



ERIC GARCETTI
MAYOR

September 23, 2016

Honorable Members of the City Council
Heads of City Departments

Re: 43rd Program Year of the Housing and Community Development Consolidated Plan—Fifth Year Action Plan (2017-18)

As the City of Los Angeles continues to improve the quality of life in our neighborhoods, we are focused on investing City resources to create a more livable and equitable city.

The Consolidated Plan (Con Plan) establishes a strategy that aligns the City's resources to increase economic opportunities for residents and to transform low-income neighborhoods into sustainable communities of opportunity. The current Con Plan consists of more than \$87 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), as well as grant savings and program income.

The City's 2013-2018 Transit-Oriented Consolidated Plan integrates and maximizes transit, community, economic, and housing development investments. The development of the five-year plan included a comprehensive analysis of need indicators and assets that were focused on transit, housing, public services, and community amenities.

The City's 43rd Program Year (PY) 2017-18 Annual Action Plan (Action Plan) will continue to make investments that provide decent housing, a suitable living environment, and expanded economic opportunities.

During PY 41, the City was challenged to meet HUD's regulatory requirement of having no more than 1.5 times our annual grant remaining in the line of credit by the end of January 2016. The City rose to the challenge. Staff from my office, numerous City departments, and the offices of the City Council, the City Administrative Officer, and Chief Legislative Analyst worked to execute contracts and spend funds to benefit the low income members of the community and meet HUD's timeliness deadline with room to spare—reaching 1.24 times the entitlement.

To continue the efforts started last year and keep the City on track with CDBG projects, CDBG applications will have additional guidelines that focus on projects that will be successfully completed on time. The City will focus on long-term planning and set up strategies to plan for projects over multiple years. In the 42nd PY plan, we approved a list of priority projects, including those in which the City has a vested interest through prior CDBG funding. The current Action Plan identifies the vested and priority projects to be considered first when CDBG funds are available. Attachment 1 provides direction on projects that can be placed on the list for funding.

Estimated Funding

The U.S. Senate and House of Representatives have introduced 2017 Transportation, Housing and Urban Development (THUD) funding bills in April and June, respectively. The House's bill recommends continuing funding for the four grants in the Con Plan at the same level as the current year. The Senate's bill recommends level funding for three of the grants, but recommends a 19 percent decrease in ESG.

The table below reflects the potential funding for Los Angeles compared to 42nd PY (2016-17), based on the more conservative proposed Senate funding. The schedule for the City to complete its Action Plan requires that efforts start based on estimated allocations, as actual allocations are released too late for planning purposes.

43rd PY Estimated Entitlement Amounts in Millions Compared to 42nd PY

Program Year	CDBG	HOME	HOPWA	ESG	TOTAL
42 (2016-17)	\$ 49.7	\$ 19.8	\$ 13.7	\$ 4.5	\$ 87.7
43 (2017-18)	\$ 49.7	\$ 19.8	\$ 13.7	\$ 3.6	\$ 86.8
% change	0%	0%	0%	-19%	-1%

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). The calculations to estimate the caps on public services and CDBG planning and administrative for the next year include program income received this year and current projections of CDBG program income to be received in PY 42. There is an anticipated decrease in public service funding available for next year. There is a slight increase anticipated for CDBG planning and administrative activities. If the proposed federal ESG reduction were enacted, the amount available for ESG planning and administrative activities would also be decreased.

This letter serves as the official notification for the 43rd PY 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.

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Attached for your information are the instructions and calendar for the 43rd PY Action Plan applications. Adherence to these instructions will help maintain a timely schedule and facilitate transparent analysis of all applications.

I look forward to working with the City Council, community leaders, stakeholders, and residents to continue our efforts to leverage existing and future investments that will secure a brighter future for Los Angeles.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Garcetti", with a horizontal line extending to the right.

ERIC GARCETTI
Mayor

EG:jdr

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

43rd (2017-18) Program Year HCD Action Plan Application Instructions

Action Plan Application Process and Considerations

Applications for the Action Plan will be accepted **from October 1 through November 10, 2016** 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/43/>.

Guidelines for PY 43 applications:

1. *No new applications will be accepted for public service or planning and administration activities.*
2. Any applications for capital projects should be for projects where the construction will be ready to start as of September 2017. It is critical that federal funds be spent quickly on projects with sufficient funds to begin and complete construction. *Construction start* means that construction forces are onsite for the project. Environmental review and contract execution would occur between April and September, with proper procurement of contractor to follow.
3. The City is beginning coordinated, long-term planning and set up strategies to plan for projects over multiple years. For capital projects, applicants may request CDBG funds indicating whether funding is needed in (1) PY 43, (2) PY 43 and future years, or (3) future years only. In the CPAS training, applicants will receive instructions on how to identify the years for which funds is being requested. Future eligible projects identified as priority projects will be added to the list of priority and vested projects created in PY 42. Vested projects are those where the City has a vested interest through prior CDBG funding.
4. The PY 42 Action Plan identifies the vested and priority projects to be considered first when CDBG funds become available (see Attachment 3). Instructions will be provided in the CPAS training as to whether projects on Attachment 3 and currently identified as vested or priority projects need to submit an application.
5. The City cannot supplant its own funds with federal funds. Therefore, projects receiving General Funds may not apply for Con Plan funding that would replace General Funds.
6. HCIDLA will provide the training for application submission from September 19 to 30, 2016. Notices will be sent out to department staff with dates and times of training.

Any non-City entities interested in funding should contact the appropriate implementing City department or the Los Angeles Housing + Community Investment Department (HCIDLA) to discuss possible funding through the City department, or should see Attachment 4 about accessing opportunities through the Los Angeles Business Assistance Virtual Network available online at <http://www.labavn.org>.

Community Meetings

Community meetings to solicit resident input will be held in October 2016 and will be held again in early February 2017 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.lacity.org.

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 are 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 are 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> (see Attachment 4);
- 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.

43rd (2017-18) Program Year HCD Action Plan Proposed Calendar

Task	Date	Deliverables
Action Plan Development	Aug 1-15	HCIDLA meetings with departments, Council, and Mayor staff re application ideas and prior year projects
	Sep 23	Release of the Mayor's Action Plan Policy and funding Priorities Letter
	Sep 19-30	Training in the Con Plan Application System (CPAS) for City staff
	Oct 3-28	Action Plan Community Meetings
	Oct 1 – Nov 10	Open period for accepting applications from City departments.

Draft Action Plan	November	HCIDLA meetings with departments and Council staff regarding applications
	Dec 14	Eligibility and project readiness review completed
	Jan 6	Mayor releases proposed Action Plan to City Council

Action Plan Review and Approval	Jan 11	Housing Committee accepts draft Plan and CAO-CLA begin review of the draft Action Plan
	Jan 16 – Feb 15	Public comment period to solicit community feedback (incl. community meetings)
	Feb 16	Estimated date of federal allocations ¹
	Mar 1	Housing Committee reviews CAO-CLA report on Mayor's proposed Action Plan
	Mar 3	City Council approves Action Plan
	Mar 10	Mayor concurs with Council Action

Plan Submission to HUD	Apr 15	Estimated regulatory deadline to submit the Action Plan to HUD ²
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¹ In 2016, federal allocations were announced February 16. In 2015, allocations were announced Feb. 11.

² City cannot submit Action Plan to HUD until after HUD releases allocations, following Congressional Action. Plan due 60 days after release of allocations.

**42nd Program Year Action Plan (2016-2017)
CDBG Future Priority Projects
(CF 15-1041)**

Attachment 3

Vested Projects

For vested projects below, if future CDBG funding is not identified, there is a risk that projects which already have CDBG funds will not be completed. Therefore, the City would have to pay back the funds already expended or would delay spending funds already allocated.

Project Name	City Dept.	Council District	Amount
Slauson wall green space affordable housing	HCIDLA	9	\$ 2,216,936
Wilmington Town Square Park Phase II	RAP	15	\$ 500,000
Elysian Valley Lighting Project Phase IV	St Lighting	13	\$ 450,000
Normandie Recreational Center Improvement Phase 1B	RAP	1	\$ 400,000
Whitsett Fields Park Sports Field Improvements	RAP	2	\$ 515,000
MacArthur Park Restroom Project	RAP	1	\$ 330,000
88th and Vermont Youth and Community Center	HCIDLA	8	\$ 1,600,000
Total			\$ 6,011,936

Future "Priority" Projects

Project Name	City Dept.	Council District	Amount
5181 Adams Boulevard Housing Project	HCIDLA	10	\$ 750,000
Mid Valley Intergenerational Center Public Improvement	PW- Eng	6	\$ 375,000
David M. Gonzales Recreation Center Gym Floor	RAP	7	\$ 500,000
Hollenbeck Park Splash Pad	RAP	14	\$ 500,000
Pedestrian Parkways	CD 6	6	\$ 600,000
Jeopardy Building Site Improvements	HCIDLA	7	\$ 750,000
Culinary Academy at Exposition Park*	CD 9	9	\$ 2,000,000
Van Nuys - Hamlin Street Lighting	St Lighting	6	\$ 800,000
CD 1 Pedestrian Safety Improvements Phase 2	DOT	1	\$ 120,000
Downey Recreation Center Phase 2	RAP	1	\$ 400,000
Great Streets Los Angeles	EWDD	various	\$ 1,000,000
Former Washington Irving Library Rehabilitation	CD 10	10	\$ 500,000
Total			\$ 8,295,000

*Funding at \$1M PY43 and \$1M PY44



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  button on the website to get started.

Click on the  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