



TO: HACLA Board of Commissioners
FROM: Jenny Scanlin, Chief Strategic Development Officer
THROUGH: Douglas Guthrie, President & CEO
DATE: March 25, 2021
SUBJECT: Watts Rising (Jordan Downs) Choice Neighborhoods Implementation Update

This memo provides an update on the award and implementation of a Choice Neighborhoods Implementation (“CNI” or “Choice”) Grant in the amount of \$35 million to the Housing Authority of the City of Los Angeles (HACLA) for Watts Rising, a comprehensive plan to invest in the economic, public and environmental health of the Watts community and complete the full redevelopment of Jordan Downs Public Housing. The pursuit and implementation of this grant aligns holistically with HACLA’s Vision Plan and is connected to many strategies and actions throughout People and Place.



Strategy 4: Develop and Implement on site and off-site service linkages aligned with best practices to support broad resident needs

Action 4.1 &

4.5:

Create broad trauma-informed care coordination and services that meet best practice in the field and are data-informed. Partner with an anchor institution to leverage service & impact cycle of poverty.



Strategy 1, 5

6, 7 & 8:

Action 4.1 &

4.5:

Housing Preservation & Expansion, Placemaking & Sustainability

Preserve and expand affordable housing through public housing redevelopment, participate in opportunities to improve neighborhood-wide infrastructure & economic equity, and prioritize LEED development & resiliency.

BACKGROUND

On April 23, 2020 HACLA received notice of award of a \$35 million CNI grant and a final executed grant contract in August 2020. The receipt of the award was a first step in the onboarding process within the Choice Program, a unique arm of the Federal Department of Housing and Urban Development focused on placemaking through public housing redevelopment and supporting a holistic uplift of people and communities. Obtaining acceptance into the Choice Program is highly competitive and the award is just the first step in a year-long planning process that takes shape in the pursuit of grant implementation.

Under the Choice award, HACLA has through September 2026 to expend funds award for administration, housing development, neighborhood projects and services under the Choice grant. HACLA was required to submit a

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detailed budget after grant award and only received HUD approval for its general expenditure plan in January 2021. The Choice grant award is proposed to be allocated in the following manner and detail. This budget covers Year 1-6 of the grant period, from April 2020 to September 2026.

Budget Area	Item	Description	Amount
People	Clinical Care Staff	1.0 Clinical Program Supervisor and 7.0 care coordinators focused on case management services at Jordan Downs along with related administrative support.	2,990,595
	Services	Contracts for services from local program providers	1,050,000
	Administration	Office, communication supplies and technology	160,102
	Unprogrammed	CII has not established a program for these funds yet.	959,303
	Evaluation	Annual resident survey and program assessment	90,000
		Subtotal	5,250,000
Housing	Construction	Covering cost of construction for Phases H2-A, H2-B, H3, S2, S4, S6 and S7	14,409,651
	Predevelopment	Covering predevelopment costs for Phases H2-A, H2-B, S2, S4, S6, S7	6,930,349
	Coordination Fee	Technical assistance for all planning and implementation of Choice Plan	460,000
		Subtotal	21,800,000
Neighborhood	Critical Community Investments	A plan to be submitted at the end of April 2021 for HUD approval.	5,250,000
		Subtotal	5,250,000
Administration	Staff	.50 Sr. Project Manager, 1.0 FTE Project Manager and Admin assistance to oversee grant	2,070,478
	MOEO	Staff at Mayor's office to assist with neighborhood and housing portion of program implementation	300,000
	Resident/Neighborhood Community Engagement	Funds for translation services, outreach, Street Teams, conferences and capacity building	254,522
	Evaluation & Data	Funds to assist with survey and data collection required by HUD	75,000
		Subtotal	2,700,000
		TOTAL	35,000,000

Housing Authority of the City of Los Angeles

Staffing for the administrative backbone to the Choice effort is housed in the Strategic Initiatives Bureau at HACLA and will utilize the project management positions already serving to administer the Strategic Growth Council's Transformative Climate Communities grant, our Innovation and Data group headed up by Jill Noland to manage data integration as well as staff in the Development Services department who are already engaged in the implementation of the Housing Plan. The funds from Choice will assist in supporting this backbone, however, the ceiling on administrative funding from the grant does not support the entire cost of administration. HACLA originally committed to a \$1.5 million cash match to the Choice funding to gap finance this significant administrative and engagement effort. It is likely that additional match will be required to continue administration through the life of the grant and HACLA is actively looking for grant funds to further our efforts.

Watts Rising Program Plans

The Choice Program divides its investments into three areas: **Housing, People and Neighborhood**. The Housing and People Plan must be focused on the redevelopment of the selected public housing site. In the case of the Watts Rising Choice grant, the public housing site is Jordan Downs. HACLA's **Housing Plan** for Jordan Downs, which includes the build out of 1,569 units of new housing, including 150 units of homeownership has been approved by HUD and HUD will be issuing its first construction loan of \$1 million to Phase S2 and its first predevelopment loans to Phase H2-B (\$2 million) and H2-A (\$1,547,132) in the first quarter of 2021. The People and Neighborhood Plans are still being put together and are due to HUD on May 23, 2021 and April 23, 2021, respectively. Our Housing lead partners include BRIDGE Housing and The Michaels Organization, who together make up Jordan Downs Community Partnership.

In order to best inform our plans, the Choice Program requires significant community engagement, including annual surveys of Jordan Downs residents to inform the People Plan and neighborhood engagement through surveys and outreach tools to inform the Neighborhood Plan. Choice is a **data-informed approach** to placemaking and HACLA is required to submit quarterly data and narrative reports as well as an annual report every April. Those quarterly data reports have over 80 data points for People, Neighborhood and Housing that must be reported and the annual report has significantly more. The data will be used by the Choice team and Watts Rising to ensure projects are on track, determine effectiveness of interventions and encourage conversation about what choices we are making in our program and determine when change of approach might be necessary or more effective. HACLA has organized and runs a *Data Working Group* made up of the Choice leads. The Data Working Group just completed its first survey of Jordan residents during the months of December, January and February. The survey reached over 60% of resident households at Jordan Downs and the data collected will be used to inform the People Plan for service interventions and approach.

People Plan

Choice requires the selection of a lead agency for each program plan and the **Children's Institute, Inc. (CII)** agreed to partner with HACLA as the lead for Watts Rising People Plan in the Choice application. CII has established over \$15 million in leveraged resources that it will provide to Jordan Downs through mental health, wellness and recreational services on top of the \$5.25 million received from HUD during the life of the grant. CII has already activated their work on site at Jordan Downs with new case managers who are connecting with families on the public housing site to offer light service coordination or deep case management for adults and children. CII is also working with HACLA on a plan to reinvigorate recreational and family-oriented services at the gym facility through its own staff and partner organizations. They are currently kicking off a virtual soccer program and have close to 30 youth at Jordan signed up to participate and are offering virtual self-care and parenting classes for adults. Given that students in Los Angeles have participated in nearly a year of remote learning, CII has also started planning for a summer enrichment activity to minimize summer slide, reengage students and families around education and

community social action, support parent engagement, and provide intergenerational mentoring through the Children's Defense Fund (CDF) Freedom School model. It is a six-week literacy program, that will be coupled with STEAM and sports activities. This summer program will be supported with CNI funding.

CII has established a *Service Coordination Working Group* with Better Tomorrows and El Nido, who are the service coordination organizations selected by BRIDGE and The Michaels Organization. All service coordinators will be using the same intake and evaluation forms and cross-referring clients to ensure at Jordan Downs there is no wrong door and all residents have access to the same level of service and care. In addition to the service coordination care team, CII will coordinate with specialized service providers to engage in education, health and economic well-being initiatives on site at Jordan; building off the work that is already being engaged in job placement and training through Jordan Downs Forward partners and education initiatives like College Track, Five Keys Charter School and the Metro Boys and Girls Club. There are 20 partners currently identified. Since May 2020, CII and HACLA have hosted seven convenings of our partners to discuss programs and strategies in the focus areas of health, education and youth development, and economic well-being (May 6; October 14, 15, and 16; November 12 and 16, and December 16). These meetings allowed the providers to share with each other more about their own services and approach to serving Jordan residents, discuss opportunities for collaboration, and share best practices for resident outreach and education about services.

In order to best serve residents, CII and HACLA know it is critical to engage residents and understand their needs. Since December 2020, a series of six resident engagement meetings have been hosted to enable residents to dialogue directly with service providers to share specific interests, needs, real barriers, and other concerns. Three more meetings are being planned for April 2021, including a meeting just for youth, and discussion will be divided into three programmatic areas: health, education and economic well-being. The meetings have been well-attended by 20-50 active participant providers and residents of Jordan Downs each time who were engaged in active discussion, poll questions and chat.

Lastly, Martin Luther King Jr. Hospital received a \$1 million grant to coordinate health-specific services at Jordan Downs during the Choice grant period. Those services have kicked off with mobile flu and COVID vaccination units and the initiation of a *Promotora Program* (Health Promoter Program) at Jordan Downs. Ten Jordan Downs residents have attended and completed the first training series in February/March to become Community Promotoras and will receive stipends to provide community health awareness and peer support to other residents at Jordan. Throughout the grant period, Martin Luther King Jr. Hospital intends to support additional cohorts of Health Promoters and train them through a curriculum that can lead to future jobs in the health industry.

Neighborhood Plan

In the Watts Rising Choice application, the City, through its Mayor's Office of Economic Opportunity (MOEO), acts as the lead for the Neighborhood Plan in collaboration with the Watts Rising team within HACLA. The Choice grant offers up to \$5.25 million in funding for neighborhood improvements and was leveraged by over \$5 million in local Community Development Block Grant (CDBG) funds committed by the City of Los Angeles, for a total budget of \$10,585,886 in funding for Critical Community Improvements (CCI) supporting fourteen (14) project types selected by the community of Watts during the Choice application process. Since grant award, MOEO and HACLA have been actively engaging all Neighborhood project partners via discussions and technical assistance sessions to help them to develop preliminary project plans. These plans, which include more detailed information about project goals, scope, costs, and anticipated outcomes are being used by MOEO and HACLA to determine the appropriate funding source(s) for each effort given HUD Choice and City of Los Angeles CDBG guidelines. MOEO and HACLA are currently in the process of reviewing each project to determine the final slate of proposed CCI projects to be

included in our Plan and are on track to submit our Final CCI Plan to HUD by April 23, 2021.

To advance progress on Neighborhood projects, MOEO and HACLA worked with four (4) neighborhood partners to submit CDBG applications for project funding in November 2020: Greening Watts, ThinkWatts HQ, Morning Star MBC Outdoor Sports Complex, and the Watts Empowerment Center Music and Film Studio. These four projects were selected to move forward with CDBG funding due to their readiness to proceed and time sensitivity of their project and other committed funding sources. CDBG funding for these projects is slated to be awarded in summer 2021 and distributed on or around August/September 2021. If the four projects are approved, one-fifth of the City's total local match commitment will have been met. Status of these projects is as follows:

- **Greening Watts**, planting 1,000 trees in Watts, is “shovel ready” to begin implementation because it is part of the existing Watts Rising Transformative Climate Communities (TCC) grant suite of operational projects. Greening Watts has an already-established structure and design via TCC, which allows us to expand our existing urban forestry work upon award of CDBG funding.
- The **ThinkWatts HQ** team lead is currently refining architectural renderings for the tenant improvements that are set to begin in the first quarter of 2021. They are also finalizing the project business and operational plan, which will govern implementation of the business training and “Makerspace” curriculum to be provided to Watts residents. Unlike the other projects submitted for CDBG funding set to disburse in fall of 2021, MOEO compiled supplemental application materials for ThinkWatts HQ to be considered for CDBG COVID-19 Recovery dollars. This is a separate and specialized funding pool with expedited timing to address the economic devastation caused by COVID-19. If approved for COVID-19 Recovery dollars, funds for ThinkWatts HQ will be disbursed in the second quarter of 2021.
- **Morning Star Missionary Baptist Church** proposes to build a multi-purpose sports court and has begun development of the scope of services and related costs, by soliciting estimates from prospective vendors for the development of the Sports Court.
- The **Watts Empowerment Center Music and Film Studio** project team has begun fleshing out the scope of services and related costs including soliciting cost estimates from prospective vendors. They have also continued to engage and serve the youth that will participate in this program, as well as ongoing relationship cultivation with entertainment industry partners who will also be supporting the project.

HACLA and MOEO held multiple meetings with CCI and leverage project partners to describe next steps in the process and get their input on the best approach for the Neighborhood Plan. With the assistance of HUD, HACLA also held multiple technical assistance and information sharing meetings with partners and specific project types that have been funded through previous Choice rounds. Those meet-and-greet meetings included talking to CommonWealth Kitchen in Boston and the Milam Street Kitchen Incubator and Community Kitchen (MS-KICK) in Shreveport with our partner in the MudTown Farm Commercial Kitchen Project; the Urban Redevelopment Authority of Pittsburgh about their Choice Neighborhood Homeowner Assistance Program (CHAP); and the Wisconsin Women's Business Initiative Corporation's (WWBIC) Small Business Revolving Loan Fund with our partner in the MicroLoan Program.

HACLA and MOEO created a long-form application or Request for Information (RFI) for all partner projects not requesting the next round of CDBG funding so we could better assess the project readiness, funding approach and partners for inclusion in the Neighborhood Plan. The RFI's were provided to partners in October 2020 and were received back for evaluation between November 2020 through January 2021. HACLA and MOEO have split of management of these projects and partners and are currently providing each partner with feedback on their RFI's

and further developing their project feasibility. MOEO and HACLA met directly with the Acting Director of HUD's Choice Program this month to walk through these projects with an equity lens; demonstrating to HUD the value of investing in certain approaches that are not normally considered eligible for Choice funding; including support for a micro-business loan program and a comprehensive housing resiliency program focused on green improvements to homes in Watts.

NEXT STEPS

In April, HACLA will submit its Year 1 Annual Report to HUD as well as its complete CCI Plan. The People Plan will be submitted to HUD in May. The People, Neighborhood and Housing teams will continue to meet on a monthly basis and continue implementation of this comprehensive program to elevate the community of Watts and its residents.