

Drop Bid for Housing Grant, L.A. Urged

Group Says City Has Problems in Running Program

By AUSTIN SCOTT
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In the middle of what may be the city's worst housing crisis ever, a coalition of 10 community groups is taking the unusual step of asking Los Angeles to temporarily scrap its applications for \$54 million in federal community development grants for the coming fiscal year.

The money is intended primarily to rebuild rundown housing, spur commercial development and build up social service programs in deteriorating neighborhoods.

But the coalition says the city has had so many problems in managing the programs, and so much trouble directing the money at its intended targets, that it needs to junk its old operating guidelines and come up with new ones.

Coalition members plan to lay out their position in detail in a news conference today. Los Angeles should not reapply for the money until city officials figure out how to solve the problems that have led to a torrent of recent charges of mismanagement, the coalition says.

The problems have been cropping up in all kinds of community development programs in all parts of the city, but they center on three housing issues.

—Does the city make good use of the federal grants it gets? The first draft of an extensive audit by the federal Department of Housing and Urban Development found in December that over the last four years Los Angeles failed to spend \$51.7 million of the \$153.5 million it received in Community Development Block Grant (CDBG) funds. One city audit places the figure even higher—perhaps as much as \$80 million.

—Does Los Angeles have a well-thought-out, coordinated plan for coping with aging neighborhoods? Some community groups cite the current crisis vacancy rate of around 2.4%—and the fact that at least 133,000 low-income households with children have been identified as needing

housing assistance—as proof that there is not one.

—Does the city follow the rules laid down by the federal government for giving neighborhood residents a say in deciding which federal programs should be used in their areas? HUD has charged that the city often violates its own inadequate rules requiring community participation.

The whole issue will be dropped into the lap of the City Council on Tuesday morning when it publicly debates the application, which has been approved by its Grants, Housing and Community Development Committee.

Various community groups plan to be on hand to make statements. And the debate may indicate how the council, which is itself the target of some of the accusations, intends to handle the matter.

So far, most of the accusations have been leveled at the Community Development Department (CDD), which manages the federal grant. Council President John Ferraro has called for a Grants Committee investigation of CDD. The committee has not yet scheduled a hearing on his request.

Councilman David Cunningham, chairman of the Grants Committee, said late last month he is taking over some of the leadership responsibilities of Kathleen Connell, chief of CDD's

Please Turn to Page 5, Col. 1

L.A. Urged to Drop Housing Grant Bid

Continued from First Page

housing division. He said one of the contributing problems was "no leadership" in the housing division.

Connell, for her part, said about the same time that she was assuming "more and more leadership" to coordinate all the various programs that make federal funds available for housing needs. CDD runs \$133 million worth of city housing programs.

The preliminary HUD audit suggests that there might be a more representative cross-section of people on the city's various citizen advisory committees if the power to appoint those committees were taken away from City Council members.

Carey Low, co-director of the California Public Policy Center and a member of the coalition, is one of those who charges that Los Angeles has no coordinated housing policy.

In other cities with major housing programs, he said, "what strikes you is that somebody at a pretty high level of the city bureaucracy took the initiative early to conceptualize a plan about what the city was going to do about its housing over a relatively long haul, five or 10 years."

They tried to put together an understanding of "the nature of the problem . . . the goals to be met . . . the resources available" into a coordinated program to cope with the housing problems, he said. "In Los Angeles, everything is on an ad-hoc basis."

The results of Los Angeles' approach can be seen easily in one program called HOME, Lowe said. HOME stands for Home Opportunity Maintenance Effort, which is supposed to provide low-interest loans to rehabilitate deteriorating housing.

HOME is the target of a lawsuit filed by a coalition of community groups in December. They charged that the city spent 68% of the program's budget on administration.

At the same time that hundreds of thousands of HOME dollars were going unspent, Lowe said, "You had people going into debt up to their ears to door-to-door lien sales rehabilitation guys."

These homeowners clearly were willing to pay up to 25% interest to get rehabilitation money, Lowe said, but somehow the HOME program

with its low interest rates did not find them.

Lowe also is critical of the way Los Angeles runs its citizen participation program.

"On paper, Los Angeles' program looks better than many others," he said. "But here you don't have a lot of well-established community organizations that continually advocate aggressively for a particular neighborhood. So you don't have an ongoing dialogue with the council members about what the neighborhoods need."

Council members tend to appoint citizen advisory committee members on a patronage basis, he said. "For the most part these people are not going to advocate aggressively for something the councilman doesn't want."

Some of the problems with the way citizen participation is now carried out can be seen in a recent exchange of letters between Councilwoman Peggy Stevenson and federal officials.

Stevenson in late January suddenly disbanded the Hollywood Revitalization Committee, a citizens advisory committee in Hollywood that she had appointed. She asked the council to

reprogram \$70,000 in federal funds from it to other neighborhood agencies. The move brought charges from a variety of quarters that she had not sought as much citizen input as federal regulations require.

On Feb. 7 she wrote to Herb Roberts, the local federal official in charge of community development activities, to outline some of the steps she had taken to solicit citizen input. Those included a meeting suddenly called at City Hall on only two days' notice with members of one citizens committee, and telephone conversations with members of another one.

Roberts' reply, sent to Mayor Tom Bradley as well as to Stevenson, said the city appeared "at least minimally" to have met the requirements in this particular case.

But it reminded Bradley that federal rules call for a regular process of neighborhood input, not just a sudden spurt of activity in the middle of program changes.

"We say this," the letter said, "because of our observation during recent meetings and discussions on the Hollywood matter that there is confusion and misunderstanding about the requirements for a neighborhood-level citizen participation process."