

TRANSMITTAL

To: **THE COUNCIL**

Date: **06/13/19**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in blue ink, appearing to be 'Eric Garcetti', written in a cursive style.

(Ana Guerrero) for

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

Housing Development Bureau
1200 West 7th Street, Los Angeles, CA 90017
tel 213.808.8638 | fax 213.808.8610
hcidla.lacity.org

May 29, 2019

Council File: NEW
Council Districts: Citywide
Contact Persons: Brittany Batong (213) 922-9627
Sean Spear (213) 808-8464

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR AUTHORITY TO ACCEPT A TRAINING GRANT FROM THE CALIFORNIA COMMUNITY FOUNDATION FOR HOUSING DEVELOPMENT BUREAU STAFF DEVELOPMENT

SUMMARY

In accordance with Executive Directive No. 3, the General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, HCIDLA seeks approval, and requests authority to accept a training grant from the California Community Foundation. HCIDLA proposes to utilize the funds to initiate a comprehensive training program for Housing Development Bureau staff.

RECOMMENDATIONS

- I. That the Mayor review this transmittal and forward to the City Council for further action;
- II. That the City Council, subject to the approval of the Mayor:
 - A. AUTHORIZE the General Manager of HCIDLA, or designee, to enter into negotiations to receive a \$30,000 grant from the California Community Foundation, and to finalize the proposed accomplishments for the grant agreement;

- B. AUTHORIZE the General Manager of HCIDLA, to execute, on behalf of the City of Los Angeles, all relevant grant agreements, attachments, and amendments thereto, to implement and carry out the training plan, as presented in the application package submitted to California Community Foundation (Attachment B);
- C. AUTHORIZE the General Manager of HCIDLA, or designee, to accept and expend the California Community Foundation grant funds as part of a training program for the Housing Development Bureau, for the purposes of staff development;
- D. AUTHORIZE the City Controller to:
 - i. Establish new account 43S810 CCF Grant HDB Training and appropriate \$30,000 within the HCIDLA Small Grants and Awards Fund No. 49N upon receipt of the grant.
 - ii. Expend funds from the above account upon proper written demand of the HCIDLA General Manager, or designee; and
- E. Authorize the General Manager of HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer, and instruct the Controller to implement the instructions.

BACKGROUND

The HCIDLA Housing Development Bureau (HDB) facilitates the financing of housing development projects with HCIDLA's business and community partners. Using federal, state, and local funding resources, HDB builds and preserves housing in low-income communities to provide high-quality housing, create jobs, improve safety, and boost economic activity in those neighborhoods. HDB leverages funds with private investments in order to maximize the positive impact of our programs.

HDB's various affordable housing programs are managed by three divisions: the Development & Finance Division (DFD), the Asset Management Division (AMD), and the Housing Strategies & Services Division (HSSD). In addition, the HDB Assistant General Manager (AGM) has dedicated Executive Staff to manage initiatives that reach across these three divisions. Fully staffed, the HDB would encompass 148 staff members at various professional levels.

In the past, HDB administrative costs, including staff development and training, were largely funded through federal resources allocated through the U.S. Department of Housing and Urban Development (HUD) Consolidated Planning process. However, over the past decade, substantial reductions in these funding sources has resulted in the drastic reduction of administrative funding allocations available through HUD. Thus, HDB has seen its limited administrative funding allocation stretched essentially only to fund baseline salary and fringe benefit costs. Once-robust staff development programs have been the first initiatives to suffer from the reduction in resources. In addition, free training provided in-person by HUD has been largely replaced by online "webinars" intended to deliver information on basic regulatory compliance. HDB has depended on the strong skills and institutional knowledge of senior staff to ensure that newer employees receive adequate training to effectively administer the bureau's multiple program areas; however, institutional knowledge only goes so far in training a workforce for a rapidly changing public administration environment.

Over the same period of time, as administrative funding has seen a steady decline, new affordable housing development programs have ramped up. The Proposition HHH Permanent Supportive Housing Loan Program (HHH), passed by City voters in 2016, has tripled the City's housing production funding resources. However, the approved ballot measure did not provide for any administrative funding. Now, more than ever, City staff needs to work more efficiently to meet the demands of these high-volume, high-profile programs, requiring a greater knowledge base and administrative skillset.

Current Fiscal Year 2018-2019 Hiring Plan

HDB is in the process of filling multiple vacant positions by the end of Fiscal Year 2018-2019 (FY19), and plans to engage technical service contractors to address short-term, sporadic workload responsibilities that have historically been met by HCIDLA staff.

These necessary solutions to address capacity building will bring in new staff unfamiliar with HDB's current regulatory restrictions, processes, policies, and procedures. In addition, senior staff with specialized organizational knowledge have either recently transitioned out of the department permanently, or will leave within the next two years due to promotion, transfer, or retirement from the City.

HCIDLA Training Grant Application

On May 24, 2019, upon receiving a formal invitation to apply for grant funds (Attachment A) from the California Community Foundation (CCF), HCIDLA submitted an application (Attachment B) to request funding to assist with its training strategy for HDB, with the following overall measurable objectives:

- 1) Increase the operational and specialty knowledge of the HDB line staff, alongside providing them with front-line managerial skills; and
- 2) Build up the strategic management and effective leadership skills of the program managers and directors.

The proposal was presented to CCF with the following multi-year goals:

- Year One Goal: Encourage innovative thinking for managers and increase staff ability to work independently and from a place of deep knowledge and skills.
- Year Two Goal: Encourage team building and cross-training.
- Ongoing: Attend annual conferences and events that promote peer learning and enhance the City's relationship with the greater affordable housing community.

Year One Goal

Table 1, below, outlines types and projected costs of specific trainings that were proposed as part of the application for CCF grant funds, as being critical to achieving the Year One Goal, to encourage innovative thinking for managers and increase staff ability to work independently and from a place of deep knowledge and skills. These trainings will be critical in supporting HCIDLA to achieve the Mayor's and its own Strategic Plan goals during Fiscal Year (FY)20. Costs of specific trainings are based off of estimates received during the third quarter of FY19 and are subject to change. Proposed trainers were identified by various program managers; in many cases, the providers listed are the only organizations that offer the specific trainings listed. HCIDLA plans to access training through the organization specified.

TABLE 1: YEAR ONE GOAL TRAINING TO BE FUNDED THROUGH HCIDLA GRANT				
Proposed Trainer	Training Need Identified	# Staff	Specific Goal of Training or Event	Approximate Cost
Institute for Management Studies	Management Techniques (Free for Directors/CHPMS; \$475 all others)	21	Develop Management Skills	\$ 6,200.00
UCLA Ziman Center	UCLA Affordable Housing Development Finance (\$500/pp)	6	Increase knowledge base around structuring a deal	\$ 3,000.00
LCP Tracker	Basic federal/state compliance issues for development – Prevailing Wage (\$950/pp)	5	Increase knowledge base for Construction/ Technical Services Staff	\$ 4,750.00
National Development Council (proposed)	Structuring Homeownership and other smaller-scale deals for sale of new development	6	Capacity Building for Land Development Staff	\$ 2,000.00
Neighbor Works	Certified Housing Asset Manager (CHAM) Training	3	Capacity Building for Asset Managers	\$ 5,300.00
Keyser Marston	California Redevelopment Law (CRL) as it relates to rent increases	3	Capacity Building for Asset Management	\$ 3,000.00
Corporation for Supportive Housing	Monitoring PSH projects beyond tenant income/rent for quality service delivery (County CDC, DMH, DHS, HACLA, HACOLA)	12	Capacity building for Occupancy Monitoring staff	\$ 1,500.00
Lindquist, von Husen, & Joyce	Asset Management “Boot Camp” (including Accrual-based and development accounting)	12	Capacity Building for Loan Portfolio staff	\$ 3,500.00
	YEAR ONE (HCIDLA) SUBTOTAL			\$29,250.00

As a supplement to the training program shown above, CCF plans to contract separately with the California Housing Partnership (CHPC), a contractor of the County of Los Angeles (County), to provide multi-family finance trainings as part of a nine-month joint training effort between the City and the County. The trainings in Table 2, below, were identified in a draft application submitted by HCIDLA to CCF, and the projected costs were subtracted from HCIDLA’s initial request for Year One. They are listed here for the purpose of memorializing that the HCIDLA grant from CCF is one part of a larger effort in the region to train staff in the public sector to meet affordable housing needs throughout Los Angeles.

TABLE 2: YEAR ONE GOAL TRAINING TO BE FUNDED THROUGH CHPC GRANT				
Proposed Trainer	Training Need Identified	# Staff	Specific Goal of Training or Event	Approximate Cost
California Housing Partnership	Lender and Tax Credit Investor Underwriting	24	Increase knowledge base for all Finance and Real Estate Staff	\$ 3,000.00
California Housing Partnership	Training on analyzing a pro-forma and negotiating term sheets	6	Increase knowledge base for Land Development Staff	\$ 3,000.00
California Housing Partnership	Real Estate training	6	Capacity Building for Land Development Staff	\$ 3,000.00
	YEAR ONE (CHPC) SUBTOTAL			\$9,000.00

Year Two Goal

Table 3, below, outlines types and projected costs of specific trainings that were proposed as part of a draft application to CCF, as being critical to achieving the Year Two Goal, to encourage team building and cross-training. These trainings have not yet been funded, but CCF is seeking partners to fund the efforts outlined, likely in a later fiscal year.

TABLE 3: YEAR TWO GOAL TRAINING TO BE FUNDED THROUGH LATER GRANT REQUESTS				
Proposed Trainer	Training Need Identified	# Staff	Specific Goal of Training or Event	Approximate Cost
UNDETERMINED	All-Day Team Building	ALL	Team Building	\$ 5,000.00
UNDETERMINED	Customer service (internal and external)	ALL	Capacity Building	\$ 5,000.00
UNDETERMINED	Technical Writing	21	Capacity Building	\$ 4,200.00
UNDETERMINED	Introductory Supervisor Training	122	Individual Professional Development	\$ 5,000.00
	YEAR TWO SUBTOTAL			\$19,200.00

Ongoing

Table 4, below, indicates annual conferences and presentations that are attended by HCIDLA staff to promote peer learning and enhance the City’s relationship with the greater affordable housing community. Costs associated with these sorts of events have generally been covered in past years through allocations provided in the City budget for training and travel. Note, CCF does not require any matching funding from the City in order to receive grant funding for the objectives outlined in Table 1; this additional information is provided to evidence how the training grant from CCF will expand existing training efforts.

TABLE 4: CONFERENCES/EVENTS FUNDED THROUGH CITY BUDGET			
Conference/Event Name	# Staff	Specific Goal of Event	Approximate Cost (Including Travel/Lodging)
California Housing Consortium (CHC) 2019 Policy Forum	1	Policy Input for HCIDLA Management	\$ 295.00
SCANPH Conference (\$250/pp)	16	Peer Learning	\$ 4,000.00
Housing California Conference (\$450/pp for registration, \$200/pp for travel, \$250/pp for lodging)	4	Peer Learning	\$ 3,600.00
National Development Council (\$1,500/pp)	12	Peer Learning	\$18,000.00
Western Regional Lead and Healthy Housing Conference	3	Peer Learning	\$ 375.00
Affordable Housing Management Association (AHMA) Pacific Southwest (\$205/pp)	3	Peer Learning	\$ 2,050.00
Local Housing Finance Agency (HFA) set of Presentations to Potential Investors in New York (\$350/pp for travel, \$1,150/pp for lodging)	2	Networking Opportunity	\$ 3,000.00
	CONFERENCES SUBTOTAL		\$31,320.00


HCIDLA seeks, through a refocus on training and continuous quality improvement, to strengthen the skills of HDB employees and implement quality standards that will inform written procedures and improve effectiveness of a limited staff to deliver quality programs. HCIDLA hopes to adopt a continuous training regimen designed to ensure that employee’s skillsets, as well as practical knowledge of the ever-changing housing industry, are maintained at a highly functional level. An improved skillset for employees will

contribute to the success of the Mayor's goals and HCIDLA's Strategic Plan, provide greater operational efficiencies, contribute to greater internal and external collaboration, improve individual problem-solving skills, and provide personal opportunities for career advancement.

FISCAL IMPACT

There is no impact to the General Fund. The recommendations in this report will authorize HCIDLA to accept and expend a \$30,000 grant from CCF.

Prepared By:



BRITTANY BATONG
HDB Operations Manager

Reviewed By:



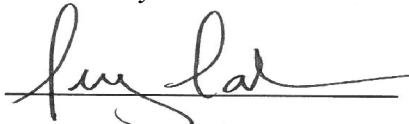
SEAN L. SPEAR
Assistant General Manager

Reviewed By:



LYNDON O. SALVADOR
Director of Accounting

Reviewed By:



LUZ SANTIAGO
AGM

Reviewed By:



LAURA K. GUGLIELMO
Executive Officer

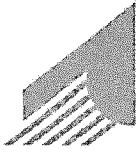
Approved By:



RUSHMORE D. CERVANTES
General Manager

ATTACHMENTS:

- Attachment A: California Community Foundation Invitation to Apply
- Attachment B: HCIDLA Application to CCF
- Attachment C: Sample CCF Grant Agreement Discretionary



California
COMMUNITY
Foundation

May 16, 2019

Mr. Rushmore Cervantes
General Manager
City of Los Angeles Housing & Community Investment Department (HCIDLA)
1200 West 7th Street
Los Angeles, CA 90017

Re: Invitation to Apply for \$30,000 Grant from California Community Foundation for
HCIDLA staff training program

Dear Mr. Cervantes,

Upon review of the draft Letter of Intent dated April 2, 2019 ("Proposal"), California Community Foundation ("CCF") would like to invite the City of Los Angeles Housing + Community Investment Department ("HCIDLA") to apply for a grant in the amount of \$30,000 to fund the initial phase of a comprehensive training program for Housing Development Bureau staff.

Within the application, please provide: (1) applicant contact information; (2) detail on the proposed training program, and (3) a budget for the proposed training program.

Based on recent conversations between HCIDLA and CCF staff, and the detail provided in the Proposal, CCF will recommend its board approve a \$30,000 grant to support the City of Los Angeles Housing and Community Investment Department to onboard and train staff to accelerate affordable and permanent supportive housing development. This grant funding will be conditioned upon receiving (1) confirmation of approval from HCIDLA to apply for and receive this funding, (2) a completed CCF grant application, and (3) an executed grant agreement between CCF and HCIDLA.

Please contact me if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read "Ann Sewill".

Ann Sewill
Vice President, Health & Housing
221 S. Figueroa St., Suite 400
Los Angeles, CA 90012
Phone: (213) 452-6267
asewill@calfund.org



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

Housing Development Bureau
1200 West 7th Street, Los Angeles, CA 90017
tel 213.808.8638 | fax 213.808.8610
hcidla.lacity.org

May 20, 2019

California Community Foundation
Attn: Grants Manager
221 S. Figueroa Street, Suite 400
Los Angeles, CA 90012

Dear Ms. Sewill:

SUBJECT: LETTER OF INTENT, CITY OF LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT TRAINING GRANT PROPOSAL

Please find below a proposal for grant funding for the City of Los Angeles Housing + Community Investment Department (HCIDLA), to fund a comprehensive training program for Housing Development Bureau staff.

1. Organization Name: City of Los Angeles Housing + Community Investment Department
2. Fiscal sponsor: N/A
3. Application Contact: Brittany Batong
4. Organization Address: 1200 W. 7th Street, 8th Floor
5. Organization City: Los Angeles
6. Organization State: California
7. Organization Zip Code: 90017
8. Phone Number: (213) 922-9627
9. Application Contact E-mail: brittany.batong@lacity.org
10. Organization Strategic Plan: **SEE BELOW**
11. Primary Focus: Housing
12. Have you called California Community Foundation staff to discuss your organization's work in relation to the above strategies? **YES**
13. What is your requested Grant Amount? \$30,000
14. What is the term (in months or years) for which you are requesting a grant? July 1, 2019 – June 30, 2020
15. What is your organization's most recent annual operating budget? \$86,000,000
16. In light of the strategies described above, how are your organization and its collaborative partners making an impact in vulnerable communities in Los Angeles County today, and what are your plans for long-term systemic change?: **SEE BELOW**
17. Service Planning Areas (SPAs) in Los Angeles County served: 2, 4, 5, 6, 8

BACKGROUND

The HCIDLA Housing Development Bureau (HDB) facilitates the financing of housing development projects with HCIDLA's business and community partners. Using federal, state, and local funding resources, HDB builds and preserves housing in low-income communities to provide high-quality housing, create jobs, improve safety, and boost economic activity in those neighborhoods. HDB leverages funds with private investments in order to maximize the positive impact of our programs.

HDB's various affordable housing programs are managed by three divisions: the Development & Finance Division (DFD), the Asset Management Division (AMD), and the Housing Strategies & Services Division (HSSD). In addition, the HDB Assistant General Manager (AGM) has dedicated Executive Staff to manage initiatives that reach across these three divisions. Fully staffed, the HDB would encompass 148 staff members at various professional levels.

In the past, HDB administrative costs, including staff development and training, were largely funded through federal resources allocated through the U.S. Department of Housing and Urban Development (HUD) Consolidated Planning process. However, over the past decade, substantial reductions in these funding sources has resulted in the drastic reduction of administrative funding allocations available through HUD. Thus, HDB has seen its limited administrative funding allocation stretched essentially only to fund baseline salary and fringe benefit costs. Once-robust staff development programs have been the first initiatives to suffer from the extreme reduction in resources. In addition, free training provided in-person by HUD has been largely replaced by online "webinars" intended to deliver information on basic regulatory compliance. HDB has depended on the strong skills and institutional knowledge of senior staff to ensure that newer employees receive adequate training to effectively administer the bureau's multiple program areas; however, institutional knowledge only goes so far in training a workforce for a rapidly changing public administration environment, which has gradually shifted from civil service to contractor and as-needed staff. Further, the need to mentor and train staff tasks the capacity of the managers themselves. It is imperative that staff learn to work more efficiently among ever-decreasing resources.

Over the same period of time as administrative funding has seen a steady decline, new affordable housing development programs have been ramped up. The Proposition HHH Permanent Supportive Housing Loan Program (HHH), passed by City voters in 2016, has tripled the City's housing production funding resources. However, the approved ballot measure did not provide for any administrative funding. Consequently, only fourteen permanent staff have been approved to manage the program, compared to the nine staff assigned to the much smaller Managed Pipeline. Specialized programs like the Naturally Occurring Affordable Housing (NOAH) program will add only a single analyst position. Now, more than ever, City staff needs to work more efficiently to meet the demands of these high-volume, high-profile programs, requiring a greater knowledge base and administrative skillset.

Current Fiscal Year 2018-2019 Hiring Plan

HDB is in the process of filling multiple vacant positions by the end of Fiscal Year 2018-2019 (FY19), and plans to engage technical service contractors to address short-term, sporadic workload responsibilities that have historically been met by HCIDLA staff.

These necessary solutions to address capacity building will bring in new staff unfamiliar with HDB's current regulatory restrictions, processes, policies, and procedures. In addition, senior staff with

specialized organizational knowledge have either recently transitioned out of the department permanently, or will leave within the next two years due to promotion, transfer, or retirement from the City.

Moreover, budgetary restrictions in FY19 have limited HDB's ability to address its training needs. A general training budget of \$25,000 was requested but not approved, leaving a carry-forward from previous fiscal years of \$11,830 as the only source for training this fiscal year for DFD staff. These funds will be depleted quickly as existing staff attend annual trainings that were anticipated prior to the intense staffing-up efforts.

Existing Office & Administrative budgets can be accessed for training of AMD and HSSD staff - \$5,618 and \$10,909, respectively; however, those same budgets must be utilized for other day-to-day expenses associated with doing business in an increasingly high-cost environment. If the above resources were used exclusively for training, these combined resources of \$28,357 would allow approximately \$200 for training per HDB staff member (148 staff members). To provide perspective on this, registration fees for a single event provided by Southern California Association of Non-Profit Housing (SCANPH) can range in cost from \$125 - \$250.

HDB STRATEGIC PLAN GOALS FOR FY 2019-2020

HDB has set the following goals during the next Fiscal Year, FY 2019-2020 (FY20), to address the Mayor's priorities and align with the new HCIDLA Strategic Plan. Managers and staff identified in parentheses are those primarily responsible for meeting the goals:

- 1) Provide commitments for 1,500 affordable housing units for extremely low, very low and low income households (800 Affordable Housing Managed Pipeline/Bond and 700 HHH), 1,000 of which are supportive housing units. **(DFD Management/Finance Staff)**
- 2) Complete 1,482 affordable housing units for extremely low, very low and low income households. This includes 773 supportive housing units total (253 AHMP and 520 HHH) - 174 of which are supportive housing units for homeless veterans. **(DFD Management/Construction/Technical Services Staff)**
- 3) Continue to oversee the disposition of surplus City-owned sites for the development of affordable and supportive housing, encouraging innovative design. Specifically, the Land Development Program will finalize ten Disposition and Development Agreements for City-owned sites and identify and make a minimum of six new parcels available for development by June 2020. **(HSSD Management/ Land Development Staff)**
- 4) In the interest of complying with the Mayor's Executive Directive 13 on support for Affordable Housing Development, implement a series of updates to the Bond Policy and other policies and processes, which promote streamlined loan processing and eliminate bureaucratic barriers. **(AGM/DFD Management)**
- 5) Design programs to maximize revenue associated with the newly-imposed Affordable Housing Linkage Fee (AHLF). **(AGM/Executive Staff)**
- 6) Create a strategic operating plan to establish a Local Housing Finance Agency (HFA) in the City of Los Angeles. HCIDLA anticipates that creating the HFA, a new entity for the issuance of

debt, will further develop the City's ability to strategically manage its resources and promulgate its evolving housing policy. **(AGM/Executive Staff)**

- 7) Complete implementation of the NOAH Program for small rental multifamily developments by expending a one-million-dollar set-aside. The NOAH Program is designed to finance the acquisition and moderate rehabilitation of market-rate multifamily properties. Long-term affordability restrictions are placed on the rehabilitated properties to ensure they remain affordable to low- and moderate-income households **(HSSD Management/ Land Development/NOAH Staff)**
- 8) Initiate the creation of the six-million-dollar USC Preservation Fund, which will finance the acquisition, rehabilitation, and preservation of existing multifamily housing units and/or the acquisition of land for affordable housing development in the USC area. This will contribute to addressing the concerns of displacement caused by gentrification pressures. **(HSSD Management/ Land Development Staff)**
- 9) Continue to oversee implementation of a publically accessible centralized, web-based affordable housing search/application tool for affordable housing stock. **(AMD Management/Staff)**
- 10) Continue systems and capacity improvements to track and monitor the City's portfolio of affordable housing **(AMD Management/Staff)**
- 11) Continue to provide households with Healthy & Safe Homes Assistance through the Handyworker and Lead Hazard Remediation programs **(HSSD Management/Handyworker/Lead Staff)**
- 12) Promote homeownership in the City by assisting first-time, low- and moderate-income homebuyers to purchase a home. **(HSSD Management/Homeownership Staff)**

Note, the above goals are specific to FY 2019-2020, but are based on priorities that will drive the department over the next five years.

For FY20, it is anticipated that the budget amounts allocated to training from City sources will remain largely static, and that funding from outside the City will be needed to supplement current allocations and provide the opportunities to pursue a comprehensive training program to assist the City in meeting the above goals and prepare HDB's workforce to meet the City's unprecedented housing needs. **HDB is seeking to, at a minimum, double its existing training budget.**

PROPOSED TRAINING PROGRAM

Taken in its totality, HDB's training strategy encompasses the following overall measurable objectives:

- 1) Increase the operational and specialty knowledge of the HDB line staff, alongside providing them with front-line managerial skills; and
- 2) Build up the strategic management and effective leadership skills of the program managers and directors.

This can be encapsulated in the following multi-year goals:

- Year One Goal: Encourage innovative thinking for managers and increase staff ability to work independently and from a place of deep knowledge and skills.
- Year Two Goal: Encourage team building and cross-training
- Ongoing: Attend annual conferences and events that promote peer learning and enhance the City's relationship with the greater affordable housing community

Year One Goal

Table 1, below, outlines types and projected costs of specific trainings that are critical to achieving the Year One Goal, to encourage innovative thinking for managers and increase staff ability to work independently and from a place of deep knowledge and skills. These trainings will support HCIDLA/HDB in achieving the Mayor's and its own Strategic Plan goals during FY20. Costs of specific trainings are based off of estimates received during the third quarter of FY19 and are subject to change; HCIDLA assumes a small contingency on top of the subtotal indicated in the table. Proposed trainers were identified by various program managers; in many cases, the providers listed are the only organizations that offer the specific trainings listed. HCIDLA plans to access training through the organization specified.

TABLE 1: YEAR ONE GOAL TRAINING TO BE FUNDED THROUGH HCIDLA GRANT				
Proposed Trainer	Training Need Identified	# Staff	Specific Goal of Training or Event	Approximate Cost
Institute for Management Studies	Management Techniques (Free for Directors/CHPMS; \$475 all others)	21	Develop Management Skills	\$ 6,200.00
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	YEAR ONE (HCIDLA) SUBTOTAL			\$29,250.00

As a supplement to the training program shown above, HCIDLA understands that CCF plans to contract separately with the California Housing Partnership (CHPC), a contractor of the County of Los Angeles (County), to provide multi-family finance trainings as part of a nine-month joint training effort between the City and the County. The trainings in Table 2, below, were identified in a draft application submitted by HCIDLA to CCF, and the projected costs were subtracted from HCIDLA's initial request for Year One. They are listed here for the purpose of memorializing that the HCIDLA grant from CCF is one part

of a larger effort in the region to train staff in the public sector to meet affordable housing needs throughout Los Angeles.

TABLE 2: YEAR ONE GOAL TRAINING TO BE FUNDED THROUGH CHPC GRANT				
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California Housing Partnership	Real Estate training	6	Capacity Building for Land Development Staff	\$ 3,000.00
	YEAR ONE (CHPC) SUBTOTAL			\$9,000.00

Year Two Goal

Table 3, below, outlines types and projected costs of specific trainings that are critical to achieving the Year Two Goal, to encourage team building and cross-training. HCIDLA understands that these trainings are not yet being funded, but that CCF is seeking partners to fund the efforts outlined, likely in a later fiscal year.

TABLE 3: YEAR TWO GOAL TRAINING TO BE FUNDED THROUGH LATER GRANT REQUESTS				
Proposed Trainer	Training Need Identified	# Staff	Specific Goal of Training or Event	Approximate Cost
UNDETERMINED	All-Day Team Building	ALL	Team Building	\$ 5,000.00
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UNDETERMINED	Technical Writing	21	Capacity Building	\$ 4,200.00
UNDETERMINED	Introductory Supervisor Training	122	Individual Professional Development	\$ 5,000.00
	YEAR TWO SUBTOTAL			\$19,200.00

Ongoing

Table 4, below, indicates annual conferences and presentations that are attended by HCIDLA staff to promote peer learning and enhance the City's relationship with the greater affordable housing community. Costs associated with these sorts of events have generally been covered in past years through allocations provided in the City budget for training and travel. Note, HCIDLA understands that CCF does not require any matching funding from the City in order to receive grant funding for the objectives outlined in Table 1; this additional information is provided to evidence how the training grant from CCF will expand existing training efforts.

TABLE 4: CONFERENCES/EVENTS FUNDED THROUGH CITY BUDGET			
Conference/Event Name	# Staff	Specific Goal of Event	Approximate Cost (Including Travel/Lodging)
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Western Regional Lead and Healthy Housing Conference	3	Peer Learning	\$ 375.00
Affordable Housing Management Association (AHMA) Pacific Southwest (\$205/pp)	3	Peer Learning	\$ 2,050.00
Local Housing Finance Agency (HFA) set of Presentations to Potential Investors in New York (\$350/pp for travel, \$1,150/pp for lodging)	2	Networking Opportunity	\$ 3,000.00
	CONFERENCES SUBTOTAL		\$31,320.00

HCIDLA seeks, through a refocus on training and continuous quality improvement, to strengthen the skills of HDB employees and implement quality standards that will inform written procedures and improve effectiveness of a limited staff to deliver quality programs. HCIDLA hopes to adopt a continuous training regimen designed to ensure that employee’s skillsets, as well as practical knowledge of the ever-changing housing industry, are maintained at a highly functional level. An improved skillset for employees will contribute to the success of the Mayor’s goals and HCIDLA’s Strategic Plan, provide greater operational efficiencies, contribute to greater internal and external collaboration, improve individual problem-solving skills, and provide personal opportunities for career advancement.

A comprehensive training program will ensure the City can provide the following tools for the success of all staff:

1. Ensure the sharing and retention of knowledge in the organization;
2. Facilitate the transition of the workload to new and contractor staff;
3. Encourage promotion from within the department, and
4. Ensure the efficient implementation of program priorities and the accomplishment of goals.

OUTCOMES BY STAFF TYPE

Expected Outcomes of Training for AGM and Management

Although not training, per se, HCIDLA is including opportunities that will provide the HDB AGM the opportunity to obtain support for Strategic Plan Goal 6, above, to establish the HFA, as well as participate in setting policy priorities for the state and engaging with other local policy makers, networking opportunities that will facilitate Strategic Plan Goals 4 and 5. These expenses are expected to be covered under HCIDLA’s existing training budget.

In addition, training for Management and other supervisory staff will help HDB meet the following goals:

1. Apply the most up-to-date affordable housing development knowledge and management techniques to HDB's initiatives, policies, and procedures;
2. Ensure that Division and Unit managers have strong supervisory skills and program management tools to evaluate the effectiveness of implemented policies and procedures; and
3. Encourage management to utilize innovative thinking to address areas for improvement, accessing additional and unconventional resources if necessary, to better drive successful affordable housing programs.

Expected Outcomes for Finance Staff

Through specialized training, HDB hopes to ensure its Finance Staff have the following capabilities:

1. Understand how an affordable housing deal is built;
2. Underwrite any affordable housing project;
3. Understand the current federal, state, and local policies and how they affect the development of affordable housing; and
4. Understand the processing issues that challenge developers in the industry.

Training of Finance Staff will ensure they are up to date on funding practices in the affordable housing arena. By providing opportunities for conferences and training, staff will be better able to manage assigned projects more effectively, perform the technical aspects of their work more proficiently, and forge relationships with our clients to pave the way for better working relationships moving forward. Finance staff with the above capabilities will contribute to the success of Strategic Plan Goal 1.

Expected Outcomes for Construction Staff

HDB hopes to maintain staff knowledge of federal, state, and local compliance requirements, including those related to accessible housing and prevailing wage. This will assist with expediting construction draws and prevailing wage reviews, and contribute to the success of Strategic Plan Goal 2.

Expected Outcomes for Land Development Staff

Although Land Development Staff should have a basic understanding of loan underwriting and deal structuring, their work centers more around the identification and disposition of City-owned land to be developed as affordable housing. Once a developer has been identified and the land has been transferred, the project moves from HSSD oversight to DFD oversight. Staff should have the following capabilities:

1. Understand how to read a pro-forma and negotiate term sheets;
2. Basic knowledge of real estate documents and the processes for dispensing City-owned land; and
3. Familiarity with structuring homeownership deals, as well as multi-family projects.

Land Development staff with the above capabilities will contribute to the success of Strategic Plan Goals 3, 7, and 8.

Expected Outcomes for Asset Management Staff

Asset Management staff is divided into two sections: Loan Portfolio and Occupancy Monitoring. Loan Portfolio services HCIDLA's affordable housing portfolio of over 4,800 loans. Occupancy Monitoring manages the City's portfolio of over 43,000 units, ensuring compliance with regulatory agreements and Land Use covenants by monitoring income eligibility of the units. In recent years, HCIDLA has experienced challenges managing their aging properties and increasingly complex portfolios. Proposed training will increase staff capacity for the highly specialized skills needed to keep the properties of these properties economically viable over the long term, contributing to the success of Strategic Plan Goals 9 and 10.

Expected Outcomes for Other Staff

Smaller programs managed by Lead, Handyworker, and Homeownership staff follow policies derived from Community Development Block Grant (CDBG) regulations; however, specialty training for the Lead Hazard Remediation program is anticipated to be necessary to keep staff up-to-date on federal and state requirements and ensure the success of Strategic Goal 11.

Other Outcomes

Although highly specialized in nature, the work performed by the units attending these trainings is **interdependent**. Our three divisions oversee affordable housing developments from project conceptualization and identification of appropriate sites, to pre-development and construction of the carefully structured deals, all the way through to the lease-up and property management to keep the well-planned affordability structures in compliance with their funding sources and regulatory agreements. HDB staff are working in conjunction to see any given project through decades, to ensure our efforts to provide affordable housing to the City's communities result in long-term benefit to our constituents.

However, because staff resources have become so limited over time, HDB management has noticed a compartmentalization, not only of the work done by staff, but in the communication between staff of different divisions. Lack of understanding as to how each unit falls into the "bigger picture" of the flow of HCIDLA's initiatives can result in delays in program delivery, working at cross purposes, and duplication of efforts. In addition to specialized training in subject-focused areas, the training plan provides the entire staff of HDB the opportunity for team building and a basic understanding of the work each unit does to make the City's affordable housing efforts a success.

In addition, the team building would be followed by an overall assessment of how HDB can improve its business from both the internal and external customer service standpoints.

Finally, the need for technical writing training has been identified for all management staff. Writing is the primary means of gaining Council and Mayor approval, engaging buy-in of City leadership, and communicating to the public the City's progress on high-profile initiatives.

HCIDLA's 2018-2021 Strategic Plan outlines the following goals to support its Vision for a Los Angeles free of poverty, homelessness, and substandard housing:

1. Enhance HCIDLA's role in reducing homelessness by implementing homeless prevention strategies and accelerating the broad and full deployment of Proposition HHH funding for new supportive housing across the City.
2. Increase affordable and workforce housing stock by maximizing City resources, increasing the supply of supportive housing, investing Affordable Housing Linkage Fee revenue to address the City's housing needs, establishing a Local Housing Finance Agency, and encouraging innovative design.
3. Ensure preservation of existing affordable housing through the NOAH program, incentivizing owners to extend affordability on their rental properties, refinancing and improving existing affordable housing stock, and preserving and enhancing safe and livable multifamily rental housing.
4. Accelerate neighborhood improvement investment through the Consolidated Plan process.
5. Promote the educational and economic empowerment of residents through social service delivery systems, a partnership with LAUSD to increase the number of youth pursuing secondary education, and connecting low-income residents to economic empowerment opportunities.
6. Expand access to affordable housing for vulnerable populations through ensuring accessibility for persons with disabilities, developing a shared housing strategy for seniors, and improving coordination and housing placement for domestic violence and human trafficking survivors and transgender individuals.
7. Improve external communication and customer service by developing a public relations and communication strategy, improving community engagement, and expanding landlord and tenant education and outreach.
8. Invest in workforce capacity, capability, and morale by improving employee engagement and the readiness of the Department workforce, and also through implementing the Department's Gender Equity Plan.
9. Improve data quality and accessibility.
10. Increase disaster preparedness.

HDB's goals and priorities directly align with items 1 through 3 and 7 through 8 of the Strategic Plan.

The City's goals for neighborhood stabilization included in the Five-Year Housing & Community Development Consolidated Plan 2018-2022 are:

- 1) Support development of equal access to affordable, sustainable, accessible and resilient housing for homeless residents, persons living with a disability, and other low income residents.
- 2) Prevent displacement of low and moderate income residents by preserving existing affordable, rent stabilized housing.
- 3) Stabilize and revitalize neighborhoods where people with low incomes reside.

- 4) Work in partnership with community-based, non-profit, and government agencies to prevent and reduce homelessness and domestic violence.
- 5) Improve local economic conditions and expand access to opportunity to low-income residents by supporting efforts to create or retain jobs and providing essential goods and services to neighborhoods lacking them.
- 6) Help households with low income to stabilize economically and avoid displacement.

HDB staffing directly supports Goals 1, 2, and 3.

PLANS FOR LONG-TERM SYSTEMIC CHANGE

HDB seeks, through a refocus on training and continuous quality improvement, to strengthen the skills of our employees and implement quality standards that will inform written procedures and improve effectiveness of a limited staff to deliver quality programs. HDB hopes to adopt a continuous training regimen designed to ensure that our employee's skillsets, as well as practical knowledge of the ever-changing housing industry, are maintained at a highly functional level. An improved skillset for employees should contribute to the success of HCIDLA's Strategic Plan, provide greater operational efficiencies, contribute to greater internal and external collaboration, improve individual problem-solving skills, and provide personal opportunities for career advancement.

If you have any questions regarding this proposal, please contact Brittany Batong at (213) 922-9627 or brittany.batong@lacity.org.

Sincerely,



RUSHMORE D. CERVANTES
General Manager

RC:SS:bb



GRANT AGREEMENT

Date Authorized: <Date of Initial Board Approval>

<Recipient Name>

Grant Number: <Grant Number>

We are pleased to announce a grant from California Community Foundation (the "Foundation") payable to <Recipient Name>. (the "Grantee"). This grant from the Foundation is for the explicit purpose(s) described below and is subject to Grantee's acceptance of the following conditions. To acknowledge this agreement, accept the grant, and be eligible to receive funds, please return a signed electronic copy to the Foundation.

[merges if multi yr: Note: The Foundation intends to make a <year of financial commitment> to your organization for the purpose(s) described below, however future payments are contingent upon approval from the Foundation Board of Directors and will be issued following Board approval in subsequent years.]

Approved Amount: \$0.00

Total Amount of
Intended Grant: \$0.00

Grant Purpose:

Special Grant
Conditions:

Foundation Officer: <officer name>

Grant Period Begins: <start date>

Ends: <end date>

Payment Schedule

Payment #	Payment Amount	Scheduled Month of Board Approval
1	\$0.00	<date>
2	0.00	<date>

Reporting Schedule

Deliverable	Due Date
Report 1	<date>
Report 2	<date>

Progress toward the following objectives and outcomes will be reported to the Foundation according to the schedule above. The Foundation will provide notification of upcoming report deadlines and appropriate templates, as needed, or may schedule an additional check in such as a site visit as necessary.

Measurable Objectives:

<objectives>

The objectives are subject to modification only with the Foundation's prior written approval.

Expected Outcomes

<outcomes if any>

Special Provisions:

All grants are made in accordance with current and applicable laws and pursuant to the Internal Revenue Code, as amended, and the regulations issued thereunder.

Please read and adhere to the following special provisions of this grant award.

I. Announcing Grant

Announcements of the grant award are to be made by the Grantee unless otherwise indicated by the Foundation. Grantee is expected to review the text of any announcements and plans for publicity with the Foundation's officer for this grant. All subsequent public announcements, news features, publications or information concerning the grant purposes will indicate the Foundation's funding participation. Please send a copy of any published accounts mentioning the project or the Foundation to the Foundation officer.

II. Expending of Funds

This grant is to be used only to support the Grantee as described in the grant purpose section of this agreement. The Foundation may ask the Grantee to return any unexpended funds at the end of the grant period if the Foundation determines that the Grantee has not performed in accordance with this agreement, or if the Grantee loses its exemption from Federal income taxes under Section 501(c) nonprofit status within the Internal Revenue Code.

Grantee shall not engage in any activity that jeopardizes the Foundation's status as a nonprofit charity qualified to receive tax-deductible contributions under section 501(c)(3) of the Code. Without limiting the generality of the preceding sentence, Grantee will not intervene in any election or support or oppose any political party or candidate for public office.

Expenses charged against this grant may be incurred only as necessary to carry out the approved purpose and objectives.

Grantee is responsible for the expenditure of funds and for maintaining adequate supporting records.

Equipment or property purchased with grant funds shall be the property of the Grantee so long as it is not diverted from the purposes for which the grant was made. If the purpose of the organization or the use of grant funds is changed, the equipment or property reverts to the Foundation at its option.

Reports, materials, books and articles resulting from this grant may be copyrighted by the Grantee or by the author, in accordance with the policies of the Grantee toward the goal of obtaining the widest dissemination of such reports, materials, books and articles. The Foundation reserves the royalty free license to use such publications. For projects involving possibility of patents, the Grantee should request further information from the Foundation.

III. Report to the Foundation

As a condition of this grant, Grantee shall promptly notify the Foundation in writing of any significant changes in the organization's structure, leadership, or financial circumstances that could affect the ability of the Grantee to effectively implement the funded activities.

Progress toward the following objectives and outcomes will be reported to the Foundation at minimum, on an annual basis. The Foundation will provide notification of upcoming report deadlines and appropriate templates, as needed, or may schedule an additional check in such as a site visit as necessary.

Full financial accounting of the expenditure of these grant funds and narrative reports on the grant supported objectives are required as a condition of this grant. Grant Progress will include a financial summary, indicating how Foundation funds have been expended, and information on the work to meet the objectives and measure progress toward the expected outcomes outlined in this grant agreement. Please remember that progress and accomplishments that can be quantified make it easier for the Foundation to communicate these results to external audiences.

Information and images submitted as part of the reports (e.g., reports, brochures and other publications) may be used at any time by the Foundation for publicity purposes. The Foundation will assume that all submitted images are copyrighted by the Grantee and no further permission is necessary. Images will be credited to the Grantee.

IV. Limit of Commitment

The Foundation is pleased to award a grant to support the Grantee as described in the grant purpose section of this agreement. This grant is made with the understanding that the Foundation will not provide additional financial support to the Grantee, such as support in the form of an event sponsorship, table purchase, and/or ad placement, for the term of the agreement. This policy is instituted in order to reduce duplication and to provide more equitable funding to more organizations in Los Angeles County.

V. Nondiscrimination

The Grantee is responsible for ensuring that it is operated and organized so that it does not discriminate in the hiring of staff or the provision of services under any program or activity funded in whole or in part with funds made available by the Foundation on the basis of race, creed, color, ethnicity, national origin, religion, gender expression, sex, sexual orientation, age, physical or mental ability, pregnancy, veteran status, military obligations and marital status.

FOR THE GRANTEE:

Date

Signature of Authorized Representative

Print Name

Print Title

FOR THE FOUNDATION

Date

Ann Sewill
Vice President

Date

Efrain Escobedo
Vice President