



ERIC GARCETTI
MAYOR

October 10, 2018

Honorable Members of the City Council
c/o City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Subject: 45th Program Year (PY) of the Housing and Community Development Consolidated Plan — Second Year Action Plan

Here in Los Angeles, we know that we hold the power in our hands to shape a future rooted in fairness, focused on shared opportunity and sustainability, and founded on innovation. Those values guide us in all of the work that we do, as we stand shoulder-to-shoulder with all Angelenos — from the family struggling to scrape by, to our homeless brothers and sisters. Over the decades, funding from the City's Consolidated Plan has guided innovative solutions to some of our most vexing challenges, and today I am proud to launch the 45th Program Year Action Plan application for the City's Housing and Community Development Consolidated Plan ("Con Plan").

Background

The Con Plan is a framework that aligns the City's resources to fund projects that increase economic growth for residents, and transform low-income neighborhoods into communities of opportunity. This is made possible by leveraging over \$100 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) funding from the U.S. Department of Housing and Urban Development (HUD).

Last year (PY 44), the City approved the 2018-2022 Consolidated Plan. As part of the development process, a comprehensive needs assessment was conducted to determine the greatest concerns and challenges for Los Angeles. The results pointed strongly to certain interconnected factors: housing, income stability, and homelessness.

Based on this needs assessment, the City Council and I passed a Five-Year Consolidated Plan with six specific goals in mind:

1. **Develop affordable and supportive housing for low-income and homeless Angelenos:**
 - a. Support the development of and equal access to affordable, sustainable, accessible, and resilient housing for homeless individuals, persons living with a disability, and other low-income residents;
 - b. Create new housing opportunities for low-income households and homeless persons by financing new affordable rental housing and permanent supportive housing;
 - c. Provide first time homebuyers with financial assistance; and
 - d. Increase the supply of affordable and accessible housing units for persons living with disabilities, and those living with HIV/AIDS.

2. **Preserve existing affordable housing:**
 - a. Prevent the displacement of low- and moderate-income residents by preserving existing affordable and rent-stabilized housing;
 - b. Preserve the existing stock of affordable rental housing and rent-stabilized housing, and support seismic retrofits and other hazard remediation;
 - c. Provide lead-based paint remediation and other housing interventions and partnerships to make existing housing healthier, more resilient, sustainable, and accessible;
 - d. Ensure equal access to housing for persons with protected characteristics, lower incomes, and experience being homeless; and
 - e. Increase community integration and independent living opportunities for persons living with disabilities.

3. **Stabilize and revitalize neighborhoods:**
 - a. Stabilize and revitalize low-income neighborhoods;
 - b. Increase public access to opportunities for education, employment, recreation, and social services by creating new and improving existing public facilities and infrastructure;
 - c. Improve access to public facilities and infrastructure for persons with disabilities; and
 - d. Identify deteriorating properties and code violations for enforcement of safety standards in low-income neighborhoods.

4. **Prevent and reduce homelessness and domestic violence:**
 - a. Work in partnership with community-based, not-for-profit, and government agencies to prevent and reduce homelessness and domestic violence;
 - b. Support efforts to reach out to and provide emergency shelters, transitional housing, case management, supportive services, and rental assistance to persons who are homeless or are at risk of becoming homeless, and survivors of domestic violence and human trafficking; and

- c. Provide housing-related supportive services and rental assistance to those with low incomes, including at-risk homeless persons living with HIV/AIDS.
- 5. Improve local economy for low-income residents:**
- a. Improve local economic conditions and expand access to opportunity for low-income residents and other protected classes, by supporting efforts to create and retain jobs and provide essential goods and services to underserved neighborhoods;
 - b. Produce new jobs and retain employees in existing jobs for low- to moderate-income residents by helping businesses thrive and succeed through economic development, business loans, business assistance, and entrepreneurial assistance; and
 - c. Support businesses' efforts to provide goods and services needed in low-income neighborhoods.
- 6. Help low-income families to economically stabilize:**
- a. Help low-income households to stabilize economically and avoid displacement;
 - b. Support family economic stabilization by providing services to improve employment, income, financial literacy, asset development, and academic achievement; and
 - c. Support seniors in maintaining their physical and mental health and independence, and preventing loss of housing and premature institutionalization.

Guidance for PY 45 Con Plan Funding Applications

The window for PY 45 Con Plan funding applications will be open from **October 11 through November 16, 2018**. As with previous years, all Con Plan funding applications must be submitted through a City Department. Please see the attachments for details regarding the application process and schedule.

This year, we will continue to support renewal applications for homeless, housing, public services, and administration and planning projects funded in the current program year. I also encourage our City partners to submit innovative economic development and neighborhood improvement projects that clearly advance economic mobility and opportunity for the City's low- to moderate-income residents.

For economic development projects, we encourage you to consider applications that leverage the City's investments a way that multiplies jobs and keep L.A. in the vanguard of our nation's economy. An example of an innovative project funded by the Con Plan is the Los Angeles CleanTech Incubator program — globally ranked as a top-ten incubator

— which has attracted green businesses to Los Angeles, and created over 2,000 jobs in the clean energy sector.

For neighborhood improvement projects, consider applications that leverage existing place-based initiatives in low-income neighborhoods, or those that enhance mobility for lower-income residents into higher-opportunity neighborhoods. For example, consider how your applications can support a Promise Zone, a neighborhood with substantial Cap-and-Trade investments, Skid Row, or a neighborhood that has welcomed (or plans to welcome) a new “A Bridge Home” or supportive housing development for Angelenos experiencing homelessness.

Conclusion

This is an era of tremendous growth and change in our city. Together, we are making Los Angeles a place that is defined by equal opportunity, equal access, and equal justice for all. If we continue to collaborate on sustainable solutions that serve our most vulnerable populations, I know that we can meet any challenge.

Sincerely,

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

ERIC GARCETTI
Mayor

**Instructions for Program Year 45 Consolidated Action Plan
Applications for Community Development Block Grant (CDBG) Funding**

Action Plan Application Process and Considerations

Applications for the PY 45 Con Plan (July 1, 2019 – June 30, 2020) will be accepted as indicated below **from October 11 through November 16, 2018.**

I. Instructions for City Departments Reapplying for CDBG funds:

City staff will use the City's Consolidated Plan Application System (CPAS) to submit applications for PY 45 funding for existing projects. Existing projects are those that currently receive funding. If a City department submitted an application in prior years that did not receive funding, it will need to follow the instructions for new projects to be reconsidered for funding. The Los Angeles Housing + Community Investment Department (HCIDLA) administers the CPAS and application process. HCIDLA has provided the training on how to use the CPAS to reapply for Con Plan funds, but if you did not attend, need technical assistance, or need to request access to the PY 45 CPAS, please contact Karen Banks at Karen.banks@lacity.org or 213-808-8540.

II. Instructions for Applications for New Projects:

Due to high demand for finite funding and limitations on how funds can be used, the City will accept applications for new projects *only for CDBG funds to be used for Economic Development or Neighborhood Improvement projects not currently receiving CDBG funds.*

- A. Economic Development** projects are those that will benefit businesses and commercial and industrial developments. These projects may be funded in the form of loans and must meet specific CDBG-mandated public benefit requirements, as well as demonstrate sound underwriting principals. Due to the specific nature of these projects, interested parties should contact the Economic and Workforce Development Department (EWDD) for further information on how to apply. Please contact:

Daysi Hernandez, Chief Grants Administrator
Economic and Workforce Development Department
Daysi.hernandez@lacity.org, 213-744-9340

- B. Neighborhood Improvement** projects are *capital* projects such as acquisition, construction, rehabilitation, reconstruction, environmental remediation or installation of public facilities or improvements. These facilities or improvements must be permanent and owned by the City or by a private nonprofit organization. Eligible applicants are City departments or private nonprofit organizations. HCIDLA oversees applications for neighborhood improvement projects.

To obtain an application, please send an email with your organization name, a contact name and phone number to:

hcidla.grantsadmin@lacity.org

If you have questions, you can email the above address or contact Karen Banks at Karen.banks@lacity.org or 213-808-8540.

Application Review Guidelines:

To be considered for CDBG funding for PY 45, new projects involving construction should be ready to start construction in December 2019. Prior to beginning construction, you will need to complete all environmental reviews, procure contractors, and execute City agreements. Other factors that will be evaluated when considering project readiness may include, but are not limited to, site control, environmental testing and review, if all funds needed to start and finish the project are committed, and the capacity of applicant to use federal funds in compliance with regulations.

If you do not think your project will meet all of these guidelines, the City is also interested in receiving applications to establish a *pipeline* of projects that will be ready for federal funding in future years. You may submit applications for new economic development and neighborhood improvement projects if you are contemplating needing funding in future years; the City will review and provide feedback on potential future funding.

Other Funding Opportunities:

The City has strategically allocated the large percentage of Consolidated Plan funding to projects or systems such as the Affordable Housing Managed Pipeline, the FamilySource System, BusinessSource Centers, the Los Angeles Homeless Services Authority, and other projects to target funding. Several different City departments oversee these projects. Some are implemented by City staff and others are carried out by nonprofit organizations, contractors or developers. Departments will issue notices of funding opportunities or requests for proposals to obtain service providers or developers to implement specific activities.

Non-City entities interested in funding should contact the appropriate implementing City department or access opportunities through the Los Angeles Business Assistance Virtual Network (LABAVN): <http://www.labavn.org>.

**Program Year 45 (2019-20) Action Plan
Timeline**

Task	Target Date	Deliverables
Action Plan Development	Aug 6 - 24	HCIDLA meetings with departments, Council staff, and Mayor's Office re application ideas and prior year projects
	Aug 20 – Aug 31	Training in the Con Plan Application System (CPAS) for City staff
	Aug 21 – 30	Public meetings to gather input in developing Action Plan
	Oct 11 – Nov 16	Open period for accepting applications from City departments
	Oct 12	Summary of public meetings to Mayor's Office and Council staff
	Oct 16 – Oct 18	Technical assistance session(s) with City staff
	Oct 25	CDBG Requirements Overview Session
Proposed Action Plan	Dec 10	Eligibility and project readiness review completed by HCIDLA
	Dec 10 – 14	HCIDLA meetings with departments and Council staff regarding applications
	Feb 9	Estimated date when HUD releases allocations
	Feb 15	Mayor releases proposed Action Plan budget for public comment
	Feb 20 – 28	Public meetings to solicit community feedback (and beginning of 30-day public comment period)
	Mar 1	Summary of public meetings to Mayor's Office and Council staff
	Mar 8	Mayor releases revised proposed Action Plan budget to City Council
	Mar 13	Housing Committee hears Mayor's proposed budget and CAO-CLA begin their review
Mar 21	End of 30-day public comment period	
Action Plan Approval	April 10	Housing Committee reviews CAO-CLA report on Mayor's proposed Action Plan budget
	April 17	City Council hears Action Plan budget report
	April 23	Mayor reviews Council's final action
Plan Submission to HUD	May 15	Date to submit the Action Plan to HUD, with new program year starting July 1