
Safe Parking	1,100,000
<b>Total</b>	<b>\$7,900,000</b>

  

<b>Reallocations</b>	
<b>Program</b>	<b>Amount</b>
Rent Relief	\$2,900,000
Alternative Crisis Response	5,000,000
<b>Total</b>	<b>\$7,900,000</b>