



ERIC GARCETTI
MAYOR

October 8, 2014

Honorable Members of the City Council
Heads of City Departments

41st Program Year of the Housing and Community Development Consolidated Plan—
Third Year Action Plan (2015-16)

As the City continues its economic recovery from a recession that challenged many Angelenos, we must work collaboratively to maximize every resource at our disposal to keep Los Angeles on a path toward prosperity. My administration is focused on promoting good jobs for every resident, restoring City services to improve the livability of our neighborhoods, and creating a more sustainable and livable city.

The Consolidated Plan (Con Plan) establishes a strategy that aligns the City's resources to fund catalytic projects that increase economic opportunities for City residents, and transforms low-income neighborhoods into sustainable communities of opportunity. This is possible through the leveraging more than \$84 million in annual allocations of the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships Program (HOME), and Housing Opportunities for Persons with AIDS (HOPWA) grant funding from the U.S. Department of Housing and Urban Development (HUD).

The City approved its 2013-2018 Transit-Oriented Consolidated Plan which integrates and maximizes transit, community, economic and housing development investments. Its development included a comprehensive analysis of need indicators and assets, which include transit, housing, public services and community amenities. Results of this needs- and place-based planning approach indicate that transit corridors have the highest potential for leveraging public and private investments.

In accordance with the Transit-Oriented Consolidated Plan, the City's 41st Program Year (PY) 2015-16 Annual Action Plan (Action Plan) continues to make investments that provide decent housing, a suitable living environment, and expanded economic opportunities by addressing housing and transportation costs.

Accordingly, the Con Plan put forth the following strategic goals:

- *Jobs:* Foster attractive and diverse employment opportunities in highly accessible locations.
- *Housing:* In highly accessible locations, foster housing options that meet diverse housing needs.
- *Quality of Life:* In highly accessible locations, foster the provision of basic services and additional community benefits.
- *Connectivity:* Foster diverse transportation options that reduce overall travel time and out of pocket transportation costs.

Efforts to achieve these goals are focused in the following strategic directions in the Con Plan:

- Build communities of opportunity by aligning community, economic, and housing development investments with transit opportunities to improving access and livability of neighborhoods.
- Maximize community and economic impact through place-based strategies focused on opportunities around transit corridors that provide access to jobs.
- Support programs that create jobs, increase family economic stabilization and mobility, create and preserve affordable and workforce housing, and reduce and end homelessness.
- Link and leverage limited Con Plan resources with other resources and investments to sustain and expand community benefit.
- Increase operating efficiency and effectiveness of the City and partners through continued consolidation, integration, and standardization of public services and community development activities.

Estimated Funding

On June 10, 2014, the U.S. House of Representatives passed its 2015 Transportation, Housing and Urban Development (THUD) funding bill with reduced funding for three grants in the Con Plan; ESG was passed with level funding. The Senate has not yet approved its THUD bill, but the draft included recommended funding for CDBG (-3%),

HOME (-5%), HOPWA (level), and ESG (level). Since that time, the House and Senate passed a Continuing Resolution that enacts spending through December 11, 2014. By doing so, Congress ensures that federal agencies will have the appropriate level of funding to prevent a government shutdown. The Resolution puts into effect an across-the-board funding reduction of 0.0554 percent from the 2014 levels, with some exceptions. Still to be determined when lawmakers return to Capitol Hill following the midterm elections is how they will fund agencies for the remainder of the fiscal year. Delays in Congressional actions during the past year make it difficult to estimate the timeline for approval for the four grants.

The table below reflects the potential reductions for Los Angeles compared to PY 40 (2014-15), based on the approved House funding. The schedule for the City to complete its Action Plan requires that we start our efforts based on estimated allocations because the actual allocations are released too late for planning purposes. These funds are allocated for a range of activities that advance the goals and objectives as defined in the 2013-17 Five-Year Consolidated Plan, however, the City expects funds for the PY 41 (2015-16) will likely decrease compare to the current year.

PY 41 Estimated Entitlement Amounts Compared to PY 40

Year	CDBG	HOME	HOPWA	ESG	TOTAL
40	\$51.1 million	\$21.0 million	\$15.9 million	\$4.3 million	\$92.3 million
41	\$49.4 million	\$14.7 million	\$14.8 million	\$4.3 million	\$84.2 million
% change	-3%	-30%	-7%	0%	-9%

In addition to the federal entitlement grants, the Action Plan is funded with program income (funds generated by Action Plan funded projects) and program savings (reprogrammed funds from past projects). By current projections of CDBG program income to be received in PY 40, which is used to calculate the cap on public services for the next year, we are anticipating a decrease in the cap on public services for next year. There is also a smaller decrease anticipated for CDBG planning and administrative activities, which are also capped. If the proposed federal HOME reduction were realized at the City level, the amount available for HOME planning and administrative activities would also decrease.

Year	CDBG Public Services (15% cap)	CDBG Planning & Admin (20% cap)	HOME Admin (10% cap)
40	\$15.9 million	\$14.0 million	\$3.1 million
41	\$10.9 million	\$13.7 million	\$2.6 million
% change	-32%	-2%	-14%

Following the loss of the former Community Based Development Organization (CBDO) funding, options available under the HUD regulations were reviewed to determine options for providing services using CDBG funds. No viable alternative has been identified, however the City continues to explore possibilities to addressing this policy issue in the long term.

This letter serves as the official notification for the PY 41 Action Plan application process. I strongly encourage the identification of economic development and neighborhood improvement projects that would result in creating and retaining living-wage jobs, promoting new economic development activity within the City, and nurturing small businesses so that they may flourish. I have launched the City of Los Angeles Great Streets Initiative, a place-based strategy, which focuses on developing Great Streets that activate the public realm, provide economic revitalization, and support great neighborhoods. I encourage you to take this Initiative into consideration in your application development, and consult with the Great Streets Working Group as necessary. I have also committed to President Obama's Mayors Challenge to End Veteran Homelessness, and urge you to consider how to assist homeless vets in housing and rental assistance as you plan for next year's projects.

Attached for your information are the calendar and instructions for the PY 41 Action Plan applications. Adherence to these instructions will help maintain a timely schedule and facilitate transparent analysis of all applications.

Let's continue to expand our successful efforts to work together, and to leverage existing and future investments to that spark sustainable growth and prosperity for all Angelenos.

Sincerely,



ERIC GARCETTI
Mayor

EG:

Attachments

cc: Members, Affordable Housing Commission
Members, Commission for Community and Family Services
Members, HACLA Board of Commissioners
Members, LAHSA Commission
Presidents, Neighborhood Councils
Directors, Community-Based Organizations

41st (2015-16) Program Year HCD Action Plan Application Instructions

Action Plan Application Process and Considerations

Applications for the Action Plan will be accepted **from October 8 through October 28, 2014** from City Departments via City staff (see calendar in Attachment 2) through the City's Consolidated Plan Application System (CPAS) at <http://conplan.la-serves.org/41/>, using Internet Explorer.

Guidelines for PY 41 applications:

- Any applications intended for capital projects should be for projects where the construction is ready to start as of April 2015. It is critical that federal funds be spent quickly on projects with sufficient funds to begin and complete construction.
- If you are considering applying for funding and already received City general funds for the same projects or services, your projects and services would not be eligible for federal funds, as the City cannot supplant its own funds with federal funds.
- Applications submitted for CDBG Public Service activities should include a budget exercise reflecting the impact of a 30 percent reduction or the line item not being funded.
- No new applications will be accepted for Public Service or Planning/ Administration activities.

Any non-City entities interested in funding should contact the appropriate implementing City department or the Los Angeles Housing and Community Investment Department (HCIDLA) to discuss possible funding through the City department, or should see Attachment 3 about accessing opportunities through the Los Angeles Business Assistance Virtual Network available online at <http://www.labavn.org>.

HCIDLA provided the training for application submission from August 7 to 15, 2014. Please contact hcidla.grantsadmin@lacity.org if you need additional information or did not attend the training. HCIDLA staff is available to assess eligibility and project development.

Community Meetings

Community meetings to solicit resident input were held in mid-September 2014 and will be held as well in January and February 2015 after the release of the draft Action Plan. Comments are used to inform the development of the Action Plan and the City solicits feedback about the draft Plan once it is released. Locations and dates will be posted to the website hcidla.org/PlansAndReports.

Additional Information and Assistance

HCIDLA 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 HCIDLA, funding

opportunities under the Emergency Solutions Grant (ESG) program is managed by the Los Angeles Homeless Services Authority (LAHSA). For more information about these programs, please visit hcidla.lacity.org and <http://lahsa.org/>

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

- Los Angeles Business Assistance Virtual Network—<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

**41st (2015-16) Program Year HCD Action Plan
Calendar**

Task	Date	Deliverables
Action Plan Development	Aug. 7-15	Training in the Con Plan Application System (CPAS) for City staff
	Sept. 8-19	Action Plan Community Meetings
	Oct. 8	Release of the Mayor's Action Plan Policy and funding Priorities Letter for the Action Plan
	Oct. 8-28	Open period for accepting applications from City Depts.

Draft Action Plan	Nov. 18	Eligibility and project readiness review completed
	Dec. 4	Draft plan submitted to Mayor
	Jan. 9	Mayor releases proposed Action Plan to City Council
	Jan. 14	Housing Committee accepts draft Plan and CAO-CLA begin review of the Action Plan released by Mayor

Action Plan Approval	Jan. 14-Feb. 13	Public comment period to solicit community feedback (incl. community meetings Jan. 26-Feb. 6)
	Mar. 4	Housing Committee reviews CAO-CLA report on Mayor's proposed Action Plan
	Mar. 6	City Council approves Action Plan
	Mar. 13	Mayor concurs with Council Action

Preparation for PY 41	February 13	Regulatory deadline to submit the Action Plan to HUD ¹
	Apr. 10	Plan is prepared and submitted to HUD

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¹ City cannot submit Action Plan to HUD until after HUD releases 2015 allocations, following Congressional Action. In 2014, federal allocations were announced March 14.



LABAVN

Los Angeles Business Assistance Virtual Network

City of Los Angeles Funding Opportunities

“How can I apply for Community Development Block Grant (CDBG) funds?”

The City of Los Angeles Community Development Block Grant (CDBG) funds dozens of city projects each year that provide public services, construction of public facilities, homeownership and affordable housing opportunities, and economic development activities that primarily benefit low and moderate income residents through the Housing and Community Development Consolidated Action Plan. Projects funded with CDBG include:

- Affordable Housing Trust Fund
- Aging Services Delivery System
- BusinessSource Centers
- Domestic Violence Shelter Operations
- FamilySource Center System
- Handyworker Program
- Homeownership Assistance

The CDBG program does not provide direct grants or cash assistance to individuals. The annual CDBG application process is open to city staff and departments only to request funding for specific projects. In some cases, City employees carry out CDBG-funded activities, but in many cases City departments request proposals or bids from nonprofit organizations and/or developers for a CDBG-funded project.

The City has created the Los Angeles Business Assistance Virtual Network (LABAVN) for all City departments to post advertised opportunities for bid, requests for proposals, and requests for qualifications. If you are a nonprofit organization, a developer, a current contractor with the City, or any other agency and are interested in learning about funding opportunities offered by the City of Los Angeles, please go to labavn.org.

LABAVN is the place to view and download information about contractual and funding opportunities, including CDBG, offered by the City. Opportunities to be a subcontractor on a City contract are also posted to the website, as part of the City's Business Inclusion Program. As a registered BAVN user, you can access and download information and documents associated with prime and subcontractor bidding for contractual opportunities. Registrants are also notified by email when an opportunity matching your company's profile posts online.

Click on the **REGISTER** button on the website to get started.

Click on the **SUPPORT** button, if you have questions about how to register or more information about how to move around in BAVN.

Any opportunities offered by City departments for funding through the Housing and Community Development Action Plan will be posted to the labavn.org website. This includes funding opportunities with CDBG, as well as Emergency Solutions Grant (ESG), HOME Investment Partnerships Program (HOME), and Housing Opportunities for Persons with AIDS (HOPWA) grant funds.

labavn.org