Anti-Poverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

According to the U.S. Census Bureau (American Community Survey), in 2003 over 20 percent of the people in the City of Los Angeles were living in poverty. Thirty percent of related children under 18 were below the poverty level, compared with 9 percent of people 65 years old and over. Seventeen percent of all families and 36 percent of families with a female householder and no husband present had incomes below the poverty level.

In 2000, the U.S. Census Bureau estimated that about 148,000 families, including 297,820 children, in Los Angeles live below the poverty level of $17,463 per year for a family of four. The 2000 census also revealed that 436 of the City’s 842 census tracts qualified as low- and moderate-income according to HUD requirements for CDBG funding. Moreover, the number of low- and moderate-income households and demand for services by families and at-risk populations continues to increase in Los Angeles.

The increases, which are shown in the table below, stand in stark contrast to national trends. This table displays a comparison of the percentage of ‘Individuals,’ ‘Families,’ and ‘Households’ living in poverty in the City of Los Angeles, California, and the U.S. Los Angeles has a greater percentage of persons living in poverty than both the state and nation. For example, 18.3 percent of families in Los Angeles live in poverty compared with 10.6 percent of the families in California, and 9.2 percent of the families throughout the United States.

The chart to the left shows a comparison of the rates of change in the total populations of the United States and Los Angeles and the rates of change in the percentage of persons living in poverty for the populations. Although the rates of change for both the United States and Los Angeles populations were similar and relatively modest, the rate of change for persons living in poverty in Los Angeles was significantly more dramatic. The number of persons living in poverty in the United States decreased by about 6 percent from 1990 to 2000. However, during the same period, the number of people living in poverty in Los Angeles increased by about 25 percent from an
estimated 640,000 persons in 1990 to an estimated 800,000 persons in 2000, or 22 percent of all Angelenos.

**Education Shortfalls.** It is estimated that of the 2.3 million people living in the City of Los Angeles over the age of 24, nearly 800,000 did not graduate from high school or receive a general equivalency diploma (GED). Because of the cost of living in Los Angeles, the impact of this education shortfall is particularly problematic for this City’s residents. It is estimated that the lifetime earnings for the average high school drop-out 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. The chart to the right provides this comparison.

The economic impact of the education shortfall does not bode well for Los Angeles youths. A recent study found that 100,000 of this City’s young people between the ages of 19 to 24 years were "out of school and out of work." The disconnection between youths and education will significantly hinder this population’s development of marketable skills, thereby limiting future employment opportunities and reducing lifetime earning potential.

**Unemployment and Under-Employment.** Many socio-economic factors, such as education, transportation and access to childcare, affect an individual’s employment and economic opportunities. From 2000 to 2005, unemployment in Los Angeles averaged about 6.8 percent of the civilian labor force as compared to the national average unemployment rate of 5.2 percent.

The City’s relatively high unemployment rate is further magnified in CDBG targeted areas where the unemployment rate often exceeds twice the City average.
The City lags significantly behind Los Angeles County and the state of California in median household income, and has a poverty rate nearly 4% higher than the County and 7% higher than the state. The child poverty rate in the City is nearly 11% higher than the state and about 6% higher than the County.

<table>
<thead>
<tr>
<th>Government</th>
<th>Median Household Income</th>
<th>Poverty Rate</th>
<th>Child Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles</td>
<td>$42,667</td>
<td>20.1%</td>
<td>29.2%</td>
</tr>
<tr>
<td>Los Angeles County</td>
<td>$48,248</td>
<td>16.3%</td>
<td>23.3%</td>
</tr>
<tr>
<td>State of California</td>
<td>$51,755</td>
<td>13.2%</td>
<td>18.5%</td>
</tr>
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</table>

While Los Angeles County is designated as the primary provider of public social services, the City has dedicated federal funding (CDBG, CSBG, ESG, HOPWA, and HOME funds) to assist the poor and those with special needs. Programs are delivered by various departments and mechanisms: through the Aging Services Delivery System (seniors); the Los Angeles Housing Department (to benefit the homeless and disabled), the Human Services Delivery System (families with children and persons with disabilities), Youth and Family Centers (for low- and moderate-income individuals and families); the Department on Disability; and the Domestic Violence Shelter Operations program, among others. The City then coordinates these services at the local level through nonprofit community-based organizations that receive funding to operate the various programs.

During the 2007-2008 Program Year, the City will continue to support the Human Services Delivery System (HSDS) as its primary vehicle for reducing the number of poverty level families using the Family Self-Sufficiency model. The City will also continue to fully support the mandate of the federal McKinney/Vento Act by dedicating both CDBG and ESG funds to provision of supportive services and a variety of housing types for homeless individuals and families, and those at-risk of becoming homeless.
The City actively coordinates these programs with other anti-poverty programs that fall under the jurisdiction of the County of Los Angeles, such as physical and mental health care and welfare programs; and with the Los Angeles Unified School District and institutions of higher education for educational programs.

This strategy helps reduce duplication of efforts and provides focused expertise while still allowing the needed flexibility to obtain the multiple services an individual or family needs to truly overcome poverty. It should be noted, however, that in light of ever-increasing cuts to Community Services Block Grant and Community Development Block Grant funding, it is likely that many of these services must be reduced or discontinued.

### Human Services Delivery System

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG</td>
<td>$ 971,790</td>
</tr>
<tr>
<td>HSDS (Unallocated)</td>
<td>$ 4,995,784</td>
</tr>
<tr>
<td>CDBG (CBDO)</td>
<td>$ 4,646,051</td>
</tr>
<tr>
<td>CBDO (Unallocated)</td>
<td>$ 252,000</td>
</tr>
<tr>
<td>CSBG</td>
<td>$ 5,500,000</td>
</tr>
</tbody>
</table>

**IMPACT:** All 15 City Council Districts

**OUTCOME STATEMENT:**

The Human Services Delivery System (HSDS) is the mechanism that the City uses to provide supportive, social and advocacy services to lower-income residents with a wide variety of needs – in other words, a safety net of critically needed public social services. The HSDS funds more than 70 programs operated by nonprofit organizations located in the city and selected through competitive proposal processes.

The HSDS is composed of two types of programs: the Family Development Networks (FDNs), or consortia; and the Neighborhood Action Program (NAP) that is composed of individual human service agencies. The best way to understand the FDNs is as a “foundation” for the rest of the system. The City’s direction in providing services to those in poverty promotes a holistic approach with a focus on increasing economic circumstances.

The City has consistently increased Consolidated Plan grant and other financial resources available for the HSDS, and has realized a more efficient manner for delivering them since adoption of this approach in 2000. By devoting approximately one-half of the HSDS funding to the FDN consortia, the City has established twelve “one-stop” centers located throughout the city, where residents may access an array of social and economic development services.
FDN contractors have demonstrated an ability to identify and utilize existing community resources to ensure a client gets all the tools necessary to achieve self-sufficiency, including making appropriate referrals and conducting needed follow up.

The Family Development Network (FDN) program assists City residents--both families and individuals--in addressing long-term, multiple service needs. Each of the City's 11 (recently expanded to 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 City Attorney's Parenting Program, the Los Angeles County Probation Department, and the Los Angeles Unified School District Police.

- **Coordination** with the City's WorkSource and OneSource Centers for employment training, referral and placement services. The FDNs enhance human services with structured interface with the City's WorkSource Centers to leverage rather than duplicate these important economic development tools.

- **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.

- Based on a comprehensive evaluation of the FDN program, the CDD will add financial literacy and employment support activities as required core services of the FDNs. In addition, the FDN program will add performance measurements to track how many clients increase family income and improve employment opportunities.

**The FDN as Structural Foundation**

The City’s vision for the FDN program is to establish resource centers throughout the City, with dedicated case managers who can provide long-term family support and assist families in accessing the multiple and varied services needed to become economically self-sufficient. So many variables can affect a family’s ability to rise out of poverty. The cost of decent housing, the ability to obtain and maintain stable employment that pays a living wage, access to health care, child care and the ability to identify and save discretionary income for future needs are the basic tools that a family needs to become self sufficient.

Other factors that influence the family’s ability to reach self-sufficiency include family violence, substance abuse, gangs and gang culture, unsafe neighborhoods and the quality of public education for children. All of the primary and secondary needs cannot be provided by one entity.
In Los Angeles, for example, health care, including mental health care, and public benefit programs like TANF (Temporary Assistance to Needy Families) are administered by the County of Los Angeles. Public education is under the purview of the Los Angeles Unified School District. The availability of affordable housing and jobs that pay a living wage is affected by both City and County planning and policies as well as private sector market forces.

Improved public safety is a concern at all governmental levels and strongly emphasized by the Mayor. The complicated maze of Public Services is why FDNs are an important centralized resource for vulnerable residents who need assistance and are eligible for assistance but are too overwhelmed with trying to survive to be able to access services from multiple sources.

Because the FDNs have case managers working with hundreds of families, the City is able to identify and bring resources to the clients of the FDNs in a more efficient manner.

**Current Program Status**

For the 2007-2008 Program Year, the Mayor has recommended only six months of funding for the HSDS, pending an evaluation of the effectiveness of the existing program model. In lieu of this, the City Council approved one year’s worth of funding comprised of several categories of CDBG expenditures: an unallocated reserve of $4,995,784 in CDBG funds for the Human Services Delivery System – CBDO agencies; $4,646,051 in CDBG funds (non-reserve) for CBDO-qualified Delivery System agencies; $971,790 in CDBG for funding of the Delivery System under Public Services; and $252,000 in CDBG funds under the category of CBDO Unallocated.

- **Individual Development Accounts (IDAs)**

Participants enrolled in the HSDS Family Development Networks (FDN) program and served by the City’s WorkSource Centers have been able to accumulate assets (i.e., save a portion of earned income) that is matched by the IDA program reserve fund and used toward the purchase of a first home, capitalization of a small business or toward expenses of a secondary education. IDA/LA project staff reports that as of late 2006, 306 clients had enrolled in the program. There were 35 active savers, and 90 dropped clients. Of 181 graduates, 19 purchased homes, 55 enrolled in secondary education, and 107 began a small business enterprise.

- **Low-Income Home Energy Assistance Program (LIHEAP)**

In the City of Los Angeles, the LIHEAP program is administered by four non-profit organizations under contract with the State of California, Department of Community and Social Services. In order to ensure that City residents are aware of this program and its benefits, the Community Development Department facilitated communications between LIHEAP providers and FDN collaborations.
Multi-Benefit Initiative

The City is also developing a multi-benefit initiative that will ensure that service providers, including FDNs, are aware of all County, Federal and State benefits that may be available for their clients so that more City residents claim these benefits. The Initiative will increase the number of eligible residents that take advantage of the Federal Earned Income Tax Credit (EITC) and the State’s Healthy Families insurance program, among others.

Youth and Family Centers (YFC)

CDBG: $1,963,111

IMPACT: City Council Districts 1, 7, 8, 10, 11, 13, 14, 15

OUTCOME STATEMENT:

The Youth and Family Center (YFC) program consists of six 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. 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 serve as a focal point to provide essential services for a 72-hour period in the event of a societal or natural disaster. All YFCs are also designated “Safe Havens” for area youth.

Each of the YFCs offer several core services: English as a Second Language (ESL) instruction; Work Place English (WESL); food distribution programs, computer education, continuation school, narcotics and alcoholics anonymous programs, and information and referral programs which meet community needs; youth programs, including mentoring and after school tutoring. All services are offered in at least two languages, and at days and times convenient to the residents. YFCs are open at least 12 hours each day.

It’s estimated that 20,000 unduplicated City residents will access services housed at Youth and Family Centers during the 2007-2008 program year.

The YFCs plan to host a minimum of 50 community events such as Earthquake and Traffic Safety fairs, Back to School Resource fairs, community clean-ups and neighborhood holiday celebrations such as honoring parents on Mother’s Day and Father’s Day.

Funding for the Human Services Delivery System (HSDS)

Funding for the HSDS is equitably distributed citywide by basing available funding on the percentage of residents with incomes below the poverty level (using 2000 Census data) in each of the City’s seven Community Improvement and Planning Areas (CIPAs).

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

**LA’s BEST**

**CDBG:** $628,000  
**OTHER:** $  
**IMPACT:** City Council Districts 1, 2, 3, 4, 6, 7, 8, 9, 11, 13, 14, 15  

**OUTCOME STATEMENT:**  
2525 people will have new access to public services in order to provide a more suitable living environment.

Critical to breaking the cycle of poverty is to fund programs that permit parents to pursue employment training and hold jobs with the assurance that their school-age children are provided for, particularly in the vulnerable “latch-key” hours from 3 PM to 6 PM. This time frame is particularly important because of the vulnerability of children and youth to at-risk behavior including gang participation, drug and alcohol abuse and crime.

CDBG funds are recommended at a reduced level to continue support of the LA’s BEST program at 18 LAUSD elementary school sites. This is in anticipation of replacement funding from California State Bond Proposition 49. LA’s BEST started at eight schools in 1988 under then-Mayor Tom Bradley is operated by the Los Angeles Unified School District in partnership with the Mayor’s office. LA’s BEST provides enrichment, education, recreation and a snack at no cost to parents for children with the greatest needs and fewest resources. Program content includes homework support, sports, math, reading, science, computer, arts and fitness.

School eligibility for LA’s BEST is determined by a minimum of 70% of the school population qualifying for free or reduced lunch. The current average for LA’s BEST sites is 92%. Other eligibility factors include high vulnerability to drug and crime activity, low performance on standardized tests, and no competing programs. Children are provided with safe supervised activities during the time of day when law enforcement has determined the greatest risk of juvenile crime occurs.

**Breaking the Cycle of Poverty through Provision of Affordable Housing**

Of critical importance in breaking the poverty cycle is the role that the Los Angeles Housing Department plays in its primary mission of supporting the development of new affordable housing; enforcing state health and safety codes, rehabilitating the City’s existing housing stock, enabling Angelenos to achieve the American dream of homeownership; and removing barriers to affordable housing due to discrimination, redlining of neighborhoods, predatory lending, and other factors that prohibit the poor from obtaining decent, safe, and sanitary housing.
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 working poor, its disabled, and senior citizens. There is also a need to provide transitional housing for those individuals and families moving from public housing, where the differential between the Section 8-mandated limit of 30% of income for public housing and the cost of market rate rental housing is enormous (an average 2-bedroom apartment in Los Angeles in 2006 will cost over $1,400 monthly.)

During 2007-2008, LAHD will continue to fully fund and actively support programs and project activities that provide new access to affordable housing for working families, and continue its efforts through the Affordable Housing Trust Fund to generate housing affordable to very low- and low-income residents of Los Angeles.