



ANTONIO R. VILLARAIGOSA  
MAYOR

October 5, 2012

Honorable Members of the City Council  
Heads of City Departments  
Honorable Members, Affordable Housing Commission  
Honorable Members, Commission for Community and Family Services,  
Honorable Members, HACLA Board of Commissioners  
Honorable Members, LAHSA Commission  
Presidents, Neighborhood Councils  
Directors, Community-Based Organizations

Re: 2013-2018 Housing and Community Development Five-Year Consolidated Plan and 39<sup>th</sup> (2013-2014) Program Year Action Plan

Every five years the City of Los Angeles undergoes a Consolidated Planning process to establish a blueprint on how we will revitalize our low-income neighborhoods and build sustainable communities. Despite lingering effects of the Great Recession, an opportunity exists today that may not exist tomorrow to strengthen our community infrastructure and ensure our long-term economic competitiveness.

By passing Measure R in 2008, Angelenos set an example for the nation of a city boldly willing to invest in its future and set the stage for the passage of the 2012 federal transportation bill known as "Moving Ahead for Progress in the 21<sup>st</sup> Century Act" (MAP-21). Today, we are transforming our future by investing in the largest transit expansion in the United States.

As we build Los Angeles' 21<sup>st</sup> Century transportation network, we are not just laying new tracks for our rail projects and our bus-rapid transit lines. We are knitting the city together, connecting once geographically and economically isolated neighborhoods, and putting people back to work.

To leverage our public infrastructure to its full potential, we must institutionalize a new mindset in this city that stresses the fundamental linkage between mobility, livability and opportunity for all Angelenos. We must take up the vital mission of bringing benefits of economic opportunity to every part of Los Angeles. This will require broad and cross-



agency coordination to ensure that development benefits Angelenos across the entire income spectrum.

In May 2012, the U.S. Department of Housing and Urban Development launched a new Consolidated Plan template that challenged local jurisdictions to make needs- and place-based investments that leverage Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grant (ESG) funds for maximum impact.

Through this new Consolidated Plan process, we are seeking to integrate HUD investments with our transportation investments along transit corridors in struggling neighborhoods. Essentially, we are seeking to create a robust and inclusive community investment strategy that can only be achieved with the powerful integration of transit, community, economic, and housing development investments.

To assist in the development of this strategy, I have reconstituted a Housing and Community Development Cabinet and established a cross-agency working group to conduct a comprehensive needs assessment and market analysis that will inform the Consolidated Plan strategic priorities and multiyear goals for the next five years. As part of this strategic planning process, civic engagement and consultation will be essential in improving our understanding of places in which we are currently investing and areas for future growth, strengthening the capacities of community partners, evaluating the outcomes of our prior investments, and aligning our strategies with other plans, programs and resources to achieve greater impact.

For the first time, as part of the Consolidated Plan process, we are mapping the City transit, human development, economic development and affordable and public housing investments and bringing them to community meetings to solicit resident and stakeholder input in developing strategies for addressing needs and identifying opportunities for catalytic investments that build upon community assets.

Because the five-year Consolidated Plan and the 39<sup>th</sup> PY (First-Year) Action Plan are due to HUD on February 15, 2013, this letter also serves as the official notification for the 39<sup>th</sup> PY Action Plan application process. In developing the strategic plan and first year action plan, we will look to meet the following objectives:

- Support programs that create jobs, increase family economic stabilization and mobility, create and preserve affordable and workforce housing, and reduce and end homelessness.
- Maximize the community and economic impact through place-based strategies focused on opportunities around transit corridors (around both light rail and major bus lines) that provide access to jobs;
- Link and leverage limited Consolidated Plan resources with state, local, and private resources to sustain and expand community benefit;

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- Increase the operating efficiency and effectiveness of the City and our partners through continued consolidation, integration and standardization of public services and community development activities.

Attached for your information are the calendar and instructions for the 39<sup>th</sup> PY Action Plan applications. Adherence to these instructions will help keep the process on schedule and facilitate analysis of all applications.

I look forward to working with the City Council, community leaders, stakeholders and residents to adopt a new framework for which together we secure our city's economic viability by providing communities, including people of all incomes and ethnic backgrounds, access to quality transportation, housing and economic opportunities. Thank you for joining me in this important endeavor.

Very truly yours,



ANTONIO R. VILLARAIGOSA

Mayor

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Attachments

## Instructions for the 39th (2013-2014) Program Year HCD Action Plan Application

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The 39<sup>th</sup> Program Year (PY) Action Plan is the first installment of the City's 2013-2018 Housing and Community Development Five-Year Consolidated Plan. Programs described in these plans are designed to benefit low- and moderate-income residents of the City. Information concerning current and prior year Consolidated Plan/Action Plans and Annual Performance Reports (CAPER) of the City of Los Angeles may be viewed online at: [http://cdd.lacity.org/home\\_reports.html](http://cdd.lacity.org/home_reports.html)

### Estimated Budget Resources

The 39<sup>th</sup> PY Consolidated Plan budget is comprised of the following funding sources:

1. Federal entitlement grants
  - Community Development Block Grant (CDBG)
  - HOME Investment Partnership Program (HOME)
  - Housing Opportunities for Persons with AIDS (HOPWA)
  - Emergency Solutions Grant (ESG)
2. Program Income (funds generated by Action Plan funded projects)
3. Program Savings (reprogrammed funds from past projects)

Because Congress passed a six-month Continuing Resolution (CR) through March 27, 2013 instead of a year-long budget, the Office of Management and Budget (OMB) has directed that federal block grant allocations not be released until final spending bills have been negotiated and approved. Although it is likely that Congress will negotiate a yearlong budget after the November elections, there is still the possibility of the enactment of mandatory cuts to federal programs known as "Sequestration" to take place starting in January 2013. OMB estimates that sequestration will result in an 8.2% cross the board reduction to non-defense discretionary programs, including CDBG, HOME, HOPWA, and ESG.

### 39<sup>th</sup> PY Estimated Entitlement Amount (based on federal FY 2012 allocations)

CDBG	HOME	HOPWA	ESG	TOTAL
\$52.7 million	\$21.3 million	\$15.3 million	\$5.6 million	\$94.9 million

### 39<sup>th</sup> PY Application Process and Considerations

Applications for the 39<sup>th</sup> PY Action Plan is due October 26, 2012. Due to the uncertainty of the federal entitlement allocation, anticipated reductions in program income, and prior year over-obligations, funding applications for ongoing programs should be based on current funding level and must also include an alternative budget reflecting a 10% reduction. Applicants should include an analysis on how the how potential reductions would impact program implementation and outcomes. To be clear reduction proposals is a starting point for a collaborative budget development process and is not intended to be an across-the-board exercise. New funding requests will be restricted to projects under the CDBG Economic Development and Neighborhood Improvement categories.

Funding requests should address how the project support the area of job creation, family economic stabilization, creation or preservation of affordable and workforce housing, or reduction and elimination of homelessness.

## Instructions for the 39th (2013-2014) Program Year HCD Action Plan Application

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Because of urgent demand for limited funding, all new applications under the Economic Development and Neighborhood Improvement categories must include a concrete project plan and schedule, and demonstrate commitment of all applicable non-Consolidated Plan resources necessary for project completion.

All applications should be submitted by city agencies. All non-city entities requesting funding should contact the appropriate implementing City department or the Community Development Department (CDD) for their assistance in the application process.

The Los Angeles Housing Department (LAHD) administers funding for the HOME Investment Partnership Program (HOME) and Housing Opportunities for Persons with AIDS (HOPWA). Individual project funding under these entitlement programs is managed through a Request for Proposals (RFP) or Requests for Qualifications (RFQ) process. In coordination with LAHD, funding opportunities under the ESG program is managed by the Los Angeles Homeless Services Authority (LAHSA). For more information about these programs, please visit <http://lahd.lacity.org/lahdinternet/> and <http://lahsa.org/>.

The CDD will provide the necessary training for application submission on October 10 and 11, 2012. Please see the CDD web page [http://cdd.lacity.org/index\\_two.html](http://cdd.lacity.org/index_two.html) for information on the upcoming training or contact [CDD.Planning@lacity.org](mailto:CDD.Planning@lacity.org) for more information.

If you are ineligible to submit an application for Consolidated Plan funding, we recommend that you explore the following potential funding resources:

- The City of Los Angeles Business Assistance Virtual Network (BAVN) <http://www.labavn.org/>.
- Apply for funding and technical assistance from foundations, government agencies, and other organizations.
- Consider cost effective options of offering services, such as, collaboration with other organizations.

### **Community Meetings**

Community meetings to solicit resident input will be held throughout October 2012 and after the release of the Consolidated Plan in January 2013. Comments will be used to inform the development of the Plan and feedback about the draft Plan once it is released. Locations and dates will be posted to the website [http://cdd.lacity.org/index\\_two.html](http://cdd.lacity.org/index_two.html).

### **Additional Information and Assistance**

Please contact [CDD.Planning@lacity.org](mailto:CDD.Planning@lacity.org) with any questions about this process.

**2013-2018 Five-Year HCD Consolidated Plan – 39<sup>th</sup> PY Action Plan  
Calendar**

Task	Date	Deliverables
39 <sup>th</sup> PY Action Plan Application Process	October 5, 2012	Release of the Mayor's Action Plan Policy and Funding Priorities Letter for the 39 <sup>th</sup> PY Action Plan
	October 10-11, 2012	Application technical assistance for implementing departments only
	October 26, 2012	39 <sup>th</sup> PY Applications Due to CDD
Draft Consolidated Plan & 39 <sup>th</sup> PY Action Plan	October 1-25, 2012	Consolidated Plan Community Meetings
	November 9, 2012	Eligibility and project readiness review due
	December 28, 2012	Mayor releases Proposed Consolidated Plan and 39 <sup>th</sup> PY Action Plan to the City Council
Consolidated Plan & 39 <sup>th</sup> PY Action Plan Approval	December 28, 2012 – January 27, 2013	Public comment period (including Community Meetings) to solicit community feedback
	January 2, 2013	The CAO/CLA begins review of the Action Plan released by Mayor
	February 8, 2013	City Council approves the Consolidated Plan and 39 <sup>th</sup> PY Action Plan
	February 11, 2013	Mayor concurs with Council Action
	February 15, 2013	Deadline to submit the 38 <sup>th</sup> PY Consolidated Plan to HUD