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MOTION

Last August marked the 50th anniversary of the Watts Rebellion. Poverty, housing, employment, education, infrastructure and services continue to challenge Watts residents five decades later. On March 31, 2016, the U.S. Department of Housing and Urban Development (HUD) issued a 2016 Notice of Funding Availability (NOFA) for the Choice Neighborhood Initiative Implementation (CNI) Grants which focus on implementing transition plans to redevelop distressed neighborhoods. An estimated total of \$120 million in competitive grants will be made available to fund approximately four grants not to exceed \$30 million each.

HUD reports that per the FY 2016 Consolidated Appropriations Act, at least \$75 million of the total FY2016 CNI funding must be awarded to applications for which a public housing authority is the Lead or Co-Applicant. On behalf of the City, the Mayor's Office and the Housing Authority of the City of Los Angeles (HACLA) will be applying for the CNI grant to implement the NEW (Northeast Watts) Century Transformation Plan, an existing plan to redevelop and improve the Jordan Downs housing project and the surrounding neighborhood in the Watts area of Council District 15 over the next five years. The total cost of improvements proposed in the NEW Century Transformation Plan will equal over \$1 billion in public and private investment. The CNI grant funding will provide leveraged investment to create commercial retail space, increase housing opportunities in Watts, develop new community and park space, create jobs, and improve health and economic outcomes for households in the neighborhood.

The most competitive CNI applications demonstrate strong local investment. The City can strengthen its CNI application by committing CDBG funds in the amount equal to 10 percent of the 42nd Program Year (2016-2017) CDBG entitlement, to be allocated during the next five years. Per HUD regulations and based on the most recent CDBG entitlement (PY42), the City's commitment would be approximately \$4,974,449, to be allocated starting in PY43 through PY47 to transformation activities in the NEW Century Transformation Plan. The City can further strengthen its CNI application by committing 9% Low Income Housing Tax Credits to the plan. In order to make its CNI grant more competitive, the City should commit these funds and resources to the NEW Century Transformation Plan.

I THEREFORE MOVE that the Council approve the City as Co-Applicant, with HACLA as Lead Applicant for the Choice Neighborhood Implementation Grant, and authorize the Mayor (or designee), to sign the grant application on behalf of the City and execute any necessary documents including but not limited to certifications and disclosures required by the U.S. Department of Housing and Urban Development (HUD) regulations to meet grant requirements and thresholds.

I FURTHER MOVE that the Council, subject to the approval of the Mayor, allocate in CDBG funds over the next five years, an amount equal to at least 10 percent of the 42nd Program Year (2016-2017) CDBG entitlement, valued at approximately \$4,974,449, to the NEW Century Transformation Plan, prioritizing the Handyworker and first-time homebuyer programs, subject to a grant award from the HUD Choice Neighborhood Implementation Grant.



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I FURTHER MOVE that the Council, subject to approval of the Mayor, commit to future year allocations of the City's apportionment of 9% Low Income Housing Tax Credits (LIHTC) to Phases II, III and IV of the NEW Century Transformation Plan to construct up to 375 units of affordable housing for the City of Los Angeles over the next five years, with the restriction of funding no more than 125 units with 9% LIHTC in any one fiscal year, subject to a grant award from the HUD Choice Neighborhood Implementation Grant, and the Los Angeles Housing and Community Investment Department Affordable Housing Trust Fund guidelines and regulations.

I FURTHER MOVE that HACLA be requested to report to the Council upon notification of the results of the Choice Neighborhood Implementation Grant.

PRESENTED BY: 
JOE BUSCAINO
Councilmember, 15th District

SECONDED BY: 

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