

## **SECTION VIII            OTHER ACTIONS    *continued***

### **OVERCOMING GAPS IN INSTITUTIONAL STRUCTURE AND ENHANCE COORDINATION**

The four Consolidated Plan grants are implemented jointly by the LAHD, and CDD, and then through other city departments, city agencies, and contractors. City departments play an important role in administering CDBG, HOME, and HOPWA funded programs.

There are non-city agencies that play a lead role in the success of the overall consolidated planning process. The Los Angeles Homeless Services Authority (LAHSA), a Joint Powers Agency composed of Los Angeles City, Los Angeles County and homeless agencies administers ESG funds for homeless programs in conjunction with Los Angeles County and scores of downtown homeless agencies. LAHSA has also established eight Service Planning Areas (SPA), with three covering the Los Angeles downtown area where homeless needs are greatest.

HACLA coordinates with LAHD and a variety of other agencies on housing-related issues. For example, HACLA administers three key programs to address the needs of the homeless. HACLA coordinates with the Los Angeles Homeless Services Authority and homeless contractors such as Skid Row Housing Trust in applying for annual Super NOFA funding for both the Shelter Plus Care and Single Room Occupancy (SRO) Moderate Rehabilitation programs. These HUD-funded programs address the permanent housing needs of the homeless, and demonstrates the ability of two major City agencies to integrate resources and services in achieving two goals: helping the homeless to self-sufficiency and promoting affordable and decent housing.

There are also many non-profit and for-profit organizations in Los Angeles that work together collaboratively in the areas of housing, homeless services, community and economic development, and have been successful in development of coherent and effective human services programs throughout the city. Los Angeles in turn has developed strong institutional links with these sectors in jointly undertaking vitally needed community development activities.

One of the biggest challenges facing the City is the task of forming and maintaining active collaboratives in furthering housing and community development goals. A majority of federal funding sources now require that such collaboratives be in place, funding and in-kind commitments established, and linkages fully developed as a condition of funding.

Another challenge in development of a strong institutional structure and avoiding service gaps is the sheer size and extent of need in the City. Consolidated Plan resources are insufficient to fill the gap.

Despite these limitations, the City has enjoyed several notable successes in bridging institutional barriers and intelligently targeting scarce federal funds. For example:

- The Workforce Development Division of CDD has established close linkages between employment and training programs, through joint participation with the Los Angeles County Department of Public and Social Services (DPSS), the Los Angeles County Office of Education, the Los Angeles Unified School District, and the State of California Employment Development Department. The U.S. Department of Labor, local governments, and both private and nonprofit providers of employment and training programs also play an active role. Active collaboratives, such as UNITE LA, have been in existence for several years.
- The Human Services and Family Development Division of CDD has transitioned from a “stand alone” agency service provider to a consortium structure, composed of Family Development Networks (FDNs) and Neighborhood Action Programs (NAPs). This structure has resulted in high participation in problem solving and development of service delivery strategies by the non-profit community, as well as local, state and federal agencies.

- Coordination among City human service agencies and providers has been tremendously enhanced by development and implementation of Work Source database linkages and the ISIS client interface. The FDN is designed to link to the City's WDCs by closely coordinating intake, electronic interface, staff training, information and referral, and case management support. The ISIS system, developed by jointly by HSFD, the City's Information Technology Agency, and CDD Computer Systems Division, provides comprehensive and current information on client participation and is directly linked to the FDNs and NAPs. The FDN complements the Centers by providing supportive services such as counseling, parenting skills, childcare access, and alternative youth services.
- The Housing Authority of the City of Los Angeles (HACLA) has been instrumental in forming and supporting active collaboratives around public housing goals and initiatives, including the ROSS program (formerly Economic Development and Supportive Services), Community Service Centers, Public Housing Drug Elimination Grants, and the Jobs PLUS program. HACLA also links with LAHD in development of joint approaches to resolving housing affordability and availability issues.
- HACLA also links with the vast City of Los Angeles homeless community in management of the Shelter Plus Care (S+C) and the Section 8 – Single Room Occupancy (SRO Moderate Rehabilitation Housing) programs. Both S+C and SRO Housing have had a significant impact in providing the homeless housing and supportive services, complementing LAHSA's and the city's efforts.

The key to a strong institutional structure is the ability to develop and share data on the progress and status of beneficiaries through the development of integrated information systems. Earlier, both the ISIS and Workforce Development Center systems were described. However, there are now several other data information systems in place that to various degrees track the progress of a variety of beneficiaries from initial intake, through provision of services, and to completion of participation.

Since 2001 LAHSA has pursued a collaborative strategy to coordinate planning with stakeholders within the LA Continuum of Care as well as with three other Continuum of Care systems in Los Angeles County to ensure the development and implementation of a Countywide Homeless Management Information System. Software has been selected, the first pilot implementations completed and the second begun. By October 30, 2004, one half of the LAHSA funded agencies will be entering data into the system and by January 2005, all LAHSA funded agencies as well as other agencies providing homeless services will be using the system. Discussions have begun to determine the feasibility of linking the HMIS with other information systems in the City and County.

Institutions playing a major role in delivery of community development programs often have different requirements, and therefore have different priorities and strategies to achieve them. Requirements are most often imposed by Congress, and reflected through the regulations of federal funding agencies. In several cases, goals may overlap or conflict.

A major obstacle to delivery of services through a variety of institutions is the continuing trend in reduction of federal and state funds for a variety of needed programs. In addition, foundation giving continues to decline dramatically in Los Angeles, given a flat economy and the movement of large corporations out of Los Angeles, which are traditionally large givers.

Interagency collaboration and cooperation is encouraged throughout the Human Services Delivery System. One innovative method used to enhance traditional case management efforts to coordinate services are the Community Action Board's bimonthly community meetings among human services, job training and housing service providers. At these sessions, participants share information, to plan together, and to give local input to the Board regarding community concerns and program development.

Another innovative strategy used to increase collaboration and cooperation among service providers is the requirement that city-funded human service agencies document cooperative efforts to enable program participants to reach the greatest possible level of self-sufficiency.

### **Previously Identified Weaknesses in the Institutional Structure**

In the 2003-2008 Consolidated Plan, the City of Los Angeles identified several weaknesses in the institutional structure that constrain successful implementation of the Consolidated Plan.

- **Project and Expenditure Plan (PEP)**

The Project and Expenditure Plan (PEP) is designed to address constraints on efficient and effective program implementation. The PEP is an important innovation in strengthening the city's grants management and overall institutional structure, as it replaces informal agreements between departments and Memoranda of Understanding. City departments must prepare a schedule of projected reimbursement through the four Consolidated Plan grants, and identify all sources of leveraging.

The PEP also requires eligibility, labor standards, and environmental review signoffs, and evaluation of progress in meeting its performance goals as the program year progresses; this requirement directly links to the CAPER, and provides a baseline for verification of information contained therein. The City has also adopted a procedure to assure prompt and accurate reconciliation of reprogrammed Consolidated Plan funds with City grant accounting records. Each month, CDD Administrative Services receives an Expenditure Report from the CDD Financial Management Division and project and program data is carefully monitored for timeliness.

- **Consolidated Plan Coordination**

The City also identified the need for greater Consolidated Plan program and project coordination and assigned responsibility among implementing City departments, divisions and allied city agencies, and development of joint planning approaches for targeting and leveraging of funds. CDD is working on developing procedures that will assure that there is full Consolidated Plan program and project coordination and assigned responsibility throughout the City, as evidenced by the Timeliness Task Force and the streamlining of application procedures through use of the PEP. The last program year also saw establishment of a City task force charged with the task of developing an equitable methodology for distributing Consolidated Plan funds citywide; and continuance of the Consolidated Plan and CAPER Electronic User's Group initiated by the Grants Unit in CDD.

- **CAPER Reporting**

Another major institutional constraint identified was the need for development of procedures within CDD, LAHD, and other implementing City departments to ensure that CAPER information is reported on a timely basis, and that submission of the Grantee Performance Report to HUD is not delayed.

In 2004, CDD redesigned and simplified the format for reporting CAPER data by departments. In May 2004, CDD Administrative Services Division (ASD) again sponsored and delivered CAPER training to over seventy participants from throughout the city. In addition, virtually all required CAPER narrative data, with few exceptions, was received by CDD/ASD by the deadline of June 1<sup>st</sup>, 2004. Extensions of time to submit the narrative portion of the CAPER were granted in rare instances. HUD has placed the national Departmental Grants Management System (DGMS) on indefinite hold, but upon release, it is understood that DGMS will be integrated with the CAPER GPR system of reporting data to HUD.

- **Survey of the Extent of Need in the City of Los Angeles**

The institutional analysis also revealed that there was a need to develop approaches to determine the extent of need throughout the City. Although the high incidence of poverty is well documented, it is not completely known whether the extent of poverty is being met with Consolidated Plan programs now in place or planned, in the absence of a periodic City Wide evaluation of program effectiveness. Fulfillment of this goal will be a significant impetus in strengthening the institutional structure of the city and related agencies. The Integrated Services Information System (ISIS) is capable of generating client data that will further hasten development of a comprehensive database of need, and will encourage sharing of such information electronically throughout the City. ISIS is a web-based case management system supporting interagency data management and reporting. ISIS allows for a resident enrolled in one program to easily register for another program.

- **Regional Needs**

The need for home-grown, “ground up” regional approaches and strategies to area wide problems of poverty, affordable housing, movement of persons from welfare to work, and other issues that span a geographic area larger than the city. Lack of comprehensive regional planning is a significant institutional barrier affecting the ability to respond to new challenges and needs. Considerable attention will be paid in future Consolidated Plans to describing conditions in Los Angeles that may have a “spillover” effect on other cities.

One little known but important “success story” is the Inter-Regional Partnership (IRP). IRP is a grant program funded by the California Department of Housing and Community Development to define and address jobs/housing imbalance issues that cross jurisdictional boundaries. There are four IRPs in southern California. The IRP between SCAG, the City of Los Angeles, and North Los Angeles County seeks to identify potential areas in the City of Los Angeles that could accommodate infill housing development. The grant also seeks to conduct an industrial site readiness analysis in the Antelope Valley as a way to promote job growth in the region. The products from this program will be an interactive website to identify infill housing opportunities in the City of Los Angeles and an online database to identify industrial site opportunities in the City of Los Angeles and an online database to identify industrial site opportunities in the Antelope Valley.

There has been considerable progress on this issue in the last few years, particularly in integration of human services, Welfare-to-Work and Employment and Training programs. The recent integration of the Rapid Response Unit linking the program framework of CDD’s Industrial and Commercial Development Division and the Workforce Development Division is a significant institutional innovation that will permit faster and more comprehensive assistance to those needing employment assistance.

### **External Barriers to Full Institutional Growth**

There are also many external barriers that affect the full institutional growth of the City of Los Angeles in a number of areas.

- **Geographic and Demographic Factors**

Several barriers that are relatively uncontrollable include the sheer size, ethnic, language, and racial diversity and population of the City of Los Angeles, coupled with high rates of immigration and accompanying poverty. The attractiveness of the year-round climate is an important factor in determining in-migration and the concomitantly greater need for services. The geographic scope of Los Angeles and the growth of immigrant populations in mostly older and blighted areas of the City makes provision of needed services more expensive, as the need for additional sites becomes more evident.

The City is relatively level, bisected by mountain passes and hill areas from the west to the east at its waist along Mulholland Drive. This tends to isolate the San Fernando Valley from the rest of Los Angeles.

Demographically, the City is not particularly young, compared to other large urban areas; but the constant influx of young immigrants, primarily from Mexico and Central America into already strained City service areas makes it difficult to verify client residency and income eligibility. Federal, state and local funds are limited, and must be used in the most effective manner possible despite increasing demands for services.

The size of the City and its influence on neighboring cities and counties prevents isolation of community development needs from other jurisdictions, such as homelessness, difficult. Poverty, overcrowding, inadequate transportation, and lack of basic services are issues that cross city boundaries. Organizations such as the Southern California Association of Governments recognizes the regional nature of housing, economic development and community development needs, and encourages regional planning among its member cities wherever possible.

Priorities vary throughout the City, and its relatively decentralized governmental structure does not encourage a concerted, rapid response approach to critical short-term needs. The governmental infrastructure of the city, however, must nevertheless still be responsive to housing, community development and economic development needs that often shift in emphasis.

- **Language Barriers**

The City's practice has always been to fund nonprofit organizations to provide services because the City believes they are better able to reflect and therefore serve the diverse communities. It is estimated that over 140 languages and dialects are spoken in the city, and nearly 100 in the city's schools. English as a Second Language classes (ESL) are often oversubscribed, and social service providers are overtaxed by translation requirements. Many low-income residents are discouraged from seeking needed services, including housing and job assistance, by language barriers. The Human Services Delivery System does fund several ESL, literacy and citizenship programs through local agencies.

- **Private Sector Investment**

There are several conditions that limit private sector investment in distressed areas of the City, affecting its ability to successfully leverage Consolidated Plan funds for needed economic development projects. Some of the barriers include the sheer extent of blighted conditions, time, the cost of assembling and clearing sites, the scarcity and cost of available, buildable sites, a trained or trainable workforce, obsolete infrastructure, cost of development in relation to risks, and incompatible land uses. Affordable housing subsidies are steep, requiring substantial public dollars; and public/private housing development deals are often complex and tied or subordinated to other developer priorities.

The city has recently seen successful development of retail and mixed-use projects, which will provide needed jobs and services for Los Angeles residents. The City has established a Block Grant Investment Fund (BGIF) to provide financial incentives in development of strategic and catalytic economic development projects. The Mayor's Business and Housing Team has in several cases been successful in attracting or retaining employers in the Los Angeles area. Still, many businesses are leaving, citing

frustration with a perceived “anti-business” stance by the City; an increasingly large pool of uneducated workers, or workers that have no marketable skills; lack of developable land for expansion; City taxation policy; lack of affordable housing, and other concerns.

- **Investment for Housing**

A major barrier to fulfillment of affordable housing is the continuing trend by landlords to “opt out” of the Section 8 program. The City Council and Mayor have relatively little control over this development, and could prove to be a significant barrier to affordable housing for residents. The Housing Authority, however, has reported a reduction in Section 8 voucher turnover and the volume of tenant and project based Section 8 opt outs are occurring at a significantly lower rate than in the past two years.

Between 2002 and 2006 there are 10,080 federally assisted units (41% of City’s federally-assisted inventory) that are at risk of losing their affordability. In addition, there are approximately 2,000 units at risk of converting to market. The 2002 and 2006 at-risk inventory is comprised of the following:

- **10,080 Units:** Federally insured mortgages and/or project-based Section 8 rental subsidy.
- **380 Units:** Restricted by the original Low-Income Housing Tax Credit (LIHTC) program.
- **1,523 Units:** Restricted by various other financing sources, including tax-exempt bond finance (“Bond”), CDBG, HOME, tax increment from the Community Redevelopment Agency (CRA), and density bonus/land use restrictions. Each financing source has its own affordability and restriction period requirements.

The average annual household income of residents of the properties with project-based Section 8 and federally-insured mortgages is \$10,000, which is approximately 20% of local area median income for a family of four, and among the poorest in the City (data based on HUD, 2002 figures). Of the City’s Section 8 households, 51% are families, 24% are elderly, and 25% are disabled residents. For these residents, there is no market alternative to the housing in which they currently reside.

According to the City’s adopted Housing Element, in order to accommodate population growth, nearly 10,000 housing units per year should be added to the City’s housing stock (a portion can be older housing substantially rehabilitated to extend its useful life).

The future of giving for projects may lie more in the realm of partnerships between local government and neighborhood organizations. For example, The Neighborhood Matching Fund is a partnership between the City’s Board of Public Works and neighborhood-based organizations. The Fund provides cash grants to neighborhood groups that undertake local improvement projects. The award of \$250 to \$10,000 will match a community’s contribution of cash, in-kind contributions, or volunteer labor. Applications are accepted from neighborhood-based organizations, defined as a group that has the majority of its members residing or working in a common neighborhood. The organization does not require formal non-profit status and can be informally structured for this program

- **Public Sector**

The capacity of agencies, especially smaller, grass roots contractors to provide services declines with each reduction in grant funding. Reduced city funding means reduced agency funding, fewer agency activities, and fewer staff. Turnover of staff in local organizations creates the need for continual training to assure that programs are managed properly and comply with federal, state and local regulations.

One solution would lie in the city working more closely with the Local Initiatives Support Corporation (LISC) and Local Development Corporations and Community Development Corporations. This will encourage development of firm partnerships among such organizations, exchange of best practices, and enhance the role of city departments in shaping programs and implementation strategies in partnership with these organizations. Educational institutions, such as the schools of public policy at UCLA, Occidental College, Pepperdine, Loyola, CSULA, CSUN, and UCLA can provide immensely valuable

technical assistance and perspectives into development of more effective, targeted community development programs and building linkages among the private and public sectors. Strategic partnerships between the City and the Los Angeles Unified School District, the Los Angeles County Office of Education and other educational institutions makes more sense now with limited staff and financial resources and the need to integrate services at the local level.

- **The Need for Costing Governmental Services and Evaluating Priorities**

If grant programs are going to succeed in providing needed services, taxpayers in Los Angeles must know what services cost, both expressed as a cost per unit of service and as a return on investment. In addition, every resident of Los Angeles has the right and responsibility to determine whether the priorities and strategies adopted by the city accurately reflect existing needs. It is also important to be able to determine whether project activities are the best use of program funds provided through the four consolidated plan programs, and how the funds are distributed geographically on the basis of need.

An indication that improvements are in order is the low level of citizen participation and involvement in deciding the allocation of grant funds, demonstrated by the lack of resident attendance at advisory councils, standing committees, neighborhood advisory boards, Neighborhood Block Grant stakeholder sessions, and city council and standing committee meetings. The City must develop mechanisms to demonstrate to the public that tax dollars are being used wisely and are targeted to areas of greatest need. The attempt to estimate the return on investment for social program expenditures is worthwhile, and efforts should continue to develop practical approaches for developing this methodology.

The City plans to pilot a project on costing governmental services next year in connection with the 2004-2005 CAPER.