IMPLEMENTING A NEW VISION FOR COMMUNITY DEVELOPMENT

A STUDY OF CAPACITY BUILDING AND TECHNICAL ASSISTANCE IN LOS ANGELES
Implementing A New Vision For Community Development
A study of capacity building and technical assistance in Los Angeles

About Enterprise Community Partners, Inc.

Enterprise works with partners nationwide to build opportunity. We create and advocate for affordable homes in thriving communities linked to jobs, good schools, health care and transportation. We lend funds, finance development and manage and build affordable housing, while shaping new strategies, solutions and policy. Over more than 30 years, Enterprise has created nearly 320,000 homes, invested $16 billion and touched millions of lives. Join us at www.EnterpriseCommunity.com or www.EnterpriseCommunity.org.

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EXECUTIVE SUMMARY

Enterprise Community Partners (Enterprise) has over 30 years of experience in building the capacity of government and nonprofit partners to develop communities that provide opportunity for low- and moderate-income families. Enterprise provides advisory consulting services to state and local governments, as well as their nonprofit partners, to improve housing and community development program design, finance, operations and strategic planning.

In 2012, Enterprise joined with consulting partner Abt Associates to provide advisory services to the City of Los Angeles. Working with a broad array of stakeholders, the consulting team helped the city develop and implement the nation’s first transit-oriented, place-based and equitable Consolidated Plan that weaves together housing funding and transit resources.

The impetus for this project came from city leaders, who recognized that they had a tremendous opportunity to align their community and housing plans with extraordinary new federal and local investments in transit. Working across multiple departments, Enterprise and Abt Associates helped the city:

Develop a collective vision and articulate it through a new Consolidated Plan.

Following a needs assessment, the advisory team helped put a planning structure in place within the Mayor’s cabinet, convene staff from diverse agencies to create a collective strategy, and began to align priorities and performance standards. The consulting team also helped transform the city’s community participation approach to integrate local stakeholders and community voices in the planning process. Ultimately, these efforts culminated in the approval and publication of a groundbreaking Consolidated Plan in February, 2013, setting out a vision for equitable, transit-oriented and place-based growth in Los Angeles.

Develop the organizational structure and capacity to begin implementation of that vision and chart a new course for neighborhood-level development.

The consulting team help guide the city through the re-organization and merger of two agencies to improve coordination and tackle inefficiencies. They also helped equip staff with new data analysis skills and convened multidisciplinary teams to develop comprehensive neighborhood investment strategies. These strategies, tied to new financing tools, have helped the city set a roadmap for development in key communities.

Implementation is still in an early phase, but Los Angeles is poised to make great strides. It now, for the first time, has a clear vision and a structure in place to weave together transit and housing investments that will connect low- and moderate-income communities with affordable homes, critical transit links and jobs.
BACKGROUND

The City of Los Angeles faces two interconnected challenges over the course of the next decade: providing access to adequate housing and services for the growing number of low- and moderate-income residents, and addressing the city’s notorious and worsening traffic congestion. To address these challenges, city leaders have recognized that they must adopt strategies that simultaneously address transportation, housing and other community needs.

One opportunity to address these challenges presented itself in early 2012 through a review of the city’s Consolidated Plan. A Consolidated Plan is a three- to five-year roadmap, required by the U.S. Department of Housing and Urban Development (HUD), wherein cities assess their affordable housing and community development needs and make a plan to strategically allocate federal grants. It is designed, in part, to help states and local grantees make strategic, data-driven decisions, and to encourage coordination and communication across community development agencies.¹

City leaders recognized that a new Consolidated Plan would provide a tremendous opportunity for Los Angeles to leverage two huge influxes of funding set aside for transportation and infrastructure upgrades. The first was Measure R, a new half-cent sales tax projected to generate $40 billion for congestion relief and transportation upgrades. Second was the newly approved federal Moving Ahead for Progress in the 21st Century Act (MAP-21), which allocated over $105 billion for surface transportation programs across the country in fiscal years 2013 and 2014.

To create a new plan that would take advantage of this available transit funding, the city requested assistance from HUD under its OneCPD Capacity Building and Technical Assistance (TA) program. The OneCPD TA program was created to support jurisdictions in planning and implementing complex and difficult housing and community development programs. Regardless of where cities are on a spectrum from poor compliance to strong performance, OneCPD technical assistance teams can help address a wide range of challenges and build internal capacity. These engagements can help a city do anything from fix a financial management process issue to implement an innovative new program.

In spring 2012, HUD approved Los Angeles’ request and assigned Enterprise Community Partners (Enterprise) and Abt Associates to assist the city. Working over the course of two years, including a mayoral transition, the OneCPD TA team helped provide strategic support to Los Angeles as it developed and implemented its first Consolidated Plan to weave together both transit and housing funding sources. The plan is also the first in the nation to adopt a coordinated, place-based approach with a focus on equitable, transit-oriented development.

¹HUD requires a Consolidated Plan to qualify for Community Planning and Development formula grant programs; the Community Development Block Grant (CDBG), HOME Investments Partnership (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with Aids (HOPWA).
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CREATING A VISION

When the OneCPD TA team arrived in Los Angeles, their first order of business was to conduct a Needs Assessment. This review confirmed that Los Angeles was well positioned in many ways to develop an integrated Consolidated Plan, but that there were also many challenges ahead. Los Angeles would need to address institutional challenges and inefficiencies in administering its largest block grant from HUD, the Community Development Block Grant (CDBG) program. There were many stakeholders and voices that would need to be heard in process of developing a new strategic vision. Staff needed training on advanced technical skills, and slow bureaucratic processes needed to be overhauled. Most of all, the consultant team would need to implement thoughtful change management strategies to communicate the importance of this new planning approach and build leadership buy-in and support – or the project would never even get off the ground.

A MAYOR’S CABINET TO GUIDE THE VISION

From the start, this Consolidated Plan initiative had critical support from Los Angeles’ executive leadership. That support was reinforced through Mayor Antonio Villaraigosa’s creation of a new “Housing Cabinet” to guide the development and articulation of a new transit-oriented development strategy.

The Housing Cabinet, comprised of multiple agency directors whose work impacted community development issues, proved to be a key driver for change. Led by then-Deputy Mayor for Housing and Economic Development, Mercedes Márquez, and supported by the OneCPD TA team, the Cabinet met on a bi-weekly basis throughout the development of the Consolidated Plan and crafted the overall city-wide strategy. The group focused on matching the goals (spurring development in low- and moderate-income neighborhoods, as well as finding solutions to worsening traffic congestion) with the opportunities presented by millions of dollars in new transportation funding.

Over the course of a year, the Cabinet shepherded the plan through the full process, from initial community participation meetings to final approval by City Council.

“The OneCPD team helped us in a very serious way – by assessing agencies, our work, the processes we use, even underwriting. All to help us start implementing transit-oriented development principles.”

Mercedes Márquez, General Manager, Los Angeles Housing and Community Investment Department, and former Deputy Mayor for Housing and Economic Development
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CONSENSUS AND CAPACITY BUILDING PAVE THE WAY FOR IMPLEMENTATION
To create a functional plan, city leaders needed to hammer out common goals, and come up with an agreed-upon way that the city would translate its ultimate vision into local, neighborhood-level strategies. This work extended beyond just the Mayor’s Housing Cabinet, requiring input from a broad array of city leaders, staff and public stakeholders.

To reach that point, the consultant team helped set up a cross-agency planning group, consisting of 30 staff who met for two half-day strategic planning sessions. These facilitated meetings involved line staff, division managers and agency leadership. The OneCPD team guided the group through a strategic planning process and provided training on neighborhood-based community and economic development best practices.

Working together, staff agreed that for their limited resources to have the greatest impact, they would need to focus their efforts in neighborhoods where aligned investments would create the greatest impact for low- and moderate-income families.

In committing to this new ‘place-based’ approach, city agencies agreed that they would identify areas “at the intersection of need and opportunity,” and then deploy coordinated, cross-agency strategies. For example, many low-income neighborhoods may struggle with attracting retail options along a commercial corridor. But the city can choose to address this strategically by identifying and investing in areas where there are unique opportunities – such as by creating bus connections between child-centered shops and existing clusters of young families.

Data – and the technical skills needed to properly analyze data – proved key to this process. The planning group utilized data and maps that city staff had developed, with technical training and support from the OneCPD TA team, to help them understand underlying neighborhood issues and potential solutions. The team developed five illustrations to demonstrate how data can be used to form prescriptive strategies in each neighborhood. The illustrations, and the process the group used to create them, eventually became a model for neighborhood-level strategy development after the Consolidated Plan was adopted.

COMMUNITY PARTICIPATION AS THE KEY TO TRANSFORMATION
HUD requires community outreach and input on any Consolidated Plan at multiple points within the process. For years, Los Angeles met this requirement through periodic community meetings. However, city staff received comments that these meetings could be more open to substantive community participation and feedback.

The Enterprise and Abt team provided support to the city in adopting a more accessible approach to community involvement in the consolidated planning process. Using data was again a key element to success. Staff developed data-rich maps to communicate potential strategies and neighborhood outcomes to participating community members and then allowed those stakeholders to direct the discussion within the meetings.

“We used base maps and gathered the most meaningful data,” said Márquez. “We used data on crime, education, affordable housing and even the human services delivery system. We mapped all of that information. And we brought those information-rich maps to the community meetings. For the first time, the citizenry could see what was around them.”

With the power of the maps and data to support their positions, community members were empowered to make stronger cases about the needs and opportunities within their community.
These conversations helped build consensus about what was needed and should be included in the Consolidated Plan.

In addition, officials from multiple community development agencies were recruited to participate in the community meetings. This increased level of engagement from the City helped demonstrate to community members that they were now more willing to engage and listen to community concerns.

The city’s successful transformation of its community meetings has led the consultant team to step back, allowing staff to generate their own data-driven materials and implement the new meeting procedures.

**Lesson Learned**

Data and mapping can be valuable tools for facilitating transparent, open engagement with the public. In Los Angeles, this approach has had a transformative effect: city staff now uses data to frame community issues and to focus the conversation on collective solutions. “These meetings are more than merely satisfying a federal requirement,” said Enterprise’s Patrick Jordan. “They are real opportunities to educate the public on the shape of development in their community and to bring the public into the discussion as a meaningful partner.”

**Lesson Learned**

At the start of any significant capacity building engagement, the city must identify a central figure to serve as a point of contact between the city and the TA team. This individual should have a mandate from the city’s executive office and have the political and personal capacity to engage with leaders across city agencies.

This map shows the density of low-income renters, as well as the location of rail stations. Mapping this type of information can help both city staff and local residents visually understand how investments align with local demographics and transit access.

**KEY STAFF LEADERSHIP NEEDED TO DRIVE THE INITIATIVE**

Change, especially a city-wide paradigm shift, is not possible without effective leadership and high-level support. Without the close cooperation of a key senior leader and a mandate from the executive office, even the best laid plans are likely to stall and ultimately founder.

With this in mind, the OneCPD TA team identified a well-positioned and supportive senior staffer within the Mayor’s office as their key point of contact. This person had support from the Deputy Mayor to dedicate adequate time to work with the TA team, city staff and HUD, as well as a close relationship with the Mayor. Both these factors proved essential to galvanizing other city leaders and staff, and making important connections across the city’s community development departments. This senior staffer also provided the necessary logistical support in convening key decision makers when initial plans needed to be adjusted.
IMPLEMENTING THE PLAN

The city’s Consolidated Plan was drafted after significant effort to find consensus, build stronger public participation, and realign the city’s focus on place and opportunities around transit nodes. After significant efforts to build support and buy-in around the plan, it was adopted by the City Council in February 2013.

The Los Angeles plan has been recognized by other cities as a model for explaining the challenges and opportunities of a place-based neighborhood development approach. Former Federal Reserve Chairman, Ben Bernanke said that the plan presents “a multifaceted approach to build healthy communities by integrating community, economic, and housing development investments with transit opportunities to increase their positive impact on neighborhoods. It also recognizes the need to build the city’s institutional capacity so that it can effectively coordinate these efforts.”

But creating a plan is only a first step toward changing on-the-ground practices. After adoption, city agencies and the OneCPD TA team faced the difficult task of implementation. Although city leaders have only begun the process of putting the plan into practice as of this writing, they have already taken significant steps toward changes that will ultimately benefit low- and moderate-income communities. The three key steps have been: 1) merging two overlapping community development agencies; 2) developing evidence-based neighborhood strategies; and 3) creating a new investment process to fund local development.

CREATING EFFICIENCIES THROUGH A CITY DEPARTMENT MERGER

Through the needs assessment, cabinet and Consolidated Plan cross-agency meetings, the OneCPD TA team recognized that some institutional structures and processes were creating significant challenges for Los Angeles. Numerous city agencies were involved in important community development procedures, like administering HUD Block Grant funds, with each agency establishing different policies, procedures and priorities. This poor coordination stood out as a clear source of administrative logjams and inefficiency in the development process.

The consulting team assisted in convening a working group across five different community development and service delivery departments: Department of Housing, Community Development Department, Homeless Services Agency, Public Housing Authority, and Economic Development Department. This working group identified multiple layers of inefficiency in the city’s approach to using its CDBG funding – such as agencies using different methods for procuring contracts, monitoring sub-recipients and measuring performance. Through discussions facilitated by the consulting team, agency staff drew up a memorandum of understanding (MOU) to outline responsibilities for all departments. The MOU created a uniform contract for procurement and standardized performance standards across agencies.

The consultant team also prepared a memo to the Deputy Mayor, which she forwarded to the City Council, recommending a reorganization and consolidation of the city’s community development departments. Specifically, the recommendation included merging the Housing Department and the Community Development Department to create a single entity that would have both program administration and project management responsibility. The team’s recommendations carried weight, in part because of its reputation as an independent, expert team hired by HUD – not as a city-funded consultant beholden to local or political interests.

The city adopted this proposal and even took the recommendations one step further. They formed a new agency, the Housing and Community Investment Department (HCID), which not only integrated the functions of the two former agencies, but also reflected a new paradigm in the city’s approach to community development work. Consistent with the agency’s new name, HCID would approach development expenditures as long-term investments in people and places.

Merging departments is an extensive undertaking for any city, and particularly challenging in one as large as Los Angeles. It is not just a matter of rearranging seats or reporting structures – the consultant team needed to help the city develop a whole new set of policies and procedures that would guide the new entity. To ease the transition, the OneCPD TA team facilitated meetings between agency staff and provided programmatic guidance to help the city operationalize the changes. Mercedes Márquez, former Deputy Mayor and General Manager of the newly created department, said when it came time to do the merger, “staff knew each other and were on board with the broad vision. That’s so important during these changes, and the OneCPD team was invaluable in that.”

As a result of the merger and a renewed mandate from the city, the consolidated department is better positioned to keep the city’s investment decisions aligned with the explicit goals and strategies of the new Consolidated Plan. The improved levels of coordination and communication are also helping the city better target resources for maximum impact, as well as keep the department’s projects aligned with other city initiatives.

CREATING NEIGHBORHOOD BASED STRATEGIES

The Consolidated Plan document articulates a broad vision, but does not specify target neighborhoods for investment. The OneCPD TA team recommended this approach so that the city could start by building initial buy-in for the plan’s vision and philosophy. They wanted to ensure that stakeholders across the city could be involved in the process of identifying neighborhoods after the Consolidated Plan was released.

Choosing target locations for investment can be a challenging and highly politicized endeavor if not governed by clear, factual criteria and a transparent selection process. To help the city develop a methodology for assessing need and development potential, the consulting team conducted four data analysis training sessions with city Geographic Information Systems (GIS) staff over a three-month period. These seminars focused on improving processes for mapping data and community assets, showed the universe of possible data sets that could be used for identifying target neighborhoods, and built capacity for analyzing key data in a place-based context. Participants also used data to compare different neighborhoods along common indicators of neighborhood health and vitality.

With the help of the OneCPD team, the staff also reoriented their mindset to focus on opportunity versus need. Staff recognized that in Los Angeles, where the needs of city residents far outstrip the available resources, HCID would have to find a more strategic way to prioritize investments. The department changed its approach, so that it now uses data analysis to look for opportunities to leverage other public and private resources and to align its work with other city initiatives, and thus maximize the impact of limited funds.

A market assessment of three target neighborhoods (identified in conjunction with city teams and community stakeholders) was conducted by LISC MetroEdge. Funded by a HUD Section 4 Capacity Building grant, LISC helped identify assets, opportunities, key issues, and
concerns for the area based on data, observations and a literature review. This effort supported the work of HCID and community based organizations in identifying target neighborhoods for investment.

With these assessments in hand, HCID and the OneCPD team developed investment roadmaps for each neighborhood. The roadmaps took into account initial feedback from City Council offices and community stakeholders, and identified key partners, resources, and initiatives that aligned with HCID’s strategy.

Lastly, the teams developed the roadmaps into more specific implementation plans that articulated exactly how the city will proceed in each of its three pilot neighborhoods. These plans emphasize key, first-year actions that will lead to quick, high-visibility successes, but also lay a foundation for future long-term efforts.

“The OneCPD team laid out the foundational framework as to how to best approach information and utilize it to identify strategies - all based on the information available.”

Claudia Monterrosa, Policy and Planning Director, Los Angeles Housing and Community Investment Department

FOSTERING BUY-IN AMID TRANSITIONS IN LEADERSHIP

Only a few months after the Consolidated Plan was adopted, the city underwent a Mayoral election and transition. New leaders often come into office with a different vision and the desire to set themselves apart from their predecessors. To gain traction for implementation, it was essential that HCID and the OneCPD team help the new administration assume ownership of the newly approved Consolidated Plan. Staff at HCID helped illustrate to the new Mayor and his team how the Consolidated Plan strategies aligned with the administration's top priorities, and worked to develop enough trust and buy-in that the city could continue rolling forward with implementation of the plan.

As the new administration began to demonstrate support for the Consolidated Plan implementation, staff turnover at HCID and at the City Council presented additional challenges. HCID went through its own leadership transition, naming Chief Executive Officer Rushmore Cervantes as the new General Manager. With turnover of half the members of City Council around the same time, Cervantes had to move immediately to ensure continued buy-in from the local legislature. He worked with new City Council members and their staff to show them how the neighborhood roadmaps could help them identify and articulate the best opportunities for high-impact investments in their districts. Together, they identified distinct points in the strategy development process for the City Council to engage with HCID and community stakeholders, giving them an explicit role in crafting neighborhood strategies and supporting outreach to local partners.
Lesson Learned

A measured, iterative process was key to the plan’s success, giving all stakeholders a chance to understand and buy in to the vision and provide feedback on the strategy. “If you’re going to make a paradigm shift, you have to do everything in an iterative fashion,” said Márquez.

PILOTING A STRATEGIC INVESTMENT PROCESS

Historically in Los Angeles, as in many jurisdictions around the country, community development investment decisions have largely been determined by a closed-door political process. With many communities jockeying for limited funding, decisions are often guided by political clout and deal-making, rather than greatest need or strategic best use of resources that align with opportunities.

After approving the new Consolidated Plan, city leaders wanted to demonstrate that a new place-based approach to community development would also require new, transparent decision-making processes. Supported by the OneCPD TA team, the city created the Neighborhood Investment Fund (NIF) as a high-profile demonstration. A small, flexible finance tool capitalized with CDBG funds, NIF is designed to award funding to communities through a transparent and opportunity-based process. The fund uses a standard set of criteria developed from priorities outlined in the Consolidated Plan, and adheres to federal grant guidelines.

The move toward data-driven, opportunity-based decisions required a change to “business as usual” for members of the City Council. Prior to launching NIF, the OneCPD TA team supported HCID in helping councilmembers understand how place-based resources would be allocated, including how data would drive decision-making and site selection. Although the new fund does not encompass all of the city’s community development funding, it is paving a way for other changes. By creating and implementing NIF, the city has signaled to stakeholders it is ready to use – and meaningfully fund – a new kind of approach to investment decisions.
NEXT STEPS

Thanks in part to assistance from the OneCPD TA team, Los Angeles has made significant progress over the last two years. It created and adopted the nation’s first equitable, place-based Consolidated Plan to leverage transit investment and housing and community development funding. It reorganized its community development agencies to better deploy limited resources from HUD. And it began socializing the tenets of place-based development with city politicians, agency officials and the public.

But implementation has only just begun. Over the next year, the city will:

Implement the first three neighborhood investment roadmaps and begin the second round of planning.

As of this writing, the city is working to finalize its first three neighborhood plans in coordination with City Council leaders and neighborhood stakeholders. Staff at HCID are identifying action steps for the activities in each neighborhood roadmap, as well as negotiating the roles and responsibilities for all the partners involved.

In addition, the city is identifying the next round of neighborhoods that will participate in the strategic development process in fall 2014. HCID will be naming a new Neighborhood Investment Coordinator to lead the process, as well as shifting more responsibility from the OneCPD TA team to the agency staff as HCID institutionalizes its processes. This round of plans will also include active participation with the City Council office and neighborhood organizations at an earlier juncture.

Expand the city’s funding base to support implementation of the Consolidated Plan strategy.

City leaders are both expanding the portion of city and federal funds devoted to implementing the Consolidated Plan beyond the NIF, as well as using the neighborhood roadmaps to communicate the city’s policy priorities to private and philanthropic funders. HCID is currently working to bring together funders, including both banking and philanthropy, to demonstrate how the city’s new investment roadmaps align with their own funding priorities.

Ultimately, the new Consolidated Plan has placed the City of Los Angeles on a new path. It is already helping city staff identify intersections of opportunity and need, where simultaneous investments in housing, services and transportation can create better places – places that are affordable to all families, where residents feel safe, and where well-planned transit lines connect good homes to good jobs.
About Enterprise Advisors

At Enterprise, we believe opportunity starts with a safe, healthy affordable place to call home, and grows with access to good schools, jobs, transit and health care. To achieve this goal, Enterprise Advisors provides technical assistance (TA) consulting services to state and local governments and their partners. Our consulting services focus on fostering innovation in housing and community development program design, finance, operations and strategic planning to create thriving, sustainable communities.

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