

## REPORT OF THE PRESIDENT AND CEO

September 24, 2020

**RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE A THIRD AMENDMENT TO CONTRACT HA-2019-123-NF WITH EJP CONSULTING GROUP, LLC TO ADD \$162,680 IN FUNDING FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$412,680 FOR CONSULTING SERVICES TO ASSIST IN ESTABLISHING THE PLANNING AND ADMINISTRATIVE DOCUMENTS, STRUCTURE, REPORTING AND TOOLS NECESSARY TO SUCCESSFULLY IMPLEMENT THE \$35 MILLION WATTS RISING CHOICE NEIGHBORHOOD GRANT AWARD ISSUED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**




---

Douglas Guthrie  
President & Chief Executive Officer




---

Jenny Scanlin  
Chief Development Officer

**Purpose:** Authorize additional funding for the contract with EJP Consulting LLC, a firm uniquely expert in the initial planning, establishment and implementation of Choice Neighborhoods Implementation Grants (“CNI”) to assist the Housing Authority of the City of Los Angeles (the “Authority”) to establish its programmatic systems, documents and initial reporting necessary to meet the metrics and requirements in Year 1 of the Watts Rising CNI grant awarded to the Authority in April of this year.

**Regarding:** On October 31, 2019, HACLA’s Board of Commissioners adopted Resolution 9535 allowing HACLA to apply for a CNI Implementation Grant to help redevelop Jordan Downs public housing and initiate economic and neighborhood development projects in the greater Watts neighborhood, obligating matching funds for administration of the grant, and allowing the President & CEO or designee to enter into agreements with various lead agencies, leverage and project sponsors as necessary to satisfy the requirements of the grant guidelines.

On June 25, 2020, HACLA’s Board of Commissioners adopted Resolution 9605 accepting the award of \$35 million in CNI funding used toward the redevelopment of Jordan Downs public housing and the greater Watts neighborhood and authorizing the execution of a grant contract and all necessary supplemental documents, certifications and verifications including but not limited to required U.S. Department of Housing and Urban Development (“HUD”) forms and agreements with implementing partners on roles and responsibilities for CNI grant implementation.

On August 13, 2020 HACLA received a fully executed grant agreement with HUD.

**Issues:**

**Background** On August 5, 2019, HUD released a Notice of Funding Availability (NOFA) for up to a \$35 million CNI Grant. CNI has been developed by HUD to assist in transforming neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Watts Rising submitted its application on November 4, 2019 which proposed a comprehensive plan for revitalizing and investing in the health and economic growth of the Watts community and hired EJP Consulting Group, LLC in early September 2019 to assist in the

preparation of a full and complete response to this NOFA as well as ensure that during the application period all additional requirements of responsiveness to HUD's NOFA and potential award process were met.

In April 2020, HACLA was successful in securing the HUD CNI grant an important milestone in the redevelopment of Jordan Downs and another key resource for the larger Watts community. With HUD requirements that over \$20 million of the \$35 million grant be used directly to finance the planned physical improvements in future phases and its restriction that \$5.25 million in human capital initiatives be targeted directly to Jordan Downs, it will help accelerate momentum and pave the way for future contributions. An additional \$5.25 million is reserved for neighborhood improvements focused on economic and community-based investments.

### *EJP Scope Of Work*

EJP Consulting Group, LLC was procured in September 2019 through a small purchase procurement process to provide CNI Implementation Services and was awarded the sum of \$82,000 under Contract HA-2019-123-NF. Non-federal funds are utilized to pay for Contract expenses. The Contract was amended in February 2020 to add additional funds to assist the Authority to plan for, submit and respond to HUD during the CNI FY2019 NOFA process. The consultant's work related to this early scope of service was completed by April 2020 and makes up approximately \$100,000 of the Contract amount.

The CNI grant process is a unique one given the size and scope of the grant. Although HACLA was issued an award and CNI contract in April and August, respectively, the Authority does not have access to all the funds for the housing, people or neighborhood components until it submits further reports, metrics and developed plans. The processing and drafting of these very detailed documents is critical to completing what the Authority considers an elongated application process. HUD provides grantees the first year to year and a half of their grant to develop these reports and tools, submit them to HUD formally and receive approval; thereby creating access to these portions of the grant.

The Authority amended EJP Consulting Group's contract a second time in June 2020, under the President and CEO' contracting authority, for a maximum cumulative payment obligation of \$250,000. The additional funding was necessary to prepare for the initial CNI contract execution in August and through the initial expectation of consultation and response to HUD's deliverables. However, the kick off discussions in July and August this year and more detailed responses from HUD have provided a clearer understanding of the tasks necessary to accomplish full and complete set up for implementation of the CNI grant leading the Authority to determine an additional \$162,680 in funding is needed to expand the scope of services to be provided by EJP Consulting Group, which includes, but is not limited to:

*General Requirements:* system set-up for data reporting, developing and submitting quarterly and annual grant reports to HUD; marketing and community engagement materials; manage training of all staff and partners; develop all MOU's and agreements between partners; refine, implement and administer coordination meetings for all grant leads and partner organizations; pull best practices and implement in administration set up for grant implementation.

People Plan: Lead establishment of baseline metrics to meet HUD requirements and assist in first and future survey approach; refine all People Plan actions and activities; develop all data sharing agreements, MOU's and sub-grantee procurement and contracts; develop outreach plan and establish key components of the work including community health workers and service coordination/case management system. Draft and submit final People Plan to HUD for approval.

Critical Community Investment Plan: Serve as project manager to ready at least two critical community investment projects for funding and implementation; prepare the final CCI Investment plans and documents necessary to have city-funded projects meet local funding requirements; assist in establishing community outreach materials and approach for neighborhood plan; and assist with procuring and contracting with providers to complete and operate improvements.

*Procurement*

In August 2020, the Authority issued a scope of work and solicitation of six firms to undertake work related to the application and award of a CNI grant. The scope of work required the timely completion of CNI grant submission activities and commitment of vendor resources to ensure deadlines were met. Only one (1) response was received. Although the Authority only received a single response, it was determined based on price and hourly rate reviews that EJP Consulting Group satisfied all solicitation requirements and submitted a responsive and cost effective proposal. The firm has agreed to extend its 2020 billing rates for these additional services, which if approved will be awarded under a third amendment.

Below is a breakdown of the full proposed budget by Scope of Work. Some of this work has been completed as of the date of this board report.

<b>Item</b>	<b>Budget</b>
Application Submittal	77,136.29
HUD Site Visit	13,420.00
General Requirements	162,580.00
People Plan	93,475.00
CCI Plan	49,160.00
Travel & Direct Reimbursements	\$16,908.71
<b>TOTAL</b>	<b>\$412,680.00</b>

**Vision Plan: PEOPLE Strategy #7: Enhance resident access to education opportunities, workforce readiness training, and skills development**

The CNI grant will provide HACLA and its partners the opportunity to meet the gaps in service in the community required to support improved health, education, community cohesion and economic stability.

**PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio.**

Redeveloping public housing requires the strong commitment of a variety of funding sources and the ability to layer subsidies flexibly into projects. CNI provides a key gap financing source to allow HACLA and JDCP to fulfill on the complex redevelopment of Jordan Downs and ensure all projects comply with the community-adopted master plan and City's Specific Plan.

**PLACE Strategy #5: Expand HACLA’s role in the broader communities it serves to improve neighborhood-wide health and well-being.**

CNI grant funded programs are consistent with this strategy and call to action to pursue resources to build and invest in neighborhood-wide improvements and support the larger community’s interest in improvements to safety, health, education and economic equity.

**Funding:** The Chief Administrative Officer confirms the following:

*Source of Funds:* The Board of Commissioners allocated an early commitment of \$1,050,000 in non-federal leverage resources to assist in the administration of the CNI grant intended to match approximately \$3 million in CNI funding available for grant administration. The funding for this contract amendment will come from the HACLA approved match or the CNI funded Administrative grant portion.

*Budget and Program Impact:*

Implementation of the CNI grant was an anticipated FY2020 program objective and funds have been budgeted for this purpose. Authority will be included in the FY2021 Budget for work that continues through the following year.

**Environmental**

**Review:**

Not Applicable

**Section 3 - Economic Opportunities:**

EJP Consulting Group LLC has submitted an Economic Opportunity Plan (“EOP”) in conformity with the requirements of the Housing Authority’s Section 3 Guide and Compliance Plan. Under its EOP, EJP Consulting Group LLC committed to hire four (4) to eight (8) Section 3 Residents to develop a Community Health Worker Program as part of the People Plan for Jordan Downs and contribute to a Street Outreach team that will assist in community engagement to better inform grant activities and approach.

In its initial EOP, EJP Consulting Group, LLC agreed to and successfully hired three Outreach Workers to assist with community engagement during the initial application period.

**Attachments:** Resolution

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE A THIRD AMENDMENT TO CONTRACT HA-2019-123-NF WITH EJP CONSULTING GROUP LLC TO ADD \$162,680 IN FUNDING FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$412,680 FOR CONSULTING SERVICES TO ASSIST IN ESTABLISHING THE PLANNING AND ADMINISTRATIVE DOCUMENTS, STRUCTURE, REPORTING AND TOOLS NECESSARY TO SUCCESSFULLY IMPLMENT THE \$35 MILLION WATTS RISING CHOICE NEIGHBORHOOD GRANT AWARD ISSUED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**WHEREAS**, the Housing Authority of the City of Los Angeles (“Housing Authority”) is a public body, corporate and politic, organized and existing under the Housing Authorities Law (commencing at Section 34200 of the California Health and Safety Code and, specifically, Section 34311), and authorized to transact business and exercise the powers of a housing authority pursuant to action of the Board of Commissioners of the Housing Authority (the “Board”); and

**WHEREAS**, the Housing Authority intends to transform the Jordan Downs public housing community into a mixed-income, mixed use, environmentally friendly, vibrant urban village, conducive to healthy living and economically progressive conditions (“JD Redevelopment”); and

**WHEREAS**, on August 5, 2019, the U.S. Department of Housing and Urban Development (“HUD”) released a Notice of Funding Availability for up to \$35 million per project for its FY 2019 Choice Neighborhoods Implementation (“CNI”) Grant, which has been developed by HUD to assist in transforming neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation and HACLA procured the consulting services of EJP Consulting Group, LLC (HA-2019-123-NF) through small purchase procedures to provide grant preparation and application services and entered into a contract on September 5, 2019 in the amount of \$78,734; and

**WHEREAS**, on February 3, 2020 the Housing Authority and EJP Consulting Group, LLC amended the contract (Amendment 1) to allow for additional services and reimbursement costs to the budget to provide assistance in preparation for the HUD Site Visit associated with the application; and

**WHEREAS**, on April 23, 2020, HUD notified the Housing Authority of its selection as an awardee for up to \$35 million in federal funding under the CNI Grant to be used toward the JD Redevelopment and critical community investments in the Watts neighborhood and the Housing Authority was required to prepare detailed planning documents and system set up in order to establish its ability to access full funding from its contract with HUD; and

**WHEREAS**, the Housing Authority and EJP Consulting Group LLC amended the contract on June 18, 2020 (Amendment 2) adding additional funding for increased scope and services for a total contract amount of \$250,000 under the President and CEO’s contracting authority; and

**WHEREAS**, after initial meetings with Choice Implementation Grant staff at HUD to further refine and review the objectives and deliverables of the \$35 million grant for Watts Rising and determine what tasks, systems and documents would be necessary to establish authority to receive the full funding for the Housing, People and Neighborhood components, the Housing Authority requested that EJP Consulting Group, LLC amend their scope and services to more completely assist with this grant application and award process;

**WHEREAS**, the Housing Authority estimates this initial application completion and award establishment period will last through September 2021 and will require additional scope and services, recommending a third amendment to the contract with EJP Consulting Group, LLC adding \$162,680 and extending the contract term to December 31, 2021; and

**WHEREAS**, the Housing Authority determined that EJP Consulting Group, LLC, satisfied all initial solicitation requirements, that the additional scopes of work are and have been a progression of and directly related to the scope under which the firm was originally solicited, and that EJP Consulting Group LLC’s pricing continues to be well below the Initial Cost Estimate and remains cost effective; and

**WHEREAS**, the Housing Authority desires to amend its contract with EJP Consulting Group LLC for a new maximum cumulative payment obligation sum not to exceed four hundred twelve thousand dollars six hundred and eighty (\$412,680.00).

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners authorizes the President and CEO, or designee, to execute a third contract amendment (HA-2019-123-NF) with EJP Consulting Group LLC in a total amount not to exceed four hundred twelve thousand and six hundred and eighty dollars (\$412,680.00) comprised of: (i) three hundred ninety-five thousand seven hundred seventy-one dollars and twenty-nine cents (\$395,771.29) for consulting services, and (ii) sixteen-thousand nine hundred and eight dollars and seventy-one cents (\$16,908.71) for reimbursable costs including travel and to execute any related documents to effectuate the intent of this Resolution and the undertaking of various actions in connection therewith, subject to the review and approval by General Counsel.

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

HOUSING AUTHORITY OF THE  
CITY OF LOS ANGELES

By: \_\_\_\_\_  
Chairperson

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
General Counsel

**DATE ADOPTED:** \_\_\_\_\_

