

CITY OF LOS ANGELES

CALIFORNIA

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this matter, please refer to the
Council File No.

ERIC GARCETTI
MAYOR

SHANNON HOPPE
Council and Public Services
Division

www.cityclerk.lacity.org

June 13, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 14-0565, at its meeting held June 11, 2014.



City Clerk
wrq

MOTION

I HEREBY MOVE that Council ADOPT the following recommendations relative to the second round of the U.S. Housing and Urban Development (HUD) Promise Zone designations (Item No. 24, Council file No. 14-0565):

1. ADOPT the accompanying Resolution (Attachment 2 of the Chief Legislative Analyst (CLA) report dated June 10, 2014) to support the Housing and Community Investment Department (HCID) and the Economic and Workforce Development Department (EWDD) comments on the HUD 2nd round of Promise Zone designations.
2. AUTHORIZE the HCID to compile and submit comments (summarized in Attachments 3 and 4 of the CLA report dated June 10, 2014) to HUD by the June 16, 2014 deadline.
3. DIRECT the HCID, with the assistance of the EWDD, to report to the Council with recommendations relative to an application for the 2nd round of Promise Zone designations.
4. ALLOW for non-contiguous Promise Zone designations in order to better serve areas of the City that are most in need.

PRESENTED BY _____
CURREN PRICE
Councilmember, 9th District

SECONDED BY _____
BERNARD PARKS
Councilmember, 8th District

June 11, 2014

CF 14-0565

ADOPTED
JUN 11 2014
LOS ANGELES CITY COUNCIL

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the Second Round of the U.S. Department of Housing and Urban Development (HUD) Promise Zone designations.

Recommendations for Council action, pursuant to Motion (Wesson - Price - Blumenfield for Buscaino - Parks):

DIRECT the Los Angeles Housing and Community Investment Department (HCIDLA) and the Economic and Workforce Development Department (EWDD) to prepare comments relative to the Second Round of Promise Zone designations, including the standard Resolution for inclusion of such comments in the City's Federal Legislative Program, and to submit these within 30 days to Council for approval prior to submission to HUD.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a special meeting held on May 20, 2014, the Economic Development Committee considered Motion (Wesson - Price - Blumenfield for Buscaino - Parks) relative to preparation by the HCIDLA and EWDD of comments on the Second Round of HUD Promise Zone designations.

Representatives of the HCIDLA and the Mayor's Office addressed the Committee and responded to related questions. The HCIDLA representative reported that HUD's Promise Zone program attempts to address core initiatives such as job creation, increasing economic activity, improving educational opportunity, reducing violent crime, leverage public capital, and helping local leaders navigate federal programs. The Promise Zone is a designation only and there is no associated grant funding, however, the designation commits the Federal Government to partnering with local leaders on the aforementioned initiatives. Once granted, a Promise Zone designation is good for 10 years and the specific benefits will vary from year to year.

The HCIDLA representative informed the Committee that comments on the guidelines for the Second Round of the Promise Zone Initiative are due to HUD by June 14, 2014. HUD expects to release the completed guidelines at the end of 2014 and to have the selections completed sometime in 2015. HUD intends to designate 20 Promise Zone areas by 2016.

The Second Round guidelines require that the proposed Promise Zone: (1) is one or more contiguous census tracts, (2) must have a 33 percent overall poverty rate of extremely low-income households, (3) and must contain between 10,000 and 200,000 residents. Additionally, the mayor of the jurisdiction seeking the Promise Zone designation must provide a letter in support of the application. Lastly, the Promise Zone application must provide a clear description of how the Promise Zone will accelerate and strengthen comprehensive community revitalization.

There is a maximum of 100 points that can be achieved for the application, and a minimum of 75 points is needed to be considered. Eligible applicants include local governments, non-profit

organizations, or housing authorities. Key changes from the previous round are the elimination of the requirement of an existing Choice Neighborhood designation, a Promise Neighborhood grant, or a Byrne Criminal Justice Innovation grant; and the increase in the poverty threshold from 20 percent to 33 percent.

During further discussion of this matter, the Committee inquired regarding the application process for the Promise Zone designation that the City was previously awarded by HUD and expressed concern that Council was not involved in that process. A representative of the Mayor's Office advised the Committee that the opportunity for the Promise Zone designation was brought to the City by the Youth Policy Institute which had a Byrne Criminal Justice grant and a Promise Neighborhood Implementation grant. This created a unique opportunity for the area that was ultimately selected to be successful in the technical ranking of the application.

The Committee also inquired what areas of the City would be eligible under the guidelines for the Second Round and whether the HCIDLA had mapped those areas in terms of scoring for the application. The representative of the HCIDLA reported that Department is aware of the areas with the greatest need (i.e. area with high poverty levels) however, it has not yet conducted an examination of which areas would score the highest under the guidelines criteria.

After providing an opportunity for public comment, the Committee approved Motion (Wesson - Price - Blumenfield for Buscaino - Parks) and requested that the HCIDLA prepare comments on the HUD Promise Zone Second Round application guidelines, and prepare a ranking of the areas of Los Angeles that would best qualify under the Second Round guidelines, and provide the information by the time this matter is scheduled for Council. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
KREKORIAN:	YES
HUIZAR:	YES
CEDILLO:	YES
MARTINEZ:	ABSENT

JUN 0 4 2014 - CONTINUED TO June 11, 2014

JUN 1 1 2014 - **Received and Filed**

REW
6/3/14
FILE NO. 14-0565

-NOT OFFICIAL UNTIL COUNCIL ACTS-

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Promise Zone initiative is a federal program that partners the federal government with high-poverty communities to promote economic growth, create jobs, improve education, increase access to affordable housing, and improve public safety; and

WHEREAS, the neighborhoods of East Hollywood, Pico-Union/Westlake, Koreatown, Thai Town, and Little Armenia in the City of Los Angeles were chosen as one of the first five Promise Zones in January 2014; and

WHEREAS, in April 2014, HUD published a notice initiating a 60-day public comment period on the 2nd round of Promise Zone designations; and

WHEREAS, HUD proposes the 2nd round of Promise Zones to have the following qualifications:

- 1) The Promise Zone must encompass one or more census tract(s) or portions of census tracts across a contiguous geography;
- 2) The rate of overall poverty or Extremely Low Income rate (whichever is greater) of residents within the Promise Zone must be over 33 percent;
- 3) Promise Zone boundaries must encompass a population of at least 10,000 but no more than 200,000 residents;
- 4) Local leadership, including the mayors of jurisdictions represented in the Promise Zone, must demonstrate commitment to the Promise Zone effort; and

WHEREAS, the Housing and Community Investment Department (HCID) and the Economic and Workforce Development Department (EWDD) propose the following changes to the Promise Zone 2nd round application:

- Reinstate affordable housing as one of the Promise Zone goals.
- Require a plan for preserving or creating housing affordability opportunities within the selection criteria.
- Include transit investments and the U.S. Department of Transportation as part of the selection criteria and review process.
- Increase the poverty threshold from 33 to 40 percent.
- Increase the Promise Zone maximum population from 200,000 to 300,000 residents.
- Large metropolitan areas with populations of more than 3 million should be allowed to submit more than one application per round.
- Urban metropolitan areas that have unemployment/poverty rates higher than the national average should be allowed to submit up to three applications.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013-2014 Federal Legislative Program SUPPORT for administrative action to include the above changes to the Promise Zone 2nd round application, to be submitted to HUD as the City of Los Angeles comments as part of the Promise Zone 2nd round designation process.

I CERTIFY THAT THE FOREGOING
RESOLUTION WAS ADOPTED BY THE
COUNCIL OF THE CITY OF LOS ANGELES
AT ITS MEETING OF JUN 11 2014
BY A MAJORITY OF ALL ITS MEMBERS.



HOLLY L. WOLCOTT
INTERIM CITY CLERK

BY Maaron Bruce
DEPUTY