

CITY OF LOS ANGELES
CALIFORNIA

RICHARD L. BENBOW
GENERAL MANAGER

COMMUNITY DEVELOPMENT
DEPARTMENT

1200 WEST 7TH STREET
LOS ANGELES, CA 90017



ANTONIO R. VILLARAIGOSA
MAYOR

June 20, 2012

Council File Number
Council Districts: All
Contact Persons & Ext:
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The Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles
Room 303, City Hall

City Council
c/o City Clerk
Room 395, City Hall

Attention: Mandy Morales, Legislative Coordinator

COMMITTEE TRANSMITTAL: NORTHEAST LOS ANGELES COLLABORATIVE (NELA) – HOUSING AND URBAN DEVELOPMENT (HUD) SUSTAINABLE COMMUNITIES CHALLENGE GRANT

The General Manager of the Community Development Department (CDD) of the City of Los Angeles, respectfully requests that your office process this transmittal to the appropriate City Council Committee(s) and the Los Angeles City Council for consideration and approval.

RECOMMENDATIONS

The General Manager of the Community Development Department (CDD), or designee request that the Mayor and the City Council:

1. AUTHORIZE the General Manager, CDD, or designee to:
 - a. Accept the transfer of the Sustainable Communities Challenge Grant for the NELA Collaborative, including all related documentation and records, from the Oversight Board of the CRA/LA, a Designated Local Authority (DLA) [successor to the Community Redevelopment Agency of the City of Los Angeles, CA] to the City of Los Angeles Community Development Department (CDD);
 - b. Negotiate and execute an assignment agreement with the U.S. Department of Housing and Urban Development to assume the \$2.25 million Sustainable Communities Challenge Grant for the NELA Collaborative;

- c. Enter into a Cooperation Agreement with the Oversight Board of the CRA/LA-DLA, in the amount up to \$263,367 to be used towards grant matching funds;
- d. Prepare Controllers Instructions, and any technical adjustments, subject to the approval of the City Administrative Officer (CAO), and authorize the Controller to implement the instructions; and
- e. Negotiate and execute agreements with subcontractors identified in the CRA/LA-DLA grant proposals, including:

No.	Name	Amount not to Exceed
1.	Tierra West	\$544,730
2.	University of Southern California	\$585,000
3.	Occidental University	\$150,000
4.	Hollywood Community Studio	\$224,500
5.	Workforce Investment Board	\$125,000
6.	Worker Education Resource Center (WERC)	\$50,000
7.	Los Angeles Economic Development Corporation (LAEDC)	\$60,000
8.	Department of Planning	\$400,000
9.	Department of Transportation	\$200,000

2. INSTRUCT the General Manager or designee to report back to Mayor and City Council upon HUD approval of assignment with negotiated scope of work, budget and subcontracts that will be carried over in the revised project
3. All recommendations herein are subject to the following conditions:
 - a. HUD acceptance of:
 - i. Revised scope of work and deliverables
 - ii. Revised budget and City match proposal
 - iii. Assignment of grant to CDD
 - b. CRA Governing Board, Oversight Board and CA Department of Finance approval to assign grant and CRA-match

FISCAL IMPACT

The assignment of the HUD Challenge Grant will not have an impact on the General Fund. To the extent that the CDD uses a portion of the funds for administrative and program cost recovery, the General Fund will realize revenue from associated related cost contributions.

BACKGROUND

In October 2010, CRA/LA was awarded a Community Challenge Planning Grant ("Grant") from HUD in the amount of \$2,250,000 to fund the North East Los Angeles Collaborative Project (NELA). The NELA Project is a comprehensive sustainable planning project located along the Los Angeles River in Northeast Los Angeles. The goal of the NELA Collaborative is to develop a comprehensive approach to linking land

use plans and economic development strategies to benefit those that live and work in the area and to implement the Los Angeles River Revitalization Master Plan. The NELA Project included establishment of a tax increment financing district, updates to Community Plans, economic and workforce analysis, preparation of a business plan for a regional food hub, and an innovative civic engagement process to ensure broad participation and input from residents and workers.

The former Agency had committed approximately \$1,022,029 towards the match required by the competitive grant. Due to the dissolution of the former Agency, CRA/LA-DLA has sought to transfer its grants portfolio to other capable entities. The City of Los Angeles Community Development Department has agreed to accept this grant, if CRA/LA-DLA authorizes: (a) its re-assignment; (b) the required match or assist with the identification of alternate sources; and (c) receives approval from HUD.

Grant Status

On May 16, 2012, the U.S. Department of Housing and Urban Development issued a formal suspension letter to CRA/LA. The suspension, effective immediately, provides the City an opportunity to reinstate the grant as long as it meets several conditions outlined by HUD by July 1, 2012. The primary conditions include:

- Evidence that a successor agency has been formally designated for CRA (herein, the "Successor Agency") in accordance with the requirements of ABx126 and that the Successor Agency is prepared to undertake the deliverables committed to in that certain cooperative agreement dated February 21, 2011 (the "Cooperative Agreement");
- Evidence that the state oversight board established by AB1x26 approves the transfer of administrative responsibility for the grant and the financial commitments made pursuant to the grant to the Successor Agency; and
- The Office of Sustainable Housing and Communities is provided the opportunity to hold preliminary negotiations with the Successor Agency and has determined that the Successor Agency is eligible to act as the grantee lead for the project, has the capacity to achieve the proposed deliverable, has the financial ability to meet the obligations of the Cooperative Agreement, and has developed a viable work plan for completing the project on an abbreviated timeline that includes a revised budget and proposed program schedule.

Upon fulfillment of these conditions, the Cooperative Agreement will be modified to reflect the changes necessary to allow the project to continue moving forward.

Proposed Assignee and Match

Since the Supreme Court ruling on AB1x26 and AB1x27, CRA/LA-DLA staff has been in discussions with HUD regarding re-assignment of this grant, in order to preserve the federal funding for this important project.

The Community Development Department has agreed to accept this grant, and HUD has indicated that they are willing to re-assign the grant to CDD. CDD already manages federal grants such as the Community Development Block Grant program and Worker

Investment Act funding, and is an ideal entity to accept this grant. Extensive conversations about scope, budget and timeline have been held between CRA/LA-DLA staff and CDD staff to ensure a seamless reassignment.

In order to fulfill HUD's grant requirements, CRA/LA-DLA will uphold its commitment to provide matching funds. In addition to funding already expended in staff time and consultants, CRA/LA-DLA has proposed to transfer \$263,367 to help fulfill its match requirements.

In order to meet the City's full match obligation, CDD will propose an alternate match proposal that includes more than \$1.0 million in City and other investments in the project area, including existing Program Year 38 Community Development Block Grant (CDBG) commitments to this geographic area and Workforce Investment Act (WIA) funding. If approved by HUD, the revised City match will exceed \$1.6 million or approximately \$600,000 more than the amount approved by HUD.

Revised Scope of Work

Due to the condensed project timeline, CDD is proposing to revise the scope of work to identify project outcomes that can be accomplished within the remaining grant period. Major project outcomes include:

1) RIVERFRONT FINANCING DISTRICT FEASIBILITY STUDY

The revised scope will include a detailed, parcel-by-parcel study to determine the feasibility of a new Riverfront Financing District that will identify the appropriate geography, tax structure, and duration necessary for the Riverfront Financing District.

2) ECONOMIC DEVELOPMENT STUDY

Analysis of key/emerging sectors, workforce analysis, historic resources assessment, and a feasibility study and business plan for a food hub.

3) COMMUNITY PLAN UPDATES

The deliverable is a Master Plan/Vision Document that will establish land use, design and mobility recommendations for the forthcoming update to the Northeast Community Plan. It will not include Environmental Impact Report (EIR) work as originally envisioned. Instead, the recommendations will go forward to the City Planning Commission, who can take action to ensure that the detailed recommendations are included in the forthcoming Community Plan update.

4) CIVIC ENGAGEMENT

The grant will continue to fund the civic engagement scope of work as originally envisioned: focusing on promoting citizen participation along the core principles of educating stakeholders and involving them in a consultative process to support and promote a collaborative decision-making effort. Mobile planning units will be designed and dispersed into the NELA neighborhoods to increase participation, awareness, knowledge, and action. Given the local demographics that suggest an underserved and multicultural community, community engagement efforts will be culturally relevant and language sensitive.

5) DOCUMENTATION

This project will be well-documented to allow it to be used as a case study for future projects (HUD and otherwise). This will include archival documents, maps, videos, photographs, and interviews.

Project Management

CDD's primary role with this grant will be project management and program / fiscal monitoring of sub-contractors. The project will be managed by the Eastside Regional Area Director, currently a Senior Management Analyst II, who will be responsible for monitoring subcontractors to ensure compliance with project milestones and timelines, compliance with City and Federal requirements, and quarterly reporting to City Council and HUD. CDD will also contract with Tierra West to provide technical assistance and coordination on the planning components of the project to ensure compliance with the long-term planning objectives identified in the grant application.

Project Timeline

- June 21, 2012: CRA Governing Board approval
- June 27, 2012: City Council / Mayor Approval of Assignment to CDD
- July 1, 2012: Deadline to comply with HUD special conditions
- July 12, 2012: State Oversight Board approval
- August 1, 2012: Complete negotiation of revised scope and budget with HUD
- August 15, 2012: Complete negotiation of revised scope with subcontractors
- October 1, 2012: Completion of Phase I – Research and Development Baseline Studies
- July 1, 2013: Completion of Phase II – Engagement and Education
- October 1, 2014: Plan Completion and Evaluation



RICHARD L. BENBOW
General Manager

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