



Chief Executive Office.

COUNTY OF LOS ANGELES

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CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

December 9, 2024

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

From: Fesia A. Davenport
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Fesia A. Davenport'.

NOTICE OF FOURTH SET OF CHANGES TO ALLOCATIONS IN PREVIOUSLY APPROVED AMERICAN RESCUE PLAN ACT SPENDING PLANS TO ENSURE ALL FUNDS ARE APPROPRIATELY ALLOCATED BEFORE THE DECEMBER 31, 2024, OBLIGATION DEADLINE UNDER THE AMERICAN RESCUE PLAN ACT

This fourth set of changes to the allocations in the Board-adopted American Rescue Plan Act (ARPA) spending plans are “clean-up” changes to ensure funds are appropriately allocated and obligated, or claimed and spent, before ARPA’s December 31, 2024, obligation deadline.

As background, the County received approximately \$1.9 billion in ARPA Coronavirus State and Local Fiscal Recovery Funds (SLFRF). ARPA requires that the County obligate (e.g., encumber via contract) the funds by December 31, 2024. 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.

With the changes described below, we project that the County will have spent approximately \$1.7 billion in ARPA SLFRF, and will have fully obligated the remaining approximately \$200 million, by the end of 2024. ARPA allows the County to spend the obligated funds through December 31, 2026.



Reallocation Summary

We have been 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 \$6.147 million in ARPA funds that must be reallocated.

Of this amount, \$3.675 million represents funding that departments are requesting to reallocate between their existing ARPA programs to sustain their approved existing ARPA programs:

- The Internal Services Department is requesting to reallocate \$1.5 million in SLFRF from its Accelerate Digital Equity program to its Delete the Divide Program to cover costs related to its Tech Empowerment Day and Small Business Digital Marketing program.
- The Chief Executive Office-Homeless Initiative (CEO-HI) is requesting to reallocate \$2.212 million from its Project Homekey 2.0 allocation to support additional costs for Project Homekey 1.0, which are separately allocated in the Conversion of Interim Housing Units program.

The remaining approximately \$2.5 million represents funding that departments will not be able to spend and/or obligate by the December 31, 2024, obligation deadline. These funds will be reallocated and immediately claimed for preexisting, unfunded ARPA administrative costs for which no other funding source has been identified:

- \$1.578 million from Project Homekey 2.0 administered by CEO-HI.
- \$269,000 from Safer at Work administered by the Department of Economic Opportunity.
- \$248,000 from Food Distribution administered by Executive Office – Chief Sustainability Office.
- \$200,000 from Nurse Family Partnerships administered by the Department of Public Health.
- \$140,000 from Domestic Violence Shelter-Based Program administered by the Department of Public Health.

The attachment provides a summary of the total SLFRF being reallocated, including the sources and uses of the funding.

Background on Board-Approved ARPA Spending Plans and Previous Reallocations

As mentioned above, 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.

Pursuant to the delegated authority granted to my office when your Board approved the phase two spending plan on September 13, 2022, throughout the ARPA spend-down period, my office has administratively approved reallocations among existing ARPA programs at the request of departments. Since your Board's approval of the phase two spending plan, we have issued the following ARPA reallocation memos:

- **November 6, 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"](#)
- **October 22, 2024:** ["Notice of Third Set Of Recommended Changes of Allocations in Previously Approved American Rescue Plan Act Spending Plans"](#)

The reallocations identified in this memo will be the fourth set of administrative reallocations since your Board's approval of the phase two spending plan and the final set of changes before the December 31, 2024, obligation deadline.

Next Steps

To ensure that funds are promptly obligated and/or claimed, we intend to notify departments immediately of the revised reallocation amounts described below and

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in the attachment, and direct them to proceed with implementing program changes supported by the reallocated funding.

Additionally, at your Board's December 17, 2024, regular meeting, my office will request the approval of appropriation adjustments to ensure all ARPA SLFRF are appropriately budgeted before the year-end obligation deadline.

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.

FAD:JMN:AU:vn

Attachment

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

**American Rescue Plan Act Reallocation Plan
December 6, 2024**

Available for Reallocation

Source	Amount Available
Project Homekey (PHK 2.0)	\$ 3,790,000
Accelerate Digital Equity	1,500,000
Safer at Work	269,000
Food Distribution	248,000
Nurse Family Partnership	200,000
Domestic Violence	140,000
Total	\$ 6,147,000

Reallocations

Program	Amount
Disaster Services Workers and Pandemic-Related Costs	\$ 2,336,000
Conversion of Interim Housing Units to Perm. Housing (PHK 1.0)	2,175,000
Delete the Divide	1,500,000
Preexisting Administrative Costs	136,000
Total	\$ 6,147,000