

REPORT FROM

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Submitted in HOED Committee  
Council File No: 10-1451  
Item No.: 3  
Deputy: CAO report

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

Date: January 25, 2011

CAO File Nos. 0220-00013-2349  
Council File No. 10-1451  
Council District: 1, 4 & 13

To: The Council  
The Mayor

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Community Redevelopment Agency Transmittal dated December 16, 2010; Received by the City Administrative Officer on December 21, 2010

Subject: **COMMUNITY CHALLENGE PLANNING GRANT FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE NORTHEAST LOS ANGELES COLLABORATIVE PROJECT**

**SUMMARY**

The Community Redevelopment Agency (Agency) requests Council adoption of a joint Resolution (Attachment A of the Agency Transmittal dated December 16, 2010) between the Agency Board of Commissioners and Council authorizing the acceptance, implementation and execution of a \$2.25 million Community Challenge Planning Grant from the U.S. Department of Housing and Urban Development's (HUD) Office of Sustainable Housing and Communities (OSHC) for the development and implementation of the Northeast Los Angeles (NELA) Collaborative: Connecting Investments in Place with Investments in People (NELA Collaborative Project) within the proposed NELA River Corridor redevelopment project area. The Resolution states that the Project Manager in the Agency's Hollywood & Central Region and other associated Agency staff will coordinate the Grant and handle Grant administration. The Agency plans to dedicate at least 75 percent of a full time equivalent position over the course of the 36-month Grant term to Grant activities. The Agency also requests authority to negotiate and execute: a) all necessary contracts and agreements with HUD OSHC for the \$2.25 million Grant; and, b) Memoranda of Understanding, Cooperation Agreements, and/or Contracts with its Grant partners and sub-consultants that are funded through the HUD Grant proceeds. If approved, the recommendations will amend the Agency's Fiscal Year 2010-11 Budget and Work Program to recognize \$2.25 million in Grant proceeds. The funds will be deposited into the budget line item Economic Development Opportunities (work objective EB6010). This Office supports the Agency's recommendations.

The HUD Grant Agreement will cover the period of January 2011 (or time of contract execution) through December 2013. The NELA Collaborative includes partnerships between the Agency and several City Agencies, including the Department of City Planning (DCP), Department of Transportation (DOT) and the Department of Public Works, Bureau of Engineering, L.A. River Office. As proposed, the DCP will be allocated an amount not to exceed \$500,000 in Community Challenge Planning Grant funds for the completion of the targeted community plan updates and preparation of

the necessary zone changes and plan amendments as well as associated implementation programs for the Northeast Community Plan Area. The Grant funds for the DCP will be allocated over a 24-month period. As part of the City of Los Angeles' proposed Fiscal Year 2011-12 Budget process, the DCP submitted a budget request to use \$262,848 in Grant funds as follows:

- Two DCP positions (one City Planning Associate and one Planning Assistance) for a total of \$156,378;
- One Consultant for an Environmental Impact Report for \$100,000; and,
- Office and Administrative expenses for \$6,470.

The DCP's budget request will be addressed as part of the 2011-12 Budget process and the balance (\$237,152) of the \$500,000 in Grant funds will be addressed as part of the City's 2012-13 Budget process. Our Office recommends if additional funds above the \$237,152 are needed to cover the DCP's costs in 2012-13, that these costs be absorbed by the DCP. As such, the recommendation is in compliance with the City's Financial Policies in that a one time expenditure of a General Fund department is an adjunct to a one-time source of funds from the Agency.

The NELA Collaborative also includes partnerships between the Agency and the Community. The Agency requests authority to negotiate and execute various agreements for a not-to-exceed total amount of \$1,179,000 in Community Challenge Planning Grant funds with the following Community Partners:

- 1) Workforce Investment Board not to exceed \$125,000 for a workforce needs assessment for the area;
- 2) Worker Education and Resource Center not to exceed \$224,500;
- 3) Metamorphosis Project at the University of Southern California not to exceed \$385,000;
- 4) Urban & Environmental Policy Institute at Occidental College not to exceed \$220,000; and,
- 5) Hollywood Community Housing Corporation on behalf of the Hollywood Community Studio (a.k.a. Mobile Community Studio) not to exceed \$224,500.

It should be noted that Governor Brown is contemplating actions that would impact the Agency and its ability to implement the Community Challenge Planning Grant. In the event that the Governor's actions go forward, an alternative plan for Grant responsibility and implementation would need to be determined.

### Grant Program

On June 21, 2010, HUD announced the availability of \$40 million for the Community Planning Challenge Grant Program. The Program offered up to \$3 million per grant over a 36-month period. The Notice of Funding Availability required the Grant application to be submitted by August 23, 2010. On August 18, 2010, Council authorized the Agency to apply for the Program to support sustainable development through localized planning in Northeast Los Angeles and instructed the Agency to report to Council with the Program design and implementation and funding sources for the 20 percent local match requirement at the time that they return for authorization to enter into a Grant Agreement (C.F. 10-1451). On October 20, 2010, the Agency was notified that the NELA Collaborative Project was selected to receive a Grant award of \$2.25 million (\$750,000 less than full

request). The Grant funded activities will complement the Agency's current efforts to establish the proposed NELA River Corridor redevelopment project area, comprised of approximately 2,300 acres and overlapping portions of the Atwater Village, Elysian Valley, Glassell Park and Cypress Park communities. See Attachment B of the Agency Transmittal for study area map and pages 3-4 of the Agency Transmittal for additional information on the application process, Grant award and the NELA Collaborative Project.

The 20 percent local match requirement for the HUD Grant could be provided through leveraged resources in the form of cash and/or verified in-kind contributions (or a combination thereof). If the applicant exceeded the required 20 percent leveraged or matched resources, it was given extra weight for the leverage rating factor. The Agency's required local match includes \$1,000,000 in cash (approved in 2009-10 and allocated in the Agency work objective EB2010) and in-kind resources from the Agency. (\$125,000), the DOT (\$75,000) and the DCP (\$75,000) which created a more competitive leverage ratio of 42.5 percent (\$1,275,000 to \$3,000,000).

The City's Financial Policies are not applicable to the Agency. The Agency is bound only by the disclosure provisions of the City's Debt Management Policies. The recommendations are in compliance with the Agency's Financial Policies in that they are consistent with the Agency's 2010-11 Budget and Work Program. The Agency's Financial Policies were approved by the Agency Board and are pending Council review and approval.

## RECOMMENDATIONS

That the Council:

1. Adopt a Resolution (Attachment A of the Community Redevelopment Agency [Agency] Transmittal dated December 16, 2010) authorizing the acceptance, implementation and execution of a Community Challenge Planning Grant from the U.S. Department of Housing and Urban Development's (HUD) Office of Sustainable Housing and Communities (OSHC) for the development and implementation of the Northeast Los Angeles (NELA) Collaborative: Connecting Investments in Place with Investments in People (NELA Collaborative Project) within the proposed NELA River Corridor redevelopment project area;
2. Authorize the Agency Chief Executive Officer (CEO), or designee, to negotiate and execute all necessary contracts and agreements with HUD OSHC for \$2.25 million for the Community Challenge Planning Grant (The Grant Agreement term will be for 36 months, effective from the date of execution through December 2013); and,
3. Authorize the Agency CEO, or designee, to negotiate and execute Memoranda of Understanding, Cooperation Agreements, contracts and subcontracts with the following NELA Collaborative Project Grant partners as funded by and necessary for the implementation of the Community Challenge Planning Grant:
  - a) Los Angeles Department of City Planning in an amount not to exceed \$500,000;
  - b) Workforce Investment Board in an amount not to exceed \$125,000;
  - c) Worker Education and Resource Center in an amount not to exceed \$224,500;

- d) Metamorphosis Project at the University of Southern California in an amount not to exceed \$385,000;
- e) Urban & Environmental Policy Institute at Occidental College in an amount not to exceed \$220,000; and,
- f) Hollywood Community Housing Corporation on behalf of the Hollywood Community Studio in an amount not to exceed \$224,500.

## **FISCAL IMPACT STATEMENT**

There is no impact on the City General Fund. Approval of the recommendations will result in a \$2.25 million Community Challenge Planning Grant from the U.S. Department of Housing and Urban Development for the Northeast Los Angeles Collaborative Project. As proposed, the Los Angeles Department of City Planning will be allocated an amount not to exceed \$500,000 in Grant funds to be allocated over a 24-month period for the Northeast Community Plan Area. As such, recommendations are in compliance with the City's Financial Policies in that a one time expenditure of a General Fund department is an adjunct to a one-time source of funds from the Community Redevelopment Agency (Agency). The City's Financial Policies are not applicable to the Agency. The Agency is bound only by the disclosure provisions of the City's Debt Management Policies. The recommendations are in compliance with the Agency's Financial Policies in that they are consistent with the Agency's 2010 -11 Budget and Work Program.

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