

COMMUNITY DEVELOPMENT

*Please also refer to the Community Development Table in the Needs.xls workbook

1. *Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), – i.e., public facilities, public improvements, public services and economic development.*

Central to the Five-Year Consolidated Plan strategy is a description of the City's non-housing community development needs, with accompanying tables and supporting documentation. This section is intended to provide the basis for understanding the City's allocation of CDBG resources for activities other than housing, and provide evidence of adherence to HUD's requirement that the City provide both its short-term and long-term non-housing community development objectives.

The City's data is designed to reflect the needs of families for each type of activity in terms of dollar amounts estimated to meet the priority need for each type of activity. For the 2008-2013 Plan, the City is submitting the priority needs table provided through the CPMP (Consolidated Plan Management Process) structure. All of the City's references to public services, infrastructure improvements, community and economic development, and neighborhood revitalization shall indicate how its strategies will address the need of low- and moderate-income persons, and an estimate of the number of persons expected to benefit.

Public Services

One of the two most visible component of the City's Non-Housing Community Development strategy is provision of Public Services, funded primarily through CDBG, but also from ESGP and HOPWA funds. The Community Services Block Grant (CSBG) program provides approximately \$5 million annually to supplement Consolidated Plan funding. The City's submitted Priority Needs Table reveals that Public Service programs are a high priority annually for funding as demand for services continues as high and sustained. Many Public Service programs operated by the City exceed annual goals and more often than not exceed them. Homeless programs are highly oversubscribed; one of the primary obstacles is the changing nature of homelessness and the inability to predict with any accuracy service demands from year to year.

The City will continue to provide a comprehensive "safety net" of supportive services for low- and moderate-income persons and those with special needs, such as abused spouses and children, the physically and developmentally disabled, seniors and the frail elderly, and the homeless. CDBG, CRA and ESG funds together provided \$12,893,713 in federal resources for homeless shelter and services (and for administration of programs) for the 2007-2008 program year. CSBG funds are blended with CDBG funds to further leverage the extent and impact of federal funds allocated for Public Service activities.

The key components of the City's Public Services program include the:

- Aging Services Delivery System;
- AIDS Prevention;
- Day Laborer;
- Domestic Violence Shelter Operations;

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- Homeless Housing and Supportive Services (jointly with LAHD);
- Human Services Delivery System;
- LA Bridges Gang Prevention Program;
- Youth and Family Centers; and the
- Youth Opportunities Movement (YO)

Several of these programs are described in the section of this report pertaining to the City's anti-poverty strategy that follows. Homeless Housing and Supportive Services, the Aging Services Delivery System, Domestic Violence Shelter Operations, and AIDS Prevention programs are described in the section pertaining to Special Needs, as are programs for the physically and developmentally disabled; the LA Bridges Program is featured here.

L.A. Bridges Gang Prevention and Intervention Program

L.A. Bridges (LAB) is a two-pronged approach to combat gang activity in the City of Los Angeles. LAB uses a Prevention component to offer youth between the ages of 10 and 14 an alternative to joining gangs while the Intervention component assists youth in gangs between the ages of 14 and 25 to choose a different path other than gang involvement by connecting them with jobs, education, training and other resources.

The *Prevention* component operates in twenty-seven (27) middle schools, located in areas with heavy gang activity. This program provides youth identified by the school or law enforcement as being "at risk for joining gangs" with services such as tutoring, counseling and recreational activities all under an extensive case managed approach. These services are designed to direct these youth away from the lure of gang activity and guide them toward productive and safe alternatives. These services are available to youth 10 – 14 years of age attending a participating middle school or who live within a two mile radius of a participating school. Upon completion of the program, youth participate in a culmination ceremony that includes recognition by the Los Angeles City Council.

The *Intervention* component targets gang members from 14 to 25 years of age. This multi-faceted program includes a service wherein Intervention workers employed by non-profit organizations funded by the City of Los Angeles are dispatched to "gang hot spots" to diffuse potentially violent actions between gangs, perform mediation and encourage resolution to issues through the negotiation of peace treaties. Additionally, these youth are provided with services to help finish their education, get needed training, housing, tattoo removal, etc. Gang intervention services may be accessed City Wide.

The City will receive \$1,955,200 in CLEAR (Community Law Enforcement and Recovery Program) and GRP (Gang Reduction Programs) in the form of Congressional earmarks passed by the 110th Congress to be administered by the Department of Justice (Mayoral Earmarks), and \$446,500 in General Earmarks for youth gang prevention (also through the Department of Justice). These will prove to be an extremely effective leveraging tool for gang prevention activities through the LA Bridges program recommended for CDBG funding in the 34th year.

Neighborhood Improvements

The second component of the City's Non-Housing Community Development program is Neighborhood Improvements. This category includes project activities pertaining to public infrastructure and for community facilities as well as parks, street lighting, and other community projects.

The City's Bureau of Engineering is the lead agency in maintaining and updating a city-wide data base of priority infrastructure and community facilities needs; the Department of General Services maintains a "Building Book" of City owned- and leased-facilities that provides valuable insight into their condition. The Department of Recreation and Parks also manages a data base of priority projects.

In 2003, the Bureau released the Infrastructure Report Card for the city of Los Angeles, which assesses the condition of the City's infrastructure, identifies the level at which it should be maintained, determination of funding shortfalls, identification of how to pay for maintenance (prohibited under CDBG regulations) and prepare an infrastructure investment plan that addresses needs. *The overall estimated investment need for the City's infrastructure for the period 2003 – 2013 is approximately \$9.5 billion.*

The lowest scoring areas were in the areas of street lighting, water systems, parks, and streets and highways (an assigned grade of 'C', 'C', 'C', and 'D+', respectively). No grade has yet been given to the 842 public buildings jointly identified by the Bureau of Engineering and Department of General Services, which are defined as gathering places for the general public and work spaces of public employees and representatives. Public buildings include police and fire stations, libraries and mini-city halls.

Parks and Recreational Facilities

Parks are a vital part of healthy, livable communities. Parks and playgrounds are essential to physical and emotional health, and can transform neighborhoods and provide a focus of economic stability and community development. As an important player in the Consolidated Planning process, the City Department of Recreation and Parks (DRP) will continue to commit itself to effective stewardship of its resources and to creative planning and use of a variety of fund sources, including CDBG, to keep important programs operating – and in particular, those in low- to moderate-income areas of the City.

Los Angeles residents have a wide range of recreational activities available to them. The DRP offers access to parks, beaches, mountain trails, campgrounds and historical sites. The Department of Recreation and Parks maintains over 15,710 acres of parkland with 390 neighborhood and regional parks, 9 lakes, 176 recreation centers and 372 children's play areas, 13 golf courses, 287 tennis courts, 9 dog parks, 59 swimming pools, 7 skate parks, 7 museums, 24 child care facilities, 30 senior centers, 2 beaches and an urban forest of one million trees. CDBG, in combination with City Proposition K (LA for Kids), California State Roberti/Z'berg, Proposition 12, and Per Capita Open Space funding have proven to be important resources for preservation, development, and expansion of City recreation and parks facilities in low-income areas of the City where recreational needs are greatest and which are often park poor.

DRP also provides after school and day care for children, teen clubs, basketball, volleyball, softball and flag football games and leagues. Kid's classes range from homework help to dance classes to field trips; Departmental programs also include activities for seniors including field trips and classes as well as a lunch program with an average of 3,000 meals served each week.

DRP, in fact the whole City, faces substantial economic challenges in the coming year, but the Department's goal remains to safeguard City recreational resources, and to reach out to the community to help keep the parks green, programs and activities available, and facilities safe. Over 11,000 volunteers contribute their time to keeping DRP functional.

In November 2007, the DRP initiated a City Wide Community Needs Assessment to obtain public input for use in planning future recreational needs; and to obtain information and suggestions that will contribute to the protection and expansion of Los Angeles's 15,000 acres of existing parkland. Community workshops were held in each of the 15 City Council Districts during the months of December 2007 and January 2008.

Sidewalk Construction and Tree Planting Program

CDBG funds have been used for funding reconstruction of City sidewalks and for root pruning since 2001.

This citywide program provides for reconstruction of sidewalks, removal and replanting of trees, and provision of root pruning as necessary in low-to-moderate income residential neighborhoods of the City. Work is limited to eligible block groups within the City's low-to-moderate income census tracts, as identified through the U.S. Census Bureau's census tract and block group maps.

The Mayor of Los Angeles has identified public safety as a priority for use of CDBG funds, a goal shared by the Bureau of Street Services. The Bureau works towards this goal by providing sidewalk reconstruction for the residents of qualifying low-to-moderate income census tracts in the City lacking in adequate and safe pedestrian access. Through the Sidewalk Reconstruction Program, the Bureau reduces the number of trip and fall accidents and resulting litigation against the City.

This program enhances public safety through safer pedestrian access, and creates a more aesthetically pleasing environment for each community. The planting of trees is a source of community pride, and greatly improves the aesthetics of the neighborhood. In addition, an urban forest reduces noise levels, improves air quality by absorbing smog and producing oxygen, provides habitats for wildlife, reduces stress and increases property values. A tree's shade can reduce heat in a home by as much as 30% in the summer; and properly placed trees can shield home from harsh winds and storms in the winter, reducing the need for energy usage. The Bureau's long-term goal for this program is to continue reconstructing sidewalks in low- to moderate-income census tracts of the City for as long as funding is available.

The Bureau uses Special Projects Division sidewalk construction crews to perform the sidewalk reconstruction work for this program, and Urban Forestry Division tree planting crews to replant trees and deep root prune as necessary. The Urban Forestry Division may perform some additional tree trimming if heavy root pruning is required for safety reasons.

The Bureau's Sidewalk and Tree Planting Program CDBG National Objective is Low/Mod Area (LMA) Benefit. Street Services meets this objective by only working in qualifying low-to-moderate income census tracts. The Bureau, in order to meet HUD rules and regulations, breaks it down even further to qualifying block group levels. In order to ensure that each construction site in the program qualifies for low/mod area benefit and meets all HUD regulations, qualified Bureau personnel run and print Thomas Bros. area maps for each construction site with 2000 census tract overlays. The census tract numbers obtained from these maps are then compared to HUD 2000 low-to-moderate-income census data to determine if they qualify for CDBG benefits and meet the program's CDBG National Objective. In addition, HUD census tract and block group maps are run and

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printed. These maps are also compared to HUD 2000 low-to-mod census data to ensure that they qualify.

After it is determined that a site qualifies for CDBG assistance, qualified Bureau personnel perform on site inspections and document through photographs. Also, Bureau construction personnel do on-site surveys to determine the scope of work and square footage. All this is done before any reconstruction work can begin. All eligible program service area maps, census tract maps and block group maps along with eligible census data including percentages of low-to-moderate income persons are provided with the PEP submitted to CDD.

The City has consistently allocated CDBG funding for public facilities and improvements through previous citywide CDBG reprogramming cycles. For example, on October 1, 2007, the Community Development Block Grant Task Force issued its second report back to the Mayor and City council which included a timeliness expenditure status and funding reprogramming recommendations. A portion of the CDBG funds identified for reprogramming in the 33rd Year (2007):

- \$400,000 was identified for an emergency family shelter;
- \$1,000,000 was identified for a public health services facility;
- \$675,000 was identified for expansion of parking at a mixed-use development project; and
- \$2 million was identified for preservation of historically significant structures

The Mayor and Council also approved a variety of neighborhood improvements in the 32nd Year (2006) mid-year reprogramming, including:

- Site work and landscaping, \$500,000;
- Child care and youth center facility renovation, \$710,000;
- Acquisition of land for parks and park development, \$410,200;
- Cultural facilities, \$117,000;
- The 33rd Year (2007-2008) Action Plan resulted in approval of:
 - \$500,000 in CDBG for acquisition of lots to expand parking at a City Youth and Family Center;
 - \$1.5 million for historic restoration of two structures for future use as public service facilities;
 - \$1.5 million to acquire a structure to permit expansion of a public health clinic in a predominantly low-income area; and
 - \$1 million for construction of a community center for low-income families, at-risk children and youth ages 6 to 17

The Mayor and City Council has identified several new neighborhood improvements in his recommendations for 34th year CDBG funding, including the Broadway Streetscape project, Cypress Park Youth and Family Center renovation, Daniel Fields Skate Park, LAUSD, Belmont High Field, the Job Training and Opportunity Center, the Manchester Jr. Arts Center/Vision Theater among several other neighborhood and community facility improvements.

The conclusion that may be drawn is that both the Mayor and Council have demonstrated a commitment to use of CDBG funds to meet a variety of infrastructure and public facility needs; further analysis of the types of projects proposed and approved for CDBG funding demonstrates a strong commitment to establishment, expansion and renovation of

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facilities serving families and youth.

Other Neighborhood Improvement Project Activities

Street Lighting

Throughout the 34 years of CDBG funding, street lighting projects have been funded through CDBG in areas of the City deficient in lumens, or where there is no street lighting at all. While CDBG funds cannot be used for maintenance of street lights (such as change out of bulbs), there are a surprising number of City areas where lighting has never been provided, primarily because Los Angeles is the only large city in the United States for which the construction and extension of street lighting is dependent on self-imposed assessments through the vote of the individual communities. Inadequate or non-existent street lighting encourages crime, discourages business investment, and contributes to both residential and commercial blight.

For Fiscal Year 2007-2008, the Bureau of Street Lighting (BSL) identified the need for 430 units of new lighting in low- to moderate-income areas of the City, specifically 185 units of replacement lighting in the mid-Cities and South Los Angeles areas of the City; and has submitted several street lighting projects for CDBG funding through the 34th Year (2008-2009) Action Plan process. In the 33rd program year, the Mayor and City Council recommended funding for Sun Valley Street Lighting Improvements in the San Fernando Valley.

FALCON (Focused Attack Linking Communities, Organizations, and Neighborhoods)

The FALCON program, a collaborative City Wide program funded through CDBG, is an important tool in addressing neighborhood and community blight, crime and disinvestment. Vacant buildings are referred to FALCON (Abandoned Building Task Force – ABTF) via two avenues. The Contract Nuisance Abatement Section of the Los Angeles Department of Building and Safety (LADBS) refers vacant nuisance properties when it is unable to attain voluntary compliance through its administrative procedures.

Vacant nuisance properties are referred from other external sources, including: Neighborhood Prosecutors, the Los Angeles Police Department, City Council Offices, Neighborhood Councils, and other community members and stakeholders.

Upon initial referral, the City Attorney's Office and LADBS conduct a preliminary evaluation of each subject property. This process includes conducting a site check of the property, evaluating code enforcement history, criminal activity history, assessment in terms of sensitive sites (including schools and parks); compilation of owner profiles (other properties in the City), and other relevant information. When there is a complaint of criminal activity at a property, LADBS seeks the assistance of LAPD in conducting any site visit.

Typically, LADBS will issue an Abate Order requiring a property owner to clean, fence and barricade as required by the Los Angeles Municipal Code (LAMC). The LAMC's Vacant Building Ordinance also requires that an owner of a vacant property prepare and submit a "Statement of Intent" to LADBS indicating the owner's plans for the property. Options include: rehabilitation of the property, sale, and demolition. In most instances, the owner of a vacant nuisance property is requested to attend a City Attorney office hearing attended by a LADBS inspector, and conducted by a City Attorney hearing officer. Owners are advised of their responsibility with regard to the maintenance of the property,

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and of their obligation to return the property to productive use. Owners are also advised that failure to comply with the Abate Order and requirements of the LAMC can result in criminal prosecution.

Since the properties referred to FALCON/ABTF are vacant, they fall solely within the jurisdiction of LADBS and not LAHD. The City Attorney's office and LADBS identify those properties which may be suitable for the City Attorney's American Dream Project, which works with developers to acquire and rehabilitate these problem properties. All vacant properties which are the subject of Abate Orders are listed on LADBS's Web Page.

Economic Development

Over the last twelve years of Consolidated Planning, the City has funded a wide variety of programs and project activities that promote economic development, business investment, physical improvements to commercial business districts, clean-up of contaminated sites with potential for development (Brownfields), planning of business improvement districts (BID, small business and micro-enterprise training through the Los Angeles Business Assistance Program (LABAP) administered by CDD's Economic Development Division; and job creation and retention projects through use of CDBG and Section 108 Loan Guarantee proceeds.

CDD has formed a strong partnership with the Mayor's Office of Economic Development, the Community Redevelopment Agency, private developers, local banks and investment firms, federal agencies, and local economic development corporations (EDCs) in the undertaking of economic development activities.

Other sources for funding of economic development projects include use of Community Redevelopment Agency (CRA) tax increment funds derived from increases in property values, UDAG program income, EDA funds and developer funds. Recently, the National New Markets Tax Credit Fund, an arm of the Community Development Financial Institutions Fund of the U.S. Treasury awarded tax credits equivalent to \$75 million to the Los Angeles Development Fund; CDD and the CRA jointly developed and submitted the application on behalf of this Community Development Entity, or CDE.

Economic Development Projects

Over the last several years, the Community Redevelopment Agency and the Community Development Department have successfully partnered in use of CDBG and Section 108 Loan Guarantee funds as a catalyst for several critical economic development projects. All commercial activities are subject to the Public Benefit requirements imposed by the CDBG regulations for Special Economic Development Activities. The most recent projects, funded through reprogramming of CDBG funds and/or through the Section 108 Loan Guarantee Program, include:

- The Adams/La Brea Project, a mixed-use commercial and residential development located on the north and south side of Adams Boulevard, between La Brea Avenue and Redondo Boulevard. This project will eliminate blight and provide needed jobs, retail, and housing for a community that has long been characterized by high unemployment and business disinvestment. At least 250 living wage jobs and new taxable sales of \$150 million are estimated to be generated as a result of this project.

- The Grant AME/Imani Fe Mixed-Use Project, which will provide new affordable housing and amenities for very low- and low-income individuals and families. The project will result in development of 92 units of affordable multi-family housing on Central Avenue between 103rd Street and 105th Street in South Los Angeles. 1,200 square feet of space has been set aside for limited retail to induce additional retail development along Central Avenue. This project is in partnership with the Grant AME Housing and Economic Development Corporation. \$2.8 million in CDBG funds were allocated for construction of a mixed-use development. It is projected that 150 construction-related jobs and 10 permanent jobs will be created through this project as well as 92 units of affordable housing units for low/moderate income residents.
- The Broadway Manchester Mixed Use Development Project, which was awarded \$1,030,000 in CDBG reprogramming funds for the development of a 300,000 square foot retail shopping center on the west side of Broadway from Manchester to 88th Street and a mixed-use development on the east side of Broadway. CDBG funds are used to acquire six surplus Department of Transportation parking lots.
- The 54th and Crenshaw Mixed-Use Project is a mixed-use commercial and residential development located on the southeast corner of 54th Street and Crenshaw Boulevard. This project was designed to eliminate blighting conditions and provide needed housing, retail and jobs for a disadvantaged community. The project was awarded \$3.2 million in CDBG funding reprogrammed from the 32nd Program Year, to be used for property acquisition by voluntary sale.
- The Goodyear Tract Development Project constitutes a 208-acre industrial area located in South Los Angeles near the Alameda Corridor. \$2 million in reprogrammed CDBG funds are used to acquire and option up to two sites in the tract, with the goal of improving existing properties through capital investment in the existing buildings and infrastructure to better enable the area compete with surrounding modern industrial tracts. Over 60 new jobs are estimated to be brought to South Los Angeles as a result of the project.
- The Centre Street Lofts Mixed Use Development was completed in late 2006 and provides 116 live work, for-sale market rate units, ground floor retail, and public parking. The Disposition and Development Agreement (DDA) provides for an affordable housing component whereby the CRA offers soft second mortgage financing averaging \$100,000 per unit to 23 low-and moderate-income families.
- The Wilmington Industrial Project is a 232-acre site strategically located in Wilmington that can now be described as an old, largely obsolete, mixed industrial area dominated by small uses with virtually no residential use and minimal support commercial use. Over 40% of the project area is underutilized and an environmental nightmare, replete with auto and boat dismantlers, live animal stockyards, truck parking, open storage areas and dated oil production usage.

Brownfields Economic Development Initiative – Spotlight on City Teamwork

The Community Development Department was recently allowed a second opportunity to be awarded a \$1.26 million BEDI grant from HUD. The grant and a \$9.4 million Section 108 Loan will help acquire 9.74 acres of land to support an existing business expansion and to complete a new industrial park in the Wilmington Industrial Park of the City of Los Angeles. HUD required CDD to submit a new BEDI and Section 108 loan application by a November 2, 2007 deadline.

Both applications required an extensive data collection effort by CDD and the CRA, including census, financial, historical facts, etc., none of which is completely located in any one division. As such, completing and submitting the applications in a timely manner demanded cross-divisional coordination between key individuals from five CDD Divisions.

Other economic development tools used by the City include:

State Enterprise Zones

The City of Los Angeles has three State Enterprise Zones as well as a Federal Empowerment Zone and a Renewal Community designation. Within these areas, businesses can take advantage of State and/or Federal tax credits and deductions not available to businesses elsewhere. The goal of the incentives is to stimulate business attraction, growth, and increased employment opportunities within economically challenged areas of the City.

Enterprise Zones assist businesses located in the zones to lower their operating costs by providing them with tax credits and deductions. The state of California offers incentives such as: hiring credits, sales & use tax credits, expense and interest deductions. The City of Los Angeles offers local incentives such as, DWP rate discount, site fee waivers, sewer facility hookup payment plans, Work Opportunity Tax Credit, and reduced parking rates.

The Los Angeles Enterprise Zone was conditionally designated by the State on October 15, 2006. When the designation becomes permanent, it will be valid for 15 years. In addition, the Eastside State Enterprise Zone designation is valid through January 10, 2008, and the Harbor Zone through March 3, 2009.

Los Angeles Business Assistance Program (LABAP)

The concentration of people living in poverty in the City is approximately 19%. About 41% of individuals 25 years or older living in poverty did continue their education beyond high school. Owning a business does not require a college education, only the proper skills and knowledge to operate and grow it. EDD's business assistance program has been developed to provide the classroom training that will allow any individual with the aptitude for being an entrepreneur to learn the right skills and acquire the knowledge that will lead to starting up their business and become successful entrepreneurs.

CDBG Float Loan Policy

CDBG float financing can be an important and useful option to fund a variety of economic development, housing, and infrastructure projects. Nevertheless, float funding must meet all CDBG-related HUD regulations, including an appropriate National Objective and Public Benefit, and the underlying project must meet all City and or Federal underwriting standards. Care must be taken to utilize this funding tool in a careful, deliberative manner in order to safeguard the Community Development Block Grant allocation that underlies all float loans. The CDD will be responsible for advising the Mayor and Council concerning the feasibility, appropriateness, and risks associated with each proposed float loan.

In order to diminish risks to the City's CDBG entitlement, the City has adopted the following policy guidelines:

- Float loans should be made to City departments or the CRA, and not made directly to developers or other private parties;
- The requirement for repayment of the Float Loan commences at the time of the execution of the loan agreement and may not exceed 2 ½ years (30 months);

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- The requesting department shall identify in its request verifiable repayment sources to be generated within the required 2.5 years, including but not limited to: a commercial bank firm takeout commitment letter; formal pledge of tax increment funds; bonds; an irrevocable commercial bank letter of credit; or other similar source of collateral;
- The borrowing City Entity or CRA will provide a written analysis of the need for a float loan explaining why traditional commercial bank financing and or Section 108 or a standard CDBG loan is not obtainable via the Consolidated Plan process;
- Float loans must meet all requirements for National Objective, eligibility, and if appropriate, public benefit in accordance with 24 CFR 570.301. Project eligibility will be determined solely by CDD;
- In the aggregate, all outstanding Float Loans should not exceed 20 percent of the total CDBG Line of Credit available at the end of the prior program year;
- Income derived from repayment of a Float Loan, including interest, if any, is to be treated as program income and will be returned to the CDBG Line of Credit;
- Imposition of interest to be charged on a Float Loan will be evaluated and recommended by CDD on a case-by-case basis. Factors such as the nature of the project, for-profit versus non-profit developers, or the financial resources of the developer, will be considered in such analysis; and
- A Substantial Amendment to the Consolidated Plan shall be processed by the CDD and submitted to the Citizens Unit for Participation (CUP) for review for each Float Loan proposal, in accordance with HUD regulations. The amendment shall include one of the following four options in the event that the loan is not repaid within the required 30-month period: obtain an irrevocable and unconditional line of commercial credit for the full amount of the loan; obtain written approval from HUD for a method of repayment, such as a pledge of tax increment; amend or delete activities in the Consolidated Plan in an amount equal to the loan amount; or transfer City General Fund revenue to the CDBG Line of Credit.
- A form of collateral shall secure the Float Loan approved by the CDD. Such collateral may be property based, such as a deed of trust, but may also include a pledge of Area-Wide Tax Increment, bonds or other forms allowed within federal regulations.

2. Describe the basis for assigning the priority given to each category of priority needs.

Please see the Priority Needs Table included with this document. The Executive Summary in the first part of this document contains a summary of the Mayor's priorities for use of Consolidated Plan funding. In addition, project activities designated as "high priority" are those that will be funded in the upcoming year and are fully consistent with the Mayor's priorities; those designated as "medium priority" are project activities that are consistent with Mayoral and City Council priorities, but will not be funded in the upcoming year, due to funding constraints, alternative sources of funding, or other, more immediate priorities; and those that are designated as "low priority" are those that are inconsistent with the Mayor's priorities **and** will probably not be funded through the Consolidated Plan because of funding constraints, or other sources of funding have been identified.

2. Identify any obstacles to meeting underserved needs.

Please also see the section on "Gaps and Strengths" in the City's Consolidated Plan delivery system, and "Obstacles", both set forth in the first part of this document.

Sustained Demand for Public Services

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A major obstacle to meeting underserved needs in the City is the high and sustained demand for public services, which is outstripping the City's ability to provide funding because of the statutory public service limitation, or cap, of 15% of the CDBG grant plus the previous year's program income.

As a result, the City will continue to advocate a change in the statutory CDBG Public Service cap, or limitation, of 15% of CDBG dollars to 25% or more for such activities; however, at this writing, it is uncertain that the City will be successful in this endeavor during the duration of the upcoming five-year Consolidated Planning period.

As cited in the Executive Summary, the City is at its limit in terms of additional programming for public service activities; economies and efficiencies must be found within available funding and within the City's available organizational structure in order to maintain a level of support for the City's Human Service Delivery System and related safety net programs.

This constraint will have a negative effect on the City's ability to meet growing service needs, particularly as the rate of in-migration continues, the City's population grows older, the challenge of providing suitable housing and supportive services continues, and overall, individuals and families require an increasingly higher level of specialized services. Less than one in five Los Angeles residents have health insurance, which will ensure increasing demands not only on local hospitals and clinics but in demands for public agencies to provide such services, or to provide referrals to care providers.

Lack of Awareness of Existing Social Service Programs

Many individuals and families within both the city and county of Los Angeles are often unaware of the scope of social services available to them. The City, in partnership with Los Angeles County launched ACCESS, a public information marketing and training campaign to increase awareness and accessibility of existing programs and subsidies that will lead low-income households to self-sufficiency. ACCESS Health focuses on educating the public on available health programs such as Medi-Cal, Food Stamps, Healthy Families, and Healthy Kids. Through these programs the percentage of youth in Los Angeles County has increased substantially, from 88% in 2001 to 94% in 2005 (United Way 2007 State of the County Report).

Lack of Developable Sites for Economic Development

Particularly for economic development, developable land within the City's boundaries is scarce and expensive and continues to be a significant obstacle to inception of critically needed projects. Many thoughtful and productive economic development proposals, with substantial potential for economic revitalization and public benefit to residents in an area are hindered by the high cost and unavailability of buildable sites. The unparalleled explosion in commercial and retail uses in downtown Los Angeles and an extensive pipeline of condominium and loft housing construction projects has resulted in skyrocketing prices for parcels, and consequently a far higher degree of public subsidy is required – this at a time when federal assistance for economic and community development project activities is stagnant or declining.

The sheer extent of public infrastructure needs and ever-escalating construction and materials costs requires that hard decisions by the Mayor and Council must be made in allocating increasingly scarce CDBG funds and Section 108 Loan Guarantee proceeds.

4. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

As explained in the Executive Summary, the Mayor of Los Angeles has identified three critical long-term and short-term priorities for programming and expenditure of Consolidated Plan funds; youth development and education, development of affordable and workforce housing; and job creation and securing our economic future.

Over the next five years of the Consolidated Plan, it is anticipated that the City will have also finalized a citywide economic development strategy. At present, the City's economic development strategy provided priority to 1) projects that are strategic, catalytic and cost effective; and 2) that result in the creation and retention of jobs that pay a living wage. As covered previously, the City has within its resources a diverse and useful set of tools for economic development.

For example, the Economic Development Division of CDD includes in its annual goals the underwriting/inducement of \$150 million of lending activities, which includes \$100 million in bonds; creation of at least 400 living wage jobs through lending activities; assisting one to 500 small businesses to grow and mature; development of 100 entrepreneurs; and, creation of at least 180 jobs for low to moderate persons through the Business Assistance Program.

Antipoverty Strategy (91.215 (h))

- 1. Describe the jurisdiction's goals, programs, and policies for reducing the number of poverty level families (as defined by the Office of Management and Budget and revised annually). In consultation with other appropriate public and private agencies, (i.e. TANF agency) state how the jurisdiction's goals, programs, and policies for producing and preserving affordable housing set forth in the housing component of the consolidated plan will be coordinated with other programs and services for which the jurisdiction is responsible.**
- 2. Identify the extent to which this strategy will reduce (or assist in reducing) the number of poverty level families, taking into consideration factors over which the jurisdiction has control.**

The City of Los Angeles' anti-poverty strategy includes both policy initiatives that address structural causes of poverty, and the funding of economic and social programs that enable low-income clients to move towards self-sufficiency and end the cycle of poverty. This is enabled through funding and management of the Human Services Delivery System (HSDS) and related programs, which will be explained in the Non-Housing Community Development section of this document. In 1999 the City adopted the HSDS model to reflect its commitment to family self-sufficiency as a guiding principle, constituting a holistic approach to identifying and solving the root causes of poverty at the familial level.

The City has adopted the "family self-sufficiency" approach in carrying out public service programs locally. The term "self-sufficiency" connotes independence from reliance on

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social welfare programs. Fulfillment is evidenced when an individual or family has enough income, as well as knowledge, personal skills, and support systems necessary to secure safe and affordable housing; obtain quality child care; fulfill education and employment goals, access physical and mental health services; save money for future needs; obtain nutritious food and acquire basic necessities such as clothing; and build strong, stable families.

Due to Citywide factors, such as a severe affordable housing crisis, a growing economy based largely on low-wage jobs, and a dysfunctional health care system (one out of five City residents do not have health care), the City's belief is that not all families can or will achieve self-sufficiency in its ideal form. Thus, service programs must help families move or make progress along a continuum toward self-sufficiency.

The City will continue to focus on self-sufficiency as its primary anti-poverty approach through the Consolidated Plan, both for administering existing programs and implementing initiatives for new human service programs. Current programs that contribute to this strategy include the Family Development Networks (FDNs), the Neighborhood Action Program (NAP), the Domestic Violence Shelter Operations program; and the Youth and Family Centers network services. Each is explained in detail in this section.

Local anti-poverty priorities, as defined by the City in its annual Community Action Plan submission to the state of California for CSBG funding include:

- Remove obstacles and solve problems that block the achievement of self-sufficiency, including self-sufficiency for families and individuals who are attempting to transition off of a California state program
- Secure and retain meaningful employment
- Attain an adequate education, with particular attention toward improving literacy skills of low-income families in Los Angeles, which may include family literacy initiatives;
- Make better use of available income through incorporation of financial literacy training in the core services provided to City individuals and families;
- Obtain and maintain adequate housing and a suitable living environment;
- Achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners;
- Document best practices based on successful grassroots intervention;
- Strengthen and improve relationships with local law enforcement agencies, including neighborhood or community policing efforts;
- Provide programs for the establishment of violence-free zones that would involve youth development and intervention models;
- Provide after-school child care programs; and
- Make more effective use of, and to coordinate with, other programs.

Each of these goals is reflected in the anti-poverty approach and programs funded not only through CSBG, but also through the complementary use of Community Development Block Grant and the Home Investment Partnerships (HOME) Entitlement programs.

Background – Poverty in Los Angeles

According to the 2006 American Community Survey conducted by the U.S. Census Bureau, 20 percent of the people in the city of Los Angeles were living in poverty, and 27 percent of related children under 18 were living below the poverty level. These statistics show minor improvements compared to the 2003 overall poverty rate of 22.1% percent of all City residents, of which 30 percent were children under 18 living below the poverty level.

The percent of people 65 years old and over living in poverty, however, have increased from nine percent in 2003 to 13 percent in 2006. Additionally, the City's level of poverty is significantly higher than the national level. In 2006, 13 percent of people in the nation were living in poverty. Eighteen percent of related children under 18 were living below the poverty level, compared with 10 percent of 65 years and older.

The City's poverty crisis is further compounded by a far higher cost of living than in many other large urban areas. Current federal poverty guidelines are based on the assumption that 30 percent of household income is spent on food. While this equation may have been representative of expenditures in the 1960s, increased costs of housing, health care, and childcare have reduced funds spent for food to one sixth of the family's budget.

Based on the existing Federal Poverty Guidelines, 4.8 million Californians, or 13.3% of the state population, have income levels below the Federal Poverty Level threshold of \$20,650 for a family of four. This is significantly less than the minimum \$54,000 annual income needed for a family of four living in Los Angeles to be considered "self-sufficient" (according to the National Economic Development Law Center).

Affordable housing continues to be a significant issue facing city residents, especially low-income populations. In 2006 the median monthly housing cost for mortgage owners was \$2,313 and \$939 for renters in Los Angeles. Approximately 57-58 percent of all owners with mortgages and renters spend 30 percent or more of their household income on housing. Nationally, 37 percent of owners with mortgages and 50 percent of renters spend 30 percent or more of their income on housing. (U.S. Census Bureau)

In addition to a higher cost of living, Los Angeles faces a growing unskilled workforce that will be unable to compete for jobs paying living wages and benefits. According to the 2006 U.S. Census Bureau American Community Survey, 27 percent of people 25 years and over did not graduate from high school. In several Los Angeles high schools, drop-out rates exceed 50% or more of the student population. It is estimated that the lifetime earnings for the average high school dropout residing in Los Angeles is \$564,000 compared to \$915,000 for a high school graduate, a 38 percent difference. Furthermore, a high school dropout will earn a staggering \$1.44 million less than a college graduate over a lifetime.

With seven of the City's Community Planning Areas (CPAs) experiencing a percentage of youth in poverty in excess of 10% - Southeast, Westlake, Boyle Heights, South Los Angeles, Wilmington, West Adams, and North and East Central, there is a tremendous need to align the City's anti-poverty efforts to meet the educational and training needs of young adults if the cycle of poverty is to be broken. High rates of linguistic isolation, lack of a high school diploma or GED, and substantial numbers of single parent families within Los Angeles communities all contribute to furthering poverty and contributing to a growing number of working poor in Los Angeles.

One Out of Five Report (2004)

The economic impact of the education shortfall particularly affects Los Angeles youth. A recent study found that 100,000 of the City's young people between the ages of 19 and 24 years were "out of school and out of work". The mismatch between youths and education will significantly hinder this population's development of marketable skills, thereby limiting future employment opportunities and reducing lifetime earning potential.

Of critical importance, the "One Out of Five" report issued in November 2004 brought home sharply the need for comprehensive youth workforce training and jobs for young adults between 16 and 24. Findings of the study included:

- One out of five 16-24 year olds in the city of Los Angeles is out of work;
- Young residents of Los Angeles city had a school enrollment rate of 52 percent compared to the state average of 57 percent
- The school enrollment rate of young adults in Los Angeles city varies widely by race, ethnic origin and nativity status, from Asians (72%) to Hispanics (45%); foreign-born (42%) and native-born (61%)
- Sizable general gaps in school enrollment and education of young adults which grows wider along the educational ladder.
- The percentage of out-of-school youth who are dropouts in the City is 51%, compared to the state rate (40%) and the United States as a whole (30%);
- The share of dropouts among out-of-school youth in the City varies significantly by gender, race and nativity status – males, 54%, females, 46%; foreign-born, 66%; native-born 31%; Hispanics, 65%; African-American, 37%; Whites, 15%; and Asians, 12%.

An indicator of an adverse labor market situation among young adults was the incidence of labor market problems among them. Individuals were classified as having labor market problems if they were unemployed, earned wages below the 4-person poverty line in a full-time job, working part-time involuntarily, or were not seeking work but wanted to work. In 2000, 38 percent of young adults in California had encountered one of the four labor market problems; in 2003, this percentage had increased to nearly 44 percent. These percentages are estimated to be similar to those of the City which quite likely exceed them.

In addition, the report found the employment rates of young adults in Los Angeles declined sharply between 2000 and 2003, evidenced by an approximate 4% drop in the employment rate; the teen employment rate in the same period declined by over 7 percentage points. Non-enrolled young adults in Los Angeles city were less likely (59%) to be employed than their counterparts in the nation as a whole (69%). A very close association was found to exist between education and employment. Young adults with a higher level of education were considerably more likely to be employed.

Even more alarming is that the incidence of disconnected youth – those that were not working and not attending school in 2000 (the report uses the 2000 Census as its baseline) - was as high as 25% for Hispanics, and 22% for African-Americans. Disconnected youth were disproportionately likely to be poorly educated. In the City, the percentage distribution of disconnected youth by educational attainment amounted to 62% for high school dropouts, 24% for high school graduates – but only 3% for those with a bachelor's degree or higher.

Role of the Workforce Investment Act (WIA) in Furthering Consolidated Plan Anti-Poverty Goals

Both the CDBG and WIA programs work together to address the challenges to City youth in poverty addressed in one out of five report.

For example, the Year 8 Annual Plan for Fiscal Year 2007-2008, prepared by the Workforce Development Division of CDD, includes WIA (Workforce Investment Act) and City General Fund requests for:

- Youth OneSource Youth Opportunity System Centers – 14 sites; \$11,550,170 in WIA funds requested for 07-08
- LA County Summer Jobs Program, \$2 million requested in WIA 07-08 funds
- City General Fund Youth Program \$2 million requested in WIA 07-08 funds
- Learn and Earn Funding Program \$2 million requested in WIA 07-08 funds
- Youth Opportunity Movement (YOM) – CDBG requested for 34th Year
- Students for Higher Education \$196,000 in WIA 07-08 funds
- Cash for College \$80,000 requested in WIA 07-08 funds (also CDBG)
- Hire LA 18-24 – job pledges from area employers; recruit, evaluate and place 4,000 youth 18-24 into Hire LA job pledge pool; 1,000 youth participate in Work Readiness Certification Program; 2000 youth secure employment;
- Intensive Transitions - linking youth ex-offenders to education and employment activities; \$200,000 requested in WIA 07-08 funds
- Youth Leadership Council - \$20,000 requested in WIA 07-08 funds

Youth education and employment programs have been given high priority by the City for CDBG funding in each year of the previous (2003-2008) Consolidated Plan.

Other City Wide Anti-Poverty Initiatives

In January 2007, Los Angeles Mayor Antonio Villaraigosa, as Chairman of the U.S. Conference of Mayors Task Force on Poverty, Work and Opportunity, announced the findings and recommendations of a report entitled “Repairing the Economic Ladder: A Transformative Investment Strategy to Reduce Poverty and Expand America’s Middle Class.” The 29-page report outlined three critical investment strategies at the federal, state, local, and private enterprise level to reduce poverty. The three strategies focus on high quality public education; life-long education and skills development; and increasing economic opportunities.

The Los Angeles City Council has also continued efforts to update the Federal Poverty Guidelines. The proposed update would take into account regional differences and a broader self-sufficiency index that more accurately reflects the household budget expenditures and the diverse household composition.

Previous years of reduced federal funding and the broader effects of wider issues, such as gang violence and academic failure, has required the City to re-evaluate the City’s poverty strategies, programmatic approach and management.

Poverty and Gang Activity – Role of City Gang Prevention and Intervention Programs

A 2006 Citywide Gang Activity Reduction Strategy Report conducted by the Advancement Project reinforced the high correlation between the rate of poverty and low per capita income with the concentration of crime activity. The report referenced a Los Angeles Unified School District (LAUSD) study, which stated 90 percent of the surveyed 4,000

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students living in high crime areas were being exposed to violence either as a victim or witness. Twenty-seven percent of the exposed students showed symptoms of Post Traumatic Stress Disorder, with 16 percent testing as clinically depressed.

The report by the Advancement Project called for immediate action in the poorest areas of the city and highlighted the need for better coordination of programs to strengthen their impact and maximize resources. As a result, the 33rd Year Consolidated Plan provided funding for the City Controller to engage the services of an independent consultant to perform a review and recommendation for the future design of the City's anti-gang and social service delivery system. Pending the result and recommendations from the City Controller, the City will continue to fund existing programs in the interim period.

City Poverty Survey

In June 2007, CDD conducted a Community Poverty Survey. The impetus for the survey stems for its planned use in the Community Action Plan (CAP), which is an annual requirement of the U.S. Department of Health and Human Services for allocation of Community Services Block Grant (CSBG) funds. However, the survey is of critical value for other purposes, particularly in anticipation of restructuring the HSDS, and to help fulfill the spirit of HUD Consolidated Planning requirements for conduct of a Needs Assessment.

The survey was disseminated in seven Community Improvement Planning Areas (CIPAs), Neighborhood Action Plan (NAP) agencies; at town halls, health and safety fairs, and at City task force meetings. The survey was also disseminated to the print and television media, posted on the City and CDD Web Sites, and E-mailed out to over 1,100 agencies on the HSFD mailing list. The number of surveys returned was 1,138 of 10,000 disseminated, or an 11% response rate; Spanish responses constituted 30%, and long form versions of the returned surveys constituted 40% of responses.

Respondents identified five key needs to end poverty:

- Affordable housing (659)
- Better schools (581)
- Good-paying jobs (551)
- Increase the minimum wage from \$6.75 an hour (447)
- Safer neighborhoods (444)

The next top areas above 350 votes included: affordable health care, greater access to higher education, more youth programs, and jobs with employer-paid health benefits. The most common responses included education, jobs/employment training, higher paying wages, and affordable housing.

The majority of respondents identified lack of affordable housing, lack of high quality public education, limited job opportunities and a high cost of living as the main reasons why people in Los Angeles stay poor. A common theme in the responses is that salaries and wages are stagnant, benefits are or becoming non-existent; and the cost of living is making it impossible for many Angelenos to make ends meet (59% of respondents).

82 percent of respondents specified that at least \$40,000 a year would be needed for a family of four to make ends meet; 31% of that total identified the threshold even higher at or above \$50,000. This is very consistent with a recent report (2007) issued by the nonprofit California Budget Project organization, which concluded that a two working parent family in the city of Los Angeles would need an annual total income of \$74,044.

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The study identified housing expenses as averaging \$1,269 per month or 20% of the total expenses per month; this estimate, however, may be quite conservative

52 percent of the respondents identified themselves as at or below the federal poverty guideline (\$20,650 for a family of four) and 21% as very low income. 80% of the respondents identified themselves as working, and 37% as not working or working part-time.

The Role of Los Angeles County in the City's Anti-Poverty Strategy

The Los Angeles County Department of Public Social Services (DPSS) provides programs designed to both alleviate hardship and promote health, personal responsibility, and economic independence. DPSS provides several benefits and services to low-income residents of Los Angeles County and the city of Los Angeles:

- Temporary financial assistance and employment services for families and individuals.
- Free and low-cost health care insurance for families with children, pregnant women and aged/blind/disabled adults;
- Food benefits for families and individuals;
- In-home services for elderly and disabled individuals; and
- Financial assistance and advocacy for federal disability benefits for disabled individuals.

These services are provided locally throughout the many communities that comprise Los Angeles County, including the city of Los Angeles.

While the County of Los Angeles and the Los Angeles Unified School District (LAUSD) are the primary providers of services for those in poverty, including General Assistance, GAIN, GROW Employment and Training, the National School Lunch Program, CalWORKs, CAPI (Cash Assistance Program for Immigrants), and other programs, CDD has since its inception in 1977 provided a social safety net of services for those residents in greatest need, that complements and strengthen County options for assistance, and through use of a variety of approaches.

Recently, City and County staff began discussions on how the City and County can increase linkages between the County's Department of Public Social Services (DPSS) programs such as food stamps and welfare and the City's Family Development Network (FDN) and the Youth and Family Centers (YFCs). Initial ideas include training FDN staff on how to pre-screen clients for referral to DPSS agencies.

City Living Wage Ordinance – An Important Anti-Poverty Tool

A 2006 study by University of California economists found that the Los Angeles living wage ordinance has raised pay for nearly 10,000 jobs, with minimal employment loss.

Nearly 70 percent of workers affected by the law are low-income and only 4 percent are teenagers, according to the report, which was funded in part by the Ford Foundation.

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Examining the Evidence: The Impact of the Los Angeles Living Wage Ordinance on Workers and Businesses offers a definitive analysis of the City's experience. It is the first such study to use random sample surveys of affected workers and businesses - the only method that assures accurate results.

In 1997, Los Angeles became one of the first major cities to pass a living wage law. The City's policy currently requires city contractors, among others, to pay workers \$10.03 an hour, or \$8.78 plus a \$1.25 contribution to health benefits (the wage is adjusted annually). It also provides workers with 12 paid days off and ten unpaid days off per year.

The total of 10,000 jobs in Los Angeles where pay was increased due to the living wage is among the largest in the nation, after New York and San Francisco. The majority of jobs were at Los Angeles International Airport and Ontario International Airport. The average mandatory pay increase was \$1.50 per hour, or \$2,600 per year.

The study also finds that businesses have experienced some positive results, including declines in employee turnover and absenteeism. On average, affected firms recovered 16 percent of the increased cost of the mandatory wage increase through turnover reductions.

Employers have adapted to the remaining costs in a variety of ways. These include cutting fringe benefits and overtime, hiring more highly trained workers, cutting profits and passing on costs to the city or to the public.

One objective of the living wage policy was not achieved: the law has not prompted firms to set up health insurance plans for their workers, although some firms have improved their existing plans or extended coverage to more workers, affecting 2,200 jobs.

While *Examining the Evidence* finds that workers and their families experienced measurable gains from the living wage, it also shows that many workers still struggle to get by. Thirty-one percent of affected workers lack health benefits, and 44 percent rely on at least one government assistance program.

Living wage laws have proliferated around the nation, partly as a response to the stagnation of state and federal minimum wages, as well as to the increasing privatization of city services as a means to cut costs. These laws are designed to remove the incentive for government to contract out jobs to low-wage employers, thus leveling the playing field for city contractors.

More than a dozen cities, including Miami, Phoenix, Memphis, Little Rock and Richmond, are currently considering living wage legislation.

Breaking the Cycle of Poverty through Provision of Affordable Housing

Of critical importance in breaking the poverty cycle are the roles played by the Los Angeles Housing Department (LAHD) and the Housing Authority of the City of Los Angeles (HACLA). LAHD supports the development of new affordable housing; enforces state health and safety codes and tenant protection ordinances, works to preserve the City's existing housing stock, enables low and moderate income Angelenos to achieve the American dream of homeownership; develops new policies and programs to address the City's housing needs, and removes barriers to affordable housing due to discrimination and predatory lending, and other factors that prohibit poor residents from obtaining decent,

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affordable housing. HACLA provides housing to thousands of extremely low income City residents, and Section 8 rental assistance to over 50,000 households who would otherwise be at risk of homelessness.

Los Angeles has become a City where rental and for-sale housing is well beyond the reach of the working poor as well as moderate-income residents, which results in increased overcrowding and little disposable income for the other necessities of life, such as health care. This situation prevents poor individuals and families from breaking out of the cycle of poverty.

At the federal level, reduced Section 8 payments and other federal housing subsidies to landlords allow owners to “opt out” of contracts that keep rents affordable, with the potential of further aggravating the high rates of poverty experienced by the working poor, as well as low-income elderly and disabled residents on fixed incomes. For those who have obtained a job and are leaving public housing, there are few if any affordable housing options.

Perhaps there is no more important aspect to breaking the poverty cycle than to assure decent, safe, housing for the City’s most vulnerable residents, the working poor, and persons with special needs including persons with disabilities and elderly residents.

The City, using CDBG and ESG funds, provides a comprehensive “safety net” of services for low-income residents, many of whom meet the Federal definition of poverty.

Human Services Delivery System (HSDS)

The Human Services Delivery System is the City’s primary program for reducing the number of poverty-level families. The HSDS funds multiple nonprofit organizations located throughout the city through competitive proposal process. The HSDS is comprised of two types of programs: Family Development Networks (FDNs), or consortia; and the Neighborhood Action Program (NAP) that is composed of individual human service agencies. FDNs focus on long-term family case management to increase economic self-sufficiency. Each FDN offers clients access to pre-employment support services, financial literacy services, child care services, health and legal services, educational opportunities, social and emotional support through counseling and other services as needed.

The measurable accomplishment of the Human Services Delivery System (HSDS) is the number of unduplicated clients served. The HSDS uses the State of California National Performance Indicators (NPIs) to measure the outcome of program services in addition to the number of clients served. The NPIs capture various outcomes, including the number of unemployed clients who obtained employment, the number who received emergency assistance, and the number of people who learn and exhibit improved family functioning skills.

The HSDS is cost-effective because contractors selected to provide human services in one of the two programs -- FDNs and NAPs -- are selected through a Request for Proposal process that establishes minimum program requirements and capacity, and ensures that City residents receive high-quality services. Because services vary from more expensive day-long child care to relatively inexpensive food bank services, it is not possible to estimate a cost of services for the system. The following provides a more in-depth explanation of the roles and responsibilities of FDNs and NAPs in the City’s anti-poverty strategy.

Family Development Networks (FDNs)

The Family Development Networks directly support the Mayor's goal to reduce poverty through a long-term investment in young people. The foundation for young people's development and academic achievement is rooted in increased opportunities and family stability. The FDN program assists city families in addressing long-term, multiple service needs through long-term family case management designed to remove multiple barriers/obstacles, and solve problems at the family level. FDNs are encouraged to provide services to families who receive TANF (Temporary Assistance for Needy Families) and these clients are automatically eligible for the program.

Each of the City's 12 FDNs is comprised of three or more community-based organizations working as a collaboration to bring a comprehensive array of services to lower-income families. Core services include:

- Case management for families, including their children and individuals requiring intensive, longer-term interventions to achieve established goals for personal and/or economic well-being. Case management also includes the provision of Youth Advocacy Program (YAP) services to the City's at-risk youth and their families referred by the Los Angeles Police Department, the Los Angeles City Attorney, and the Los Angeles Unified School District.
- Coordination with the City's WorkSource and OneSource Centers for employment training, referral and placement services. The FDNs are required to work with WIA-funded City WorkSource centers or other job training/job placement providers to ensure clients obtain and/or retain meaningful employment. This is done to leverage, rather than duplicate, these important economic development tools. Ongoing coordination with the OneSource Centers directly addresses the importance of youth employment to reduce the risk of youth delinquency and gang violence.
- Information and referral, including self-service activities, advocacy or staff intervention necessary to connect consumers to the services they need and the assignment of staff for a less extensive period to provide services directly or assist participants in obtaining services. The City continues to support a multi-benefit initiative that ensure service providers are aware of all County, Federal and State benefits available for their clients. The multi-benefit initiative, called ACCESS, includes information on the States Healthy Families insurance program, the Federal Earned Income Tax Credit (EITC), and College Financial Aid Resources.
- Financial literacy for adults and young people, for addressing prevalent issues such as predatory lending, high levels of consumer debt, and low savings rate. This component assists clients in accessing mainstream financial institutions and services, while promoting long-term asset development as a strategy to exit the cycle of poverty.
- The Individual Development Account (IDA) program, which allows participants to purchase approved assets after demonstrating budgeting and saving skills.
- The Youth Advocacy Program (YAP) is an integral component. At the request of the LAPD, FDN staff may be co-located in police bureaus whenever possible to strengthen relationships with local juvenile officers and ensure that more youth are diverted into the YAP program rather than processed through the criminal justice system.

Neighborhood Action Program (NAP)

The Neighborhood Action Program (NAP) component of the HSDS involves organizations that target special community needs or fill identified gaps in service, with an emphasis on

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services for youth development and education. According to a 2007 Education Week Report, approximately 70 percent of ninth graders graduate in four years nation- and state-wide. Graduation rates among students enrolled in the Los Angeles Unified School District (LAUSD), however, drastically drop to 45.3 percent.

LAUSD is ranked in the bottom fifth among the nation's largest school districts. Approximately, 75 percent of LAUSD students are eligible for free or reduced lunch. A significant number of NAPs provide services that directly address the need for programs that provide youth with a safe after-school environment and activities that promote academic achievement. The City currently funds more than 70 NAP contractors throughout the city. Various NAPs also provide high-need services such as childcare, services for disabled children and adults, crisis intervention, and family counseling.

- Both the FDN and NAP programs provide advocacy services such as support for disabled adults and legal representation to assist low-income tenants with resolving illegal evictions and/or slum conditions.
- Some NAP programs either directly provide or coordinate with other providers to secure food, clothing, shelter, products for basic hygiene, and other emergency assistance to meet immediate and urgent family and individual needs.

Funding for the HSDS

Funding for the HSDS comes primarily from CDBG and approximately \$5 million annually from the CSBG program. The state of California Office of Traffic Safety provides funds for child and street safety programs. Each year, the City combines CDBG funding for the HSDS with Community Services Block Grant (CSBG) funding to maximize financial support to nonprofit partners in the HSDS. Blending of these two program resources better targets CDBG funds to the most economically disadvantaged areas of the City, because the CSBG program only targets poverty populations.

The City will continue to leverage other funding resources to improve the ability of the HSDS to continue serving persons in poverty, and to encourage family self-sufficiency.

Youth and Family Centers

One of the cornerstones of the City's safety net of services for low-income individuals and families is the Youth and Family Center program, with sites located throughout Los Angeles, including the communities of Cypress Park, Hollywood, East Los Angeles, Pacoima, Mid-cities, South Los Angeles, and Venice.

The Youth Center (YFC) program consists of eight facilities located throughout the City in ethnically diverse, low-income neighborhoods. Centers house an array of social services in response to needs identified by local residents. All YFCs are designated "Safe Havens" for area youth. The YFCs further the Mayor's strategy by providing a safe and violence-free learning environment through a variety of youth programs, including mentoring and after-school tutoring, computer education, and continuation school(s).

Additional YFC core services are: English as a Second Language (ESL) instruction; Work Place Education (WESL); food distribution programs; narcotics and alcoholics anonymous programs; and information and referral services which meet community needs. Some of the City's Neighborhood Councils are located in YFCs. The Councils facilitate the mobilization of neighborhoods around issues of safety and emergency response. YFCs

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serve as a focal point to provide essential services for a 72-hour period in the event of a societal or natural disaster.

All services provided at the YFCs are provided as “in-kind” services in-lieu of rent or as reduced or free services for the public. CDBG funds provide staff and facility upkeep for the eight centers that house over 80 nonprofit organizations. The YFCs provide a stabilizing presence in the community and serve as conduits of information between or among governmental entities, local agencies, and predominantly low- to moderate-income residents. YFC staff also assists in planning and hosting community events such as Earthquake and Traffic Safety-fairs, Back to School Resource fairs, community clean-ups and neighborhood holiday celebrations.

The offerings of the YFCs are varied and are designed to match the needs of their neighborhoods. For example, the East Los Angeles YFC provides space for the Girls Today, Women Tomorrow mentoring project, which matches young area girls with successful area women to encourage the young girls to not only finish, but excel in their educational goals and to delay pregnancy. Community residents near the West Los Angeles YFC identified the need to help local youth improve their math skills when they found that students could not pass the required high school graduation tests. Concerned residents worked with YFC staff to establish classes and computerized math tutorials focusing on algebra and geometry at the YFC.

Spotlight on the Lucille Beserra Roybal YFC

The activities of the Lucille Beserra Roybal Youth and Family Center (LBR YFC) put into focus the value and need for the YFC system in Los Angeles. The LBR YFC is a comprehensive information and referral service center serving the Boyle Heights and East Los Angeles communities, areas characterized by extensive poverty, overcrowding, and unemployment. The Center helps strengthen families and creates safer neighborhoods by offering comprehensive human services either on-site or through referrals to local area service providers. The center also offers specific services, selected to serve the needs of the local community.

The Center’s top priorities are directly aligned with the priorities of the Mayor of Los Angeles, which are to work toward becoming the safest big city in America by providing programs out of the facility that focus on public safety, “clean and green” programs, and neighborhood beautification services, after-school opportunities for children in the areas of tutoring and mentoring and providing adult education programs that are geared toward education and training of adults in an effort to create economic self-sufficiency.

The primary clientele of the LBR YFC are low-income families that reside within the 14th Council District, an area characterized by high unemployment and poverty. Clients visit the Center for its ability to address and meet their immediate needs in the areas of employment, food, shelter, after-school tutoring, mentoring and vocational services.

Goals of the LBR YFC are comprehensive:

- To serve as facilitator and advocate for the betterment and enrichment of the community.
- To serve as a focal point for emergency needs, disaster relief, community programs and activities.
- To assist youth, families and individuals in need to gain self-sufficiency and empowerment through education, employment, training and an array of human and social services.

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Over 7,500 participants go through the Center to receive one time or duplicated services within a one year time-table. A census tracking system is in place and maintained by LBR YFC personnel to ensure that all clientele that obtain services or is referred to a different service provider is tracked.

An additional purpose of the LBR YFC, as is the case with the other Centers, is to serve as *liaison to the community* through linking and coordination of available resources and services to the community, primarily to create a safe neighborhood and enhance the quality of life.

In working toward achieving its programmatic goals, the LBR YFC strategic objective is to link and coordinate available resources and community services to the community, to create a safe neighborhood and increase the quality of life by offering programs that focus on social and economic welfare, such as after school tutoring, mentoring, intern opportunities, community beatification projects and much more. Activities are focused on youth, families, and individuals needing self-sufficiency and empowerment, achieved at the Center through education, employment, training, athletics, and an array of human and social services.

The LBR YFC, and the YFC program as a whole, through the development of a strategic plan, will continue to be a pivotal and very much needed program for the city of Los Angeles. The ability to coordinate and collaborate with many multi-faceted social service programs, provides a one stop social service center for hundreds of thousands of families within the city of Los Angeles who are in need of employment, educational services, food, shelter, counseling and a vast arrays of other quality of life needs that are provided within the constraints of our facilities.

The LBR YFC is provided with the opportunity to apply and compete for additional federal, state, city or foundation funding would be able to programmatically sustain itself, however it would be difficult. Other sources or revenue for the LBR YFC have come in the form of in-kind contributions obtained by LBRYFC management through relationship building.

Day Laborer Program

The Day Laborer Program allows persons seeking casual labor work to safely congregate, and be matched with employers seeking temporary workers. The main objective of the program is to reduce the number of day laborers who congregate in various areas of the City by having them congregate at fixed sites located in select areas. The Day Laborer program provides supervision of the site and community outreach. It does not intervene in the employment transaction between the day laborer and employer.

The Program directly supports the Mayor and City Council's priority of increasing public safety through establishment of decent, safe and sanitary hiring sites for itinerant labor. The Day Laborer Program uses approximately \$330,000 in City General Purpose funding to augment CDBG program funding (\$1.2 million for the 33rd Program Year). This program increases public safety by providing fixed hiring sites in selected areas of the City where persons participating in the casual labor force can safely congregate to solicit employment from residents/businesses seeking day labor.

Contractor staff members at the site supervise workers. The staff is responsible for ensuring that the site is safe, clean, drug, alcohol, and violence free. They assist the employer in selecting a day labor worker in an organized and safe manner. They coordinate various on-site activities. Staff also provides community outreach services. The outreach services are designed to bring the day laborers and employers to the site,

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coordinate with the businesses that attract the day laborers, and work with community members and organizations to address local issues and concerns related to the presence of day laborers.

Services include English as a Second Language (ESL) classes; legal counseling regarding immigration issues and employment; HIV awareness, education and referral for testing; medical examinations, alcohol, drugs and sexual diseases counseling and referrals; referral to various other services; clothing, food, and toys.

This program also funds community mediation services to resolve issues created by the presence of Day Laborers on the streets and in the neighborhoods of Los Angeles. Additional resources developed from other nonprofit and private sector partners include space for the Day Laborer fixed sites, ESL classes, workshops on health and legal issues and clothes and food donations.

In August 2007, CDD established its eighth and newest Day Laborer Center at the Van Nuys Home Depot at Roscoe Boulevard and Balboa Place in the San Fernando Valley. The City placed the center at this location in response to community safety concerns, and to upgrade working conditions for casual laborers.

The Center staff is also conducting outreach to Home Depot customers to inform them of the day laborer center.

Employment Technology Centers (formerly Community Service Centers)

HACLA's Employment Technology Centers (ETC) are a combination of existing Community Service Centers and Computer Learning Centers. These newly named centers offer a combination of social services, individual and family development, educational related activities, computer education, probation intervention programming, community events as well as employment and training opportunities offered through the Workforce Investment Act program. Four of the Employment Technology Centers (San Fernando Gardens, Ramona Gardens, Mar Vista Gardens, Jordan Downs, and Imperial Courts) offer entrance into the WorkSource center service continuum providing a host of employment related services.

The 11 ETC centers are all located on public housing property. Sites include: Avalon Gardens, Imperial Courts, Independent Square, Jordan Downs, Mar Vista Gardens, Nickerson Gardens, Pueblo del Rio, Ramona Gardens, Rose Hills Courts, San Fernando Gardens and William Mead Homes.

The ETC service design allows leveraging of resources and combination of efforts to help promote a comprehensive service design. The ETC operates using a combination of in-kind and funding streams including: Housing Based Day Supervision under the auspices of the LA County Department of Probation, DOL WIA funds allocated locally through the Community Development Department, HUD ROSS Grants, and HACLA operating funds.

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Low Income Housing Tax Credit (LIHTC) Coordination (91.315 (k))

1. *(States only) Describe the strategy to coordinate the Low-income Housing Tax Credit (LIHTC) with the development of housing that is affordable to low- and moderate-income families.*

3-5 Year Strategic Plan LIHTC Coordination response:

NOT APPLICABLE TO THE CITY OF LOS ANGELES