



ERIC GARCETTI
MAYOR

September 1, 2015

Honorable Members of the City Council
Heads of City Departments

42nd Program Year of the Housing and Community Development Consolidated Plan—
Third Year Action Plan (2016-17)

My administration is focused on enabling working families in Los Angeles to lift themselves out of poverty, restoring city services to improve the livability of our neighborhoods, and creating a more sustainable 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 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).

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, focused on transit, housing, public services, and community amenities.

The city's 42nd Program Year (PY) 2016-17 Annual Action Plan (Action Plan) continues to make investments that provide decent housing, a suitable living environment, and expanded economic opportunities.

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 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 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 the 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 its partners through the continued consolidation, integration, and standardization of public services and community development activities.

Estimated Funding

On June 25, 2015, the U.S. House of Representatives passed its 2016 Transportation, Housing and Urban Development (THUD) funding bill with reduced funding for two grants in the Con Plan. The Senate has not yet approved its version of the THUD bill, but the draft includes significant recommended cuts to funding for CDBG (-3%), HOME (-93%), HOPWA (level), and ESG (18.7%).

The table below reflects the potential reductions for Los Angeles compared to PY 41 (2015-16), based on the approved House 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. The city expects funds for the PY 42 (2016-17) will likely decrease compared to the current year.

PY 42 Estimated Entitlement Amounts Compared to PY 41

Year	CDBG	HOME	HOPWA	ESG	TOTAL
41 (2015/16)	\$49.9 million	\$18.8 million	\$14.3 million	\$4.6 million	\$87.6 million
42 (2016/17)	\$48.3 million	\$1.3 million	\$14.3 million	\$5.4 million	\$69.3 million
% change	-3%	-93%	-0%	+17%	-21%

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). Looking at current projections of CDBG program income to be received in PY 41, which is used to calculate the cap on public services for the next year, there is an anticipated decrease in public service funding for next year. There is also a smaller decrease anticipated for CDBG planning and administrative activities, which are also capped. If the proposed significant federal HOME reduction were realized at the city level, the amount available for HOME planning and administrative activities would be severely decreased.

This letter serves as the official notification for the PY 42 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.

This year, the project selection process will be critical. On February 5, 2015, HUD notified the city that it exceeded the regulatory requirement of having no more than 1.5 times the city's annual CDBG grant in unspent allocation. The city has a number of projects previously earmarked for funding that have not moved forward as planned, and thus are not spending CDBG funds at the anticipated rate. This year's Action Plan is taking steps to ensure that this HUD requirement is met in the future. To ensure that future projects will draw down funding in a timely manner to meet this requirement, all capital projects nominated for funding should be ready to start construction as of April 2016. Furthermore, the amount of funding requested should be limited to that which is anticipated to be spent in the next year. Future year funding needs shall be requested for the future applicable year. All capital projects shall require a construction timeline. HCIDLA has been instructed to review the city's CDBG expenditure policy (CF 01-2765-S2) to ensure that projects recommended for funding are in compliance with policy. HCIDLA is instructed to report back on the feasibility of projects funded over multiple years.

Attached for your information are the calendar and instructions for the PY 42 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 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,



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

42nd (2016-17) Program Year HCD Action Plan Application Instructions

Action Plan Application Process and Considerations

Applications for the Action Plan will be accepted **from September 15 through October 14, 2015** 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/42/>, using Internet Explorer.

Guidelines for PY 42 applications:

- Any applications intended for capital projects should be for projects where the construction is ready to start as of April 2016. 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.
- No new applications will be accepted for Public Service or Planning/ Administration activities.
- HCIDLA will provide the training for application submission from September 1 to September 11, 2015. 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 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>.

The City has received notice from the US Department of Housing and Urban Development (HUD) regarding the length of time our projects are taking to complete. In an effort to improve the readiness and CDBG eligibility of projects, the Mayor is directing HCIDLA to coordinate with Council staff and meet with City departments regarding plans for submitting CDBG applications, in advance of submitting those applications. The meetings will be held between September 1 and September 11. Staff of City department should make themselves available for these meetings.

Community Meetings

Community meetings to solicit resident input will be held in October 2015 and will be held as well in early 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.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>
- 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

42nd (2016-17) Program Year HCD Action Plan Calendar

Task	Date	Deliverables
Action Plan Development	Aug. 31 – Sept. 11	Training in the Con Plan Application System (CPAS) for City staff
	Sept. 1 – Sept. 11	HCIDLA meetings with departments and Council staff re application ideas
	Sept. 15 – Oct. 14	Open period for accepting applications from City Depts.
	Oct. 6 – Oct. 8	Action Plan Community Meetings

Draft Action Plan	Nov. 2	Eligibility and project readiness review completed
	Nov. 3 – Nov. 13	HCIDLA meetings with departments and Council staff following review of applications
	Dec. 1	Draft plan submitted to Mayor
	Jan. 15	Mayor releases proposed Action Plan to City Council
	Jan. 21	Housing Committee accepts draft Plan and CAO-CLA begin review of the Action Plan released by Mayor

Action Plan Approval	Jan. 21 – Feb. 20	Public comment period to solicit community feedback (incl. community meetings)
	Feb. 25	Estimated date of federal allocations ¹
	Mar. 2	Housing Committee reviews CAO-CLA report on Mayor's proposed Action Plan
	Mar. 4	City Council approves Action Plan
	Mar. 11	Mayor concurs with Council Action

Preparation for PY 41	February 13	Regulatory deadline to submit the Action Plan to HUD ²
	Apr. 1	Plan is prepared and submitted to HUD

¹ In 2014, federal allocations were announced March 14. In 2015, allocations were announced Feb. 11. Estimated date is in between 2 dates.

² City cannot submit Action Plan to HUD until after HUD releases allocations, following Congressional Action.



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