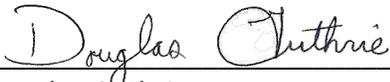


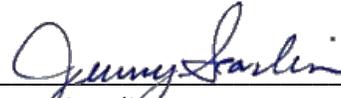
Report of the President & CEO

June 24, 2021

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE AN AMENDMENT INCREASING FUNDING UNDER THE MEMORANDUM OF UNDERSTANDING (MOU) WITH RED EYE FOR EDUCATIONAL AND RECREATIONAL PROGRAMS AT IMPERIAL COURTS BY \$182,500, FOR A TOTAL AMOUNT PAYABLE UNDER THE MOU NOT TO EXCEED \$672,500



Douglas Guthrie
President & Chief Executive Officer



Jenny Scanlin
Chief Strategic Development Officer

Purpose: Since 2018, Red Eye has provided services to the Imperial Courts community as a service provider based in the Imperial Courts Recreation Center. Over this period, the organization has enhanced their program and increased the number of residents served. Additionally, in April of 2021 Red Eye secured outside funding to purchase a forty-foot refrigerated container. This refrigerated container is stocked by Amazon with fruits, vegetables, dairy and other goods. Each Friday Red Eye hosts a Farmers Market where the goods are distributed to all interested residents at Imperial Courts. The increase in funding will allow Red Eye to build additional capacity and retain key staff to sustain the growth of the organization.

Regarding: Resolution No. 9397, adopted November 28, 2017, authorized the President and CEO to enter into a five-year memorandum of understanding (“MOU”) with Red Eye for educational and recreational programming (“Services”).

Issues: In 2017, HACLA contacted various current and potential partners with the financial and operational capacity to provide educational and recreational programming at Imperial Courts and identified Red Eye as an appropriate provider for Services. Under Resolution No. 9397, HACLA agreed to reimburse Red Eye for programming expenses and other costs directly related to the provision of Services at Imperial Courts in an amount not to exceed \$240,000, with \$80,000 per year allocated for calendar years 2018, 2019, and 2020. While HACLA authorized a five-year contract with Red Eye, the authorization was structured so as to provide Red Eye an opportunity to demonstrate its organizational capacity for fundraising sufficient to meet the overall costs of Services, which HACLA and Red Eye understood would exceed the \$80,000 per year allocated by HACLA. Red Eye has subsequently demonstrated ample organizational capacity for outside fundraising.

On January 13, 2020, the Parties amended the MOU via Amendment No. 1 to authorize Red Eye’s purchase under its existing budget of a transportation van necessary for the transport of Imperial Courts participants to and from various activities offered in conjunction with Red Eye’s Services.

On May 1, 2021, the Parties amended the MOU via Amendment No. 2 to extend the Term of the Agreement through June 30, 2024, and used the President and CEO's contracting Authority under HACLA's Procurement Policy to add an additional \$250,000 of funding to the MOU. Amendment No. 2 provided that \$85,000 in funding would be added to the MOU for calendar years 2021 and 2022, with \$80,000 added for calendar year 2023 and extended the term of the MOU to June 30, 2024. HACLA's total funding commitment following Amendment No. 2 is \$490,000.

Funding for youth services at HACLA's developments comes through the City of Los Angeles' Payments in Lieu of Taxes ("PILOT") program. During 2020, very few of HACLA's recreation operators were operating at full capacity at the public housing sites and additional funding set aside for maintenance and added program costs was unexpended. This has created an opportunity for HACLA to invest additional funding into existing services moving forward and HACLA is now positioned to increase its expenditures for youth programming.

The PILOT funds are allocated based on a fiscal year running from July 1 through June 30. The budget under the MOU with Red Eye is currently structured for payments based on the calendar year, which creates various administrative difficulties when reconciling the two budgets.

This resolution will add \$182,500 in funding to the MOU with Red Eye, for a total maximum cumulative payment obligation of \$672,500. In conjunction with the amendment adding this additional funding to the MOU, HACLA will shift the budgetary years for funding under the MOU to align with the PILOT fiscal year budget. The funding under the MOU will be allocated such that HACLA's maximum payment obligation to Red Eye is \$130,000 per July 1 to June 30 fiscal year for the three fiscal years running from July 1, 2021 to June 30, 2024. HACLA's current \$85,000 funding obligation for calendar year 2021 will be modified such that there will be a \$42,500 funding obligation for the period running from January 1, 2021 to June 30, 2021, with the \$130,000 per fiscal year payment obligation beginning as of July 1, 2021.

Since 2018 REDEYE has raised approximately \$1,000,000 in capital to fund a robust variety of programming. Justin Mayo, Executive Director of REDEYE, draws no salary and recruits hundreds of volunteers to support the staff in delivering programming. Over \$1,500,000 of equipment and improvements have been secured to develop and equip the following programs: Culinary Studio, Music and Video Production Studio, Boxing Courses, STEM/Computer Lab, Soccer, Basketball and Boxing programs. Between January through May of 2021 REDEYE has received and distributed over 225k pounds of food through corporate donations. REDEYE also raised \$80k to purchase a forty foot container/freezer to hold the food distributed during their weekly Farmers Market to Imperial Courts and Watts residents. REDEYE has built valuable relationships with local organizations and globally recognized corporate and celebrity partnerships. This includes contributions by Amazon, Whole Foods, Justin Bieber, the Kardashians, NETFLIX,

Mayweather Boxing, and Stevie Wonder. REDEYE was recognized by Assemblyman Mike Gibson and received the I-Heart Award in June 2021. This award honors community members that have had a positive influence and for their outstanding contribution to the 64th Assembly District. REDEYE has clearly earned the recognition as the “#1 “The #1 Most Active Community Center in Los Angeles.”

Vision Plan:

People Strategy #7; Enhance Resident access to education opportunities, workforce readiness training and skills development

With Board approval, this action will continue the delivery of supplemental educational services to youth attending grades k-12. This action will also help youth learn a variety of digital literacy skills, including music and video production.

People Strategy #9; Increase access to healthy food and nutrition programs

With Board approval, this action will help facilitate the delivery of healthy foods to residents of Imperial Courts on a weekly basis through Red Eye’s Farmers Market where free healthy food is distributed.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: The City of Los Angeles’ Payment in Lieu of Taxes (“PILOT”) program

Budget and Program Impact: The proposed amendment will shift funding under the MOU with Red Eye from a calendar fiscal year to one that aligns with the PILOT program’s July 1 to June 30 fiscal year funding cycle. The new funding schedule will apply for the three fiscal years beginning on July 1, 2021 and ending June 30, 2024. The total additional expenditure under the proposed amendment will be \$182,500 over the three year period running from July 1, 2021 to June 30, 2024.

Environmental Review: Not Applicable

Section 3: Not Applicable

Attachments:

1. Resolution
2. REDEYE Proposal

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE AN AMENDMENT INCREASING FUNDING UNDER THE MEMORANDUM OF UNDERSTANDING (MOU) WITH RED EYE FOR EDUCATIONAL AND RECREATIONAL PROGRAMS AT IMPERIAL COURTS BY \$182,500, FOR A TOTAL AMOUNT PAYABLE UNDER THE MOU NOT TO EXCEED \$672,500

WHEREAS, on November 28, 2017, via Resolution No. 9397, HACLA's Board of Commissioners (the "Board") authorized the President and CEO to enter into a five year contract (the "MOU") with Red Eye for educational and recreational services ("Services") for residents of HACLA's Imperial Courts Development ("Imperial Courts"), with funding for the first three years of the MOU in an amount not to exceed \$240,000;

WHEREAS, during that time REDEYE developed strong and deep relationships with the residents, community partners, local, state and federal elected officials;

WHEREAS, on May 1, 2021, the President and CEO, using his contracting authority under HACLA's Procurement Policy, added \$250,000 in funding to the MOU and extended the term of the MOU through June 30, 2024, with funding allocations of \$85,000 for calendar years 2021 and 2022, and \$80,000 for calendar year 2023;

WHEREAS, the City of Los Angeles has partnered with HACLA to award funding to service providers at HACLA's public housing developments through the City of Los Angeles' Payment in Lieu of Taxes ("PILOT") program;

WHEREAS, the amount of funding available to HACLA under the PILOT program has significantly increased over the past year;

WHEREAS, funding under the PILOT program is allocated based on a fiscal year running from July 1 to June 30; and

WHEREAS, Red Eye has demonstrated significant impact on Imperial Courts residents and the surrounding Watts community, and has earned a reputation as a trusted resource for the people it serves.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President and CEO, or designee, to execute an amendment increasing funding under the MOU by \$182,500, for a total amount payable under the MOU not to exceed \$672,500, with annual awards of \$130,000 for the three fiscal years beginning July 1, 2021 and ending June 30, 2024.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: _____
James Johnson, General Counsel

By: _____
Cielo Castro, Chairperson

DATE ADOPTED: _____