

MEMORANDUM

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DATE: FEBRUARY 17, 2011 CI1990
100627

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER

STAFF: DAVID RICCITIELLO, REGIONAL ADMINISTRATOR
JAY VIRATA, REGIONAL ADMINISTRATOR
DAVE NEUBECKER, ASSISTANT PROJECT MANAGER

SUBJECT: **Weingart Center Association.** Conditional Grant Agreement not to exceed \$100,000 to cover a Fiscal Year 2011 funding shortfall for the Open Door Residential Shelter Program operated by the Weingart Center Association, located at 566 S. San Pedro Street in the Central Industrial Redevelopment Project Area
DOWNTOWN REGION (CD 14)

RECOMMENDATIONS

That the CRA/LA Board of Commissioners, subject to City Council approval, authorize the Chief Executive Officer (CEO) or designee to:

1. Execute a Conditional Grant Agreement with the Weingart Center Association not to exceed \$100,000 of Central Industrial Low and Moderate Income Housing Funds in Budget Line Item Affordable Housing (Objective CI1990) to ensure the continued operation during Fiscal Year 2011 of the Open Door Residential Shelter Program to place homeless individuals into appropriate affordable housing.

SUMMARY

The Weingart Center Association ("WCA"), a nonprofit social services provider located at 566 S. San Pedro Street, is requesting a conditional grant in the amount of \$100,000 to cover a funding shortfall so that the Open Door Residential Shelter Program (the "Program") continues to operate for the duration of Fiscal Year 2011 ("FY11"). The Program reduces homelessness by providing 66 temporary shelter beds and onsite 24-hour case management services, with eventual placement in transitional or permanent housing based on the particular needs of each individual. Without this grant, WCA will have to shut down the Program once the current funding has been exhausted in mid-April, approximately 75 days before FY11 ends on June 30.

The funding gap exists because the Los Angeles Homeless Services Authority ("LAHSA") approved the WCA proposal for 66 beds in FY11, but provided funding at the 14-hour shelter rate instead of the 24-hour shelter rate WCA had proposed. The 14-hour service level requires that housing services and shelter be allocated on a first-come, first-serve basis each evening; however, the WCA did not have the systems in place to remove people each day and the facility was not configured to handle the line up and allocation process on a daily basis. Although

WCA's appeal for funding at the 24-hour shelter rate was denied, LAHSA did allow WCA to provide full 24-hour services and shelter if other sources funded the gap.

PREVIOUS ACTIONS

Initial Action.

DISCUSSION & BACKGROUND

Location

The Open Door Shelter program is located in the WCA's 11-story residential facility at 566 S. San Pedro St., within the Central City East subarea of the Central Industrial Redevelopment Project Area.

Grant Recipient

The Weingart Center Association was formed as a nonprofit public benefit corporation by the Weingart Foundation for the purpose of operating a comprehensive homeless services and housing assistance center in the former El Rey Hotel, an 11-story structure owned by the Weingart Foundation and located at 566 S. San Pedro Street within the Central City East subarea of what was at that time the Central Business District ("CBD") Redevelopment Project Area. With financial assistance from the CRA/LA and other sources, the WCA opened in 1983 as the most comprehensive human services center for the homeless and housing assistance in the Western U.S., providing transitional housing, substance abuse recovery, mental health treatment, long-term case management, education, workforce development and other services. WCA has since expanded to five facilities plus a walk-in access center, all located within Central City East. Gregory C. Scott serves as President and Chief Executive Officer of the WCA and is also a member of the City Center Community Advisory Committee.

Selection Process

The WCA sent a letter to the CRA/LA requesting financial assistance to expand their existing Open Door Shelter program.

Description and Project Context

The densest concentration of homeless individuals in the United States resides in the Central City East section of Downtown Los Angeles. The high concentration of homeless activity also results in higher amounts of litter, public urination, and other issues that lower property values and concern stakeholders. Although the area also features the largest concentration of homeless services agencies, the spectrum of services is heavily weighted toward the short-term, emergency intervention model. Within this spectrum, WCA seeks to bridge a gap between emergency services and permanent housing by co-locating employment preparation, substance abuse and mental health treatment, housing assistance and other supportive services with stable short-term and transitional housing.

The FY11 proposal submitted to LAHSA by WCA sought funding for 66 beds at the 24-hour service level. The proposal was specifically designed to provide intensive case management and job placement support for the purpose of successfully placing homeless individuals into appropriate transitional or permanent housing. The 14-hour service level funded by LAHSA would provide shelter for one night only and the person is back on the street the next day. WCA chose to pursue gap funding from other sources in order to provide the 24-hour service level that results in eventual placement in appropriate housing.

Community Benefits

The recommended grant will help to reduce homelessness in the greater Downtown area by enabling WCA to maintain the 24-hour services level, which is vital to achieving better results in terms of placing homeless people in appropriate housing and connecting them with services based on their needs.

SOURCE OF FUNDS

Central Industrial Low and Moderate Income Housing Fund.

PROGRAM AND BUDGET IMPACT

The proposed action is consistent with the amended FY2011 Central Industrial Budget and Work Program. Following approval of this program, \$4,707,000 of \$5,182,000 will remain for the Affordable Housing budget category.

There is no impact on the City's General Fund as a result of the recommended action.

ENVIRONMENTAL REVIEW

The recommended action does not constitute a "Project" as defined by the California Environmental Quality Act (CEQA)

AUTHORITY GRANTED TO CEO OR DESIGNEE

If the Conditional Grant Agreement is approved, the CRA/LA Chief Executive Officer or designee would be authorized to take such actions as may be necessary to carry out the Agreement, including, but not limited to, executing the CRA/LA Conditional Grant Documents.

Christine Essel
Chief Executive Officer

By:

Calvin E. Hollis
Chief Operating Officer
Real Estate and Economic Development

There is no conflict of interest known to me that exists with regard to any CRA/LA officer or employee concerning this action.

Attachment A: Location/Site Map