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# City Council Housing Authority Parking Authority Report

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City Council Meeting: June 25, 2019  
Agenda Item: 9.A

To: Housing Authority, Parking Authority, Mayor and City Council  
From: Gigi Decavalles-Hughes, Director, Finance Department, Budget  
Susan Cline, Director, Public Works Department, Lori Gentles, Chief People Officer, Human Resources Department  
Subject: Adoption of the First Year and Approval of the Second Year of the FY 2019-21 Biennial Budget, Adoption of the Second Year of the FY 2018-20 Biennial Capital Improvement Program Budget

## Recommended Action

Staff recommends that the City Council, Housing Authority and Parking Authority:

1. Adopt a Resolution of the City Council of the City of Santa Monica adopting the first year and approving the second year of the FY 2019-21 Biennial Budget and adopting the second year of the FY 2018-20 Biennial Capital Improvement Program Budget at Attachment A, as amended by Attachment D;
2. Adopt a Resolution of the Housing Authority of the City of Santa Monica adopting the first year and approving the second year of the FY 2019-21 Biennial Budget and adopting the second year of the FY 2018-20 Biennial Capital Improvement Program Budget at Attachment B, as amended by Attachment D; and
3. Adopt a Resolution of the Parking Authority of the City of Santa Monica adopting the first year and approving the second year of the FY 2019-21 Biennial Budget and adopting the second year of the FY 2018-20 Biennial Capital Improvement Program Budget at Attachment C, as amended by Attachment D.

Staff also recommends that the City Council:

1. Adopt a Resolution of the City Council of the City of Santa Monica revising the City's master fee schedule to establish and revise certain permit and user fees and charges in the Planning and Community Development, Public Works, Community and Cultural Services, Housing and Economic Development and Records and Election Services Departments (Attachment E);
2. Adopt a Resolution of the City Council of the City of Santa Monica setting forth the administrative citation schedule of fines for certain violations of the Santa Monica Municipal Code, setting civil penalties for parking violations and for the late payment of penalties, setting fines for Police and Fire Department responses to excessive false alarms, and setting fines for the Santa Monica Public Library (Attachment F);

3. Adopt a Resolution of the City Council of the City of Santa Monica establishing parking rates and permit fees for all City parking facilities and resources (Attachment G);
4. Adopt a Resolution of the City of Santa Monica establishing new classifications and adopting salary rates for various listed positions (Attachment H) and approve the position and classification changes (Attachment I);
5. Adopt a Resolution of the City of Santa Monica establishing the Gann appropriations limit for FY 2019-20 (Attachment J);
6. Adopt a Resolution incorporating a project funded by SB1: The Road Repair and Accountability Act (Attachment K);
7. Approve the Proposed FY 2019-20 Human Services Grants Program (HSGP), incorporating the proposed funding levels (Attachment L);
8. Approve the Final Proposed FY 2019-21 Organizational Support Program (OSP) Grants for Arts and Culture Nonprofits (Attachment M);
9. Authorize the City Manager to negotiate and execute contracts for OSP grantees (Attachment M);
10. Accept Continuum of Care Program Grant funds from the U.S. Department of Housing and Urban Development (HUD) in the amount of \$3,640,550 to serve the homeless and disabled populations with housing subsidies;
11. Authorize the City Manager to negotiate and execute a third modification to Services Agreement #10402 (CCS) in the amount of \$247,968 with Downtown Santa Monica, Inc. to expand ambassador services to Reed Park for a six-month pilot program. This will result in an amended agreement with a separate scope of work for Reed Park, and a new contract total amount not to exceed \$5,045,799 with future funding contingent on Council budget approval; and
12. Provide direction to staff on allocation of Council discretionary funds.

## **Summary**

The FY 2019-21 Proposed Biennial Budget marks the beginning of a six-year effort to shift from traditional “maintenance of effort” budgeting to performance-based, outcome-driven budgeting. This budget plan for FY 2019-21 and beyond is designed to:

- Ensure continuing excellent service and safety to our community
- Maintain fiscal balance in a changing economy
- Eliminate the threat of our unfunded pension liability
- Sustain our ability to recruit and retain the best available talent
- Continue our commitment to keeping our neighborhoods safe as we reverse the recent rise in crime
- Invest in a 21st Century government, which includes a new City Hall extension, new Fire Station and modernized City Yards; revamp our work processes to be

more efficient and better serve customers; and launch a digital City Hall using a new website to deliver 24/7 responsiveness to our community members.

On April 30, 2019 (Attachment N), the Council received a presentation on the strategy to achieve fiscal sustainability for the FY 2019-21 Proposed Biennial Budget and the following two biennial budget cycles. The City released its Proposed Budget for FY 2019-21 on May 23, 2019. At a Budget Study Session on June 5, 2019 (Attachment O), Council asked staff detailed questions, and heard extensive public testimony. After discussion the council expressed support for the overall Budget Framework, including Plans of Action for the City's Framework Priorities (Affordability, Climate Change, Engaged and Thriving Community, Keeping Neighborhoods Safe, Mobility and Access, and Reduce Homelessness). The Council also directed staff to reexamine certain elements of the proposed budget, including a few of the proposed eliminations and efficiencies. In addition, staff has made some corrections to the FY 2019-20 operating budget to reflect past Council actions or changes in accounting that had not been included in the initial proposed budget. The Proposed Budget as revised is \$712.9 million in FY 2019-20 and \$756.4 million in FY 2020-21, a difference of \$0.7 million and \$0.5 million, respectively, over what was presented in the initial proposed budget on June 5. These changes are partially offset by \$0.5 million and \$0.3 million in additional revenues.

This report presents information and requests actions necessary to adopt the first year of the FY 2019-21 Biennial Budget for the City of Santa Monica, the Santa Monica Housing Authority and Santa Monica Parking Authority following the budget study sessions on April 30 and June 5, 2019. The Biennial Budget includes the second year of the FY 2018-20 Biennial Capital Improvement Program (CIP) Budget. Staff also requests that Council approve the operating budget plan for the second year of the Biennial Budget. Since the City Charter requires Council to adopt a budget annually, staff will submit the FY 2020-21 budget plan to Council for formal adoption, with any necessary revisions, in June 2020.

This report also includes actions necessary to revise certain fees, fines and parking rates and responds to Council queries and requests from the public hearings.

In this report, staff also recommends continued funding to Human Services Grants Program grantee organizations at the FY 2018-19 funding levels, approval of the final proposed Organizational Support Program (OSP) Grants for Arts and Cultural Nonprofits that identifies each cultural nonprofit organization proposed for funding, and the acceptance of federal Continuum of Care Program renewal grant funds.

## **Discussion**

The FY 2019-21 Proposed Biennial Budget is balanced, with resources reallocated to invest in achieving key Council and community priorities and maintaining the City's core services, as well as budget reductions and investments that will slow the growth of future year shortfalls during a fiscally challenging period. The Proposed Biennial Budget has been revised from the document presented to the public on May 23, 2019 to reflect final changes based on Council feedback and new information received. The Proposed Budget as revised is \$712.9 million in FY 2019-20 and \$756.4 million in FY 2020-21.

The June 5 Budget Study Session provided an opportunity for Councilmembers to ensure the Proposed Budget meets community needs. During the study session, Councilmembers directed staff to consider incorporating various changes to the proposed operating budget, and to provide additional information on certain items in time for the budget adoption public hearing on June 25, 2019. Requested information and changes are included below and any relevant changes are also included in the list of proposed final changes shown in Attachment D.

### *Santa Monica Pier*

Council directed staff to explore the possibility of naming rights or other funding opportunities without over-commercialization of the Pier, and the formation of a Pier Business Improvement District (BID), to close the Pier funding gap. Staff is already in the process of studying the feasibility of a Pier BID, and will include the option of naming rights or other funding opportunities at the Pier as well as other appropriate city assets

in the Mid- and Long-Term Program Changes that will be evaluated by the Budget Task Force.

#### *KCRW Broadcast of Council Meetings*

While the Proposed Budget included the elimination of the contract with the Santa Monica Community College District to provide live broadcasts of regular Santa Monica City Council meetings from 8 p.m. to midnight on KCRW-FM, Council directed staff to continue the contract for one year and return to Council to present alternative ways to more effectively provide direct access to Council proceedings to community members. Staff has incorporated this change in the amended Proposed Budget.

#### *Santa Monica Swim Center*

Council expressed concern that the winter closure of the Santa Monica Swim Center would be extended by three weeks to a standard six-week closure for maintenance of the pool. Council also expressed concurrence that this was an operational issue, that the closure should be as short as feasible to maintain the pool and should be managed outside the budget process. Staff has amended the proposed budget to reflect a three-week closure and is working to ensure that the closure is as short as possible, although it may extend beyond three weeks in certain years.

#### *Code Enforcement*

The Code Enforcement Division had proposed to reassign two full-time officers to the Santa Monica Pier/Beach enforcement detail to enforce vendor regulations and other Pier and beach related activities. This reassignment would have eliminated leaf blower enforcement. At its meeting on June 5, 2019, Council rejected the proposal to eliminate leaf blower and Conditional Use Permit (CUP) enforcement, directing staff to return with alternatives. Attachment P details the types of cases that are investigated by the Code Enforcement Division.

Staff recommends rebalancing Code Enforcement to reduce Short-Term Rental enforcement to one full-time officer, reassigning the second officer to general code enforcement duties, which would continue to include leaf blowers. When the Short-Term

Rental ordinance was passed in 2015, staff estimated that there were 1,700 unlawful vacation rental listings. Council authorized the hiring of two full-time, dedicated Code Enforcement Officers to enforce short-term rental violations. The most recent analysis estimated that the number of unlawful listings has been reduced to about 500, in part due to Santa Monica's successful enforcement efforts as well as its well-publicized prosecutions of flagrant violators of the vacation rental law. At this time, the enforcement of vacation rentals can be managed by one-full time officer. The division's Senior Administrative Analyst, who is the coordinator of the enforcement program, also investigates cases, writes reports, reviews home-sharing applications, and provides strong administrative support to the officer. A second officer would continue to act as a backup when necessary. The Code Enforcement Division is committed to maintaining a successful vacation rental program and staff does not believe this change would reduce the effectiveness of the program.

#### *Pilot of Ambassador Services in Reed Park*

Downtown Santa Monica, Inc. (DTSM) launched the Ambassador program in 2009 to offer hospitality, maintenance, and restroom attendant services to downtown property owners. In 2016 and again in 2018, the City entered into an agreement with DTSM for Ambassador services in Tongva and Palisades Parks with the goal of improving the parks' cleanliness and safety and the public's perception of the parks. Hospitality and restroom ambassadors help maintain a welcoming environment by engaging visitors; offering directions, recommendations, escorts and other customer service assistance; providing visual and audio observation to public space management; light cleaning and restocking of restrooms; and providing minor maintenance assistance when needed. Ambassadors also work closely with SMPD, monitoring for anti-social and illegal behavior.

The program has been well-received and has had a positive impact on visitors' perception of safety and cleanliness of the parks, particularly in and near the public restrooms.

In response to Council direction during a March 5, 2019 study session about strategies to address park and beach safety, public health, maintenance, and activation, staff solicited a proposal from DTSM to station restroom and hospitality ambassadors in Reed Park. During the June 5, 2019 budget study session, Council directed staff to include a six-month Reed Park Ambassador pilot program at a cost of \$250,000 in the FY 2019-21 budget funded by Council discretionary funds (\$150,000) and General Fund dollars (\$100,000), and seek to identify new internal and/or external funding sources to continue the program if it demonstrates value. Therefore, staff recommends modifying the existing agreement with DTSM to expand the program to Reed Park for six months and give the City discretion to end the program or extend it depending on an assessment of outcomes and available funding. The FY 2019-20 total contract cost will be \$1,009,274. Council is being asked to authorize a contract amendment for this pilot program. Staff will return with the results of the pilot program before the pilot expires.

#### *Performance Management Advisory Committee*

To ensure community participation and consistent with Council input, staff will expand an existing internal advisory committee on performance management to include representation from the community. This Performance Management Advisory Committee (PMAC) will be appointed by the City Manager and comprised of both staff and community members. The PMAC will advise the Chief Performance Officer on which outcome metrics should be included in the Framework to monitor whether the City is on track to achieve key outcomes for the community. Additionally, the PMAC will provide advice on setting targets for these metrics and reporting, and will work with the City to effectively communicate performance management activities across the community. Information on applying to serve on the PMAC will be sent out by mid-September, with a goal of holding the first meeting by the end of October.

#### Proposed Budget Revisions

Modifications to the Proposed Budget, known as final changes, are based on Council direction, new information and identified omissions. The changes increase the expenditure budget by \$0.7 million in FY 2019-20 and \$0.5 million in FY 2020-21. These

changes are supported by increased revenues of \$0.5 million in FY 2019-20 and \$0.3 million in FY 2020-21.

In FY 2019-20, the changes primarily reflect one-time funds to support the pilot of ambassador services in Reed Park, grant funds from the California Community Foundation for a feasibility study on interim and permanent housing needs of the City's homeless population, and corrections to support the renewal of a contract to manage implementation of the Transportation Management Ordinance (using Transportation Management Program funds), to appropriate funds as approved by Council on December 18, 2018 (Attachment Q) for the management of the Airport Arts Studios program, and to eliminate a transfer of funds from the Gas Tax Fund to the General Fund as expenditures are now made directly from the Gas Tax Fund. In FY 2020-21, the changes primarily reflect ongoing costs for adjustments made in FY 2019-20.

Staff recommends that Council adopt the changes to the FY 2019-20 Proposed Budget, and approve changes to the FY 2020-21 Proposed Budget Plan. With these changes, the budget remains balanced. Changes are itemized in Attachment D.

#### Council Discretionary Funds

Each year, Council allocates discretionary funds to assist the community in special projects or support important but otherwise unfunded priorities.

Traditionally, Council has supported community partners like the Business Improvement Districts, Santa Monica traditions like the Fourth of July Parade, one-time programs, and local students through science or music grants that allow Santa Monica youth to participate in special events. Projects and programs supported by Council discretionary funds for the past three years are detailed in Attachment R.

Allocation of the funds may occur along with Budget Adoption or throughout the year. Including unprogrammed FY 2018-19 discretionary funds and FY 2019-20 discretionary funds, and netting out the \$150,000 that Council directed to be allocated to the Reed



Park Ambassador pilot program, the Council has access to \$431,786 in discretionary funds in FY 2019-20.

### Fees/Fines/Rates

As part of the adoption of the FY 2019-21 Budget, staff is presenting three fee/fine/rate related resolutions to Council for adoption. The master fee resolution (Attachment E) contains user fees and rates charged by the City. Per previous Council actions, most City user fees will increase by 4.2% on July 1, 2019, reflecting the projected FY 2019-20 increase in total City compensation, which includes salary, healthcare, retirement, and workers' compensation costs. During the June 5, 2019 budget study session, staff presented several new fees and modifications to existing fees, minor changes are proposed to other portions of the City's master fee and master fine schedules as well as some revisions to the Cemetery fees to align with market rates and the following new Cemetery fee:

- **\$191.10 - Scattering at Sea (unwitnessed) fee** - service provided by Woodlawn to families that wish to have a loved one scattered at sea and are not going to attend or witness the scattering.

In addition, during the budget study session, Council directed staff to consider providing an option that would keep the Homework Club fee at \$55 per month, rather than the proposed \$550 annual fee. The Homework Club fee had been an annual fee with no monthly payment option until FY 2018-19 when the City piloted a monthly fee for the Homework Club program with the intent of offering families more flexibility for enrollment within CREST's menu of program options. However, the monthly registration format created an unforeseen administrative burden for families, who were now required to register and pay each month for a program that is used continuously throughout the school year, and for staff, who were required to spend more time administering registration and collecting fees each month. Staff believes that the most effective way to administer the fee is through an annual registration, given there are options for vulnerable families who cannot afford the full one-time fee. Eligible families will continue to have access to the City's Financial Assistance (FA) program; qualifying families can pay as little as \$55 per year. Additionally, any non-FA families who cannot

afford the full fee at one time will be able to request a payment plan option. Annual registration will eliminate challenges with collection and processing of monthly fees and retain more consistent participation, as well as provide families with the ease of a one-time registration fee.

Furthermore, a master fine resolution (Attachment F) is being presented that includes all fines assessed by the City in one resolution. This includes new sidewalk vending fines to align with Senate Bill 946 and revised taxicab fines to align with the municipal code. Any revenue impact from all changes is included in the proposed FY 2019-21 Budget.

Finally, a comprehensive parking rate resolution (Attachment G) includes parking rate increases that are within the administrative authority of the City Manager at the Pier, adjacent Central Zone Beach lots, on-street parking meters and Main Street parking lots. Revenues in the Pier Fund and Beach Fund reflect parking rate changes intended to rebalance rates with respect to neighboring lots and, in the case of the Pier, generate revenues for the proposed Pier Business Improvement District (BID). Current parking rates on and adjacent to the Pier are lower than parking rates at other piers in the region. Additionally, the current parking rate on the Pier is lower than the adjacent Beach lots. An increase to the parking rates at the Pier and adjacent Beach lots, with the Pier parking rate as the highest rate, would address parking availability, traffic congestion and customer frustration issues.

The charts below show the current and revised parking rates.

Pier Deck parking lot

	<b>Summer (April 1 – October 31)</b>	
	<b>Monday through Sunday *</b>	
<u>Duration</u>	<u>Current</u>	<u>Proposed</u>
0 to 1 hour	\$ 3.00	\$ 3.75
1 to 2 hours	\$ 6.00	\$ 7.50
2 to 3 hours	\$ 9.00	\$ 11.25
3 to 4 hours	\$ 12.00	\$ 15.00
4 to 5 hours	\$ 15.00	\$ 18.00
<b>Daily Max.</b>	<b>\$ 15.00</b>	<b>\$ 18.00</b>

<u>Duration</u>	<b>Winter (November 1 – March 31)</b>			
	<b>Weekday *</b>		<b>Weekend *</b>	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
0 to 1 hour	\$ 2.00	\$ 2.50	\$ 3.00	\$ 3.50
1 to 2 hours	\$ 4.00	\$ 5.00	\$ 6.00	\$ 7.00
2 to 3 hours	\$ 6.00	\$ 7.50	\$ 9.00	\$ 10.50
3 to 4 hours	\$ 8.00	\$ 10.00	\$ 12.00	\$ 14.00
4 to 5 hours	\$ 10.00	\$ 12.00	\$ 12.00	\$ 15.00
<b>Daily Max.</b>	<b>\$ 10.00</b>	<b>\$ 12.00</b>	<b>\$ 12.00</b>	<b>\$ 15.00</b>

\* Pier Deck parking lot rates include Parking Facility Tax

Beach parking lots

	<b>Central Beach *</b>		<b>South Beach *</b>		<b>North Beach *</b>	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
Summer Weekday	\$14.00	\$15.00	\$10.00	No change	\$10.00	No change
Summer Weekend	\$14.00	\$15.00	\$12.00		\$12.00	
Winter Weekday	\$7.00	No change	\$7.00		\$7.00	
Winter Weekend	\$10.00		\$10.00		\$10.00	
Short-Term	\$1.00/hr		\$1.00/hr		NA	

\* Beach lot parking rates include Parking Facility Tax

The rate increase maintains the pricing policy that keeps prices higher in lots closest to the Pier and lower in the lots to the north and south, as a way to spread demand to match parking supply. Monthly and annual permit fees, as well as event rental rates, will be reviewed at a future time.

The budgeted revenue impact of the Pier rate increase is partially offset by reduced parking associated with planned capital improvement projects. The proposed rate increase to the Pier Fund is expected to generate an additional \$0.1 million annually. This increase is added to the Proposed Budget as part of the final changes shown in Attachment D. Parking revenues at the Beach as budgeted reflect an increase of approximately \$0.2 million. Staff is taking a conservative approach, reviewing usage patterns and effects of using rates to rebalance parking demand and congestion at the beach lots. Necessary adjustments will be proposed during mid-year.

The table below shows parking rate increases to on-street parking meters and Main Street lots. The revenue impacts of these changes are anticipated to total \$1.97 million beginning in FY 2019-20. The anticipated impact of the rate increases on revenues is included in the proposed FY 2019-21 Budget.

On-Street parking meters

	<u>Current</u>	<u>Proposed</u>
Downtown Zone	\$2.00/hr	\$2.50/hr
Beach Zone	\$2.00/hr	\$2.50/hr
All Other – Citywide Zone	\$1.00/hr	\$1.25/hr

Main Street parking lots

	<u>Current *</u>	<u>Proposed *</u>
Lots 9, 10, 11, and 26	\$1.00/hr	\$1.25/hr
Monthly Permits	\$65/month	\$80/month

\* Main Street parking lot rates include Parking Facility Tax

Also included in the Parking Resolution are the extension of two programs, the issuance of parking permits and validations to the Judicial Council of California and Los Angeles County Superior Court through June 30, 2020 in return for monthly payments; and discounted parking validations for employees working in the Downtown area as defined in Section 10.8 of the Resolution, through June 30, 2021. Staff will reassess the discounted employee parking within the next two fiscal years and will return to Council with a recommendation before the adoption of the FY 2021-22 Budget.

Personnel Changes

The FY 2019-21 Proposed Biennial Budget includes a reduction of 28 FTE vacant positions (8.5 FTE in the General Fund and 19.5 FTE in other funds) in FY 2019-20, and an additional net reduction of 3.9 FTE (decrease of 4.2 FTE in the General Fund and an increase of 0.3 FTE in other funds) in FY 2020-21.

As part of the budget process, proposed employee classification and compensation changes were reviewed by the Human Resources Department. The resulting classification and salary changes and position list are presented in Attachments H and I.

## Budget Resolutions

Adopting the resolutions in Attachments A, B, C would:

1. Adopt the FY 2019-20 and approve the FY 2020-21 budget revenues at the account level, with operating expenditure appropriations for the Salaries and Wages and Supplies and Expenses (including Capital Outlay) major expenditure categories within a fund for each department, and capital improvement program budget within a fund;
2. Authorize staff to roll over appropriations for multi-year operating grants not completed at the end of the fiscal year, unspent donations dedicated to programs, and the encumbrances for goods and services contracted for by FY 2018-19 year-end but not delivered or provided until FY 2019-20;
3. Authorize staff to roll over appropriations for the General Fund and all other Non-General Fund unencumbered balances and unexpended encumbrances for the FY 2018-19 capital improvement program budget.

These resolutions also confirm that the City will continue to use expenditure control budgeting for its General Fund Departments. Expenditure control budgeting was added to the City's Fiscal Policy in FY 2013-14 to incentivize staff to save money during the year, avoiding the "use it or lose it" approach common to many agencies. Initially, departments were able to retain one-third of their total year end savings for one-time needs. The policy has since been amended to allow departments to retain one-third of non-salary savings. Using these funds over the years, departments have been able to fund innovative projects, including a recent pilot to digitize the request for proposal process, or to meet urgent needs. In FY 2018-19, Council adopted a revision to the expenditure control policy that would eliminate the policy beginning in FY 2019-20. Staff is recommending that the policy, and flexible funding that accompanies it, be retained to facilitate initiatives that encourage innovation and efficiencies.

## Gann Appropriations Limit

State law places limits on the amount of Santa Monica's General Fund appropriations that can be made without voter approval based on a growth factor calculated on

changes in Los Angeles County’s population and either State per capita personal income growth or the growth in non-residential assessed valuation. This restriction was placed in effect in November 1979 with the approval of Proposition 4, commonly known as the (Paul) Gann Initiative. The City’s Gann Appropriations Limit, based on growth in non-residential assessed valuation multiplied by the annual percentage population change for the City in FY 2019-20 is \$2,323,025,579.

A comparison of the City’s FY 2019-20 Gann Appropriations Limit as set forth in the City’s Proposed FY 2019-20 Budget follows:

<u>Proposed Gann Limit-related Spending for FY 2019-20</u>	
Gann Limit	\$2,323,025,579
Appropriations Subject to Limitation	<u>273,440,190</u>
Net (Over) Under	<u>\$2,049,585,389</u>

FY 2019-20 appropriations subject to limitation are \$2,049,585,389 less than the City’s Gann Appropriations Limit. A resolution to establish the City’s FY 2019-20 Gann Appropriations Limit is included in Attachment J.

SB-1 Gas Tax Revenues

In April 2017, SB 1, formally known as the Road Repair and Accountability Act of 2017, was signed into law. SB 1 establishes the Road Maintenance and Rehabilitation Account (RMRA) to address deferred maintenance on the State highway and local street and road systems. Current fund estimates provided by the League of California Cities indicate that the City of Santa Monica will be eligible to receive approximately \$1.5 million in FY 2019-20, in addition to the City’s existing annual gas tax revenues of approximately \$2.3 million.

Staff recommends using the FY 2019-20 SB 1 estimated allocation of \$1.5 million for the capital improvement projects per the attached resolution (Attachment K).

Human Services Grants Program (HSGP) and Organizational Support Program (OSP) for Santa Monica's Arts and Culture Non-Profits

On January 22, 2019, Council approved staff's recommendation to renew HSGP funding for two years, contingent upon available funding, and to postpone the next grant cycle to begin FY 2021-22. The FY 2019-20 Proposed Budget includes funds to grantee organizations at the FY 2018-19 funding levels, with no cost of living adjustment. Attachment L lists the individual grantee agreements approved for funding through the Human Services Grants Program and the grant amounts for the FY 2019-20 Budget.

The proposed Organizational Support Program (OSP) Grants for Arts and Culture Nonprofits for FY 2019-21 (Attachment M) identifies each cultural nonprofit organization proposed for funding. The total recommended funding level for FY 2019-21 is \$401,887 for 20 organizations. Since the release of the draft document for Council's June 5, 2019 study session, the proposed funding recommendations have not changed.

Once approved, funding will be available beginning July 1, 2019, continuing through June 30, 2021. Contracts will be executed with each organization approved for funding. City staff will work closely with organizations to promote quality services, monitor contract compliance, and provide technical assistance and advice to each agency on program, administrative, and fiscal matters.

Acceptance of Federal Continuum of Care (CoC) Renewal Grants

The Continuum of Care (CoC) Program is a Federally-funded competitive grant program that provides a housing subsidy (supportive housing) to homeless, disabled households. The U.S. Department of Housing and Urban Development (HUD) awarded a Continuum of Care (CoC) grant for FY 2019-20 in the amount of \$3,640,550. Staff is requesting authorization to accept the grant funds from HUD.

**Financial Impacts and Budget Actions**

The Proposed Budget as revised is \$712.9 million in FY 2019-20 and \$756.4 million in FY 2020-21. This Adoption of the Proposed Budget as amended by Attachment D would formally adopt the first year and approve the second year of the City's

FY 2019-21 Biennial Budget, including the second year of the FY 2018-20 Capital Improvement Program Budget.

**Prepared By:** Susan Lai, Budget Manager

**Approved**


**Forwarded to Council**



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Gigi Decavalles-Hughes, Director

6/19/2019



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Rick Cole, City Manager

6/20/2019



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Susan Cline, Director

6/19/2019

**Attachments:**

- A. Budget Resolution (City Council)
- B. Budget Resolution (Housing Authority)
- C. Budget Resolution (Parking Authority)
- D. FY 2019-21 Final Changes Budget Adjustments
- E. Fees Resolution
- F. Fines Resolution
- G. Parking Resolution
- H. Salary Resolution
- I. Position Change Summary
- J. Gann Appropriations Limit Resolution
- K. Resolution for RMRA FY19-20
- L. FY 2019-20 HSGP Grantee Funding
- M. FY 2019-20 OSP Grants
- N. April 30, 2019 staff report (web link)
- O. June 5, 2019 staff report (web link)
- P. Code Enforcement Case Types 2019
- Q. December 18, 2018 staff report (web link)
- R. Council Discretionary Funds
- S. Written Comments
- T. PowerPoint Presentation