



Community Redevelopment Agency *of the* CITY OF LOS ANGELES

LAYMAN'S GUIDE TO CRA/LA POLICIES

An overview of CRA/LA, its policies
and the tools it uses to guide economic development in Los Angeles



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Disclaimer

The Layman’s Guide to the CRA/LA provides an overview of the CRA/LA, its policies, and the means the CRA/LA utilizes to guide economic development within its project areas throughout the City of Los Angeles. The various policies ensure investments are beneficial to the community by providing quality wages, local jobs, affordable housing, child care, and cultural amenities, among other benefits. This guide is meant to serve as a primer on the CRA/LA and its policies. As such it does not include detailed information about every policy, such as policy thresholds, triggers, and exemptions. Please visit www.crala.org/internet-site/policies/index.cfm for complete full versions of the policies.

In the case of a discrepancy, the full policy document will control.

CRA/LA OVERVIEW

WHO WE ARE

The Community Redevelopment Agency of the City of Los Angeles, California (CRA/LA) is a public agency that partners with private investors to support growth, revitalization, and prosperity in Los Angeles' most neglected communities. Our work is carried out pursuant to California Community Redevelopment Law (California Health and Safety Code Sections 33000 et seq.) under the direction of a Board of Commissioners appointed by the Mayor and confirmed by the City Council.

Since CRA/LA was founded in 1948, it has brought new hope to residents, business owners and other community stakeholders by developing innovative responses to changing economic conditions that lead to a better quality of life for current and future generations of Angelenos.

WHAT WE DO

CRA/LA's mission is to make strategic investments to create economic opportunity and improve the quality of life for the people who live and work in our neighborhoods.

Our projects include building affordable housing, creating jobs for working families, developing commercial and industrial sites, making public improvements, and helping build sustainable neighborhoods. CRA/LA policies support our mission, our projects, and our communities.

PROJECT AREAS

We focus on specific communities throughout Los Angeles that have been designated by the Los Angeles City Council as redevelopment project areas. These communities are organized into seven regions:

- Downtown
- Hollywood & Central
- East Valley
- South Los Angeles
- Eastside
- West Valley
- Harbor

Each of our 31 project areas has a comprehensive redevelopment plan that provides goals, strategies, and timetables for revitalizing neglected neighborhoods by generating growth and new opportunities within those neighborhoods.

COMMUNITY PARTNERSHIPS

To make sure that we understand the needs and concerns of the areas we serve, we stay in close contact with neighborhood and homeowner groups, business and labor organizations, elected officials and City departments. We cooperate with advocates for community and economic development, affordable housing, and environmental issues to identify opportunities in the neighborhood and invest in the community.

CRA/LA FINANCING

CRA/LA is financed mainly through Tax Increment Financing (TIF), defined below. Tax increment financing funds new projects and repays bonds that fund redevelopment activities.

The CRA/LA also obtains grants from a variety of sources, including the City's Community Development Block Grant (CDBG) allocations, federal Economic Development Administration (EDA) programs, the Los Angeles County Metropolitan Transportation Authority (MTA) "Call for Projects," and bond programs such as Propositions A, C, K and 84 for transportation and parks projects.

TAX INCREMENT FINANCING

Tax Increment Financing (TIF) is a financing mechanism that captures the increase (or increment) in property tax revenue from the properties located within a redevelopment project area. These increases result from the redevelopment agency's investments in the community, and the redevelopment agency's receipt of these funds is limited to a specified time period after the adoption of the project area in that community. The CRA/LA does not set tax rates or collect taxes; those functions remain with the County for properties within or outside redevelopment areas. The property tax revenue amounts collected prior to project area adoption continue to be distributed to the County, City, Community College District, School District and other local taxing districts. TIF does not decrease the amount of property taxes received by any other entity.

In projects adopted after January 1, 1994, approximately another 20% of the tax increment is returned to the other taxing entities named above to mitigate the impact of the payment of tax increment to the CRA/LA.

State law requires that at least 20% of the tax increment be deposited into a fund to maintain and expand the supply of housing for individuals and families with low and moderate income. The CRA/LA has increased its contribution for this housing to a minimum of 25%.

WORKING WITH CRA/LA

Doing business with CRA/LA offers the following advantages:

- Financial assistance toward land acquisition, predevelopment, construction, permanent financing, and equipment costs, usually in the form of low interest rate loans. These loans may sometimes be converted to grants if certain conditions are met relating to community benefits and permanent financing costs.
- Favorable ground lease(s).
- Permit expediting assistance.
- Assistance navigating City departments.
- Infrastructure grants or loans.
- New Market Tax Credits.
- Access to low interest loans through other City departments.
- Public and off-site improvements.
- Free LEED consultation.

Depending on the specific project, doing business with CRA/LA may necessitate compliance with some CRA/LA policies, which are briefly described in this Layman's Guide.



ART POLICY

CRA/LA made Los Angeles one of the first cities in the country to include public art in publicly-supported development projects. The program began in the late 1960s in Downtown Los Angeles; in 2005, CRA/LA expanded this policy to support arts and culture in all of its project areas.

POLICY GOALS

- Serve CRA/LA's mission to improve neighborhoods and make them sustainable and attractive.
- Make projects special through lasting art.
- Provide high quality public art that reflects the make-up of Los Angeles.
- Involve artists in planning efforts and use their talents to make areas relevant to the people who use them.
- Promote partnerships among artists, designers, and developers.
- Provide opportunities for communities to participate in cultural planning through Art Advisory Panels.
- Make sure that artists from diverse cultural, ethnic, gender and regional backgrounds are engaged in public art activities.
- Provide information to the public, especially through the Internet, about CRA/LA's Arts Program.

WHEN DOES THE POLICY APPLY?

All private development projects with development costs over \$500,000 with CRA/LA financial assistance must set aside at least 1% of development cost to art, and adhere to CRA/LA's Art Policy. Affordable housing and the affordable housing components of mixed-income projects are exempted from the Policy.

CRA/LA PROJECT EXAMPLE

Hollywood and Highland:
Erika Rothenberg's
Road to Hollywood
HOLLYWOOD PROJECT AREA

A winding marble mosaic and concrete floor piece winds through the Grand Staircase and zigzags across Babylon Court. The artwork contains 49 stories and quotes from people in the entertainment industry who moved to Hollywood to begin their careers.



CHILDCARE FACILITIES POLICY

CRA/LA is committed to improving access to employment opportunities for low-income individuals. Lack of affordable childcare often prevents parents from being able to find and maintain employment; therefore, offering affordable childcare is an important tool in helping low-income residents. Access to childcare also offers businesses advantages in attracting employees. CRA/LA's Childcare Facilities Policy encourages the development of childcare facilities in CRA/LA project areas and near new developments.

POLICY GOAL

- Encourage development of affordable childcare facilities to support working parents by offering financial and technical assistance for the development and construction of the facilities.

WHEN DOES THE POLICY APPLY?

To the extent financial resources are available and a project area can demonstrate the need for childcare, CRA/LA will:

- Encourage the creation of childcare facilities in housing, public, and commercial developments.
- Give priority funding to developments that provide childcare to children of low- and moderate-income families.
- Assist projects that work with a childcare provider with an established and successful track record that meets all licensing requirements of the State of California Department of Social Services.

*Please note that CRA/LA can only assist in facility development; it is not able to provide money for operating costs or fees.

CRA/LA PROJECT EXAMPLE

**Venice Hope Recreation Center
CITY CENTER PROJECT AREA**
This recreation center includes a childcare facility for 48 infants and toddlers.



CONSTRUCTION CAREERS AND PROJECT STABILIZATION POLICY

The Construction Careers and Project Stabilization Policy promotes the creation of middle-class career opportunities for Los Angeles' residents who most need such opportunities. The Policy does this by mandating local hiring targets and a pre-negotiated Project Labor Agreement (PLA) that both opens up quality training and job opportunities to new workers and promotes efficiency of construction operations.

POLICY GOALS

- Create jobs for Los Angeles residents who live near the CRA/LA project or in high-unemployment areas of the City.
- Create training and job opportunities for persons with low household incomes or barriers to employment such as lack of a high school diploma or a history of chronic unemployment.
- Create career pathways for new entrants to the field.
- Support the local economies of the City by bringing more income into local households.
- Ensure that projects are on time, on budget, and of high quality.

POLICY REQUIREMENTS

- At least 30% of total work hours and at least 35% of total apprentice hours go to Los Angeles residents who live near the project or in high-unemployment areas.
- At least 10% of total work hours go to persons with low incomes or barriers to employment.
- The developer and contractors sign on to the CRA/LA PLA.
- The developer hires a jobs coordinator to assist in placing local and disadvantaged workers.

WHEN DOES THE POLICY APPLY?

- Public Improvements Contracts with a CRA/LA award amount equal to or greater than \$500,000.
- Development projects constructed on CRA/LA-owned real property under a ground lease.
- Development projects for which the Developer receives CRA/LA investment totaling \$1,000,000 or more.
- Development projects including fewer than 75 residential units and less than 50,000 square feet of non-residential space are exempted from the Policy.

CONSTRUCTION LOCAL HIRE PROGRAM

For projects with over \$500,000 of CRA/LA investment but which don't reach the Policy thresholds or are otherwise exempted from the Construction Careers and Project Stabilization Policy, the Construction Local Hire Program will apply. This program contains the same local hire requirements as the Construction Careers Policy but does not require a PLA.



CONTRACTOR RESPONSIBILITY POLICY

Each year, the CRA/LA spends millions of dollars contracting products and services from the private sector and assisting developers in its various project areas. The Contractor Responsibility Policy ensures that contractors selected to provide goods and services to CRA/LA projects and developers selected for work on CRA/LA projects possess the necessary qualifications to carry out the job accurately and efficiently and in full compliance with all requirements.

POLICY GOALS

- Determine that prospective contractors are qualified and responsible and have the necessary quality, fitness and capacity to perform the work set forth in the contract (including: management expertise; technical skill; experience; organization; material; necessary equipment and facilities; financial resources; record of compliance with relevant laws and regulations; and business integrity).
- Determine that prospective developers are qualified and responsible and have the necessary quality, fitness and capacity to effectuate the development (such as: technical qualifications; experience; organization necessary to perform the work; financial resources, satisfactory performance of other contracts; satisfactory record of compliance with relevant laws and regulations; and satisfactory record of business integrity).
- Require developers and their contractors and subcontractors to meet the same criteria of responsibility.
- Guarantee compliance with all applicable federal, state and local laws as they relate to health and safety, labor and employment, wage and hours, and licensing laws.
- Assure that development is carried out in conformance with approved development plans.

WHEN DOES THE POLICY APPLY?

- This policy applies to all vendors, suppliers, professional services consultants, and construction contractors who are hired to provide supplies or perform services for CRA/LA or to work on CRA/LA projects.
- This policy applies to developers who enter into agreements with CRA/LA.
- Certain exemptions apply. See policy language for details.



EQUAL BENEFITS POLICY

Under CRA/LA's Equal Benefits Policy, companies who want to do business with CRA/LA must offer the same employee benefits to employees with domestic partners as to similarly situated employees with spouses. The companies may not discriminate on the basis of marital status and/or sexual orientation. By offering equal benefits, employers maintain a competitive advantage in recruiting and retaining good employees which, in turn, improves the quality of goods and services CRA/LA provides to the community.

POLICY GOALS

- Ensure companies doing business with CRA/LA offering benefits to employees' spouses also offer benefits to employees' domestic partners.
- Improve the lives of those working on CRA/LA projects.
- Prevent discrimination against contractor employees.

WHEN DOES THE POLICY APPLY?

The Equal Benefits Policy applies to any operation located within the City limits and under a contract with CRA/LA for goods or services of more than \$5,000. Contractors with employees outside of the City limits but with a contract within the City must also follow this Policy. Any contractor who fails to comply may have their contract cancelled, terminated or suspended by CRA/LA.



EQUAL OPPORTUNITY POLICY

CRA/LA's Equal Opportunity Policy ensures no one will be discriminated against for a CRA/LA job, contract, or financing based on race, sex, age, marital status, disability, ancestry, medical condition, national origin, sexual orientation, or religion.

POLICY GOAL

- The Policy helps underrepresented groups and individuals gain access to business and employment opportunities.

POLICY REQUIREMENTS

- Make best efforts to award 5% of all contractual dollars to women-owned business enterprises (WBE) and 20% to minority-owned business enterprises (MBE).
- Accept the Equal Opportunity Program Plan's non-discriminatory employment practices.
- Make best efforts to extend employment opportunities to residents in lower-income CRA/LA project areas.
- Assure to the greatest extent feasible that business opportunities arising from CRA/LA-awarded contracts be made available to qualified project area businesses.

WHEN DOES THE POLICY APPLY?

- Anyone doing business with CRA/LA may be required to follow some or all of the policy requirements, subject to the limitations of applicable law.



HEALTHY NEIGHBORHOODS POLICY

The CRA/LA is committed to building healthy communities that can sustain themselves physically, economically, ecologically and socially without sacrificing the needs of future generations.

POLICY GOALS

- Advance ecological and environmental sustainability in redevelopment project areas and in CRA/LA's own operations to create clean, safe, and healthy environments for the community.
- Promote transit-oriented development and alternative means of transportation such as walking, biking and car sharing.
- Encourage the construction of new projects that follow sustainable planning practices; reduce greenhouse gas emissions; use clean energy; and increase the use of recycled, locally-produced and low-toxic materials.
- Reach out to the community and inform them about these best practices.

WHEN DOES THE POLICY APPLY?

Developers receiving CRA/LA investment for projects of over 50,000 square feet or over 50 residential units are required to participate in the free sustainability consultation (the consultation is optional for other developers in CRA/LA project areas). Developers are not required to change their project design as a result of this program.

CRA/LA PROJECT EXAMPLES

WATTS PROJECT AREA:

The central Watts neighborhood has been adopted by CRA/LA as a pilot site to implement the Healthy Neighborhoods Policy. The overall goal is to increase the quality of life in the community through sustainable development practices centered around the 103rd Street Blue Line station.

CITYWIDE:

Several projects that have received the Sustainability Consultation found cost-effective ways to 'green' their projects. They made voluntary changes to reduce energy and water usage and improve the indoor air quality of their projects.

CRA/LA FACILITIES:

Tenant improvements at the CRA/LA Central Office; East Valley Regional Office built to LEED Silver rating.



HOUSING POLICY

CRA/LA is committed to improving access to quality living space at an affordable price, and its actions in this field are guided by its Housing Policy. The CRA/LA Housing Policy is intended to serve as a framework for the development and implementation of all housing in which CRA/LA is involved. The Housing Policy sets overall housing goals of the CRA/LA, general production protocols, monitoring and reporting requirements, and other standards to guide agency-assisted housing development.

POLICY GOALS

- Expansion of the affordable housing supply by targeting agency assistance to persons and families whose housing needs are not being met by the private, unassisted market, including but not limited to the homeless population.
- Neighborhood preservation and improvement by maintaining and upgrading the existing residential character of neighborhoods receiving agency assistance. These actions should be sensitive to potential issues of the displacement of existing residents, gentrification of the area, and the destruction of historic neighborhoods.
- Preservation of existing affordable housing through funding activities that will rehabilitate and/or construct affordable housing, leveraging other governmental funding mechanisms, and by establishing covenants to ensure the long-term affordability of units. The preservation of existing and creation of new affordable housing should give preference to particularly difficult-to-house populations such as large families and the homeless.
- Community empowerment through funding capacity-building programs for local residents and organizations, and encouraging resident ownership through limited equity partnerships. Additionally, the Agency intends to foster self-sufficiency and expertise of the local communities with its housing programs. To that end, the Agency should seek out firms owned by minority, female, and/or disabled persons when possible for the development, design, construction, management, and ownership of housing projects.

WHEN DOES THE POLICY APPLY?

The Housing Policy is a guiding document for all CRA/LA-assisted housing projects.



LABOR PEACE AGREEMENT POLICY

CRA/LA has financial and ownership interests in the efficiency and uninterrupted operation of hotels located on CRA/LA-owned land. To protect CRA/LA investments, as well as the employees working on these sites, hotel operators must sign “labor peace” contracts with labor organizations in order to prevent picketing, work stoppages, lockouts or boycotts. Note that this requirement does not require hotel operators to recognize any particular labor organization, nor is it intended to favor any particular outcome in the determination of employee preference regarding union representation.

POLICY GOALS

- Ensure uninterrupted hotel operations on CRA/LA-owned properties.
- Encourage negotiations among the employer and employees before severe labor disputes arise.
- Restrict the employees from picketing, boycotting or engaging in any other economic interference of the business under the agreement.
- Restrict employer sanctions for appropriate labor activity.

POLICY REQUIREMENT

Hotel operators must sign a labor peace agreement with the labor organization(s) seeking to represent its hotel employees before CRA/LA leases any of its properties to that operator.

WHEN DOES THE POLICY APPLY?

This policy applies to all contracts with hotel operations on CRA/LA-owned land.

CRA/LA PROJECT EXAMPLE

Hollywood and Vine HOLLYWOOD PROJECT AREA

Major transit-oriented development includes a four-star hotel, retail and restaurant space, condominiums, and rental units, of which 20% are affordable housing units. Developer Gatehouse Capital signed a neutrality agreement to be a union hotel.



LIVING WAGE POLICY

CRA/LA's goals include promoting economic growth and providing family-supporting jobs. Experience indicates that service contractors tend to pay their employees wages at or just above the minimum required by federal and state minimum wage laws. Paying such low wages has a negative effect on an individual's performance and does not provide the individual enough income to afford basic life necessities in Los Angeles. Therefore, contractors doing business with CRA/LA and employers operating on CRA/LA-owned land must pay their employees at or above the City's living wage.

POLICY GOALS

- Promote effective economic development through creating family-supporting jobs that, in turn, allow community residents sufficient income to support local businesses.
- Ensure adequate compensation for employees, improving the level of services rendered.
- Lessen the high turnover, absenteeism and lackluster performance that result from under-compensating employees.
- Reduce the burden on social service programs by paying people enough so that they do not have to depend on these services.

WHEN DOES THE POLICY APPLY?

This Policy may apply to any project that: receives financial assistance of \$100,000 or more in any 12-month period for the purposes of economic development or job growth; operates on CRA/LA-owned land; or enters into a service contract with CRA/LA for \$25,000 or more.

CRA/LA PROJECT EXAMPLE

Hart Village WEST VALLEY PROJECT AREA

This residential development with an early childcare center for low- and extremely low-income families created 47 permanent living wage jobs.



PREVAILING WAGE POLICY

The Prevailing Wage Policy serves CRA/LA's goal of creating jobs that can support families. The Policy requires that construction laborers and mechanics be paid at least the generally prevailing rate or the minimum wage specified by the State of California Secretary of Labor in periodic wage rate determinations.

The Prevailing Wage Policy also ensures that all bidders use the same wage rates when bidding on a public works project, so that an employer who pays low wages does not have a bidding advantage.

POLICY GOALS

- Protect employees of contractors on public projects from being paid low wages.
- Ensure that the quality of the work will not be compromised by the payment of less than the prevailing rate of wages.
- Expand access to quality jobs.

WHEN DOES THE POLICY APPLY?

The Prevailing Wage Policy applies to any developer or owner of property who enters into an agreement with CRA/LA for the development of property.

CRA/LA PROJECT EXAMPLE

**Child Development Institute
RESEDA/CANOGA PARK PROJECT AREA**
This project renovated the old Canoga Park library for adaptive reuse as a facility for special needs children.



SERVICE WORKER CONTRACTOR RETENTION POLICY

One of CRA/LA's missions is to promote economic development and job growth; however, there is a chance that agency assisted projects will displace existing workers, especially low-income service workers. The Service Worker Contractor Retention policy is intended to set up procedures and protocols to ensure that agency-assisted projects do not result in substantial job displacement. By requiring that service contractors retain existing service workers and/or give them preferential hiring in the staffing of the redevelopment project, CRA/LA can ensure that its actions do not result in undue job displacement and loss.

POLICY GOAL

- To ensure that existing low-income and service workers (with a wage of less than \$15/hour) are not displaced from their employment due to agency activities.

POLICY REQUIREMENTS

- That the contractor or subcontractor providing a service to a site that is substantially similar to a recently terminated service contract will give hiring preference to those employees working at the site under the employ of the previous contractor.
- The previous contractor will provide contact information for all employees servicing the terminated contract to the successor contractor, or to CRA/LA if the successor contractor has not been selected.
- The terms and procedures for the preferential hiring process are stated in Section 2, Transition Employment Period of the Policy.

WHEN DOES THE POLICY APPLY?

This policy applies to any project that receives in excess of \$100,000 of agency financial assistance and/or a service contract with CRA/LA of \$25,000 or more. This threshold amount shall be adjusted annually in conjunction with the Living Wage Policy.

This policy DOES NOT APPLY to non-profit organizations with annual operating budgets of less than \$5 million, or organizations that regularly employ homeless people, chronically unemployed people, or those receiving public assistance.