

SECTION I EXECUTIVE SUMMARY

The City of Los Angeles is required to report annually to the U.S. Department of Housing and Urban Development (HUD) on project accomplishments funded through the Community Development Block Grant (CDBG); Home Investment Partnerships (HOME); Emergency Shelter Grant (ESG); and Housing Opportunities for Persons With AIDS (HOPWA) programs (24 CFR § 91.520) through the mechanism of the Consolidated Annual Performance Evaluation Report (CAPER). This report pertains to planned and actual accomplishments for the first year (2003-2004 Action Plan) of the City's Five-Year Consolidated Plan (Program Years 2003-2008)

The CAPER is also designed to provide residents with useful and timely information on the goals and progress of housing and community development project activities underway and funded annually through these grants. It provides a general assessment of activities undertaken during the year in addressing priorities and strategies identified in the Consolidated Plan, and specific information on individual project activities in the form of both short-term and long-term outcomes. Each project activity is evaluated for effectiveness and efficiency. This approach differs sharply from previous CAPER reports, which simply measured whether a given numeric goal was met.

The CAPER is particularly useful for decision makers such as the Mayor and City Council in establishing funding priorities and evaluating challenges to completion of project activities. The CAPER narrative looks behind the projected goals into the "whys" when projects fail to meet the goals set forth in the annual Action Plans. This is particularly important in determining the City's progress in keeping its Line of Credit fund balance below the HUD prescribed limit of 1.5 program years, by identifying projects that are slow-moving or infeasible given their time frame, overall management, and funding.

Whenever possible, terms are defined and background is provided in the CAPER on topics that may be unfamiliar to residents, and in some cases, to HUD. The 2003-2004 CAPER is a marked departure from previous reports as outcomes, or the *effects* of federally funded programs and project activities are now being evaluated. The terminology used in the performance-based reporting is defined later in this document.

These four programs – CDBG, HOME, ESG and HOPWA - provide the largest share of housing, economic development and human services funds for the City. The total Consolidated Plan budget for Program Year 2003-2004 (April 1, 2003 – March 31, 2004) is over \$182,074,103 million, including program income and administrative savings. The City's funding is determined by a national formula used by HUD that takes into account poverty, housing affordability, age of housing, overcrowding, and other factors that indicate the need for such funds.

PURPOSE OF THE EXECUTIVE SUMMARY

The CAPER Executive Summary provides a brief overview of City priorities and strategies established through adoption of the 2003-2008 Consolidated Plan, how they relate to HUD national priority needs and specific objectives, and to City housing and community development project goals and accomplishments. The CAPER reports how Consolidated Plan-funded project activities and goals identified in the previous year's annual Action Plan were met.

The city's accomplishments in this period are described and organized in the CAPER according to the five priorities and ten strategies established in the 2003-2008 Consolidated Plan. These complement the HUD Primary Objectives of development of viable communities, provision of decent housing and a suitable living environment, and expanding economic opportunities for persons of low- and moderate-income.

Consolidated Plan Project Priorities and Strategies 2003-2008

The City has adopted new priorities and strategies with the 2003-2008 Five-Year Consolidated Plan, and

the 2003-2004 CAPER will reflect an evaluation of project and program performance against these new standards. During 2003-2004, the City adopted two additional priorities, *Increase Family Self-Sufficiency*, and *Provide a Better Living Environment in Our Neighborhoods*. The priority for Economic Development was refined from *Secure Our Economic Future* to *Promote Job Creation and Business Retention* to more accurately describe the City's emphases. The City's priorities and strategies are directly related to HUD priority needs and specific objectives in the Performance Checkup section of this document.

STRUCTURE OF THE CAPER

The report consists of the CAPER Narratives, and the *Grantee Performance Report*, which provides a much higher level of detail on project activities. This document is the CAPER Narratives portion.

Included within the city's CAPER report is an Executive Summary and Introduction to the CAPER; separate specific narratives for the CDBG, ESG, HOPWA and HOME programs; a Performance Checkup, which now constitutes the assessment section of the CAPER; other actions; and sections on program monitoring and self-evaluation.

The CAPER also includes several additional narrative sections which provide residents and HUD with a summary of the City's overall progress in meeting local priorities and goals, describes goal barriers and how they are being overcome; how the City coordinates its housing and community development programs with other jurisdictions; how other federal and state funds are used to further Consolidated Plan resources; and describes the status of the annual actions taken to address specific housing and community development needs identified in the 2003-2008 Consolidated Plan.

The required narratives consist of:

- Assessment of Strategic Plan Goals and Objectives (Performance Checkup)
- Affirmatively Furthering Fair Housing
- Affordable Housing
- Continuum of Care
- Other Actions
- Leveraging Resources
- Citizen Comments
- Self-Evaluation

The CAPER also includes program-specific narratives for the Community Development Block Grant (CDBG), Housing Opportunities for Persons with AIDS (HOPWA); the Home Investment Partnership (HOME) program; and Emergency Shelter Grant (ESG) program, each of which have specific requirements.

CDBG FINANCIAL SUMMARY

The City received approximately \$182 million in funding in Program Year 2003-2004 from four federal programs administered by the U.S. Department of Housing and Urban Development. These amounts include program income, or income received from the result of HUD-funded programs, such as housing rehabilitation loan paybacks; and program and administrative savings:

Community Development Block Grant (CDBG)	\$113,628,452
HOME Investment Partnerships (HOME)	\$53,027,100
Emergency Shelter Grants (ESG)	\$3,163,000
Housing Opportunities for Persons with AIDS (HOPWA)	<u>\$12,255,551</u>
Total	\$182,074,103

Table I, CDBG Financial Summary (Source: CDD Financial Management Division)

CDBG Resources	
Unexpended funds (April 1, 2003)	\$95,752,289
CDBG Entitlement	\$89,171,936
Program Income Received*	\$30,744,325
Prior Period Adjustments**	<u>\$835,910</u>
Total Resources	\$216,504,460
CDBG Expenditures	
Total CDBG Expenditures	\$114,337,927
CDBG Funds for Section 108 Loan Principal and Interest Payments	\$1,943,128
Total Expenditures	\$116,281,055
Unexpended Balance (March 31, 2004)	<u>\$100,223,405</u>

* Loan repayments, miscellaneous income.

** Expenditures reported in prior years but adjusted this year.

For the 2003-2004 Program Year (April 1, 2003 – March 31, 2004), the City of Los Angeles:

- Received \$30,744,325 in program income. The larger sources of the program income included LAHD Regular/Earthquake Supplemental A/Section 108 (\$11,677,427), LAHD Monitored Loans (\$9,880,562), LAHD Earthquake Supplemental B/Section 108/Rental Rehabilitation (\$2,403,186), and ICD Loans (\$2,184,505).
- Spent \$29,735,759 on Public Services activities. This represents 24.91% of its funding (the current year's entitlement grant, program income from the preceding year, and Section 108 Loan program income from the preceding year). In Program Year 2003-2004, the City received its last exemption from the standard 15% Public Services cap, and was permitted to dedicate up to 25% of its funding on Public Services. The 24.91 % is in compliance with the 25% cap.

The City also:

- Spent \$22,255,467 on Planning and Administration; this represents 17.63% of its funding (the current year's entitlement and the current years program income). This is less than HUD's requirement that not more than 20% of funds be spent on Planning and Administration.
- Expended 93.35% of its annual CDBG funding to benefit low- and moderate-income persons. This exceeds HUD's requirement that a grantee spend at least 70% of its annual CDBG funding (excluding planning and administration expenses) to benefit low and moderate-income persons over a three-year period. The City has met and exceeded this standard since the inception of the CDBG program.

2003-2004 ACCOMPLISHMENTS – HIGHLIGHTS

This section of the Executive Summary is designed to provide residents and HUD with a quick overview of project goals and accomplishments during the 2003-2004 program year, and shows the relationship between these projects and the priorities and the strategies established by the City and HUD.

HOUSING AND RELATED PROGRAMS

A major emphasis in the CAPER this year continues to be on the City's overall housing strategy. In the HUD report "Planning to Meet Local Housing Needs," jurisdictions preparing CAPERs must do a better job of providing a comprehensive account of all housing-related activities undertaken by local jurisdictions, not only those managed by housing and community development departments. It was also recommended that the CAPER report reflect integration of data on housing funding or activities from other federal, state and local programs.

In many cases, departments may only be indirectly supporting resolution of housing affordability and supply issues, but their efforts are nevertheless significant in maintaining the City's stock of decent, safe, sanitary and affordable housing. It is not only the Los Angeles Housing Department, the Community Redevelopment Agency, and the Housing Authority that are active in the field of finding solutions to housing needs.

For example, the Departments of Building and Safety, the Bureau of Public Works, Street Services, the Housing Authority of the City of Los Angeles, and many other City departments and related City agencies contribute significantly to preservation of the City's housing stock and achieving the City's goals for increasing the supply of affordable, decent, safe and sanitary single- and multi-family housing for Los Angeles's residents.

CDD Administrative Services Division, Grants Unit again asked this year that all departments and agencies provide information on how their programs are contributing toward resolving housing issues within the City, particularly issues pertaining to livability and affordability; and how they integrate their efforts. For example, accomplishments of the Citywide PACE program are included in the required narratives for affordable housing – preservation and rehabilitation. This CAPER – and subsequent year's submissions - will therefore reflect a greater range of reporting of available housing resources within the City, both those now utilized and those with a potential for utilization.

Both the Los Angeles Housing Department (LAHD) and the Housing Authority of the City of Los Angeles (HACLA) continued to see significant accomplishments during the 2003-2004 Program Year. The need for construction of affordable housing remains a high priority for LAHD, and transition of public housing residents to housing self-sufficiency remains a primary goal of the HACLA. The City Housing Trust Fund, now the largest in the nation, was provided \$500,000 in CDBG funds in the 2003-2004 Consolidated Plan budget and \$6,000,000 in the 2004-2005 Consolidated Plan budget. A more detailed discussion of the Fund is included in the sections on leveraging and affordable housing.

For several years, the City's emphasis has been on the rehabilitation and renovation of existing homes and rental units to preserve the housing stock. Regulatory restrictions, lack of buildable sites, and the deep subsidies required for new affordable housing has hampered development of new units.

Despite these challenges and others, the LAHD reported that during the 2003-2004 program year that:

- 746 single and multifamily rental units were rehabilitated and added to the City's affordable housing stock. This accomplishment comes despite skyrocketing local rents, the cost of Davis-Bacon federal wage and lead-based paint requirements, the cost of repairs compared to the ability of the owner to pay for HUD-mandated repairs, and the restrictions on rent limits imposed by the HOME program.
- The Handy Worker program provided free minor home repairs to 1,639 senior citizen and disabled households exceeding the 2003-2004 Action Plan goal by five households. Participants are low-income homeowners with priority given to seniors and the disabled. Eligible repairs are limited to work that does not require a city building permit. Typical services include emergency repairs, safety hazards, disabled access improvements, home security improvements, and the energy conservation and weatherization improvements.
- The HOPWA Rental Assistance program provided housing services to 3,551 persons living with HIV/AIDS. Financial help provided by the HOPWA Rental Assistance Program enables persons with AIDS (PWAs) and their families to locate and obtain safe, stable and sanitary housing. Since the program pays a portion of the client's rental costs, the clients and their families can use the money that would have been set-aside for that purpose to pay for necessities such as food and medication.

- 232 Los Angeles households were provided home ownership assistance in the form of counseling, use of soft second mortgages, or other techniques to achieve home ownership. Participants are largely low-income and first-time buyers.

Other LAHD and HOPWA accomplishments are discussed in greater detail in the Performance Checkup and the section on Affordable Housing.

ECONOMIC DEVELOPMENT

Program Year 2003-2004 Accomplishments

Program emphasis during 2003-2004 continued to include 1) attraction and retention of high quality businesses to Los Angeles that pay a living wage; 2) development of high quality mixed-use projects; and 3) assistance to the retail, growth, and micro-business sectors in Los Angeles.

The Mayor's Office of Economic Development (MOED), in partnership with CDD's Industrial and Commercial and Development Division (ICD), the private and nonprofit sectors, and the federal government achieved several significant goals during 2003-2004:

- The LABAP – Retail/Service Business program Component was successful in assisting over 80 retail businesses in service areas against an Action Plan goal of 175. These businesses in turn have created/retained jobs, and also have improved the availability of goods and services to low- and moderate-income residents of the City.
- The Micro-Enterprise/Entrepreneurial Component assisted 1,820 businesses

PUBLIC FACILITIES AND IMPROVEMENTS

Program Year 2003-2004 Accomplishments

Attention continued to be paid to targeting of CDBG funds for construction and renovation of childcare and youth centers, and renovation and construction of senior, youth, multipurpose and general community centers located primarily in low- income areas with high concentrations of minorities. These facilities provide needed public services, including youth employment and training, adult day care, mentoring, literacy programs, educational and cultural activities, programs for the developmentally and physically disabled, and other activities that encourage family self-sufficiency.

NEIGHBORHOOD IMPROVEMENTS

Program Year 2003-2004 Accomplishments

Projects during 2003-2004 reflected a continuing focus on housing and infrastructure improvements in the Neighborhood Block Grant (formerly Targeted Neighborhoods Initiative) areas, and improvement activities designed to promote neighborhood revitalization, preserve the city's infrastructure, increase economic opportunities, and increase community safety.

NEIGHBORHOOD BLOCK GRANT PROGRAM (Formerly Targeted Neighborhoods Initiative)

The Program Year 2003-2004 Action Plan included \$3,698,496 in CDBG funds for NBG program delivery costs in connection with completion of both Phase I and Phase II ongoing projects. The NBG program (formerly the Targeted Neighborhoods Initiative) has been funded through CDBG since 1997; project activities are focused on neighborhood improvements in several Los Angeles communities.

Selected NBG accomplishments for 2003-2004 include:

- completion of thousands of square ft of new sidewalks, dozens of new gutters, curbs, of new and

root-pruned trees.

- new signage and marquee designs improving the look of dilapidated commercial building in blighted areas.
- completion of Bimini Park's
- 45 cots provided for the homeless population.

NEIGHBORHOOD FACILITIES

The Neighborhood Development Division of the Community Development Department successfully coordinated renovation and rehabilitation of 30 public facilities, with a total of 80 projects active in their work plan for the 2003-2004 program year. For this program year CDD is tracking the program delivery costs associated with the Neighborhood Facilities Rehabilitation program. The direct costs allocated by project reflect nine months of the program up to March 31, 2004. This information is located in the appendices at the end of the CAPER.

99 alleys were closed or converted in 2003-2004 through the Board of Public Work's CDBG-funded Alley Closure program. This project benefited 495 households, exceeding its Action Plan goal.

PUBLIC SERVICES

CDBG funds continued to be focused on a strategy of achieving individual and family self-sufficiency during the 2003-2004 reporting period; continuing emphasis was placed on providing educational, cultural, recreational and gang diversion services to low-income and at-risk youth. The LA's BEST program successfully expanded its presence at several additional schools in the City.

And both the Human Services Delivery System (HSDS), through the Family Development Networks, Neighborhood Action Programs, and the Aging Services Delivery System (ASDS) continued to enjoy a high accomplishment rate in providing a wide range of human services programs to underserved residents of the city.

Program Year 2003-2004 Accomplishments

YOUTH NUTRITION AND DEVELOPMENT

- Provision of after school enrichment and recreational activities within thirty-eight elementary schools and serving 5,599 children through the LA's BEST program;
- Provision of 330 scholarships to at-risk youth in the critical age range of elementary to middle school age from low- to moderate income families to attend summer camp at the Los Angeles Zoo, fully meeting its Action Plan goal;
- Provision of youth recreational services at 93 city recreational facilities through the Department of Recreation and Parks Supplemental Youth Recreation Program; the project exceeded its goal by registering 27,213 youth in 1,725 after school classes.
- The Off-Track Youth Enrichment program provided 156,111 youth with nutrition, education, and recreational activities at each of 34 designated recreation centers, an increase of 20,526 from the previous year.

AGING SERVICES

The City's Aging Services Delivery System provided a significant number of services to the City's seniors and frail elderly during program year 2003-2004. Overall performance for the five different programs administered through the ASDS revealed that 3,042 seniors were provided critically needed services, or 104% of the total Action Plan goal of 2,932. For example;

- The Adult Day Support Center Program served a total of 399 unduplicated seniors;

- The Kinship Care Services program served a total of 195 unduplicated seniors;
- The Legal Services program served a total of 756 unduplicated seniors; and
- The Emergency Alert Response System (EARS) program provided services to 935 seniors.

NOTE: Units of service are defined according to the type of service provided. For example, information and assistance units are defined as the number of contacts, not hours. Counseling is in hours, and so are services through the adult day care/respite program.

HUMAN SERVICES DELIVERY SYSTEM (HSDS)

The HSDS is the primary program for provision of public services throughout the City. CDBG funds are used to support 11 Family Development Networks (FDNs) and 95 Neighborhood Action Programs (NAPs).

Accomplishments

- The planned goal for the HSDS (Regular Program) during 2003-2004 was to provide services to 30,000 clients. A total of 19,744 clients were reported as served.

GANG INTERVENTION SERVICES

- The Bridges II Gang Intervention program enrolled over 60 youth in gang intervention programs and job training, community services, and case management services; the program exceeded program client enrollment goals. Gang intervention teams provide outreach directly to gang members in high gang activity areas. Referrals from law enforcement and schools are encouraged.

DOMESTIC VIOLENCE

Domestic Violence Program accomplishments included:

- Shelter services were provided to 2,438 individuals, slightly below the proposed Action Plan goal of 2,500.
- In addition to the goals achieved, DVSO programs also provide emergency telephone assistance to hundreds of residents. Service providers cannot get sufficient demographic data to report these people as clients served.

PUBLIC SERVICES - PROVISION OF ASSISTANCE TO THE HOMELESS

The eradication of homelessness continues as one of the City's top priorities. The National Alliance to End Homeless (NAEH) has set a goal of ending homelessness within ten years, using an innovative "Close the Front Door, Open the Back Door" approach emphasizing construction of permanent supportive housing for the homeless. The Los Angeles Homeless Services Authority (LAHSA) is working toward this goal while successfully leveraging ESG and CDBG dollars to expand Continuum of Care program operations in the City of Los Angeles.

Projects administered by LAHSA provide critical services for the homeless, including drop-in centers, emergency shelter, transitional housing, job development programs and supportive services to homeless individuals and families.

Winter Shelter Program

The goal of the Winter Shelter program was to serve 8,500 homeless persons. During the period April 1,

2003 to March 31, 2004, 179,464 nights of emergency shelter and 364,191 meals were provided to 15,837 homeless men, women and children. Services were provided to 13,830 single individuals and 625 Families (including 817 adults and 1,190 children). Case managers employed by the winter shelters engaged 5,891 unduplicated homeless persons in case management and placed 1,101 persons in non-Winter Shelter Program emergency shelter, transitional housing, or permanent housing for the duration of the Winter Shelter Program.

Homeless Health Care provided 31 trainings with subjects such as: Dealing with Difficult People, Health/Mental Health, Substance Abuse, TB and the Homeless, Working with Diverse Populations, Food Safety, and Case Management to agencies operating winter shelters to 885 winter shelter agency staff persons.

Working in conjunction with the winter shelters, Info Line operated a free, 24-hour hotline that provided live information on available emergency services in Los Angeles County to 2,059 callers, and recorded information to 3,399 callers. A map of Winter Shelter sites is included in the appendix.

Homeless Shelter and Services

The goal of this project was to serve 3,509 homeless persons. In the period April 1, 2003 to March 31, 2004 the project served 4,373 unduplicated homeless persons. In addition, programs funded under this project provided 170,952 client contacts; placed 109 unemployed homeless into employment; ensured that 46 of those placed in employment remain employed for at least 3 months placed 617 homeless persons served into further transitional housing and 888 into decent, safe and sanitary permanent housing; and ensured that 745 of those placed in housing remained housed for at least 3 months.

- **Employment and Training**

Employment and Training programs provided case management, workshops, and job training to 239 homeless individuals to assist them in locating and securing employment. The Day Labor Program provides employment training, which includes working in Chrysalis's Street Works program cleaning streets in Central City East. The program assists homeless persons to find permanent and temporary paid positions. The goal of this project was to serve 60 homeless persons. In the period April 1, 2003 to March 31, 2004 the project served 62 unduplicated homeless persons, placed 10 of those served into private employment.

- **Drop-In Centers**

Drop-In Centers provide food distribution, crisis intervention and advocacy for current problems, mail, message and phone services, on-going case management with an emphasis on referrals to housing and need-specific services such as mental health and substance abuse treatment, and job development services. The Downtown Drop-In Center is a 24-hour, 7 day, high-tolerance drop-in center that offers an array of services to homeless persons. Services offered include showers, toilets, laundry, case management, health screening, counseling, job referral/job placement, outreach, and recreational and educational activities. There are 6 respite beds for women and 24 respite beds for men. LAHSA Homeless Drop-In Center #1 is located at 628 S. San Julian Street.

The Action Plan goal was to serve 5,000 unduplicated homeless persons; the goal was later adjusted to 375 to account for the difference in program years between the City and LAHSA (and the effect on contract award periods). In the period April 1, 2003 to March 31, 2004 the project served 10,864 unduplicated homeless persons, and provided 30,864 duplicated client contacts. The Center referred 446 persons to mental health and/or substance abuse services and 919 persons into housing programs with stays of longer than 30 days.

LAHSA generally met its 2003-2004 goals.

OTHER PUBLIC SERVICE AGENCY ACCOMPLISHMENTS

- The Clean and Green project hired 1,681 youth from throughout Los Angeles, exceeding the

Action Plan goal was provision of services to 1,450 youth.

- Operation Clean Sweep (OCS), funded through CDBG, has as its goal graffiti removal from private and publicly owned property. This is a City Wide program benefiting the residents of Los Angeles, primarily those living and working in the more blighted and heavily impacted urban areas. During the period of April 2003 to March 2004, 29,375,306 square feet of graffiti was removed from an estimated 323,562 locations. The amount of graffiti removed exceeded OCS estimates for the period by almost 2,000,000 square feet.