
Douglas Guthrie  
President & Chief Executive Officer

Jenny Scanlin  
Chief Strategic Development Officer

Purpose: In order to facilitate the implementation of the U.S. Department of Housing and Urban Development (“HUD”) Choice Neighborhoods Implementation (“CNI”) grant received by the Housing Authority of the City of Los Angeles (“HACLA”) for the redevelopment of Jordan Downs and investment in the larger Watts community (“Watts Rising CNI Grant” or “Choice Grant”) and an associated commitment of leverage funding from the City of Los Angeles in the amount of $5,433,479 in Community Development Block Grants (“CDBG”), staff is requesting delegated authority to the President & CEO, or designee, to award and/or amend various agreements or contracts for the use and expenditure of these specific grant funds and HACLA’s associated $1,050,000 match funds.

Regarding: On June 27, 2019 HACLA’s Board of Commissioners (“BOC”) adopted Resolution 9514 approving revisions to the HACLA’s Procurement Policy increasing the President and CEO’s authority acting as the Agency’s Contracting Officer to $250,000 for all contract awards or amendments.

On October 31, 2019, the BOC adopted Resolution 9535 allowing HACLA to apply for the CNI grant, obligating matching funds for administration of the grant in the amount of $1,050,000, and allowing the President & CEO or their designee to enter into agreements with various lead agencies, leverage and project sponsors as necessary to satisfy the requirements of the grant guidelines.

After full panel review of the Watts Rising CNI Grant application, HUD awarded HACLA an FY2019 CNI grant in April 2020 in the amount of $35 million and on June 25, 2020 by Resolution 9605, the BOC authorized the President & CEO to execute a Choice 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 Choice Grant implementation including a partner Memorandum of Understanding.

Issues:

Background: On April 23, 2020 HACLA received a 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 Grant, HACLA has through September 2026 to expend funds awarded for administration, housing development, neighborhood projects and services. The Choice Grant also obligated leverage funding to be provided by HACLA’s Co-Lead, the City of Los Angeles, through their CDBG program for Neighborhood Improvements and to obligate HACLA’s own funds as a contribution to facilitate engagement and administration activities not covered by the Choice Grant award. HUD has provided approval for HACLA’s general expenditure plan over Years 1-6 of the Choice Grant period, from April 2020 to September 2026.

HACLA has partnered with Jordan Downs Community Partners, a partnership of The Michaels Organization and BRIDGE Housing as the Housing Lead, Children’s Institute, a local non-profit in Watts and the operator of the long-standing Head Start facility located at Jordan Downs, as the People Lead, and the City of Los Angeles’ Mayor’s Office of Economic Opportunity supported by HACLA’s Watts Rising staff as the Neighborhood Lead. The City of Los Angeles is obligating $5,433,479 in CDBG funding for neighborhood projects which will be administered by HACLA as a compliment to the Choice Grant. As the Lead Applicant, HACLA remains responsible for the overall administration, execution and metrics associated with implementation of the grant and oversight of all budget-related requests and expenditures.

Contract Authorities: HACLA, its Lead Implementation partners, and all sub-contractors funded with CNI Grant or CDBG funding are subject to the procurement, expenditure, and contracting rules of these particular grant programs. The selection of partners and projects was and continues to be guided by a community-led process encouraged by the Choice Program and embedded in the Watts Rising CNI Partner MOU and Soundness of Approach section in the HACLA’s original grant application. This process has produced uniquely qualified program partners based on: project types; existing experience in the community being served; amount of additional leverage procured to accomplish the project or program proposed; land control; proven ability to deliver within the grant’s budget and time constraints; and efficacy in producing grant-required outcomes. In order to facilitate HACLA’s ability to fulfill on its grant obligations, HUD allows the Authority flexibility to modify partners and programs as long as outcomes are being met and HUD’s various staff or selection committees have weighed in through the Choice Grant Budget Amendment or Plan Approval process. HACLA will follow all guidance provided by HUD and the City of Los Angeles to ensure that funds are timely expended and outcomes met.
These actions authorize the President and CEO to award contracts and to procure partners and contractors based on their inclusion in the respective Choice Grant or CDBG Applications or by using non-procurement approaches as long as such approaches are aligned and consistent with Choice and CDBG guidelines. HACLA will remain obligated to follow all procurement, insurance and contracting requirements of the CNI and CDBG grants themselves, which are itemized in the Memorandums of Understanding (forms of which are provided as Attachment 2 and 3) with partners. HACLA has additionally chosen to voluntarily apply its Section 3 obligations and other engagement and non-displacement policies unique to the Watts Rising initiative.

**Vision Plan:**

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

The CNI and CDBG grants 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 successfully fulfill the complex redevelopment of Jordan Downs and ensure that 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 BOC has previously agreed to commit $1,050,000 in non-federal leverage resources for administration of the CNI Grant and anticipates that these funds will be obligated over the five-year duration of the grant starting in FY2021. No new funding is being requested as part of this Board Report.

**Budget and Program Impact:** Please see Exhibit D – CNI Program Budget of the attached MOU, as summarized below:

<table>
<thead>
<tr>
<th>BLI</th>
<th>CNI Budget Description</th>
<th>CNI Budget</th>
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<tbody>
<tr>
<td>1405</td>
<td>Supportive Services</td>
<td>$ 4,944,145</td>
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<td>1409</td>
<td>Evaluation</td>
<td>$ 380,855</td>
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<td>1410</td>
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<td>1460</td>
<td>Dwelling Structures</td>
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<td>1480</td>
<td>Critical Community Improvements</td>
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<tr>
<td><strong>Total Grant</strong></td>
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<td><strong>$ 35,000,000</strong></td>
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Of the $35 million awarded, HACLA will be the direct beneficiary of 85% of the total funds received, which will go directly into either the physical redevelopment of Jordan Downs or targeted services to its residents. As final plans for all grant components are finalized, HACLA will review the grant administrative staffing and requirements to be successful and may return to the BOC as necessary for future fund obligations to complete the housing, people, or administrative components.

Environmental Review: All individual projects referenced and included in the CNI application as Critical Community Investments will undergo individual CEQA and NEPA review prior to any fund expenditure and implementation in accordance with respective State and Federal regulations.

Housing Project CEQA: The City of Los Angeles is the lead agency for the Jordan Downs Redevelopment (“JD Redevelopment”) for purposes of the California Environmental Quality Act (“CEQA”). The City of Los Angeles, acting through its Planning Department, approved a larger project under the Jordan Downs Urban Village Specific Plan (1,800 residential units; up to 250,000 square feet of commercial/retail/office plus up to 20,000 square feet of community-service retail and services in mixed use buildings; a network of parks totaling 8.9 acres; and new community facilities), and its associated Environmental Impact Report (“EIR”) and required findings on April 17, 2013 (ENV-2010-32-EIR). Two addendums to the EIR were prepared on January 11, 2016 and April 4, 2016 respectively to address any additional impacts not considered in the EIR as the result of a proposed Specific Plan Amendment. On April 14, 2016, the City Planning Commission found based on the whole of the administrative record that no subsequent or supplemental EIR or negative declaration was required. The future phased development of up to 1,569 housing units as contemplated in HACLA’s CNI grant application is consistent with the Specific Plan and its Amendment (CPC-2015-3990-GPA-ZC-SP) and will be subject to the imposition of various measures contained in the Specific Plan’s conditions of approval, including Mitigation Monitoring. On November 29, 2016, the Department of City Planning, through the authority of its Planning Director, issued a Specific Plan Project Permit Adjustment, to allow for minor changes to setbacks, common open space and parking area shading for the Phase 1B development. This Specific Plan Project Permit Adjustment was approved in compliance with CEQA and did not find any additional environmental evaluation or mitigations required.

No further environmental review is required for HACLA’s recommended actions because based on the project record there has been no change to the JD Redevelopment or substantial changes in circumstances or new information that would warrant subsequent environmental analysis in accordance with CEQA, including but not limited to Public Resources Code section 21166 and State CEQA Guidelines sections 15162, 15163 and 15164. The mitigation measures and related conditions of approval applicable to the JD Redevelopment have been reviewed and will be monitored for compliance.

Housing NEPA: Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Los Angeles Housing Department (“LAHD”) serves as the environmentally responsible entity in preparation of the Environmental Assessment and Finding of No Significant Impact (“EA/FONSI”) for the Jordan Downs Public Housing Community Project. The EA/FONSI was circulated for public review on June 13, 2014
through July 2, 2014. On December 22, 2015 a technical memorandum was prepared to review any changes to the project description. Based on this memorandum LAHD found that changes to the project description did not result in changes to the conclusion of the EA/FONSI. On February 11, 2016 the U.S. Department of Housing and Urban Development’s Office of the Field Office Director issued approval of HACLA’s Request for Release of Funds and Environmental Certification. In response to the completion of the soil remediation to meet site-specific clean-up goals on the 21-acre site purchased to build out the first phase of Jordan Downs, in June 2017, LAHD provided a Categorically Excluded Not Subject to §58.5 per 24 CFR 58.35(b).

**Section 3:**

HACLA and the Jordan Downs Community Partnership are committed to the application of Section 3 for all projects developed within Jordan Downs, including construction and post-construction jobs and business opportunities. The specific Section 3 requirements were adopted in the Second Amendment to the Master Development Agreement (Resolution 9327).

Although not required by HUD, HACLA will apply its Section 3 Guide and Compliance Plan to promote local hire and local contracting opportunities with the implementation of the People Plan and CNI Critical Community Investments in the Watts neighborhood. The Section 3 priority tiers will follow HUD’s guidelines for mixed finance projects, focusing on the primacy of public housing residents and residents and businesses in Watts for new jobs and contracting opportunities.

**Attachments:**

1. Resolution
2. Draft MOU between HACLA and Implementing Partners
3. Draft MOU between HACLA and the City of Los Angeles
ATTACHMENT 1.

RESOLUTION

WHEREAS, the Housing Authority of the City of Los Angeles (“HACLA”) 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, HACLA 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”);

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;

WHEREAS, on April 23, 2020, HUD notified HACLA 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 by Resolution 9605, HACLA accepted the CNI Grant and was provided authority by the Board to enter into various documents to initiate work;

WHEREAS, the Choice Grant is being leveraged by $5,433,479 in CDBG funding to support neighborhood improvements;

WHEREAS, HACLA will engage lead partners for the housing, neighborhood and people components of the implementation work and has selected the City of Los Angeles’ Mayor’s Office of Economic Opportunity as the Neighborhood Lead, Jordan Downs Community Partners made up of BRIDGE Housing and The Michaels Organization as the Housing Lead, and Children’s Institute Inc. as the People Lead, and with these partners will engage a diverse group of stakeholders, other non-profit and development partners and residents to implement the CNI Grant and undertake a community driven process towards revitalization;
WHEREAS, HACLA as Lead Agency is required to manage and oversee the expenditure of all grant funds for administration and the work of its implementing partners and in order to facilitate that expenditure is required to enter into a significant number of Agreements, Contracts and Memorandums of Understanding for significantly-sized capital projects, and multi-year services;

WHEREAS, the primary Memorandums of Understanding and Form of Predevelopment Loan documents and their associated terms are consistent with and convey the requirements of the CNI Grant and CDBG funding and are hereby approved by this Resolution as attachments to the associated Board Report; and

WHEREAS, all other contracts or agreements will incorporate the required obligations of the grants and will be with entities individually identified in the grant application or procured in accordance with CNI or CDBG Grant requirements, and the source of funding will be either the CNI Grant or CDBG funds in an aggregate amount not to exceed $5,433,479, or $1,050,000 in non-federal matching funds provided and obligated by HACLA during the grant term.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners authorizes the President and CEO, or his designee: (i) to enter into various agreements with Implementation Lead partners, consultants, non-profits and other third-party contractors in order to expend the FY 2019 Choice Neighborhoods Implementation (“CNI”) Grant awarded by the U.S. Department of Housing and Urban Development (“HUD”) in the amount of $35 million to be used toward the redevelopment of the Jordan Downs public housing community, services and programs for Jordan Downs residents and critical community investments in the greater Watts neighborhood; (ii) to enter into various agreements with entities engaged in Neighborhood projects approved through competitive selection by the City of Los Angeles through their annual Consolidated Plan process and incorporated into a Memorandum of Understanding between the City of Los Angeles and HACLA for an aggregate amount not to exceed $5,433,479 used as a match to the CNI Grant in the Watts community; and (iii) execute any agreements for administrative and grant support services with $1,050,000 in funding obligated as HACLA’s internal match to the CNI Grant as required by HUD; and (iv) to undertake various actions reasonably necessary to effectuate the terms of the CNI Grant Agreement and this Resolution, including but not limited to, negotiating, executing, and approving ancillary documents and agreements, all with the advice and/or approval of legal counsel.

BE IT FURTHER RESOLVED The President and Chief Executive Officer, or his designee, including the Chief Administrative Officer, the Chief Development Officer and the Chief Programs Officer (the “Designated Officers”), are hereby authorized and directed, for and on behalf of and in the name of HACLA, to execute any documents and agreements necessary to accomplish the grant obligations contemplated by this Resolution, with such changes therein as approved with the advice of legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

BE IT FURTHER RESOLVED that the “Designated Officers” of HACLA referred to herein are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Douglas Guthrie</td>
<td>President and Chief Executive Officer</td>
</tr>
<tr>
<td>Marlene Garza</td>
<td>Chief Administrative Officer</td>
</tr>
<tr>
<td>Jenny Scanlin</td>
<td>Chief Development Officer</td>
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<tr>
<td>Margarita Lares</td>
<td>Chief Programs Officer</td>
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</table>

BE IT FURTHER RESOLVED that the foregoing recitals are incorporated into this Resolution by this reference and constitute a material part of this Resolution.
BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: ___________________________

Cielo Castro, Chairperson

APPROVED AS TO FORM:

BY: ___________________________

James Johnson, General Counsel

DATE ADOPTED:______________________
ATTACHMENT 2.

DRAFT MEMORANDUM OF UNDERSTANDING
BETWEEN HACLA AND IMPLEMENTING PARTNERS
MEMORANDUM OF UNDERSTANDING

BETWEEN

THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES (LEAD AGENCY)

AND ITS

CO-LEAD AND IMPLEMENTATION LEADS

FOR THE WATTS RISING TRANSFORMATION PLAN FEATURING JORDAN DOWNS FORWARD
REDEVELOPMENT CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT

PROJECT IMPLEMENTATION

This Memorandum of Understanding (“MOU”) is dated as of September __, 2021 and is entered into by and among the Housing Authority of the City of Los Angeles (“HACLA” or “Lead Agency” or “Grantee”) and the City of Los Angeles (“Co-Lead” or “City”), City of Los Angeles Mayor’s Office of Economic Opportunity (“MOEO” or “Neighborhood Lead”), Jordan Downs Community Partners, LLC, a joint venture of the The Michaels Development Company I, LP and BRIDGE Housing Corporation (“JDCP” or “Housing Lead”), and Children’s Institute Inc. (“CII” or “People Lead”) (collectively “Implementation Leads”) (and together with HACLA and the City, the “Parties”). Additionally, the MOU incorporates the work of additional organizations which will be selected by the Parties through separate contracts, memorandums of understanding or agreements to assist with various activities related to the implementation of the Neighborhood Plan. Those organizations will assist with implementation of the objectives of the Neighborhood and People Plans and include organizations participating in the Watts Rising Collaborative (“Neighborhood Manager”), or “Neighborhood Team” and the leverage and contracted partners implementing the People Plan or “People Team.” This MOU is entered into pursuant to the award of a $35 million FY 2019 Choice Neighborhoods Implementation Program (the “CNI Program”) grant for the Watts Rising Transformation Plan featuring Jordan Downs Forward (“Watts Plan” or “Transformation Plan”) to HACLA and City from the U.S. Department of Housing and Urban Development (“HUD”), and the requirements of the CNI Program Grant Agreement as executed by both HACLA and the City with an effective date of August 12, 2020 (see Exhibit A). This MOU memorializes the terms and conditions that govern the implementation of the scope of work included in the Transformation Plan, allows for full expenditure of the $35 million in CNI funding by HACLA in direct allocation to the Implementation Leads or organizations selected to assist in implementation as a contracted partners on the People or Neighborhood Plan, passes through specific CNI Program policies and obligations, codifies the governing structure and decision-making process including conflict resolution, and defines the Parties’ roles, responsibilities, and requirements for community engagement.

RECITALS

WHEREAS, HACLA is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provision of the Housing Authorities Law, consisting of Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code; and

WHEREAS, the Co-Lead and Implementation Leads are organizations or public entities, authorized and with specific missions under their own Articles of Incorporation or relevant statutes to lead community-based projects, and have the individual wherewithal and expertise to competently execute
their proposed project or program, fund, monitor and report on their progress; and incorporate community interests and voices in their process; and

WHEREAS, HACLA, Co-Lead and Implementation Leads desire to improve the community of Watts and have individually and collectively engaged the residents and stakeholders of Watts in multiple visioning and planning processes over the past decade, culminating in public workshops which created the Watts Plan; and

WHEREAS, HACLA, Co-Lead and Implementation Leads believe that the Watts Plan can accomplish a positive and effective transformation of Watts and achieve strong public health and economic goals; and

WHEREAS, HACLA, Co-Lead and Implementation Leads have developed the Projects included in the Watts Plan, their respective budgets and schedules with an understanding of the CNI Program requirements; and

WHEREAS, HACLA and Co-Lead were awarded a FY 2019 CNI Program Grant on April 23, 2020 to support the execution of the Neighborhood, Housing, and People Strategies in the Watts Rising Project Area (see Exhibit B) as identified in the Watts Plan from the date of the grant award through September 30, 2026 per the approved Overall Project Schedule as may be amended from time to time (see Exhibit C), or in the case of Housing, through the completion of the entirety of the Housing Strategy; and all CNI Program grant funds must be expended by September 30, 2026; and

WHEREAS, HACLA, Co-Lead and Implementation Leads are prepared to lead and participate, for the term of the grant, and in the case of the Housing Lead, through the completion of the entirety of the Housing Strategy, in monitoring and evaluation of the programs and projects implemented to create evidence-based outcomes; and

WHEREAS, the Parties desire to enter into this MOU for the purpose of setting forth the terms and conditions that govern the implementation and necessary decision making related to the Watts Plan, define expectations and responsibilities of the Parties including the roles and responsibilities, legal and financial considerations, decision-making processes, and community engagement process.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

TERMS AND CONDITIONS

Section 1. Lead Agency

As the Lead Agency and Grantee, HACLA commits to all duties and responsibilities corresponding to the Lead Agency role under the Watts Plan for the length of the CNI Program Grant term.

Specifically, those duties and responsibilities include the following:

I. Commitments to Co-Lead, Implementation Leads, Neighborhood Team, and People Team:

A. Commitment to the Transformation Plan and Implementation Schedule. HACLA acknowledges that it:
i) has reviewed the FY2019 CNI Program Grant Agreement and related guidance from HUD;

ii) is fully committed to the goals and requirements of the CNI Program, the Jordan Downs Forward Redevelopment, the Watts Plan, the requirements of the Grant, and this MOU, and agrees to take all actions necessary to effectuate the requirements of the Transformation Plan in accordance with HUD requirements.

B. Commitment to Work Collaboratively. HACLA commits to work collaboratively with the City, Implementation Leads, Neighborhood Team, individual project leads and stakeholders throughout the entirety of the Grant term.

C. Leverage of Available Funds. HACLA will leverage, as appropriate, or assist in leveraging available federal, state, local, and private funds as available with additional public and private funding to support integrated strategic investment for transformation of Watts.

D. Incorporation of CNI Program Grant Agreement Requirements. HACLA is entering into the Lead Agency role in furtherance of the Watts Plan and intends that this MOU shall conform to and satisfy all requirements of the CNI Program. In the event of any inconsistency between any CNI Program requirement and the provisions of this MOU, or in the event of a failure to include a provision necessary to satisfy such requirements, then this MOU shall be construed to incorporate a provision satisfying such CNI Program Grant Agreement requirements and, if necessary, HACLA in collaboration with Co-Lead, Implementation Leads and Neighborhood Team (as needed) will execute in writing an amendment to this MOU.

E. Commitment to Fund Expenditure. HACLA commits to submit Budget Amendments as necessary to HUD on behalf of the Parties in a timely fashion, draw on HUD-approved expenditures and process payments to the Parties and all other contracted organizations providing services or fulfilling on projects incorporated in the Transformation Plan and HUD-approved People and Critical Community Investment Plans.

II. Responsibilities of HACLA as Lead Agency:

A. Lead Agency. HACLA shall be the Lead Agency for the Grant and will carry out all responsibilities required of the Lead Agency as described in the CNI Program Grant Agreement. HACLA agrees that it will be jointly and severally liable with the City, the Co-Lead, for performance of the Grant.

B. Lead Agency Responsibilities. As the Lead Agency, HACLA will be Managerially responsible for:

i) Coordination of all components of the Transformation Plan and for processing the approval of the Transformation Plan through HUD as may be necessary or appropriate;

ii) Facilitating resident and neighborhood involvement in implementing the Transformation Plan for the Watts neighborhood, including coordinating and supporting resident involvement in major decisions, ensuring the removal of barriers to involvement, such as language and safety, are adequately addressed.
and developing and managing a coalition of stakeholders in support of the Transformation Plan;

iii) Supervision and coordination of the Housing, People, and Neighborhood Leads, and the Neighborhood Team through HACLA’s Watts Rising initiative. Regular review meetings will be scheduled to discuss the current status and planned activities in connection with implementation efforts. This MOU will serve as the agreement between HACLA and MOEO as the Neighborhood Lead and CII as the People Lead for the implementation of the Watts Plan. HACLA has already entered into a Master Development Agreement (“MDA”) with the Jordan Downs Community Partners, LLC (“JDCP”) who will be the Housing Lead;

iv) Sole access to the CNI Program funding through HUD’s LOCCS and responsible for the administration of the funds disbursed from HUD under the Grant Agreement. HACLA shall comply with all accounting, disbursement, and recordkeeping requirements set forth in the Grant Agreement;

v) Preparation and disbursement of the Grant funds up to the approved CNI Program Budget as may be amended from time to time (see Exhibit D) to Implementation Leads, Neighborhood Team, administrative supporting organizations, individuals and individual CII project partners as reimbursement for predevelopment, development, administration, and services per the CNI Program Reimbursement Procedures (see Exhibit E) or per the CNI Predevelopment Loan template for predevelopment loans to the Housing Lead or its affiliate entities (see Exhibit F), both of which are subject to HUD review and approval and in compliance with the requirements set forth in the Grant Agreement;

vi) Entering into subcontract agreements with neighborhood organizations selected to lead the implementation of HUD-approved Critical Community Improvements (“CCI”) as well as City CDBG-funded leverage projects and monitoring and reviewing performance and payment requests under those subcontracts via HACLA’s Watts Rising Collaborative;

vii) Entering into subcontract agreements directly or executing formal consent to subcontracts entered into by CII as People Lead for the use of HUD-approved Choice Funding for services, programs and third-party contracts to meet the outcomes and goals of the People Plan;

viii) Reporting and submitting all required documents and reports to HUD or other governmental agencies, including financial, management and project status activity reports;

ix) Providing staff support during the entirety of the grant period;

x) Applying for State, Federal or other funding as opportunities arise;

xi) Compliance with RAD requirements;

xii) Achieving one-for-one replacement of Jordan Downs Public Housing units; and
xiii) Achieving and monitoring goals and associated indicators and outcomes as defined by the Watts Plan.

C. Build Equitable Policies. HACLA will engage other public partners, residents and community stakeholders to participate in the implementation process to ensure support for equitable development and to shape and enforce good policy around the opportunities and projects embedded in the Watts Plan.

D. Site Control. HACLA is the owner of the Jordan Downs public housing site and an adjoining 21-acre site purchased in 2008, and will lease both sites to the applicable Owner Entities affiliated with JDCP and Primestor Jordan Downs, LLC (“Primestor”) to be used for the development of replacement housing, additional affordable and market rate housing, and commercial/community development contemplated in the Jordan Downs Forward Redevelopment.

E. Commitment of funds and staff. HACLA will abide by its commitment of funds described in its executed Commitment Letter included in the CNI Program application, for pre-development and development activities, to leverage the CNI Program funding for administration and projects and to provide the necessary staff and consultants to ensure the success of the CNI Program investment in Jordan Downs and Watts.

F. Governance. HACLA commits to establishing, coordinating and working with the Watts Rising Community Advisory Group (“Advisory Group”) and Working Groups within the governance structure set forth in the CNI Program organizational chart (see Exhibit G) to ensure successful implementation of Jordan Downs Forward Redevelopment and the Watts Plan.

G. Sustainability. HACLA will work with the Co-Lead and other key partners to implement a sustainability plan to ensure long term viability of the improvements made under this Watts Plan for current and future residents.

H. Relocation Responsibilities. HACLA will be responsible for, but not limited to, the following tasks:

i) All Relocation Activities in the Jordan Downs Relocation Plan, which was ratified by its Board of Commissioners in January 2017, updated in March 2018, and as otherwise may be updated during the course of the CNI Program implementation, that is required for the construction of the Jordan Downs Redevelopment projects incorporated in the Watts Plan.

ii) Implement and oversee the administrative structure and processes for the relocation program that will be fully integrated with the case management and service coordination structure as designed by the People Lead;

iii) Participate in meetings with the resident organization, the broader community, and other entities, as needed, to ensure a smooth relocation process.

iv) Undertake all facets of the relocation process for affected households including, but not limited to:

1. Provide outreach to residents regarding the relocation program including
conducting community meetings, relocation fairs, drop-in sessions, and workshops as well as newsletters and written correspondence.

2. Survey all households to determine special needs, assess interest in various relocation options, and any potential challenges to successful relocation.

3. Provide translation and/or interpreter services, as needed, for individual resident counseling as well as community meetings and correspondence.

4. Orchestrate individual and/or family meetings to develop, explain and calculate relocation benefits to households.

5. Conduct regional mobility counseling to ensure families move to opportunity neighborhoods; and prepare fact sheets and other documentation to assist residents in their housing search.

6. Identify comparable units for households in accordance with household needs.

7. Conduct outreach to potential landlords to assist residents in successfully identifying Section 8 units; provide lease negotiation assistance when necessary; and manage disbursement of security deposit assistance upon move out as well as collection upon re-occupancy, if necessary.

8. Provide information on Housing Choice Voucher Program policies and procedures as well as how to work with private landlords, comply with private leases, handle utility and maintenance problems, conduct a housing search, and identify and respond to fair housing issues.

9. Coordinate transportation and other needs, such as daycare, to enable residents to view and assess comparable units.

10. Schedule moves and work with moving contractors to assure that move-outs and move-ins are completed as scheduled.

11. Work with utility companies to ensure timely hook-ups and with the post office to accomplish mailing address changes; work with returning residents to address outstanding utility balances and assist residents to obtain necessary utility connections upon returning to the new development; and help prepare residents one-on-one and in workshops to assume utility payments upon returning to the new site, including providing education on energy conservation.

12. Arrange for storage, as appropriate under the relocation plan; provide for extermination of all personal belongings prior to the move; and provide packing assistance, as needed.

13. Assist residents to complete the required paperwork including, but not limited to, applications, leases, and other necessary applications required to obtain a replacement unit.
14. Identify special needs of residents and assist with reasonable accommodation paperwork/process to ensure relocation unit has required special features.

15. Develop payment and financial reporting systems for timely disbursement of relocation benefits, including security deposits and replacement housing payments (“RHP”).

16. Work collaboratively with management to provide assistance during the re-occupancy period, which may include but is not limited to housekeeping and budgeting workshops and one-on-one assistance to help households meet the Good Standing requirements.

17. Rehousing of the Jordan Downs public housing residents if needed in accordance with the requirements in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, and, if the project also utilizes Community Development Block Grant (“CDBG”) or HOME funds, Section 104(d) of the Housing and Community Development Act of 1974, as applicable.

18. Relocating any person who moves permanently or temporarily if needed from real property or moves of personal property from real property directly because of acquisition, rehabilitation, or demolition undertaken by HACLA.

19. Maintain all URA-required documentation and deliver all relocation notices required under the URA/104(d) and other applicable federal and State of California laws and regulations.

20. Track relocation and related activities of 100% of relocated residents for at least a period of five years after their initial move via a comprehensive community and supportive services/relocation tracking system.

I. Additional Responsibilities. In addition, HACLA will be responsible for:

i) demolishing all structures in planned phases including residential, gymnasium, community facility and rental office located on the Jordan Downs public housing site subject to HUD, state and local jurisdiction approvals and providing suitable pads for development purposes;

ii) working with JDCP to achieve one-for-one replacement of the public housing units;

iii) ensuring that original residents living at Jordan Downs as of the CNI Program grant award date who, by their own choice, do not return to the development will have as good or better housing and neighborhood opportunities as those who occupy the redeveloped site;

iv) providing lead support for the involvement and capacity building of the public housing residents in Watts in the implementation of the Transformation Plan;

v) working with relevant stakeholders to increase the involvement and build the
capacity of neighborhood residents, businesses, non-profits, grassroots and faith-based organizations in the Watts Plan;

vi) imposing and monitoring compliance with the requirements of Section 3 of the Housing And Urban Development Act of 1968, 12 U.S.C. §1701u, as amended and the Section regulations set forth in 24 CFR Part 135 (collectively, “Section 3”) on all projects and activities included in the Watts Plan in accordance with HACLA’s Section 3 Guide and Compliance Plan (see Exhibit H) or in the JDCP/HACLA MDA, as applicable;

vii) imposing and monitoring compliance with federal procurement requirements set forth in 2 CFR Part 200 and local procurement requirements on all projects and activities included in the Watts Plan in accordance with HACLA’s Procurement Policy (see Exhibit I), or the JDCP/HACLA MDA, as applicable. All entities identified in the FY2019 Watts Rising Choice Neighborhoods Implementation Grant Application named as Implementation Leads or supporting partners as well as all organizations submitting for CDBG leverage funding under the Watts Rising Neighborhood Initiative are considered procured;

viii) ensuring the approved Non-Displacement Policy (see Exhibit J) and Community Engagement Policy (see Exhibit K) are being properly implemented by the Co-Lead and Implementation Leads and addressing issues or oversights of either policy with expediency when they arise;

ix) working with the Co-Lead and Implementation Leads to develop and monitor outcomes and metrics, design and implement data collection tools for all projects and programs, and develop a project dashboard to track progress and outcomes;

x) developing and approving community outreach tools to be utilized by all Parties, including a website, fact sheets, and public presentations;

xi) working with the Neighborhood Team to anticipate needs of the community, focus on key educational opportunities and encourage advocacy and accountability on behalf of Watts’ residents and businesses.

Section 2. City of Los Angeles as Co-Lead & Neighborhood Lead

By execution of this MOU, the City, as Co-Lead and Neighborhood Lead, commits to all duties and responsibilities corresponding to the Co-Lead as specified in the CNI Program Grant Agreement, and the execution of the Neighborhood strategy under the Watts Plan for the length of the CNI Program Grant term. Specifically, those duties and responsibilities include the following:

I. Basic Commitments as Co-Lead:

   A. Commitment to the Transformation Plan and Implementation Schedule. The Co-Lead acknowledges that it:

      i) has reviewed the FY2019 CNI Program Grant Agreement and related guidance from HUD;
ii) is fully committed to the goals and requirements of the CNI Program, the Jordan Downs Forward Redevelopment, the Watts Plan, the requirements of the Grant, and this MOU and agrees to take all actions necessary to effectuate the requirements of the Transformation Plan in accordance with HUD requirements.

B. Commitment to Work Collaboratively. The City commits to work collaboratively with HACLA, other Implementation Leads, government entities, and other project partners (or sub-consultants) that are responsible for the implementation of their respective project(s) as well as residents and stakeholders throughout the entirety of the Grant.

C. Leverage of Available Funds. The City will leverage, as appropriate, or assist in leveraging available federal, state, local, and private funds as available with additional public and private funding to support integrated strategic investment for transformation of the Watts neighborhood.

D. Incorporation of CNI Program Grant Agreement Requirements. The City is committed to the Co-Lead role in furtherance of Watts Plan, and intends that this MOU shall conform to and satisfy all requirements of the CNI Program. In the event of any inconsistency between any CNI Program requirement and the provisions of this MOU, or in the event of a failure to include a provision necessary to satisfy such requirements, then this MOU shall be construed to incorporate a provision satisfying such CNI Program Grant Agreement requirements and, if necessary, the Co-Lead will execute in writing an amendment to this MOU.

II. Responsibilities of the City of Los Angeles as Co-Lead:

A. Co-Lead. The City agrees that they will be jointly and severally liable with HACLA, as Lead Agency, for their specific performance on the Grant. The Co-Lead will also serve as a key member of the Advisory Group, responsible for providing guidance and oversight for the Transformation Plan.

B. Coordination of City Activities. The City will assist HACLA in the coordination of all government approvals or discretionary reviews required for implementation of the Jordan Downs Public Housing site redevelopment and the Watts Plan; including but not limited the coordination of any permits, approvals, funding or review by City departments and/or related agencies required in the appropriate and legal implementation of projects under the Transformation Plan.

C. Commitment of Funds and Staff: Co-Lead will ensure that all City-controlled funds and forward commitments stated as Leverage or Match funding in the CNI Program Grant application as well as appropriate staff for oversight of MOEO as the Neighborhood Lead, CDBG approvals and tracking, non-displacement activities, and housing investment will be made available and used appropriately to implement the Watts Plan. CNI Program funds shall not be used to supplant any City Services, or Leverage or Match commitment. Co-Lead will be held solely liable for abiding by any specific requirements of these leveraged sources and ensuring that there are no conflicts between policies or restrictions on all sources of funds needed to complete any specific project.
III. Responsibilities of the Co-Lead as Neighborhood Lead.

A. Neighborhood Lead. The Co-Lead will implement the Neighborhood strategy of the Transformation Plan and will be responsible for overseeing day-to-day improvement activities associated with the Transformation Plan. The Co-Lead may utilize various City departments, non-profits, sub-consultants, and HACLA’s Watts Rising Collaborative as Neighborhood Manager to provide needed day-to-day administrative, design, engagement or implementation support to coordinate and oversee initiation and completion of specific CNI-funded and/or CDBG-CNI funded neighborhood projects by Neighborhood project partners.

i. The Co-Lead reaffirms its understanding of and commitment to the standards of the Watts Plan and CNI Program, including that the Transformation Plan is intended to create the conditions necessary for public and private investment in the Watts neighborhood to offer the kinds of amenities and assets that support increased public safety, quality educational facilities, improved infrastructure, increased mobility, reduced hazardous waste and carbon emissions, keeping housing affordable and stable, providing a network of new local jobs and opportunities for small business incubation, and other critical quality of life values that are key to creating a healthy and vibrant community.

ii. The Co-Lead agrees to participate and incorporate the following implementation policies, as appropriate to their projects: the Non-Displacement Policy, Community Engagement Policy, and abide by the local contracting and hiring goals in HACLA’s Section 3 Guide and Compliance Plan for any portion of work associated with City department-led projects and hiring any related temporary or permanent positions.

iii. The Co-Lead will execute the Subgrantee and Contractor Certifications and Assurances form (Exhibit L) prior to the receipt of any CNI Program grant funds to implement the Neighborhood Strategy.

iv. The Co-Lead specifically commits to undertake or oversee with assistance from HACLA and its Watts Rising Collaborative the following activities:

1. Coordinating the services and activities included in the Watts Plan. Achieving the vision for any Neighborhood Project will require the involvement of many entities and City departments. The City and HACLA through its Watts Rising staff and Collaborative partners will collectively be responsible for coordinating the work of each entity involved in implementing a Neighborhood Project whether funded by CNI, CDBG or leverage resources and will ensure such entities inform and coordinate with any applicable Working Group(s) on such activities in order to maximize efficiency, utilize existing relationships and parlay the impact of multiple projects to garner improved response and collaboration from outside entities.

2. Critical Community Investment (“CCI”) Plan. MOEO will lead the development of the CCI Plan that details the specific subset of Neighborhood projects to be funded with CNI Program Grant dollars for HUD approval as required in the CNI Program Grant Agreement. MOEO will work with HACLA, Neighborhood partners and the HACLA-procured technical assistance
3. Oversee the implementation of CCI Projects as identified in the HUD approved CCI Plan (see Exhibit M) plus other Neighborhood Projects that may be funded with CDBG-CNI or other leverage resources, communicating any change in schedule, design or outcome immediately with the Lead Agency and Advisory Group, as appropriate, to determine if such change will require HUD review and/or change the outcomes of the Project; prepare and propose solutions and an action plan to address any issues as they arise; and work collaboratively with sub-consultants and project partners to ensure Projects do not deviate from intended purpose and expectations of the residents and stakeholders of Watts.

4. As the Neighborhood Lead, the Co-Lead will provide to HACLA on a timely basis the data required to fulfill HUD’s data collection requirements under the CNI Program grant according to the schedule per the Data Collection Plan using the forms and tools specified by the Lead Agency (see Exhibit N).

5. Look for opportunities to build on the CCI and other Neighborhood Projects to develop and administer new programs or projects that directly impact neighborhood quality and align with the vision of the Watts Plan.

6. Assist Lead Agency in applying for funding opportunities as they may arise during the course of the implementation period that may benefit the Watts Plan.

7. Participate and assist Lead Agency in oversight of project partners to collect and input data for planning, tracking, and evaluation of the CCI and Neighborhood Projects; develop and submit required reports to the Lead Agency and Advisory Group; assist with updates to any joint dashboard on project schedule and objectives on a routine basis; and ensure that project partners provide appropriate photos, stories, meeting and event notices in a timely fashion to the Lead Agency and Advisory Group.

8. Help ensure that CCI and Neighborhood project partners provide regular reports to the Lead Agency and Advisory Group on progress towards objectives and participate in responding to requests for any specific reports from HUD.

9. Help ensure that all Neighborhood Project partners receiving CNI Program grant funds execute the Subgrantee and Contractor Certifications and Assurances form prior to the receipt of any funds.

10. Help ensure all CCI and Neighborhood project partners prepare timely disbursement requests with all required back up documentation and submit to HACLA bi-monthly for review and submittal to HUD. Respond to HACLA requests for further documentation, as necessary, or inquiries from HUD on expenditures on a timely basis.

11. Help ensure that all CCI project partners maintain all records in accordance with any HUD requirements under the CNI Program Grant Agreement and
make them available to the public, auditors and HUD as requested. Allow HACLA opportunity to inspect and have full and complete copies of all records related to the implementation of the CCI projects held by the City, including but not limited to all public engagement documentation, receipts, contracts, data, correspondence, and reports.

12. Help ensure that all CCI project partners allow for assignment of applicable professional, construction and engagement contracts to Lead Agency and include Lead Agency as additional insured on all required insurance. Provide HACLA with copies of all contracts for review prior to execution to ensure that contracts meet all scope of work, programmatic and policy requirements.

13. Acknowledge duty to perform and accept all responsibility associated with such duty.

14. Require that all project partners develop individual Engagement Plans in accordance with the Engagement Policy in Exhibit H.

B. Working Group Participation. The Co-Lead will continue to lead the City Coordination Working Group and Non-Displacement Working Group and will help the Lead Agency ensure that CNI and CDBG-CNI funded project partners are connected to the right Working Groups. Participation in a Working Group requires attendance at regular meetings; coordination with organizations doing like projects; joint problem-solving and resource-sharing; coordination of community engagement and outreach activities, joint development and input on data tools and metrics; submitting data on time for all reports to HUD and the Lead Agency, preparation of the reports to the Advisory Group and preparation of Working Group materials for public dissemination.

Section 3. JDCP as Housing Lead

I. JDCP will serve as the Housing Lead for the Watts Plan. As the Housing Lead, JDCP commits to all duties and responsibilities associated with the execution of the Housing Strategy under the Watts Plan for the length of the FY2019 Choice Neighborhoods Implementation Grant term or until the Housing Strategy has been completed, whichever is later. Specifically, those duties and responsibilities include the following:

A. Commitment to the Transformation Plan and Implementation Schedule. The Housing Lead acknowledges that it:

i. has reviewed the FY2019 CNI Program Grant Agreement and related guidance from HUD;

ii. is fully committed to the goals and requirements of the CNI Program, the Jordan Downs Forward Redevelopment, the Watts Plan, the requirements of the Grant, and this MOU and agrees to take all actions necessary to effectuate the requirements of the Transformation Plan in accordance with HUD requirements.

B. Commitment to Work Collaboratively. JDCP commits to work collaboratively with HACLA, other Implementation Leads, Neighborhood Team, government entities, and other project partners (or sub-consultants) that are responsible for the implementation of
their respective project(s) as well as residents and stakeholders throughout the entirety of the Grant.

C. Leverage of Available Funds. JDCP will leverage, as appropriate, or assist in leveraging available federal, state, local, and private funds as available with additional public and private funding to support integrated strategic investment for transformation of the Jordan Downs Forward Redevelopment Plan.

D. Incorporation CNI Program Grant Agreement Requirements. JDCP is entering into the Housing Lead role in furtherance of the Watts Plan, and intends that this MOU shall conform to and satisfy all requirements of the CNI Program. In the event of any inconsistency between any CNI Program requirement and the provisions of this MOU, or in the event of a failure to include a provision necessary to satisfy such requirements, then this MOU shall be construed to incorporate a provision satisfying such CNI Program Grant Agreement requirements and, if necessary, JDCP will execute in writing an amendment to this MOU.

II. Responsibilities of JDCP as Housing Lead.

A. Lead Housing Implementation Entity. JDCP will oversee and implement the Housing Strategy in the Watts Plan that describes the activities and programs JDCP will undertake. JDCP acknowledges that its efforts under this MOU are part of a program designed to address, through a comprehensive, holistic approach, the housing and community needs of the Jordan Downs residents and the residents of the new revitalized community. Therefore, as the Housing Lead, JDCP agrees to perform the following key functions in coordination with HACLA and other Implementation Leads.

i. Strength of Partnership. JDCP affirms that a contract governing the rights and responsibilities of the parties is in legal force and effect for its joint venture.

ii. Day-to-Day Oversight. JDCP will be responsible for implementing the day-to-day development and asset management activities associated with the Housing Strategy.

iii. HUD Reporting. JDCP will provide to HACLA on a timely basis the data required to fulfill HUD’s data collection requirements under the CNI Program grant according to the schedule and using the forms and tools specified by the Lead Agency.

iv. Convening and Oversight. JDCP, in collaboration with the Neighborhood Team and HACLA, will engage and inform residents and community stakeholders within the Watts community about the Watts Plan to ensure communication is open and transparent and participation is real and informed and will participate in regular Advisory Group meetings and Neighborhood Council meetings, as necessary.

v. Housing. As part of the CNI Program Grant, JDCP commits to constructing 669 (700 total when including completed Jordan Downs Phase 1A units) replacement units for 669 distressed public housing units, plus an additional 435 affordable rental units, 200 market rate rental units including 16 manager’s units, and 150 homeownership units that include at least 25 affordable and 125 market rate units using a phased approach. The composition of the replacement units will take into
consideration the needs of current residents.

vi. Design. JDCP, with the assistance of predevelopment funding and input from HACLA, will conduct all design, due diligence, engineering, and quality control on the phased development in accordance with the adopted Jordan Downs Urban Village Specific Plan.

vii. Community Center: JDCP in partnership with Primestor will participate in the programming, design, fundraising and sustainability approach for the new Jordan Downs Community Center facility that will be the on-site home for the implementation of the People Strategy and its broad spectrum of community services and programs including a gymnasium.

viii. Open Space: JDCP will work collaboratively with HACLA in the development of a variety of parks and open spaces linked throughout the development, including pocket parks, parklets, greenways and a new six (6) acre Central Park adding a wide variety of active and passive areas for community cohesion, gathering and activity.

ix. Commercial Development: JDCP has partnered with Primestor to develop a 115,000 SF commercial node that will provide much needed amenities for the residents of Jordan Downs and the larger Watts community. Additionally, approximately 45,000 SF of neighborhood-oriented commercial space will be integrated into the residential components along 103rd Street and the Central Park to create a mixed-use pedestrian friendly environment, and encourage additional space for community amenities. JDCP will work with HACLA to develop a plan for tenanting this space in a manner consistent with the priorities and objectives of the community and will be responsible for entering into and overseeing active leasing and engagement in this space.

x. Connection. JDCP has connected Jordan Downs to the surrounding community with the extension of Century Boulevard, a new spine that not only connects Jordan Downs to the larger community but connects residents to the new commercial development, community center, parks and public transportation as well as educational, health and social service facilities. JDCP commits to continue this connective tissue with the implementation of an entirely new street grid, walking paths, bike pathways and bus routes as well as the all infrastructure needed to support this active transportation within Jordan Downs that breaks down blocks and buildings to walkable, safe and neighborhood-scaled to better match the fabric of the historic street grid of Watts.

xi. Sustainability. JDCP will redevelop Jordan Downs as a model of sustainability at the neighborhood level. The mixed-use community is designed to achieve a Gold certification level (or higher) according to the standards established by the US Green Building Council's ("USGBC") Leadership in Energy and Environmental Design for Neighborhood Development ("LEED ND") Rating System. The neighborhood design builds upon and complements those sustainability measures already required at the City and State levels and will be guided by the concept of sustainable urbanism. Additionally, the housing and community center will be designed and constructed with current technologies to ensure physical and technical long-term viability.
xii. Safety: JDCP will redevelop Jordan Downs as a welcoming, safe and integrated community utilizing a variety of strategies including thoughtful urban design, building designs, landscaping, lighting, camera systems, as well as engaging security services or community ambassadors and integration of multiple uses throughout the community.

xiii. Fair Housing and ADA. In partnership with HACLA, JDCP will abide by HACLA and the City of Los Angeles’ Affirmatively Furthering Fair Housing Policy and will ensure that it provides a minimum of 10% physically accessible units and 4% hearing/sight impaired units within each phase and incorporates universal accessibility design into as many units as feasible.

xiv. Joint Venture. JDCP is a partnership between Michaels Development Company, LP ("TMO") and BRIDGE Housing Corporation ("BRIDGE"). Both firms certify that both TMO and BRIDGE have executed an Operating Agreement between the firms that establishes their 50/50 joint partnership for the implementation of the Jordan Downs Forward Redevelopment Plan and have entered into an active and legally binding MDA with HACLA, executed on August 1, 2012 and amended twice in June 2017 and lastly on October 4, 2017. Terms outlined in the above referenced MDA govern the obligations of BRIDGE and Michaels within this MOU. While each firm has the individual expertise to meet the responsibilities of this MOU, both organizations will work collaboratively to manage all aspects of getting this project entitled, financed and constructed.

xv. Compliance. JDCP will ensure that all federal, state and local policies are adhered to including implementing the mitigation measures under CEQA/NEPA, constructing to the standards of all City building codes and inspection requirements, meeting conditions of any tract map or recorded covenant on the properties, ensuring tax credit compliance in operations, maintaining adequate records for audits, overseeing all lease up and management agreements, ensuring financial solvency of each phase, participating with HACLA in a Reciprocal Easement Agreement to ensure continual and regular maintenance and upkeep is conducted not only on the buildings but in the associated common areas and off-site shared improvements. JDCP will also comply with the Section 3 and Local Hiring requirements plus Davis-Bacon and/or state prevailing wage requirements as detailed in the JDCP/HACLA MDA.

xvi. Execution of Required CNI Program Forms. JDCP will execute the Subgrantee and Contractor Certifications and Assurances form prior to the receipt of any CNI Program grant funds to implement the Housing Strategy.

xvii. Resident Involvement. JDCP and its property management and service partners will actively support Jordan Downs resident involvement in implementation of the Jordan Downs Forward Redevelopment Plan and will design regular community engagements to develop a sense of community and ensure their input is always considered. As phases are completed, JDCP and its property managers will support resident leadership on site, including the Resident Advisory Council, and provide space, funding and administrative support to ensure that there is coordinated resident communication between and among all phases.

xviii. Property Management. JDCP and its property managers will, at a minimum,
comply with the Operations and Management Principle and Policies as identified in the CNI Program Grant Agreement during the course of their property management activities for the replacement housing units as they are completed.

xix. Services. JDCP will support the People Plan through direct contracts for services, participation in leadership on sustainability initiatives to continue services and programming past the term of the CNI grant, develop data collection tools, methodology and evaluation, and provide service coordination and management.

B. Housing Replacement Plan. JDCP agrees to replace all existing Jordan Downs housing units in accordance with the approved Housing Plan as may be amended from time to time (see Exhibit O).

i. Any addition or deletion of phases to the Housing Plan, change in number of units, or change in the income mixing for the phases identified must be jointly agreed to by HACLA and JDCP and approved by HUD.

ii. All replacement housing units to be funded using CNI Program Grant funds will be completed as demonstrated by the receipt of a certificate of occupancy or equivalent no later September 30, 2026 as specified in the CNI Program Grant Agreement. JDCP will remain liable for the delivery of any remaining replacement housing units plus additional affordable and/or market-rate units per the Housing Plan until they have been completed. This includes the delivery of 150 homeownership units (125 market rate and 25 affordable) by JDCP or another party contracted by JDCP with HACLA approval in accordance with Housing Plan.

iii. The replacement housing sites will be subject to the MDA, the terms of which have been negotiated in accordance with each party’s financial interests, including but not limited to, development and construction equity, guarantees, investor requirements, and deficits. JDCP is required to provide construction completion, operating deficit and/or tax credit compliance guarantees to respective lenders and investors and can be the managing member, or managing partner, of each new Owner entity for the phased development.

iv. Developer fee equivalent split between HACLA and JDCP has been negotiated in the MDA and Developer fee will comply with HUD guidelines (HUD Cost Control and Safe Harbor Standards).

v. For each housing phase, JDCP is responsible for preparing the Financing Plan for HACLA and HUD review and providing annual and quarterly updates to HACLA as phases enter construction as well as any changes in projected future sources of funds.

vi. Per the terms of the approved Housing Plan Sources and Uses and subject to future amendments (see Exhibit P), JDCP will be loaned CNI funds for pre-development and development activities for each project with a 3% simple interest rate starting after construction completion, paid through residual receipts. By inclusion in this MOU, the Parties agree to the general terms of the Predevelopment Loan document (see Exhibit F) and HACLA may execute Predevelopment Loans with the phase-related partnerships under JDCP for use
of the CNI funds without further approvals by HACLA’s Board of Commissioners, as long as the phase-specific documents have been approved by HACLA’s legal counsel and HUD has approved the release of funds through their Budget Amendment process.

Per the terms outlined in the MDA, JDCP, as the party providing the construction completion, operating deficit, and tax credit compliance guarantees, shall have lead responsibility for selecting the general contractor as well as debt and equity providers. HACLA’s right to review solicitations as well as approve selections, are outlined in Paragraph 5.7 of the MDA.

vi. Per the terms of the MDA Section 5.9 and 5.10, for each phase, HACLA will be granted the right of first refusal and option to acquire the property at the end of the tax credit compliance period at the lowest price that is permitted under Section 42(i)(7) of the Internal Revenue Code of 1986, as amended. Such agreement will provide that if Section 42 of the Internal Revenue Code of 1986 is amended to permit the purchase price under the option to be the same as the purchase price under the right of first refusal, the purchase price under the option shall be the purchase price under the right of first refusal as long as this is acceptable as part of the investor terms.

C. Working Group Participation. The Housing Lead will participate in the City Coordination Working Group, Non-Displacement Working Group, People Plan Working Group, Data Sub-Group and will lead the Housing Implementation Working Group along with HACLA. JDCP’s participation will ensure that the phases are able to meet their schedules, budget and metrics; that JDCP is communicating regularly with stakeholders; and that data and communication are the cornerstones to informing the work and ensuring improved outcomes. Participation in a Working Group requires attendance at regular meetings; joint problem-solving and resource-sharing; coordination of community engagement and outreach activities, joint development and input on data tools and metrics; and submitting data on time for all reports to HUD, the Lead Agency or the Advisory Group.

Section 4. Children’s Institute Inc. as People Lead

I. Children’s Institute Inc. ("CII") will serve as the People Lead, for the Watts Plan. As the People Lead, CII commits to all duties and responsibilities associated with the execution of the People Strategy (the “People Plan”) under the Watts Rising Transformation Plan for the length of the FY2019 Choice Neighborhoods Implementation Grant term. Specifically, those duties and responsibilities include the following:

A. Commitment to the Transformation Plan and Implementation Schedule. The People Lead acknowledges that it:

   i. has reviewed the FY2019 CNI Program Grant Agreement and related guidance from HUD;

   ii. is fully committed to the goals and requirements of the CNI Program, the Jordan Downs Forward Redevelopment, the Watts Plan, the requirements of the Grant, and this MOU and agrees to take all actions necessary to effectuate the requirements of the Transformation Plan in accordance with HUD requirements.
B. Commitment to Work Collaboratively. CII commits to work collaboratively with HACLA, other Implementation Leads, Neighborhood and People Team, government entities, and other project partners (or sub-consultants) that are responsible for the implementation of their respective program(s), as well as residents and stakeholders throughout the entirety of the Grant.

C. Leverage of Available Funds. CII will leverage, as appropriate, or assist in leveraging available federal, state, local, and private funds to support integrated strategic investment for the Watts Plan and maintains its commitment to leverage as spelled out in CII’s commitment letter include in the original Watts Rising CNI application.

D. Incorporation of CNI Program Grant Agreement Requirements. CII is entering into the People Lead role in furtherance of the Watts Plan, and intends that this MOU shall conform to and satisfy all requirements of the CNI Program. In the event of any inconsistency between any CNI Program requirement and the provisions of this MOU, or in the event of a failure to include a provision necessary to satisfy such requirements, then this MOU shall be construed to incorporate a provision satisfying such CNI Program Grant Agreement requirements and, if necessary, CII will execute in writing an amendment to this MOU.

II. Responsibilities of CII as People Lead.

A. People Lead. CII will oversee and ensure the implementation of the People Plan (see Exhibit Q). The People Plan incorporates the activities and programs CII will undertake in support of the Transformation Plan and includes additional partnerships that will be leveraged and/or directly contracted to fulfill the most critical needs of the community and provide them the greatest opportunity to thrive. CII acknowledges that its efforts under this MOU is part of a program designed to enhance the health, education, employment and social needs of current Jordan Downs residents and the residents of the replacement housing units at the newly revitalized Jordan Downs community as new units are constructed. Therefore, as the People Lead, CII agrees to perform the following key functions in coordination with HACLA, the City and other Implementation Leads:

i. Collaboration and Oversight. CII will serve as the lead agency for the People Plan, which includes the Education Plan. In this role, CII will coordinate the People activities (including the Education Strategy), engage funding and program partners, and ensure integration of the People Plan with the Housing and Neighborhood Strategies to ensure a comprehensive, holistic approach to the Jordan Downs transformation effort. CII will communicate the People Plan and results to Jordan Downs and Watts stakeholders, partners, and residents to solicit feedback and ensure transparency.

ii. People Plan. CII will lead in the development of the People Plan for HUD approval as required in the CNI Program Grant Agreement. The People Plan will detail the supportive services to be provided to Jordan Downs residents generally, Jordan Downs residents that have been relocated, and residents who reside in a replacement unit post-revitalization for the term of the Grant Agreement. To create a fully integrated site, the People Plan will also serve Jordan Downs residents living in non-replacement affordable units. CII will work with HACLA, JDCP, other leverage partners and the HACLA-procured relocation consultant to develop the plan.
iii. Service Coordination. CII will work with the service organizations (“Service Coordinators”) retained by JDCP to deliver on-site service coordination for residents residing in the new replacement and other affordable rental units as completed. CII and the Service Coordinators will collaboratively design a service protocol that adopts a “No Wrong Door” approach with a seamless system to connect residents to needed services and share information between CII and the Service Coordinators.

iv. Relocation Coordination. CII will work closely with the HACLA-procured relocation team to ensure successful relocation and right to return for Jordan Downs residents. This includes coordinating the relocation team’s work with the Service Coordination Working Group.

v. Reporting and Evaluation. CII will utilize its in-house team and rely on the expertise and partnership of BRIDGE Housing, The Michaels Organization, HACLA, the Partnership for Los Angeles Schools, the Los Angeles Unified School District and other institutions through data sharing agreements to track and collect data that allows for regular reporting on Transformation Metrics to HUD via funders and stakeholders, the tracking of deliverables, and documenting program impact and outcomes. CII will be responsible for entering the agreed upon People metrics required to fulfill HUD’s data collection requirements under the CNI Program directly into the CN Inform system according to the schedule agreed to with the Lead Agency.

vi. Annual Resident Needs Assessment. CII will take the lead in developing the protocol for administering and collecting data for the required annual Resident Needs Assessment under the CNI Program. This data will be reported into CN Inform on an annual basis according to the HUD schedule.

vii. Leverage and Sustainability. CII will lead efforts to engage program partners to secure leverage and funding to expand and enhance programs and services that further Transformation Plan outcomes. CII will work with the HACLA, the City of Los Angeles, MOEO, and JDCP, to identify funds to support and sustain programs and services after the CNI Program grant funds have been expended.

viii. Programs. CII will perform the following program oversight functions:

1. Ensure the successful implementation of the People Plan as approved by HUD.

2. Ensure the implementation of cradle through career programs, services, and strategies that support Health, Economic Self-Sufficiency, Early Childhood Education, Education, and Job and College Readiness outcomes for residents of Jordan Downs and leverage resources to allow for expansion, as possible, to residents of the Watts community.

3. Collaborate with HACLA to ensure that programming provided by all partners whether located on-site or off-site is coordinated, responsive to resident needs, and complimentary of the services provided by other partners.

4. Coordinate with all People and Education service partners to ensure quality programming, accountability to performance and outcomes, and successful
programs and services that impact health, education, and economic outcomes for residents of Jordan Downs.

5. Monitor the provision of service delivery and programs to Jordan Downs residents by leverage People partners in accordance with their commitment letter in the CNI Grant application.

6. Add or replace program and service partners and/or components as new community needs emerge or existing partners fail to perform.

7. Pursue new and additional funding opportunities as they may arise during the course of the implementation period that may benefit the residents of Jordan Downs.

8. Meet the Economic Self-Sufficiency and Health outcomes of the CNI Program and those specifically created for the Transformation Plan through collaborative services that include, among others: case management and service coordination, behavioral health services, access to a medical home and insurance, vocational and job skills training, literacy programming, high school completion, financial literacy, Section 3 and other employment opportunities.

9. In partnership with Partnership for Los Angeles Schools (“Partnership”) and other programs and services partners, meet the Early Childhood Education, Education, and College/Career Readiness outcomes of the Transformation Plan through services that include, among others: school readiness, early childhood education programs and educational opportunities, youth programs that support academic achievement, high school diploma completion programs, and jobs and career readiness programs for transitional youth. In addition, CII will work with the Partnership to ensure that the Education Strategy includes supporting ongoing and new school transformation efforts.

B. Working Group Participation. CII in partnership with HACLA and JDCP will lead the People Plan Working Group which may incorporate separate sub-groups focused on specific service areas, including: Service Coordination, Health, Employment and Education, and Data. CII, JDCP and its service leads, as well as HACLA will collectively be responsible for setting up the service coordination structure to ensure a seamless delivery system for Jordan Downs residents, and then conducting periodic reviews of that process and making adjustments as needed. CII will work with the sub-groups focused on Health, Employment and Education to provide opportunities for the respective People Plan partners to convene, coordinate, and discuss activities, and make recommendations for the addition or modification of programming based on progress towards specified outcomes. As the Working Group lead, CII will be responsible for hosting meetings and ensuring attendance and accessibility of meetings to partners and residents. CII will facilitate connection of Jordan Downs residents to employment opportunities as well as other employment training and supports available via the Watts/LA WorkSource Center. Participation in a Working Group or sub-group requires attendance at regular meetings; joint problem-solving and resource-sharing; coordination of community engagement and outreach activities, joint development and
Section 5. Data Collection and Coordination

I. The Transformation Plan effort is focused on collecting and utilizing data to 1) improve project delivery and quality; and 2) to hold the Implementation Leads and the project and program partners accountable to specific impact goals.

II. The Data Sub-Group, facilitated by CII, will involve all Implementation Leads with the assistance of third party consultants, as needed, to implement the Data Plan and coordinate with other Data efforts in Watts to provide significant and longitudinal feedback on the impact of CNI investments in Watts on residents and businesses. Data collection and coordination must meet HUD requirements at a minimum and will be implemented in the following manner:

A. Implementation Leads will identify specific indicators that will be tracked over time to understand CCI/CDBG project quality and to assess public health, economic development and other project-specific outcomes.

B. Host Data Sub-Group meetings, develop survey tools, manage survey collection and create data dashboards and data books

C. Train residents, Implementation Leads and project partners on how to collect and report on data to meet HUD requirements and overall grant goals.

D. The Data Sub-Group will be focused on updating and adding to a data dashboard that provides quarterly and annual reports on key indicators that the group defines.

E. The Data Sub-Group will produce annually a data dashboard to track individual Neighborhood projects against their performance goals, assess the effectiveness of the People Plan and help Implementation Partners determine if they need to modify their approach.

Section 6. Non-Displacement Partners

I. HACLA, in collaboration with the Mayor’s Office, will work with various Non-Displacement Partners to incorporate non-displacement approaches in the implementation of all projects funded and promote services in the community that are considered important non-displacement tools, such as:

A. Assisting households with foreclosure prevention;

B. Providing tenant advocacy and referrals to low cost legal representation;

C. Providing financial homeownership, and tenant’s rights education;

D. Analyzing the effectiveness of existing policies and programs on residents and businesses; make modifications as necessary; and report regularly to the Advisory Group on related Non-Displacement efforts.
Section 7. HACLA’s Watts Rising Team as Neighborhood Manager

I. Collaborative Stakeholder Structure

HACLA has developed staffing and a collaborative structure that will continue to be used for the implementation of the Watts Plan. The Watts Rising Collaborative, an ever-evolving group of organizations participating in the implementation of funded Neighborhood Projects, community grassroots organizations, and residents will participate in guiding the implementation of the CNI Program Neighborhood Strategy. HACLA's Watts Rising staff will consult with the community when making decisions related to any changes to the CCI or Neighborhood Plan needed during grant implementation under the direction of and in consultation with the Neighborhood Lead.

II. Watts Rising Collaborative

A. Who. The Watts Rising Collaborative hosts a Community Engagement Working Group ("Advisory Group") comprised of residents of Watts who are Street Team members, residents and stakeholder of Watts who sit as Community Advisory Group members, and government and organizational representatives.

B. Meeting and Purpose. For order and efficiency, the Advisory Group meets monthly or as needed. The Advisory Group acts as a primary source for Community Engagement strategies and feedback, and advises on Watts Rising events, projects, communications and marketing. The Advisory Group brings together key community stakeholders that can provide insight on community sensitivities and the grassroots needs of the community. The Advisory Group helps set agendas for regular Public Forums, where information and ideas are exchanged in an open-meeting style and assists with the development of Watts Rising Open Houses. These stakeholders represent the ability to problem-solve any potential problems that may arise.

Project-based Working Groups and Project partners attend Advisory Group and Public Forum sessions as needed and utilize it as a tool for feedback on their approach and progress. The Watts Rising Collaborative has developed a structure to engage the community that will be continued and applied to the Watts Plan, and the Advisory Group provides the most direct forum for feedback on expansive goals, intentions and engagement and to make sure that projects connect to additional efforts in the neighborhood.

The Advisory Group is built to provide guidance and resources to ensure the Projects funded by the CNI Program grant and other large grants are on track and outcomes are achieved or exceeded. If Projects are stalling or organizations are not performing, these issues will be raised with the Advisory Group who is then expected to evaluate the situation and provide suggestions for resolution.

All meetings of the Advisory Group and any Public Forums shall be held in Watts or in virtual format and shall provide public notice to interested stakeholders from the community. Agendas for each meeting shall be posted and distributed beforehand to ensure residents and businesses in the Watts community and Advisory Group members are informed and able to participate in the consultation process. All agendas and presentation materials will be in Spanish and English and translation will be available at all meetings.
III. Watts Rising Collaborative Responsibility

A. Process Responsibility. The Watts Rising Collaborative is currently housed within HACLA, who provides oversight, and administrative and financial support to ensure its success. The Watts Rising Collaborative is currently staffed to manage both large grant administration, backbone development amongst varying partners, project management and community engagement. The Watts Rising Collaborative, as the Neighborhood Manager, will provide similar services within its current capacity to offer crucial assistance to MOEO to ensure the success of neighborhood activities embodied in the Watts Plan. It is anticipated that Watts Rising Collaborative staff will perform direct management and oversight of contracts with non-profits, consultants and other organizations to implement CNI-funded and CDBG-CNI funded improvements not constructed by the City or under the direction of a City department. The Watts Rising Collaborative will provide primary oversight of all grant reporting, tracking, invoicing, contracts, and communications associated with the Neighborhood Strategy. High-level staff at HACLA and MOEO have been assigned to manage all aspects of the Neighborhood Strategy and through HACLA’s Strategic Initiative and Development Services units. For HACLA, the ultimate responsibility will be shared by HACLA’s Chief Development Officer and the Community Relations Director. For the City, a full-time staff person within MOEO and the Economic Development Director for Council District 15 will be responsible for ensuring that all City commitments are met. Both HACLA and the City will participate in established Working Groups to manage the implementation of Neighborhood projects as well as broader policy issues such as the Non-Displacement Working Group and Data Sub-Group; allowing them to monitor day-to-day work and be acutely aware of roadblocks, conflicts or performance issues.

Section 8. Governance and Communication

I. Communication. HACLA will have lead responsibility for all communications with HUD, while the City will take the lead on communicating with other legislative offices at the County, State and Federal level. HACLA and City staff leading these efforts will be in regular communication and hold regular meetings to ensure cohesive oversight and management of all projects, programs and events.

HACLA and the City will consult with the Implementation Leads and Advisory Group privately and in working group settings to ensure clear messaging and communication on goals and requirements; address conflicts and roadblocks as they arise; and ensure that decisions are well-informed and made quickly to guarantee success. Implementation Leads have responsibility for their respective Working Groups and the City and HACLA will provide administrative support. All program or project shifts made within the Working Groups must be done in consultation with and the approval of HACLA and the City.

II. Other Parties

A. Sub-Contractors. For all sub-contractors acting as project implementers for some aspect of the Transformation Plan, the Implementation Lead managing that subcontract will require the subcontractor to participate in the relevant Working Group(s), Advisory Group or other meetings. Sub-contractors play a critical role in assisting the Implementation Leads in reaching their goals and should be part of the
cross-pollination process. All sub-contractors receiving funding from CNI must be approved in writing by HACLA as Lead Agency. HACLA may procure and directly contract for these services or Implementation Leads may contract directly. However, any contract executed by an Implementation Lead must have a separate HACLA consent page included. The consent page must be executed by HACLA’s President and CEO, or designee, in order for the services provided under that contract to be considered eligible for CNI funding. HACLA’s consent to the contract does not guarantee reimbursement and HACLA reserves the right to review all invoices for appropriate and timely completion of objectives and invoice back-up materials. Both HUD and HACLA may reject or disallow requested reimbursements with cause. Sub-contractors need not be competitively procured by HACLA or Implementation Leads if the sub-contractor was specifically named in the Watts Plan, if the sub-contractor was selected through a community-led process, or if the sub-contractor will be committing leverage funding to complement any CNI funds required to fulfill their proposed program or project. All other sub-contractors, whether tasked with programmatic, administrative or professional service duties should be procured in accordance with Attachment I.

B. Working Groups. The Watts Plan will initiate its operation through the following Working Groups: (1) People Plan, (2) City Coordination, (3) Non-Displacement, and (4) Housing Implementation. The number and type of Working Groups may be changed as HACLA, the City and the Implementation Leads determine is best, with such determination to eliminate, add, or change the number or type of Working Groups being discussed and reviewed with HACLA, as Lead Agency.

C. For each Working Group not already in operation, when convened, it shall establish its meeting schedule, meeting guidelines, agenda, and structure.

D. HACLA, as Lead Agency, will ensure that all public meetings meet all Limited English Proficiency (“LEP”) requirements and will provide administrative support to all Working Groups, as needed.

E. Requirement for Community Input on Plan Changes. All substantive changes or material issues related to implementing the Watts Plan shall be shared with the Advisory Group or the Resident Advisory Council for Jordan Downs or other relevant public forums where the community has an opportunity to speak on the topic and members of the public are invited to listen, provide comment and suggest alternatives. HACLA, the City and all impacted Implementation Leads, Neighborhood Team, People or Neighborhood project partners must consider these suggestions seriously. If issues or modifications require HUD intervention or a modification to the CNI Program Grant Agreement, HACLA will present them to HUD after community consultation. If modifications require review by the City for compliance with CDBG guidelines, MOEO will take the lead. If the Advisory Group or Resident Advisory Council for Jordan Downs is deeply divided on an issue, HACLA will pursue conflict resolution and address the division before moving forward. It is the goal to have the community recommendations or advisory statements be supported by the majority of stakeholders in Watts or Jordan Downs, respectively.
Section 9.  Process to Ensure Community Stakeholder Representation

HACLA will consult with the Implementation Leads as well as the Watts Rising Collaborative through its Advisory Group, Jordan Down Community Coaches and the Jordan Downs Resident Advisory Council and in working group settings to ensure clear messaging and communication on goals and requirements; address conflicts and roadblocks as they arise; and ensure that decisions are well-informed and made quickly to guarantee success. The Working Groups as well as the Advisory Group provide forums for discussion, information-sharing and advice. Ultimate decision-making powers regarding changes in direction, lead agencies, and implementing partners will be at the discretion of HACLA as Lead Agency but will be discussed in the appropriate forum and recommendations are intended to be made with the consensus of the Parties incorporated in this MOU. Program or project shifts that impact outcomes or commitments under the CNI Program Grant Agreement must be approved by HACLA as Lead Agency, and by HUD as may be required under the Grant Agreement.

HACLA staff leading these efforts are in regular communication and hold regular internal meetings to ensure cohesive oversight and management of all projects, programs and events.

Section 10.  Accountability

HACLA shall work with the City, Implementation Leads and stakeholders to engage them on what accountability measures the community would like to see throughout the process. To be accountable to the community, HACLA, the City and Implementation Leads commit to regular tracking of project metrics. All programs and projects include strong levels of community engagement and input and are required to report out to their respective Working Groups, allowing for peer-to-peer accountability and evaluation as well as direct community accountability. Surveys conducted at Jordan Downs and any conducted in the Watts neighborhood will be geared towards developing indicators that can be tracked to determine if the CNI Program investments are changing attitudes, behavior, health and circumstance for Jordan Downs and Watts residents. Advisory Group Meetings will be open to the public, broadly publicized in Spanish and English, with clear agendas, minutes and a record of attendance to ensure regular accountability.

HACLA is responsible for ensuring the accountability of its Implementation Leads, project partners and Working Groups to meet their responsibilities and implement their programs and projects in a timely fashion, in accordance with their Work Plans and within their budget allocation. HACLA will dedicate staff to monitor all projects, participate in Working Groups and track progress through data dashboards and utilization of specific project management software, such as Monday.com, that allow for task collaboration. Utilizing this software allows HACLA to measure progress and determine early on when tasks and timelines are not being met. HACLA, as Lead Agency, will meet with the Co-Lead when items begin to get flagged as late and develop appropriate work plans to address issues as they arise. HACLA and Implementation Leads will engage in regular meetings and/or site visits to visually inspect progress and build out of all projects, as appropriate, and will utilize community leaders, technical consultants and project management consultants, as needed to ensure accountability.

Section 11.  Term of the MOU & Termination

I.  Term of MOU. This MOU shall run for the duration of the CNI Program Grant Agreement and terminate on September 30, 2026 unless otherwise required by HUD based upon the current implementation status of the Transformation Plan.
II. Termination of MOU. HACLA reserves the right to terminate this MOU for convenience upon 30 days written notice to the Co-Lead, Implementation Leads and Neighborhood Team Leads. This MOU will automatically terminate upon the completion of all activities pursuant to the CNI Program Grant Agreement.

III. Co-Lead and Implementation Leads Shall Deliver Work Product in Event of Termination. In the event that this MOU is terminated under this Section 11, the Co-Lead and Implementation Leads agree that they shall promptly deliver to HACLA, or cause to be delivered to HACLA, without warranty or representation, any concrete, transferable, and useable third party work product generated in connection with the planning or implementation of their respective project(s) that were paid for in whole or in part by CNI Program grant funds.

Section 12. Indemnification

I. The Co-Lead and Implementation Leads shall indemnify and hold harmless HACLA and its respective commissioners, directors, officers, agents, employees and affiliates hereunder from any loss, cost, damage, claim, demand, suit, liability, judgment and expense (including reasonable attorneys' fees actually incurred and other costs of litigation) (“Claims”) arising out of or relating to any injury or death of persons, or damage to or loss of property to the extent resulting from any material breach of this MOU or the grossly negligent or intentional wrongful acts of the Co-Lead, Implementation Leads or each of their member entities, agents, partners, employees or hired third-party contractors arising or occurring after the date hereof, excluding Claims arising from the active negligence or willful misconduct of HACLA.

II. HACLA shall indemnify and hold harmless the Co-Lead, Implementation Leads, and each of their directors, officers, members, partners, agents, employees and affiliates hereunder from any Claims arising out of or relating to any injury or death of persons, or damage to or loss of property to the extent resulting from any material breach of this MOU or the grossly negligent or intentional wrongful acts by HACLA or its employees arising or occurring after the date hereof, excluding Claims arising from the active negligence or willful misconduct of the Co-Lead, Implementation Leads, or hired third party contractors.

Section 13. Mutual Cooperation

The Parties hereto agree that they will each cooperate with the other, and shall provide such information and documentation as is reasonably necessary to fulfill the intent of this MOU, and shall make diligent response to inquiries and requests for information from the other Parties. The Parties agree to provide all project-related information and documents as requested by the other Party or the Federal Government through HUD, including all grant related reporting and documentation.

Section 14. Insurance

I. Pursuant to the CNI Program Grant Agreement and this MOU, at its own cost and expense, all parties to this MOU (Co-Lead, Implementation Leads and their partners, sub-contractors, and agents) will procure and maintain the following types of insurance for the duration of the CNI Program Grant Agreement, unless the duties of the work is such that it does not require such coverage:

A. Statutory Workers' Compensation, as required by the California Labor Code, and listing the Authority as a Certificate holder; and
B. Comprehensive General Liability, with limits not less than $2,000,000 with HACLA as an additional insured; and

C. Comprehensive Automobile Liability insurance with limits not less than $500,000 per occurrence for all owned and non-owned vehicles, with HACLA as an additional insured on the policy, as appropriate, based on activities; and

D. All Implementation Leads utilizing volunteers and working with youth need to provide evidence of any specific additional insurance, or increased limits required.

II. All evidence of insurance coverage is required to be submitted in accordance with this MOU and shall be delivered to the attention of the Chief Development Officer for HACLA at 2600 Wilshire Boulevard, 3rd Floor, Los Angeles, CA 90057. HACLA shall use reasonable standards to determine as to whether the documentation submitted conforms to the requirements of this MOU.

Section 15. Effect of MOU

I. This MOU is the complete and total understanding of HACLA, Co-Lead, and Implementation Leads with regard to the subject matter hereof. Any changes, modifications or addendums to this MOU must be in writing; approved by HACLA, Co-Lead, and the Implementation Leads; signed by HACLA, Co-Lead, and the Implementation Leads; and approved by HUD, if necessary.

II. Nothing contained in this MOU shall be construed to require, or have the effect of requiring, HACLA to take any action inconsistent with any applicable law, rule or regulation which governs HACLA’s actions.

Section 16. Grant Agreement Addendum

Per the CNI Program Grant Agreement, the Co-Lead and Implementation Leads, plus any other parties receiving CNI Program Grant funding are required to sign the “Subgrantee and Contractor Certifications and Assurances” form included as Exhibit A in the CNI Program Grant Agreement prior to the receipt of any CNI Program grant funds.

Section 17. Assignment and Assumption

Neither HACLA nor the Co-Lead or Implementation Leads shall assign any of their interests or obligations under this MOU to any other party, without the prior written consent of the other applicable party.

Section 18. Binding Upon Successors

All provisions of this MOU shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of each of the Parties; provided, however, that this section does not waive the prohibition on assignment of this MOU by any Party.
Section 19. **Effect of Legal Judgments**

Should any covenant, condition, or provision herein contained be held to be invalid by final judgment in any court of competent jurisdiction, the invalidity of such covenant, condition, or provision shall not in any way affect any other covenant, condition, or provision herein contained.

Section 20. **Notices**

Any notices to be given pursuant to this MOU shall be in writing, and all such notices and any other document to be delivered shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, and addressed to the party for whom intended as follows:

**HACLA:** Housing Authority of the City of Los Angeles  
2600 Wilshire Boulevard, 3rd Floor  
Los Angeles, CA 90057  
Attention: Douglas Guthrie, President and CEO  
Copy to: Jenny Scanlin, Chief Development Officer

**MOEO:** Los Angeles Mayor’s Office of Economic Opportunity  
200 N. Main Street, Room 303  
Los Angeles, CA 90012  
Attention: Brenda Shockley, Deputy Mayor

**TMO:** The Michaels Development Company I, L.P  
2 Cooper Street  
Camden, NJ 08102  
Attention: Kecia Boulware, Regional Vice President

**BRIDGE:** BRIDGE Housing Corporation  
600 California Street, Suite 900  
San Francisco, CA 94108  
Attention: Kimberly McKay, Sr. Vice President

**CII:** Children’s Institute, Inc.  
2121 W. Temple Street  
Los Angeles, CA 90026  
Attention: Gene Straub, Executive VP, CFO & COO  
           Danette McBride, VP of Community Innovations

Either party may, from time to time, by written notice to the other, designate a different address, which shall be substituted for the one above specified. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or upon deposit in the United States mail.

Section 21. **Governing Law**

This MOU shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions preempted by federal law. This MOU is made, entered into and executed in Los Angeles County, California, and any action
filed for the interpretation, enforcement or other action with respect to the terms, conditions or covenants referred to herein shall be filed in the applicable court in Los Angeles County, California.

Section 22. Costs

Each Party agrees that it shall not be liable to the other Party for any costs incurred related to the negotiation of this MOU.

Section 23. Counterparts

This MOU may be executed in counterparts, each of which shall be deemed to be an original.

Section 24. Time is of the Essence

Time is of the essence in the performance of each and every obligation of the Parties under this MOU.

Section 25. Drafting

Each of the Parties hereto agree that this MOU is the product of joint draftsmanship and negotiation and that should any of the terms be determined by a court, or in any type of quasi-judicial or other proceeding, to be vague, ambiguous and/or unintelligible, that the same sentences, phrases, clauses or other wordage or language of any kind shall not be construed against the drafting party in accordance with California Civil Code Section 1654, and that each such Party to this MOU waives the effect of such statute.

Section 26. Merger

The Parties acknowledge and agree that all prior discussion, negotiations, letters of intent and any other writings by and between the Parties shall be deemed to be superseded and replaced by the terms of this MOU.

Section 27. Entire Agreement

This MOU, including all exhibits and other documents incorporated herein or made applicable by reference, if any, constitutes the entire agreement of the Parties concerning the subject matter hereof and supersedes all prior agreements, understandings and commitments, whether oral or written.

Section 28. Amendments

The Parties acknowledge that certain Exhibits to this Agreement, specifically Exhibits C, D, E, F, M, N, O, P and Q may change based on feedback and requirements from HUD as the grantor and as a result of shifting development schedules and approach. The Parties agree that these specific Exhibits may be modified or replaced administratively and such modification or replacement does not require an amendment to the MOU. These exhibits will be footnoted with dates and when replaced, HACLA, as Lead Agency, will circulate the revised Exhibits to all Parties. All other significant changes to the MOU, including but not limited to the substitution or addition of Parties, changes to roles and responsibilities, or changes to all other Exhibits not specified in this Section will be considered a significant amendment to this MOU and requires the approval of all Parties. For HACLA, approval of all amendments is delegated to the President & CEO.
IN WITNESS WHEREOF, HACLA, Co-Lead, and Implementation Leads have caused this MOU to be executed by their duly authorized representatives.

Approved as to form:  For: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ___________________________  By: ___________________________
    General Counsel               Douglas Guthrie,
    Housing Authority of the      President and CEO
    City of Los Angeles

Date: ___________________________  Date: ___________________________

For: CITY OF LOS ANGELES

By: ___________________________  By: ___________________________
    Michael Feuer                 Eric Garcetti
    City Attorney                 Mayor

Date: ___________________________  Date: ___________________________
For: **CITY OF LOS ANGELES MOEO**

By: __________________________
Brenda Shockley
Title: Deputy Mayor
Date: _________________________

For: **THE MICHAELS ORGANIZATION**

By: __________________________
John J. O'Donnell
Title: Executive Vice President
Date: _________________________

For: **BRIDGE HOUSING**

By: __________________________
Kimberly McKay
Title: Executive Vice President
Date: _________________________

For: **CHILDREN’S INSTITUTE, INC.**

By: __________________________
Martine Singer
Title: President & Chief Executive Officer
Date: _________________________
MOU EXHIBITS LIST

Exhibit A: FY 2019 Choice Neighborhoods Implementation Grant Agreement
Exhibit B: Watts Rising Project Area Map
Exhibit C: Overall Project Schedule
Exhibit D: CNI Program Budget
Exhibit E: CNI Program Reimbursement Procedures
Exhibit F: CNI Predevelopment Loan Template
Exhibit G: CNI Program Organizational Chart
Exhibit H: HACLA Section 3 Guide & Compliance Plan
Exhibit I: HACLA Procurement Policy
Exhibit J: Non-Displacement Policy
Exhibit K: Community Engagement Policy
Exhibit L: Subgrantee and Contractor Certifications and Assurances
Exhibit M: Critical Community Improvements Plan
Exhibit N: Data Collection Plan
Exhibit O: Housing Plan
Exhibit P: Housing Plan Sources and Uses
Exhibit Q: People Plan
EXHIBIT A

FY 2019 CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT AGREEMENT
# FY 2019 Choice Neighborhoods Implementation Grant Agreement

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This grant agreement ("Grant Agreement") is made by and between the United States Department of Housing and Urban Development ("HUD") and the Lead and Co-Applicant(s) ("Grantee"). On April 23, 2020, HUD awarded the Grantee a Choice Neighborhoods Implementation Grant from fiscal year 2018 and fiscal year 2019 funds, for the implementation of a Transformation Plan ("Transformation Plan") that is identified in this Grant Agreement below.

HUD agrees, subject to the terms of this Grant Agreement, to provide grant funds to the Grantee, in the total amount listed on the form HUD-1044, for the activities described in the Transformation Plan as defined in Article III. Either the Lead Applicant or the Co-Applicant Grantee may be the designated entity with access to LOCCS for drawing down grant funds.

The assistance that is the subject of this Grant Agreement is authorized by, and required to be used in accordance with, Section 24 of the U.S. Housing Act of 1937, the Consolidated and Further Continuing Appropriations Act, 2018 (Pub. L. 115-41, approved March 23, 2018) and Consolidated Appropriations Act, 2019 (Public Law 116-6, enacted February 15, 2019), (collectively the "Choice Neighborhoods Authorization").

The form HUD-1044 and Exhibit A are incorporated into and subject to the terms of this Grant Agreement.

HUD and the Grantee hereby agree to be bound by the following terms and conditions of this Grant Agreement:
ARTICLE I. Choice Neighborhoods Requirements

The Grantee agrees to conduct all activities to be assisted with funds provided under this Grant Agreement in accordance with the following requirements, as such requirements now exist or as they may hereafter be amended (hereafter collectively referred to as the “Choice Neighborhoods Requirements”):

A. the U.S. Housing Act of 1937, as amended (the “1937 Act”), as applicable, and all implementing regulations;

B. the 2018 HUD Appropriations Act (Public Law 115-41, approved March 23, 2018) and Consolidated Appropriations Act, 2019 (Public Law 116-6, enacted February 15, 2019);

C. the Fiscal Year (FY) 2019 Notice of Funding Availability for the Choice Neighborhoods Initiative Implementation Grants published via Grants.gov on August 6, 2019 (the “Choice Neighborhoods Implementation NOFA”).

D. 31 U.S.C. § 1552. In accordance with this statute, all FY 2018 funding must be expended by September 30, 2025 and FY 2019 funding must be expended by September 30, 2026. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose. In order to ensure funds are drawn from LOCCS by that date, HUD may provide additional guidance as the deadline approaches for when grantees should submit the final draw request (e.g. usually approximately two weeks prior to the expenditure deadline).

E. In accordance with section 24(e)(2)(D) of the 1937 Act, Grantees must involve affected residents of the targeted public and/or assisted housing during the implementation process. Grantees are required to involve the affected public and/or assisted housing residents in the implementation of the Transformation Plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant. In addition to the statutory requirement, unless HUD indicates otherwise in writing, Grantees will be expected to undertake resident and community involvement in a manner and method at least as comprehensive as that described in your grant application.

F. all executive orders applicable to the activities being conducted with funds provided under this Grant Agreement;

G. the terms and requirements of this Grant Agreement, and any amendments or addenda thereto;

H. all other applicable Federal requirements, including, without limitation, those set forth the FY 2018 and FY 2019 appropriations acts and those set forth in Appendix A; and

I. all regulations, handbooks, notices, and policies applicable to the activities being conducted with funds provided under this Grant Agreement.
ARTICLE II. Program Overview

A. Goals of the Choice Neighborhoods Program. The Choice Neighborhoods Program employs a comprehensive approach to neighborhood transformation. The program transforms neighborhoods of concentrated poverty into mixed-income neighborhoods of long-term viability by revitalizing severely distressed public and/or assisted housing; improving access to economic opportunities; and investing and leveraging investments in well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs. Choice Neighborhoods ensures that current residents benefit from this transformation by preserving affordable housing in the neighborhood or providing the choice to move to affordable housing in another neighborhood of opportunity. The purpose of this grant is to implement a Transformation Plan that has been developed through a local planning process and furthers the goals of the Choice Neighborhoods Program. The core goals of Choice Neighborhoods are:

1. **Housing**: Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;
2. **People**: Improve outcomes of households living in the target housing related to employment and income, health, and children’s education; and
3. **Neighborhood**: Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families’ choices about their community.

ARTICLE III. Choice Neighborhoods Transformation Plan

A. General. The Grantee’s Choice Neighborhoods Transformation Plan (“Transformation Plan”) consists of a document or documents reviewed and approved by HUD to govern the transformation of the neighborhood. The Transformation Plan should integrate effective strategies to implement public and/or assisted housing revitalization, the coordination and design of supportive services, including educational opportunities for children, and neighborhood-level planning to improve a range of neighborhood assets. The Transformation Plan should be created as part of a collaborative planning process that involves neighborhood stakeholders and local governmental entities. The Transformation Plan should translate the three core goals of Choice Neighborhoods – Housing, People and Neighborhood – into a strategy that will direct investments, demonstrate the commitment among a range of public and private partners to address interdependent neighborhood challenges, utilize data to set and monitor progress toward implementation goals, and engage community stakeholders and residents in meaningful decision-making roles.

B. Components of the Transformation Plan. The Grantee’s Transformation Plan includes each of the following components, as needed for the Transformation Plan and as approved by
HUD. Because some of these documents may be submitted to HUD for approval throughout the implementation of the Grant Agreement, an approved Transformation Plan shall be deemed to mean: the most recent set of documents that have been submitted to (as set forth in this Article) and approved by HUD:


2. Post Application Submissions that HUD requires the Grantee to submit following HUD’s review of the Choice Neighborhoods application and/or as a result of a HUD site visit or kick off meeting regarding the redevelopment under this grant (“Development”), including but not limited to:
   a. a Program Schedule, in accordance with the timeframes established in this Article;
   b. a Choice Neighborhoods Budget (all phases) as described in Article VI;
   c. a copy of the executed development services agreement (e.g. master developer agreement or similar document) with the Housing Implementation Entity;
   d. any additional information required for HUD to approve demolition of the target public and/or assisted housing based on the Choice Neighborhoods application;
   e. certifications and assurances; and
   f. any other information or documentation that is not otherwise required under any other component of the Transformation Plan that is requested by HUD to supplement or refine information provided in the Choice Neighborhoods Application or to meet: any terms or conditions of the Grant Agreement.

(Subparagraphs (a) through (f) are hereafter collectively referred to as, “Post Application Submissions.”)

3. a Supportive Services/People plan;

4. the Grantee’s submissions to HUD in connection with an Endowment Trust, if applicable, in accordance with Article IV(J) (including but not limited to submission of a Choice Neighborhoods Endowment Trust Addendum);

5. for public housing only, a Demolition Application, if applicable, as described in Article IV;

6. for public housing only, a Disposition Application relating to the Development, as described in Article IV, to the extent applicable;

7. a development proposal(s), as described in Article IV;
8. a homeownership proposal, as applicable, as described in Article IV;

9. a plan for Critical Community Improvements projects, as applicable; and

10. any amendment or modification of the foregoing, as approved in writing by HUD.

C. Incorporation into Grant Agreement. As each component of the Transformation Plan is approved in writing by HUD, it will be deemed to be incorporated into this Grant Agreement.

D. Time Periods for Implementation. The Grantee agrees to implement its Transformation Plan in accordance with the approved Program Schedule, including but not limited to the following time periods:

1. In accordance with the Choice Neighborhoods Implementation NOFA as incorporated by Article I(C) above.

2. The Program Schedule, Choice Neighborhoods budget form, and copy of executed development services agreement are due to HUD within 120 calendar days (weekends and holidays are not excluded) from the Grant Award Date. HUD reserves the right to require Grantee to make edits to the program schedule and budget to put them in a form and substance acceptable to HUD. HUD is requesting a copy of the development services agreement to ensure it has been executed, thus allowing the grantee and Housing Implementation Entity to move forward in a timely manner.

3. Items identified in paragraph (B) of this Article must be submitted to HUD in accordance with the HUD-approved Program Schedule.

4. The Grantee must start service coordination and case management services as soon as possible if they have not already. The Grantee must have started these services within 60 days of the Grant Award Date. It is imperative that case management services begin immediately so that residents who will be relocated have time to participate in and benefit from Supportive Services activities before leaving the site; and that residents who have already been relocated are able to participate in and benefit from Supportive Services activities.

5. The Grantee must submit the People/Supportive Services plan within 9 months of the Grant Award Date for HUD’s review and approval.

6. The Grantee must submit the Critical Community Improvements plan within 12 months of the Grant Award Date for HUD’s review and approval.

7. The closing of the first housing phase of development must take place within 18 months of the Grant Award Date. For this purpose, “closing” means all financial and legal arrangements have been executed and actual activities (construction, etc.) are ready to
commence. The construction Notice to Proceed or equivalent must be issued no later than 90 days after the closing date, unless otherwise approved by HUD.

8. Grantees must start housing rehabilitation/construction within 21 months of the Grant Award Date.

9. Grantees must complete replacement housing rehabilitation/construction by obtaining a certificate of occupancy or equivalent for units funded with Choice Neighborhoods funds by September 30, 2025. In accordance with the statutory deadline for expenditure of funds, HUD cannot approve an extension to this milestone.

E. Time Extensions. All requests for extensions of the time periods for implementation listed in paragraph (D)(1)-(7) of this Article must be requested by the Grantee in advance of the deadline date. All requests for extensions must be made in writing to the Office of Public Housing Investments and will be reviewed and approved or disapproved by the Assistant Secretary of Public and Indian Housing and/or the Deputy Assistant Secretary for the Office of Public Housing Investments.

ARTICLE IV. Transformation Activities and Requirements

A. Program Activities. Grantees must include the activities listed in Section III.F.1 of the Choice Neighborhoods Implementation NOFA in their Transformation Plan.

B. Program Requirements. Grantees must comply with the Program Requirements stated in Section III.F.2 of the Choice Neighborhoods Implementation NOFA, some of which are restated in this Article for emphasis and/or with additional detail.

C. One-for-one Replacement of Public and/or Assisted Housing. Each Transformation Plan must comply with the applicable one-for-one replacement requirement as stated in Section III.F.2.b of the Choice Neighborhoods NOFA.

D. Replacement Housing Development Activities.

1. Public Housing Development Activity. For any public housing development activity under the Transformation Plan (whether on-site reconstruction or off-site development), the Grantee must obtain HUD approval of a development proposal submitted under 24 CFR 905.606 ("Development Proposal").

2. Any RAD conversion must be done in accordance with the protocol for reviewing RAD/Choice Neighborhoods projects or subsequent guidance.

3. For projects involving Section 8, both Project Based Rental Assistance (PBRA) and Project Based Vouchers (PBV), and Choice Neighborhoods funding, HUD will review the development proposal in accordance with the Cost Controls and Safe Harbor
Standards for Rental Mixed-Finance Development, dated April 2003, or subsequent guidance.

4. For Replacement Units to be provided as PBVs in projects developed by an entity other than the Housing Implementation Entity, the PHA that administers the vouchers must comply with 24 CFR part 983. In addition, the Choice Neighborhoods office must review project information in advance of the AHAP or HAP contract to confirm the project satisfies the CN program requirements (e.g. is in a mixed-income development and, if located outside the target neighborhood, meets the location requirements set forth in the NOFA).

E. Rehabilitation Activities. For rehabilitation and physical improvement of public housing and/or community facilities primarily intended to facilitate the delivery of community and supportive services for residents of the Development and residents of off-site replacement housing under the Transformation Plan, the Grantee will comply with 24 CFR part 905.

F. Affordable Housing Development Activities. Affordable housing (non-replacement, rental or homeownership, as defined in the NOFA) units developed with Choice Neighborhoods funds must be done in accordance with a proposal approved by HUD. Such units must be available to families earning 81-120 percent of AMI and grantees shall commit to an affordability period of at least 20 years. Affordable housing units must be in the same building with replacement units, except for buildings with one to four units total. Further, affordable housing units cannot include other funding that restricts incomes below 120 percent AMI (e.g. Low-Income Housing Tax Credits). The affordability restrictions shall be contained in a legally enforceable document recorded in the appropriate recorder’s office or registry of deeds and consistent with long-term viability of the project.

G. Demolition of Public Housing. Grantee cannot carry out nor permit others to carry out the demolition of the targeted public housing project or any portion of the project until HUD approves, in writing, through one of the following authorities ((1) - (3) of this section), and until HUD has also: (i) approved a Request for Release of Funds submitted in accordance with 24 CFR part 58, or (ii) if HUD performs an environmental review under 24 CFR part 50, has approved the property for demolition, in writing, following its environmental review.

1. Information regarding demolition in your Choice Neighborhoods Application, along with Post Application Submissions requested by HUD after the award of the grant. Section 24(g) of the 1937 Act provides that severely distressed public housing that is demolished pursuant to a revitalization plan is not required to be approved through a demolition application under section 18 of the 1937 Act or regulations at 24 CFR part 970. If demolition approval was not obtained from HUD prior to award of this Choice Neighborhoods Implementation Grant, Grantees should obtain demolition approval pursuant to section 24(g) of the 1937 Act.

2. A demolition application under section 18 of the 1937 Act if secured prior to award of this Choice Neighborhoods Implementation Grant.
3. A section 33 Required Conversion Plan, in compliance with regulations at 24 CFR part 972, subpart A and other applicable HUD requirements. A Required Conversion Plan concerns the removal of a public housing project from a PHA’s inventory.

H. Demolition of Multifamily Housing. For projects subject to a project-based section 8 Housing Assistance Payments ("HAP") contract, the Grantee will not engage in or permit the partial or total demolition of the project, or any activities related thereto, including any activities in preparation for such demolition, without the prior written consent of HUD. Such consent will not be provided until HUD has first approved (i) a proposal for preserving the project-based section 8 HAP contract consistent with applicable statutory authority (e.g., section 212(a) of the 2012 HUD Appropriations Act, or successor legislation; or section 8(bb)(1) of 1937 Act) and all related Departmental policies, procedures, and requirements; (ii) a proposal for project rehabilitation; and (iii) a replacement housing plan that provides for the orderly, temporary relocation of relocated families (e.g., based on the requirements of Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 (Multifamily Emergency/Disaster Guidance), section 38-32C (Section 8 Pass Through)) that ensures decent, safe, and sanitary housing, consistent with 24 CFR Part 5 Subpart G (Physical Condition Standards and Inspection Requirements) and 24 CFR Part 200 Subpart P (Physical Condition of Multifamily Properties), at the beginning of and throughout the relocation period.

I. Disposition of Public Housing. This section applies only to disposition of public housing.

1. Disposition of a severely distressed public housing site, by sale or lease, in whole or in part, must be done in accordance with section 18 of the 1937 Act and implementing regulations at 24 CFR part 970, as applicable.

2. The Grantee will also comply with the provisions of its approved disposition application (the approved “Disposition Application”), unless otherwise modified in writing by HUD, and with the procedures for processing dispositions associated with mixed-finance projects as set forth by HUD.

3. A ground lease of one year or more that is not incident to the normal operation of a development is considered to be a disposition that is subject to section 18 of the 1937 Act.

J. Relocation.

1. General. The Grantee will provide suitable, decent, safe, and sanitary housing for each family required to relocate because of transformation activities under the Transformation Plan. Choice Neighborhoods grantees are expected to prepare a written plan for relocation and re-occupancy of residents which describes how the Grantee will: (1) inform residents of the target public and/or assisted housing of their right to return, and the specific counseling and supports that will be provided prior to and up to three years after initial relocation to ensure that all residents can maintain lease compliance and eligibility for units in the new development(s) to make a successful transition back to the revitalized neighborhood; (2) integrate comprehensive relocation and re-
occupancy counseling and supports with the People Plan, so that residents of the target public and/or assisted housing receive the array of services they need to return to the revitalized housing or maintain stability in other housing of their choice; and (3) regularly communicate and collaborate with property management to ensure that case management supports are offered to households at risk of eviction. Grantees must track 100 percent of the relocated residents for at least five years after their initial move and report to HUD on relocation and re-occupancy metrics.

2. Relocation Plan for Public Housing Units. The Grantee must carry out its relocation activities in compliance with a relocation plan that conforms with the following statutory and regulatory requirements, as applicable (the “Relocation Plan”) for displacement or temporary relocation carried out as a result of:

a. **Rehabilitation, acquisition, or demolition pursuant to section 24 of the 1937 Act**
   under an approved Transformation Plan is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq; 49 CFR part 24) (URA) and regulations at 24 CFR § 905.308 or successor part and must meet the requirements of the Choice Neighborhoods Implementation NOFA.

b. **Disposition or demolition pursuant to section 18 of the 1937 Act**
   under an approved Transformation Plan is subject to section 18 of the 1937 Act as amended and 24 CFR 970.21. Section 18 demolition approval is only allowed for projects that received HUD demolition approval prior to award of this Choice Neighborhoods Implementation Grant. Relocation carried out as a result of demolition approval pursuant to section 24 must follow the URA, as noted above (even if there is a subsequent disposition approval).

c. **Disposition pursuant to a Section 33 required conversion plan**
   is subject to Section 18 of the 1937 Act and 24 CFR Part 971.

d. **Demolition pursuant to a Section 33 required conversion plan**
   is subject to the URA.
   If the project also utilizes Community Development Block Grant (CDBG) or HOME funds, section 104(d) of the Housing and Community Development Act of 1974 may also apply. Please refer to the Tenant Assistance Relocation and Real Property Acquisition Handbook (HUD Handbook 1378) for detailed information.

3. Relocation Plan for Non-Public Housing Units. Projects involving real property acquisition, rehabilitation or demolition are subject to the URA and the requirements of the Choice Neighborhoods Implementation NOFA. For projects subject to a project-based section 8 HAP contract, the Grantee will (i) secure or cause to be secured temporary replacement housing for displaced families; will ensure that (ii) the temporary housing is available for the entire duration of the displacement period; and (iii) the housing meets the requirements of 24 CFR Part 5, Subpart G (“Physical Condition Standards and Inspection Requirements”) and 24 CFR Part 200 Subpart P (“Physical Condition of Multifamily Properties”) at the beginning of and throughout the displacement period. To satisfy this requirement, the Grantee is encouraged to adopt the model and the related procedures in Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 (“Multifamily Emergency/Disaster Guidance”), section 38-32 C (“Section 8 Pass
Through") for the temporary relocation of section 8-assisted families necessitated by a natural disaster or other emergency. Based on this model and the related procedures, the Grantee is authorized to enter into a temporary lease for a unit in the same locale that meets the foregoing regulatory requirements on behalf of a displaced section 8-assisted family. During this period, the Owner of a property subject to a project-based section 8 HAP contract ("Owner"), whether the Owner is the Grantee or one of the Grantee’s partners, may voucher for the contract rent for that unit on a temporary basis. The Owner pays no more than the contract rent on the temporary dwelling until the resident’s permanent rental unit has been restored to habitable condition and the Owner notifies the resident that they may resume occupancy of their former unit. The resident is still responsible for the resident’s share of the rent. Should the displaced resident fail to return, the Owner may rent the repaired unit to an eligible section 8 applicant. Before doing so, however, the Owner must inform the resident in writing that their assistance is terminated. In the event that the Owner rents the unit to an eligible section 8 applicant, the Owner must first terminate the “pass through” lease that the Owner executed on behalf of the displaced resident. In addition, should the temporarily relocated resident move from the temporarily leased unit before their permanent rental unit is repaired and made available for their return, the Owner can no longer voucher for the temporary unit and the resident is considered permanently housed. (See Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 ("Multifamily Emergency/Disaster Guidance"), section 38-32 C ("Section 8 Pass Through").

K. Acquisition.

1. Acquisition Proposal. Grantee must submit an acquisition proposal to HUD for review and approval prior to acquisition in accordance with 24 CFR 905.608 when a grantee determines that it is necessary to acquire vacant land for development of replacement housing through new construction, using public housing funds. This acquisition approval must be submission of a development proposal under 24 CFR 905.606.

2. Land for Replacement Units outside the target neighborhood. For acquisition of land for replacement housing outside the target neighborhood, you must comply with 24 CFR 905.602 (site and neighborhood standards).

3. Land for Economic Development-Related Activities. Acquisition of land for this purpose is eligible if the activities specifically promote the economic self-sufficiency of residents of the neighborhood, such as construction or rehabilitation of parks and community gardens, environmental improvements; or promoting economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources. Limited infrastructure and site improvements associated with development retail, commercial, or office facilities, such as rough grading and bringing utilities to (but not on) the site, are eligible activities with prior HUD approval. Grantee may spend up to 15 percent of the total Choice Neighborhoods grant to pay the costs of non-housing capital costs as described above for Critical Community Improvements.
L. Supportive Services. The Grantee must plan for and provide supportive services to original residents of the target housing, residents relocated from the target housing, and residents of the replacement units post-revitalization for the term of the Grant Agreement. Supportive Services programs and services must also be carefully planned so that they will be sustainable after the Choice Neighborhoods grant period ends. Original residents are those residents who lived in the targeted redevelopment site on the Grant Award Date. The Grantee and HUD will also work together to track the experiences and changing characteristics of revitalization development residents who live at the revitalized site. Supportive Services activities must be well integrated with the physical development process, both in terms of timing and the provision of facilities to house on-site service and educational activities. The Grantee should provide final outcomes and metrics on Supportive Services as identified in the Transformation Plan. The Grantee will report to HUD on those outcomes and measure progress using those metrics as discussed in Article XII. HUD will use these reports to determine if the Grantee has met their supportive service requirements as listed in their Transformation Plan. To the extent that the Grantee proposed Supportive Services to the surrounding neighborhood residents as part of the application, public housing and HUD assisted housing resident Supportive Services should be tracked in the same way or as proposed in the application.

1. Funding. Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act and the Choice Neighborhoods Implementation NOFA, the Grantee may use an amount up to 15 percent of the total Choice Neighborhoods Grant to pay the costs of community and supportive service programs. The Grantee may spend additional sums on community and supportive services programs using donations, HUD funds made available for that purpose, or other Grantee funds.

2. Supportive Services Endowment Trust. The Grantee may deposit up to 15 percent of the Choice Neighborhoods Grant amount (the maximum amount of the grant allowable for Supportive Services programs) into an endowment trust to provide Supportive Services activities (the “Endowment Trust”).
   a. The Grantee may not draw down funds provided under this Grant Agreement for deposit into an Endowment Trust until it has a HUD-approved Endowment Trust plan and has executed with HUD an addendum to this Grant Agreement (the “Choice Neighborhoods Endowment Trust Addendum”), as directed by HUD. The Choice Neighborhoods Endowment Trust Addendum establishes the requirements governing the establishment, operation, and management of an Endowment Trust.
   b. In reviewing the amount of the Grantee’s proposed allocation of Choice Neighborhoods Grant funds to an Endowment Trust, HUD will take into account the Grantee’s demonstrated ability to pay for current Supportive Services activities with Choice Neighborhoods or other funds, and the projected long-term sustainability of the Endowment Trust to carry out such activities.
   c. Endowment Trust funds (including any non-Choice Neighborhoods funds donated or otherwise made available to the Endowment Trust, and any interest earned on Choice Neighborhoods and non-Choice Neighborhoods funds) may only be used for eligible and necessary Supportive Services activities.
3. Although residents of the target housing and replacement units post-revitalization must be the primary beneficiary of Supportive Services, Supportive Services provided to the surrounding neighborhood residents, beyond public and HUD assisted housing residents, are an eligible use of funds.

M. Administration, Fees and Costs. Reasonable costs for administration, planning, technical assistance, and fees and costs, as established by the Cost Control and Safe Harbor Standards guidance dated April 9, 2003, or successor document. These costs are limited to the costs of implementing the Transformation Plan, as specifically approved by HUD, such as fees for architectural and engineering work, program management (if any), and reasonable legal fees. You may not use Choice Neighborhoods Implementation Grant funds to pay for any implementation activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods Grant.

N. Right of Return. Each tenant who wishes to return to the on-site or off-site replacement housing may return if the tenant was lease-compliant at the time of departure from the target housing prior to relocation and continued to remain lease-compliant during the relocation period. This is a Choice Neighborhoods program requirement and not related to benefits provided in accordance with the URA. A returning tenant shall be provided a preference for occupancy of on-site or off-site replacement units before such units are made available to any other eligible households. Accordingly, the Housing plan must provide an adequate number of replacement units that can be occupied by households with incomes up to 80 percent AMI (i.e. units that are not limited by another funding source that has a lower income limit). The tenant also has the option not to occupy a replacement unit and may retain tenant-based voucher assistance, subject to appropriations and availability, provided under section 8(o) of the United States Housing Act of 1937 for relocation from the properties revitalized under this Grant Agreement. These preferences are retained even if the resident has already received permanent relocation benefits. This preference applies to residents that were relocated due to the redevelopment activity and remains available until the initial lease-up of the new units. Residents that voluntarily move prior to relocation do not have this right to return preference. Prior written approval for any new tenant-based voucher assistance, including but not limited to Tenant Protection Vouchers, is required prior to Grantee obtaining voucher assistance. If a household is “right-sized” (e.g. splits into two separate households) through the relocation resulting from Choice Neighborhoods, the original head of household will have the right to return. Once all of the original heads of household have been housed, the Grantee is required to offer the second household any units that are available. If no units are available, then the second household will be moved to the top of the waiting list. Both the original household and the second household are required to be lease-compliant at the time of relocation and throughout relocation.

O. Site and Neighborhood Standards for Replacement Housing.

1. Grantee’s Election of Requirements. A Grantee, at its election, separately regarding each site it proposes, will comply with the development regulations regarding Site and
Neighborhood Standards (24 CFR § 905.602), or with the Site and Neighborhood Standards contained in this Article.

2. On-Site Replacement Housing (i.e. on the target housing site and/or in the target neighborhood). Because the objective of the Choice Neighborhoods program is to alleviate distressed conditions at the targeted development and in the target neighborhood, replacement housing under Choice Neighborhoods that is located within the target neighborhood will not require approval by HUD under Site and Neighborhood Standards.

3. Off-site Replacement Housing (i.e., outside of the target neighborhood but within the metropolitan area up to 25 miles from the target housing site). Replacement housing outside the target neighborhood must:
   a. offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal services and facilities that are comparable to those that will be provided in the target neighborhood; and
   b. be located neither in areas of minority concentration nor in areas with a poverty rate above 40 percent. A neighborhood of minority concentration is a Census tract or other defined geographic area in which the percentage of residents who are racial or ethnic minorities is at least 20 percentage points higher than the percentage of minority residents in the Metropolitan Statistical Area (MSA) (or jurisdiction not in an MSA) as a whole. In MSAs (or jurisdictions not in MSAs) in which the majority of residents are racial or ethnic minorities, HUD will consider and rely on all relevant information to determine whether the neighborhood proposed for replacement housing will lead to the creation of more inclusive and integrated housing in opportunity-rich neighborhoods.

P. Research and Evaluation Cooperation. HUD and its contractors shall perform research and evaluation activities on the Choice Neighborhoods program, including interviews with the Grantee and community, review of grantee documents and data, surveys of assisted households and neighborhood residents, and documentation of changing physical conditions in the buildings and neighborhood. The Grantee shall make all reasonable efforts to cooperate with HUD and its contractors in carrying out these activities, including but not limited to facilitating interviews of Grantee’s staff and partners, providing HUD’s contractor with access to observe community meetings; to data systems, documents, and assisted and public housing residents; and to buildings for conducting physical inspections.

Q. Operation and Management Principle and Policies, and Management Agreement for PHAs. Grantee must develop a Management Agreement that describes their operation and management principles and policies for their public housing units. Grantees and their procured property manager, if applicable, must comply (to the extent required) with the provisions of 24 CFR part 966 in planning for the implementation of the operation and management principles and policies described below.
1. Rewarding work and promoting family stability by promoting positive incentives such as income disregards and ceiling rents;

2. Instituting a system of local preferences adopted in response to local housing needs and priorities, e.g., preferences for victims of domestic violence, residency preferences, working families, and disaster victims. Note that local preferences for public housing must comply with Fair Housing requirements at 24 CFR 900.06. No preference should lead to disparate negative impact on any Fair Housing Act protected class;

3. Lease requirements that encourage self-sufficiency by promoting involvement in the resident association, performance of community service, participation in self-sufficiency activities, and transitioning from public housing;

4. Implementing site-based waiting lists that follow project-based management principles for the redeveloped public housing. Note that site-based waiting lists for public housing must comply with Fair Housing requirements at 24 CFR 903.7(b)(2);

5. Strictly enforcing lease and eviction provisions;

6. Implementation of defensible space principles and the installation of physical security systems such as surveillance equipment, control engineering systems, etc. to improve the safety and security of residents;

7. Enhancing ongoing efforts to eliminate drugs and crime from neighborhoods through collaborative efforts with federal, state, and local crime prevention programs and entities.

R. Lobbying. The Grantee hereby certifies that no funds provided under this Grant Agreement will be expended for lobbying activities, as prohibited by Section 319 of Public Law 101-121 (which prohibits recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government), and implemented for HUD at 24 CFR part 87, as the same may be amended from time to time. The Grantee will disclose promptly any commitment or expenditure of non-appropriated funds for lobbying activities if those activities would be prohibited if paid with appropriated funds.

ARTICLE V. Changes to the Transformation Plan

A. Changes Requiring Prior HUD Approval. If the following activities in the application are to be modified or amended, the Grantee must request and obtain prior written HUD approval:

1. the Program Schedule. The Grantee must inform HUD immediately, in writing, of any problems, delays or adverse conditions that will impair materially the Grantee’s ability to comply with the Program Schedule, and include a statement of action taken, or proposed to be taken, and any assistance needed to resolve the situation. HUD must approve any proposed changes to the Program Schedule that would modify any date or time period.
2. the form of program oversight or governance;

3. the overall strategy for community involvement;

4. the approved disposition;

5. the approved demolition;

6. the Housing plan, including the total number of housing units to be developed or rehabilitated (whether or not there is an associated budgetary revision requiring prior approval), the unit mix, the location of housing, the design, or any other changes that materially affect the Transformation Plan;

7. the People plan to provide supportive services;

8. the plan for Critical Community Improvements projects;

9. changes in any Choice Neighborhoods Budget or phase budget that propose an increase or decrease in any line item, except as permitted by Article VI;

10. an extension of the period of availability of the Choice Neighborhoods Grant funds provided under this Grant Agreement, not to go beyond the statutory timeframes;

11. changes in the entities or individuals, including any key partners specified in the Transformation Plan as having key responsibilities for carrying out the Transformation Plan (or any component(s) of the Transformation Plan). Subgranting, subcontracting or otherwise obtaining the services of a third party to perform activities that are central to the purposes of the Transformation Plan will constitute such a change in entities or individuals; and

12. changes requested by a subgrantee that relate to any of the itemized categories listed in paragraph (A) of this Article.

B. Changes Requiring Grant Agreement Amendment. For the following types of revisions to the Transformation Plan, the Grantee must submit a written request to HUD and must receive HUD’s written authorization prior to making any such changes:

1. change in the total dollar amount of the grant; and/or

2. change in the Development for which funds provided under this Grant Agreement are made available.
Upon HUD’s written approval, the change will be implemented by the execution of an amendment to this Grant Agreement and shall consist of a revised Form HUD-1044 if there is a change in the dollar amount of the grant.

C. Waiver Requests.

1. Standard for Approval. The activities to be conducted under this Grant Agreement are subject to the terms of this Grant Agreement and the Choice Neighborhoods Requirements. Nevertheless, HUD seeks innovative solutions under the Choice Neighborhoods Program to the long-standing problems of severely distressed public and assisted housing developments located in neighborhoods of concentrated poverty, and will consider granting a waiver of specific regulatory requirements, provided that:
   a. such a waiver would be consistent with applicable statutory requirements; and
   b. the Grantee is able to demonstrate good cause to support HUD’s granting of such a waiver.

2. Waiver Request Procedure. If the Grantee wants HUD to approve a waiver of a regulatory requirement, it must submit a request with sufficient information and justification to enable HUD to make a determination of good cause for granting any such request to deviate from existing regulations. Until such time as the Grantee requests and HUD, in its discretion, approves any such requests in writing, the Grantee does not have authority to implement the activities described in the Choice Neighborhoods Application to which the request for approval applies (or for which a request for approval is needed).

ARTICLE VI. Choice Neighborhoods Budget and Funding Requests

A. Budget. The Grantee must ensure that funds provided under this Grant Agreement are expended in accordance with the Choice Neighborhoods Requirements and a Choice Neighborhoods Budget. Each Grantee must submit to HUD for approval a Choice Neighborhoods Budget as part of the Post Application Submissions. The Choice Neighborhoods Budget allocates ALL Choice Neighborhoods Grant funds into Budget Line Items. The Choice Neighborhoods Budget will serve as the primary budget and may be subject to revision.

B. Budget Form. Each budget submitted in accordance with paragraph (A) of this Article must be submitted on the Choice Neighborhoods Implementation Grants Budget Form (form HUD-53236). Part I must be signed and dated by the Lead Grantee, and Part II must include a detailed description of the uses of the funds. Grantees should also track their leveraged fund expenditures and maintain this information on file should HUD request it.

C. Pre-Grant Agreement Execution Costs. After the execution of this Grant Agreement, the Grantee may include in its Choice Neighborhoods Budget, and the Grantee may draw down funds for, costs that were incurred prior to execution of this Grant Agreement, provided that such costs were incurred after the Grant Award Date, are directly associated with the
activities to be funded under this Choice Neighborhoods Grant, and are approved as
reasonable and eligible by HUD.

D. Predevelopment Costs.

1. Funding Requests. The Grantee may request a Choice Neighborhoods Grant funds for
predevelopment costs by submitting the Choice Neighborhoods Budget to HUD. Funds
may be drawn down for eligible Predevelopment Costs (as defined in subparagraph (2)
below), subject to receiving HUD approval and the requirement for an environmental
review in accordance with the provisions of this Grant Agreement.

2. Eligible Predevelopment Costs. Eligible predevelopment costs ("Predevelopment
Costs") may include funds for:
   a. administration costs related to having additional and/or existing staff work on the
      Choice Neighborhoods Grant;
   b. fees and costs related to procuring goods and services from third parties in connection
      with eligible predevelopment activities such as architectural and engineering (A&E)
      fees;
   c. resident relocation;
   d. supportive services costs, including costs dedicated to case management and services;
   e. costs associated with carrying out environmental reviews, in accordance with
      24 CFR § 58.23; and
   f. site remediation and demolition costs, provided that HUD has notified the Grantee in
      writing of the approval.

3. Predevelopment Funds. Upon review and approval of the Choice Neighborhoods Budget
as described in this Article, HUD will make the approved predevelopment funds
available to the Grantee for drawdown in LOCCS. The Grantee will ensure that the funds
are expended in conformance with the HUD-approved Predevelopment Budget.

E. Program Income. Program Income is defined in 2 CFR § 200.80, or successor regulation. If
the Grantee receives program income:

1. prior to grant closeout program income from repayment of loans, sale of homeownership
   units, and/or other sources:
   a. must be reinvested in the Development or neighborhood and used for Choice
      Neighborhoods eligible purposes, unless otherwise approved by HUD; and
   b. must be used for eligible activities authorized under this Grant Agreement before the
      Grantee may draw down additional cash payments from the Choice Neighborhoods
      Grant.

2. after grant closeout, program income from repayment of loans, sale of homeownership
   units, and/or other sources the program income must be reinvested in the Development or
   neighborhood and used for Choice Neighborhoods eligible purposes. Before the grant is
   closed out, Grantee will provide a plan to HUD for how program income will be
reinvested, in a form and substance that is acceptable to HUD. HUD will determine with
the Grantee what the sources of program income are.

The language of this provision, article VI (E)(2), shall survive grant close-out and
termination of this Grant Agreement.

ARTICLE VII. Project Drawdowns

A. LOCCS Payment System. Consistent with 2 CFR Part 200, the Grantee will request all
drawdowns of Choice Neighborhoods Grant funds under the Line of Credit Control System
(e-LOCCS), unless and until another payment system is designated by HUD. The Grantee
will comply with all rules, guidelines, and notices established for Choice Neighborhoods
under LOCCS, or any substitute system, in connection with any drawdown of Choice
Neighborhoods Grant funds. If HUD designates a different payment system, it will be based
upon the provisions of 2 CFR § 200.305.

B. Drawdowns.

1. The Grantee may draw down Choice Neighborhoods Grant funds for a Budget Line Item
(BLI) in an amount up to 100 percent of the amount of that BLI that HUD has approved
and made available for drawdown.

2. Any request for funds in excess of 10 percent of the entire grant amount in any month
must be approved by HUD. The Grantee must submit copies of the invoices supporting
the drawdown amount to the Team Coordinator for review.

C. Drawdown Consequences of Default.

1. Withholding of Payments. HUD may withhold payments in accordance with 24 CFR §
200.338.

2. Grantee Representations. Each drawdown request by the Grantee will constitute, and be
deemed to be, a representation that the Grantee is not in default under this Grant
Agreement (except as the Grantee previously may have disclosed to HUD in writing).

3. Overdue Reports. HUD may elect to suspend draws under this Grant Agreement during
any period in which the Grantee has failed to file with HUD any quarterly report.

ARTICLE VIII. Matching and Leveraged Funds

A. Match Requirements. In accordance with section 24(c) of the 1937 Act (42 U.S.C.
1437v(c)),

__________________________
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1. Grantee must have secured a match in the amount of 5 percent of the grant amount in cash or in-kind donations.

2. Additional Supportive Services Match. Up to 15 percent of the Choice Neighborhoods grant may be used for supportive services activities. However, if the Grantee is using more than 5 percent of the grant funds for supportive services activities, funds (cash or in-kind donations) from sources other than Choice Neighborhoods must secured for the amount between 5 and 15 percent of the grant that Grantee will use for supportive services activities. These resources must be NEW commitments in order to be counted for match.

B. Match Donations and Leverage Resources. Grantee shall keep documentation on matching and leveraged funds during the term of this Grant Agreement and shall provide this documentation in a format acceptable to HUD upon request by HUD, until the closeout of this grant. The documentation should show that the funds are secured and the Grantee should keep records showing how those funds have been expended over time.

ARTICLE IX. Grantees, Subgrantees and Contractors

A. General Grantee Responsibilities.

1. Implementation Team. The Grantee agrees to promptly assemble a competent implementation team, if you have not already, to assist in working with the Grantee’s partners and coordinating all phases of the implementation process.

2. Choice Neighborhoods Requirements. The Grantee shall ensure that any entity to which it makes grant funds available will comply with the Choice Neighborhoods Requirements.

3. Required Certifications.
   a. The Grantee must ensure that all subgrantees and contractors execute an original document in the form of Exhibit A to this Grant Agreement at the time the Grantee executes any contract with any subgrantee or contractor to provide goods or services under this Grant Agreement. The Grantee will retain the executed original certificate together with the executed contract documents.
   b. Grantees that are public housing authorities (PHA Grantee) must ensure that the requirements contained in the General Conditions for Non-Construction Form (Form 5370-C) are included in any solicitation in connection with non-construction contracts that will be made by the PHA Grantee and paid for with assistance under this Grant Agreement. Such conditions must also be included in any non-construction contract entered into by the PHA Grantee.
B. Administrative Requirements for Grantees. Public housing authority, local government, Indian tribe, and non-profit entity grantees are subject to 2 CFR Part 200.

C. Administrative Requirements for Subgrantees and Related Agreements

1. Public housing authority, local government, Indian tribe, and non-profit subgrantees are subject to the requirements of 2 CFR Part 200.

2. For-profit subgrantees are subject to the requirements of 2 CFR Part 200, Subparts A-E. The Grantee is responsible for establishing audit requirements consistent with 2 CFR 200.501(h).

3. Suspension and Debarment. Sub-grantees are subject to the requirements of 2 CFR 200.213.

4. Grantee Responsibilities Regarding Subgrantees. Grantees will be responsible for:
   a. ensuring that subgrantees are aware of the requirements imposed upon them by Federal statutes, regulations, and this Grant Agreement;
   b. ensuring that all subgrant agreements include any clauses required by Federal statutes and their implementing regulations and executive orders; and;
   c. monitoring subgrantees’ performance to ensure compliance with this Grant Agreement.

D. Administrative Requirements for Contractors and Subcontractors and Related Contracts.

1. Grantee Responsibilities Regarding Contractors and Subcontractors. Grantees that are subject to 2 CFR Part 200 as described in (B)(1) of this Article will be responsible for the following:
   a. Grantee shall obtain the services of a for-profit entity through a competitive procurement under 2 CFR Part 200. However, if the Grantee can demonstrate to HUD that the services to be provided by the for-profit entity can be obtained only from that one source, the Grantee may request HUD approval to select the entity under a non-competitive procurement in accordance with 2 CFR 200.320(f).
   b. Consultant Services. Grantees shall obtain consultant services provided under an independent contractor relationship pursuant to 2 CFR Part 200.

2. Trigger for the Submission of Contracts. Contract documents must be submitted to HUD for prior approval if required by 2 CFR Part 200, Subpart D, or if requested by HUD. Any modification of such contracts is also subject to HUD’s written approval before execution.

ARTICLE X. No Third-Party Rights

The Grantee and HUD are the sole parties to this Grant Agreement and do not intend to create any third-party beneficiaries to this Grant Agreement. Nothing in this Grant Agreement may be construed as conferring the status of third-party beneficiary upon the residents; and in no event shall any entity other than the Grantee have direct rights to the Choice Neighborhoods funds provided for under this Grant Agreement.

ARTICLE XI. Conflict of Interest

A. Prohibition. The Grantee shall comply with the conflict of interest requirements in 2 CFR 200.318. No person who is an employee, agent, officer, or elected or appointed official of the Grantee or member of his immediate family and who exercises any functions or responsibilities with respect to activities assisted under this Choice Neighborhoods Grant may have a direct interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder.

B. HUD-Approved Exception.

1. Standard. HUD may grant an exception to the prohibition in paragraph (A) of this Article on a case-by-case basis when it determines that such an exception will serve to further the purposes of Choice Neighborhoods and its effective and efficient administration.

2. Procedure. HUD will consider granting a regulatory waiver only after the Grantee has provided a written request which provides a disclosure of the nature of the conflict, accompanied by:
   a. an assurance that there has been public disclosure of the conflict;
   b. a description of how the public disclosure was made; and
   c. an opinion of the Grantee’s attorney that the interest for which the exception is sought does not violate State or local laws.

3. Consideration of Relevant Factors. In determining whether to grant a requested exception under paragraph (B) of this Article, HUD will consider the cumulative effect of the following factors, where applicable:
   a. whether the exception would provide a significant cost benefit or an essential degree of expertise to the Transformation Plan that would otherwise not be available;
   b. whether an opportunity was provided for open competitive bidding or negotiation;
   c. whether the person affected is a member of a group or class intended to be the beneficiaries of the Transformation Plan and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
   d. whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process, with respect to the specific activity in question;
e. whether the interest or benefit was present before the affected person was in a position as described in paragraph (A) of this Article;

f. whether undue hardship will result either to the Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

g. any other relevant considerations.

ARTICLE XII. Reporting Requirements

A. Quarterly Report.

1. The Grantee will submit to HUD a Quarterly Report as prescribed by HUD in accordance with the scheduled established by HUD, presently 21 calendar days after the end of each quarter, with the first report due after the quarter ending December 31, 2020. In the Quarterly Report the Grantee will report at a minimum the progress of their grant, including but not limited to progress against their schedule and budget, expenditures to date, a narrative statement on their progress, progress on priority outcomes as described in the Choice Neighborhoods Implementation NOFA, progress against the priority metrics identified by HUD, and description of financing secured to date for implementation. The Grantee should also include, as appropriate, best practices and lessons learned from the date of the prior Quarterly Report. Upon expenditure of all Choice Neighborhoods grant funds, grantees must continue to report on all metrics in the Inform system, or its successor, quarterly and annually, through the first quarter of the next calendar year. After that, grantees must continue to report quarterly on certain Housing, Neighborhood, and People metrics until all housing units (replacement and non-replacement) included in the Housing Plan are complete. Upon completion of all housing units, Grantees will no longer be required to report in Inform.

2. Failure to submit to HUD a timely Quarterly Report will result in a suspension of Choice Neighborhoods Grant funds in LOCCS until such time as the report is received and approved by HUD, and/or any other default remedy authorized by Article XIV.

B. Obligations and Expenditures. The Grantee must enter cumulative obligation and expenditure data into LOCCS by the due dates established by HUD, whether or not there has been any change in the cumulative amounts since the end of the last quarter.

C. End of Grant Report. Grantees are required to submit an end of grant report which discusses their overall success in transforming the target neighborhood and supporting positive outcomes for residents and reproducible before and after photographs. The end of grant report must be submitted to HUD by April 30 of the year following the September grant expenditure deadline.

D. Program Income Reporting. Until all housing units in the Housing Plan are complete, grantees must submit an annual Program Income Report to HUD by September 30 of each year identifying all sources and uses of Program Income. Upon completion of all housing units, the Grantee will no longer be required to submit a Program Income Report; however,
for the remainder of the 15-year program income period, HUD reserves the right to request an accounting of Program Income funds.

E. Additional Information Requests. The Grantee will comply with all other reporting requirements from time to time established by HUD, in its sole discretion, in connection with the Choice Neighborhoods Program. The Grantee will also fully cooperate with all reasonable information gathering requests made by HUD or contractors of HUD in the course of authorized evaluations of the Choice Neighborhoods Program; and

F. Additional Requirements. The Grantee agrees to comply with all other terms and conditions HUD may establish to administer, monitor, or evaluate the Choice Neighborhoods Program in an effective and efficient manner. Notwithstanding the foregoing, however, except as provided in Article XIV, HUD hereafter will not establish any additional terms and conditions without:

1. consideration of the burden imposed on the Grantee by such conditions or requirements;

2. consideration of the availability of less burdensome conditions or requirements; and

3. in the case of a term or condition applicable solely to the Grantee, consulting in advance with the Grantee.

ARTICLE XIII. Technical Assistance

A. Site Visits. The Grantee acknowledges and agrees that HUD, or its designees, may conduct site visits and inspections as deemed necessary by HUD based upon the Grantee’s needs in implementing the Transformation Plan or the needs of the Choice Neighborhoods Program. Technical assistance site visits may be provided by HUD or its designees in response to requests from the Grantee or based upon demonstrated needs of the Choice Neighborhoods Program.

B. HUD Assessment. HUD representatives will visit the site and make an assessment of any technical assistance and/or training that the Grantee may require for the implementation of the Transformation Plan. HUD will consult with the Grantee in determining the Grantee’s specific technical assistance and training needs and will carry out subsequent on-site assessments as necessary.

C. Technical Assistance Provider. If HUD determines, in its discretion, that technical assistance and/or training is necessary for the implementation of the Transformation Plan, it will assign a technical assistance provider to work with the Grantee for this purpose.

D. Grantee Training/Technical Assistance. The Grantee agrees to use its best efforts to attend any training and to accept any technical assistance provided or sponsored by HUD.
ARTICLE XIV. Unsatisfactory Performance/Default

A. In accordance with Section 24(i) of the 1937 Act, if the Grantee defaults under this grant agreement, HUD may withdraw any unobligated grant amounts and may pursue other actions as described in this Article. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for Choice Neighborhoods assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the Transformation Plan of the original Grantee, subject to provisions of the appropriations law. This section applies to all Grantees regardless of their status as a local government, PHA, nonprofit, or other entity.

B. Default. Each of the following events or occurrences, to the extent it constitutes a material breach or occurrence, may constitute a default by the Grantee under this Grant Agreement, as determined by HUD in its sole discretion:

1. use of funds provided under this Grant Agreement for any purpose, in any manner or at any time, other than as authorized by this Grant Agreement;

2. failure to comply with the Choice Neighborhoods Requirements or any other Federal, State, or local laws, regulations or requirements applicable in creating the Transformation Plan;

3. failure to make any submission under Article III, perform any obligation, or otherwise fail to proceed in a manner consistent with the Transformation Plan, (including, without limitation, failure to accomplish an activity by the date specified in the Program Schedule);

4. any material misrepresentation in any of the required submissions, including, without limit, any misrepresentations in any of the submissions required by Article III(B); or

5. failure to comply with, or any material breach of, any other requirements, conditions or terms of this Grant Agreement.

C. Notice of Default and Action(s) to Cure.

1. General. HUD will give the Grantee written notice of any default. The notice will give the Grantee the opportunity to cure such default within 30 days of the date of the notice, or to demonstrate within this time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not able to be cured within the 30-day period, the Grantee will demonstrate, to HUD's satisfaction, that the Grantee has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Grantee must agree to carry out such cure diligently and to complete the cure within the 90-day period.

2. Immediate Default. Notwithstanding the provisions of paragraph (C)(1) of this Article, HUD in its sole discretion may place the Grantee into immediate default for not being in
compliance with its Program Schedule or for non-compliance with Choice Neighborhoods requirements once written notification of default has been provided to the Grantee. At that time, HUD may immediately begin imposing consequences of default, including specifically the suspension of draws of the Choice Neighborhoods grant.

3. Imminent Threat. Notwithstanding the provisions of subparagraph (C)(1) of this Article concerning the opportunity to cure defaults, if HUD reasonably determines that there is an imminent threat that the Grantee will expend additional Choice Neighborhoods Grant funds in violation of the provisions of this Grant Agreement, HUD may implement the remedial action provided for under subparagraph (C)(4)(i) of this Article to prevent any such unauthorized expenditure until such time as the Grantee has complied with the cure provisions set forth above. HUD will implement such remedial action by written notice set forth either in the notice of default given under paragraph (C)(1) of this Article or by subsequent written notice to the Grantee. An imminent threat is not an immediate default.

4. Consequences of Default. If the Grantee fails to cure all defaults specified in the notice of default within the time periods set forth in paragraph (C)(1) of this Article, or fails to diligently pursue or complete any cure as provided in paragraph (C)(1), HUD may take any of the following remedial actions, upon written notice to the Grantee:
   a. requiring a Grantee in default to provide evidence to HUD of acceptable performance over such period of time as specified by HUD and to obtain written approval from HUD to proceed to the next phase of activities;
   b. requiring additional, more detailed financial reports;
   c. requiring additional project monitoring;
   d. requiring the Grantee (or subgrantee) to obtain technical or management assistance;
   e. establishing additional prior approvals;
   f. require the Grantee, within a time period established by HUD, to prepare a revised Program Schedule, obtain HUD’s approval thereto, and follow such revised Program Schedule to complete the activities under the Grant Agreement;
   g. require the Grantee, within a time period established by HUD, to revise any activity under the Grant Agreement in order to successfully complete the activities under the Grant Agreement in a manner satisfactory to HUD, including, without limitation, exclusion or revision of affected activities, revision of the Choice Neighborhoods Budget as necessary, and substitution of other eligible activities;
   h. require submission of additional documentation before any additional request for funds will be approved;
   i. temporarily suspend the Grantee’s authority to draw down Choice Neighborhoods Grant funds for affected activities, or at HUD’s sole discretion for all activities, pending action to cure the defaults;
   j. disallow use of Choice Neighborhoods Grant funds for all or part of the cost of the activity or action not in compliance;
   k. recover amounts determined by HUD to have been improperly expended, including any property obtained by the Grantee with such grant funds;
   l. require reimbursement by the Grantee for Choice Neighborhoods Grant funds determined by HUD to have been improperly expended;
m. make arrangements satisfactory to HUD, in its sole discretion, for use of an entity other than the Grantee to carry out activities assisted under the Grant Agreement, including requiring the Grantee to assign any outstanding contracts obligating grant funds to another entity.

5. **Additional Enforcement Actions.** If HUD determines that the remedial actions taken by HUD under paragraph (C)(4) of this Article have not been effective in curing the default, or if the Grantee has not complied with the requirements imposed by HUD under paragraph (C)(4) and has not otherwise cured the default, or if HUD exercises its discretion under subparagraph (C)(2) of this Article to institute any of the following actions, HUD may take any of the following remedial or enforcement actions (in addition to any of the remedies permitted under paragraph (C) of this Article upon written notice to the Grantee):

a. reduce the Choice Neighborhoods Grant in the amount affected by the default;

b. terminate the Choice Neighborhoods Grant as to all further activities and initiate closeout procedures;

c. recapture any Choice Neighborhoods Grant funds not obligated by the Grantee.
   i. If the basis for the Grantee’s default is its failure to comply with the reasonable time periods established by HUD under Article III(D), HUD shall, in accordance with section 24(i) of the 1937 Act, and unless otherwise approved by HUD under paragraph (C)(3) of this Article, recapture any Choice Neighborhoods Grant funds not obligated by the Grantee.
   ii. If the Grantee fails to comply with the reasonable time periods established in Article III(D), HUD may take into account whether factors beyond the Grantee’s control are the cause of the delay.

d. take action against the Grantee under 24 CFR part 24 and Executive Order 12549 with respect to future HUD or Federal grant awards; and

e. take any other available legal or equitable remedial action, including, but not limited to, any remedial actions available under a PHA’s ACC and/or premised on HUD’s interest in the housing development established in the relevant Declaration of Trust or Declaration of Restrictive Covenants or housing assistance contract, as applicable.

6. **Delinquent Federal Debts.** Consistent with the purposes and intent of 31 U.S.C. 3720B and 28 U.S.C. 3201(e), Grantees with an outstanding federal debt must provide to HUD a negotiated repayment schedule which is not delinquent or have made other arrangements satisfactory to HUD. If arrangements satisfactory to HUD cannot be completed within 90 days of notification of selection, HUD will not make an award of funds to the Grantee, but offer the award to the next eligible Grantee. Applicants selected for funding, or awarded funds, must report to HUD changes in status of current agreements covering federal debt. If a previously agreed-upon payment schedule has not been adhered to or a new agreement with the federal agency to which the debt is owed has not been signed, the Grantee will be considered to be in default under this Agreement.
ARTICLE XV. Project Close-Out

A. Termination of Disbursements Letter. Within 90 days after completion of all grant funded activities, the Grantee will initiate close-out, in accordance with procedures established by HUD, by submitting a Termination of Disbursements letter, which states that:

1. The Grantee has completed all activities to be performed using Choice Neighborhoods Implementation Grant funds.

2. All requirements of the Grant Agreement have been met.

3. All obligated Choice Neighborhoods grant funds have been disbursed; and

4. The Grantee will abide by any continuing Federal requirements;

At HUD’s option, the Grantee may delay initiation of close-out until the resolution of any HUD monitoring findings. If HUD exercises this option, the Grantee must promptly resolve the findings.

B. Preliminary Closeout Materials. The Grantee must submit the following Preliminary Close-Out Materials along with the Termination of Disbursements Letter:

1. Final Choice Neighborhoods Budget;

2. Actual Choice Neighborhoods Cost Certificate (Cost Certificate) (Form HUD-50163), which summarizes the information on the Financial Status Report and serves as the document that officially closes out the grant.

3. Program Income Plan. A Plan for the use of Program Income funds, which indicates the anticipated sources and uses of Program Income, must be submitted. Following close-out, Grantees must comply with the conditions of the Program Income Plan for a period of 15 years from the final approval date on the ACNCC. Funds from each source of Program Income must be tracked separately. Funds must be deposited in an interest-bearing account in an FDIC insured institution. During the 15-year period, no more than 10 percent of Program Income may be used for administrative purposes.

4. Supportive Services Sustainability Plan. Grantees must submit a Supportive Services Sustainability Plan, which discusses how supportive services for residents will be maintained after all Choice Neighborhoods funds have been expended. While HUD does not have a required format, see Attachment 2 for elements which should be addressed. Grantees who already have a HUD-approved Endowment Trust Plan do not need to submit a Supportive Services Sustainability Plan unless additional information is requested by HUD.

5. Housing Plan and Schedule. Grantees must submit a brief narrative describing the status of their Housing Plan, including progress on the grantee’s one-for-one unit or bedroom
replacement requirement, as well as non-replacement units. The submission should include a chart which reflects the unit count and composition by phase.

C. HUD Review of Preliminary Close-Out Materials. HUD will review Preliminary Close-Out Materials to confirm that:

1. The amounts on the final Choice Neighborhoods Budget and Cost Certificate agree as to funds approved, obligated and expended.

2. The amount of funds approved and disbursed on the Cost Certificate agrees with HUD records in LOCCS.

3. If HUD disbursed more funds that the Grantee expended, the Grantee will immediately remit to HUD the excess funds, without waiting for completion of the final audit.

4. The Program Income Plan provides the requested information and complies with Program Income requirements of the Grant Agreement.

5. The Sustainability Plan provides the requested information and demonstrates a sound strategy for continuing to provide needed supportive services to residents.

6. The Housing Plan and Schedule provides the requested information and demonstrates that the Grantee will be able to complete its housing obligations.

D. Final Audit. Following HUD approval of the Preliminary Close-Out Materials, Grantees that are not for-profit entities must conduct a final audit of the Implementation Grant in accordance with the requirements of 2 CFR Part 200, Subpart F and forward the audit to HUD for approval. For-Profit Grantees must conduct a final audit of the Implementation Grant in accordance with 2 CFR 200.501(h) and forward the audit to HUD for approval.

E. Cost Certificate. Upon receipt of the final audit, the designated HUD official will execute the Cost Certificate once HUD determines to its satisfaction that:

1. the expenditure of funds provided under this Grant Agreement was allowable and reasonable, as determined by the final audit;

2. the activities to be completed using Choice Neighborhoods Grant funds were completed, as required by the Grant Agreement; and

3. all Federal requirements were satisfied.

F. Final Close-Out. Following execution of the Cost Certificate, any funds remaining in the Implementation Grant will be recaptured by HUD. A Post-Audit Date will be entered into LOCCS and the grant will be closed.

ARTICLE XVI. Grant Award Date

The Grant Award Date is April 23, 2020. Except for Quarterly Reports, which are due according to the dates in Article XII, all deliverables in the Grant Agreement are based on the Grant Award Date.

ARTICLE XVII. Funding Obligation Date, Date of Funding Availability and Effective Date

The date of obligation of the funding to the Grantee under this Grant Agreement is the date HUD signed the form HUD-1044. The effective date of the Grant Agreement and date of fund availability is the date that HUD signs the signature page of the Grant Agreement (See Article XIX).
ARTICLE XVIII. Points of Contact

Any correspondence related to this Grant Agreement should be directed to the following points of contact for HUD, the Lead Grantee, and any other Grantees:

For the U.S. Department of Housing and Urban Development:
Robert Mulderig
Deputy Assistant Secretary, Office of Public Housing Investments
U.S. Department of Housing and Urban Development
451 7th Street, SW Room 4130
Washington, DC 20410

For the Lead Grantee:
Mr. Douglas Guthrie
President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard
Los Angeles, CA 90057

For the Co-Grantee:
The Honorable Eric Garcetti
Mayor
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012
Article XIX. Signature Page

Douglas G. Gie
President & CEO
Housing Authority of the City of Los Angeles

Eric Garcetti
Mayor
City of Los Angeles

R. Hunter Kurtz
Assistant Secretary
Office of Public and Indian Housing
U.S. Department of Housing and Urban Development

Date: 8/12/20
Appendix A

Additional statutory, regulatory, and other requirements with which Grantee must comply as applicable include:

1. Fair Housing Certifications, as the same may be amended from time to time, and any additional Fair Housing requirements that may become applicable:

   A. the Fair Housing Act (42 U.S.C. §§ 3601-19) and regulations pursuant thereto 24 CFR part 100;
   B. Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 CFR part 107);
   C. the fair housing poster regulations (24 CFR part 110) and advertising guidelines (24 CFR part 108);
   D. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and regulations pursuant thereto (24 CFR part 1) relating to nondiscrimination in housing;
   E. the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-07) and regulations issued pursuant thereto (24 CFR part 146);
   F. the prohibitions against discrimination on the basis of disability, including requirements that the Grantee make reasonable modifications and accommodations and make units accessible, under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and regulations issued pursuant thereto (24 CFR part 8) or the 2010 ADA Standards for Accessible Design;
   G. the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and its implementing regulation at 28 CFR part 35;
   H. the Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151) and regulations issued pursuant thereto (24 CFR part 40);
   I. Accessible Technology. Section 508 of the Rehabilitation Act of 1973, as amended (Section 508) requires HUD to ensure, when developing, procuring, maintaining, or using electronic and information technology (EIT), that the EIT allows persons with disabilities to access and use information and data comparably to those without disabilities unless an undue burden would result to the Federal agency. HUD encourages its recipients to adopt the goals and objectives of Section 508 by ensuring comparable access whenever EIT is used. Recipients must also comply with Section 504 of the Rehabilitation Act and, where applicable, the ADA. These statutes also require effective communication with individuals with disabilities and prohibit EIT-imposed barriers to access information, programs, and activities for persons with disabilities.

2. Finance and Accounting

   A. Commingling of Grant Funds. The Grantee agrees that, in its recordkeeping, it will not commingle Choice Neighborhoods Grant funds with funds from any other sources including, but not limited to, other HUD program funds or funds from other Federal, State or local government agencies. (Such other funds may be used to carry out the
Transformation Plan, so long as they are not commingled in the Grantee’s recordkeeping.)

B. Duplication of Funding. The Grantee will ensure that Choice Neighborhoods Grant funds are not used to duplicate work that is funded with any other HUD funds, funds from any other Federal program, or from any other funding source identified under the Transformation Plan, and will establish controls to assure non-duplication of funding.

3. Recordkeeping

A. Recordkeeping Authorities. The Grantee will comply with and be subject to all Federal recordkeeping requirements, including, but not limited to 2 CFR 200.333.

B. Recordkeeping Requirements. Grantees must retain records in accordance with the requirements of paragraph (A) above, including, but not limited to:

(1) the amount and disbursement of funds received under this Choice Neighborhoods Grant, including sufficient records that document the reasonableness and necessity of each expenditure;

(2) the amount and nature of any other assistance, including cash, services, or other items contributed to assist in the development of the Transformation Plan or contributed as a condition of receiving this Choice Neighborhoods Grant; and

(3) any other proceeds received for, or otherwise used in connection with, the Transformation Plan.

C. Access to Records. For the purpose of audit, examination, monitoring, and evaluation, the Grantee will give HUD (including any duly authorized representatives and the Inspector General) access, and will ensure that any participating party will give HUD such access, to any books, documents, papers, and records of the Grantee, or such participating party, that are pertinent to assistance received under this Choice Neighborhoods Grant or under the Transformation Plan, including all records required to be kept by paragraph (B) above.

4. Reporting


B. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417), hereafter referred to as “Section 872.” OMB is in the process of issuing regulations regarding federal agency implementation of section 872 requirements.

5. Eminent Domain. Section 407 of Div. G, Title IV of the Consolidated Appropriations Act, 2019, prohibits the use of funds to support any federal, state, or local project that seeks to use the power of eminent domain, unless eminent domain is employed only for a public use.
EXHIBIT B

WATTS RISING PROJECT AREA MAP
EXHIBIT C

OVERALL PROJECT SCHEDULE

Approved by HUD on January 13, 2021
## FY2019 WATTS RISING CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT

**PROGRAM SCHEDULE - REVISED 9.1.2020**

**Note:** APRIL 23, 2020 grant award

### ADMINISTRATION

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|          | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   | Q4   |

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<tr>
<td>Each working group decides meeting frequently</td>
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### COMPREHENSIVE RESIDENT & COMMUNITY ENGAGEMENT

| 1 | Working Groups (Non-Displacement, City Oversight, JDCP, etc.) - Ad Hoc |
| 2 | Watts Rising Choice Communication Team (street outreach) |
| 3 | Jordan Downs Community Coach Program |
| 4 | Community Advisory Committee (quarterly) |
| 5 | Resident Meetings/Back Yard Briefings (quarterly/as needed) |
| 6 | Watts Neighborhood Council Meetings (monthly) |
| 7 | Watts Rising Open House (annually starting Year 2) |
| 8 | Watts Rising Partner Retreat (annually) |
| 9 | Watts Rising Social Media (website, Facebook, Twitter, Instagram) |

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<thead>
<tr>
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<tr>
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### HOUSING STRATEGY (FY2018 EXPENDED BY SEPTEMBER 30, 2025; FY2019 BY SEPTEMBER 30, 2026)

| 1 | Environmental Clearance - Part 58 Approval |
| 2 | Relocation |

| Original NEPA with Specific Plan (adopted March 2014) | completed |
| NEPA Update (received January 2019) | completed |
| Next NEPA Update (January 2024) | Jan 2024 |
| Issue General Information Notice (GIN) | completed |

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| Financial Closing and Construction Start |
| Construction |
| Lease Up & Stabilization |
| Financial Closing and Construction Start (Bridge) |
| Construction |
| Lease Up & Stabilization |
| Financial Closing and Construction Start (TMJ) |
| Construction |
| Lease Up & Stabilization |

### Phase 3 (52) - Feb 2020-Oct 2022 - 1st Phase Choice (TMJ)

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### Grant Expenditure Deadlines

September 30, 2022

 beings 2020
### FY2019 WATTS RISING CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT

**PROGRAM SCHEDULE – REVISED 9.1.2020**

**Note: APRIL 23, 2020 grant award**

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**Grant Expenditure Deadlines**
- September 30, 2025
- September 30, 2026

**Housing Authority of the City of Los Angeles**
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## FY2019 WATTS RISING CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT

### PROGRAM SCHEDULE - REVISED 9.1.2020

*Note: APRIL 23, 2020 grant award*

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### 4 PEOPLE STRATEGY

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<td>Service Coordination Set-Up (information flow, common definitions, intake and assessment documents)</td>
<td>2/7/2020</td>
<td>9/30/2020</td>
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<tr>
<td>One-on-One Partner Meetings (introductions, current status, reaffirmation of commitment or new commitment)</td>
<td>7/1/2020</td>
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<tr>
<td>Build Out of Sales Force Tracking System + partner information sharing process</td>
<td>7/1/2020</td>
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<tr>
<td>Baseline Resident Needs Assessment (survey tool development, data collection protocol, conduct of survey)</td>
<td>7/1/2020</td>
<td>12/31/2020</td>
<td></td>
</tr>
<tr>
<td>Develop Resident Outreach Plan</td>
<td>7/1/2020</td>
<td>12/31/2020</td>
<td></td>
</tr>
<tr>
<td>On-Site Facilities (space use agreement, fit out, scheduled activities/programs)</td>
<td>8/1/2020</td>
<td>12/31/2020</td>
<td></td>
</tr>
<tr>
<td>Draft People Plan - Submit to HUD no later than January 23, 2021</td>
<td>6/1/2020</td>
<td>1/23/2021</td>
<td></td>
</tr>
<tr>
<td>Execute Data Sharing Agreements</td>
<td>1/1/2020</td>
<td>3/31/2021</td>
<td></td>
</tr>
<tr>
<td>Execute MOUs with Service Partners</td>
<td>12/1/2020</td>
<td>3/31/2021</td>
<td></td>
</tr>
<tr>
<td>Execute Subcontract Agreements with Service Providers</td>
<td>2/1/2021</td>
<td>6/31/2021</td>
<td></td>
</tr>
<tr>
<td><strong>2 Case Management - Start within 60 days of grant award</strong></td>
<td></td>
<td>on-going</td>
<td></td>
</tr>
<tr>
<td>Continue existing case management services (Head Start, mental health, other CII programs)</td>
<td>on-going</td>
<td>on-going</td>
<td></td>
</tr>
<tr>
<td>Resident Outreach for Services</td>
<td>1/1/2020</td>
<td>9/30/2026</td>
<td></td>
</tr>
<tr>
<td>Recruit and Hire Case Management Staff</td>
<td>9/1/2020</td>
<td>8/31/2021</td>
<td></td>
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<tr>
<td>Weekly Service Coordination/Case Management Check-Ins</td>
<td>10/1/2020</td>
<td>9/30/2026</td>
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<tr>
<td>Service Coordination Expansion (each housing phase)</td>
<td>on-going</td>
<td>on-going</td>
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<tr>
<td><strong>3 Annual Coordination/Planning Meetings (External + Internal Partners)</strong></td>
<td></td>
<td>on-going</td>
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<tr>
<td>Program Monitoring (on-going)</td>
<td>on-going</td>
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<tr>
<td>Resident Needs Assessment (annual)</td>
<td>10/1/2021</td>
<td>8/1/2026</td>
<td></td>
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<tr>
<td>Sustainability Planning &amp; Implementation</td>
<td>1/1/2022</td>
<td>on-going</td>
<td></td>
</tr>
</tbody>
</table>
### FY2019 WATTS RISING CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT

#### PROGRAM SCHEDULE - REVISED 9.1.2020

**Note:** APRIL 23, 2020 grant award

<table>
<thead>
<tr>
<th>Pre-Award</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
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<tbody>
<tr>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
</tr>
<tr>
<td>Start Date</td>
<td>End Date</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

### 5 NEIGHBORHOOD STRATEGY

#### 1 Critical Community Improvements - submit to HUD before April 23, 2021
- Reassess CCI Plan elements 7/1/2020 10/31/2020
- Submit CCI Plan 11/1/2020 3/31/2021
- HUD Approval of CCI Plan 4/24/2021 9/30/2021
- CCI Plan Implementation (detailed schedule to be determined) 10/1/2021 9/30/2026

#### 2 CDBG Funded Neighborhood Improvements (subject to change based on CCI Plan)

<table>
<thead>
<tr>
<th>Program</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy Connections: Morning Star MBC Basketball Court</td>
<td>4/1/2021</td>
<td>8/31/2022</td>
</tr>
<tr>
<td>Healthy Connections: Cool Schools</td>
<td>9/1/2021</td>
<td>9/30/2025</td>
</tr>
<tr>
<td>Realizing a Vision: MicroLoan Program</td>
<td>4/1/2021</td>
<td>9/30/2026</td>
</tr>
<tr>
<td>Healthy Connections: Historical Watts Train Station Renovation</td>
<td>7/1/2021</td>
<td>6/30/2023</td>
</tr>
<tr>
<td>Healthy Connections: Cultural Crescent Multi-Purpose Space</td>
<td>7/1/2021</td>
<td>12/31/2023</td>
</tr>
<tr>
<td>Healthy Connections: 1,000 Trees</td>
<td>4/1/2021</td>
<td>6/30/2026</td>
</tr>
<tr>
<td>Healthy Connections: Watts Cultural Trail Extension</td>
<td>1/1/2021</td>
<td>12/31/2024</td>
</tr>
<tr>
<td>Realizing a Vision: Watts Gateway Improvements</td>
<td>6/1/2022</td>
<td>8/31/2023</td>
</tr>
</tbody>
</table>

### 3 Public Safety Strategies

<table>
<thead>
<tr>
<th>Program</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRYD Programming (gang prevention and intervention, violence interruption, Summer Night Lights, Gun Buy-Back)</td>
<td>9/1/2020</td>
<td>3/1/2021</td>
</tr>
<tr>
<td>Watts Gang Task Force</td>
<td>on-going</td>
<td></td>
</tr>
<tr>
<td>Juvenile Reentry Assistance Program</td>
<td>on-going</td>
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<tr>
<td>Community Safety Partnership</td>
<td>on-going</td>
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</tr>
<tr>
<td>Watts Rising School Safety Collaborative</td>
<td>on-going</td>
<td></td>
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<tr>
<td>Leadership Training</td>
<td>on-going</td>
<td></td>
</tr>
<tr>
<td>EastSide Riders Bicycle Club</td>
<td>on-going</td>
<td></td>
</tr>
<tr>
<td>Walking Clubs</td>
<td>on-going</td>
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</tr>
</tbody>
</table>

### 4 Neighborhood Investments

<table>
<thead>
<tr>
<th>Program</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watts Skate Park</td>
<td>1/1/2020</td>
<td>6/30/2022</td>
</tr>
<tr>
<td>Solar Watts and Energy Efficiency Retrofits</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
</tr>
<tr>
<td>Watts Cool Schools</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
</tr>
<tr>
<td>Five miles of New Bike Lanes</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
</tr>
<tr>
<td>Greening Watts/Public Housing/Blue Line</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
</tr>
<tr>
<td>MudTown Farms Food Waste Collection/Redistribution</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
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<tr>
<td>Street Improvements (Wilkinson &amp; 103rd Street)</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
</tr>
<tr>
<td>Weigand Elementary Urban Tree Canopy &amp; Parkway</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
</tr>
<tr>
<td>Watts Community Tech Garden</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
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<tr>
<td>Freedom Tree Park and Century Gateway Park</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
</tr>
<tr>
<td>Watts Yardners (gardening program)</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
</tr>
<tr>
<td>Electric Vehicle Car Share</td>
<td>7/1/2020</td>
<td>6/30/2022</td>
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<tr>
<td>Watts Arms II Rehabilitation</td>
<td>9/1/2020</td>
<td>12/31/2021</td>
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<tr>
<td>TSA Affordable Housing Development - Phase 1 and Phase 2</td>
<td>1/1/2021</td>
<td>9/30/2025</td>
</tr>
<tr>
<td>Healthy Neighborhood Market Program</td>
<td>1/1/2021</td>
<td>9/30/2026</td>
</tr>
<tr>
<td>Safe Routes to School (112th Street + Flournoy Elementary)</td>
<td>10/1/2022</td>
<td>12/31/2024</td>
</tr>
</tbody>
</table>
EXHIBIT D

CNI PROGRAM BUDGET

Revision #2 Approved by HUD on August 9, 2021
<table>
<thead>
<tr>
<th>Line No.</th>
<th>Summary by Budget Line Item</th>
<th>Revised Overall CN Budget for All Project Phases</th>
<th>Previous Amount of Funds Authorized for Expenditure</th>
<th>Changes Requested in this Revision</th>
<th>HUD-Approved Total Amount of Funds Authorized for Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Supportive Service</td>
<td>$4,944,145.30</td>
<td>$154,669.00</td>
<td>$511,810.01</td>
<td>$666,479.01</td>
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<tr>
<td>2</td>
<td>Management Improvements</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Evaluation</td>
<td>$380,854.70</td>
<td>$0</td>
<td>$74,903.10</td>
<td>$74,903.10</td>
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<tr>
<td>4</td>
<td>Administration</td>
<td>$2,625,000.00</td>
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<td>$0</td>
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<td>5</td>
<td>Fees and Costs</td>
<td>$7,390,349.00</td>
<td>$5,460,349.00</td>
<td>$5,460,349.00</td>
<td>$5,460,349.00</td>
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<tr>
<td>6</td>
<td>Site Acquisition</td>
<td>$0</td>
<td>$154,669.00</td>
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<tr>
<td>7</td>
<td>Site Improvement</td>
<td>$500,000.00</td>
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<td>8</td>
<td>Dwelling Structures</td>
<td>$13,909,651.00</td>
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<td>9</td>
<td>Dwelling Equipment-Nonexpendable</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>10</td>
<td>Nondwelling Structures</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>11</td>
<td>Nondwelling Equipment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>12</td>
<td>Critical Community Improvements</td>
<td>$5,250,000.00</td>
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<tr>
<td>13</td>
<td>Demolition</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>14</td>
<td>Relocation Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>15</td>
<td>Relocation - Non Residents</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>16</td>
<td>Total Funds Authorization (Sum Of Lines 1-11)</td>
<td>$5,615,018.00</td>
<td>$586,713.11</td>
<td>$6,201,731.11</td>
<td>$6,201,731.11</td>
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<td>17</td>
<td>Funds held in Reserve</td>
<td>$29,384,982.00</td>
<td>$28,798,268.89</td>
<td>$28,798,268.89</td>
<td>$28,798,268.89</td>
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<tr>
<td>18</td>
<td>Amount of CN Grant (Sum Of Lines 1-13)</td>
<td>$35,000,000.00</td>
<td>$35,000,000.00</td>
<td>$35,000,000.00</td>
<td>$35,000,000.00</td>
</tr>
</tbody>
</table>

HUD Certification: In approving this budget and providing assistance to a specific housing development(s), I hereby certify that the assistance will not be more than is necessary to make the assisted activity feasible after taking into account assistance from other government sources (24 CFR 12.50).

Signature of Executive Officer

Signature of Authorized HUD Official

8/2/2021
<table>
<thead>
<tr>
<th>Budget Line Item Number</th>
<th>Description of Proposed/Approved Action</th>
<th>Use of Additional Authorized Funds</th>
<th>Current Overall CN Budget</th>
<th>Requested Change in Overall CN Budget</th>
<th>Requested Change in Disbursed Funds (Realignment)</th>
<th>Current Authorized Amount (Current Spread)</th>
<th>Requested Change in Amount Authorized for Expenditure (Change in Spread)</th>
<th>Total Funds to be Authorized for Expenditure (New Spread)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 23 456 7 8</td>
<td>People Administrative Costs: Fiscal Liaison at 10% FTE</td>
<td>$603,982.00</td>
<td>$ (550,684.18)</td>
<td></td>
<td>$13,474.30</td>
<td>$13,474.30</td>
<td></td>
<td>$13,474.30</td>
</tr>
<tr>
<td>13 405</td>
<td>People Administrative Costs: Administrative Assistant at 50% FTE</td>
<td>$135,321.00</td>
<td>$ (1,776.32)</td>
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<td></td>
<td>$30,200.00</td>
<td></td>
<td>$30,200.00</td>
</tr>
<tr>
<td>1405</td>
<td>Management &amp; Coordination: Vice President of Programs at 20% FTE</td>
<td>$275,325.00</td>
<td>$ (99,231.37)</td>
<td></td>
<td></td>
<td>$50,361.32</td>
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<td>$50,361.32</td>
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<tr>
<td>1405</td>
<td>Management &amp; Coordination: Program Supervisor at 100% FTE.</td>
<td>$484,860.00</td>
<td>$12,924.51</td>
<td>$ (12,924.51)</td>
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<td>$74,443.00</td>
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<td>$116,960.00</td>
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<tr>
<td>1405</td>
<td>Direct Service: Care Coordinators - Year 1 = 1 FTE, Year 2 = 4 FTE, Year 3 = 6 FTE and Year 4-6 = 7 FTE</td>
<td>$1,411,955.00</td>
<td>$272,620.41</td>
<td>$40,995.00</td>
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<td>$206,388.39</td>
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<td>$247,383.39</td>
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<tr>
<td>1405</td>
<td>Direct Service: Administrative assistant at 50% FTE - providing outreach to clients and setting up client specific meetings</td>
<td>$239,630.00</td>
<td>$ (106,085.32)</td>
<td>$21,060.00</td>
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<td>$9,140.00</td>
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<td>$30,200.00</td>
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<tr>
<td>1405</td>
<td>Employee Fringe at 24% - Benefits, Taxes &amp; Insurance. Year 1 costs support staff working on project.</td>
<td>$578,825.00</td>
<td>$ (578,825.00)</td>
<td>$25,097.00</td>
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<td>$25,097.00</td>
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<td>$25,097.00</td>
</tr>
<tr>
<td>1405</td>
<td>People Administrative Costs: Cell phone service &amp; Laptops for staff</td>
<td>$148,102.00</td>
<td>$ (99,922.00)</td>
<td></td>
<td></td>
<td>$7,400.00</td>
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<td>$7,400.00</td>
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<tr>
<td>1405</td>
<td>People Administrative Costs: Community Engagement Technology</td>
<td>$12,000.00</td>
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<td>$4,000.00</td>
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<td>$4,000.00</td>
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<tr>
<td>1405</td>
<td>Direct Service: Client Barrier Removal Costs</td>
<td>$220,000.00</td>
<td>$184,003.75</td>
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<td>$-</td>
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<tr>
<td>1405</td>
<td>Direct Service - Resident Needs Assesment</td>
<td>$90,000.00</td>
<td>$25,000.00</td>
<td>$15,000.00</td>
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<td>$20,000.00</td>
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<td>$35,000.00</td>
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<tr>
<td>1405</td>
<td>Direct Service: Additional TBD subcontractors</td>
<td>$1,040,000.00</td>
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<td>$-</td>
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<tr>
<td>1405</td>
<td>Direct Service: Subcontractor - Children's Defense Fund (educational enrichment programming)</td>
<td>$10,000.00</td>
<td>$50,000.00</td>
<td>$10,000.00</td>
<td></td>
<td>$10,000.00</td>
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<td>$10,000.00</td>
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</tbody>
</table>
### CN Budget: Part II: Supporting Pages for Revision to Overall Budget, Expenditure Allocation and/or Authorized Spending Amount

<table>
<thead>
<tr>
<th>Budget Line Item Number</th>
<th>Description of Proposed/Approved Action Use of Additional Authorized Funds</th>
<th>Current Overall CN Budget</th>
<th>Requested Change in Overall CN Budget</th>
<th>Requested Change in Disbursed Funds (Realignment)</th>
<th>Current Authorized Amount (Current Spread)</th>
<th>Requested Change in AmountAuthorized for Expenditure (Change in Spread)</th>
<th>Total Funds to be Authorized for Expenditure (New Spread)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Direct Service: Subcontractor - Strength Based Community Change (Employment Collective)</td>
<td>$ 500,000.00</td>
<td>$ 100,000.00</td>
<td></td>
<td></td>
<td></td>
<td>$ 511,810.01</td>
</tr>
<tr>
<td></td>
<td>People Administrative Costs: Office/ administrative supplies, postage &amp; shipping</td>
<td>$ 21,120.82</td>
<td>$ 2,500.00</td>
<td></td>
<td></td>
<td></td>
<td>$ 23,620.82</td>
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<tr>
<td></td>
<td>People Administrative Costs: Staff training &amp; travel costs</td>
<td>$ 45,000.00</td>
<td>$ 9,000.00</td>
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<td>$ 54,000.00</td>
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<tr>
<td></td>
<td><strong>Total Changes</strong></td>
<td><strong>$ (305,854.70)</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
<td></td>
<td><strong>$ 511,810.01</strong></td>
</tr>
</tbody>
</table>

**Previous Approved Budget Totals**

|                         | $ 5,250,000.00 | $ 5,250,000.00 | $ - | $ 154,669.00 | $ 154,669.00 |
| **NEW TOTALS FOR HUD APPROVAL** | $ 4,944,145.30 | $ - | $ - | $ 666,479.01 | $ 666,479.01 |

| 1408 MANAGEMENT IMPROVEMENTS |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                              | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             |
| **Total Changes**            | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             |

**Previous Approved Budget Totals**

|                         | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             |
| **NEW TOTALS FOR HUD APPROVAL** | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             | $ -             |

| 1409 EVALUATION           |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Performance Data / Project Management Software Subscription (Monday.com) to support overall data collection & evaluation of the Choice implementation grant plus management of neighborhood projects - $15k per year (Year 2-6) | $ 75,000.00 | $ -              | $ 74,903.10      | $ 44,903.10      | $ 44,903.10      | $ 30,000.00      | $ 30,000.00      | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              |
| Research Assistant & Research Associate at 75% FTE each | $ 230,854.70 | $ -              | $ 44,903.10      | $ 44,903.10      | $ 44,903.10      | $ 30,000.00      | $ 30,000.00      | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              |
| Performance Data Software Subscription to Salesforce, ETO or similar programs in support of People strategy | $ 75,000.00 | $ -              | $ 30,000.00      | $ 30,000.00      | $ 30,000.00      | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              |
| **Total Changes**          | $ 305,854.70   | $ -              | $ 74,903.10      | $ 74,903.10      | $ 74,903.10      | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              |

**Total Changes**

|                         | $ 305,854.70 | $ -              | $ 74,903.10      | $ 74,903.10      | $ 74,903.10      | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              | $ -              |
### CN Budget: Part II: Supporting Pages for Revision to Overall Budget, Expenditure Allocation and/or Authorized Spending Amount

<table>
<thead>
<tr>
<th>Budget Line Item Number</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1410 ADMINISTRATION</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>0.20 FTE (Year 1) and 0.50 FTE (Year 2-6), Senior Project Manager -</td>
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<tr>
<td></td>
<td>Partnerships &amp; Resource Development - to be hired. Position will work on</td>
<td></td>
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<tr>
<td></td>
<td>partner management, overall system set up, grant management, team/HUD</td>
<td></td>
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<tr>
<td></td>
<td>engagement, and community/communication plan. Position will focus on</td>
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<tr>
<td></td>
<td>sustaining Watts Rising efforts beyond CNI grant period and supplementing</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>CNI grant funding during grant period. Cost reflects benefits at 67%.</td>
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<tr>
<td></td>
<td></td>
<td>$ 637,348.00</td>
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<tr>
<td></td>
<td>0.6 FTE (Year 1) + 1.0 FTE CNI Project Manager (Year 2-6) - to be hired.</td>
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<td></td>
<td>CNI Project Manager will focus on plan establishment and support for</td>
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<tr>
<td></td>
<td>People and Neighborhood and work plans &amp; contracts for all Neighborhood</td>
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</tr>
<tr>
<td></td>
<td>Projects. Additional responsibilities include community engagement &amp;</td>
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<td></td>
<td>project management. Cost reflects benefits at 67%.</td>
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<td></td>
<td></td>
<td>$ 1,148,130.00</td>
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<tr>
<td></td>
<td>0.50 Administrative Assistant (Year 2-6) - to be hired. CNI Administrative</td>
<td></td>
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<tr>
<td></td>
<td>Assistant to help with invoices, meetings, events, contracts, data collection</td>
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<tr>
<td></td>
<td>and procurement for all aspects of CNI. Cost reflects benefits at 67%.</td>
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<td></td>
<td></td>
<td>$ 285,000.00</td>
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<tr>
<td></td>
<td>Resident Capacity Building (paying for resident participation in conferences</td>
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<td></td>
<td>&amp; trainings, including travel). Years 1-6.</td>
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<td></td>
<td></td>
<td>$ 32,522.00</td>
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<tr>
<td></td>
<td>Staff Capacity Building (paying for participation in conferences &amp; training,</td>
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<td></td>
<td>including travel). Years 1-6.</td>
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<td>$ 36,000.00</td>
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<td></td>
<td>Translation Services for materials and meetings - $1k per year (Year 1-6)</td>
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<td>$ 6,000.00</td>
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<td></td>
<td>Community Outreach Support via community coaches and neighborhood street</td>
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<td></td>
<td>team ($30k per year) (Year 1 -6)</td>
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<td>$ 180,000.00</td>
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<td></td>
<td>Neighborhood Team Leader Contract - $45K in Year 2 and $85k per year</td>
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<tr>
<td></td>
<td>(Year 3-6) - assumes 0.375 FTE in Year 2 and 0.5 FTE in Year 3-6</td>
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<td></td>
<td></td>
<td>$ 300,000.00</td>
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<td>Total Changes</td>
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<tr>
<td></td>
<td>Previous Approved Budget Totals</td>
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<td></td>
<td></td>
<td>$ 2,625,000.00</td>
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<tr>
<td></td>
<td>NEW TOTALS FOR HUD APPROVAL</td>
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<tr>
<td></td>
<td></td>
<td>$ 2,625,000.00</td>
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</tbody>
</table>

### FEES and COSTS

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1430</td>
<td>Housing Predevelopment Fees and Costs - A&amp;E (architecture., civil, geotech,</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>environmental, etc.), plan check and permitting fees, utility fees, impact</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>fees and fees for financing applications</td>
<td></td>
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</tbody>
</table>

**Previous Approved Budget Totals**

$ 75,000.00
$ 75,000.00
$ -
$ -

**NEW TOTALS FOR HUD APPROVAL**

$ 74,903.10
$ 74,903.10

**Total Changes**

$ -
$ -
$ -
$ -

$ 0
## CN Budget: Part II: Supporting Pages for Revision to Overall Budget, Expenditure Allocation and/or Authorized Spending Amount

<table>
<thead>
<tr>
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<th>Total Funds to be Authorized for Expenditure (New Spread)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Phase S2 - 81 units (49 replacement)</td>
<td>$705,000.00</td>
<td>$705,000.00</td>
<td>$1,160,349.00</td>
<td>$1,160,349.00</td>
</tr>
<tr>
<td></td>
<td>Phase H2-A - 76 units (39 replacement)</td>
<td>$1,160,349.00</td>
<td>$1,160,349.00</td>
<td>$1,500,000.00</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td></td>
<td>Phase H2-B - 119 units (61 replacement)</td>
<td>$1,500,000.00</td>
<td>$1,500,000.00</td>
<td>$1,300,000.00</td>
<td>$1,300,000.00</td>
</tr>
<tr>
<td></td>
<td>Phase S4 - 90 units (56 replacement)</td>
<td>$1,300,000.00</td>
<td>$1,300,000.00</td>
<td>$1,500,000.00</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td></td>
<td>Phase S5 - 70 units (40 replacement)</td>
<td>$1,500,000.00</td>
<td>$1,500,000.00</td>
<td>$1,500,000.00</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td></td>
<td>Phase H3 - 194 units (66 replacement)</td>
<td>$460,000.00</td>
<td>$460,000.00</td>
<td>$120,000.00</td>
<td>$120,000.00</td>
</tr>
<tr>
<td></td>
<td>Phase S6 - 100 units (59 replacement)</td>
<td>$1,000,000.00</td>
<td>$1,000,000.00</td>
<td>$460,000.00</td>
<td>$460,000.00</td>
</tr>
<tr>
<td></td>
<td>Phase S7 - 65 units (30 replacement)</td>
<td>$470,000.00</td>
<td>$470,000.00</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td></td>
<td>Technical Assistance for preparation of HUD Submissions (HUD Budget, Housing Plan, People Plan, CCI Plan), development of Data Collection Plan, and support for quarterly and annual reporting, project implementation, and systems development - $120k (Year 1), $100k (Year 2), $60k per year (Year 3-6)</td>
<td>$460,000.00</td>
<td>$460,000.00</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

**Total Changes**

|                       | $705,000.00 | $1,160,349.00 | $1,500,000.00 | $1,300,000.00 | $1,500,000.00 | $1,500,000.00 | $120,000.00 | $460,000.00 | $- | $- | $- |

**Previous Approved Budget Totals**

|                       | $8,095,349.00 | $8,095,349.00 | $- | $5,460,349.00 | $5,460,349.00 |

**NEW TOTALS FOR HUD APPROVAL**

|                       | $7,390,349.00 | $- | $- | $5,460,349.00 | $5,460,349.00 |

---

### 1440 SITE ACQUISITION

| Phase S2 - 81 units (49 replacement) | $500,000.00 | $- | $- | $- | $- |

**Total Changes**

| $- | $- | $- | $- | $- |

**Previous Approved Budget Totals**

| $- | $- | $- | $- | $- |

**NEW TOTALS FOR HUD APPROVAL**

| $- | $- | $- | $- | $- |

---

### 1450 SITE IMPROVEMENTS

| Phase S2 - 81 units (49 replacement) | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- |

**Previous Approved Budget Totals**

| $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- |

**NEW TOTALS FOR HUD APPROVAL**

| $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- |

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HUD 53236 (9/2021)
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<tr>
<td>1</td>
<td></td>
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</tr>
<tr>
<td>1460</td>
<td>DWELLING STRUCTURES</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Phase S2 - 81 units (49 replacement)</td>
<td>$ 1,795,000.00</td>
<td>$ (1,295,000.00)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Phase H2-A - 76 units (39 replacement)</td>
<td>$ 4,913,751.00</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Phase H2-B - 119 units (61 replacement)</td>
<td>$ 500,000.00</td>
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<td></td>
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<tr>
<td>Phase S4 - 90 units (56 replacement)</td>
<td>$ 1,550,000.00</td>
<td>$ 500,000.00</td>
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<tr>
<td>Phase S5 - 70 units (40 replacement)</td>
<td>$ 550,000.00</td>
<td>$ 500,000.00</td>
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</tr>
<tr>
<td>Phase H3 - 194 units (66 replacement)</td>
<td>$ 2,595,900.00</td>
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<td></td>
</tr>
<tr>
<td>Phase S6 - 100 units (59 replacement)</td>
<td>$ 1,800,000.00</td>
<td>$ 250,000.00</td>
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<tr>
<td>Phase S7 - 65 units (30 replacement)</td>
<td>$ -</td>
<td>$ 250,000.00</td>
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<tr>
<td>Total Changes</td>
<td>$ 205,000.00</td>
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</tr>
<tr>
<td>Previous Approved Budget Totals</td>
<td>$ 13,704,651.00</td>
<td>$ 13,704,651.00</td>
<td>$ -</td>
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</tr>
<tr>
<td>NEW TOTALS FOR HUD APPROVAL</td>
<td>$ 13,909,651.00</td>
<td>$ -</td>
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</tbody>
</table>

| 1465                   | DWELLING EQUIPMENT-NONEXPENDABLE | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Changes | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Previous Approved Budget Totals | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| NEW TOTALS FOR HUD APPROVAL | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

| 1470                   | NONDWELLING STRUCTURES | $ - | $ - | $ - | $ - | $ - | $ - |

NEW TOTALS FOR HUD APPROVAL

- $ 500,000.00

Previous Approved Budget Totals

- $ 0

NEW TOTALS FOR HUD APPROVAL

- $ 0

 ***Previous Approved Budget Totals***

- $ 0

NEW TOTALS FOR HUD APPROVAL

- $ 0

***Previous Approved Budget Totals***

- $ 0

NEW TOTALS FOR HUD APPROVAL

- $ 0
## CN Budget: Part II: Supporting Pages for Revision to Overall Budget, Expenditure Allocation and/or Authorized Spending Amount

<table>
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</thead>
<tbody>
<tr>
<td>1</td>
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<td>8</td>
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</tbody>
</table>

**Total Changes**: $ - $ - $ - $ - $ - $ - $ -

| Previous Approved Budget Totals | $ - $ - $ - $ - $ - $ - $ - $ - |
| New Totals for HUD Approval    | $ - $ - $ - $ - $ - $ - $ - $ - |

**CCI projects (TBD)** - A plan for Critical Community Improvements will be submitted for HUD approval by April 23, 2021.

- **New Total for HUD Approval**: $ 14,750
- **Total Changes**: $ 0

**New Totals for HUD Approval**: $ 14,800

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1475</td>
<td>Nondwelling Equipment</td>
<td>$</td>
<td>-</td>
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<tr>
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</table>

**Total Changes**: $ - $ - $ - $ - $ - $ - $ - $ -

| Previous Approved Budget Totals | $ - $ - $ - $ - $ - $ - $ - $ - |
| New Totals for HUD Approval    | $ - $ - $ - $ - $ - $ - $ - $ - |

**New Totals for HUD Approval**: $ 14,800

<table>
<thead>
<tr>
<th>Budget Line Item Number</th>
<th>Description of Proposed/Approved Action Use of Additional Authorized Funds</th>
<th>Current Overall CN Budget</th>
<th>Requested Change in Overall CN Budget</th>
<th>Requested Change in Debursed Funds (Realignment)</th>
<th>Current Authorized Amount (Current Spread)</th>
<th>Requested Change in Amount Authorized for Expenditure (Change in Spread)</th>
<th>Total Funds to be Authorized for Expenditure (New Spread)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>$</td>
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**Total Changes**: $ - $ - $ - $ - $ - $ - $ - $ -

| Previous Approved Budget Totals | $ - $ - $ - $ - $ - $ - $ - $ - |
| New Totals for HUD Approval    | $ - $ - $ - $ - $ - $ - $ - $ - |

**New Totals for HUD Approval**: $ 14,800

**Total Changes**: $ 0
<table>
<thead>
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<th>Current Overall CN Budget</th>
<th>Requested Change in Overall CN Budget</th>
<th>Requested Change in Disbursed Funds (Realignment)</th>
<th>Requested Change in Authorized Amount (Current Spread)</th>
<th>Total Funds to be Authorized for Expenditure (New Spread)</th>
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<td>NEW TOTALS FOR HUD APPROVAL</td>
<td>$ 5,250,000.00</td>
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<td>-</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
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### 1485 DEMOLITION

| 1485 DEMOLITION |                                                                 |                           |                                       |                                               |                                                     | 0                                                 |
|-----------------|------------------------------------------------------------------|---------------------------|---------------------------------------|                                               |                                                     | 0                                                 |
| Previous Approved Budget Totals | $ -                                                            | $ -                      | $ -                                   | -                                             | $ -                                               | $ -                                               |
| NEW TOTALS FOR HUD APPROVAL | $ -                                                            | $ -                      | $ -                                   | -                                             | $ -                                               | $ -                                               |

### 1495 RELOCATION COSTS - RESIDENTS

| 1495 RELOCATION COSTS - RESIDENTS |                                                                 |                           |                                       |                                               |                                                     | 0                                                 |
|-----------------------------------|------------------------------------------------------------------|---------------------------|---------------------------------------|                                               |                                                     | 0                                                 |
| Previous Approved Budget Totals | $ -                                                             | $ -                      | $ -                                   | -                                             | $ -                                               | $ -                                               |
| NEW TOTALS FOR HUD APPROVAL      | $ -                                                             | $ -                      | $ -                                   | -                                             | $ -                                               | $ -                                               |

### 1496 RELOCATION - NON RESIDENTS

| 1496 RELOCATION - NON RESIDENTS |                                                                 |                           |                                       |                                               |                                                     |                                                   |
|---------------------------------|------------------------------------------------------------------|---------------------------|---------------------------------------|                                               |                                                     |                                                   |
### CN Budget: Part II: Supporting Pages for Revision to Overall Budget, Expenditure Allocation and/or Authorized Spending Amount

<table>
<thead>
<tr>
<th>Budget Line Item Number</th>
<th>Description of Proposed/Approved Action Use of Additional Authorized Funds</th>
<th>Current Overall CN Budget</th>
<th>Requested Change in Overall CN Budget</th>
<th>Requested Change in Disbursed Funds (Realignment)</th>
<th>Current Authorized Amount (Current Spread)</th>
<th>Requested Change in Amount Authorized for Expenditure (Change in Spread)</th>
<th>Total Funds to be Authorized for Expenditure (New Spread)</th>
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<td>$ -</td>
<td>$ -</td>
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<td>$ 0</td>
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<tr>
<td>Previous Approved Budget Totals</td>
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<td>$ -</td>
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<td>NEW TOTALS FOR HUD APPROVAL</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>$ -</td>
</tr>
<tr>
<td>Total Changes</td>
<td>$ 596,713.11</td>
<td>$ 596,713.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previous Approved Budget Totals</td>
<td>$ 35,000,000.00</td>
<td>$ 5,615,018.00</td>
<td></td>
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<tr>
<td>NEW BLI TOTAL</td>
<td>$ 35,000,000.00</td>
<td>$ 6,201,731.11</td>
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</tbody>
</table>
CNI Program Reimbursement Procedures

Timing

Invoices can be submitted to HACLA no more frequently than a bi-monthly (15th of every other month) basis. When the invoice submission date falls on a weekend or state-recognized holiday, invoices may be submitted the first working day that follows.

Required Supporting Documentation for Invoice Submission

(Note: Copies of supporting documentation may be provided – originals should remain with the project partner)

For Lead Partner’s Labor/ Personnel Costs:

- **Choice Timesheet Form** showing:
  - name and title of employee
  - hourly rate not inclusive of fringe
  - hourly rate (dollar amount) including fringe showing employer (not employee) contributions for each fringe benefit
  - total hours worked on approved Choice activities during the invoice period
  - total dollar amount earned for approved Choice activities during the invoice period

Except for hours earned for vacation or sick leave, all other hours worked must be catalogued by date worked and description of work which can be directly related to approved Scope of Work/Work Plan.

- **Proof of Payment to Personnel** demonstrating amounts listed in invoice were received by personnel. To demonstrate proof of payment to personnel, partners should submit a letter signed by your authorized signatory (the same person who signs your Choice invoice) stating

  “We do hereby certify that all employees listed in the attached payroll register that were invoiced during billing period [Choice Period #] have been paid as of [DATE].”
• **FOR FIRST INVOICE**: Completed fringe benefits table and supporting documentation. You will need to provide backup for EACH fringe benefit you claim. Partners only need to submit backup for their fringe benefits with their first invoice and when the fringe benefit rates change.
  - Complete this FRINGE BENEFITS TABLE form outlining the following.
    - The employees working on Choice
    - A column for each fringe benefit being billed to Choice
    - The per hourly cost associated with each fringe benefit
    - The total billable cost for each employee when fringe benefits are included
  - With your completed FRINGE BENEFITS TABLE, you will be required to certify that you have backup demonstrating proof of fringe benefits rates. HACLA may request additional information be provided for any rates that appear unusual or well above or below market standard before approving first payment. Below is a table that outlines the appropriate backup for the potential fringe benefits you may claim.

**Samples of Backup Documentation needed to demonstrate fringe:**

<table>
<thead>
<tr>
<th>Types of Fringe Benefits</th>
<th>Documents Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes (Employer Portion)</td>
<td>Statement of Earnings for the employee billed to Choice and payment support</td>
</tr>
<tr>
<td>FICA/Medicare</td>
<td></td>
</tr>
<tr>
<td>Medical Insurance (Employer Portion)</td>
<td>Insurance policy to support the Premiums and the supporting schedule that shows the amount applicable for the employee billed to Choice and payment support</td>
</tr>
<tr>
<td>Dental Insurance (Employer Portion)</td>
<td>Insurance policy to support the Premiums and the supporting schedule that shows the amount applicable for the employee billed to Choice and payment support</td>
</tr>
<tr>
<td>Vision Insurance (Employer Portion)</td>
<td>Insurance policy to support the Premiums and the supporting schedule that shows the amount applicable for the employee billed to Choice and payment support</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>Documentation to show the cost incurred by the company for the employee billed to Choice and payment support</td>
</tr>
<tr>
<td>Retirement Cost</td>
<td>Company retirement contribution towards the employee and a breakdown of the cost applicable for the employee and payment support</td>
</tr>
<tr>
<td>Total Vacation Hours</td>
<td>Company policy for vacation hours and the rate applicable for the employee and payment support</td>
</tr>
<tr>
<td>Total Paid Time Off Hours</td>
<td>Company policy for paid time off hours and the rate applicable for the employee and payment support</td>
</tr>
<tr>
<td>Total Holiday Hours</td>
<td>Company policy for holiday hours and the rate applicable for the employee and payment support</td>
</tr>
</tbody>
</table>
For Lead Partner’s Supplies, Materials, Postage:
Provide invoices, purchase orders and any other documents – e.g. receipts and other supporting documents confirming the receipt of goods (e.g. signed packing slip).

For Lead Partner’s Equipment Purchases:
Provide invoices, purchase orders and any other documents – e.g. receipts and other supporting documents confirming the receipt of goods (e.g. signed packing slip).

For Lead Partner’s Subcontractors:
- **FOR FIRST INVOICE:** Provide a copy of the subcontractor’s contract. [NOTE: HACLA should be a consenting signatory on the subcontractor’s contract. If HACLA did not pre-approve the contract and is not a consenting party, the contract is not valid and cannot be reimbursed.]
  
  Subcontractor’s invoice listing the following:
  - **Supplies/Materials:** Provide invoices, purchase orders or other documents – e.g. receipts and other supporting documents confirming the physical receipt of goods such as signed packing slips.
  - **Equipment:** Provide invoices, purchase orders and any other documents – e.g. receipts and other supporting documents confirming the physical receipt of goods such a signed packing slip.
  - **Services:** Provide documentation to evidence the delivery of agreed upon services and the quantity provided during the invoice period. This might include flyers and attendee lists for meetings; reports on outcomes or contracted measurables; permits and lien releases for work completed; etc.

For Lead Partner’s Other Expenses Incurred:
For all other types of expenses that are to be reimbursed per the agreement between HACLA and the Lead Partner, receipts and other supporting documents confirming the expenditure of funds for the agreed upon expense are to be provided.
- For the Lead People Partner, these other expenses may include community engagement expenses, provision of concrete supports to clients, and costs associated with the resident needs assessment.
  - **Client Supports.** If providing client support, in addition to receipts for the supports, you must provide a certification from client listing all supports received and date received. This must be signed by the client and witnessed by the staff person working with the client. A sample form is attached. 
  
  Note: All expenses must be incurred during or prior to the invoicing period irrespective of payment status.
Invoice Submission Process:

- **Step 1:** Complete the CHOICE INVOICE TEMPLATE (Exhibit A)
  - List invoice amounts by approved budget line item. Reference the most recently HUD approved budget to determine the budget line item to use.

- **Step 2:** Compile all supporting documentation. See the following pages for a list of required supporting documents.

- **Step 3:** Review the compliance documentation checklist to ensure your insurance, Section 3, and Prevailing Wage forms, are up to date. See Exhibit C for compliance documentation required on file in order to release payment.

- **Step 4:** Email your completed Choice Invoice and all required supporting documentation to:
  - **Housing:** Attention Julie Mungai, Deputy Director, Development Department. Julie.mungai@hacla.org with copy to Catherine Nguyen, Project Manager, Watts Rising. Catherine.nguyen@hacla.org
  - **People:** Attention Jenny Scanlin, Chief Development Officer, Strategic Initiatives Bureau. Jenny.scanlin@hacla.org
  - **Neighborhood:** Attention Katrina Kubicek, Senior Project Manager, Watts Rising. Katrina.kubicek@hacla.org

*Note:* HACLA is in the process of setting up Monday.com accounts for Housing and Neighborhood partners. When that has been completed, all housing and neighborhood-related invoices will be submitted via Monday.com.

- **Step 5:** HACLA will review your invoice and backup and notify Partners of any errors, omissions or requests for revisions.

- **Step 6:** Upon final approval from your respective Project Manager, your invoice will be submitted to HACLA Accounts Payable who will draw the funds down from LOCCS and process payment to the Partner.
Invoice Package Checklist

Use the checklist below to make sure your Invoice Package is complete:

☐ The Invoice Summary is signed by the Authorized Signatory
☐ All amounts match on the Invoice Summary and Invoice Details
☐ All costs were incurred during or prior to the invoice Billing Period
☐ All costs are eligible expenses
☐ Supporting documentation was provided for all costs and meets the requirements listed on pp. 1-3.
☐ Provide evidence of insurance meeting HACLA insurance requirements. After initial submission, only provide when a renewal has occurred.
☐ Provide evidence of compliance with applicable Prevailing Wage requirements, if applicable
Receiving Reimbursement

In order to release payment to partners, HACLA requires the following on file:

- **INSURANCE:** General Liability, Auto, and Workers Compensation Insurance current as of the period invoicing to the amounts listed per HACLA insurance requirements

- **SECTION 3 - LOCAL HIRE COMPLIANCE:** At the start of all projects, partners are required to fill Section 3, Forms 1 through 5 outlining local hiring plans. Form 5 is meant to capture Project Partners and all subs progress against those hiring goals outlined in Forms 1 through 4. Form 5 should be submitted at least annually to track Section 3 progress by the partner.

- **PREVAILING WAGE (PW) COMPLIANCE:** For projects triggering prevailing wage, the following documentation must be on file to release payment. For more detail on the following documents, refer to the Prevailing Wage Guide.
  
  - During regular invoicing period:
    - Attended Pre-construction meeting with HACLA PW Staff
    - Copy of your Signed Contract with Prime Contractor with Prime/Sub Registration Form + PW Contract Provisions Notice (if went out to bid, a copy of all bids as well)
    - Completed Wage Rate Sheet documenting wage classifications and rates
    - Wage classifications and Rates, Upload
    - Evidence of Awarding Body Registration with Department of Industrial Relations
    - Evidence of Project Registration with DIR
    - Evidence of Prime Contractors Registration with DIR
    - Prime Contractor completion of Letter of Payroll Authorization for Public Works
    - Copy of Contractors' PW Posting Confirmation
  
  - At an annual check during public works construction
    - Proof of submission of all contractors Bi-weekly Payroll to DIR website
    - Updated Wage Rate Sheets if any pre-determined wage increases occur
Section 3 Compliance

Section 3 Submission Schedule

- At contract signing:
  - Form 1: Declaration of Understanding and Intent to Comply;
  - Form 2: Section 3 Business Concern Certification; and
  - Form 4: Economic Opportunity Plan (“EOP”) – for all lead partners to identify hiring, subcontracting, and other commitments

- Within 3-5 business days of hiring new staff (as outlined in your Form 4 Hiring Plan):
  - Form 3: Section 3 Resident Certifications – among other things, these certifications demonstrate how many Section 3 Residents were hired, if the lead partners are meeting their commitments, and if the order of hiring priority is being observed – Lead partner may be required to attach documentation of efforts.

- Based on HACLA Section 3 reporting requirements:
  - Compliance Summary Report (Excel version), including, but not limited to, the following information:
    - Dollar amount of contracts awarded to Section 3 Business Concerns and to non-Section 3 entities
    - List of Subcontractors, their start dates, amounts of subcontract, and similar data
    - Detailed hiring information to determine if Section 3 Resident New Hire and total Section 3 Resident work hour goals are being met and to understand if the order of hiring priority is being observed
    - Information on the workforce at the project site, including the total number of workforce participants, how many are Section 3 Residents, and how many are New Hires
    - Supporting documentation showing good faith efforts and outreach activities aimed at implementing the Section 3 Plan

- Materials to be submitted at end of project:
  - Final Compliance Summary Report (Excel version)
    - A Project Report that outlines good faith efforts and outreach activities aimed at implementing the Section 3 Plan, strategies, achievements, statistical data, and obstacles
    - Supporting documentation showing good faith efforts and outreach activities aimed at implementing the Section 3 Plan
Submitting Documentation and Updates for Section 3

For Housing and Neighborhood Projects:
You will be using Monday.com to submit Section 3 forms and provide updates to your hiring plan. Each partner will have their own Hiring Plan Board in Monday.com. That board will have two sections:

1. **Section 3 Local Hire Forms:** In this section, you can access and view the Section 3 forms HACLA currently has on file. HACLA project managers will notify you if that form is missing or requires revisions by updating the *Form Status* column.

2. **Hiring Plan:** This section outlines the hiring commitments you agreed to at contract signing in your Section 3, Form 4 submission. You will be providing updates on your hiring progress by updating this section.

For Forms Due at Contract Execution:
Step 1: Visit your **HIRING PLAN** board in Monday.com to view the Section 3 Compliance Forms currently on file
   - Look at the *Form Status* column to see the status of your form.
   - If you have any forms missing, *Form Status* will be marked as *No Form Submitted*

Step 2: Upload any missing forms to the *Upload Form* column
   - Once you upload your form, your HACLA PM will be notified and will notify you if any revisions are required

For People Expenses:
You will submit Section 3 forms and updates of your hiring plan directly to the HACLA Section 3 Compliance Administrator: Sone Davayan, Section 3 and MBE/WBE Compliance Administrator, *sone.davayan@hacla.org.*
WATTS RISING CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT

INVOICE SUMMARY

<table>
<thead>
<tr>
<th>Period #:</th>
<th>Reporting Period Dates:</th>
<th>[START DATE]</th>
<th>[END DATE]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Signatory: (Name)</td>
<td>(Position)</td>
<td>By my signature below, I certify that I have full authority to execute this payment request on behalf of the Subgrantee. I declare under penalty of perjury, under the laws of the State of California, that this invoice for reimbursement, and any accompanying supporting documents, for the above-mentioned Program are true and correct to the best of my knowledge, all disbursements have been made for the purposes and conditions as outlined in the Grant Agreement.</td>
<td>Signature:</td>
</tr>
</tbody>
</table>

Delete all rows that do not apply

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Subgrantee - Administration</td>
<td></td>
</tr>
<tr>
<td>Activity #1</td>
<td></td>
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<td>Activity #2</td>
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<td>Activity #3</td>
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<td>Activity #10</td>
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</table>

TOTAL to be reimbursed this Period $ -
**WATTS RISING CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT**

**FRINGE BENEFITS TABLE**

Subgrantees must complete this fringe benefits table and provide supporting documentation with their first invoice. Subsequently, this table plus backup only needs to be provided when the fringe benefit rates change.

Effective Date for Fringe Benefit Rates: 

Authorized Signatory: (Name)  

(Position) 

By my signature below, I certify that on behalf of the Subgrantee, we have documentation of the fringe benefit rates provided in this table. I declare under penalty of perjury, under the laws of the State of California, that this fringe benefits table and any accompanying supporting documents, for the above-mentioned Program are true and correct to the best of my knowledge.

Signature: 

Date: 

Please delete any unused rows.

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Taxes, FICA/ Medicare</th>
<th>Medical</th>
<th>Dental</th>
<th>Vision</th>
<th>Workers Comp</th>
<th>Retirement</th>
<th>Vacation</th>
<th>Paid Time Off</th>
<th>Holidays</th>
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</tbody>
</table>
Subgrantees must record the time worked by staff and activity during the reporting period for which reimbursement is requested.

<table>
<thead>
<tr>
<th>[EMPLOYEE NAME + TITLE]</th>
<th>Hourly Rate (no fringe): $</th>
<th>Hourly Rate (plus fringe): $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period #:</td>
<td>Reporting Period: [START DATE] [END DATE]</td>
<td></td>
</tr>
</tbody>
</table>

Please delete any unused rows.

<table>
<thead>
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<th>Date</th>
<th>Description of Work</th>
<th>Hours</th>
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<td>TOTAL HOURS FOR THIS PERIOD</td>
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Subgrantees must complete the Invoice Detail for the grant administration activities completed during the reporting period.

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<th>Name and Title of Employee</th>
<th>Hourly Rate (no fringe)</th>
<th>Hourly Rate (including fringe)</th>
<th>Total Hours this Period</th>
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TOTAL FOR THIS PERIOD $ 14,250.00
### WATTS RISING CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT

**INVOICE DETAIL - ACTIVITY**

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WATTS RISING CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT

DOCUMENTATION OF CLIENT SUPPORTS RECEIVED

Date: ____________________________________________

Name: ___________________________________________

Address: _________________________________________

City/State/Zip: _____________________________________

Phone Number: _____________________________________

Description of Good/Services Received:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Staff person assisting with purchases: ______________________________________________________________________

I certify that I received the goods/services described above:

Participant Signature: ______________________________________________________________________

Signature of Staff Witness: ______________________________________________________________________

Signature of Supervisor: ______________________________________________________________________
EXHIBIT F

CNI PREDEVELOPMENT LOAN TEMPLATE
CNI PHASE-RELATED PREDEVELOPMENT LOAN AGREEMENT FOR THE REDEVELOPMENT OF JORDAN DOWNS – PHASE ______

This CNI PHASE-RELATED PREDEVELOPMENT LOAN AGREEMENT FOR THE REDEVELOPMENT OF JORDAN DOWNS – PHASE ______ (this “Loan Agreement”) is effective as of _______, 202X (the “Effective Date”) by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (the “Authority” and “Lender”) and ______________, LP, a California limited partnership (the “Borrower”).

RECITALS

WHEREAS, the Authority entered into a Master Development Agreement for the Redevelopment of the Jordan Downs Public Housing Community with Jordan Downs Community Partners, LLC (“JDCP”) dated August 1, 2012 (as amended on July 13, 2017; October 4, 2017; and July 7, 2020, and as maybe be further amended, the “MDA” or “Master Development Agreement”) and Section 1.5.7 of the MDA contemplates the submission of an application for a Choice Neighborhoods Initiative (“CNI”) implementation grant for the Development (as hereinafter defined);

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) awarded the Authority a Choice Neighborhoods Initiative (“CNI”) Implementation Grant pursuant to that certain HUD FY2019 Choice Neighborhoods Implementation Grant Agreement Number CA9D004CNG119 between HUD and the Authority (the “CNI Grant Agreement”);

WHEREAS, pursuant to the terms of Section 5.1 of the Master Development Agreement, JDCP assigned its rights to develop and own the Project (as herein after defined) to Borrower, as an Owner Entity (as defined in the Master Development Agreement), by which assignment Borrower is subject to the obligations set forth in the Master Development Agreement;

WHEREAS, the Authority received a request from JDCP for a CNI Phase-Related Predevelopment Loan to be provided to Borrower;

WHEREAS, the Lender intends to lend up to ______________ and XX/100 Dollars ($_________.__) of funds available to Lender under the CNI Grant Agreement to the Borrower (the “CNI Phase-Related Predevelopment Loan”) to cover up to seventy-five(607,672),(693,687) percent (75%) of Phase-Related Predevelopment Costs (as defined in Section 1.01) incurred by the Borrower to third-parties not affiliated with the Borrower or Lender and related to Jordan Downs Phase – ________ (the “Project”); and

WHEREAS, because predevelopment activities are of extreme importance to the success of the Project, the Lender is willing to make the CNI Phase-Related Predevelopment Loan to the Borrower upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein
contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

Article 1
Definitions

1.01 Definitions. The following terms are defined as follows for purposes of this Loan Agreement and each shall have the meaning given it unless the context clearly indicates otherwise:

(a) "Architect" means the architect or architects, if any, with whom the Borrower contracts to design and oversee the Phase-Related Predevelopment Work, as such work is defined herein, and subsequent construction of the Project.

(b) "Assignment of Project Documents" means that certain CNI Predevelopment Assignment of Project Documents executed by Borrower, dated as of substantially even date herewith, as security for the CNI Phase-Related Predevelopment Loan.

(c) "Borrower" means ______________, LP, a California limited partnership, and its successors and assigns.

(d) "Borrower Predevelopment Fund Commitment" means the funds that the Borrower shall also advance or receive credit in accordance with Section 7.4.3 of the Master Development Agreement for an aggregate contribution of up to __________________ and XX/100 Dollars ($____________.__) for Predevelopment Costs related to the Project.

(e) "Closing" shall have the meaning given to it in the Master Development Agreement.

(f) "CNI Phase-Related Predevelopment Loan" means this loan of Lender Funds, up to the Loan Amount, made by the Lender to the Borrower to fund Third Party Costs contemplated under the Phase-Related Predevelopment Budget for the Phase-Related Predevelopment Work as approved by the Lender.

(g) "CNI Requirements" shall mean (i) the Consolidated and Further Appropriations Act, 2018, Pub. L. No. 115-41 (approved March 23, 2018), (ii) the Consolidated and Further Appropriations Act, 2019, Pub. L. No. 116-6 (enacted February 5, 2019), (iii) Section 24 of the U.S. Housing Act of 1937, as amended, (iv) all other Federal statutory, executive order and regulatory requirements applicable to the CNI program, as those requirements exist or as they may be amended from time to time, (v) HUD Cost Control and Safe Harbor Standards for Section 8 Projects under Choice Neighborhoods Program (November 2015), and (vi) the CNI Grant Agreement.

(h) "Cost Sharing Cap" means the maximum amount Lender shall provide the
Individual Developers for Third Party Costs, which shall not exceed seventy-five percent (75%) of this Phase-Related Predevelopment Work and the total Phase-Related Predevelopment Work and Multi-Phase Predevelopment Work.

(i) “Declaration” means any Declaration of Trust, Declaration of Restrictive Covenants, Choice Neighborhoods Initiative Implementation Grant Program Declaration of Restrictive Covenants and/or RAD Use Agreement in favor of HUD that is now or hereafter recorded against the Development.

(j) “Default Rate” means the rate of interest to be charged on all sums due under the Note and not paid on or by the Maturity Date, which rate shall be the short-term applicable federal rate in effect on the effective date hereof, plus three percent (3%) per annum.

(k) “Development” means the entire redevelopment effort contemplated under the Master Development Agreement.

(l) “Event of Default” shall have the meaning ascribed to it in Article 6 of this Loan Agreement.

(m) “Force Majeure” shall have the meaning ascribed to it in Section 8.18 of this Loan Agreement.

(n) “HUD” means the United States Department of Housing and Urban Development.

(o) “Individual Developer” means _________________________.

(p) “Interest Rate” means the rate of interest that shall accrue on all advances made pursuant to the Note, from the date of disbursement until the Maturity Date, which shall be zero percent (0%).

(q) “Lender” means the Authority or its successor in interest.

(r) “Lender Funds” means the funds made available to the Lender for Phase-Related Predevelopment Work pursuant to the CNI Requirements.

(s) “Loan Amount” means the amount not to exceed an outstanding principal balance of ______________________ and XX/100 Dollars ($______________) to be provided to the Borrower pursuant to this Loan Agreement to cover up to seventy-five percent (75%) of the Third Party Costs of the Phase-Related Predevelopment Work, as described in the Phase-Related Predevelopment Budget.

(t) “Loan Documents” means all documents identified in Article 4 herein.
(u) “**Master Developer**” means Jordan Downs Community Partners LLC, a California limited liability company.

(v) “**Master Development Agreement**” means the Master Development Agreement for the Redevelopment of the Jordan Downs Public Housing Community, by and among the Lender, Master Developer and Individual Developers effective as of August 1, 2012 and amended on July 13, 2017, October 4, 2017 and July 7, 2020, and as may be further amended. The provisions of the Master Development Agreement are automatically incorporated herein by this reference.

(w) “**Maturity Date**” shall have the meaning as defined in Section 2.08 of this Loan Agreement.

(x) “**Note**” means that certain Non-Negotiable CNI Predevelopment Loan Promissory Note executed and delivered by the Borrower, dated as of substantially even date herewith, evidencing the CNI Phase-Related Predevelopment Loan made pursuant to this Loan Agreement.

(y) “**Owner Entity**” means ________________, LP, a California limited partnership.

(z) “**Phase-Related Predevelopment Budget**” means the budget attached as Exhibit 3 hereto, as the same may be amended or revised from time to time with the consent of the parties hereto. The Borrower may submit written requests for amendments to line items within the Phase-Related Predevelopment Budget at the same time Borrower submits draw requests pursuant to this Loan Agreement. The Authority shall approve or deny such requests for amendments in writing upon disbursement of the CNI Phase-Related Predevelopment Loan proceeds.

(aa) “**Phase-Related Predevelopment Costs**” means those costs of the Vertical Development that need to be incurred prior to Closing, but are part of the development budget for this Project.

(bb) “**Phase-Related Predevelopment Schedule**” means the schedule attached as Exhibit 2 hereto, as the same may be amended or revised from time to time with the consent of the parties hereto, and subject to Force Majeure and Contingencies as set forth in the Master Development Agreement.

(cc) “**Phase-Related Predevelopment Work**” means all work contemplated in the Phase-Related Predevelopment Schedule, attached hereto as Exhibit 2, and the Phase-Related Predevelopment Budget, attached hereto as Exhibit 3, for this Project, as such shall be approved by HUD, if required.

(dd) “**Predevelopment Property**” means the land on which the Project is expected to be located (subject to the approval of HUD, if required, and the Authority’s Board of Commissioners), as more specifically defined in Exhibit 1.
(ee) “Project” means the XX-unit development known as Jordan Downs – Phase _____ to be constructed as part of the Development pursuant to the Master Development Agreement, as depicted in Exhibit 1A.

(ff) “Soft Costs” shall include Professional Fees/Consultant Fees and Other Soft Project Costs identified in the Phase-Related Predevelopment Budget.

(gg) “State” shall mean the State of California.

(hh) “Third Party Costs” means costs for work to be performed by parties not affiliated with the Borrower, as such costs are contemplated in the Phase-Related Predevelopment Budget. For purposes of this Section, an “affiliated” party shall mean any entity that Borrower has an ownership interest in or any entity that shares ownership interests with the Borrower in another entity, or an entity that “controls” or is “controlled” by Borrower (as the term “control” is defined in Section 3.09 herein.).

1.02 Other Definitions. Capitalized terms utilized herein and not otherwise defined shall have the meaning prescribed in the Master Development Agreement.

Article 2
Loan Agreement to Construct, Lend and Repay

2.01 CNI Phase-Related Predevelopment Loan. Subject to the terms and conditions of this Loan Agreement and the Note, and so long as no Event of Default exists, the Lender agrees to lend to the Borrower, as an advance of principal under the Note, funds totaling no more than _____________________________ and XX/100 Dollars ($______________.); and the Borrower agrees to repay all sums so advanced, together with interest as provided in said Note.

2.02 Use of CNI Phase-Related Predevelopment Loan Proceeds for the Project. The proceeds of the CNI Phase-Related Predevelopment Loan shall be used solely for the payment of the eligible, Authority-approved and budgeted Third Party Costs related to Phase-Related Predevelopment Work, as such costs are incurred.

2.03 Vertical Development. If the Phase-Related Predevelopment Work shall exceed the value of this Phase-Related Predevelopment Loan, the Borrower affirms that any additional Phase-Related Predevelopment Costs shall be the responsibility of the Borrower and not of the Lender.

2.04 Reserved.

2.05 CNI Phase-Related Predevelopment Loan; Effect on Cost Sharing Cap. Pursuant to Section 7.4.1 of the Master Development Agreement, the Lender and Borrower shall share the Phase-Related Predevelopment Costs. The Lender’s share of total Phase-Related Predevelopment Costs shall not exceed the Cost Sharing Cap of seventy-five percent (75%).
Borrower affirms (i) that it shall meet its obligation to fund (or receive credit for advancement of direct project management costs in accordance with Section 7.4.3 of the Master Development Agreement) for twenty-five percent (25%) of the Phase-Related Predevelopment Costs, and (ii) that this cost sharing formula shall be applied as costs are incurred, as shall be evidenced in the summary sheet to be submitted with each disbursement request in accordance with Section 5.02(b) of this Loan Agreement.

2.06 Interest. Starting on the date of the first advance on the Note and ending on the Maturity Date, the unpaid principal amount of advances shall bear interest at the Interest Rate. Interest shall accrue annually on the outstanding principal balance and unpaid interest shall be due and payable on the Maturity Date. All past due principal and interest shall bear interest at the Default Rate, as defined herein.

2.07 Repayment; Pre-Payment Permitted. Subject to Sections 8.2, 8.3 and 8.5 of the Master Development Agreement, the Borrower agrees to repay the outstanding principal, together with all interest accrued thereon at the Interest Rate, according to the terms outlined in the Note. The Borrower may, at its option, prepay all or any portion of the unpaid principal balance of the Note, together with interest accrued through the date of such prepayment, without charge or penalty. No funds provided by the Lender shall be used for such repayment or prepayment in any manner that would be in violation of any HUD requirements.

2.08 Term. The term of this Loan Agreement shall commence on the effective date hereof and continue until the earlier of: (a) Closing of the Project or (b) one hundred eighty (180) days after the projected Closing Date, which Closing Date is projected to be ________________, 202X (in either case, the “Maturity Date”). Except in the case of an uncured Event of Default under Section 6.01(b)-(l) of this Loan Agreement, if the CNI Phase-Related Predevelopment Loan has not been repaid in full by the Maturity Date, then Lender’s sole recourse is limited to any assets assigned to Lender and any additional security granted to Lender under the Loan Documents, including, but not limited to, Borrower’s right, title and interest in all documents and work product relating to the Project that has been paid for in whole or in part by the Lender as assigned pursuant to the Assignment of Project Documents. At the request of Lender, concurrently with Closing, the CNI Phase-Related Predevelopment Loan may be converted to a construction and/or permanent loan for the Project (the “Construction/Permanent Loan”) in which event the Loan Documents shall be terminated concurrently with Borrower’s execution and delivery of Construction/Permanent Loan documents in the form required by Lender. The Construction/Permanent Loan, if any, shall (a) have a term of fifty-five (55) years commencing at conversion from construction to permanent financing, (b) not bear interest during the construction financing period and (c) bear [simple/compound] interest at three percent (3%) per annum during the permanent financing period.

2.09 Forgiveness of Loan for Failure of a Contingency; Termination for Convenience. If, at any time prior to the Maturity Date, the Master Development Agreement is terminated by either party for failure of a Contingency as described in Section 8.2 of the Master Development Agreement below, or by the Authority for convenience pursuant to Section 8.5 of the Master Development Agreement, or if the Closing of the Project does not occur by the
Maturity Date for any other reason not the fault of Borrower, the Authority shall forgive the CNI Phase-Related Predevelopment Loan in exchange for the work product produced with the proceeds of the CNI Phase-Related Predevelopment Loan as defined in and assigned to the Authority by the Assignment of Project Documents.

**Article 3**

**Covenants**

3.01 **Performance of the Phase-Related Predevelopment Work.** The Borrower represents, warrants and covenants that the Phase-Related Predevelopment Work will be conducted in accordance with the Master Development Agreement, the CNI Requirements, the Phase-Related Predevelopment Budget, the Phase-Related Predevelopment Schedule, all applicable permits and approvals, and any title or other restrictions or conditions affecting the Development. In addition to compliance with the warranties contained herein, the Borrower specifically warrants and covenants that it will comply with the Master Development Agreement to the extent applicable to work conducted prior to Closing.

3.02 **Responsibility for Costs Exceeding Loan Amount; Changes in Phase-Related Predevelopment Budget.** The Borrower acknowledges that the Lender is not obligated to advance funds that would cause the outstanding principal balance of the CNI Phase-Related Predevelopment Loan to exceed the Loan Amount. Subject to the CNI Requirements, Borrower, however, may request changes in any individual Phase-Related Predevelopment Budget line item that is offset by a corresponding decrease in one or more other line items such that the total Phase-Related Predevelopment Budget is not increased, so long as the integrity and quality of the Development are not materially adversely affected. Such request must be submitted to Lender promptly upon Borrower’s knowledge of the need to revise the Phase-Related Predevelopment Budget and no later than five (5) business days before any request for disbursement of funds that will cover such revised costs. Lender’s approval of such requests shall not be unreasonably withheld.

3.03 **Architect’s Agreement.** The Borrower shall retain the Architect under a binding contract or contracts to provide all architectural services necessary for the Phase-Related Predevelopment Work and to begin the design and construction of the Project. The Borrower shall either own the Architect work product or obtain the Architect’s written consent to collaterally assign the contract to Lender and to assign the work product pursuant to the Assignment of Project Documents.

3.04 **Contracts.** The Borrower shall make available for review by the Lender and HUD, if required, copies of all contracts for Phase-Related Predevelopment Work, or any portion thereof, in accordance with the Master Development Agreement and this Loan Agreement. The Borrower agrees that all its interest in drawings, tracings, specifications and other documents prepared by the Borrower, its individual members or subcontractors and used in the Phase-Related Predevelopment Work and construction on the Predevelopment Property shall be collaterally assigned to the Lender pursuant to the Assignment of Project Documents. The Borrower also agrees that all its plans, studies, reports, drawings, permits, approvals (including the award of tax credits to the extent assignable), and other work product produced or obtained...
by the Borrower, and used in the Phase-Related Predevelopment Work and construction on the Predevelopment Property and all of the Borrower, interests in agreements relating to such work product shall be properly provided to the Lender in accordance with the Master Development Agreement.

3.05 **Right to Enter.** Borrower, or any of its affiliates, may be granted a right to enter the Predevelopment Property for itself and/or its contractors by the Authority pursuant to an agreement (the “Entry Agreement”) executed simultaneously with this Loan Agreement or hereafter. A default by Borrower under such Entry Agreement (if applicable) shall be a default under this Loan Agreement.

3.06 **Monitoring Contractors; Correction of Defects.** The Borrower shall monitor the performance of all persons and entities providing materials, equipment or services to the Phase-Related Predevelopment Work and shall take such actions as are necessary to maintain adherence to quality standards, safety standards, production schedules, shipping dates, and job-site requirements. The Borrower shall use reasonable efforts to guard against defects and deficiencies in design and construction that is performed as part of the Phase-Related Predevelopment Work. The Borrower shall correct, or cause to be corrected, any material deviation from the Master Development Agreement, the Phase-Related Predevelopment Budget and the Phase-Related Predevelopment Schedule.

3.07 **Inspection by the Lender.** The Lender, its authorized agents, and HUD and its authorized agents, may inspect the Project and any work in progress for the purpose of protecting or furthering the Lender’s and/or HUD’s interest under this Loan Agreement. The Lender shall have no obligation to make any such inspection of the Project. Such inspections are for the Lender’s information only, and any such inspection shall not relieve the Borrower of its obligation to complete the Phase-Related Predevelopment Work in accordance with this Loan Agreement, the Master Development Agreement, the Phase-Related Predevelopment Budget and the Phase-Related Predevelopment Schedule. In no event shall the Lender’s inspection of the work be deemed acceptance of all or any of the work, equipment, or materials or a waiver of any right the Lender has under this Loan Agreement and/or the Master Development Agreement.

3.08 **Compliance with Law.** All Phase-Related Predevelopment Work shall comply with all applicable federal, state and local laws, rules and regulations, including without implied limitation those pertaining to zoning, environmental, subdivision, building, health, safety and sanitary conditions.

3.09 **Entity Matters.** The Borrower represents and warrants that it is a limited partnership duly organized and validly existing under the laws of the State of California and duly authorized to enter into this Loan Agreement. Borrower shall seek Lender’s consent to any changes in control of the Borrower and/or in the control of any member or partner in the Borrower, except to the extent that such changes in control do not require Lender’s consent under the Master Development Agreement. For purposes of this section, “control” shall mean the power to, directly or indirectly, direct, or cause the direction of, the management or policies of Borrower, whether by contract, ownership or otherwise. Borrower shall provide notice to Lender prior to any change in ownership of the Borrower and/or ownership of any member or partner in
3.10 **No Default.** Borrower represents and warrants that the consummation and performance of the transaction contemplated by the Loan Documents will not constitute a default under any agreement or obligation to which the Borrower is a party or any obligation by which the same may be bound.

3.11 **Insurance.** The Borrower will obtain and maintain, and require its contractors to obtain and maintain, the insurance policies and coverages required by the Master Development Agreement.

3.12 **Notices.** The Borrower shall, with reasonable promptness, but in any event within fourteen (14) calendar days after it has actual knowledge thereof, notify the Lender in writing of the occurrence of any act, event or condition that constitutes, or that after notice or lapse of time or both would constitute, an Event of Default by the Borrower. Such notification shall include a written statement of any remedial or curative actions that the Borrower proposes to undertake to cure or remedy such default.

3.13 **Declaration in Favor of HUD.** Borrower shall comply in all respects with any Declaration, if applicable.

3.14 **Encumbrances.** Borrower covenants to, and shall cause its contractors to, keep the Predevelopment Property free from any and all liens and/or encumbrances, including stop work notices, arising out of the Phase-Related Predevelopment Work, materials furnished, or obligations incurred by or for Borrower and/or its contractors. Borrower shall be jointly and severally responsible for discharging and releasing any lien or encumbrance from the Predevelopment Property caused by Borrower, its contractors, or assigns in connection with the Phase-Related Predevelopment Work, and for all costs associated therewith.

**Article 4**

**Conditions on Advances**

4.01 **Conditions on Advances.** The obligation of the Lender to make the CNI Phase-Related Predevelopment Loan or any advance is subject to the compliance by the Borrower with its covenants, agreements, representations and warranties contained in the Loan Documents and in the Master Development Agreement and to the satisfaction before making the CNI Phase-Related Predevelopment Loan or any such advance, of the following:

(a) The Borrower shall have incurred costs or expended funds in accordance with the Phase-Related Predevelopment Budget and Phase-Related Predevelopment Schedule;

(b) The following documents (together with this Loan Agreement and any UCC financing statements, “Loan Documents”) shall have been duly executed and delivered by the parties thereto and shall be in full force and effect and, to the extent required by the Lender, all lien documents securing the CNI Phase-Related Predevelopment Loan shall have been duly recorded:
1. the Note;

2. the Assignment of Project Documents;

3. such other documents, instruments, and/or papers, which may evidence or secure the CNI Phase-Related Predevelopment Loan if applicable;

(c) The Borrower shall have collaterally assigned to the Lender such of those contracts as the Lender requests pursuant to the Assignment of Project Documents as security for the CNI Phase-Related Predevelopment Loan and such contractors and their subcontractors shall have assented in writing thereto, all by instruments acceptable to the Lender in the Lender’s discretion;

(d) The Borrower shall provide a certificate of good standing dated within the last thirty (30) days for (i) the Borrower, (ii) the members or partners of Borrower, (iii) Master Developer and (iv) the Individual Developer;

(e) The Borrower shall have provided such other evidence as the Lender reasonably may require that the Phase-Related Predevelopment Work complies with the Phase-Related Predevelopment Budget, the Phase-Related Predevelopment Schedule, the Master Development Agreement, the CNI Requirements, and with all applicable federal, state and municipal laws;

(f) The Borrower shall have provided such other evidence, information, documentation and certification as required by Section 4.22 of the Master Development Agreement and as the Lender may reasonably request and Lender shall not require evidence of funding commitments or construction contracts for Phase-Related Predevelopment Work provided hereunder

(g) No Event of Default shall exist and no event exists that, with the passage of time or giving of notice by the Lender, constitutes an Event of Default;

(h) Borrower has delivered to Lender current financial statements prior to the execution of this Loan Agreement; however, if the Borrower has no financial statements then Borrower will provide current financial statements from JDCP, as the assignor of this Project;

(i) Borrower shall have the required insurance in effect and shall have provided certificates evidencing such insurance; and

(j) Borrower shall be in compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968 and the Authority’s policies on Section 3 and the compliance plan described in the Revitalization Plan, as set forth in the Master Development Agreement.
Article 5
Disbursements

5.01 Borrower Representations and Warranties with Each Disbursement. Each request by the Borrower for a disbursement under this Loan Agreement: (a) shall constitute the Borrower’s affirmation that the representations and warranties contained in this Loan Agreement and the Master Development Agreement as applicable, remain true and correct as of the date of such request; (b) shall constitute the Borrower’s representation and warranty that the information set forth in each such request and any certification by the Borrower, the Architect or any contractor supplied in connection therewith is true and correct and omits no material fact necessary to make the same not misleading; (c) shall constitute Borrower’s affirmation that this disbursement shall not cause Lender to exceed its Cost Sharing Cap; and (d) shall constitute the Borrower’s affirmation of compliance with the covenants contained in this Loan Agreement.

5.02 Requests for Disbursements. The proceeds of the Loan shall be disbursed as the work to be paid for by the Loan proceeds is performed. The Borrower shall submit draw requests to the Authority not more frequently than one time each calendar month. The Authority will make a good faith effort to disburse the Loan proceeds under each draw request within thirty (30) calendar days after the request.

(a) Each request for a disbursement shall be made to the Lender in writing, and disbursements shall not be requested more frequently than monthly. Each request for disbursement shall be funded within thirty (30) days after it has been properly submitted and when conditions on advances under Section 4.01 have been satisfied. Each request for a disbursement must contain the following:

(b) a letter from the Borrower requesting a disbursement, which should contain any special funding instructions and an executed Certification of Request for Payment of Third Party Costs in a form attached hereto as Exhibit 4;

(c) a summary chart produced and certified by Borrower in the form attached at Exhibit 4, Attachment 1, itemizing (1) all Third Party Costs for this Phase-Related Predevelopment Work previously paid by Borrower; (2) the share of total Third Party Costs for this Phase-Related Predevelopment Work previously paid by Lender and Borrower; (3) all Third Party Costs for all Phase-Related Predevelopment Work previously paid by Borrower; (4) the share of total Third Party Costs for all Phase-Related Predevelopment Work previously paid by Lender, for Phase-Related Predevelopment Work previously paid for by Borrower; and (5) any amount requested to be disbursed as reimbursement to Borrower;

(d) as requested by Lender, invoices, cancelled checks, and any additional supporting documentation for Third Party Costs previously paid by Lender and invoices and supporting documentation for the current disbursement request;

(e) waivers/releases of liens from all Third Party Contractors covering all work to be paid for, in whole or in part, by proceeds of such disbursement, all in compliance with the mechanics’ lien and stop notice laws of the State of California. Borrower is responsible
for ensuring that Lender receives lien waivers and releases for all work to be covered by any disbursement. In the case of work that is not subject to the lien laws of the State of California, Borrower must deliver, or arrange for the delivery of, a Contractor Certification in the form attached at Exhibit 4, Attachment 2; and

(f) such other certificates, documents, information, or instruments the Lender shall reasonably require to substantiate the same.

5.03 Disbursements Contingent on Lender’s Satisfaction. The Lender shall not be obligated to make any disbursements unless the Lender is satisfied in its reasonable judgment that the conditions, precedent to the making of such disbursements, have been satisfied by the Borrower, Lender is in compliance with its Cost Sharing Cap, and Borrower is in compliance with its obligations under the Loan Documents.

5.04 Lender’s Right to Withhold Disbursements. The Lender shall have the right to withhold disbursements, in whole or in part, if: (a) any contractor’s or mechanic’s lien, laborer’s lien, notice of contract or other like instrument or claim relating to the Phase-Related Predevelopment Work has been recorded or filed (and/or Lender has received notice of the same) and is not promptly discharged of record; (b) Phase-Related Predevelopment Work is in any material respect not in accordance with the Loan Documents, including the Phase-Related Predevelopment Budget, and Phase-Related Predevelopment Schedule, or Master Development Agreement or (c) the Borrower or Developer, as applicable, is in default (after any applicable notice and cure period) under any obligations to the Lender as described in the Loan Documents.

Article 6
Events of Default and Remedies

6.01 Events of Default. Each of the following shall constitute an “Event of Default” for purposes of this Loan Agreement, subject to the provisions of Section 2.09:

(a) The failure by the Borrower to pay the Note when due;

(b) The failure by the Borrower to advance funds in accordance with its Borrower Predevelopment Fund Commitment;

(c) The failure of the Borrower to make any other payment required under the terms of this Loan Agreement, or any of the other Loan Documents or any of the exhibits hereto, within thirty (30) days after receipt of written notice from the Lender;

(d) Except as otherwise provided herein, the failure of the Borrower to promptly and accurately perform any other covenant or agreement contained in this Loan Agreement and any of the other Loan Documents or any of the exhibits hereto, and the additional failure to cure or remedy such within a period of thirty (30) days after written notice thereof; provided, however, that if such failure cannot be remedied in such time, the Borrower shall have such additional time needed to remedy such failure as long as the Borrower commences efforts to cure within thirty (30) days and, in the determination of the Lender, diligently and in good
faith pursues such cure or remedy;

(e) The Borrower abandons work, or ceases work for a period of more than thirty (30) consecutive days unless such cessation is permitted in accordance with the Master Development Agreement;

(f) Borrower defaults under the Entry Agreement, if applicable, and such default is not cured within the applicable cure periods therein;

(g) Any representation, warranty or certificate given or furnished by or on behalf of the Borrower, or the members or partners in the Borrower, shall prove to be materially false as of the date on which the representation, warranty or certification was given and shall prove to have a material adverse effect on the Lender; provided, however, that if any representation, warranty or certification that proves to be materially false is due to the Borrower’s inadvertence, then Borrower shall have a thirty (30) day opportunity beginning upon the earlier of (1) Borrower’s knowledge of the breach or (2) written notice thereof from Lender, to: (a) cause such representation, warranty or certification to be full, true and complete in every respect; and (b) cure the harm caused to the Lender by the falsity of such representation, warranty or certification;

(h) The Master Developer, Borrower or members or partners of Borrower shall file, or have filed against it, a petition of bankruptcy, insolvency or similar action pursuant to state or federal law, or shall file any petition or answer seeking, consenting to, or acquiescing in, any reorganization, arrangement readjustment, liquidation, dissolution or similar relief; or shall be adjudicated bankrupt or insolvent, under any present or future statute, law, regulation, either state or federal, and such judgment or decree is not vacated or set aside; provided, however, that in the event of an involuntary bankruptcy proceeding, Borrower, or the members or partners in the Borrower, shall have ninety (90) days to have such petition, judgment or decree set aside or vacated;

(i) The Master Developer, Borrower or the members or partners of Borrower shall make an assignment for the benefit of creditors, or shall submit in writing its inability to pay its debts generally as they become due;

(j) The Master Developer, Borrower or the members or partners of Borrower shall default under the Master Development Agreement and fail to cure such default within the applicable cure period;

(k) There is a change in the ownership interests or a change in the control of the Borrower, or the members or partners in the Borrower, without prior notice to or approval by the Lender as required by Section 3.09 hereof (other than the Lender approved admission of limited partners or members in a mixed-finance rental transaction); or

(l) The Borrower fails to maintain, or fails to cause to be maintained, insurance as required by this Loan Agreement, provided that, except as otherwise required pursuant to the Master Development Agreement (i.e. the requirement to obtain reporting period
premiums, as applicable) or the Entry Agreement (if applicable), the maintenance of insurance for contractors shall only be required while such contractors are under contract.

6.02 Remedies Upon Events of Default.

(a) Upon the occurrence of an Event of Default, at its option and without notice, the Lender may (but shall not be required to) (i) terminate this Loan Agreement and the Lender’s commitment to make any disbursement hereunder; (ii) declare the indebtedness evidenced by the Note to be immediately due and payable, and pursue the Lender’s other remedies under the other Loan Documents; or (iii) institute any action, suit, or other proceeding at law or in equity, which the Lender shall deem necessary or proper for the protection of its interest.

(b) Upon an Event of Default, all plans, studies, reports, drawings, permits, approvals and other work product produced or obtained by the Borrower in connection with the Phase-Related Predevelopment Work and all of the Borrower’s interest in agreements relating to such work product, shall be properly assigned to the Lender without further compensation to the Borrower so long as such items have been paid for, in whole or in part, by the Lender through advances under the CNI Phase-Related Predevelopment Loan or otherwise. Such assignment shall be made pursuant to the Assignment of Project Documents.

(c) At any time after the occurrence of an Event of Default and during its duration, the Lender may revoke Borrower’s right of entry to the Predevelopment Property and may perform any and all work and labor necessary to complete the Phase-Related Predevelopment Work and do all things reasonably necessary therefor.

6.03 Remedies Cumulative. Upon the occurrence of an Event of Default, the rights, powers, and privileges provided in this Article 6 and all other remedies available to the Lender under this Loan Agreement or any of the Loan Documents or otherwise at law or in equity may be exercised by the Lender at any time and shall not constitute a waiver of any of the Lender’s other rights and remedies thereunder, whether or not the indebtedness shall become due and payable, and whether or not the Lender shall have instituted action for the enforcement of its rights under any of the Loan Documents. Nothing in this Loan Agreement or any other Loan Documents shall limit the rights or remedies of the Lender under the Master Development Agreement.

6.04 Borrower’s Waiver of Presentment, Etc. The Borrower hereby waives, to the extent permitted by applicable law: (a) all presentments, demands for performance, notices of nonperformance (unless required by the terms hereof or any other Loan Document), protests, and/or notices of dishonor; (b) any requirement of diligence or promptness on the Lender’s part in the enforcement of its rights under this Loan Agreement or any Loan Document; and (c) any and all notice of every kind and description that may be required to be given by any statute or rule of law.

6.05 Course of Dealing Not Operative as Waiver. No course of dealing between the Borrower, on the one hand, and the Lender, on the other hand, shall operate as a waiver of the
Lender’s rights under any Loan Document. A waiver on one occasion shall not be deemed a waiver of such right or any other right hereunder. Any waiver by the Lender must be in writing and signed by the Lender to be effective. The making of a disbursement during the existence of an Event of Default shall not constitute a waiver of such Event of Default.

**Article 7**

**CNI Provisions**

7.01 **Predevelopment Loan of Funds Not Deemed Assignment.** The Borrower acknowledges that any loan or transfer of Lender Funds by the Lender to the Borrower shall not be or be deemed to be an assignment of such funds, and the Borrower shall not succeed to any rights or benefits of the Lender under its agreements with HUD (including without limitation the CNI Grant Agreement), or attain any privileges, authorities, interests, or rights in or under such agreements.

7.02 **Transferred Funds Not Deemed To Create Relationship With HUD or Third Parties.** Nothing contained in any agreement between the Lender or Borrower, nor any act of HUD or the Lender, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, except between HUD and the Lender, or any other third party.

7.03 **Amendments Must Be Approved by HUD To Be Effective.** This Loan Agreement may not be materially amended without prior written approval of HUD, to the extent such approval is required.

7.04 **Compliance with Lender Funds Requirements.** The Borrower shall comply with all contracting, labor, employment and other requirements imposed on Lender Funds under the Housing Act of 1937 and the CNI Requirements, as each may be amended from time to time, and Sections 4.9, 4.10, 4.11 and 4.12 of the Master Development Agreement. The Borrower shall further include in all contracts and subcontracts (a) applicable contracting, labor and employment provisions described in the Master Development Agreement and Exhibit 2 thereof and (b) a form of consent of contractor as required in the Assignment of Project Documents. The Borrower shall further comply with the Authority’s MBE/WBE and Section 3 policies contained in the Master Development Agreement.

7.05 **Conflicts with CNI Requirements.** Notwithstanding any provisions of the Loan Documents that may be construed to the contrary, in the event of any conflict with, or ambiguity between, the CNI Requirements and any term or provision of any Loan Documents, the provisions of the CNI Requirements shall be controlling, except to the extent that a more restrictive requirement under the Loan Documents is enforceable without violating the CNI Requirements.

**Article 8**

**Miscellaneous**

8.01 **Limitation on Assignment.** The Borrower may not assign this Loan Agreement
or the monies due under this Loan Agreement without the Lender’s prior written consent, which the Lender in its sole discretion may grant or withhold.

8.02 **Further Assurances.** Whenever the Lender requests, the Borrower shall execute, acknowledge and deliver such further instruments or documents that the Lender may reasonably require to further perfect its rights and remedies under this Loan Agreement, the Note and any other Loan Document and in all collateral therefor, provided that, without the consent of Borrower, no greater rights or remedies are granted to the Lender thereunder, nor shall any greater burden be imposed on Borrower, than is contained herein.

8.03 **Subordination.** There is no agreement, contract or instrument to which Borrower is a party or by which Borrower may be bound that requires the subordination in right or payment of any of Borrower’s obligation subject to this Loan Agreement to any other obligation of Borrower.

8.04 **Construction of Documents.** To the extent that there may be any inconsistency or conflict between the terms of any other Loan Document and this Loan Agreement, this Loan Agreement shall govern. To the extent there may be any inconsistency or conflict between the terms of this Loan Agreement and the Master Development Agreement, the terms of the Master Development Agreement shall govern, except that to the extent that such inconsistency or conflict is caused solely by presence of additional detail in this Loan Agreement, this Loan Agreement shall control.

8.05 **No Waiver.** This Loan Agreement may be amended, waived or discharged only by writing signed by the party against whom enforcement of the amendment, waiver or discharge is sought. Any oral waiver, change or discharge of any provision of this Loan Agreement by any representative of a party shall be without authority and of no force or effect.

8.06 **Parties Bound.** This Loan Agreement shall bind upon and inure to the benefit of each party and their permitted successors and assigns. This Loan Agreement is a contract by and between the Borrower and Lender for their mutual benefit, and no third person shall have any right, claim or interest against any party hereto by virtue of any provision hereof.

8.07 **Time of the Essence.** The parties agree that time is of the essence in this Loan Agreement.

8.08 **Severability.** If any term or provision of this Loan Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable, the remainder of this Loan Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Loan Agreement shall be valid and be enforced to the fullest extent permitted by law.

8.09 **Choice of Law.** This Loan Agreement and the rights and obligations of the Lender and the Borrower under this Loan Agreement and under all documentation executed incident to the Loan Agreement shall be construed in accordance with, and governed by the law
of, the State of California. Borrower hereby consents and submits to personal jurisdiction in any state or federal court located within the State of California.

8.10 **Notices.** All notices, requests, demands, approvals, or other communications given hereunder or in connection with this Loan Agreement shall be in writing and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, or nationally recognized overnight courier service, addressed as follows; **provided that failure to deliver additional copies shall not invalidate the notice:**

If to Lender: Housing Authority of the City of Los Angeles 2600 Wilshire Boulevard, 3rd Floor Los Angeles, CA 90057 Attn: President and CEO

with a copy to: Housing Authority of the City of Los Angeles 2600 Wilshire Boulevard, 3rd Floor Los Angeles, CA 90057 Attn: General Counsel

and to: Reno & Cavanaugh, PLLC 455 Massachusetts Avenue, NW, Suite 400 Washington, DC 20001 Attn: Megan Glasheen

If to Borrower: [INSERT NAME AND ADDRESS]

with a copy to: [INSERT NAME AND ADDRESS]

8.11 **Headings and Titles.** The headings and titles of the articles, sections, and subsections used in this Loan Agreement are for convenience purposes only and shall not be used to interpret any of the provisions of this Loan Agreement.

8.12 **Interpretive Provisions.** “Discretion,” “sole discretion,” “option,” “election” or words of similar import in these Loan Documents denote the Lender’s privilege to act in furtherance of the Lender’s interest to preserve the value of the collateral as security for, and otherwise to further repayment and performance of, all obligations without obligation or liability to the Borrower. “**Reasonable judgment**” in the Loan Documents denotes an objective standard obligating the Lender in good faith to act in a manner that is consistent with the usual and customary practices of public lenders in the metropolitan area.
8.13 **Amendments.** No part of this Loan Agreement or any other Loan Document may be amended unless there is a written instrument executed by the party to be charged.

8.14 **Exhibits.** All exhibits annexed to this Loan Agreement are incorporated herein as if fully set forth.

8.15 **Recitals.** The recitals and/or whereas clauses are hereby incorporated as part of this Loan Agreement.

8.16 **Counterparts.** This Loan Agreement may be executed in several counterparts, each of which shall be fully effective as an original and all of which shall together constitute this Loan Agreement.

8.17 **Entire Loan Agreement.** This Loan Agreement, the exhibits hereto, and agreements referenced herein, embody the entire Loan Agreement and understanding between the Lender and the Borrower relating to the CNI Phase-Related Predevelopment Loan and supersede all and any prior verbal or written agreements by and among the parties unless specifically referenced in this Loan Agreement.

8.18 **Effective Date.** Upon execution, this Loan Agreement shall be effective upon the date indicated in the first paragraph hereof.

8.19 **Force Majeure.** If the Borrower is delayed in performing any covenant hereunder due to causes beyond the control and without intentional misconduct or negligence of the Borrower, then the time for performing the applicable covenant shall be extended for a period of time corresponding to the period of delay, with a reasonable adjustment to any applicable performance schedule affected by the delay. Such causes shall comprise “**Force Majeure Events**” as that term is defined in Section 8.1 of the Master Development Agreement.

[SIGNATURE PAGE Follows]
IN WITNESS WHEREOF, the Lender and Borrower have each duly executed, or caused to be duly executed, this Loan Agreement as of the date first written below.

LENDER:  
HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: ___________________________________________
Douglas Guthrie
President and Chief Executive Officer

BORROWER: __________________, LP, a California limited partnership

By: ______________________, LLC, a California limited liability company, its general partner

By: [Company Name], its sole member and manager

By: _________________________________________
[Name]  
[Title]
EXHIBIT 1

PREDEVELOPMENT PROPERTY

[attached]
EXHIBIT 2

PHASE-RELATED REDEVELOPMENT SCHEDULE
EXHIBIT 4
CERTIFICATION OF REQUEST FOR PAYMENT OF THIRD PARTY COSTS

Along with each request to Lender for funds relating to Third Party Costs under the Predevelopment Loan, the Borrower shall furnish the following certification or the advance shall not be made. All terms used herein shall have the meaning given to them in the CNI Phase-Related Predevelopment Loan Agreement.

I hereby certify, to the best of my knowledge and belief that:

(a) The amounts requested are only for performance in accordance with the terms of the Loan Agreement, Phase-Related Predevelopment Budget, the Phase-Related Predevelopment Schedule, and the Master Development Agreement. All amounts included in this request for disbursement are outlined in the summary chart as required by Section 5.02(b) of the Loan Agreement and in the form attached hereto at Attachment 1.

(b) The amounts requested shall not cause Lender to exceed its Cost Sharing Cap in accordance with the terms of the Loan Agreement, Phase-Related Predevelopment Budget, the Phase-Related Predevelopment Schedule, and the Master Development Agreement. All amounts previously paid by Lender and Borrower on Third Party Costs for Phase-Related and Multi-Phase Predevelopment Work, including the each Parties’ share of the costs, are outlined in the summary chart as required by Section 5.02(b) of the Loan Agreement and in the form attached hereto at Attachment 1.

(c) Certain payments to subcontractors, consultants, professionals, and suppliers (“Contractor(s)”) have been made by Borrower, and Borrower is requesting reimbursement for such costs in the amount of $__________. Evidence of payment of such costs, including lien waivers, releases or Contractor Certifications as described herein, is included with the request for disbursement accompanying this Certification. Borrower has obtained and delivered, or arranged for delivery of, lien waivers and releases for all Phase-Related Predevelopment Work paid for in whole or in part by Lender through this requested disbursement. In the case of work that is not subject to the lien laws of the State of California, Borrower has delivered a Contractor Certification in the form attached hereto at Attachment 2, confirming that Contractor has been paid in full for services performed as of the date of the Contractor Certification.

(d) This request for funds does not include any amounts that the Borrower intends to withhold or retain from a subcontractor, consultant, professional, or supplier.

By: _____________________________
Name: ___________________________
Title: ____________________________
Date: ____________________________
EXHIBIT 4 – ATTACHMENT 1
Certification of Costs Incurred Summary Sheet

_________________________, LP
Jordan Downs – Phase
_________________________ Certification
Number: ______________________
Date: ______________________
Amount requested as reimbursement to Borrower: $____________

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<th>Invoice Number</th>
<th>Invoice Date</th>
<th>Invoice Amount</th>
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**TOTAL**

**Total Third Party Cost for this Certification**
Total Third Party Costs previously paid by Borrower:
Lender’s Share of Total Third Party Costs:
Borrower’s Share of Total Third Party Costs:

**Third Party Costs for [Name of Phase]**
Total Third Party Costs previously paid by Borrower:
Lender’s Share of Total Third Party Costs:
Borrower’s Share of Total Third Party Costs:

**Total Third Party Costs for all Phase-Related and Multi-Phase Predevelopment Work**
Total Third Party Costs previously paid by Borrower:
Lender’s Share of Total Third Party Costs:
Borrower’s Share of Total Third Party Costs:
EXHIBIT 4 – ATTACHMENT 2

CONTRACTOR’S CERTIFICATION

I hereby certify, that payment in the amount of $___________ has been received from _____________, LP for services and/or supplies described in the attached invoice.

[INSERT COMPANY NAME]

By: _____________________
Name: _____________________
Title: _____________________
Date: _____________________
NON-NEGOTIABLE CNI PREDEVELOPMENT LOAN PROMISSORY NOTE
FOR JORDAN DOWNS PHASE _______

$_____________.___ Los Angeles, California
_____________, 202X

FOR VALUE RECEIVED, ___________________, LP, a California limited partnership
(“Maker”), promises to pay to the order of the Housing Authority of the City of Los Angeles
(“Holder”) at 2600 Wilshire Boulevard, Third Floor, Los Angeles, California 90057, or at such
other place as Holder may from time to time designate in writing, the principal sum of
_____________________________________________ and XX/100 Dollars ($________.__),
or so much thereof as may be advanced and outstanding, in lawful money of the United States.

1. This Non-Negotiable CNI Predevelopment Loan Promissory Note For Jordan Downs
– Phase __________ (this “Note”) evidences and secures the “CNI Phase-Related
Predevelopment Loan” as defined and described in that certain CNI Phase-Related
Predevelopment Loan Agreement for the Redevelopment of Jordan Downs – Phase __________, dated of even date herewith, between Maker and Holder (the “Loan Agreement”), which has
been entered into pursuant to the Master Development Agreement (as defined in the Loan
Agreement). Pursuant to the terms of Section 5.1 of the Master Development Agreement, Jordan
Downs Community Partners LLC has assigned its rights to develop and own Jordan Downs
Phase _____________ to Maker as an Owner Entity (as defined in the Master Development
Agreement), by which assignment Maker is subject to the obligations set forth in the Master
Development Agreement. Collectively this Note, the Loan Agreement and associated documents
constitute the “Loan Documents.” The principal amount of this Note will be disbursed as
contemplated and controlled by the Loan Agreement.

2. All terms used herein that are not otherwise defined are defined in the Loan
Agreement and the provisions of the Loan Agreement relating to the CNI Phase-Related
Predevelopment Loan are hereby incorporated herein by this reference.

3. The principal amount of this Note shall bear interest prior to maturity at an interest
rate equal to zero percent (0%). The principal amount of this Note in the sum of
_____________________________________________ and XX/100 Dollars ($________.__), or so much
thereof as may be advanced and outstanding, shall be repayable as follows:

(a) Subject to Section 2.08 and 2.09 of the Loan Agreement and Borrower’s right to
prepay the Note pursuant to Section 2.07 of the Loan Agreement, the CNI Phase-Related
Predevelopment Loan shall be repaid to Holder hereof by Maker out of the proceeds of financing
sources for that Project. The source of repayment shall be in accordance with the approved
Closing draw schedule, provided, however, that no funds provided by Holder shall be used for
such repayment in any manner that would be in violation of HUD requirements.

(b) Subject to Section 7.4 of the Master Development Agreement and Section 2.09
and 2.08 of the Loan Agreement, the repayment of funds due under the Loan Agreement shall be
upon the earlier of: (i) the Closing of the Project or (ii) one hundred eighty (180) days after the projected Closing date, which projected Closing Date is ____________, 202X (in either case, the “Maturity Date”).

(c) Except in the case of an uncured Event of Default under Section 6.01(b)-(l) of the Loan Agreement, if the loan has not been repaid in full by the Maturity Date, then Holder’s sole recourse shall be limited to any assets assigned to Holder and any additional security granted to Holder under the Loan Documents, including, but not limited to, Maker’s right, title and interest in all documents and work product relating to the Project that have been paid for in whole or in part by Holder as assigned pursuant to the Assignment of Project Documents. Holder, in its sole discretion, may accelerate repayment if an Event of Default occurs under any Loan Documents after the expiration of the applicable cure periods therein.

(d) Any and all sums not paid, which are required to be paid, on the Maturity Date as required hereunder shall bear interest at the Default Rate of the short-term applicable federal rate in effect on the effective date hereof, plus three percent (3%) from the Maturity Date until the date paid.

(e) This Note may be prepaid in whole or in part at any time, and from time to time without premium or penalty.

4. It is expressly agreed that time is of the essence in this Note and in the event of:

(a) any default in the full and punctual payment of all or part of any installment of principal or interest hereunder as and when the same become due and payable; or

(b) upon the occurrence of any “Event of Default” under the Loan Agreement and the expiration of any applicable period of grace within which Maker may cure the same, there shall be an Event of Default under this Note;

then, in any such event, Holder hereof, at its option, may declare the entire outstanding principal balance hereof, together with all costs, fees, expenses, charges for collection, including reasonable attorneys’ fees (which shall include outside counsel fees and all allocated costs of Holder’s in-house counsel), and costs for declaratory relief, arbitration, prosecution or defense of any action related to this Note, to be immediately due and payable in full, without further demand or notice to Maker or to any other party.

5. Failure of Holder to exercise any rights hereunder with respect to any default shall not excuse such default and shall not constitute Holder’s waiver of the right to the latter exercise thereof, in the absence of a written agreement to the contrary executed and delivered by Holder hereof and subsequent to such default.

6. All payments hereunder shall be paid in lawful money of the United States, which, at the time of payment, shall be legal tender for the payment of all debts and dues, public and private.
7. All sums received hereunder shall be applied in the following order: first, upon an Event of Default to costs and expenses of Holder incurred in connection with the Loan, including costs of collection and reasonable attorney’s fees, second, to interest, and then to principal.

8. Maker, all endorsers and guarantors hereof, and all others who may become liable for all or any part of the indebtedness evidenced hereby: (i) agree to be jointly and severally bound hereby, as primary obligors; (ii) jointly and severally waive and renounce any and all exception rights, including that of homestead, and the benefit of all valuation and appraisement privileges available to them or any of them pursuant to the Constitution or the laws of the United States or of any state, territory or jurisdiction, as against this debt or any renewal or extension thereof; and (iii) jointly and severally waive presentment for payment, demand, notice of protest, and any and all lack of diligence or delays in collection or enforcement hereof or in bringing suit for the collection hereof or in taking any other action hereunder. Maker and all others who may become liable for all or any part of the indebtedness evidenced hereby further agree with Holder thereof that said Holder may, without notice, in such manner, on such terms and for such times(s) as Holder may see fit, increase, extend, or renew this Note, and/or release any maker hereof, and/or substitute or add guarantors, and/or substitute or release all or any part of the collateral (real, personal or mixed) securing this Note, all without any way affecting, impairing, limiting, releasing or foregoing the joint and several liability of Maker and all endorsers and guarantors hereof not so released. The foregoing shall in all events be subject to the limitations on recourse set forth in Section 9 hereof. In addition, the foregoing shall in no way diminish or otherwise affect the obligations of the Master Developer or Individual Developers under the Master Development Agreement.

9. The recourse of Holder shall be limited as set forth in this Note and the Loan Agreement. It is agreed that the agreements limiting the exercise of remedies against Borrower or any general partner or managing member of Maker, shall not:

(a) constitute a release, discharge or waiver of the indebtedness evidenced by the Note and the indebtedness evidenced by the Note shall continue until satisfied or paid in full;

(b) limit or be construed to limit the personal liability of Maker or any general partner of Maker, for the performance of the covenants and obligations under the Loan Documents, other than the covenant to personally pay the indebtedness evidenced by the Note; or

(c) affect any additional remedies or liens which Holder has for the indebtedness evidenced by the Note and for the enforcement of any rights which Holder has under the Loan Documents.

Except as provided above, no general or limited partner or member of Maker, or any affiliate thereof, nor any officer, director, shareholder or employee of any of said entities, shall have any personal liability hereunder.

10. Maker hereby represents and warrants to, and covenants with, Holder that the entire proceeds hereof have been or will be used for the purpose of eligible Third Party Costs incurred by Maker for Phase-Related Predevelopment Work on the Project.
11. The rights and obligations created hereunder shall be construed and enforced according to, and shall be governed by, the laws of the State of California.

12. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions hereof invalid or unenforceable.

13. Holder shall not have the right to assign this Note without the prior written consent of Maker; provided, however, that Holder shall have the right to assign this Note to an affiliate of Holder without the prior written consent of Maker. Maker shall not have the right to assign this Note without the prior written notice of Holder.

[signature page follows]
WITNESS the following signature and seal.

MAKER:

_______________________, LP,
a California limited partnership

By: ___________________, LLC,
a California limited liability company,
its general partner

By: [Company Name],
its sole member and manager

By: ______________________________
[Name]
[Title]
CNI PREDEVELOPMENT ASSIGNMENT OF PROJECT DOCUMENTS
JORDAN DOWNS – PHASE _________

THIS ASSIGNMENT OF PROJECT DOCUMENTS (this “Assignment”) is made as of __________, 20XX by ______________, LP, a California limited partnership (“Borrower”) in favor of the Housing Authority of the City of Los Angeles, a public body, corporate and politic (“Lender”).

WHEREAS, pursuant to terms more specifically described in that certain CNI Phase-Related Predevelopment Loan Agreement for the Redevelopment of Jordan Downs – Phase _______ between Lender and Borrower of even date herewith (the “Loan Agreement”), Lender intends to lend to Borrower up to ________________ and XX/100 Dollars ($_________.__) (the “CNI Phase-Related Predevelopment Loan”) to cover up to seventy-five percent (75%) of eligible, Lender-approved, and budgeted Predevelopment Costs incurred by third-parties not affiliated with Borrower or Lender (the “Phase-Related Predevelopment Work”) and related to Jordan Downs – Phase _________ (the “Project”);

WHEREAS, the execution and delivery of this Assignment is a condition precedent to the performance by Lender of its obligations under the Loan Agreement;

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Unless expressly defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in (a) the Loan Agreement, or (b) the Master Development Agreement.

2. As security for the CNI Phase-Related Predevelopment Loan, Borrower hereby grants, transfers and assigns to Lender, effective upon occurrence of and during the continuance of an Event of Default under the Loan Documents, all the right, title and interest of Borrower, to the extent assignable, in and to the following documents so long as such items have been paid for in whole or in part by Lender:

   (a) all contracts and subcontracts, together with any and all extensions, modifications, amendments and renewals thereof, which are entered into in connection with the performance of the Phase-Related Predevelopment Work or the supply of the materials required for the construction of the Project, and written consent to such assignment, a form of which consent is attached at Schedule 1 hereto;

   (b) all building permits, governmental permits, licenses and authorizations now or hereafter issued in connection with the construction, development or operation of the Project;

   (c) any agreement relating to the design and monitoring of construction of the Project between Borrower and the architect(s) selected or to be selected by Borrower.
(“Architect”), together with any and all extensions, modifications, amendments and renewals thereof (collectively, the “Architect’s Agreement”) and the Architect’s written consent thereto, a form of which consent is attached at Schedule 1 hereto;

(d) all plans, specifications, bid documents, schedules, drawings, models and other information and materials related to the design or construction of the Project collected, produced, prepared or acquired by or for Borrower; and

(e) all copyrights and other rights related to the design or construction of the Project collected, produced, prepared or acquired by or for Borrower, all of which shall be deemed to be works for hire within the meaning of the Copyright Act, 17 U.S.C. Section 101 et. seq.

The items referred to in this Section 2 are hereinafter collectively referred to as the “Project Documents.”

3. This Assignment is given for the purpose of securing the payment of all sums, now or at any time due Lender under any of the Loan Documents and any extensions, modifications, amendments and renewals thereof, and the performance and discharge of the obligations, covenants, conditions and agreements of Borrower contained in any of the Loan Documents. Lender shall have no authority to exercise rights under such contracts except after and during the continuance of an Event of Default under the Loan Documents.

4. Borrower agrees as follows:

(a) Borrower will faithfully abide by, perform and discharge each and every obligation, covenant, condition and agreement of the Project Documents to be performed by Borrower and in accordance with the exercise of prudent business judgment, to enforce performance by the other parties thereto of each and every obligation, covenant, condition and agreement to be performed by each such other party.

(b) During the continuance of an Event of Default under the Loan Documents, Lender shall have the right (but not the obligation), without notice to or demand on Borrower, to perform and discharge each and every obligation, covenant, condition and agreement of Borrower under the Project Documents and, in exercising any such powers, to pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees and expenses at Borrower’s cost. Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any of the Project Documents or by reason of this Assignment.

(c) During the continuance of an Event of Default under the Loan Documents, Lender may, at its option, without notice and without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court at any time hereafter, enforce for its own benefit any one or all of the Project Documents. The exercise of any rights under this Assignment shall not be deemed to cure or waive any default under any of the Loan Documents
or waive, modify or affect any notice of default under any of the Loan Documents or invalidate any act done by Lender pursuant to or following such notice.

(d) Each of the parties to any of the Project Documents other than Borrower, upon written notice from Lender of the continuance of an Event of Default under the Loan Documents, shall be and hereby is authorized by Borrower to perform their respective agreements for the benefit of Lender in accordance with the terms and conditions thereof without any obligation to determine whether or not such an Event of Default under the Loan Documents has in fact occurred and continues.

5. Borrower hereby covenants and represents to Lender that: (a) Borrower has not previously assigned, sold, pledged, transferred, mortgaged, hypothecated or otherwise encumbered the Project Documents or any of them or its right, title and interest therein; (b) Borrower shall not assign, sell, pledge, transfer, mortgage, hypothecate or otherwise encumber its interests in the Project Documents or any of them except that Borrower may do so in connection with the financing of the Project; (c) Borrower has not performed any act that might prevent Borrower from performing its undertakings hereunder or that might prevent Lender from operating under or enforcing any of the terms and conditions hereof or that would limit Lender in such operations or enforcement; (d) Borrower is not in default under any of the Project Documents, and to the best knowledge of Borrower, no other party to the respective Project Documents is in default thereunder; (e) except as provided in the Loan Agreement, no amendments to any material terms of the Project Documents will be made without the prior written consent of Lender, which consent shall not be unreasonably withheld, delayed or conditioned; and (f) upon execution of any of the Project Documents, Borrower will deliver a copy of such Project Documents (or the original at Lender’s request) to Lender and will require each of the parties thereto as Lender may designate to execute and deliver to Lender a consent to this Assignment.

6. All notices, demands or documents that are required or permitted to be given or served hereunder shall be in writing and shall be deemed sufficiently given when delivered or mailed in the manner set forth in the Loan Agreement.

7. Any provision in the Loan Agreement that pertains to this Assignment shall be deemed to be incorporated herein as if such provision were fully set forth in this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail. A provision in this Assignment shall not be deemed to be inconsistent with the Loan Agreement by reason of the fact that no provision in the Loan Agreement covers such provision in this Assignment.

8. This Assignment is made for collateral purposes only (i.e., as concurrent security for the obligations evidenced in the Loan Documents), and the duties and obligations of Borrower under this Assignment shall terminate when all sums due Lender under the Loan Documents are paid in full and all obligations, covenants, conditions and agreements of Borrower contained in the Loan Documents are performed and discharged. This Assignment shall become effective upon an Event of Default as defined in the Loan Documents.
9. This Assignment shall be governed by the laws of the State of California. To the greatest extent permitted by law, Borrower hereby waives any and all rights to require marshaling of assets by Lender.

10. It is expressly intended, understood and agreed that this Assignment and the other Loan Documents are made and entered into for the sole protection and benefit of Borrower and Lender and their respective successors and assigns (but in the case of assigns of Borrower, only to the extent of assignments thereof to affiliates of Borrower which are to undertake the development and financing of the Project, and otherwise only as permitted hereunder); that no other person or persons shall have any right at any time to action hereon or rights to the proceeds of the loan evidenced and secured by the Loan Documents; that such loan proceeds do not constitute a trust fund for the benefit of any third party; that no third party shall under any circumstances be entitled to any equitable lien on any such undisbursed loan proceeds at any time and that Lender shall have a lien upon and right to direct application of any such undisbursed loan proceeds as provided in the Loan Documents.

11. The relationship between Lender and Borrower is solely that of a lender and borrower, and nothing contained herein or in any of the Loan Documents shall in any manner be construed as making the parties hereto partners, joint venturers or any other relationship other than lender and borrower.

12. Borrower and Lender intend and believe that each provision in this Assignment comports with all applicable local, state or federal laws and judicial decisions. However, if any provision or provisions or if any portion of any provision or provisions in this Assignment is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such portion, provision or provisions of this Assignment to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Borrower and Lender that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and that the rights, obligations and interests of Borrower and Lender under the remainder of this Assignment shall continue in full force and effect.

[signature page(s) to follow]
IN WITNESS WHEREOF, Borrower has duly executed this Assignment on the day and year first above written.

BORROWER:

__________________, LP,
a California limited partnership

By: ____________, LLC,
a California limited liability company,
its general partner

By: [Company Name],
its sole member and manager

By: __________________________
[Name]
[Title]
The undersigned Contractor hereby acknowledges and consents to the assignment to the Housing Authority of the City of Los Angeles, a public body, corporate and politic ("Lender"), of its contract with by ________________, LP, a California limited partnership ("Borrower"), entitled “____________,” dated _______, 202X (the “Contract”), pursuant to that certain Assignment of Project Documents (the “Assignment”) that serves as security for a loan from Lender to Borrower. Contractor agrees to recognize, honor and be bound by the terms, provisions and conditions of the Assignment.

1. Contractor agrees:

   a. to furnish to Lender copies of all written notices of default given by Contractor to Borrower with respect to any failure of Borrower to perform under the Contract, and, anything in the Contract to the contrary notwithstanding, Borrower shall never be treated as being in breach of its obligations under the Contract unless and until notice of the claimed breach has been given to Lender and Lender has been given a reasonable opportunity to cure any such breach after receipt of said notice from Contractor;

   b. to accept any such performance by Lender as performance by Borrower; and

   c. so long as Lender commences to cure or cause to be cured any such breach, and the cure is carried on with due diligence (or in the case of a breach of Borrower’s payment obligations to Contractor, so long as Lender pays or causes to be paid any sums payable from time to time by Borrower to Contractor under the Contract within a reasonable time after the same become due), then Contractor will continue to meet its obligations fully under the Contract and will not terminate the Contract, suspend work thereunder or place a lien or encumbrance on the Project.

2. Contractor acknowledges and agrees that Lender shall have no obligation to commence or continue the cure of any such breach or to pay or perform any obligation of Borrower to Contractor except to the extent provided in the foregoing Assignment.

3. Contractor waives all recourse against Lender for all claims, whether for amounts due or otherwise, which it may have against Borrower first accruing or arising prior to any Event of Default under Borrower's Loan Documents with Lender.

4. Contractor hereby expressly waives all provisions in the Contract that would impair, hinder or prevent the making of the Assignment by Borrower or the enforcement thereof by Lender.
5. Contractor hereby represents and warrants to Lender that the Contract is in full force and effect on the date hereof and has not been amended or modified and that there are no uncured breaches thereof by any party thereto.

6. Contractor further agrees that:

a. Without the prior written approval of Lender, Contractor will not enter into any agreement terminating, amending or modifying the terms, provisions or conditions of the Contract in any material respect;

b. Without the prior written approval of Lender, Contractor will not transfer or assign the Contract;

c. Contractor will deliver simultaneously to Lender copies of all change order requests delivered to Borrower;

d. Upon any Event of Default shall occur under any of the Loan Documents between Borrower and Lender, Lender shall have an absolute right to use and copy all drawings, plans, work products, including all copyrights and other rights relating thereto, and/or specifications and other materials prepared by or for Contractor with respect to the Project; and

e. Upon Lender’s request, Contractor will provide Lender a schedule showing all amounts earned by Contractor under the Contract.

7. All notices, requests, demands, approvals, or other communications given hereunder or in connection with this Agreement shall be in writing and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

If to Contractor: [INSERT NAME AND ADDRESS]

If to Lender: Housing Authority of the City of Los Angeles
              2600 Wilshire Boulevard, 3rd Floor
              Los Angeles, CA 90057
              Attn: President and CEO

with a copy to: Housing Authority of the City of Los Angeles
                2600 Wilshire Boulevard, 3rd Floor
                Los Angeles, CA 90057
                Attn: General Counsel

And to: Reno & Cavanaugh, PLLC
        455 Massachusetts Avenue, NW, Suite 400
        Washington, DC 20001
        Attn: Megan Glasheen, Esq.
A copy of all notices under this Agreement shall also be delivered to Borrower.

If to Borrower: [INSERT NAME AND ADDRESS]

with a copy to: [INSERT NAME AND ADDRESS]

and to: [INSERT NAME AND ADDRESS]

8. This Consent and Agreement of Contractor shall bind Contractor and its representatives, successors and assigns, and shall inure to the benefit of Lender and Lender’s successors and assigns, including, without limitation, any subsequent Holder of the Note.

9. All capitalized terms used herein shall have the meanings ascribed such terms in the Loan Agreement unless otherwise expressly defined herein.

[signature page follows]
Executed as an instrument under seal this ___ day of ________________, 2021.

CONTRACTOR:

[NAME OF CONTRACTOR]

By: __________________________________________
Name: _______________________________________
Title: ________________________________________
[Applied to People and Neighborhood Plan as Housing Plan has its own individual requirements in the Master Development Agreement.]
Let's Get to Work!

Adopted: June 24, 2021
# SECTION 3 POLICY AND COMPLIANCE PLAN

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SECTION 3 POLICY AND COMPLIANCE PLAN

I. INTRODUCTION

A. Section 3 Regulation.

Section 3 of the Housing and Urban Development Act of 1968 (codified at 12 U.S.C. 1701u and implemented at 24 CFR Part 75, hereinafter, "Section 3"), as amended, requires that economic opportunities, most importantly employment, generated by certain U.S. Department of Housing and Urban Development ("HUD") financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, or residents of the community in which the Federal assistance is spent.

B. HACLA Policy.

It is the intent and policy of the Housing Authority of the City of Los Angeles ("HACLA") to fully comply with Section 3 and to require its Contractors undertaking contracts to which Section 3 applies to demonstrate good faith effort to comply, to the greatest extent feasible, with Section 3 and the responsibilities described under this Section 3 Policy and Compliance Plan (this "Policy") by providing economic opportunities to Section 3 Beneficiaries. While Section 3 is race and gender neutral, when employment opportunities are realized through Section 3 or other means, it is HACLA's expectation that there will be equal pay for equal work in all such opportunities so that the historical and persistent pay gap between men and women can be eradicated.

C. Applicability.

This Policy shall apply whenever federal assistance triggering Section 3 compliance is triggered and when HACLA, in its sole discretion, elects to impose this Policy upon its Contractors in connection with contracting awards. HACLA’s decision to impose this Policy upon Contractors shall consider whether the nature of the underlying contract is one where the imposition of this Policy is reasonably possible and in the best interest of Section 3 Beneficiaries.

D. Purposes of this Policy and Compliance Plan.

The purposes of this Policy are to create sustained employment and other opportunities for Section 3 Beneficiaries and to assist Contractors in understanding their Section 3 obligations so that they can be successful in meeting these responsibilities. These purposes are accomplished through the guidance and instruction provided in the Policy, in other Section 3 materials and publications provided by HACLA, and assistance provided by HACLA’s Section 3 Compliance Administrator. HACLA has developed and continues to develop programs and procedures, all as necessary to implement this Policy, in order to realize the goals of Section 3. This Policy shall remain in effect for so long as it remains consistent with federal regulations or until amended by HACLA’s Board of Commissioners.
E. Part 75 Amendments and Conflicts.

Amendments to 24 CFR Part 75 shall apply to this Policy as of the effective date of the updated regulation. Where provisions of this Policy conflict with 24 CFR Part 75, the latter shall prevail.

II. DEFINITIONS

The following terms used throughout this Policy have the following assigned meanings.

“Contractor” means any person or entity that enters into a Section 3 Contract with HACLA, or performs work on a Section 3 Contract as a Prime Contractor or Subcontractor, or is a recipient or subrecipient of Section 3 covered funds.

“HACLA” means the Housing Authority of the City of Los Angeles and its instrumentalities subject to Section 3.

“Housing and Community Development Financial Assistance” shall have the meaning ascribed by HUD or other federal agencies or departments and includes, without limitation, the following sources of funding:

a. Community Development Block Grants (CDBG);
   b. Home Investment Partnership Interest (HOME);
   c. Housing Opportunities for Persons With AIDS (HOPWA);
   d. Neighborhood Stabilization Program (NSP);
   e. Lead Hazard Control and Healthy Homes Program;
   f. Rental Assistance Demonstration Program (RAD);
   g. Choice Neighborhoods Program;
   h. Emergency Solutions Grants (ESG);
   i. Section 202 Supportive Housing for the Elderly;
   j. Section 811 Supportive Housing for the Disabled; and
   k. Disaster Recovery Grants.

l. Economic Stimulus Funds

“HUD” means the United States Department of Housing and Urban Development.

“Metropolitan Area” means a metropolitan statistical area established by the Office of Management and Budget, and includes its plural form “Metropolitan Areas.”

“New Hire” means an employee hired on a permanent, temporary or seasonal basis as a direct result of a Contractor’s contractual obligation in connection with a Section 3 Contract, and includes its plural form “New Hires.” An employee who was on a Contractor’s/Subcontractor’s payroll on or prior to award of the Section 3 Contract shall not be counted towards the Contractor’s/Subcontractor’s New Hire benchmark goals.

“Neighborhood of the Project” also referred to as “Service Area,” means an area within one mile of the Section 3 Project or, if fewer than 5,000 people live within one mile of a Section 3 Project, within a circle centered on the Section 3 Project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.
“Public Housing Financial Assistance” shall have the meaning set forth in 24 CFR Part 75.3, as may be amended from time to time, as follows:
   a. Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);
   b. Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;
   c. Development, modernization, and management assistance provide pursuant to section 9(d) of the 1937 Act; and
   d. The entirety of a mixed-finance development project as described in 24 CFR Part 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined above in (a) through (c).

“Section 3” means Section 3 of the Housing and Urban Development Act of 1968, as amended, (12 U.S.C. 170lu) and implemented at 24 C.F.R. Part 75, as may be amended from time to time.

“Section 3 Benchmark(s)” shall mean those benchmarks for Section 3 compliance imposed upon a Contractor under a Section 3 Contract as provided in this Policy and includes both HUD and HACLA imposed goals.

“Section 3 Beneficiaries” refers, collectively, to Section 3 Workers, Targeted Section 3 Workers and Section 3 Business Concerns.

“Section 3 Business Concern” means a business concern as defined in 24 CFR 75.5, as may be amended from time to time, and means a business concern meeting at least one of the following criteria, as documented within the last six-month period through self-certification or other means acceptable HUD:
   a. It is at least 51 percent owned and controlled by low- or very low-income persons;
   b. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 Workers; or
   c. It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

“Section 3 Business Registry” means a registry of business concerns maintained by HACLA that at time of business registry self-certified as to meeting the definition of a Section 3 Business Concern.

“Section 3 Contract” means a contract subject to this Policy whether by virtue of Section 3 or HACLA’s imposition of Section 3 upon the contract, including without limitation, master developments agreements and disposition and development agreements pursuant to which development and redevelopment activities and projects are effectuated.

“Section 3 Economic Opportunity Plan” (EOP) means that Section 3 plan submitted by a Contractor in connection with a Section 3 Contract that commits to a plan to meet the Section 3 Benchmarks and other requirements applicable to the Section 3 Contract.

“Section 3 Project” means a Section 3 Project as defined in 24 CFR Part 75.3, as may be amended from time to time, and means housing rehabilitation, housing construction, and other
public construction projects assisted under HUD programs that provide Housing and Community Development Financial Assistance when the total amount of assistance to the project exceeds a threshold of $200,000 or $100,000 for other programs as identified in the CFR. The Project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

“Service Area” see definition of Neighborhood of the Project.

“Section 3 Worker” means any worker as defined in 24 CFR 75.5, as may be amended from time to time, and means a worker who currently fits or when hired within the past five years, fit at least one of the following categories, as documented through self-certification or other means acceptable to HUD:
   a. The worker’s income for the previous or annualized calendar year is below the income limit established by HUD
   b. The worker is employed by a Section 3 Business Concerns
   c. The worker is a YouthBuild participant
   d. The status of a Section 3 Worker shall not be negatively affected by a prior arrest or conviction

“Subcontractor” means any person or entity that has a contract with a Contractor to undertake a portion of the Contractor’s obligation to perform work under a Section 3 Contract.

“Section 3 Worker Registry” means a registry of Section 3 Workers and Targeted Section 3 Workers maintained by HACLA, who, at the time of registry, met the definition of a Section 3 Worker or Targeted Section 3 Worker, through self-certification or other means acceptable to HUD.

“Targeted Section 3 Worker” for Public Housing Financial Assistance means a Section 3 Worker as defined in 24 CFR Part 75.11, as may be amended from time to time, and means a worker documented through self-certification or other means acceptable to HUD, who is:
   a. A worker employed by a Section 3 Business Concern; or
   b. A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
      i. A resident of public housing or Section 8-assisted housing;
      ii. A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
      iii. A YouthBuild participant.

“Targeted Section 3 Worker” for Housing and Community Development Financial Assistance means a Section 3 Worker as defined in 24 CFR Part 75.21, as may be amended from time to time, and means a worker documented through self-certification or other means acceptable to HUD, who is:
   a. A worker employed by a Section 3 Business Concern; or
   b. A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
      i. Living within the service area or the neighborhood of the project, as defined in § 75.5; or
      ii. A YouthBuild participant.
III. PROVISIONS FOR PUBLIC HOUSING FINANCIAL ASSISTANCE AND BENCHMARKS

For purposes of this Article III, the definition of a Targeted Section 3 Worker is that applicable to a Targeted Section 3 Worker for Public Housing Financial Assistance.

A. Employment and Training.

Contractors must make their best efforts to provide employment and training opportunities generated by the assistance to Section 3 Workers and Targeted Section 3 Workers in the following order of priority:

1. To residents of the public housing projects for which the public housing financial assistance is expended;
2. To residents of other public housing projects managed by HACLA or for residents of Section 8-assisted housing managed by HACLA;
3. To participants in YouthBuild programs; and
4. To low- and very low-income persons residing within the metropolitan area in which the assistance is expended.

Section 3 Workers and Targeted Section 3 Workers are not exempt from meeting the qualifications of the position to be filled.

B. Contracting.

Contractors must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 Workers as set forth in their Section 3 Economic Opportunity Plan and in the following order of priority:

1. To Section 3 Business Concerns that provide economic opportunities for residents of the public housing projects for which the assistance is provided;
2. To Section 3 Business Concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by HACLA;
3. To YouthBuild programs; then
4. To Section 3 Business Concerns that provide economic opportunities to Section 3 Workers residing within the metropolitan area in which the assistance is provided.

C. Benchmarks.

Contractors will be considered to have complied with the requirements in this part, in the absence of evidence to the contrary, if they:

1. Certify that they have followed the prioritization efforts above (consistent with 24 CFR Part 75.9); and
2. Meet or exceed the Section 3 Benchmarks as described below, unless other specific benchmarks for compliance have been negotiated with HACLA.
   i. Twenty-five percent (25%) or more of the total number of labor hours worked by all workers employed with Public Housing Financial Assistance in the fiscal year are Section 3 Workers;
   ii. Five percent (5%) or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the fiscal year are Targeted Section 3 Workers;
iii. Thirty percent (30%) of all New Hires are Section 3 Workers;
iv. Meet Section 3 Business subcontracting goals, as may be imposed, from time to
time; and
v. Satisfy other Section 3 commitments as may be set forth their Economic
Opportunity Plan or other agreements with HACLA.

IV. PROVISIONS FOR HOUSING AND COMMUNITY DEVELOPMENT FINANCIAL
ASSISTANCE AND BENCHMARKS (SECTION 3 PROJECTS)

For purposes of this Article IV, the definition of a Targeted Section 3 Worker is that applicable to
a Targeted Section 3 Worker for Housing and Community Development Financial Assistance.

A. Employment and Training.

Contractors covered by this subpart shall ensure that employment and training opportunities
arising in connection with Section 3 Projects are provided to Section 3 Workers and Targeted
Section 3 Workers within the metropolitan area in which the project is located in the following
order of priority:
1. Section 3 Workers residing within the service area or the neighborhood of the project;
   and
2. Participants in YouthBuild programs.

Section 3 Workers and Targeted Section 3 Workers are not exempt from meeting the
qualifications of the position to be filled.

B. Contracting.

Contractors covered by this subpart shall ensure contracts for work awarded in connection
with Section 3 Projects are provided to business concerns that provide economic opportunities
to Section 3 Workers residing within the metropolitan area in which the project is located, as
set forth in their Section 3 Economic Opportunity Plan, and in the following order of priority:
1. Section 3 Business Concerns that provide economic opportunities to Section 3
   Workers residing within the service area or the neighborhood of the projects; then
2. YouthBuild Programs

C. Benchmarks.

Contractors will be considered to have complied with the requirements in this part, in the
absence of evidence to the contrary, if they:
1. Certify that they have followed the prioritization efforts above (consistent with 24 CFR
   Part 75.19); and
2. Meet or exceed the Section 3 benchmarks as described below.
   i. Twenty-five (25) percent or more of the total number of labor hours worked by all
      workers on a Section 3 Project are Section 3 Workers;
   ii. Five (5) percent or more of the total number of labor hours worked by all workers
       on a Section 3 Project are Targeted Section 3 Workers;
   iii. Thirty percent (30%) of all New Hires are Section 3 Workers;
   iv. Meet Section 3 Business subcontracting goals, as may be imposed, from time to
time; and

v. Satisfy other Section 3 commitments as may be set forth their Economic Opportunity Plan or other agreements with HACLA.

V. PROVISIONS FOR MULTIPLE FUNDING SOURCES, HACLA SECTION 3 PROJECTS

If a housing rehabilitation, housing construction or other public or private construction project is subject to Section 3 because the project is assisted with funding from multiple sources, Section 3 applicability and related provisions and requirements will be specified in the contract or other related agreement(s) with the Contractor in accordance with 24 CFR Part 75.29.

VI. CONTRACTOR GOOD FAITH EFFORTS

In accordance with subpart 75.15, 75.25 and HACLA’s requirements, HACLA will require the vendor to engage in qualitative efforts to satisfy its benchmark goals, which may include, but are not limited to the following:

1. Engaging in outreach efforts to generate job applicants who are Targeted Section 3 Workers, including notifying HACLA’s Section 3 team, posting job openings at the job site, HUD Opportunity Portal, social media pages, contacting Resident Advisory Councils, and other platforms;
2. Contacting agencies administering Los Angeles County YouthBuild Programs, and requesting their assistance in recruiting LA County YouthBuild Program participants for training opportunities and employment positions;
3. Consulting with state and local agencies administering training programs, such as those funded through Workforce Investment Act, unemployment compensation programs, community organizations and other officials or organizations to assist with training and recruiting Section 3 Workers and Targeted Section 3 Workers;
4. Holding job fairs;
5. Providing or connecting Section 3 Workers and Targeted Section 3 Workers with assistance in seeking employment, including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services;
6. Providing or referring Section 3 Workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care);
7. Assisting Section 3 Workers to obtain financial literacy training and/or coaching;
8. Engaging in outreach efforts to identify and secure bids from Section 3 Business Concerns.
9. Providing technical assistance to help Section 3 Business Concerns understand and bid on contracts;
10. Dividing contracts into smaller jobs to facilitate participation by Section 3 Business Concerns;
11. Providing bonding assistance, guaranties, or other efforts to support viable bids from Section 3 Business Concerns;
12. Promoting use of Section 3 Business Registries designed to create opportunities for Section 3, disadvantaged and small businesses.
VII. PROVIDING OTHER ECONOMIC OPPORTUNITIES

Contractors who are unable to satisfy applicable Section 3 Worker and Targeted Section 3 Worker employment and hiring benchmarks may offer other economic opportunities to Section 3 Workers and Targeted Section 3 Workers designed to assist with upward mobility, sustained employment and self-sufficiency via participation in HACLA’s Section 3 Fund. These opportunities may include, without limitation:

1. Providing assistance to apply for/or attend community college, a four year educational institution or vocational school; or
2. Sponsoring enrollments into apprenticeship and pre-apprenticeship programs.

VIII. SECTION 3 FUND CONTRIBUTIONS

A. Purpose of Fund.

In accordance with 24 CFR Part 75.15 and 75.25, HACLA has established a Section 3 Fund to permit Contractors to contribute funding for programs that lead to the development of employment skills and generate employment opportunities for Section 3 Workers. Contributions to the Section 3 Fund will be permitted in those instances where the Contractor has demonstrated to HACLA’s satisfaction, that compliance with Section 3 requirements and providing other economic opportunities or qualitative efforts is not feasible or likely to lead to sustained employment. Contractor contributions to the Section 3 Fund are considered an option of last resort, as HACLA’s preferred method for Contractors to meet their Section 3 benchmark goals and obligations are through the direct creation of sustained employment opportunities. HACLA does not accept Contractor contributions to the Section 3 Fund in lieu of compliance with Section 3 or this Policy.

B. Participation in Fund.

Contractors who meet the eligibility requirements set forth in Article VIII.A above, or who are unable to satisfy their Section 3 commitments as set forth in their Economic Opportunity Plan may, at HACLA’s election, be permitted to contribute to the Section 3 Fund and avoid the penalties for default described in Article XIII herein, provided the Section 3 Compliance Administrator finds the Contractor’s lack of compliance is due to extraordinary circumstances and not due to the Contractor’s lack of good faith compliance efforts or Contractor’s failure to exhaust all feasible alternatives for compliance.

C. Contribution Requirements.

1. Contractor, subcontractor or other recipient contributions to the Section 3 Fund shall be equal to the lesser of three percent (3%) of the actual dollar amount spent by HACLA under the contract, unless otherwise agreed by HACLA.

2. Section 3 Fund contributions are based solely on net amount paid to the Contractor excluding shipping fees, returns, credits and taxes. All expenses authorized under the contract, including license fees, labor, materials costs, and subcontracting expenses,
are subject to Section 3 Fund contribution calculations.

D. Payment Options.

1. For construction-related Section 3 contracts of up to one (1) year, Contractors have the option of making contributions (i) in a single up-front payment or (ii) making payments on a periodic basis following the receipt of contract payments from HACLA, provided such periodic payments must be in amounts of no less than three percent (3%) of the amount HACLA paid the Contractor for a particular installment, unless otherwise agreed by HACLA. In no event shall such contributions be deducted from the amounts due Contractor.

2. For all contracts exceeding one (1) year, Contractors have the option of making contributions (i) in a single up-front payment at contract commencement based upon the subject year’s contract award value, (ii) in periodic payments of three percent (3%) or greater of each payment received from HACLA, or (iii) at the end of each contract year based upon the actual dollar amount spent by HACLA under the contract for that particular year, unless otherwise agreed by HACLA.

3. Contractors making their Section 3 Fund contribution at the end of contract year shall submit payment in full within thirty (30) days after the receipt of HACLA’s invoice for payment.

4. Section 3 Fund contributions for contracts terminated before the contract year end term shall be paid in full at the time of termination.

E. Voluntary Contributions.

Contractors may contribute to the Section 3 Fund in discretionary amounts in addition to satisfying their Section 3 benchmark goals and obligations.

F. Use of Section 3 Fund Proceeds.

1. Section 3 Funds shall only be used by HACLA to further the purposes of Section 3, which are to lead to the creation of sustained employment opportunities for Section 3 Workers and Targeted Section 3 Workers.

2. Section 3 Funds shall only be used for job and vocational training, education and tuition, and employment services programs that lead to meaningful and sustained employment. Such programs include, but are not limited to:
   i. Occupational/trade training programs that provide Section 3 Worker and Targeted Section 3 Worker trainees with individualized support to enhance social, vocational and developmental skills;
   ii. HACLA-approved apprenticeship training programs and HACLA-approved pre-apprenticeship training programs designed to prepare Section 3 Worker and Targeted Section 3 Worker Trainees to enter into and succeed in an approved apprenticeship program;
   iii. Trade school, college and university degree and certification programs.
IX. SECTION 3 BUSINESS CONCERNS

A. Business owners seeking HACLA’s designation as a Section 3 Business Concern must submit a Section 3 Business Certification Form (to be provided by HACLA) to be added to the Section 3 Business Registry.

B. HACLA reserves the right, but is not obligated, to accept a Contractor’s certification as a Section 3 Business Concern approved by another governmental entity including such certifications provided by HUD.

C. Certification as a Section 3 Business Concern does not relieve Contractors from their Section 3 obligations, including the achievement of their Section 3 Benchmarks. All Section 3 Business Concerns are required to demonstrate compliance with Section 3 and this Policy. Businesses which desire to be identified as a Section 3 Business Concern at the time of bid or proposal submission will be required to provide HACLA with an updated Section 3 Business Certification Form, regardless of whether such businesses previously completed a Section 3 Business Certification Form or were determined eligible by HACLA.

X. SECTION 3 RECRUITMENT AND NEW HIRES

Contractors are expected to make best efforts to achieve the benchmarks and Section 3 Worker priorities outlined in this Policy and at 24 CFR Part 75. This section provides guidance for the recruitment of New Hires who are Section 3 Workers and Targeted Section 3 Workers to assist Contractors in meeting their benchmarks and obligations.

A. Recruitment Efforts.

1. HACLA maintains a database of employment-ready Section 3 Workers/Targeted Section 3 Workers who meet certain minimum qualifications for various categories of employment. Upon receipt of a completed Section 3 Job Order Form from Contractor/Subcontractor, HACLA will provide referrals of qualified candidates from the database. Contractors are expected to provide HACLA with the Section 3 Job Order Form in sufficient time to identify prospective candidates, prepare and refer them for interviews, and secure employment in advance of project commencement.

2. Upon receipt of a Section 3 Job Order Form, HACLA will refer qualified candidates for interviews for each available position. Contractors are expected to give each referred candidate full consideration for available positions.

3. Independent of HACLA’s efforts and referrals, Contractors shall engage in independent employment recruitment efforts and follow the Section 3 Worker and Targeted Section 3 Worker order of hiring priority as identified in this Policy.

4. Contractors shall submit to HACLA their interview notes, including reasons for denial of employment or training opportunity and any follow up actions to be taken to assist the Section 3 Worker in the future, as applicable.
5. Section 3 Workers and Targeted Section 3 Workers are not exempt from meeting the qualifications of the position to be filled.

B. Section 3 Worker and Targeted Section 3 Worker New Hires.

1. All Section 3 Worker and Targeted Section 3 Worker New Hires shall be employees of the Contractor and shall have all the protections afforded to employees under state, federal and local laws. Contractors are expected to impose the same hiring requirements and personnel rules and policies upon Section 3 Worker New Hires as are imposed upon their other employment candidates and employees. As stated in Article I.B, HACLA expects and requires Contractors to abide by equal pay for equal work principles.

2. Contractors are required to report to HACLA within three (3) business days of hiring Section 3 Workers and Targeted Section 3 Workers and shall provide to HACLA a completed Section 3 Worker Certification Form (to be provided by HACLA) for each Section 3 Worker and Targeted Section 3 Worker.

C. Apprenticeship Programs.

1. Contractors who employ apprentices are required to utilize apprenticeship programs approved by the federal Department of Labor ("DOL").

2. Contractors who employ apprentices on construction projects that are subject to the Davis-Bacon Wage Act are required to adhere to all legal requirements for wage rates and ratios of apprentices to journeymen set forth therein.

D. Limitations.

Contractors retain the sole discretion and control over any hiring and personnel decisions. HACLA cannot and will not exercise any control over any of the Contractor’s employees, including New Hires, regardless of whether they were referred by HACLA or are Section 3 Workers/Targeted Section 3 Workers recruited through other means.

E. Documented Efforts.

Contractors shall document efforts taken to recruit and interview Section 3 Workers/Targeted Section 3 Workers for hire and shall, upon reasonable request, provide HACLA with documentation that demonstrates such efforts, including interview notes, which shall include reasons for denial of employment or other actions as applicable.

F. Lack of Compliance.

A Contractor’s failure to satisfy the requirements of this section may result in HACLA’s determination that the Contractor has failed to demonstrate good faith efforts to comply with the requirements of Section 3 and this Policy, and may subject Contractor to the penalties for default described in Article XIII.
XI. REQUIRED SUBMISSION DOCUMENTS

A. Section 3 Economic Opportunity Plan.

1. All Contractors awarded a Section 3 Contract and their Subcontractors shall prepare an Economic Opportunity Plan (“EOP”) in accordance with this Policy. The EOP shall include a plan for meeting the Section 3 Benchmarks and other requirements as specified in the solicitation.

2. Unless the solicitation specifies otherwise, a Contractor’s EOP shall be submitted to HACLA with Contractor’s bid/offer package. Bids/Offer submissions submitted by Contractors without an EOP, when required, may be rejected as non-responsive and determined ineligible for contract award.

3. Unless the solicitation specifies otherwise, a Subcontractor’s EOP shall be submitted to HACLA prior to commencement of the contract.

4. EOP commitments will be incorporated into the contract. Contractors are responsible for incorporating their EOP commitments in any subcontracts it awards for the contract work.

5. Failure on the part of Contractor/Subcontractors to meet the commitments set forth in Contractor’s EOP may subject Contractor to the penalties for default described in Article XIII, including a determination that the Contractor is in material default of the contract.

B. Section 3 Compliance Summary Report.

1. Contractors shall provide periodic and project end reports using the Section 3 Compliance Summary Report form (to be provided by HACLA). Contractors shall submit with the Section 3 Compliance Summary Report form supporting documentation of efforts to demonstrate their good faith efforts and achievements. These documents include, but are not limited to the following:
   i. Section 3 Worker and Targeted Section 3 Worker Certification Forms
   ii. Section 3 Business Concern Certification Forms
   iii. Payroll or time-and-attendance based records
   iv. Outreach effort documentation

2. HACLA reserves the right to request from Contractor additional compliance documents to support data reported in the Section 3 Compliance Summary Report, and to request such other documents as HACLA deems necessary for verification and documentation of efforts.

XII. DEVELOPMENT AND REDEVELOPMENT PROJECTS

In recognition that large-scale development and redevelopment projects present a unique opportunity to: (i) provide job training and generate sustained employment opportunities for Section 3 Workers and Targeted Section 3 Workers, and (ii) provide numerous contracting opportunities for Section 3 Business Concerns, HACLA’s Board of Commissioners has adopted
heightened expectations for Section 3 compliance and commitments on the part of HACLA’s development partners and their Contractors and Subcontractors. Regardless of whether the source of funding for such projects triggers the requirements of Section 3, all such projects shall be subject to Section 3 commitments that fully-align with all Housing and Community Development Financial Assistance, Public Housing Financial Assistance and other funding sources requirements, as applicable, and shall include the following:

A. Priorities and Commitments.

1. The project’s master development agreement, disposition and development agreement, or similar agreement between HACLA and the developer, will, consistent with 24 CFR Part 75, reflect priorities for training and employment opportunities, benchmarks goals and additional negotiated commitments pertaining to New Hires, Section 3 Business Contracting, and other economic opportunities and commitments beyond HUD requirements. In all instances these commitments shall include, at a minimum, the following:

   i. Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 Project will be Section 3 Workers;

   ii. Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 Project will be Targeted Section 3 Workers;

   iii. Thirty percent (30%) of all New Hires on the Section 3 project will be Section 3 Workers with the highest hiring priority being residents of the subject redevelopment;

   iv. The imposition of Section 3 Business Concern subcontracting goals of no less than ten percent (10%) for all construction-related subcontracts and no less than three percent (3%) for all professional services agreements;

   v. Section 3 Worker and Targeted Section 3 Worker New Hire goals for post-construction employment opportunities under contracts that support the redevelopment such as property management, social services/youth programming, and retail lease agreements, with the highest hiring priority being residents of the subject redevelopment;

   vi. The commitment to engage in qualitative efforts to encourage, enable and assist Section 3 Workers and Targeted Section 3 Workers to obtain training and secure employment on the project as set forth in Article VI. Financial commitments for pre-apprenticeship and apprenticeship programs should be expected and included when feasible; and

   vii. Section 3 compliance fees should be included in all such commitments that are reasonably-related to the cost of monitoring Section 3 compliance over the life of those commitments.

2. The developer is responsible for submitting to HACLA a detailed Section 3 Economic Opportunity Plan (may also be referred to as Construction Local Hiring and Contracting
Plan or Post-Construction Local Hiring and Contracting Plan, as appropriate) that details its approach, methods and resources to be used to meet and/or exceed HUD and HACLA benchmark goals, prioritization efforts and additional negotiated commitments.

3. The developer's specific, negotiated Section 3 commitments shall be made applicable to developer’s Contractors, Subcontractors and all other businesses employed on the project.

4. The developer will be held responsible for enforcing Section 3 requirements and project commitments, and for monitoring its Subcontractors’ performance for compliance.

B. Penalties.

In the event the developer fails to meet its commitments and cannot demonstrate to HACLA’s satisfaction that good faith efforts have been made to fulfil their commitments, it shall be subject to penalties for non-compliance as negotiated in its master development agreement, disposition and development agreement or similar agreement between HACLA and the developer. Shall no such penalty agreement exist, the penalties for non-compliance set forth at Article XIII.B shall apply to the project.

C. Conflicts.

Except as expressly set forth herein, Section 3 requirements and this Policy shall apply to the project. In the event of any perceived or actual conflicts between developer’s specific, negotiated Section 3 commitments and the requirements of 24 CFR Part 75 and/or this Policy, HACLA’s determination shall be final and binding.

XIII. COMPLIANCE

A. Reviews for Compliance.

1. HACLA may periodically audit Contractors'/Subcontractors’ performance for compliance with the requirements of Section 3 and this Policy, and may conduct periodic project site visits and employee interviews to support such efforts.

2. In connection with an audit for compliance, HACLA reserves the right to request from Contractors/Subcontractors reports and information concerning its efforts to comply with the requirements of Section 3, this Policy, and the Section 3 Contract’s related contract terms and conditions.

B. Penalties for Non-Compliance.

1. Contractors who fail to comply with their EOPs or otherwise fail to meet their Section 3 commitments and obligations as set forth in their Section 3 Contract and/or EOP, shall, following notice and a reasonable opportunity to cure (as determined by HACLA in its sole discretion based upon the circumstances), be deemed in material default of their contracts, and may be subject to administrative penalties and/or debarment as follows:

   i. 1st Violation: Administrative penalty of ten percent (10%) of the contract award
amount including all amendments.

ii. 2nd Violation: Administrative penalty of additional ten percent (10%) of the contract award amount including all amendments.

iii. 3rd Violation: Debarment, suspension, denial of participation in HACLA contracting or HUD programs in accordance with 2 CFR Part 2424, and elsewhere.

2. Contractors and Subcontractors who engage in intentional acts of fraud such as providing false information, materially inaccurate information, or material omissions in the completion of Section 3 forms, including without limitation, certifications, payroll records, or project labor hour records, may be subject to debarment, suspension from, or denial of participation in HACLA, HUD and federal contracting, and may also be subject to criminal and/or civil liabilities and penalties.

XIV. RECORDS RETENTION

HACLA and any of its duly authorized representatives shall, until five years after final payment under the Section 3 Contract, have access to and the right to examine any Contractor or Subcontractor books, payroll records, documents, papers, or other records concerning Section 3 benchmarks, good faith efforts and reported achievements for the purpose of making audit, examination, or in response to HUD request.

XV. RESOURCES

A. General Information.

HUD publishes general information concerning Section 3, including the federal regulations implementing Section 3 (24 CFR Part 75), at www.hud.gov/section3.

B. HACLA Forms.

All HACLA forms referenced in this Policy are available online at www.hacla.org/forms or by contacting HACLA’s Section 3 Compliance Administrator at: section3@hacla.org. Additional Section 3 information and links are available at www.hacla.org/section3.

C. Questions and Complaints.

1. Questions or complaints concerning this Policy should be directed to HACLA’s Section 3 Compliance Administrator:

   Housing Authority of the City of Los Angeles
   Section 3 Compliance Administrator
   2600 Wilshire Blvd., 4th Floor
   Los Angeles, CA 90057
   Email: section3@hacla.org
2. Consistent with 24 CFR Part 75.33, complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.

History:

02/27/14: Section 3 Compliance Plan adopted by Board Resolution No. 9167
11/28/17: Plan revisions approved by Board Resolution No. 9693
06/24/21: Plan replaced with this new Policy approved by Board Resolution No. 9714
INTRODUCTION

This Statement of Procurement Policy is established for the Housing Authority of the City of Los Angeles (HACLA) for the acquisition of supplies, materials and equipment, personal and professional services, and construction and maintenance services in accordance with and subject to state and federal laws and regulations, including the following, as the same may be amended or superseded from time to time:

- Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD)
- 2 CFR at Part 200, particularly sections 200.318 through 200.326 (procurement standards)
- Cal. Labor Code sections 1720-1861 (Public Works)
- Cal. Public Contract Code
- Cal. Government Code
- Title 2 of the California Code of Regulations at sections 18110 – 18997 (Conflicts of Interest)
- Title 8 of the California Code of Regulations at sections 16000-16403 (Payment of Prevailing Wages upon Public Works)

I. GENERAL PROVISIONS

A. PURPOSE

The purpose of this statement of Procurement Policy (the “Policy”) is to: provide for the fair and equitable treatment of all persons or firms involved in purchasing by HACLA; assure that supplies, services and construction are procured efficiently, effectively and at the most favorable prices available to HACLA; promote competition in contracting; provide safeguards for maintaining a procurement system of quality and integrity; and assure that HACLA purchasing actions are in full compliance with all applicable laws and regulations.

B. APPLICATION

This Policy applies to all procurement actions of the Authority, regardless of the source of funds, except as noted under
“exclusions,” below. However, nothing in this Policy shall prevent HACLA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. When both HUD and non-Federal grant funds are used for a project, the work to be accomplished with the funds should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible to separate the funds, HUD procurement regulations shall be applied to the total project. If funds and work can be separated and work can be completed by a new contract, then regulations applicable to the source of funding may be followed.

Exclusions

This policy does not apply to procurement activities funded using non-program income or to the following activities:

- Real estate purchase and sale transactions (see HACLA’s Policy Guidelines for the Acquisition of Real Property)
- Loan transactions
- The solicitation or award of Housing Assistance Payment contracts unless otherwise elected by the Contracting Officer

C. APPLICABILITY OF FUNDING SOURCE

HACLA is eligible to receive funding from federal and non-federal sources. In carrying out its procurement activities, HACLA shall comply with any funding source requirements and all applicable laws and regulations, without necessarily imposing a higher standard than is necessary to ensure compliance with the applicable laws and regulations.

D. PUBLIC ACCESS TO PROCUREMENT INFORMATION

Procurement information that is not proprietary is a matter of public record and shall be available to the public to the extent provided in the California Public Records Act (Government Code Section 6250 et seq.) or similar applicable law, in accordance with HACLA’s Access to Records Policy.
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E. EMERGENCY

An emergency is defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property or essential public service.

In case of an “emergency” situation, the President and CEO or his/her designee shall have the ability to conditionally override procurement policy provisions necessary to mitigate against the loss or impairment of life, health, property or essential service and/or ensure the continued operation of HACLA until such time as the next Board of Commissioners meeting where such actions would normally require Board of Commissioners approval.

F. DEFINITIONS

“Best Value” - A determination that follows from a procurement process in which a competitive proposal is evaluated for price and qualitative factors such as quality and performance, as judged against the solicitation’s evaluation criteria, and award selection is based upon the proposal that offers the most advantageous value to HACLA.

“Capital Fund” - The Capital Fund provides funds annually to Public Housing Agencies (PHAs) for capital and management activities, including modernization and development of public housing. The Capital fund also permits PHAs to use Capital Funds for financing activities, including payments of debt service and customary financing costs, in standard PHA developments and in mixed-finance developments, which include Public Housing.

“Contracting Officer” - The President and CEO or the person(s) designated in writing by the President and CEO to administer this Policy or portions thereof, develop procedures to effectuate this Policy or portions thereof, or the authority to contract and act as the authorized agent of HACLA in all dealings with Contractors.

“Contract” - A mutually binding legal relationship obligating the seller to furnish goods or services (including maintenance and construction work) and obligating HACLA to pay for them. The term includes all
types of commitments that obligate HACLA to an expenditure of funds and that, except as otherwise authorized, are in writing. The term includes purchase orders and memoranda of understanding.

“Contractor” - The person or entity entering into the contract with HACLA to perform the services or provide the goods required under the contract documents.

“Competitive Proposal” - A technique for purchasing goods and services, usually of a technical nature, whereby qualified suppliers are solicited and the contract is awarded based on Best Value. It is generally used when conditions are not appropriate for the use of sealed (formal) bids. A Competitive Proposal, including one for a developer, may be undertaken as a RFP or RFQ (both as defined below), as the Contracting Officer shall determine, or any other competitive manner provided that such manner complies with federal law and the laws of the state of California, including all applicable regulations.

“Formal Bid” - A bid which must be advertised and forwarded in a sealed envelope and be in conformance with a prescribed format to be opened at a specified time.

“Labor surplus area business” - A business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the U.S. Department of Labor in 20 CFR 654, Subpart A, and in lists of labor surplus areas published by the Employment and Training Administration.

“Micro Purchase Threshold” - The federal Micro Purchase Threshold, which is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). The federal Micro Purchase threshold is periodically adjusted for inflation. All such adjustments shall be applicable to this Policy as soon as the adjustment takes effect, without need of an amendment to this Policy to effectuate the same.

“Micro Purchase Procedures” - A simple and informal method for acquiring goods and services that do not exceed the Micro Purchase Threshold, as set forth in paragraph 3 of Article III (Procurement Methods), Section B (Small Purchases) of this Policy.
"Minority business enterprise" - A business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to, African/Black Americans, Hispanic/Latino Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans and Hasidic Jewish Americans.

“Noncompetitive Proposal” - A method of procuring goods or services through a “sole source” (i.e., when HACLA solicits an offer from one source), a “single source” (i.e., when HACLA solicits offers from multiple sources but receives only one offer), or where competition is otherwise determined inadequate.

“Price Analysis” - An evaluation of price based on comparison to market prices, catalog prices, historical data, or other services.

“Procurement” - As used in this Policy, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) Architectural and Engineering (A/E) services, (4) social services, (5) real estate development services, and (6) other services.

“Public Works” - Construction including development, demolition, reconstruction (alteration), rehabilitation and other construction-related tasks (including maintenance and non-routine maintenance), whereby the payment of prevailing wages are triggered.

“Responsible” - A “Responsible” bidder, offeror or respondent, Contractor or subcontractor is one who satisfies the standards set forth in Section IV.A of this Policy.

“Responsive” - A “Responsive” bid or proposal is one that conforms to the essential requirements of the solicitation including, without limitation, specifications, delivery schedule, warranty, and submittal of the required documents.

“Section 3 Contract” means a contract subject to HACLA’s Section 3 Policy and Compliance Plan, whether by virtue of Section 3 or HACLA’s imposition of Section 3 upon the contract.

“Simplified Acquisition Threshold” - The federal Simplified Acquisition Threshold, which is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) in accordance with 41 U.S.C. 1908. The federal Simplified Acquisition Threshold is periodically adjusted for inflation. All such adjustments shall be applicable to this Policy as soon as the adjustment takes effect, without need of an amendment to this Policy to effectuate the same.

“Small Purchase Procedures” - A relatively simple and informal method for procuring goods and services that do not exceed the Simplified Acquisition Threshold, as set forth in paragraph 4 of Article III (Procurement Methods), Section B (Small Purchases) of this Policy.

"Small business" - A business, which is independently owned, not dominant in its field of operation and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR 121 shall be used, unless HACLA determines that their use is inappropriate.

“Services” - As used herein means and includes labor, professional services, management consulting services, or a combination of services and supplies, which shall include construction projects.

“Supplies” - As used herein means and includes materials, commodities, and equipment.

“Women’s business enterprise” - A business that is at least 51% owned by a woman or women who are U.S. citizens and who control or operate the business.
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G.  AMENDING PROCUREMENT POLICY

This Policy can only be amended through resolution and approval by the Board of Commissioners.

H.  PROCUREMENT THRESHOLDS

HACLA’s Board of Commissioners shall approve through resolution all contracts or commitments of funds that exceed the Simplified Acquisition Threshold.

The President and CEO is hereby authorized to enter into contracts or commit funds up to the Simplified Acquisition Threshold.

I.  CHANGE IN LAW OR REGULATION

In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall apply and to the extent inconsistent with this Policy, shall automatically supersede the inconsistent provisions of this Policy.

II. PROCUREMENT AUTHORITY AND ADMINISTRATION

A.  All procurement transactions shall be administered by the Contracting Officer, who shall be the President and CEO or other individual he or she has authorized in writing. The President and CEO or designee shall issue operational procedures to implement this Policy, which shall be based on the sources identified in the first paragraph of this Chapter, as may be applicable. The President and CEO or designee shall also establish a system of sanctions for violations of the ethical standards described in Section IX below, consistent with state and federal law.

B.  The President and CEO or his/her designee shall ensure that:

1.  Procurement requirements are subject to an annual planning process to assure efficient and economical purchasing;

2.  Contracts and modifications are in writing, clearly specifying the desired supplies, services and construction, and are supported by sufficient documentation regarding the history of
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the procurement, including as a minimum the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contract price;

3. For procurements other than those that follow the Small Purchase Procedures, public notice is given of each upcoming procurement; responses to such notice are honored to the maximum extent practical; bidders are provided sufficient time prior to the deadline for submission of bids or proposals; and notice of contract awards is made available to the public;

4. Solicitation procedures are conducted in full compliance with all applicable laws and regulations, including the federal standards set forth at 2 CFR at Part 200, particularly sections 200.318 through 200.326 (procurement standards);

5. For all solicitations not subject to the Small Purchase Procedures, an independent cost estimate is prepared before solicitation issuance and is appropriately safeguarded for each procurement and a cost or price analysis is conducted of the responses received for all procurements;

6. For all solicitations subject to the Small Purchase Procedures (except Micro Purchases that shall only require one reasonable quote), either (i) an independent cost estimate is prepared before solicitation issuance and is appropriately safeguarded for each procurement and a cost or price analysis is conducted of the responses received for all procurements, or (ii) other reasonable and prudent means of ensuring price reasonableness are utilized, including, without limitation, securing multiple bids, comparing costs or prices with those paid by other public agencies for similar services or supplies, or comparing costs or prices with previous contracting costs for similar services or supplies.

7. Contract awards that exceed the Simplified Acquisition Threshold are made to Responsive and Responsible bidders that offer the lowest price (for sealed bid contracts) and to Responsible offerors whose competitive proposals offer the
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Best Value to HACLA, considering price (except for those Competitive Proposals made by RFQ, as defined below), technical, and other factors as specified in the solicitation, and that all participants in the solicitation are timely notified of the results.

8. There are sufficient unencumbered funds available to cover the anticipated cost of each procurement before contract award or modification (including change orders), work is inspected before payment, and payment is made promptly for contract work performed and accepted; and

9. HACLA complies with applicable HUD review requirements as provided in the operational procedures supplementing this Policy.

C. Contracting authority under this Policy shall be vested in the following:

1. Contracting Officer. The Contracting Officer or designee shall have the authority to:

   a. Approve any procurement up to the Simplified Acquisition Threshold;

   b. Approve any change order to a construction contract authorized by the Board of Commissioners, pursuant to the provisions of this Policy;

   c. Approve any change order or amendment to a Board authorized contract up to the Simplified Acquisition Threshold;

   d. Approve any procurement of supplies, materials, services or equipment, without limit as to dollar amount, in the event of an Emergency as defined herein, provided that the nature and value of said purchases shall be reported to the Board of Commissioners at a public meeting at the earliest opportunity;
e. Reject any bid or offer where the Contracting Officer determines that the price is unreasonably low based upon an Independent Cost Estimate, competing bids or offers, or other reasonable means. Determining a bid price to be unreasonable considers not only the total price of the bid or offer, but the prices for individual items included within the bid or offer; and

f. Further delegate the authority set forth in this part in writing to other HACLA employees.

2. Board of Commissioners. The Board of Commissioners reserves to itself the authority to approve all procurements not delegated to the Contracting Officer.

D. This Policy and any later changes shall be submitted to the Board of Commissioners for approval. The Board appoints, and delegates procurement authority to the President and CEO and is responsible for ensuring that any procurement procedures adopted in furtherance of this Policy are appropriate for HACLA.

III. PROCUREMENT METHODS

A. SELECTION OF METHOD

Upon the decision to purchase goods or services, one of the following procurement methods shall be chosen, based on the nature and anticipated dollar value of the total requirement.

B. SMALL PURCHASES

1. General: Any purchase not exceeding the Simplified Acquisition Threshold shall be made in accordance with the Small Purchase procedures authorized in this section. Purchase requirements shall not be artificially divided so as to constitute a small purchase under this section (except as may be reasonably necessary to comply with Section VIII of this Policy).

During the procurement planning process, if it is determined that any commodity/services will likely exceed the Simplified
Acquisition Threshold, a formal procurement shall be conducted. Small purchases from one vendor will be limited to no more than the Simplified Acquisition Threshold aggregate in one calendar year.

2. Petty Cash Purchases: The Petty Cash Fund established by HACLA’s Policy and Procedures for Petty Cash Fund may be utilized to meet the immediate and unplanned need for minor and/or emergency expenditures that do not exceed the threshold amount(s) stated in said procedures, but in no event shall the threshold amount exceed $250.00. The Policy and Procedures for Petty Cash Fund shall be subject to the review, approval and amendment of the Chief Financial Officer or his or her designee. Said Policy and Procedures shall establish the overall amount of the fund, the maximum amount for each purchase, and shall either establish the appointment of one or more individuals as Petty Cash Administrators or the procedures for appointing such individuals.

3. Micro Purchases: For purchases that do not exceed the Micro Purchase Threshold only one written quotation need be solicited if the price received is considered reasonable given the nature of the goods or services being purchased. Such purchases must be distributed equitably among qualified sources. If practicable, a quotation shall be solicited from other than the previous source before placing a repeat order.

4. Small Purchases: For purchases in excess of the Micro Purchase Threshold that do not exceed the Simplified Acquisition Threshold, no less than three offerors shall be solicited to submit price quotations, which may be obtained orally, by telephone, in writing, or solicited using the Los Angeles Business Assistance Virtual Network (LABAVN). The names, addresses, and/or telephone numbers of the offerors and persons contacted, and the date and amount of each quotation shall be recorded and maintained as a public record (unless otherwise provided in State or local law). The Contracting Officer may also establish procedures, which are more stringent and designed to increase competition among suppliers and service providers.
Award of Small Purchases shall be made on the following basis, unless otherwise authorized in writing by the Contracting Officer, which writing shall be retained in the Procurement file:

1. For contracts for services, award shall be made to the responsible vendor providing the Best Value quote.

2. For contracts for goods, contracts for goods with services, and contracts for maintenance and construction work, award shall be made to the Responsible vendor providing the lowest acceptable priced quote.

3. If non-price factors are used for purposes of evaluating quotes, such factors shall be disclosed in the solicitation.

C. SEALED BIDS

Formal competitive procurement using sealed bids is the preferred method for procuring construction, and supplies and services of a finite nature, amount and/or scope capable of being bid at a fixed cost anticipated to be in excess of the Simplified Acquisition Threshold. Sealed bid procurements shall be awarded to Responsible and Responsive bidders based on lowest cost.

1. Conditions for Use: Contracts shall be awarded based on competitive sealed bidding if the following conditions are present:

   a. A complete, adequate and realistic specification or purchase description is available;

   b. Two or more Responsible bidders are willing and able to compete effectively for the work;

   c. The procurement lends itself to a firm fixed price contract, and the selection of the successful bidder can be made principally on the basis of price.
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2. **Solicitations and Receipt of Bids:** An invitation for bids shall be issued including specifications and all contractual terms and conditions applicable to the procurement. The invitation for bids shall state the time and place for both the receipt of bids and the public bid opening. All bids received shall be secured and opened no sooner than the date and time advertised.

3. **Bid Opening:** Bids shall be opened publicly and in the presence of at least one witness. An abstract of bids shall be recorded and the bids shall be available for public inspection in accordance with the Authority’s Access to Records Policy, as amended from time to time.

4. **Award:** Award shall be made based on lowest cost and as provided in the invitation for bids by written notice to the successful bidder. If equal low bids are received from Responsible bidders, award shall be made by drawing lots or similar random method, unless otherwise provided by law or stated in the invitation for bids. If only one Responsive bid is received from a Responsible bidder, award shall not be made unless a cost or price analysis verifies the reasonableness of the price.

5. **Correction and Withdrawal of Bids Prior to Bid Opening:** Unless otherwise provided by state or federal law or regulation, any time prior to the date and time of bid opening, a bidder shall be permitted to correct or withdraw bids by written, faxed, or e-mail notice received in the office designated in the IFB.

6. **Correction of Mistakes in Bids After Opening:**

The following shall apply in the absence of controlling state or federal law or regulation:

a. After bid opening, corrections in bids shall be permitted only if the bidder can show by clear and convincing evidence: (i) that a mistake of a nonjudgmental character was made, (ii) the nature of the mistake, and (iii) the price actually intended. A low bidder alleging a
nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made.

b. Any decision to allow correction of bid mistakes after bid opening shall be supported by a written determination signed by the Contracting Officer.

c. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of HACLA or fair competition shall be permitted.

6. **Bonds:** The following bonds (or equivalent as permitted by law) are required:

a. For construction contracts awarded under an IFB where the value of the contract exceeds the Simplified Acquisition Threshold, (i) a bid guarantee equivalent to 5% of the bid price is required and (ii) a performance bond for 100% of the contract price is required.

b. For construction contracts that exceed $25,000, a payment bond is required.

There are no bonding requirements for non-Public Works small purchases or competitive proposals; however, the Contracting Officer may require bonds in these latter circumstances when deemed appropriate. Unless otherwise specified in the solicitation, any bond submitted by a bidder pursuant to the above must be issued by a bond surety listed in U.S. Treasury Circular No.570.

D. **COMPETITIVE PROPOSALS**

Formal competitive procurement using competitive proposals is the preferred method for procuring professional services that will exceed the Simplified Acquisition Threshold and where conditions are not appropriate for the use of sealed bidding.
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Competitive proposals using Requests for Proposals shall be awarded to Responsible and Responsive offerers based on Best Value. Competitive proposals using Requests for Qualifications shall be awarded to the most qualified respondent.

1. **Conditions for Use:** Competitive proposals (including turnkey proposals for development) may be used if there is an adequate method of evaluating technical proposals and if HACLA determines that conditions are not appropriate for the use of sealed bids. An adequate number of qualified sources shall be solicited.

2. **Solicitation:** Competitive proposals shall be solicited through a "request for proposals" (RFP) or, where permitted, a "request for qualifications" (RFQ) issued by HACLA. The competitive proposal shall clearly identify the relative importance of price (except an RFQ which shall not consider price) and other evaluation factors and sub factors, including the weight given to each technical factor and sub factor. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors and the contents of their proposals.

3. **Evaluations by Panel:** Proposals shall be evaluated only on the criteria stated in the RFP or RFQ. Proposals shall be evaluated by a panel with expertise on the subject matter. The Contracting Officer or designee shall establish criteria for selecting panel members, including standards for ensuring that panelists have no conflicts of interest in accordance with Article IX, Ethics in Public Contracting. The Contracting Officer or designee shall ensure that panel members are insulated in their evaluation activities from interference or input from others.

4. **Negotiations under Request for Proposals (RFP):** The proposals shall be evaluated, rated and ranked in accordance with the technical and price factors specified in the RFP. If based on the initial evaluation HACLA determines there is a
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clear winning proposal (or multiple winning proposals), HACLA shall award the contract accordingly.

However, if, after the initial evaluation of proposals, HACLA determines there is no clear winning proposal, negotiations as set forth in this section shall be conducted. HACLA determines the scope and extent of the negotiations.

a. Initial Discussions: Discussions may be conducted with all responsible offerors whose proposals have a reasonable chance of being selected for award. These discussions are intended to maximize HACLA’s ability to obtain Best Value and will be tailored to each offeror’s proposal and are in accordance with the RFP criteria. The scope of discussions may include a proposal’s weaknesses and deficiencies that could, in the opinion of the evaluation panel and/or Contracting Officer, be altered or better explained to materially enhance the proposer’s potential for award. The scope of discussions may also include but not limited to the proposal’s price, schedule, technical approach, contract terms and any other exceptions and deviations, as well as an offeror’s prior contract performance.

b. Determination of Competitive Range: After any initial negotiations are complete, the evaluation panel shall re-evaluate proposals based on the initial discussions and solicitation criteria, and re-determine the range of competitive scores. If the evaluation panel or Contracting Officer deems warranted, additional discussions with all offerors in the competitive range may be conducted.

c. Best and Final Offers (BAFOs): All offerors with scores within the competitive range following discussions shall be provided an opportunity to revise and/or clarify their proposals, including price, by submitting a BAFO. A common deadline for receipt of BAFOs shall be established. BAFOs shall be evaluated by the entire evaluation panel in essentially the same manner as the
initial evaluation of the proposals. The Contracting Officer or designee shall ensure that a full evaluation of BAFOs is conducted sufficient to support an award decision based on Best Value.

While BAFOs are usually requested once during the procurement process, in exceptional circumstances, the Contracting Officer or designee may determine that it is in HACLA’s best interest to request a second round of BAFOs. In such cases, invitations for the second BAFO need only be sent to those offerors whose proposals are within the range of competitive scores following receipt of the first set of BAFOs.

d. Treatment of Offerors: Offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror’s proposal, and no offeror shall be assisted by HACLA to bring its proposal up to the level of any other proposal.

5. Negotiations under Request for Qualifications (RFQ): Negotiations conducted under the RFQ differ from negotiations conducted under the RFP in that HACLA first selects the highest-ranked respondent, which is determined based on the proposal’s technical factors, and then the parties engage in negotiations concerning price. If the parties cannot reach agreement on a fair and reasonable price and other material terms, HACLA will terminate negotiations and proceed to engage in negotiations with the next-highest rated respondent based on technical factors, again with intentions to reach agreement on price and other material terms. This process continues until HACLA and a responsible respondent reach agreement as to price and other material terms. Once HACLA has terminated negotiations with a respondent due to failure to reach agreement as to price and other material terms, the parties are precluded from engaging in further or additional negotiations.

6. Architect/Engineer Services: Architect/engineer services for federally-funded projects shall be obtained by HUD’s
qualifications based selection procedures. Under qualifications based selection procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to the negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. Qualifications based selection procedures shall not be used to purchase other types of services, unless the Contracting Officer determines it is in the best interest of HACLA and determines it is permissible under applicable laws and regulations.

E. NONCOMPETITIVE PROPOSALS

1. Conditions for Use: Procurements shall be conducted competitively to the maximum extent possible. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids or competitive proposals, and one of the following applies:
   
   a. The item is available only from a single or sole source, based on a good faith review of available sources;
   
   b. There is an Emergency as defined at Section I.D above;
   
   c. HUD authorizes the use of noncompetitive proposals; or
   
   d. After solicitation of a number of sources, competition is determined inadequate.

2. Justification: Procurements based on noncompetitive proposals shall be supported by a written justification for using such procedures. The justification shall be approved in writing by the Contracting Officer.

3. Price Reasonableness: The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost analysis, as described in III.F. below.
F. COST AND PRICE ANALYSIS

1. **General:** A cost or price analysis shall be performed for all procurement actions, including contract modifications (except that no such price analysis shall be required if HACLA undertakes a RFQ involving a developer). The method of analysis shall be determined in accordance with 2 CFR Part 200 (for federally-funded procurements) and any other applicable laws and regulations. The degree of analysis shall depend on the facts surrounding each procurement.

2. **Submission of Cost or Pricing Information:** If the procurement is based on noncompetitive proposals, or when only one offer is received, or for other procurements as deemed necessary by HACLA (e.g., when contracting for professional, consulting or architect/engineer services) HACLA may utilize any of the approved methods for determining price reasonableness set forth at 2 CFR Part 200 or as otherwise approved by HUD.

3. **Cost Analysis:** Cost analysis shall be performed if an offeror/contractor is required to submit a cost breakdown as part of its proposal. When a cost breakdown is submitted: a cost analysis shall be performed of the individual cost elements; HACLA shall have a right to audit the contractor's books and records pertinent to such costs; and profit shall be analyzed separately. Costs shall be allowable only to the extent that they are consistent with applicable Federal cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation, 48 CFR Chapter 1). In establishing profit, HACLA shall consider factors such as the complexity and risk of the work involved, the contractor's investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area for similar work.

4. **Price Analysis:** A comparison of prices shall be used in all cases other than those described in the Cost Analysis section above.
G. CANCELLATION OF SOLICITATIONS

1. Solicitations may be canceled before offers or bids are due if:
   HACLA no longer requires the supplies, services or construction; HACLA can no longer reasonably expect to fund the procurement; proposed amendments to the solicitation would be of such magnitude that a new solicitation would be desirable; or other reasons deemed in the best interest of HACLA as determined in its sole discretion.

2. A solicitation may be canceled and all bids or proposals that have already been received may be rejected if: the supplies, services or construction are no longer required; ambiguous or otherwise inadequate specifications were part of the solicitation; submitted bids evidence multiple bidders misunderstanding or confusion; the solicitation did not provide for consideration of all factors of significance to HACLA; prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds; there is reason to believe that bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith; or for other good cause when deemed in the best interest of HACLA as determined in its sole discretion.

3. The reasons for cancellation shall be documented in the procurement file in accordance with 24 CFR 85.36(b)(9) or 2 CFR 200, as applicable, and the reasons for cancellation and/or rejection shall be provided upon request to any offeror solicited.

4. A notice of cancellation shall be sent to all offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any resolicitation or future procurement of similar items.

5. If all otherwise acceptable bids received in response to an invitation for bids are at unreasonable prices, or only one bid is received and the price is unreasonable, HACLA shall cancel the solicitation and either:
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   a. resolicit using a new invitation for bid with amendment as warranted; or

   b. resolicit using a request for proposals, provided, that the Contracting Officer determines in writing that such action is appropriate, all bidders are informed of HACLA's intent to resolicit using a request for proposals, and each Responsible bidder is given a reasonable opportunity to submit an offer in response to the new solicitation.

H. COOPERATIVE PURCHASING AND INTERGOVERNMENTAL AGREEMENTS

HACLA may enter into Federal, State or local intergovernmental agreements or utilize cooperative purchasing (a.k.a. “piggy-backing”) to procure common goods and services that are routine in nature. HACLA may also enter into Federal, State or local intergovernmental agreements to secure services required by HACLA and offered from another public agency either directly or through a third party subcontract. The decision to use cooperative purchasing, an intergovernmental agreement or conduct a direct procurement shall be based on economy and efficiency. If utilizing an intergovernmental agreement involving a third party subcontractor, the interagency agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment and other relevant terms and conditions. HACLA is encouraged to use Federal or State excess and surplus property instead of purchasing new equipment and property whenever such use is feasible and reduces project costs.

I. CONTRACTING WITH RESIDENT ORGANIZATIONS

Notwithstanding the provisions above pertaining to full and open competition in its procurements, HACLA may: (1) use the "alternative procurement process" to limit competition to resident-owned businesses, pursuant to 24 CFR Part 963; or (2) contract on a non-competitive basis with a resident management corporation pursuant to 24 CFR 964, Subpart C.
J. CONTRACTING FOR LEGAL SERVICES

1. Contracting for legal services shall be conducted in accordance to all applicable HUD policy guidelines and HACLA procedures. HACLA shall not enter into a contract for federally-funded litigation-related legal services to exceed $100,000 without the prior written concurrence of HUD’s Regional Counsel, and shall not enter into a contract for federally-funded litigation services to exceed $300,000 without the prior written concurrence of HUD’s Regional Counsel and the Headquarters Program Associate General Counsel.

2. Additionally, with the exception of litigation involving HACLA acting as a Section 8 private owner or administrative and criminal proceedings and litigation relating to routine eviction proceedings, HACLA shall not initiate or enter into any of the following federally-funded activities without prior written concurrence from HUD:
   a. litigation, including any civil action at law or proceeding in equity involving a program, project, or activity receiving HUD assistance;
   b. appeals from adverse judgments; and
   c. settlements arising out of litigation.

IV. BIDDER QUALIFICATIONS AND DUTIES

A. BIDDER RESPONSIBILITY

Procurements shall be conducted only with Responsible bidders, offerors, respondents, contractors and subcontractors (collectively, “bidders” or “bidder”) who have a satisfactory record of integrity, including without limitation, all licenses and certifications required to perform the contract directly and/or with the assistance of a subcontractor as permitted under law, and in good standing with HACLA as well as applicable licensing and federal, state or local boards or agencies.
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1. Standards. A Responsible bidder is one who meets the standards set forth below:

   a. has adequate financial resources, or the ability to obtain such resources as required during performance of the contract;

   b. is able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing business commitments;

   c. has a satisfactory record of performance;

   d. is otherwise qualified and eligible to receive an award under applicable laws and regulations;

   e. has the necessary organization, experience, operational controls, and technical skills, or the ability to obtain them; and

   f. has the necessary production, construction, and technical equipment and facilities, or the ability to obtain them.

2. Evaluation. Evaluation of the responsibility of prospective contractors may be made based upon the following sources:

   a. a list of debarred, suspended or ineligible firms or individuals;

   b. from the bidder’s submittals, replies to questionnaires, financial data such as balance sheets, profits and loss statements, cash forecasts, and financial histories of bidder and affiliated concerns, current and past production records, list of tools, equipment, and facilities, written statements or commitments concerning financial assistance and subcontracting arrangements;

   c. businesses that provide commercial credit rating reports, such as Dun and Bradstreet;
d. references from suppliers, subcontractors, banks and financial institutions, other government agencies, purchasing and trade associations, and better business bureaus and chambers of commerce; and

e. documented past performance on contracts with HACLA.

3. Timing of Determination. The Contracting Officer will determine whether a Bidder is Responsible prior to consideration of contract award in the case of sealed bids and small purchase procurements, and prior to the panel's evaluation of proposals in the case of competitive proposals.

4. Determination of Non-Responsible. Bidders who have previously contracted or performed for HACLA and who are, or have been seriously deficient in contract performance, may be considered to be non-responsible. Documented past unsatisfactory performance may be sufficient to justify a finding of non-responsibility.

5. Documentation. If a bidder is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the contract file, and the bidder shall be provided an opportunity to appeal the determination in accordance with, as applicable, HACLA’s Procedures for Competitive Solicitation Protests or HACLA’s Procedures for Non-Competitive Solicitation Protests.

B. BIDDER RESPONSIVENESS

1. Timing for federally-funded Public Works contracts. For federally-funded procurements involving construction and maintenance Public Works contracts that require a California contractor’s license to perform, the Contractor must be properly licensed at the time the contract is awarded, or the Contractor will be deemed to be non-responsive and the bid rejected pursuant to Business and Professions Code section 20103.5.
2. **Timing for non-federally funded Public Works contracts.** For procurements involving Public Works contracts that involve either (i) mixed funding from both federal and non-federal sources, or (ii) not federally funded, and require a California contractor’s license to perform, the Contractor must be properly licensed at the time the bid is submitted, or the Contractor will be deemed to be non-responsive and the bid rejected pursuant to Business and Professions Code section 7028.15.

3. **Timing for All Other Procurements.** Unless otherwise provided herein, the Contracting Officer will determine whether a bidder is Responsive prior to consideration of contract award in the case of sealed bids and small purchase procurements, and prior to the panel’s evaluation of proposals in the case of competitive proposals unless there is a legitimate reason for a later determination by the Contracting Officer or designee for Responsiveness such as the panels’ need to evaluate all proposals to determine whether a proposal with identified exceptions and deviations is acceptable, reasonable and permitted by law and should be evaluated for contract recommendation notwithstanding said exceptions and deviations.

**C. SUSPENSION AND DEBARMENT**

Contracts shall not be awarded to debarred, suspended or ineligible contractors or contractors that are utilizing debarred, suspended or ineligible subcontractors. It is the contractor’s responsibility to ensure that its subcontractors meet the above responsibility standards prior to contract bid opening. Contractors may be suspended, debarred or determined ineligible by HACLA or HUD in accordance with HUD regulations (24 CFR Part 24) or by other federal agencies (e.g., Department of Labor for violation of Secretary of Labor regulations), or by California law when necessary to protect HACLA in its business dealings.

**D. QUALIFIED BIDDERS LISTS**

Interested businesses who complete HACLA’s vendor registration requirements and are determined eligible for contract awards shall
be given an opportunity to be included on qualified bidders lists. Any pre-qualified lists of persons, firms or products which are used in the procurement of supplies and services shall be kept current and shall include enough qualified sources to assure competition where reasonably possible. Firms shall not be precluded from qualifying during the solicitation period. Solicitation mailing lists of potential contractors shall include, but not be limited to, such pre-qualified suppliers.

E. ORGANIZATIONAL CONFLICTS OF INTEREST

"Organizational conflict of interest" is defined as a situation in which the nature of the work to be performed under a HACLA contract and a contractor's organizational, financial, and contractual or other interests are such that:

1. The contractor possessed an unfair competitive advantage in competing for the contract, which could include those prohibited circumstances identified in 2 CFR 200.319(a);

2. Award of the contract may result in an unfair competitive advantage for future work; or

3. The contractor's objectivity in performing the contract work may be impaired.

HACLA shall endeavor to neutralize such conflicts by asking contractors to disclose any such organizational conflicts of interest when they submit their offers and to exclude contractors who provide services relating to studies or specification writing from competing for any subsequent contract which is based on such services.

V. TYPES OF CONTRACTS, CLAUSES, AND CONTRACT ADMINISTRATION

A. CONTRACT TYPES

Pursuant to HUD handbook 7460.8 Rev 1 (the “Handbook”) and 2 CFR 200 as it may supersede the Handbook, any type of contract which is appropriate to the procurement and which will promote the best interests of HACLA may be used, provided that the cost plus a
percentage of cost and percentage of construction cost methods are prohibited. All procurements shall include the clauses and provisions necessary to define the rights and responsibilities of the parties. A cost reimbursement contract shall not be used unless it is likely to be less costly or it is impracticable to satisfy HACLA’s needs otherwise, and the proposed contractor’s accounting system is adequate to allocate costs in accordance with applicable cost principles [for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation (FAR), found in 48 CFR Chapter 1]. A time and materials contract may be used only if a written determination is made that no other contract type is suitable, and the contract includes a ceiling price that the contractor exceeds at its own risk.

B. OPTIONS

Options for additional quantities or performance periods may be included in contracts, provided that:

- The option is contained in the solicitation;
- The option is a unilateral right of HACLA;
- The contract states a limit on the additional quantities and the overall term of the contract;
- The options are evaluated as part of the initial competition;
- The contract states the period within which the options may be exercised;
- The options may be exercised only at the price specified in, or reasonably determinable from, the contract; and
- The options may be exercised only if (i) determined to be more advantageous to HACLA than conducting a new procurement, and (ii) the contractor’s performance has been satisfactory or better based upon a performance evaluation.

C. CONTRACT CLAUSES

In addition to containing a clause identifying the contract type, all federally funded contracts shall include any clauses required by federal statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36(i) or as may be superseded by 2 CFR 200. The operational procedures required by Section II.A. of this Policy shall contain the text of all clauses and required certifications (such as required non-collusive affidavits and lobbying
disclosures) used by HACLA.

D. CONTRACT ADMINISTRATION

HACLA shall maintain a contract administration system designed to ensure that contractors perform in accordance with their contracts. The operational procedures required by Section II.A. of this Policy shall contain guidelines for inspection of supplies, services or construction, adherence to insurance requirements, as well as monitoring contractor performance, status reporting on construction contracts, and similar matters. For cost reimbursement contracts with commercial firms, costs are allowable only to the extent that they are consistent with the cost principles in FAR Subpart 31.2.

E. CHANGE ORDERS TO PUBLIC WORKS CONTRACTS

Change orders to Public Works contracts shall be administered in accordance with the following:

Construction Contingency: The Board of Commissioners shall delegate to the Contracting Officer contingency authority to approve change orders in connection with the award of Public Works contracts. Said authority shall be established on a job-by-job basis based upon the total cost of the contract, the type of construction services and the length of the contract.

Change Order Approvals: Changes to the contract shall be approved by the Contracting Officer. The Contracting Officer shall ensure that proper technical approvals are secured prior to the approval of the change orders.

VI. SPECIFICATIONS

A. GENERAL

All specifications shall be drafted so as to promote overall economy for the purposes intended and to encourage competition in satisfying HACLA’s needs. Specifications shall be reviewed prior to solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Functional or performance specifications are preferred. Detailed product specifications shall be
avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase (but see VIII below). For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

B. LIMITATIONS

The following specification limitations shall be avoided: geographic restrictions not mandated or encouraged by applicable federal law (except for architect engineer contracts, which may include geographic location as a selection factor if adequate competition is available); unnecessary bonding or experience requirements; brand name specifications (unless a written determination is made that only the identified item will satisfy HACLA's needs); brand name or equal specifications (unless they list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use). Nothing in this Policy shall preempt any State licensing laws. Specifications shall be scrutinized to ensure that organizational conflicts of interest do not occur (for example, having a consultant perform a study of HACLA's computer needs and then allowing that consultant to compete for the subsequent contract for the computers).

VII. APPEALS AND REMEDIES

A. GENERAL

It is HACLA's policy to resolve all contractual issues informally at HACLA's level, without litigation. Disputes shall not be referred to HUD until all administrative remedies have been exhausted at HACLA. When appropriate, HACLA may consider the use of informal discussions between the parties by individuals who did not participate substantially in the matter in dispute, to help resolve the differences. HUD will only review protests in cases of violations of federal law or regulations and failure of HACLA to review a complaint or protest.

B. BID PROTESTS

Protests of contract solicitations and awards are permissible, but
must strictly comply with HACLA’s Procedures for Competitive Solicitation Protests or HACLA’s Procedures for Non-Competitive Solicitation Protests, as applicable, as either may be amended from time to time.

C. CONTRACT CLAIMS

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer or designee for a written decision. The Contractor may request a conference on the claim. The Contracting Officer's decision shall inform the Contractor of its appeal rights.

VIII. ASSISTANCE TO SMALL, MINORITY, WOMEN'S, LABOR SURPLUS AREA, SECTION 3, AND RESIDENT BUSINESS ENTERPRISES

A. REQUIRED EFFORTS

Consistent with Presidential Executive Orders 11625, 12138 and 12432, Title VI of the Civil Rights Act of 1968, and Section 3 of the Housing and Urban Development Act of 1968, as amended, HACLA shall take all necessary affirmative steps to ensure that small, minority-owned and woman-owned business enterprises, labor surplus area businesses, and individuals or firms located in, or owned in substantial part by persons residing in, the area of a HACLA public housing development are used when possible. Such steps shall include, but shall not be limited to:

1. Including such firms, when qualified, on solicitation mailing lists;

2. Encouraging the participation of such firms through direct solicitation of bids or proposals whenever they are potential sources;

3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;

4. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
5. Using the services and assistance of organizations such as the Small Business Administration, the Minority Business Development Agency of the Department of Commerce, and the City of Los Angeles Mayor’s Office of Economic Development;

6. Including in all Section 3 Contracts, all provisions and attachments required by Section 3 of the Housing and Urban Development Act of 1968, as amended, and HACLA’s Section 3 Policy and Compliance Plan.

7. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed in 1 through 6 above.

Anticipated levels of participation may periodically be established by HACLA for small, minority-owned and woman-owned business enterprises, labor surplus area businesses, and business concerns which are located in, or owned in substantial part by persons residing in, the area of the project, in HACLA's prime contracts and subcontracting opportunities.

IX. ETHICS IN PUBLIC CONTRACTING

A. WRITTEN STANDARDS OF CONDUCT

1. This section sets forth HACLA’s written standards of conduct covering conflicts of interest and governing the actions of HACLA officers, employees and agents engaged in the selection, award and administration of contracts. (2 CFR 200.318(c)(1))

2. No HACLA officer, employee or agent shall participate in any decision related to the selection, award or administration of contracts if that individual has a prohibited conflict of interest arising from California’s conflict of interest laws, including those set forth in the Political Reform Act (Government Code sections 81000 – 91014) and its implementing regulations. (2 Cal. Code of Regs. §§ 18110 – 18997)
3. No HACLA officer, employee or agent shall participate in any decision related to the selection, award, or administration of a contract supported by a Federal award if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when the employee, officer, or agent, any members of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. (2 CFR 200.318(c)(1))

4. No HACLA officer, employee or agent shall solicit or accept gratuities, favors, or anything of monetary value from vendors or parties to subcontracts. However, the Contracting Officer may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value, which standards, if adopted, shall be included in the Implementing Procedures. (2 CFR 200.318(c)(1))

5. For federal contracts that are subject to the requirements of the Annual Contributions Contract (Form HUD-53012A), the following restrictions apply, unless waived by HUD:
   a. Neither HACLA nor any of its vendors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under the ACC in which any of the following classes of people have an interest, direct or indirect, during his or her tenure or for one year thereafter:
      (i) Any present or former member or officer of the governing body of HACLA, or any member of the officer’s immediate family. There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, HACLA or a business entity.
(ii) Any employee of HACLA who formulates policy or who influences decisions with respect to the project(s), or any member of the employee’s immediate family, or the employee’s partner.

(iii) Any public official, member of the local governing body, or State or local legislator, or any member of such individuals’ immediate family, who exercises functions or responsibilities with respect to the project(s) of HACLA.

b. No present or former HACLA employee, officer, or agent shall engage in selling or attempting to sell materials, services, or construction to HACLA for one year following the date such employment ceased. The term “sell” means signing a bid or proposal, negotiating a contract, contacting any HACLA employee, officer, or agent for the purpose of obtaining, negotiating, or discussing changes in specifications, price, cost allowances, or other terms of a contract; settling contract disputes; or any other liaison activity with a view toward the ultimate consummation of a sale, although the actual contract is negotiated by another person.

6. For federal contracts that are subject to the requirements of 24 CFR 982.161, the following restrictions apply, unless waived by HUD:

a. Neither HACLA nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the HCV program in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

(i) Any present or former member or officer of the PHA (except a participant commissioner);

(ii) Any employee of the PHA, or any contractor, subcontractor or agent of the PHA, who
formulates policy or who influences decisions with respect to the programs;

(iii) Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs; or

(iv) Any member of the Congress of the United States.

b. Any member of the classes described above shall disclose their interest or prospective interest to HACLA and to HUD.

B. GRATUITIES, KICKBACKS, AND USE OF CONFIDENTIAL INFORMATION

HACLA officers, employees or agents shall not solicit or accept gratuities, favors or any items of monetary value in excess of $50 from any contractors, potential contractors or parties to subcontracts, and shall not knowingly use confidential information for actual or anticipated personal gain.

C. PROHIBITION AGAINST CONTINGENT FEES

Contractors shall not retain a person to solicit or secure a HACLA contract for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial selling agencies.

D. FORMER EMPLOYEES

A former HACLA employee, officer or agent shall not knowingly act as a principal or agent for anyone other than HACLA in connection with any contract or claim in which said person participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while a HACLA employee, officer or agent, where HACLA is a party or has a direct and substantial interest.

A former HACLA employee or officer shall not engage in selling or
PROCUREMENT POLICY

attempting to sell supplies, materials, services or equipment to HACLA for a period of one year after such employment ceases. The terms "sell " means signing a bid or proposal; negotiating a contract; contacting any HACLA employee for the purpose of obtaining, negotiating or discussing changes in specifications, price, cost allowances or other terms of a contract; settling contract disputes; or any other liaison activity with a view toward the ultimate consummation of a sale, even if the actual contract is negotiated by another person.
EXHIBIT J

NON-DISPLACEMENT POLICY
INVESTMENT WITHOUT DISPLACEMENT POLICY

Projects incorporated in the Jordan Downs Forward Redevelopment and Watts Rising Transformation Plan have been developed to promote **investments that strengthen and stabilize Watts as a community vulnerable to gentrification and displacement.** The Lead Agency, Co-Lead, Implementation Leads for Housing, People and Neighborhood, Neighborhood Team and People Team and their respective project partners and sub-consultants concur that investment without displacement is not only vital to the survival of low-income communities and communities of color, but essential to increasing economic vitality and equity.

The residents of Watts are already leading sustainable lives: using public transit frequently, living in a dense neighborhood with compact homes, and living near where they work, shop, learn, worship, and socialize. The Watts Plan builds upon and strengthens this strong foundation, rather than undermining it.

All Parties agree that achieving investment without displacement will require coordinated local and citywide actions. The Transformation Plan projects are grounded in localized neighborhood needs as identified by Watts residents and businesses, because they are the experts on what they need to thrive. The City of Los Angeles through the Mayor’s Office of Economic Opportunity and HACLA as Lead Agency have ensured that its approach embraces a well-funded neighborhood engagement component from development through implementation.

To achieve development that benefits vulnerable communities, while bringing economic and public health gains, the signatories on this MOU have worked together to ensure that its Plan incorporates:

**Meaningful Resident Leadership and Influence in Planning Processes and Outcomes**
1. The Watts Rising Community Advisory Group & Street Team, Jordan Downs Resident Advisory Council, and Jordan Downs Community Coach Model along with development of Project-specific engagement plans are designed to place decision-making power about core implementation issues into the hands of the community in a way that directly influences outcomes.
2. All planning processes will be linguistically accessible, transparent, and understandable to local residents.
3. Resident priorities and recommendations have been incorporated meaningfully into planning outcomes.

**Investment in Community Assets to Meet the Needs of Low-Income Families in Watts**
1. The Projects proposed to be implemented will promote cultural and community cohesion, recognize and strengthen existing community assets, and prioritize localized needs, community benefits, and priorities previously identified through multiple inclusive neighborhood-based planning efforts.
2. Watts Rising and Jordan Downs Forward Redevelopment intends to build a “complete community” in Watts by creating improved access to essential resources such as healthy food and improving infrastructure such as walkways and community gathering and recreation areas.
3. Couple these Projects with leveraged funding to enhance services to protect tenants, low-income homeowners and develop more affordable housing.

**Protecting Tenants and Promoting Affordable Housing**
1. Maintain existing homes that are affordable to low-income households by providing low- or no-cost energy and cost-savings measures to homeowners through the Solar and Energy Efficiency Projects and foreclosure prevention services, ensuring long-term building habitability and limiting foreclosures.

2. Safeguarding the rights of tenants to remain in their homes through education and enforcement of just cause/fair rent laws and tenant protections.

3. Confirm that none of the Projects will cause temporary or permanent displacement outside of Jordan Downs. In the Jordan Downs Forward Redevelopment Project the Relocation Plan adopted protects tenants with the Right to Return, no rescreening requirements, and the cost of all move expenses paid for.

4. HACLA, as Lead Agency and the City of Los Angeles, as Co-Lead, will contribute and actively pursue additional funds to create security for low-income tenants and homeowners by funding tenant counseling services, rental and utility assistance programs, and counseling and assistance to help low-income homeowners at risk of foreclosure secure fair and affordable loan modifications.

5. Tie affordability levels of new housing to the existing needs of Watts residents and workers, with the majority of units targeted to families who are extremely low- and very-low-income.

6. Work with the federal government to create local preferences for affordable housing in high rent-burdened targeted neighborhoods to reduce over-crowding and allow households to live more affordably in their existing neighborhood of choice.

Tailor Economic Investments to Local Workforce and Watts Needs

1. The Projects proposed in the Watts Plan prioritize opportunities for local hire, with a goal of ensuring that at least 30% of all new hires are Watts residents and providing job training and educational programs for adults and youth to improve economic opportunities for existing residents and maximize the potential of the existing workforce.

2. The Projects incorporate significant investments in local small businesses along existing corridors to make them more accessible to Watts residents, develops capital funding streams and support for businesses owners in Watts who do not have access to seed or bridge capital, and ensures that no Project will displace or relocate existing businesses.

3. The Projects promote economic development that supports environmental sustainability and includes job training and placement opportunities.

4. The Projects will provide opportunities for qualified local businesses to assist in available contracting opportunities and will work with the local BusinessSource Center, Chamber of Commerce and other business-supporting institutions to source existing small businesses and contractors.

Support and Expand Local Non-Profits & Grassroots Organizations

1. Prioritize expansion and rehabilitation of space to house non-profits and grassroots organizations that are supporting the residents of Watts with services and knowledge about their rights to enjoy their community.

2. Create free or low-cost meeting and administrative space for organizations in a communal environment so organizations can learn from and coordinate with each other.
COMMUNITY ENGAGEMENT POLICY

The Parties are committed to a strong collaborative and localized Community Engagement process that works for the community of Watts and its unique and diverse constituency. We believe the strong community engagement which took place over a decade through a variety of grassroots and formal planning efforts has helped solidify neighborhood involvement in Watts and buy-in that will carry over into subsequent implementation phases and future improvement efforts in the Watts Rising Transformation Plan.

Collaborative-wide Community Engagement will be led by HACLA and informed by the Watts Rising Advisory Group, Watts Rising Street Team, Jordan Downs Resident Advisory Council and other neighborhood residents, local business owners, non-profit organizations, anchor institutions and community leaders who provide input on projects and approach. HACLA and the Implementation Leads will use the appropriate established body to vet aspects of the process and projects. In particular, it is expected that the Watts Rising Community Advisory Group members and Street Team will act as a shared advisory body for the Critical Community Investments and as conduits between the Watts Plan and their respective community-based groups. The Jordan Downs Resident Advisory Council will provide the same level of advice to the People and Housing Leads. In addition, an annual open meeting or open house will be publicized via social media and through flyers distributed during door-to-door canvassing. The open house will be open to anyone interested in learning more about Watts Rising, the redevelopment of Jordan Downs or the People Plan and will be a time to showcase progress, answer questions, and gain additional public input. In addition, during implementation a website will be developed to provide ongoing progress of project milestones and other indicators being tracked that will allow ability for public comment and additional engagement. Parties to this MOU and related Critical Community Investment partners will commit to provide content for the website and social media on an as needed basis, participate actively in community meetings and additional collaborative events, as applicable.

Critical Community Investment Projects and Jordan Downs phases commit to designing their own unique engagement approaches that are meaningful and most appropriate to their unique set of projects, timelines and readiness. Parties will work with a variety of constituencies that might have a specific interest in their Project and will employ or participate in at least three strategies for engagement during the design, implementation and evaluation of their respective Projects. These engagement approaches should allow for the community to collaborate in the Project in a meaningful way and not just be used to convey information. Engagement approaches can include things like learning activities, focus groups, public workshops, surveys, door-to-door canvassing, housing meetings, and use of social media and should be appropriate for the audience partners are trying to engage. The Parties will look for opportunities to share outreach efforts when targeting the same communities or groups of residents in order to ensure quality participation over quantity of participation.

It is important to remember that ‘one size does not fit all’ when it comes to considering the Watts stakeholders and the type of community engagement that should be undertaken. Avoid grouping people especially of different cultural and linguistically diverse backgrounds. Engagement techniques, cultural protocols and linguistic barriers must be considered when developing your engagement activities. Consider opportunities to cross-pollinate ideas by bringing diverse age groups, cultures and interests together around a common goal or activity. It is essential to provide the Watts community with feedback and reports on community engagement activities and any associated outcomes based on their participation. This is to
ensure the communities’ ongoing interest, trust and involvement with the Projects or any future engagement activities. Partners should consider the best way to provide project-level feedback to the community or particular stakeholder groups either through maintaining a database of participants, posting images and graphics on results and progress on the Watts Rising website, or disseminating notes or minutes for more formal meetings. It is imperative to maintain privacy and confidentiality in any reporting and feedback. The names of individuals or other identifying information must be removed, unless you have written consent of each participant to publish or release their personal opinions or other information.

When activating Project-based Engagement activities, please maintain the following protocols:

**Community Engagement Plans**
Community Engagement Plans will be developed for all projects, activities and issues that require the communities’ participation.
Community Engagement Plans need to be shared with the HACLA for review and feedback. If applicable, project lead should reach out to more than one local leadership body.
Utilize Watts-based community organizations, non-profits, pre-existing grassroots groups, and social networks to help develop and implement engagement activities whenever possible.

**Media Releases**
Media Releases specifically for Projects that are included in the Watts Rising Transformation Plan should indicate the Projects association with the HACLA, the City of Los Angeles, HUD Choice Neighborhood Initiative, and the Watts Rising Collaborative by including all appropriate logos. Media Alerts or Releases should be provided to the Lead Agency for review before being distributed.

**Brochures, fact sheets and leaflets**
All information for distribution should be submitted to the Lead Agency as part of your regular reporting and record-keeping. As a best practice, Co-Lead and Implementation Leads should provide these materials to the Lead Agency and potentially share with the Watts Rising Street Team, Jordan Downs Community Coaches, or Jordan Downs Resident Advisory Council as appropriate for input and review to ensure that there are not any engagement conflicts, branding is consistent, and content is clear prior to distribution.
Material should be easy to understand and drafted in Spanish / English to reach a broad audience in Watts.

**Community Surveys**
Community survey questions and methodology should be prioritized on a regular basis as a method for tracking success of initiatives and surveys should include questions regarding how residents would like to receive information and how knowledgeable they are of the improvements taking place in their neighborhood.

**Community Meetings (public meetings, charrettes, workshops, etc.)**
The Implementation Leads should maintain a calendar of community meetings, workshops and charrettes related to all Watts Plan projects. HACLA as Lead Agency will maintain the calendar based on input from the Co-Lead, Implementation Leads, Neighborhood Team Leads and project partners.
The Community Engagement calendar should be checked when arranging meetings to avoid clashes with other events.
Conflict Resolution & Concerns

Any complaints or conflicts that may arise during Community Engagement activities should be shared with the Lead Agency for collaboration on response and approach.

General conflicts or complaints that do not involve individual or personality conflicts should be shared constructively with appropriate Advisory Groups for input and suggestions for changes in approach and resolution.

Watts Rising Website

A Community Engagement calendar will be publicly available on the website listing past and current community engagement activities. Details of these engagement activities will also be included.

This Community Engagement Policy will be available for public viewing and download via the website.
EXHIBIT L

SUBGRANTEE AND CONTRACTOR CERTIFICATIONS AND ASSURANCES
Subgrantee and Contractor
Certifications and Assurances

The Department of Housing and Urban Development (HUD) requires that all Subgrantees and Contractors on Choice Neighborhoods projects sign this “Certifications and Assurances” form certifying that they will comply with the applicable federal requirements described below. Any applicable federal law, regulation, or other federal requirement continues to apply to the Grantee, Subgrantee and/or Contractor notwithstanding its omission from this Certification and Assurances form. The parties who must sign a “Certifications and Assurances” form are defined below:

- **Subgrantees**: These are organizations to which the Grantee has awarded a grant from the Choice Neighborhoods grant that the Grantee received from HUD. The subgrantee is accountable to the Grantee for the use of the funds provided, but the Grantee is ultimately accountable to HUD.

- **Contractors**: This includes any for-profit contractor, consultant, service provider, or supplier that the Grantee contracts with for goods or services on any Choice Neighborhoods project.

**Certification and Assurance**: The subgrantee or contractor executing this certification hereby assures and certifies that it will comply with all of the applicable requirements of the following, as the same may be amended from time to time, including adding appropriate provisions to all contracts between Grantee and Subgrantees or Contractors:

1. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

2. Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of $10,000)

3. Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)

4. Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5).


6. Notice of awarding agency requirements and regulations pertaining to reporting.

7. Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

8. Awarding agency requirements and regulations pertaining to copyrights and rights in data.
(9) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(10) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(11) Compliance with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), the Clean Water Act (33 U.S.C. 1251 et seq.), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

(12) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871), as amended.

(13) Any applicable requirement listed in the Choice Neighborhoods Implementation Grant Agreement.

The information contained in this certification is true and accurate, to the best of my knowledge.

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<th>Name of Subgrantee or Contractor</th>
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WARNING: Section 1001 of the Title 18 of the United States Code (Criminal Code and Criminal Procedure, 72 Stat.967) applies to this certification. 18 U.S.C. 1001, among other things, provides that whoever knowingly and willfully makes or uses a document or writing knowing the same to contain any false, fictitious or fraudulent statement or entry, in any matter within jurisdiction of any department or agency of the United States, shall be fined no more than $10,000 or imprisoned for not more than five years, or both.

Return this form to:

Grantee Name__________________________________________

Address_______________________________________________

City, State, ZIP Code_____________________________________


EXHIBIT M

CRITICAL COMMUNITY IMPROVEMENTS PLAN

Submitted for HUD Approval 7.23.21
Critical Community Improvements (CCI) Plan

FY2019 Choice Neighborhoods Implementation Grant
July 23, 2021

Submitted by the Housing Authority of the City of Los Angeles & Mayor Eric Garcetti’s Office of Economic Opportunity
Introduction

Grounded in community priorities identified through years of community planning and dialogue and validated by data ascertaining the community’s challenges and aspirations, the redevelopment of Jordan Downs is but one investment in the center of a ripple of investments found throughout Watts. These investments - delivering targeted opportunity, amenities and assets - are necessary to realize the vision of the Watts neighborhood - a vision that encompasses a community enriched with housing, transportation, education, employment and entrepreneurship choices that promote diversity, accessibility and sustainability while valuing its history and the potential of its youth.

Following the guiding themes of “People, Place, Possibility”, the neighborhood plan is based on a clear understanding and recognition of the disenfranchisement and disinvestment that occurred during the 20th Century in Watts and intercedes to change that trajectory in the 21st Century - allowing Watts to become a beacon for organically raising outcomes and investment without displacement or loss of character. This means:

- **Reactivating key commercial corridors as vibrant centers for the community** through streetscape improvements and opening new locally-owned businesses;
- **Improving transit and multi-modal connections throughout the neighborhood** by expanding transportation options with more bike lanes, a new electric car share program, decreased bus headways and pedestrian improvements;
- **Reducing climate impacts and heat island effect through extensive greening efforts** including doubling the tree canopy and adding acres of green space in the neighborhood;
- **Expanding employment opportunities by investing in local businesses and start-ups**, training programs and upholding HUD’s Section 3 local hire and diverse business utilization standards for all publicly funded activities;
- **Increasing access to fresh foods** through a multi-pronged effort that includes a full-service grocery store and new community and resident gardens;
- **Raising the quality of the housing stock** through new construction and renovation along with investments in green improvements to reduce housing costs;
- **Strengthening local education opportunities and active programming** by investing in new and safe spaces for children to learn, play and develop, and enhancing broadband connectivity to help residents thrive in today’s digital environment; and
- **Celebrating the neighborhood’s rich cultural, artistic heritage and history** through art and the restoration of iconic community symbols that embrace and value Watts’ history and heritage.

Building on the energy and momentum of recent and on-going neighborhood efforts, the proposed neighborhood projects support and reinforce the Housing and People elements by building assets that address challenges and opportunities identified during the planning process. The plan strategically leverages past, current and future private and public investment; is embraced by the City’s Jobs and Economic Development Incentive (JEDI) zone that offers local tax breaks for businesses and reductions in permit fees; is in a designated Opportunity Zone; and draws upon a deep well of institutional, educational, private and nonprofit partners for success.
A total of 15 different neighborhood projects will be funded through a combination of $5,250,000 in FY2019 Choice Neighborhood Implementation (Choice) grant funds and $5,433,479 in Community Development Block Grant (CDBG) funds committed by the City of Los Angeles as a part of the grant. The selected projects directly reflect the results of an extensive community engagement process facilitated by the Housing Authority of the City of Los Angeles (HACLA) and the Los Angeles Mayor Eric Garcetti’s Office of Economic Opportunity (MOEO). In 2019, HACLA and MOEO held a series of events where the community “voted” on critical neighborhood investments. At four separate Watts events, HACLA ran 267 adults and children through a map and green/red dot exercise to identify improvement categories, neighborhood boundaries and geographic areas of concern. The community identified specific areas in Watts for focused investment and the types of investments they thought would be most impactful. HACLA then held two formal “Pitch Meetings” with the community in October 2019 where residents “purchased” projects using a sushi-like menu. Community members could pitch their own ideas and were encouraged to walk around, discuss projects, ask “Project Representatives” questions and then submit their “To Go” orders. Over 100 Watts residents participated in these “pitch” meetings. The results were discussed with elected community representatives from the Watts Neighborhood Council and the Resident Advisory Councils of the four public housing developments in Watts to further narrow down priority projects. Residents and community leaders allowed HACLA to complete a final vetting of projects for feasibility, community support, and to ensure that the final projects met HUD requirements.
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<th>Project</th>
<th>Reactivate Commercial Corridors</th>
<th>Improve Transit and Connections</th>
<th>Reduce Climate Impacts</th>
<th>Expand Employment</th>
<th>Increase Access to Fresh Foods</th>
<th>Raise Housing Stock Quality</th>
<th>Strengthen Education Opportunities</th>
<th>Celebrate the Neighborhood History</th>
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<td>✓‡</td>
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As shown in the map on page 7, these projects are located throughout Watts and several will benefit the entire community. This dispersion of investment made possible through the Choice grant was extremely important to the community to demonstrate that these improvements are for ALL Watts residents, not just those living at Jordan Downs or other HACLA public housing communities, and the work is intended to uplift the entire community.

Four projects are proposed to be funded primarily with Choice Critical Community Improvement (CCI) funds - MudTown Kitchen Incubator, Our Town Business Improvements, Watts MicroBusiness Investment Program and Resilient Homes; the rest using CDBG. Regardless of funding source, these projects collectively address resident-identified needs, interests and wants, and build on one another to empower and embolden the people of Watts to change the narrative from a history of “being done to” to one of actively shaping their pathway to a brighter future. In fact, many of these efforts are being led by Watts-based organizations or local organizations with a long history of working in Watts.

Summary of the non-CCI funded projects:

- **Watts Empowerment Music & Film Studio** - a new 2,000 sf full-scale television, film and music studio open to all youth and adults in the community to learn about technical recording, editing and filming skills as well as showcase and develop their talents. Constructed at HACLA’s Imperial Courts development, the space will connect the community through artistic expression and will be designed to display finished products through outdoor movie nights and mini concerts. Mentorships and summer internships with larger studios, talent agencies and music labels will be provided to students who are interested in developing careers in these fields. For cross-project collaboration and impact, participants will also be connected to Watts Rising CNI small business partners to receive marketing and branding training, and access to microloan opportunities (as qualified and interested) to support income-generating opportunities of their creative endeavors. *Lead Partner: Elevate Hope, Inc.* *NOTE:* This project was awarded $502,530 in Program Year (PY) 47 CDBG funds in July 2021.

- **ThinkWattsHQ** - building out a 1,400 sf storefront for a homegrown membership-based Watts business, the space will be used to teach financial literacy through the practicum of starting a business; host a Maker Space, recording studio and STEAM lab; and incubate clothing brands, influencers and marketing businesses. With sports sponsorships, they will also provide a space for high-tech sports coaching and training. *Lead Partner: ThinkWatts Foundation* *NOTE:* This project was awarded $100,000 in PY 47 CDBG funds in July 2021 along with $200,000 in diverted public safety / policing funds from the City of Los Angeles to cover operating and start-up expenses for their Makerspace and financial literacy model.

- **Morning Star Sports Complex** - upgrades to a community-accessible playground and basketball court will provide a clean, safe and well-lit recreational space for residents, specifically children and youth. The organization will also provide an afterschool program with homework assistance and daily meals and snacks for community youth. Other partners will support activities and offer other supportive services including case management referrals to mental health and youth
intervention supports. *Lead Partner: Morning Star Missionary Baptist Church* 

**NOTE:** This project was awarded $100,000 in PY 47 CDBG funds in July 2021.

- **Greening Watts** - a community driven greening project that will plant 1,600 shade, fruit and street trees along streets in Watts, in four Public Housing properties - Nickerson Gardens, Jordan Downs, Imperial Courts, and Gonzaque Village; and in nearby residential homes. This project will also provide information and training to residents - local youth in particular - about the fields of urban forestry, water conservation and arboriculture, and the skills required to pursue careers in the green industry. By engaging and educating community members, the goal is to develop a cohort of dedicated residents who can not only look after the improvements to ensure long term success, but also share the skills and knowledge they have acquired with their social networks including but not limited to friends, family, colleagues, and youth. *Lead Partner: North East Trees, Inc.*

- **Watts Cool Schools** - up to five schools will undergo a comprehensive greening program on campus, including planting new shade trees and developing outdoor classroom space where science and ecology can be taught. Each school will have an Eco Club supported by students, faculty, and families where kids will learn to be stewards of their environment. *Lead Partner: TreePeople*

- **Creative School Signage** - due to historic disinvestment which influenced the illicit economy, crimes of despair, and related gang activity, there are very few “neutral zones” in Watts, not even at schools, which correlates to low school attendance and high drop-out rates. Students arrive in a state of trauma, many having to take indirect routes to campus to avoid being harassed by gang members. Active Safe Passage Programs are currently leading interventions like ‘walking school buses’ to ensure children and young adults can arrive and leave their school campuses without fear or intimidation. This program will take the next step to create an atmosphere around school zones that changes the environment - encouraging the preparation of body and mind before entering campus and creates respect from the whole community for schools to become trauma-free environments. Two schools will be tested with the addition of public art and signage that provide encouragement, centering, safety and peace along primary pedestrian paths to school. *Lead Partner: Los Angeles Neighborhood Initiative*

- **Watts/Century Latino Organization Center Expansion** - the physical space of this 29-year-tenured Watts non-profit and community center will be expanded by approximately 2,500 sf to accommodate new programs including the Leadership Academy, Watts College, English as a Second Language and Spanish as a Second Language classes, renter rights trainings, eviction prevention, renter legal filing application assistance and homeownership and foreclosure counseling services to prepare residents to be leaders in the community. This will help stabilize the neighborhood’s housing stock by preventing foreclosures and preparing families for homeownership opportunities. *Lead Partner: Watts/Century Latino Organization*
- **Historic Watts Train Station Renovation & Plaza Improvements** - renovation of the historic train station into a Mercado featuring uses like fresh food, restaurants, art space and retail. The station and associated plaza will activate a long underutilized space to meet community needs, grow small businesses and employment opportunities and create a safe and inviting public transit hub. *Lead Partner: Thomas Safran and Associates*

- **Watts Cultural Trail Extension** - this circular path, including public art and physical activity stations, will connect the 103rd Street/Watts Towers Metro station to the Cultural Crescent (where the Watts Towers is located) and other community assets like Markham Middle School and its Community Garden, and the Watts Health Center. Positive impacts will be seen in personal and public health outcomes and by bringing more residents to public spaces, reducing crime and increasing perceptions of safety. The Cultural Trail will also highlight and celebrate Watts’ history and heritage, and affirm the continued rootedness of Watts residents in the face of displacement pressures. *Lead Partner: City Department of Cultural Affairs*

- **Watts Gateway Bridge Improvements** - this very utilitarian pedestrian bridge over the Metro track will be transformed into a beacon of Watts’ welcoming spirit. The old bridge will receive a facelift through signage and art that can be seen in the day and evening, along with social media-ready angles and views of the Watts Towers. *Lead Partner: Thomas Safran and Associates*

- **Cultural Crescent Multi-purpose Space** - 6,500 sf of performance space will be constructed to house a dance/yoga studio and shared office space for grassroots neighborhood organizations. It will be a space for community performance, growth of grassroots organizations and artistic expression. *Lead Partner: Thomas Safran and Associates*
Proposed CCI #1 – MudTown Farms Kitchen Incubator

Description:
This activity proposes the development and construction of an 8,000 square-foot commercial kitchen facility complete with state of the art kitchen equipment and food preparation stations, ample storage space (refrigerated, frozen, dry), office/meeting space, and other programmable space.

The Commercial Kitchen will serve as a training facility and home to a food-based business incubator program that will provide the following services:

- Culinary training to local residents;
- Rental of kitchen production and prep space for local entrepreneurs, caterers, food trucks and other food-based businesses;
- Value-based product production;
- Financial literacy, marketing, and business development technical assistance and training to new businesses and connections to other Watts Rising CNI small business partners; and
- Technical assistance services for participating entrepreneurs that may include contracting, marketing, and distribution.

The Commercial Kitchen is Phase II of the MudTown Farms project led by the Watts Labor Community Action Committee (WLCAC). Located adjacent to Jordan Downs, WLCAC converted a long-standing, vacant lot that was being used informally by the community for farming into MudTown Farms, a one-of-a-kind public urban agricultural park and training center with an interactive network of farming, education, and recreational programs in 2020. Sitting on 2.5 acres in the heart of Watts, it serves as a center for health and wellness, and addresses food insecurity, positive health outcomes and environmental stewardship.

MudTown Farms’ Phase I grand opening was postponed until May 2021 due to the COVID-19 pandemic. The farm offers peaceful walking paths and demonstration areas for a host of farming methods (from hydroponic to vertical to traditional). Plots are being opened up to residents and school-based programs to utilize. Overseen by an on-site full-time farmer/educator, MudTown Farms is intended to operate as a full-time small urban farm. The community center on site is made available to local community-based organizations to host meetings, trainings and events. Watts Rising has already hosted trainings for its community engagement ‘Street Team’ on-site in one of the beautiful meeting rooms. MudTown Farms is integrated with WLCAC’s food waste diversion program and hosts a mulching area - creating organic compost which will be used at MudTown Farms and other community gardens in Watts. MudTown Farms is also the hub location for the Watts Yardners Program run by WLCAC. The Yardners Program is a curriculum that teaches local renters and homeowners how to cultivate their own home gardens. The program, funded by the State of California’s Transformative Climate Communities (TCC) funds, also provides funding to help build out at-home garden plots for up to 50 residents of Watts who participate in the program.
As a long-standing food desert, Watts residents have a history of cultivating their own gardens to grow the fruits and vegetables they were not able to find in the limited grocery stores or corner markets. In this less than 2-square mile area, there are at least nine existing community gardens on over five acres of land. This has lent itself to the start-up of many home-based businesses operating in the informal economy; cooking and selling a variety of goods from cornbread and pies to tamales and fresh fruit juices. Without licensing and certified kitchens, these home-based businesses are not positioned to become family-supporting jobs or enterprises. It is with this population in mind that MudTown Farms has envisioned creating its Kitchen Incubator offering the refrigeration, storage, cooking space and technical assistance to help commercialize these endeavors. The incubator will be coupled with workshops on business and financial concepts in partnership with Kitchen Table Consultants (KTC) and referrals to Watts Rising’s CNI small business support partners and the local BusinessSource Center.

In a community where the rate of heart disease and diabetes is well-above the local and national average, the MudTown Farms kitchen, in partnership with King Drew Medical Center and Watts Health Center is expected to offer a space for classes in healthy cooking and eating. Additionally, in partnership with LAUSD and its after-school programs, MudTown Farms plans to offer summertime culinary arts classes for middle and high-school students in Watts as well as classes in horticulture and agriculture; opening up students to a world of career opportunities in agriculture, green and culinary vocations.

Currently, WLCAC is working with Tighe Architecture on refining the design of the kitchen building with assistance from The Kitchen Professionals to update the square footage needed, identify the necessary food service equipment, cold and dry storage, and layout for kitchen spaces and uses. This team is meeting on a bi-weekly basis currently to complete this work. Initial site plans for where the Kitchen Incubator will be located on the MudTown Farms campus plus initial conceptual kitchen drawings are attached at the end of this section. The labeling and square footage is dated and will be updated in the next set of drawings.
**Administration:**

WLCAC is a nonprofit organization with nearly 60 years of operations and human services program delivery. The organization currently manages a wide portfolio of services designed to improve the quality of life of Watts residents, such as two senior centers, a homeless services program, a City of Los Angeles WorkSource and FamilySource Centers and much more. This programming and institutional reach will provide a helpful foundation for the expansion of services at MudTown Farms and helpful organizational synergies that will allow the organization to effectively conduct outreach for prospective program participants.

WLCAC’s development division, the Greater Watts Development Corporation (GWDC) will lead the implementation of the CCI. WLCAC established the GWDC in 1969 to further development in Watts and surrounding neighborhoods. Since then, WLCAC has been providing property management and construction services including the purchase and renovation of more than 600 residential units and a variety of commercial multipurpose and industrial properties throughout the greater Watts community. WLCAC’s most recent projects that include CDBG funds and/or Davis-Bacon Act compliance are the renovation of WLCAC’s Senior Multipurpose Center and FamilySource Center, and the construction of Phase I of MudTown Farms estimated at a total construction cost of $4 million.

GWDC staff is experienced in all aspects of construction projects, from acquisition to construction completion. This project will include one full-time project manager, Haleemah Henderson, who will manage and provide oversight of the design process, construction, construction budget, timeline, project compliance (labor compliance/Davis-Bacon), and any project procurement (RFPs, Bids, Job Walks). WLCAC will be working with Tighe Architecture as the designated architect for the kitchen project.

WLCAC has been able to secure initial seed capital and in-kind resources to the tune of approximately $200,000 to develop its operating and business plan. Assistance and technical services are being provided by FreshWorks, Baldwin Kitchen Professionals, Community Development Technologies (CDTech), and Kitchen Table Consultants. This fall (2021) WLCAC will be hiring a project manager to oversee the development and construction of this project and expects to have a final operations plan completed by early 2022.
**Project Development Budget:**

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*Other funds consist of CDBG dollars that have not yet been approved for the project

The budget numbers above will be updated once the plans have been updated. WLCAC is currently seeking additional funds to supplement the design process and the balance of the construction costs. Additional funding may include CDBG dollars. HACLA and MOEO have facilitated an initial conversation with the L.A. Housing and Community Investment Department (HCID) which oversees the City’s CDBG allocation, to discuss the possibility of WLCAC receiving reprogramming dollars to finance design/pre-construction expenses to ensure the project gets underway. The WLCAC has an expert development team, with a dedicated grant writer for all MudTown Farms-related activities. This fall (2021), WLCAC will be hiring a project manager to oversee the development and construction of this project. Letters of commitment documenting firmly committed resources towards development costs at this time are included at the end of this section.

**Project Operational Budget:**

WLCAC has been recommended for a $50,000 planning grant from a Federal agency to support coalition-building for the Kitchen Incubator and pilot a comprehensive business training component for farmer/food entrepreneurs. We are not able to share the name of the agency at this time as WLCAC was asked not to publicize the award until the official press release.

Another $10,000 in in-kind services has been committed by Kitchen Table Consultants, a collective of entrepreneurs passionate about local food systems and small businesses. These services include providing on-line classes to program participants on Fundamental Financial Literacy, Farm Budgeting, crop planning by the numbers, and sales and pipeline management.
Letters of commitment documenting firmly committed resources at this time toward operating costs are included at the end of this section.

**Project Schedule:**
A comprehensive project schedule will be provided once the kitchen drawings and development budget have been updated this fall and a final operations plan by early 2022.

**Use of Program Income:**
Any program income generated by the operation of the Kitchen Incubator will be reinvested by WLCAC into the facility, whether for operations, maintenance or programming.

**Measurable Outcomes:**
Initial measurable outcomes include the following. Additional outcomes will be identified as the project is further refined.
- # of food businesses served by the facility and provided training and technical assistance
- $ value of products sold
- Change in gross business revenue for businesses served
- # of new food businesses established
- # of jobs created overall
- # of individuals participating in training courses that obtain employment or start a business
July 20, 2021

Mr. Douglas Guthrie, President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057

RE: FY2019 Watts Rising Choice Neighborhoods Implementation Grant
MudTown Farms Kitchen Incubator

Dear Mr. Guthrie:

The Watts Labor Community Action Community (WLCAC) is pleased to be a partner in the Housing Authority of the City of Los Angeles’ (HAC LA) FY2019 Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development to revitalize Jordan Downs and the surrounding Watts community.

From its inception in 1965, WLCAC has focused its attention on developing programs and services that address the community’s complex needs. The organization provides health services, skills training, employment, senior citizens’ nutrition and adult day care, child care and development, community transit services, education, consumer protection, community beautification and urban greening, voter registration and participation, children and family welfare, crime prevention, art enrichment and cultural programming, energy and water conservation, technology, increased recreational facilities, low income housing, single-family homes, and community owned and managed commercial properties.

Some of WLCAC’s recent capital development accomplishments include:

- Construction of MudTown Farms, a 2.5-acre urban farm/park utilizing a $4.9 million grant from CA State Parks, Proposition 84 funding (Completed in June 2020).
- Major rehabilitation of Ramona Estates, a 60-unit complex for seniors, using $12 million in tax credits and bond financing (Completion December 2015).
- Major rehabilitation of Logan’s Plaza, a 61-unit residential complex for seniors. This project included $13 million in tax credits, bond financing and Davis Bacon wages (Completed December 2013).
- New construction development of McCoy Plaza, a $28 million, 64-unit permanent supportive housing complex for homeless families (completed June 2010).
WLCAC is honored to be leading the creation of the MudTown Farms Kitchen Incubator that will serve as a training facility and home to a food-based incubator program that will provide critical services to small and emerging businesses in the Watts neighborhood such as lower overhead business costs through shared commercial kitchen space, financial literacy, business development, marketing assistance, and a peer network of local food-based businesses that can positively impact lines of production, marketing and distribution in Watts.

As the Project Lead, WLCAC is currently committing the following resources to the Kitchen Incubator:

- $65,000 for project management
- $45,500 in in-kind staff costs
- $25,000 in-kind architectural services from Tighe Architecture
- $25,000 in-kind technical assistance from The Kitchen Professionals

WLCAC is excited to play such a pivotal role in the improving the quality of life in the Watts community. If you should have any questions or need additional information, please contact WLCAC’s Interim Project Manager, Haleemah Henderson at hhenderson@wlcac.org.

Sincerely,

Timothy Watkins
CEO/ President

“Great things are happening in Watts!”

www.wlcac.org
Dear Mr. Watkins,

This letter is to confirm our support for your proposal in response to the National Institute of Food and Agriculture’s Beginning Farmer and Rancher Development Program Request for Application. Kitchen Table Consultants (KTC) is pleased to sign on as a collaborator and partner to WLCAC’s proposed Regenerating Watts Farms project.

Founded in 2009, KTC is a collective of entrepreneurs passionate about local food systems and small businesses. We know firsthand what it is like to be kept up a night trying to solve a problem, save a business, stay afloat. We are guided by the core principle of adding more value to our client’s organization than we cost. This is what drives us. The KTC team is dedicated to our clients, we take our work very seriously, and know that people place their trust in us and see our work as an investment in their future. That’s what keeps us up at night. But we don’t take ourselves too seriously, and a part of the joy we take in our work is the relationships we build with clients.

In 2020, KTC worked with 126 clients across the country. These clients had a combined revenue of $123 million and employed more than 1000 people. 30% of our clients are women or minority owned businesses.

As part of this collaboration, KTC will provide online classes to program participants on the following topics:

- Fundamental Financial Literacy
- Farm Budgeting
- Crop planning by the numbers
- Sales and pipeline management

The monetary value of the above services is budgeted at $10,000. KTC is pleased to participate with you in this critical project to prepare Watts residents in farmer training and the development of the local food hub in South Los Angeles.

Warmest Regards,

Leland Michaels
Director of Operations
Kitchen Table Consultants
Proposed CCI #2 – Watts MicroBusiness Investment Program

Description:
This activity focuses on the establishment of a sovereign Watts MicroBusiness Loan Fund to provide loans between $500 to $5,000 to 150 start-up and/or current small business owners in Watts that are unable to obtain financing from traditional lending sources because they lack traditional sources of credit. With loan terms up to 5 years at an interest rate of up to 8%, businesses can use loan funds for working capital, furniture and fixtures, inventory and equipment. Business owners have to demonstrate a track record of successful performance in the same or similar industry or a track record managing a business in the same industry and provide a personal guarantee for the loan. Microloan recipients will be connected with workshops, business technical assistance, and/or coaching support provided by local partners for the duration of their loan term.

In addition to these microloans, two social enterprises will be eligible to receive “patient capital” from the fund. A social enterprise is an organization that applies commercial strategies to maximize improvements in financial, social and environmental - the Triple bottom line - well-being, which may include maximizing social impact alongside profits for owners. Social enterprises have both business goals and social goals. As a result, their social goals are embedded in their objective, which differentiates them from other organizations and corporations. A social enterprise's main purpose is to promote, encourage, and make social change. For these “patient capital” loans to entrepreneurs who meet the criteria set by the community, they will be eligible for larger and longer loans, and the investment is paid back if the business achieves agreed upon performance metrics.

Communities like Watts face a severe lack of access to capital due to historic discriminatory practices such as redlining, as well as the issue of being unbanked. In the Color of Wealth in Los Angeles¹ report, research found that “Mexicans were the least likely to be banked and most likely to lack financial savings. In the NASCC sample, Mexicans (47.1%), other Latinos (54.6%), U.S. blacks (68.1%), and Vietnamese (54.8%) are far less likely to own checking accounts than white (90.1%) and Japanese (93.3%) households.” Additionally, the Color of Wealth reports that “Because communities of color often have higher-cost debt and higher debt-to-income ratios, they are more likely to be denied credit and their ability to build assets is limited. Although, research has shown that when blacks have similar credit scores as whites, they are still more likely to be denied credit. This contributes to lower asset ownership and lower asset values when compared with white households.” In a survey of Watts residents conducted by the Watts Community Studio in 2013, 67% of Watts businesses surveyed indicated that they do not have access to credit if their business needed it.²

The COVID-19 pandemic has worsened these disparities. A recent study commissioned by the Small Business Majority reports that “when seeking out capital, small business owners of color have encountered more setbacks than their white counterparts. While 1 in 5 (19%) small business owners overall have obtained less financing than they sought, this number is higher among AAPI (36%), Black (31%), and Latino (26%) small business owners. Similarly, while 18% overall have been denied a loan, 32% of Black, 23% of Latino, and 22% of AAPI business owners have been denied.” The various hurdles

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to asset ownership caused by the banking industry and overall governmental policy like redlining has created endemic disparities in wealth between people of color and white people. The Color of Wealth in Los Angeles reports “White households in Los Angeles have a median net worth of $355,000. In comparison, Mexicans and U.S. blacks have a median wealth of $3,500 and $4,000, respectively.”

When asked by the Small Business Majority what strategies would best help small businesses recover, the majority of small business owners of color identified “increasing funding to nonprofit small business lenders, such as Community Financial Development Institutions, to allow them to make more loans to businesses that may not qualify for loans from traditional lenders” as a critical tool to aid in their recovery.3

Additionally, past economic trends suggest that entrepreneurship will grow. The Association for Enterprise Opportunity reports that “during downturns, ‘necessity’ entrepreneurship often rises, with downsized workers more inclined than at other times to try starting their own businesses. Though often small in scale, these start-ups can be the foundation upon which future business growth and net increases in employment are based”4. The Watts MicroBusiness Loan Fund will be an essential tool to aid Watts residents in embracing and maximizing entrepreneurship for greater financial stability.

To ensure that the full range of small businesses in the Watts area are served, and that business sectors (like restaurants) that are were heavily impacted by COVID-19 and have significant percentages of Latino and African American business owners are effectively targeted, Macedonia Community Development Corporation (CDC) will administer the Watts MicroBusiness Loan Fund and lead outreach efforts to make residents fully aware of the program. The multi-pronged approach includes:

- A door-to-door campaign in Watts key business districts where Macedonia CDC staff will make direct contact with business owners and assess access to capital needs
- A door-to-door campaign of all homes in Watts
- An expansion of Macedonia CDC’s website and social media presence
- Partnerships with local banks and CDFIs to provide contacts for small business owners attempting to access capital and in need of technical assistance, including:
  - Accion Micro Lending
  - Opportunity Fund
  - Self-Help Credit Union
  - IT OneWest Bank
  - JP Morgan Chase
  - Union Bank
  - Wells Fargo

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• Working relationships with government agencies focused on business development such as:
  ○ U.S. Small Business Administration
  ○ U.S. Congresswoman Maxine Waters’ office
  ○ California Governor’s Office of Business and Economic Development
  ○ City of Los Angeles’ Mayor’s Office
  ○ City of Los Angeles Economic and Workforce Development Department (EWDD)
• Regular communication with other CDCs and nonprofits in the region that focus on community and economic development, including Vermont Slauson CDC
• Direct outreach to local and regional Chambers of Commerce, including the cities of Compton and Los Angeles and the following racially and ethnically specific business entities with whom Macedonia CDC has previously partnered:
  ○ Black Business Association
  ○ California Black Chamber of Commerce
  ○ California Hispanic Chambers of Commerce
  ○ Greater Los Angeles African American Chamber of Commerce
  ○ Los Angeles Latino Chamber of Commerce
  ○ Southern California Black Chamber of Commerce
• Contacts with community colleges in the region, including Compton College, Los Angeles Southwest College and Rio Hondo College

Specific business sectors with high representation by entrepreneurs of color that are known to be traditionally undercapitalized to be targeted include:
• Food-based businesses
• Family childcare centers (which have been heavily impacted by COVID-19 Safer-at-Home measures)
• Growth sectors including support businesses aligned with sectors connected to regional COVID-19 recovery like healthcare, early childhood education, logistics and hospitality and/or the “green” sector
• Leveraging the vibrant cultural and artistic community in Watts, artists interested in growing their professional infrastructure to pursue contracted work and commissions, more effectively manage the business side of their art creation and cover costs such as insurance, supplies, professional and business certifications, and marketing. This support will be critical for Watts artists to be positioned to maximize the rapid infrastructure development the City is engaged in to prepare for the 2028 Olympics.
• Small-scale Minority Business Enterprise (MBE) and Disadvantaged Business Enterprise (DBE) construction trade businesses to help them become better positioned for contract procurement opportunities created by the Jordan Downs redevelopment and other redevelopment projects in Watts
To achieve the goal of at least 150 start-up and small businesses in Watts served by the Watts MicroBusiness Loan Fund, Macedonia CDC will use a sales funnel approach to obtaining borrowers. An ideal client avatar will be created and a market assessment of the Watts area will be completed. This will help to identify the marketing channels with the greatest likelihood of success in speaking to these ideal clients, and will inform the preparation and implementation of the marketing plan. Once the marketing plan has been implemented Macedonia CDC will track progress towards the following target goals:

- **Prospects** – 500 (all respondents to initial marketing efforts)
- **Suspects** – 250 (qualified after applying a set of predetermined criteria to prospects)
- **Opportunities** – 200 (start-ups and/or current business owners that will be selected for the “entry for consideration” program)
- **Borrowers** – 150 (start-ups and/or current business owners that applied for and were awarded a loan)

For “Borrowers”, Macedonia CDC will provide a culturally responsive, client-focused delivery model that emphasizes personal relationships with clients to overcome client concerns of trust and risk. Businesses will receive a robust and tailored technical assistance experience for the duration of their loan term which begins during the underwriting stage and formally ends when their loan is paid in full. Clients will have available to them monthly workshops, one-on-one-business coaching and a wide array of technical assistance programs provided by local partners. A sample of the technical assistance stages that a client will go through includes:

1. **Referral and Intake** - The intake form is where Macedonia CDC begin to build an authentic relationship with the client. If a client needs help populating their intake form, a Macedonia CDC team member will assist. After the completion of the intake form, Macedonia CDC will do an initial assessment of the business’ strengths and weaknesses, serving as an initial gauge on the entrepreneur’s ability to take on capital and how technical assistance can help.

2. **Full Application & Pre-Loan Technical Assistance** - After intake and once Macedonia CDC determines that the business can benefit from a micro-loan and technical assistance, the client submits a full application. With support from our staff as needed, clients submit financials, tax returns, and/or “substitute” information like bank statements and revenue and expense receipts that help establish the financial activity of the business. While Macedonia CDC will request financials and a credit report, entrepreneurs who do not have these formal documents are not disqualified from receiving a loan. The application phase is where clients are provided pre-loan technical assistance to compile documents, develop basic financial statements, provide credit counseling, answer financial literacy questions, and more.

3. **Underwriting** - The underwriting process prioritizes a client’s character over the traditional transaction-oriented forms of lending. The underwriting standards for loans made under the Watts MicroBusiness Loan Program are tailored to promote responsible credit gap lending to support the mission of serving eligible startup, newly established or growing small businesses that would otherwise not be able to obtain credit elsewhere at comparable interest rates or terms in Watts. When a loan package is presented to the loan committee, underwriters will present not only the financial status of the client, but also recommendations on the specific types of technical assistance that can support a client’s goals and also ensure that the client can successfully repay their loan. When the loan committee approves the loan, they also make suggestions on what other resources could be brought in to support the client.
4. **Loan Approval and Technical Assistance Plan** – Upon loan approval, a client not only signs a promissory note and loan agreement, but also commits to a technical assistance plan with specific modules and milestones to support their business. As a result of the collaborative nature of the underwriting process, clients are often aware of the technical assistance recommendations before they are presented. To date, all clients have embraced the technical assistance plans and recommendations that have resulted from the underwriting process.

5. **Technical Assistance Delivery** - Once a loan is deployed, a client’s individualized technical assistance begins. Macedonia CDC will schedule standing meetings with clients and available as needed between meetings for support on pressing issues. Technical assistance is delivered in-person or via phone, webinars, and site visits to the small business location. Similar to “case management” in other settings, Macedonia CDC and its partners will work closely with clients on topics such as:
   - Business plan development; especially if a client has identified an ambition to grow their business in a significant way (e.g. move into a brick-and-mortar business, hire more employees, etc.);
   - Marketing support, including developing logos, websites, business cards and other printed collateral; this will be conducted in collaboration with Watts Rising CNI partner ThinkWatts Foundation which will have programming dedicated to marketing and brand creation
   - Customer acquisition, for example procuring new catering clients for food businesses;
   - Legal assistance such as lease negotiation, contract reviews, and even interactions with local government on permitting and licenses; and
   - Non-business coaching needs that impact client well-being, such as during COVID-19, such as assistance in applying for small business relief grants, unemployment assistance, and vaccine appointments.

6. **Feedback** - Client feedback on the quality of services received is incredibly important and will be utilized by Macedonia CDC to refine the program. Pre- and post-loan client satisfaction surveys will be administered to gather feedback that helps us improve program design and service delivery.

For businesses that are not a good fit for the Watts MicroBusiness Loan Fund, Macedonia CDC will link these businesses with other community partners offering different loan products to small businesses including the City’s COVID-19 loan fund administered by the City’s Economic and Workforce Development Department (EWDD), SBA loans via the HarborWatts BusinessSource Center (BSC) run by Managed Career Solutions (MCS), Accion Micro Lending and other CDFIs like Inclusive Action for the City (IAC), Golden State Certified Development Corporation (CDC) and Vermont Slauson Economic Development Corporation.
**Administration:**
The Watts MicroBusiness Loan Fund will be administered by Macedonia CDC. Macedonia CDC was established in January 2015 by the Macedonia Baptist Church, the oldest African-American Baptist Church in Watts. For 109 years, Macedonia Baptist Church has been committed to providing service, advocacy, education, and a place of spiritual refuge for the greater South Los Angeles community which includes Watts. As a separate, stand-alone 501c3 with an independent Board of Directors, Macedonia CDC is committed to transforming the Watts community from the fringes of marginalization into a vibrant, healthy community. Macedonia CDC’s mission is to inspire, support and empower the people of the Watts community by identifying and addressing disparities in education, mental health, and economic opportunity. Macedonia CDC uses a “Three Pillars for Community Change” platform that simplifies these challenges into three basic areas: Mental Health, Financial Health, and Physical Health.

Under Financial Health, Macedonia CDC operates an innovative business hub specifically focused on the needs of low-income people of color aspiring to become entrepreneurs, as well as existing and expanding entrepreneurs, with all businesses served located in historically challenged communities. The core of this business hub is the Watts Entrepreneur Business Accelerator (WEBA), which since becoming operational in 2017, delivers financial literacy and other targeted workshops to provide individuals with the inspiration, organizational framework, and technical assistance required to build sustainable businesses and promote economic development within depressed urban communities, specifically the unique small business ecosystem of the underserved South Los Angeles community.

Through the WEBA, Macedonia CDC supports entrepreneurs seeking capital with intakes and assessments then refers the prospective borrowers to SBA lenders and CDFIs including Golden State CDC and Vermont Slauson EDC. Since 2017, 217 businesses have been served; 156 businesses have been started/expanded; 156 jobs have been created/supported; 143 microloans totaling $750,000 have been funded; and 32 businesses received an aggregate $3.24 Million in combined CARES Act Economic Injury Disaster Loan (EIDL), the Paycheck Protection Program, Shuttered Venue Operators Grant, and restaurant revitalization grant funding to date - 17 grant applications remain under consideration by the SBA.

In addition to connecting businesses with these supports, Macedonia CDC also recently operated a “mini” microloan program. Macedonia CDC entered into a MOU with the Valley Economic Development Center (VEDC) in 2017 to borrow and then lend $50,000 in microloans to the communities of Watts, South Los Angeles, Compton and Willowbrook. A total of eight loans between $1,000 and $20,000 were made creating 14 new jobs. The loan fund was repaid in full to VEDC and has ended for the time being. Based on this successful experience coupled with the organization’s long-term strategic plan, Macedonia CDC is very interested in creating its own revolving loan fund to deploy in perpetuity, which has led to the partnership with HACLA and MOEO to establish and operate the sovereign Watts loan fund to be created under Choice.
To scale up the organization to manage and administer the Watts MicroBusiness Investment Program, Macedonia CDC will initially partner with the Golden State CDC to provide underwriting, servicing, and collection services for the loan fund. Golden State CDC has over 16 years of small business lending and technical assistance experience, and with support from its bank partners, has helped fund over $63.7 million with credit enhancement guarantees, resulting in the creation and retention of over 1,500 jobs throughout California. Macedonia CDC and Golden State CDC have entered into an MOU for a period of three (3) years as Macedonia CDC scales up its operation in Watts to self-sufficiently provide all functions of the back office lending process. Macedonia CDC, in turn, will provide credit strategy training and outreach in Watts to identify potential borrowers, assist with loan applications and gather the necessary documents for underwriting. Macedonia CDC will own and control all microloan funds for the program including disbursements and repayments from the borrower.

Additionally, Macedonia CDC will contract with Inclusive Action for the City (IAC) to provide technical support to structure the loan program plus the social enterprise component including application forms and underwriting. The underwriting criteria emerged from IAC’s successful experience and leadership as a co-founder of the Los Angeles Street Vendor Campaign, a citywide effort to create a regulatory system for sidewalk vendors, which made clear the severe lack of access to equitable capital and culturally relevant technical assistance among LA’s most vulnerable entrepreneurs of color, particularly those in the informal economy. The Semi’a Fund, upon which the Watts MicroBusiness Loan Fund is heavily based, was created as an outgrowth of this advocacy work. The Semi’a Fund has been very successful thus far: in just five short years, the Semi’a Fund has provided over $675,000 in low-interest loans and nearly 3,000 technical assistance hours to businesses in Boyle Heights and South Los Angeles, with a healthy repayment rate with 88% of borrowers in good standing as of February 2021. These successes helped IAC receive CDFI certification from the US Treasury in 2020, which IAC is leveraging to bring in additional resources to expand micro-lending programs and create more opportunities for low-moderate income entrepreneurs of color to access capital and technical assistance.
For the business supports and technical assistance to participants in the Watts MicroBusiness Loan Fund, Macedonia CDC’s monthly workshops on branding, financial management, inventory management, business ownership structures, and marketing, to name a few of the 61 different workshop curriculums available, borrowers will be connected with the Harbor-Watts BSC - and eventually, the new Watts-Southeast LA Business Source Center when it opens in Winter/Spring 2022, for a needs assessment to understand what business coaching services will be of most value to that business owner. The BSC will subsequently deliver the agreed upon services to the owner that will supplement Macedonia CDC’s and connect business owners to a larger ecosystem of small business supports and resources.

HACLA and MOEO are confident in the ability of Macedonia CDC to serve as the lead for the Watts MicroBusiness Investment Program because of the extensive experience of its Executive Director, Alejandro “Alex” Guerrero. Alex is a highly experienced economic development practitioner who led the creation of the WEBA by building a coalition of community members, stakeholders, Los Angeles elected officials and members of Congress to secure Federal funding and launch a brick and mortar accelerator to create new quality jobs. His success with the WEBA is grounded in his past experience with opening and growing the Pacoima Entrepreneur Center, a programmatic incubator designed to provide technical assistance and access to capital through various programs funded by Federal and city funding, as well as private grants and donations. He also partnered in 2018 with LA Mayor Eric Garcetti, by designing and launching the retail attraction portion of the Mayor’s Great Streets Great Business Initiative to attract retail businesses to underserved communities. Alex also was the president of one of the formerly largest nonprofit CDFIs in Los Angeles, VEDC, where he oversaw the organization’s lending and technical assistance operations which included the SBA Microloan Fund, SBA 7a Small Business Loan Fund, U.S. Economic Development Administration Revolving Loan Fund, JP Morgan Chase African American Loan Fund, and the SBA Women’s Business Center. Alex also was the Management’s Representative on the National Committee for Apprenticeship for the Laborers International Union of North America (LIUNA), where he was tasked with strategy and tactics for quality and sustainable job creation throughout North America.

Aside from Alex, Macedonia CDC will start with modest staff in the first year - one FTE focused on outreach and marketing - then ramp up in subsequent years. Other potential hires include a FTE that does loan packaging and underwriting plus another quarter-time person to do loan servicing to take over these functions eventually from Golden State CDC.

A draft underwriting policy for the Watts MicroBusiness Loan Program is provided at the end of this section.
Project Budget (3-year):

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Choice</th>
<th>In-Kind</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Administration</td>
<td>$48,300</td>
<td>$23,700</td>
<td>$72,000</td>
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<tr>
<td>Business Coaching &amp; TA (BusinessSource)</td>
<td>$26,000</td>
<td>$26,000</td>
<td>$26,000</td>
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<tr>
<td>Outreach Specialist (salary + benefits)</td>
<td>$243,750</td>
<td>$243,750</td>
<td>$243,750</td>
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<tr>
<td>Loan Services (Golden State CDC)</td>
<td>$60,000</td>
<td>$60,000</td>
<td>$60,000</td>
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<tr>
<td>Technical Assistance (IAC)</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Watts Micro Business Loan Fund</td>
<td>$506,700</td>
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<td>$506,700</td>
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<tr>
<td>Loan Loss Reserve</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$805,000</strong></td>
<td><strong>$383,450</strong></td>
<td><strong>$1,188,450</strong></td>
</tr>
</tbody>
</table>

Letters of commitment are included at the end of this section.

Project Schedule:

Macedonia CDC and their partners are ready to initiate work to launch the program as soon as program details are approved by HUD, HACLA and MOEO.

Use of Program Income:

As a revolving loan fund, principal loan payments on loans made through the Watts MicroBusiness Loan Fund will be reinvested back into the fund to make additional loans to Watts businesses in perpetuity. Macedonia CDC has agreed to continue to operate the loan fund for the benefit of Watts businesses even after the Choice grant term has ended. Interest income will be used by Macedonia CDC to support their operation of the loan fund along with any fees collected.

Measurable Outcomes:

To track the performance of the Watts MicroBusiness Loan Fund, Macedonia CDC will target the following metrics:

- # of businesses successfully created
- # of businesses that implemented/achieved the results indicated in their business plan
  - Revenue growth
  - Profitability - gross and net profit
- # of jobs created and retained
- Breadth of outreach - How many clients are being served?
- Depth of outreach - What is the socio-economic profile of the clients being served
- Loan repayment as an indicator of portfolio quality
The purpose of this policy is to set forth Macedonia Community Development Corporation’s (MCDC) underwriting requirements for loans made to Eligible Businesses Entities under the Watts Microloan Program (WMP).

Approval Authority

The Board of Directors establishes lending authority limits for WMP Loan Program. Following are the board approved lending authority limits for the WLP loan program:

- All loans must be presented to and approved by the Loan Committee.

Underwriting Standards

MCDC’s underwriting standards for loans made under the WMP loan program are tailored to promote responsible credit gap lending to support the mission of serving eligible startup, newly established or growing businesses that would otherwise not be able to obtain credit elsewhere at comparable interest rates or terms.

While the goal of the WLP is to provide access to capital to small and micro businesses that are not currently able to access traditional financing, all small business applicants must be creditworthy and demonstrate reasonable assurance of repayment of the loan. The following table outlines the underwriting factors MCDC will analyze to assess an eligible small and micro business applicant’s creditworthiness and repayment ability.
<table>
<thead>
<tr>
<th>Loans $50,000 or less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max. Interest Rate</td>
</tr>
<tr>
<td>Loan Terms</td>
</tr>
<tr>
<td>Uses</td>
</tr>
<tr>
<td>• Working capital; Furniture &amp; fixtures; Inventory</td>
</tr>
<tr>
<td>• Equipment</td>
</tr>
<tr>
<td>Credit History</td>
</tr>
<tr>
<td>• No Bankruptcy within the last 3 years</td>
</tr>
<tr>
<td>• No currently delinquent accounts</td>
</tr>
<tr>
<td>• No open collections, with the exception of Medical collection accounts</td>
</tr>
<tr>
<td>• No delinquent personal or business taxes <em>(Borrowers/Guarantors that have a payment plan for a past tax obligation and provide proof that they are making payments as agreed, may be considered current)</em></td>
</tr>
<tr>
<td>Management</td>
</tr>
<tr>
<td>• High skill. Has owned business or managed in same or similar industry.</td>
</tr>
<tr>
<td>• Must be supported by strong business plan/projections.</td>
</tr>
<tr>
<td>Equity / TNW</td>
</tr>
<tr>
<td>Minimum 10%</td>
</tr>
<tr>
<td>Collateral</td>
</tr>
<tr>
<td>• UCC filing on all business assets</td>
</tr>
<tr>
<td>• As determined on case by case during underwriting</td>
</tr>
<tr>
<td>Guarantees</td>
</tr>
<tr>
<td>• Personal guarantees required from all owners of 10% or more of the Borrowing entity</td>
</tr>
<tr>
<td>• Other guarantors allowed if needed to mitigate weaknesses in the credit worthiness.</td>
</tr>
</tbody>
</table>
Macedonia Community Development Corporation
Watts Microloan Program Underwriting Policy

Guidelines:

1. MCDC should not make a loan if its Associates, partner or a close relative:
   Has a direct or indirect financial or other interest in the Small Business Applicant; or
   Had such interest within 6 months prior to the date of application.

2. MCDC must maintain good standing with its Federal and/or State regulator, as applicable.

3. MCDC must comply with the Program Requirements, including reporting requirements.

4. Lending Requirements
   a. The Fund
      MCDC is required to establish a deposit account at a federally-insured, well-capitalized financial institution for the Watts Loan Fund in the name of and controlled by Macedonia Community Development Corporation.
      With the exception of withdrawing earned interest, MCDC may only use funds from the CNI fund to disburse loans to Eligible Small Business Concerns in Watts. MCDC must not commingle funds from any other public program or any other source in this account and the funds cannot be used for any other purpose.

   b. Initial Lending Requirement
      MCDC is required to commit 100% of the Loan proceeds to Eligible Small Business Concerns.
5. Loss Reserve

Loan Loss Reserve Account

In addition to the Lending Loan Fund, MCDC is required to create a deposit account at a federally-insured, well-capitalized financial institution for the Loan Loss Reserve Account (LLRA). This loan loss reserve must be maintained in a separate and distinct account from other accounts, assets and financial activities. Additionally, the reserve is to be maintained on a cash basis rather than an accrual basis. To the extent practicable, funds in the LLRA should not be in excess of the maximum insured amount.

a. Loss Reserve Requirements

MCDC must maintain a reasonable loan loss reserve appropriate for the quality of the portfolio to cover potential losses arising from defaulted loans.

II. Loans from Loan Fund to Eligible Small Business Concerns

A. General

Eligible Small Businesses Concerns for this fund are limited to;

- Entrepreneur lived in Watts.
- Business is based in Watts

A. Eligible Small Business Concerns

1. The business must be organized for profit.

2. The business must be small or micro.

The applicant business alone (without affiliates) must not exceed the size standard for the industry in which the applicant is primarily engaged AND the applicant business combined with its affiliates must not exceed the size standard designated for either the primary industry of the applicant alone or the primary industry of the applicant and its affiliates, whichever is higher.
For most retail businesses, the applicant and its affiliates cannot exceed $7.0 million in gross sales averaged over the last 3 fiscal years. For most wholesale businesses, the applicant and its affiliates cannot have more than 100 employees. For most manufacturing businesses, the applicant and its affiliates cannot have more than 500 employees.

The applicable size standards are increased by 25% when the applicant agrees to use all of the financial assistance within a labor surplus area. Labor surplus areas are designated by the Department of Labor. (13 CFR 121.301(e))

The applicant business may qualify under either the industry size standards discussed above or the alternative size standard. To qualify under the alternative size standard, the applicant business must meet the following:

4. The business must be a startup, newly established, or growing small or micro business.

5. The business must be unable to borrow the requested funds on reasonable terms elsewhere.

MCDC must document in the loan file why the borrower is unable to obtain credit elsewhere at a comparable interest rate or term. Examples of this documentation may include a self-certification letter from the borrower that they were either denied a loan or are unable to obtain a comparable interest rate from another lender or an explanation that the borrower’s limited collateral, credit score, etc., prevents it from obtaining traditional bank financing.

6. The business must be creditworthy and demonstrate reasonable assurance of repayment of the loan.

7. The business must be an eligible type of business to receive a loan. The following types of businesses are not eligible to receive a loan under the program:

   a) Nonprofit businesses (for-profit subsidiaries are eligible);

   b) Financial businesses primarily engaged in the business of lending;

   c) Passive businesses owned by developers and landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds;

   d) Life insurance companies;

   e) Businesses located in a foreign country;
f) Businesses deriving revenue from legal gambling activities;

g) Businesses engaged in any illegal activity;

h) Private clubs and businesses which limit the number of memberships for reasons other than capacity;

i) Government-owned entities (except for businesses owned or controlled by a Native American tribe);

j) Businesses principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting;

k) Businesses in which the MCDC or any of its Associates owns an equity interest;

l) Businesses which:

   i. Present live performances of a prurient sexual nature; or

   ii. Derive directly or indirectly more than 5 percent of gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature;

m) Cannabis

n) Businesses primarily engaged in political or lobbying activities;

o) Speculative businesses (such as oil wildcatting);
7. Summary

<table>
<thead>
<tr>
<th>Loans between MCDC and Eligible Small and Micro Business Concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum Loan Amount</strong></td>
</tr>
<tr>
<td>$50,000; No Eligible Small Business Concern may have</td>
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<tr>
<td>more than $50 in Watts Microloan Program Loan</td>
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<tr>
<td>proceeds outstanding at any one time</td>
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<tr>
<td><strong>Maximum Interest Rate</strong></td>
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<td>Loans $50,000 or less – 8.%</td>
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<tr>
<td><strong>Use of Proceeds &amp; Maximum Maturity Periods</strong></td>
</tr>
<tr>
<td>Working capital</td>
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<tr>
<td>Furniture, fixtures, materials, supplies, and equipment –</td>
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<tr>
<td><strong>Allowable Fees</strong></td>
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<tr>
<td>Necessary out-of-pocket expenses, such as filing or</td>
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<tr>
<td>recording fees</td>
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<tr>
<td>Reasonable direct costs of liquidation</td>
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<tr>
<td>Late payment fees (must not exceed 5% of the scheduled</td>
</tr>
<tr>
<td>loan payment)</td>
</tr>
<tr>
<td>Reasonable application and origination fees (total must</td>
</tr>
<tr>
<td>not exceed 1% of the loan amount)</td>
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</table>

8. Maximum loan amount

The maximum loan that may be made to an Eligible Small Business Concern under this program is $50,000. **Minimum loan amount is $500.00**
The loan fund allows multi-party financing and does not place a particular restriction on the total financing project. MCDC may provide a loan to an Eligible Small Business Concern as part of an overall lending package that may include other loans from other lenders. However, MCDC must still ensure that the small business concern meets the credit elsewhere test. MCDC would need to document why the business is otherwise unable to obtain traditional bank financing for the use of proceeds for the loan fund.

9. Maturity

The term of a loan to an Eligible Small Business Concern should be the shortest appropriate term. The maximum loan term is 5 years or less.

10. Interest

The maximum interest rate the loan fund may charge for loans less than or equal to $50,000 is 8.00 percent.

11. Fees

The loan fund must not impose any fees or direct costs on Eligible Small Business Concerns, except for the following allowed fees or direct costs:

a) Necessary out-of-pocket expenses, such as filing or recording fees.
b) The reasonable direct costs of any liquidation;
c) A late payment fee not to exceed 5 percent of the scheduled loan payment; and
d) Reasonable application and origination fees, subject to a maximum total fee cap of 1 percent of the amount of the loan to the Eligible Small Business Concern.

B. Purposes

1. Eligible purposes

The proceeds of a loan from the loan fund to an Eligible Small Business Concern may only be used for working capital, lease, or the acquisition of materials, supplies, furniture, fixtures, or equipment.

C. Other Requirements
Loans made by MCDC must comply with all applicable laws.

a) Insurance coverage must be in amounts equal to the lesser of the insurable value of the property or the maximum limit of coverage available.


D. Underwriting

Underwriting requirements for loans to Eligible Small Business Concerns are determined by MCDC. Although the loan fund does not specifically require collateral or an equity injection by the Eligible Small Business Concerns, MCDC will implement prudent lending practices, which could include requiring collateral and/or a contribution by the borrower(s). MCDC will practice prudent lending, with an understanding of the community it serves.

No MCDC Associate may take, or hold, an equity or other form of ownership interest in any business receiving financing under this program. Equity presents a conflict of interest between the MCDC and the Eligible Small Business Concern.

All loans are subject to all applicable laws, including laws prohibiting discrimination on the grounds of race, color, national origin, religion, sex, marital status, disability or age.

E. Servicing & Collection Activities

MCDC will service its loans according to its portfolio management policies and procedures including 1) conducting regular portfolio reviews to monitor loan performance; 2) charging-off loans; 3) conducting intensive servicing; and 4) liquidation and debt collection.

MCDC generally anticipates that loans to Eligible Small Business Concerns will be charged-off when loans are 120 days delinquent. In some instances, particularly in cases involving bankruptcy proceedings or loans having real estate as collateral, compliance with this requirement may be impractical. At the time a loan to an Eligible Small Business Concern is charged off, the amount of the outstanding principal balance of the charged-off loan must be transferred to the RFA, and the LLRA replenished to the required % amount.

IV. Recordkeeping and Reporting Requirements

A. Maintenance of Records

MCDC will maintain at its principal business office accurate and current financial records, including books of accounts, and all documents and supporting materials relating to the fund’s activities in the program, including files on loans made to Eligible Small Business Concerns. Records may be preserved electronically if the original is available for retrieval
within 15 calendar days.

B. **Reporting Requirements**

1. As required.

C. **On-site and Off-site Reviews**

   MCDC will monitor both for performance and other risk characteristics as well as for compliance with the Program Requirements. MCDC may from time to time perform on-site reviews as needed or once a year.

D. **Review of Loans**

Monthly
July 19, 2021

Mr. Douglas Guthrie, President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057

RE: Watts Rising Choice Neighborhoods Implementation Grant MicroBusiness Investment Program

Dear Mr. Guthrie:

Macedonia Community Development Corporation (MCDC) is pleased to be a partner in the Housing Authority of the City of Los Angeles’ (HACLA) FY2019 Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development to revitalize Jordan Downs and the surrounding Watts community.

MCDC is based in and serves Watts by focusing on providing entrepreneurs access to capital and technical assistance through technical assistance workshops numbering 150 per year on business topics. We aid the entrepreneurs in graduating beyond Macedonia CDC to a more traditional banking relationship by becoming “bankable.”

From 2017 – 2019 we originated and funded eight (8) loans totaling $50,000, which created 14 jobs. The loan fund was derived from a line of credit we borrowed from an establish CDFI and the funds have been repaid to the CDFI, leaving Watts without a microloan fund. This proposed program will allow a revolving sovereign microloan fund to deploy capital in perpetuity for the entrepreneurs that comprise a robust economic ecosystem in Watts.
MCDC is honored to be leading the MicroBusiness Investment Program on HACLA’s behalf with a goal of expanding access to capital to Watts micro- and small businesses that are unable to obtain loans from traditional lenders. MCDC will be responsible for all executing aspects of the program including marketing, application and eligibility. As a part of this work, MCDC will connect interested businesses with assessment and technical assistance services offered by us and our partners to support the achievement of their business goals. Additionally, MCDC will be partnering with Golden State Certified Development Corporation to provide underwriting, servicing and collection services for the loans until MCDC builds its internal capacity to take over these functions.

As the Project Lead, MCDC is committing the following resources to the MicroBusiness Investment Program:

MCDC is committed to making this loan fund a success. Our funders, which include Wells Fargo, Union Bank, CIT/One West, and Amgen to name a few have committed over $700,000.00 over the next three years to pay overhead in order to provide technical assistance and access to capital. We commit to allocating funds to support this loan fund. We will also continue to fundraise as is our normal course of business.

MCDC is honored to be a collaborative partner with HACLA to help Watts businesses.

Kindest Regards,

Alejandro “Alex” Guerrero
Executive Director
Macedonia Community Development Corporation
aguerrero@macedonia-la.org
July 19, 2021

Mr. Douglas Guthrie, President & CEO  
Housing Authority of the City of Los Angeles  
2600 Wilshire Blvd.  
Los Angeles, CA 90057

RE: Watts Rising Choice Neighborhoods Implementation Grant MicroBusiness Investment Program

Dear Mr. Guthrie:

Golden State CDC is honored to have entered into an MOU with Macedonia Community Development Corporation.

Our mission is to promote the general welfare, wealth and prosperity of the people residing or operating businesses within the State of California, focusing primarily on promoting job creation in underserved and credit-challenged communities. Founded in 2001, San Fernando Valley Small Business Development Corporation DBA Golden State Certified Development Corporation (“Golden State CDC”) has over 16 years of small business lending and technical assistance experience, having funded over $63.7 million in loans as a 501C3. A portion of GSCDC’s lending program is under the authority of the U.S. Small Business Administration’s 504 loan program.

Golden State CDC is honored to be supporting Macedonia CDC, an organization with deep roots in the community and whose Executive Director is someone well known and qualified to lead the organization and lending expansion. We will provide underwriting, servicing, and collection for a projected 70 loans per year in support of MCDC strategy to scale and create its own back-office functions. Our cost per year for the services is on a not to exceed twenty thousand dollars ($20,000).

Sincerely,

Miguel Juarez  
CEO & President

6946 Van Nuys Blvd. Ste 204. Van Nuys, CA 91405
Golden State CDC Background and History:

Golden State CDC’s mission is to promote the general welfare, wealth and prosperity of the people residing or operating businesses within the State of California, focusing primarily on promoting job creation in underserved and credit-challenged communities.

Founded in 2001, San Fernando Valley Small Business Development Corporation DBA Golden State Certified Development Corporation (“Golden State CDC”) has over 16 years of small business lending and technical assistance experience. With support from its bank partners, Golden State CDC has helped fund over $63.7 million with credit enhancement guarantees, resulting in the creation and retention of over 1,500 jobs throughout the State of California.

As a Certified Development Corporation (“CDC”) under the authority of the U.S. Small Business Administration’s loan program, Golden State CDC has leveraged over $102 million in private investment into commercial real estate purchases for small business owners. Additionally, Golden State CDC operates an existing direct small business loan portfolio.

Memorandum of Understanding

This Memorandum of Understanding (MOU) sets forth the terms and understanding between Macedonia CDC (MCDC) and Golden State CDC to provide underwriting, servicing, and collection services for the Watts Microloan Fund.

Background

As organizations invested in the financial health of their communities, MCDC and Golden State CDC share many of the same goals. Although both organizations ultimately strive to ensure small business owners receive access to technical assistance and/or responsible and affordable capital, MCDC is strategically scaling its microlending offerings.

Purpose and Goals of MOU

As MCDC’s Executive Director is recognized as a leader and authority in both small businesses and micro lending, GSCDC will provide underwriting, servicing, and collection service for a period up to three (3) years as MCDC scales its operations in watts in order to self sufficiently provide all functions of the back office lending process.
The purpose of this MOU is to ensure that all small business owners receive access to responsible and affordable lending.

The goals of this partnership are the following:

Add a complimentary service to MCDC’s existing program in order to provide small business owners access to a full-set of resources, including technical assistance and/or responsible and affordable capital.

Establish a seamless process for small business owners who do not qualify for lending programs or credit elsewhere.

The above goals will be accomplished by undertaking the following activities:

MCDC staff will provide credit strategy trainings and outreach to the Watts community to identify potential borrowers.

MCDC staff will cause the potential borrower to apply for the loan, then provide intake services to gather necessary documents for underwriting and:

- Completed and signed application, or applications if multiple owners.
- Business/Personal Tax Return
- 3 months bank statements
- 3 months merchant service statements (if applicable)
- Vehicle or Equipment sales quote (if applicable)
- Copy of Registration for vehicle(s) to be used as collateral (if applicable)
- Proof of being in business - one of the following:
  - Pictures of client and equipment/vehicle
  - Business License
  - Seller's Permit
  - Corporate Documents (articles of inc/by laws, or operating agreement)

MCDC will own and control all microloan funds for the program, including disbursements and repayments from borrower.
MCDC will have final approval through its loan committee to approve the loan.

GSCDC will provide underwriting, servicing, and collection services to MCDC.

Entered into this date, July 14, 2021

Alejandro Guerrero
Executive Director
Macedonia CDC

Miguel Juarez
CEO/President
Golden State CDC
July 19, 2021

Mr. Douglas Guthrie, President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057

RE: FY2019 Watts Rising Choice Neighborhoods Implementation Grant
Business Technical Assistance in Support of the MicroBusiness Investment Program
and Our Town Business Improvements

Dear Mr. Guthrie:

Managed Career Solutions (MCS) is pleased to be a partner in the Housing Authority of the City of Los Angeles' (HACLA) FY2019 Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development to revitalize Jordan Downs and the surrounding Watts community.

Since 2016, MCS has operated the Harbor-Watts Business Source Center and provided small business assistance training with the aim towards access to capital to small business owners and budding entrepreneurs. In the Program Year 2018/19, the Harbor-Watts Business Source Center successfully helped microenterprises and small businesses secure $6,100,203 in capital.

Because we strongly believe in the community uplift the FY 2019 Watts Rising CNI grant will bring to residents of the Jordan Downs redevelopment and the larger Watts community, MCS is increasing its committed support from $65,000 to $100,000. This will allow MCS to increase the number of businesses it can serve from 10 to 25 businesses in Watts that participate in the Our Town Business Improvements and/or MicroBusiness Investment Program supported through the Choice grant. MCS will conduct a needs assessment with each participating business to understand what business coaching services will be of most value to that business owner. The value of MCS' technical assistance and business coaching to 25 business owners is $50,000, or approximately $2,000 in coaching services per business.

MCS will continue to provide services for up to 30 current and future families living at the Jordan Downs redevelopment specifically to provide initial small business training. MCS will continue counseling residents of Jordan Downs annually through our existing program for the duration of the CNI grant period.
MCS is honored to continue to be a collaborative partner with HACLA and Mayor Garcetti’s Office of Economic Opportunity (MOEO) to help Watts residents and businesses thrive.

Sincerely,

[Signature]

Philip Starr, Executive Director
Managed Career Solutions, SPC

[Signature]

Derek Kissinger, Economic Development Director
Managed Career Solutions, SPC
Proposed CCI #3 – Our Town Business Improvements

Description:
This program will support local Watts businesses with façade improvements plus business technical assistance. The goal is to serve up to 12 businesses for new storefront design and construction. The selected businesses will also be provided with workshops and/or one-on-one coaching, and connection to other supports to help them remain competitive in today’s market. Given the current layout of business areas in Watts, it is expected that the façade improvements will be spread across all commercial corridors depending upon level of interest plus qualification for the program. However, efforts will be made to cluster the improvements to create a cohesive facelift for a targeted commercial corridor. Our program and approach is modeled on a previous successful facade program in Watts, which was led by the Office of Councilman Joe Buscaino and a partner, L.A. Mas, where businesses along Wilmington Avenue between 109th and 115th were provided with free storefront upgrades.

The facade program will be focused on established mom-and-pop brick-and-mortar businesses in Watts that are not part of a large national chain. The program’s goals are to create attractive storefronts and signage as well as potential interior investments to better layout merchandise and business functionality. The program will be run by the Coalition for Responsible Community Development (CRCD), an established non-profit in South Los Angeles with deep experience in affordable housing development, youth employment, business improvement district establishment and management, graffiti-abatement programs and clean and green work. CRCD has established an Envision Center, approved by HUD, in South Los Angeles and works on programs with both individuals and businesses to promote financial independence and small business acumen. CRCD will partner with MCS, who runs the Harbor-Watts BSC, to provide in-kind services -- offering workshops, mentoring, access to capital, and marketing support for the businesses that choose to participate in the Our Town facade and business-building program.

CRCD will utilize its business outreach staff to develop relationships with local businesses, share information about the program and identify specific business needs and desires. CRCD will create and help businesses complete the Our Town application for program enrollment consideration to assess:

- Business needs;
- Determine if the business has their own funding to match (not a requirement to participate but encouraged as a tool to ensure the recipient’s investment in the improvements);
- Obtain due diligence on the business’ health and long-term commitment to the location they are in as a place based program; and
- Provide an estimated cost of improvement.

If the business owner is a tenant, CRCD will coordinate efforts with the building owner and ensure that all parties agree on the improvements. They will also set out certain funding parameters that ensure the improvements do not trigger rent or CAM increases to the tenant and that the tenant has a lease of at least 5 years for any improvement under $20,000 and 10 years for any improvement over $40,000. The funding available for this program is expected to net approximately $50,000 in improvements for each business as a grant. Any additional funding required to complete improvements will need to come from the business owner’s own equity or through a loan product. If additional capital is needed, CRCD will work with the business, our Watts MicroBusiness Investment Program partners, Macedonia CDC, and the Harbor-Watts BSC to evaluate the viability for small business loans and assist with any applications and execution of loan documents.
CRCD has relationships with a host of architects due to the considerable construction projects CRCD has led over its over 15 years of operation. CRCD will work to pair the business with an architect they feel comfortable working with. The architect will work under the direction of CRCD’s Project Manager and will complete plans, file for permits and assist in bidding the project for construction. CRCD will go through final bids with the owner and help value-engineer improvements if the estimates do not meet budgetary requirements, ultimately assisting the owner in contracting with a General Contractor. The general contractor will work with the business (and building owner) with construction oversight by CRCD. Once all improvements are complete, CRCD’s staff as well as the Harbor-Watts BSC will continue working with the business to roll out other business operation improvements, including marketing plans, merchandising, safety/security plans and hiring.

Referrals may also include enrollment with the L.A. Policy Food Council which manages the Healthy Neighborhood Market Conversion program. This program empowers small business owners in low-income neighborhoods to bring good food to their communities. By working with store owners to champion healthy food access, the Healthy Neighborhood Market Network supports community vitality and economic development. Store owners receive training, guidance and upgrades to their stores, transforming them into beacons of healthy, affordable food. Our Town is designed to promote long-term business investment and support beyond just physical improvements and intends to bring improved capital and profit to the small business community growing in Watts.
If the Our Town Program is oversubscribed, the following criteria will be used to evaluate prioritization of businesses:

1. Length of business establishment in the Watts community; with preference to support those with a long track record and strong desire to stay in Watts
2. Size and location of business with a preference for businesses in high visibility corridors which will presumably drive business to other business owners in the same area
3. Length of lease or ownership of building which ensures that the funds will have an extended impact
4. Thoughtfulness of business model: expectations for expansion, provision of products that have been identified by residents as important or critical
5. Local hire: the business employs residents of the area and is committed to extending local hire preferences and opportunities as part of the Our Town program

**Administration:**

CRCD, a local organization with a long history of working in neighborhoods throughout South Los Angeles, has distinct experience working with business improvement districts and one-on-one with individuals preparing to start a business as well as established businesses - providing assistance such as signage installation, window replacement and addressing safety and lighting issues. CRCD has over 65 full-time employees and relies on a revenue of approximately $13 million on an annual basis. The organization holds interest in property and has established businesses for maintenance and management that provide stable revenue. The work of CRCD would be coupled with business technical assistance from the Harbor-Watts BSC operator MCS plus two other Centers throughout the Los Angeles area. CRCD will have staff on the front end committed to business outreach who will work side-by-side with MCS staff. CRCD staff will work on a referral basis as well as conduct street outreach, meeting small businesses where they are. CRCD also has staff in place who are experts in construction and project management and will oversee work with the architect, permit process and construction; providing support to the business owner in making decisions and addressing issues as they arise.

MCS will work upfront with CRCD on referrals, provide access to additional capital, workshops on marketing, financing and business planning, and facilitate peer mentorship. MCS has two full-time staff dedicated to working with businesses in Watts and already hosts a number of active business forums and classes. The organization runs BSCs throughout the City and has a larger backbone of programs and staff that can support the changing needs of Watts or the unique needs of a single business. MCS will provide referrals to additional programs and organizations, do regular check-ins with the business and ensure that the business can stay competitive and have business longevity in the Watts area. Additionally, as relevant, our Watts Rising CNI microloan program administrator, Macedonia CDC will provide referrals of the businesses they reach and serve to CRCD and MCS.
Project Development Budget:

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Letters of commitment are included at the end of this section.

Project Schedule:
CRCD and their partners are ready to initiate work to launch the program as soon as program details are approved by HUD, HACLA and MOEO.

Use of Program Income:
No program income is expected to be generated under this program.

Measurable Outcomes:
To track the impact of the Our Town Business Investments, CRCD will use the following metrics:
- Change in business revenue
- Change in business profitability - gross and net profit
- # of jobs created and retained
- Depth of outreach - What is the socio-economic profile of the clients being served
July 7, 2021

Mr. Douglas Guthrie, President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057

RE: FY2019 Watts Rising Choice Neighborhoods Implementation Grant
Our Town Business Improvements

Dear Mr. Guthrie:

Coalition for Responsible Community Development (CRCD) is pleased to be a partner in the Housing Authority of the City of Los Angeles’ (HACLA) FY2019 Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development to revitalize Jordan Downs and the surrounding Watts community.

CRCD is a not for profit 501 ( C ) ( 3 ) Community Development Corporation based in South Los Angeles. Our mission is to better sustain, coordinate, and improve local planning, development, and community services that address the needs of low-income and working-class residents and small businesses of South Los Angeles. CRCD goal is to strengthen the economic vitality of the area and improve the quality of life for residents the community. Our work is rooted in a philosophy of coalition-building with residents and other stakeholders to jointly create lasting impact in the community. The work includes the development of permanent supportive housing units, youth and adult workforce and economic development, and pre / post education and services.

In 2014, CRCD formed CRCD Enterprises, a State of California Licensed General Contractor, with a mission to Change Lives, One Job at a Time. CRCD Enterprises is intent to create career pathways in construction for those that reside in neighborhoods where the company is contracted to provide service.

With this mission and focus, CRCD is honored to serve as the lead entity for the Our Town Business Improvements that is being made possibly through the Choice Grant. With a goal of building the economic viability and sustainability of local businesses in Watts through storefront renovations coupled with business coaching and resources provided by the local Business Source Center. As the Project Lead, CRCD business outreach, recruitment and vetting and managing the design and construction process.

In 2020, CRCD was selected as a US Department of Housing and Urban Development Envision Center. As a Envision Center based in South Los Angeles, the organization is able to leverage Federal resources to support community members, and small businesses. We plan to utilize resources to support local small businesses in the project area.

CRCD Enterprises, a State of California Licensed General Contractor will do the construction work. To carry out this role, CRCD is committing the following resources to the Our Town Business Improvements:

- $265,000 in in-kind staff to manage and oversee the program
- $225,000 in in-kind staff to conduct business outreach and recruitment
- $45,000 in pro-bono architectural services from QDG Architecture (see attached letter)

CRCD is excited to be a collaborative partner with HACLA to help Watts businesses.

Sincerely,

Mark A. Wilson
President & CEO
To: Mark Wilson  
President & CEO  
Coalition for Responsible Community Development  
3101 S. Grand Avenue  
Los Angeles, CA 90007

Date: March 25, 2021

Re: Pro Bono Services

From: Ricardo Rodriguez  
Partner  
QDG Architecture  
3055 Wilshire Blvd., Suite 1110  
Los Angeles, CA 90010  
ryrodriguez@qdg-architecture.com  
213-387-4701 x 401

Mark,

I will be pleased to provide up to 10-hours of Pro Bono Services for a maximum of 15 small businesses in the Watts / Willow Brook community that is part of the Watts Rising Façade Improvement Project in behalf of CRCD. Services will include consulting with property and business owners, as well as design consultation work.

Please let me know more specific details as far as date and time.

Thank you and glad to be of service,

Ricardo Rodriguez, Partner
July 19, 2021

Mr. Douglas Guthrie, President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057

RE: FY2019 Watts Rising Choice Neighborhoods Implementation Grant
Business Technical Assistance in Support of the MicroBusiness Investment Program
and Our Town Business Improvements

Dear Mr. Guthrie:

Managed Career Solutions (MCS) is pleased to be a partner in the Housing Authority of the City of Los Angeles’ (HACLA) FY2019 Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development to revitalize Jordan Downs and the surrounding Watts community.

Since 2016, MCS has operated the Harbor-Watts Business Source Center and provided small business assistance training with the aim towards access to capital to small business owners and budding entrepreneurs. In the Program Year 2018/19, the Harbor-Watts BusinessSource Center successfully helped microenterprises and small businesses secure $6,100,203 in capital.

Because we strongly believe in the community uplift the FY 2019 Watts Rising CNI grant will bring to residents of the Jordan Downs redevelopment and the larger Watts community, MCS is increasing its committed support from $65,000 to $100,000. This will allow MCS to increase the number of businesses it can serve from 10 to 25 businesses in Watts that participate in the Our Town Business Improvements and/or MicroBusiness Investment Program supported through the Choice grant. MCS will conduct a needs assessment with each participating business to understand what business coaching services will be of most value to that business owner. The value of MCS’ technical assistance and business coaching to 25 business owners is $50,000, or approximately $2,000 in coaching services per business.

MCS will continue to provide services for up to 30 current and future families living at the Jordan Downs redevelopment specifically to provide initial small business training. MCS will continue counseling residents of Jordan Downs annually through our existing program for the duration of the CNI grant period.
MCS is honored to continue to be a collaborative partner with HACLA and Mayor Garcetti's Office of Economic Opportunity (MOEO) to help Watts residents and businesses thrive.

Sincerely,

Philip Starr, Executive Director
Managed Career Solutions, SPC

Derek Kissinger, Economic Development Director
Managed Career Solutions, SPC
Proposed CCI #4 – Resilient Homes Program

Description:
This program combines the work of three different organizations with successful programs and strong histories of serving low-income communities into one program offering a comprehensive suite of home and energy improvements to help long-term residents remain in Watts. These improvements are designed to reduce utility bills which increases residents’ monthly household budget which may lessen the risk of foreclosure. The greater financial security created by the program will enhance the ability of residents to stay in their homes, foster stability of the neighborhood, and make this environmentally impacted neighborhood greener, while also providing opportunities for advance certificate job training and local hiring opportunities in the clean economy.

To achieve this goal, homeowners will be provided with a menu of home improvements ranging from exterior to interior upgrades that will substantially improve the quality and livability of the home. Menu items include:

- **Exterior** – insulated windows, insulated exterior doors, exterior house paint (including LBP removal/abatement), roofs (partial or full replacement or repair), roof gutters, fencing and fence paint, porch repair/upgrades, exterior security lighting, video doorbells, sidewalk/driveway repairs
- **Interior/Systems** – LED lighting and night lights, power strips, vacancy/motion sensor, ceiling fans, smart thermostats, HVAC (window only) and water heater replacement, low-flow faucet aerators and showerheads, outlet installation for refrigerator, water heater blanket, GFCI outlets, smoke/carbon monoxide detectors, earthquake valves
- **Green Investments** – solar panels, removal of hardscape and/or high water usage landscape, native and climate-appropriate plants and trees, low-water use irrigation, downspout extensions and rain gardens, permeable surfaces

Through a partnership of Habitat for Humanity of Greater Los Angeles (Habitat LA), GRID Alternatives (GRID) and TreePeople, this program builds upon two existing home investment programs currently ongoing in Watts funded via the TCC grant awarded to HACLA. The Resilient Homes program would leverage the remaining TCC funds to expand the menu of work beyond what is currently allowed to make a deeper impact on the quality and affordability of housing for Watts residents.

Homeowners will complete one universal application to access the services of Habitat LA, GRID and/or TreePeople, who will conduct site assessments to determine a scope of services best suited for each home considering all available improvements. Applicants will be counseled on how the upgrades work together to have the greatest impact.

Owners that are interested in sustainable landscape conversions will be consulted by TreePeople to determine a budget that is adequate to conduct a landscape conversion given yard size, possible hardscape removal, irrigation and amount of plant materials to determine a landscape that best fits the owner’s goals. This will include a short questionnaire related to trees, shading, water needs, native plants, fruit producing plants, water retention, and landscape features. TreePeople will then create a work plan based off of the owner’s responses and an analysis of site specifications such as soil type, sun exposure, grading, and yard size.
To be eligible for the program, an applicant must meet the following criteria:

- single-family home in Watts
- owner-occupied
- low-income - at or below 80% of the area median income for Los Angeles County
- property must be habitable and without any unpermitted or illegal additions
- home must not be red tagged, condemned, uninhabitable, and/or with extensive damages over the program limit
- property must not currently be under construction, renovation or remodel
- homeowner must be current with their mortgage payment (if applicable), homeowner’s insurance policy, and property taxes

Qualified applicants will be eligible for up to $40,000 in upgrades to their home. A minimum of 59 homes are expected to be improved through the Resilient Homes program.

**Administration:**
Habitat LA will serve as the program lead, and in this role, they will receive and review all applications for eligibility and then set up assessment appointments for either their team, GRID or TreePeople depending upon the scope of work. GRID will be responsible for solar installations; TreePeople for landscape retrofitting; and Habitat LA for all other repairs/upgrades. Each organization coordinates and manages their own contract, permits and construction and will track and invoice their expenses separately to HACLA.
Habitat LA will ensure applicants meet the eligibility requirements by collecting title, mortgage and income documentation. Habitat LA will discuss program offerings with applicants and set up assessments with the appropriate organization. Each organization will conduct their own site assessment based on their scope. Project partners will work in tandem with residential homeowners to determine a scope of services best suited for each property considering all available improvements.

The existing Watts Rising Street Team will be responsible for outreach and recruiting homeowners to participate in the program. Habitat LA and GRID will supplement the Street Team’s marketing efforts using their communication outlets.

Habitat LA has extensive experience stewarding federal, state, and local funds including CDBG, Neighborhood Stabilization Program (NSP), and CalHome Program funds from the State of California. Due to their diligence and commitment to quality in all our projects, Habitat LA has developed new relationships with cities and the County of Los Angeles to provide minor home repair services to low-income households within their communities. Of note, Habitat LA was a sub-recipient of nearly $34 million in NSP 2 funds between 2010 and 2013.

Habitat LA launched its Home Preservation program in 2007 after becoming aware of the growing need amongst low-income homeowners that cannot afford to complete necessary repairs to their home. Since the program’s inception, more than 500 households have been served with health and safety-related repairs like roof and window repair and replacement, siding and stucco mending, gutter replacement, exterior door and screen repair and replacement, and fumigation. As many of the homeowners served through this program were older adults, Habitat LA also offered interior and exterior home modifications, like wheelchair ramps, grab bars, safety rails, and accessible showers and toilets. Habitat LA’s experienced Home Preservation team is led by a general contractor who works with eligible households to identify all areas of need and develop a plan to address necessary repairs. The Director of Home Preservation will serve as the main point of contact for Habitat. Habitat LA will field teams of construction staff members (team sizes will be dictated by project scope of work) which will be responsible for the execution of Habitat-led repairs.
GRID is the nation’s largest low-income dedicated solar developer, installer and job training organization. With over 15 years of experience, GRID has become a valuable partner, developer and program administrator for communities, local organizations, utilities, state and local governments, and public utility commissions who are looking for effective ways to ensure that the transition to renewable energy benefits individuals and communities that need it most. GRID has built over 61 megawatts DC of solar serving over 16,900 low-income qualified households and 135 community facilities. These projects are estimated to generate over $427 million in savings, and have engaged over 32,000 job trainees, volunteers, and students. Among GRID’s portfolio of work, they administer the State of California’s $162 million Single-family Affordable Solar Housing (SASH) program on behalf of the California Public Utilities Commission and the state’s three investor-owned electric utilities. This program supports solar photovoltaic (PV) installations for low-income homeowners served by PG&E, SCE, and SDG&E. GRID acts as the primary installer, responsible for marketing and outreach, application intake and income verification, developing financing models and providing gap financing, coordinating with subcontractors, publishing semi-annual program reports, and ensuring that no-cost, hands-on and paid job training opportunities are available statewide.

TreePeople is Los Angeles’ largest environmental movement whose mission is to inspire, engage and support people to take personal responsibility for the urban environment, making it safe, healthy, fun and sustainable. In TreePeople’s over 45 years, they have planted over two million trees and engaged thousands of community members. TreePeople has extensive experience in sustainable landscape conversions on residential parcels, including design and implementation, as well as supporting residents in ongoing maintenance activities.
Most recently, TreePeople oversaw a regional program to provide sustainable landscape conversions in Disadvantaged Community (DAC)-designated neighborhoods within unincorporated Los Angeles County. The program centered on small-scale distributed-infrastructure projects intended to reduce stormwater runoff, improve water quality, and/or promote water infiltration and reuse. Project elements included turf and hardscape removal, and design and installation of downspout extensions, swales, infiltration trenches, rain barrels/cistern installation, rain gardens, impervious surface reduction, flow-through planters, and porous pavement. Resident input was incorporated into concept and final designs, and residents were supported in submitting for applicable rebates available through MWD and LADWP. Following landscape conversion, residents were provided with instructional materials to support ongoing maintenance activities. To date, the program has completed 30 residential landscape conversions.

**Project Development Budget:**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Choice</th>
<th>In-Kind</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Project Administration</td>
<td>$108,060</td>
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<tr>
<td>Project Management</td>
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<td>$62,760</td>
<td>$62,760</td>
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<tr>
<td>Marketing - printed materials, banners, signs</td>
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<td>$70,000</td>
<td>$70,000</td>
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<tr>
<td>Solar Installations</td>
<td>$220,000</td>
<td>$572,000</td>
<td>$792,000</td>
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<tr>
<td>Interior Energy Efficiency Upgrades</td>
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<td>$180,000</td>
<td>$180,000</td>
</tr>
<tr>
<td>Exterior and Green Investments (except solar)</td>
<td>$1,465,040</td>
<td>$8,000*</td>
<td>$1,473,040</td>
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<tr>
<td>Construction Permits</td>
<td>$8,000</td>
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<td>$8,000</td>
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<tr>
<td><strong>Total</strong></td>
<td>$1,801,100</td>
<td>$892,760</td>
<td><strong>$2,693,860</strong></td>
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</tbody>
</table>

*Rebates available to residents through the Metropolitan Water District of Southern California and the LA Department of Water and Power for turf removal and installation of low-water use irrigation - TreePeople will assist residents to apply for these rebates ($3/sf of turf removed up to 5,000 sf) that will be assigned to TreePeople to supplement project and design costs of the green investments

Letters of commitment are included at the end of this section.

**Project Schedule:**

Habitat LA, GRID and TreePeople are ready to initiate work to launch the program as soon as program details are approved by HUD, HACLA and MOEO.

**Use of Program Income:**

No program income is expected to be generated under this program.
Measurable Outcomes:
To track the impact of the Resilient Homes investments, the following metrics are possible:

- Decrease in homeowner energy costs - some of the examples the upgrade can have:
  - Replace windows - *Heat gain and heat loss through windows are responsible for 25%–30% of residential heating and cooling energy use.* [www.energy.gov](http://www.energy.gov)
  - Cool roof - *Standard or dark roofs can reach temperatures of 150°F or more in the summer sun. A cool roof under the same conditions could stay more than 50°F cooler and save energy and money by using less air conditioning.* [www.energy.gov](http://www.energy.gov)
  - Solar - GreenHouse gas emission reduction/lower household carbon footprint and between 50%-80% reduction on electric bill.

- Sustainable landscape conversions over the years will use an average of 83% less water and require 68% less maintenance than traditional turf landscapes. Using calculator tools standardized by the Los Angeles Department of Water and Power and other public agencies, TreePeople will be able to produce these quantified benefits for each landscape conversion:
  - Rainwater capture - Rainwater runoff reduction can be calculated using a standard formula considering square footage, efficiency, collection, and inches of annual rainfall: Assuming a parcel totals 3,000 square feet and receives 15 inches of rain per year, a sustainable landscape conversion can reduce runoff by up to 23,715 gallons per year.
  - Carbon sequestration and energy savings benefits provided by project trees can be quantified using the CA Air Resources Board-approved U.S. Forest Service tool, i-Tree Planting calculator.
  - Water usage reduction: Homeowners will realize direct financial savings as a result of landscape conversions. Homeowners that convert grass lawns and other high water use landscapes will see a reduction in water costs due to efficient irrigation and low-water plants.
  - Homeowners that convert hardscape to landscape will receive direct savings from a reduction on an L.A. County parcel tax based on impermeable surface area.
July 13, 2021

Mr. Douglas Guthrie, President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057

RE: FY2019 Watts Rising Choice Neighborhoods Implementation Grant
    Resilient Homes Program

Dear Mr. Guthrie:

Habitat for Humanity Los Angeles (Habitat LA) is pleased to be a partner in the Housing Authority of the City of Los Angeles’ (HACLA) FY2019 Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development to revitalize Jordan Downs and the surrounding Watts community.

Habitat LA is a 501(c)(3), California-based non-profit organization that has served the greater Los Angeles County area since 1990. For more than 30 years, we have been guided by our mission statement: "seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities, and hope." We serve thousands of low-income families through construction of new homes, rehabilitation of existing properties, and owner-occupied home repairs.

Currently, Habitat LA is working with HACLA on the Transformative Climate Communities (TCC) grant from the State of California and leading the Energy Efficiency Retrofit program. This program focuses on decreasing energy and water utilization for low-income residents while also lowering their utility bills.

The Resilient Homes Program that is being made possible through the Choice grant will enable Habitat LA to expand the energy efficiency work currently underway and couple it with a menu of additional home improvement upgrades that will positively impact not only the homeowner’s cost of living through reductions in energy use and costs, but also lead to measurable environmental benefits for the greater Watts community by reducing the household’s carbon footprint and rainwater runoff to name a few.

Habitat LA is honored to be leading the Resilient Homes Program on HACLA’s behalf and work with our collaborative partners GRID Alternatives and TreePeople to carry out this important work. As the Project Lead, Habitat will oversee the marketing, application and eligibility process and coordinate
assessments by the partners. To carry out this role, Habitat LA is committing the following resources to the Resilient Homes Program:

- $180,000 for interior energy-efficiency upgrades
- $32,760 for project management
- $30,000 for program marketing

Habitat LA is honored to continue to be a collaborative partner with HACLA to help Watts residents.

Sincerely,

Darrell Simien
Senior Vice President, Community Development
July 13, 2021

Mr. Douglas Guthrie, President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057

RE: FY2019 Watts Rising Choice Neighborhoods Implementation Grant
Resilient Homes Program

Dear Mr. Guthrie:

GRID Alternatives Greater Los Angeles Los Angeles (GRID GLA) is pleased to be a partner in the Housing Authority of the City of Los Angeles’ (HACLA) FY2019 Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development to revitalize Jordan Downs and the surrounding Watts community.

GRID Alternatives is the nation’s largest 501c3 nonprofit solar installer and has been providing solar energy solutions to low-income families and affordable housing owners since 2004. GRID Alternatives was founded on a mission to bring the benefits of renewable energy to the low-income communities, families, and affordable housing tenants that traditionally had the least access to solar technology, but who stood to gain the most from the energy savings and career opportunities that solar provides. GRID Alternatives offers complete solar program administration and installation services including site assessment, design, permitting, financing, installation, and job training.

GRID has installed over 14,000 solar systems totaling over 60 Megawatts of solar to date. GRID Alternatives has also provided thousands of individuals with a direct hands-on training experience in the growing field of solar installation, and has successfully implemented an innovative public-private-nonprofit partnership that directly places job trainees into paid work opportunities with local solar employers in regions where GRID Alternatives operates.

Currently, GRID GLA is working with HACLA on the Transformative Climate Communities (TCC) grant from the State of California and leading the Energy Efficiency Retrofit program. This program was awarded a $33.25 million from the State of California’s Strategic Growth Council (SGC), and additionally leveraged over $160 million, to fund community-identified infrastructure projects that aim to reduce greenhouse gas emissions in Watts and improve the economic and public health of Watts residents.
The Resilient Homes Program that is being made possible through the Choice grant will enable GRID GLA to expand the solar installation work and workforce development currently underway. Additionally, our grant team will offer home improvement upgrades and greening retrofits that will positively impact not only the homeowner’s quality and cost of living through reductions in energy use and costs, but also lead to measurable environmental benefits for the greater Watts community by reducing the household’s carbon footprint and rainwater runoff to name a few.

GRID GLA is honored to be partnering for the Resilient Homes Program on HACLA’s behalf and work with our collaborative partners Habitat for Humanity Los Angeles and TreePeople to carry out this important work. As a Project partner, GRID GLA will install solar for 36 families in Watts, provide workforce development and local job training opportunities, and support the marketing, application and eligibility process. To carry out this role, GRID LA is committing the following resources to the Resilient Homes Program:

- $572,000 for solar installations
- $40,000 for program marketing

GRID GLA is honored to continue to be a collaborative partner with HACLA to help Watts residents.

Sincerely,

Ashley Christy
Executive Director, GRID Alternatives Greater Los Angeles
July 8, 2021

Mr. Douglas Guthrie, President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057

RE: FY2019 Watts Rising Choice Neighborhoods Implementation Grant
Resilient Homes Program

Dear Mr. Guthrie:

TreePeople is pleased to be a partner in the Housing Authority of the City of Los Angeles’ (HACLA) FY2019 Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development to revitalize Jordan Downs and the surrounding Watts community.

TreePeople is Los Angeles’ largest environmental movement whose mission is to inspire, engage and support people to take personal responsibility for the urban environment, making it safe, healthy, fun and sustainable. In TreePeople’s over 45 years, we have planted over two million trees and engaged thousands of community members.

Currently, TreePeople is working with HACLA on the Transformative Climate Communities (TCC) grant from the State of California and to conduct urban greening and community engagement in Watts.

The Resilient Homes Program that is being made possible through the Choice grant will enable TreePeople to expand urban greening work to sustainable landscapes that will positively impact not only the homeowner’s cost of living through reductions in energy use and costs, but also lead to measurable environmental benefits for the greater Watts community by reducing the household’s carbon footprint and rainwater runoff to name a few.

TreePeople is honored to be participating in the Resilient Homes Program on HACLA’s behalf and work with our collaborative partners Habitat LA and GRID Alternatives to carry out this important work. As a project partner, TreePeople will oversee the landscape improvement components in collaboration with the project partners. To carry out this role, TreePeople is committing the following resources to the Resilient Homes Program:

- $8,000 for sustainable landscaping improvements
- $30,000 for project management

TreePeople is honored to continue to be a collaborative partner with HACLA to help Watts residents.

Sincerely,

Daniel Berger
TreePeople, Director of Forestry and Urban Greening
dberger@treepeople.org
C: 917.602.2445
12601 Mulholland Drive | Beverly Hills, CA 90210
EXHIBIT N

DATA COLLECTION PLAN
Watts Rising Transformation Plan
FY 2019 Choice Neighborhoods Implementation Grant
Data Collection Plan - 8/6/2021

Introduction

The Data Collection Plan for the Watts Rising FY 2019 Choice Neighborhoods (Choice) Implementation Grant only focuses on those metrics from the HUD Data Dictionary that are:

- The responsibility of the grantee to provide; and
- Mandatory, with some optional metrics included at HACLA’s discretion.

Most metrics are reported on quarterly although there are some that are reported on annually, and others that one-time/baseline metrics. There are also accompanying narratives with the quarterly and annual reports.

For metrics that are a one-time data point, system calculated, or not applicable to the LA grant, those metrics have been shaded out in the tables.

Quarterly data entry into the CN Inform on-line portal must be completed no later than the 21st of the month following the end of the quarter. Annual data for the previous year is due April 21st.

Data Reporting Responsibility

Quarterly and annual reporting on the Choice grant is managed by HACLA’s Department of Strategic Initiatives, who is responsible for sending out and collecting the reporting forms, reviewing the data provided, and entering the information into the CN Inform portal.

The table below identifies which Implementation Leads have reporting responsibilities within each topic area and reporting period.

<table>
<thead>
<tr>
<th>Housing</th>
<th>People</th>
<th>Neighborhood</th>
<th>Sustainability</th>
<th>Financial</th>
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<tr>
<td>Qtrly</td>
<td>Qtrly</td>
<td>Annual</td>
<td>Qtrly</td>
<td>Annual</td>
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<tr>
<td>HACLA – Dev Services</td>
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<tr>
<td>HACLA – Watts Rising</td>
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<tr>
<td>HACLA – Finance</td>
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<td>HACLA – Comm Engage</td>
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<td>HACLA – Section 3</td>
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<td>HACLA – Marketing</td>
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<td>JDCP – JScO / MMA</td>
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<td>CII</td>
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<tr>
<td>MOEO</td>
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</table>
With the exception of CII and their metrics, all quarterly and annual data and narratives are submitted to HACLA for review, concurrence, and entry into the CN Inform on-line portal. CII is responsible for entering in their metrics into the CN Inform portal; the narrative is added by HACLA after final review.

Due dates for data and narratives from the data partners are below.

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<th>Reporting Period</th>
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<td>Q1</td>
<td>January 10</td>
<td>January 10 – narrative January 18 - metrics</td>
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<td>Q2</td>
<td>April 10</td>
<td>April 10 – narrative April 18 – metrics</td>
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<tr>
<td>Q3</td>
<td>July 10</td>
<td>July 10 – narrative July 18 – metrics</td>
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<td>Q4</td>
<td>October 10</td>
<td>October 10 – narrative October 18 – metrics</td>
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<tr>
<td>Annual</td>
<td>March 15</td>
<td>March 15</td>
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</table>

Data is to be reported to HACLA’s Department of Strategic Initiatives using Quarterly and Annual Reporting Forms provided by HACLA to each data partner. In advance of the end of the reporting period, HACLA will distribute updated forms that include data from previous reporting periods to the data partners.

If a data partner will be unable to meet the reporting deadlines in the table above, they are to inform HACLA as soon as possible about the extenuating circumstances and provide a new date to provide the information.

The chart on the following pages identifies which data partner is responsible for which metrics. The data points are based on CN Inform Guidebook Version 11.0 and CN Inform Data Dictionary Version 12.0, both issued by HUD on September 1, 2020.
<table>
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<tr>
<th>#</th>
<th>Description</th>
<th>Watts Rising</th>
<th>Finance</th>
<th>Community Engagement</th>
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<th>JDCP JSCo/MMA</th>
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<td><strong>HOUSING METRICS</strong></td>
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<td><strong>H4. Replacement Housing – Rental Units</strong></td>
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**H6. Non-Replacement Housing – Homeownership Units**

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### H7. Housing Mix

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### H11. Housing Narrative

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### NEIGHBORHOOD METRICS

#### N1. Demographics and Socioeconomics

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**N3. Safety (Crime and Crime Reduction)**

| N4.1  | Walkability                             | Walkscore.com                              |
| N4.2  | Transit Access                          | Walkscore.com                              |

**N4. Transportation**

| N6.1  | Vacant Businesses                       | USPS Vacancy Data                          |
| N6.2  | Commercial Redev                        | X                                          |
| N6.3  | New Businesses                          | X                                          |

**N6. Quality Commercial**

| N7.1  | Avg Home Value                          | ACS                                        |
| N7.2  | Investor Mortgages                      | HMDA                                       |
| N7.3  | Homeownership                           | ACS                                        |
| N7.4  | Long-term vacancy                       | USPS Vacancy Data                         |
| N7.5  | Abandonment                             | USPS Vacancy Data                         |
| N7.6  | Redeveloped Lots                        | X                                          |
| N7.7  | Building Permits                        | X                                          |

**N7. Real Estate Conditions**

| N8.1  | Employ by Industry                      | LED                                        |
| N8.2  | Jobs in Neigh                           | LED                                        |
| N8.3  | Neigh Residents in Jobs in Neigh        | LED                                        |
| N8.4  | Neigh unemploy                          | ACS                                        |
| N8.5  | Neigh Section 3                         | X                                          |

**N8. Economic Conditions**

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| P7.2  | Challenges                     | X   |
| P7.3  | Press, planning info            | X   | X   |
| P7.4  | Comments/Notes                  | X   |
| P7.5  | Annual Progress                 | X   |
| P7.6  | Neighborhood Expenditures       | X   | X   | X   |</p>
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Legend:
- **Optional Metric**
- **Not Applicable / Declined to Report on Optional Metric**
- **Calculated by System**
- **Provided by ICF**
EXHIBIT O

HOUSING PLAN

As approved by HUD on January 25, 2021
### Rental Phases

<table>
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<th>Phases</th>
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### Homeownership Phases

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## Number of Units by Bedroom Size (Choice Only)

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## Number of Replacement Bedrooms by Bedroom Size (Choice Only)

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<th>4 BED</th>
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| Original # Bedrooms | 77 | 488 | 786 | 248 | 120 | 1719 |
| Difference: New vs Original | 41 | 92 | -153 | -84 | -75 | -179 |
EXHIBIT P

HOUSING PLAN SOURCES AND USES

As approved by HUD on August 9, 2021 per Budget Modification #2
## EXHIBIT P

### HOUSING PLAN SOURCES AND USES

*Updated October 2020*

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EXHIBIT Q

PEOPLE PLAN

Submitted for HUD Approval 5.24.21
Watts Rising Choice Neighborhoods Implementation Grant

PEOPLE PLAN

Housing Authority of the City of Los Angeles

May 24, 2021

Version 1

GRANTEE POC:

Jenny Scanlin, jenny.scanlin@hacla.org, 213-252-2680

HUD CHOICE NEIGHBORHOODS PEOPLE SPECIALIST:

Pamela Lawrence, Pamela.A.Lawrence@hud.gov, 202-402-5484
FY Grant Award: 2019
Lead Grantee: Housing Authority of the City of Los Angeles (HACLA)
Co-Grantee (if any): City of Los Angeles
People Implementation Entity: Children’s Institute, Inc. (CII)
Principal Education Partner: Partnership for Los Angeles Schools (Partnership)
Target Public Housing and number of units: Jordan Downs – 669 units
Target Neighborhood: Watts
Grant Term: April 23, 2020 – September 30, 2026

Names and Titles of People Team Members (with percent of time dedicated to grant):

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<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>% Dedicated to Grant</th>
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<td>Danette McBride</td>
<td>VP, Community Innovations</td>
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<tr>
<td>Julio Cruz</td>
<td>Supervisor</td>
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<tr>
<td>Margarit Moore</td>
<td>Administrative Assistant</td>
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<tr>
<td>Valerie Castellanos</td>
<td>Care Coordinator</td>
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<td>Viridiana Garcia</td>
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<td>Allysa Avilez</td>
<td>Senior Research Associate</td>
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</table>
I. **Summary of Changes Since Application**

For the FY 2019 Watts Rising Choice Neighborhood Implementation Grant (Choice), Children's Institute, Inc. (CII) is serving as the People Implementation Entity. CII’s work builds on the successes of the Family First program launched by HACLA in 2012, and under Choice, CII is the backbone agency providing case management (or referred to by CII as care coordination) and linking Jordan Downs’ residents to an array of culturally and linguistically appropriate services and programs that meet their individual needs. While CII utilizes a care coordination framework, we will partner and/or subcontract with a host of organizations to fill identified service gaps.

**Goals and Strategies.** The People Plan goals and strategies remain relatively unchanged from the FY 2019 application, with the exception of adjustments that have been made due to the pandemic. The impacts of COVID-19 have only magnified the deep inequities that existed within the social determinants of health among people of color and low-income communities. Jordan Downs’ residents experienced high levels of unemployment, unequal access to health services, lack of accessible COVID testing, limited access to technology (which had negative consequences in the shift to remote learning and work), increased community violence, and resulted in challenges with meeting basic needs. In response, People Plan strategies have shifted to address current community needs brought on by the pandemic. Throughout the community, partners swiftly shifted from in-person to distance services with a primary focus on addressing basic needs, dealing with food insecurity, and offering teleservices.

These changes to the People Plan are an acknowledgment that the recovery process may take some time. CII and its partners intend on continuing to coordinate activities like increasing
digital literacy and closing the digital divide, with a specific target on older individuals and those less comfortable with technology. This is in response to the dominant role technology has played during the pandemic and the anticipated permanent shift in service delivery, and our society, in the future. In addition, CII is intentionally focusing on helping to address student learning loss due to a year of remote schooling. CII is incorporating a strategy to support COVID relief including the $50,000 allowance from HUD to support relief activities.

**Partners.** Solid and reliable partnerships are critical to the success of the People Plan, and care coordination is at the heart of the People Strategy. The primary care coordination partners remain Better Tomorrows, El Nido, and the Jordan Downs Relocation Consultant, Del Richardson and Associates (DRA). Better Tomorrows and El Nido have been contracted by The Michaels Organization (TMO) and BRIDGE Housing, respectively, to offer service coordination services to residents living in the new housing units. The education strategy continues to be co-led by Partnership for Los Angeles Schools (Partnership), the Principal Education Partner. CII has also confirmed the leverage partners identified in the grant application continued commitment to the project. There are a handful of new partners have come on board to serve Jordan Downs residents, including Crystal Stairs and R.O.C. Era, with commitments totaling approximately $9.7 million in new leverage to date.

**Staffing Plan.** To implement the People Strategy, CII is keeping to its original staffing plan. As of May 2021, CII has hired one program supervisor, two Care Coordinators, and an administrative assistant - all of which are dedicated 100% to the project. A Care Coordinator is CII's equivalent of a Case Manager. CII plans to hire an additional five Care Coordinators over the life of the grant to support the People Strategy. Staffing will also include support from the
Vice President of Community Innovations, a fiscal liaison, and staff from CII's Research and Evaluation Center. The attached organizational chart provides additional details (See Attachment A). To ensure that a broad range of resident needs can be addressed, each Care Coordinator will develop an area of expertise, such as education and youth development, employment, health, seniors and special populations, eviction prevention, and relocation support. This will allow Care Coordinators to serve as a resource to other Care Coordinators and leverage partners as they work to meet the needs of Jordan Downs residents.

**Choice Funds.** Choice dollars are being used to directly fund staff needed to implement the People Strategy, data collection and coordination between the Care Coordinators and leverage partners, resident barrier removal, COVID relief, and unfunded gaps in services that cannot be met by existing leverage partners. One change since the application is the shift of approximately 5% of the Choice “people” funds to pay for research and evaluation (Budget Line Item [BLI] 1409) of the People component during the grant term and for software to support data collection from the leverage partners. Nearly half of the Choice budget for the People Plan (BLI 1405) funds the CII staffing model including care coordinators, management, and research. The remaining funds will be used for subcontracts for services, barrier removal, COVID relief, program supplies, and administrative costs. CII will evaluate the People Plan annually and adjust the budget as needed.

**Resident Survey.** Planning for the resident survey and engagement strategy began in May 2020. Survey partners including HACLA, BRIDGE Housing, Harder + Company Community Research, Inc., California State University - Fullerton/Social Science Research Center (SSRC),
and CII engaged in a comprehensive planning process, cross-referencing previous resident surveys and CN Inform, and identifying other questions to gauge residents' interests and needs.

Because data collection was constrained by the COVID pandemic and the "Safer at Home" orders by local and state elected officials that minimized in-person activity, the resident survey was conducted by SSRC via telephone. Phone calls, which began in December 2020, were preceded by an organized information and outreach campaign utilizing Jordan Downs residents hired as Survey Outreach Workers. After three months of outreach and survey administration, data collection for the resident survey closed on February 25, 2021. A total of 351 households, about 60% of all households, completed the survey. This is significantly lower than the 80% response rate for the 2016 resident survey; the lower response rate is attributable to the COVID restrictions on in-person data collection.

For the People Plan, any baseline data provided in the grant application that used resident survey data from 2016 or 2013 have been updated based on the results of the 2020 resident survey. Some of the key changes are highlighted below:

**Health Data.** Based on the 2020 survey, fewer respondents had health insurance coverage than in 2013 (80% vs. 86%). However, the percentage of households with no health insurance also decreased where 10% were uninsured in 2020 as opposed to 14% in 2013. In 2020, 64% of residents (224) reported "good" or "very good" health, which is consistent with the findings from 2016, where 63% of residents reported the same. Forty-four percent of adults (154) and 23% of children (49) reported having a chronic health condition according to the 2020 survey. Nearly 60% of residents in 2020 rated their "stress" level as a “3” or higher on a 5-point scale (stress is used as a less stigmatized reference for mental health), approximately 10% higher than in 2016.
In 2016, self-identified stressors included family obligations (e.g., an incarcerated family member), neighborhood crime (e.g., experience with gun violence), financial obligations, and health issues; stressors were not collected as part of the 2020 survey. However, based on conversation with residents, many of the stressors reported in 2016 continue to exist today. Other stressors associated with the COVID pandemic mentioned by residents include: grief and loss, unemployment, isolation due to local "Safer at Home" orders, remote learning for households with children, and providing for basic needs.

Education Data. Forty-one percent of households with children aged 3–4 are enrolled in Head Start or a preschool program, and 18% of children aged 0-2 are enrolled in center-based services. In total, 417 children ages 5-18 were represented in the 2020 survey. Based on the responses provided, Jordan Downs youth attend over 100 different schools across the county. Among the respondents who reported school information in the 2020 survey, approximately 43% of school-aged children attend one of the three assigned local schools (Florence Griffith Joyner, Markham Middle, and Jordan High). Education levels among surveyed adults was low: 43% (357) reported the highest education level by any adult in the household was a high school diploma/General Education Diploma (GED); 17% have attended some college; and only 3% have an Associate's degree and 2% a bachelor's degree or higher. The 2020 survey also showed that 21% (145) of all adults were enrolled in an educational/vocational program.

Employment Data. In May 2021, the average annual household income at Jordan Downs was roughly $23,829. Slightly more than half (56%) of households have wage income, 32%

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1 There are over 14 public and charter schools located in Watts, the target neighborhood. Based upon an agreement with HUD, HACLA selected three schools as part of their People Plan and an additional three schools as part the “neighborhood” schools for the purposes of this grant.
receive Supplemental Security Income/pension, and 26% receive welfare according to the 2020 survey. In 2020, 267 adults (39%) were employed of which 45% worked part-time, 51% full-time, and 4% were self-employed or own a business; in 2016, 48% worked part-time, 45% full-time, and 10% were self-employed or own a business. Because residents could select more than one answer in 2016, the total exceeded 100%.

Resident Satisfaction/Preferences for Improved and New Services. In the 2020 survey, 55% of respondents regularly participated in services. Respondents reported accessing health services (nearly 80%), employment/job readiness (37%), wellness/mental health (35%), and youth education (34%). Approximately 150 households (43%) reported that they do not access any services. According to the 2020 survey, respondents would like to see more youth services (76%), followed by health and wellness (65%), workforce/training (55%), financial literacy (37%), and citizenship 32%. In addition, nearly 60% of respondents (195) expressed interest in participating in care coordination.

To supplement and enhance the survey data, HACLA and CII co-facilitated 16 resident and service partner engagement meetings and 4 youth/young adult meetings to provide an opportunity for residents to dialogue directly with service providers and share specific interests, needs, barriers and other concerns. These meetings were divided into three programmatic areas: health, education, and economic well-being. The feedback from these meetings highlighted resident interest in family activities for parents/caregivers and children together, loss and grief support groups, activities to address stress, cooking and sewing classes, afterschool activities, homework/tutoring services, and career preparedness workshops for high school students. The top three areas of interest from the resident and provider meetings are listed below.
II. Strategies

The People Strategy is designed to improve outcomes for residents through the provision of services and linking them to needed resources. Towards this end, CII, as the People Lead, will provide care coordination and serve as the hub for communication and coordination of services and on-site activities. CII is engaging a network of service providers that will be coordinated via a newly established People Center at Jordan Downs. The People Center will serve as the "hub" for resident services, but multiple physical locations will exist across the housing development where residents can access services and seek support. With a regular schedule of events and activities, the People Center will be a steady source of resident programming and information.

Services at the People Center will include parenting groups, legal assistance and health workshops, health and wellness classes, adult education, afterschool programs, and senior services. A published campus calendar will inform residents about scheduled activities.

The strategies identified in the People Plan were developed in consultation with residents, service providers, and the 2020 resident survey results. The People Plan is designed to offer a comprehensive menu of services to meet each resident at a place of interest and need. The strategies listed below include committed services and programs through leverage partners and

<table>
<thead>
<tr>
<th>Health</th>
<th>Education/Positive Youth Development</th>
<th>Economic Well-Being</th>
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</thead>
<tbody>
<tr>
<td>On-site health services and activities</td>
<td>Advocacy and Coaching Programs for Parents</td>
<td>Services for undocumented individuals</td>
</tr>
<tr>
<td>Health Prevention Activities</td>
<td>College Readiness Programs</td>
<td>Job training</td>
</tr>
<tr>
<td>Senior/Disabled Services</td>
<td>School Engagement Activities</td>
<td>On-site services</td>
</tr>
</tbody>
</table>
community resources. Leverage partners are critical to the success of the People Strategy as they provide a number of essential resources for residents. A list of leverage partners and their contribution to the People Strategy is provided in Attachment B. To ensure that services are responsive to community needs and interests, CII will award subcontracts annually funded with Choice dollars with an option to renew based on the findings of the annual community survey and community feedback.

**Households are economically stable and self-sufficient.**

Supporting families to move out of poverty requires a multi-pronged approach including:

1. adult education, vocational pathways, and job training support;
2. Section 3 and career pathway development;
3. barrier removal and specific services for sub-target populations (re-entry, systems-involved transition age youth, immigration services, and individuals with mental/physical health needs);
4. entrepreneur and business development support, and capacity building services for small nonprofits;
5. financial literacy and asset building workshops;
6. support services for basic needs and for aging in place; and,
7. advocacy and leadership development.

For residents seeking employment, they will first complete a comprehensive workforce assessment to identify educational accomplishments and work history, determine areas of interests and aptitude, and a psychosocial assessment to identify barriers to employment. Care Coordinators will then work with each resident to develop a plan tailored to their individual employment needs/goals, including issues related to sustaining employment, such as reliable childcare and transportation.

Informed by conversations with residents, HACLA and its partners heard the following specific needs and interests: legal services, job training and career pathways, services for
undocumented individuals, digital literacy and access to computers, entrepreneurial and business
development (e.g. pet training and services, sewing), and barrier elimination.

At baseline, 39% of adult Jordan Downs residents were employed and 21% were enrolled
in school or a training program, according to the 2020 survey. Limited educational attainment -
32% of Jordan Downs residents had not completed high school or a GED - compounds
employment challenges and limits employment options. The COVID-19 pandemic further
compounded/complicated needs, particularly as it relates to available jobs, the number of hours
available to work, availability of childcare, and the accessibility of social services. Its impact is
not fully documented; however, the strategies presented below are universal in nature in
addressing economic well-being.

*Adult Education, Vocational, and Job Training Support* - To address educational barriers
to employment, CII is partnering with Five Keys to provide GED/HiSET preparation classes and
English as a Second Language (ESL) classes. CII is also partnering with local community
colleges (Compton College, Southwest College, LA Trade Tech) to advance resident education
and access to financial aid. To address vocational barriers, CII is partnering with the Department
of Public Social Services (DPSS) and the Watts/LA WorkSource Center (WSC) run by HACLA
to bring vocational training opportunities to Jordan Downs.

Sector-based Vocational Training, provided by area employers, will allow non-college
bound residents opportunities to learn a skill or trade. This includes training to establish
childcare centers and work on construction projects directly related to the redevelopment of
Jordan Downs. The Watts/LA WSC has MOUs with community colleges and training
organizations like Career Expansion to conduct certificate trainings and provide guaranteed job placement when the certificate is complete.

Section 3 - The redevelopment of Jordan Downs is anticipated to generate over 3,000 construction jobs and 360 permanent jobs in housing and neighborhood projects. The Watts/LA WSC is working closely with the housing developers, Jordan Downs Community Partners (JDCP) to create a Jobs Map, which is focused on ensuring residents are trained and prepared for employment opportunities as they arise. The Watts/LA WSC partners with local businesses to provide direct job placement in career pathway and transitional jobs that assist participants to develop the skills necessary to achieve their career choice and earn living wages while receiving wage income. Vocational counselors support participants after they are employed and monitor their progress and salary increases.

Barrier Removal and Specific Services for Sub-Target Populations - Many residents are struggling with significant obstacles to employment, and CII has identified multiple strategies for “hard to employ” populations. For individuals with mental health issues, CII will connect them to an evidence-based supported employment model called Individual Placement and Support (IPS). Focusing on rapid placement, open-ended, long-term supports, and integrated mental health care, the IPS model has demonstrated success both at CII and across the country. For individuals with a history of incarceration, CII will refer residents to A New Way of Life, Homeboy Industries, and/or Southern California Crossroads for re-entry support that leads to employment. Public Counsel will provide legal services to further mitigate any barriers to employment. To help formerly incarcerated and hard-to-employ residents in moving toward a college/career track, the Watts/LA WSC is partnering with BuildPlus and other community
organizations to provide applied job coaching and on-the-job crisis and conflict resolution intervention. They work with clients who have little or no work experience to help them develop the soft skills necessary to obtain and maintain employment.

*Entrepreneur and Business Development Support, and Capacity Building Services* - CII is partnering with Managed Career Solutions (MCS) and subcontracting with the Strength Based Community Change (SBCC), formerly known as South Bay Center for Counseling, to support entrepreneurial and business development. MCS will provide initial small business training, and SBCC will establish an Employment Collective for Jordan Downs residents. The goal is to expand access to economic opportunities in low-income communities by leveraging and celebrating the lived experiences and talents of community residents. The focus areas for Collective participants will vary based on the residents’ emerging skills, but examples include crafting (i.e., jewelry, knitting, etc.), sewing, cooking/pastry, and gardening (i.e., selling organic produce, hosting well-being events).

*Financial Literacy* - Financial literacy is important for households to obtain economic stability and self-sufficiency. On-site and neighborhood-based financial literacy workshops will use an evidence-based curriculum, such as Money Sense. Residents will be able to access credit recovery services, get help establishing bank accounts, participate in first-time homebuyer courses, develop a family budget, and receive on-site income tax preparation and earned income tax credit education.

*Support Services for Basic Needs and for Aging in Place* – Basic needs and supports for special populations is another essential element of the People Strategy and acknowledges the need to support these residents with appropriate resources to help them thrive. Several residents
are unable to work due to age, ability, or other reasons. According to the 2020 survey, 9% of the population is 65 or older, 44% of households have an individual with a chronic health condition, 20% have someone diagnosed with an impairment, and 9% have a caregiver. Supports includes assistance with immediate basic needs, such as food, rent and utility assistance, as well as connection to resources for ongoing support (e.g. CalFresh/TANF enrollment). Also, specifically due to COVID-19, HUD authorized $50,000 to support COVID-19 recovery that CII plans to access these funds as a last resort for residents who have been severely impacted by job loss and a reduction of work hours.

Advocacy and Leadership Development – Capacity building to support advocacy and civic engagement is fundamental to the success of the People Plan. This includes HACLA’s work with the Jordan Downs Community Coaches, and the Resident Advisory Board (RAB). In addition, the Martin Luther King Jr. Community Healthcare (MLKCH) Promotoras program trains individuals to do outreach and share health information. To date, MLKCH has trained approximately 10 Jordan Downs residents, and will offer a second training for approximately 10 to 15 additional residents. Other civic engagement activities are available and leveraged through existing efforts by CII and others. For example, under CII’s Innovations 2 program, a partnership with the Center for Nonprofit Management supports leadership development. Similarly, CII is looking to forge a relationship with Civic University, a non-credit certificate program offered through the California State University Los Angeles, to host workshops that educate individuals on the processes and important functions of the Los Angeles city government.
Data Tracking – Data tracking will occur across partners. The Watts/LA WSC will take the lead in tracking for adult education, vocational, and job training support and Section 3 activities, and report this information to CII. The only exception is for individuals with Mental Health needs that are being served by CII in their IPS program. In addition, CII and the Service Navigators (El Nido and Better Tomorrows) will collect sign-in sheets and/or document resident participation in various services.

Key Service Providers: CII (IPS model); BRIDGE Housing (scholarships); Five Keys (High School Diploma/Equivalency/ESL); SBCC (Employment Collective); Watts Latino Century Organization (WCLO) (leadership, advocacy and civic engagement); Watts Labor Community Action Committee (WLCAC) and Watts/LA WSC (job placement); DPSS (public assistance and training classes); Career Expansion (vocational support); MCS (small business support); A New Way of Life, Homeboy Industries and Southern California Crossroads (reentry services); LA Community and Compton College Districts (college classes and vocational training); Public Counsel (legal services), Central American Resource Center (CARECEN) (immigration services); LA County Department of Consumer and Business Affairs (immigration, financial literacy, and tax prep services).

Resource Commitments: $6,685,650 in leveraged commitments. See Table 1 for a detailed breakdown of commitments for Economic Self-Sufficiency Services. CII has allocated approximately $675,000 in Choice funds to this strategy.
**Table 1: Income and Employment Strategy and Expected Results by Final Year of the Grant**

**Impact Statement:** Households are economically stable and self-sufficient.

**Expected Outcomes:**
- Expected outcomes include 842 (75%) or residents between 18-61 years with wage income.
- Average annual income (excluding those households who cannot work due to being elderly or disabled) will increase by 10%.

**Baseline:**
- At baseline, 267 (39%) of target residents between the ages of 18-64 years had wage income (2020 survey).
- At baseline, the average annual income of target households (excluding those households who cannot work due to being elderly or disabled) was $23,829.

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<tr>
<th>Strategy/Activity</th>
<th>JD Residents Served</th>
<th>Leverage Slots</th>
<th>Leverage $</th>
<th>Leverage Partner</th>
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<tr>
<td></td>
<td>%</td>
<td>Entire Grant</td>
<td>Annual</td>
<td>Entire Grant</td>
</tr>
<tr>
<td>Adult Education – High School Diploma/ Equivalency (GED/HiSET) classes</td>
<td>33%</td>
<td>375 adults</td>
<td>10</td>
<td>60</td>
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<tr>
<td>Scholarships – scholarships for adults seeking higher education</td>
<td>5%</td>
<td>60 adults</td>
<td>10</td>
<td>60</td>
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<tr>
<td>English as a Second Language Classes</td>
<td>19%</td>
<td>215 adults</td>
<td>34</td>
<td>204</td>
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<tr>
<td>Job Training &amp; Placement – provide job training services</td>
<td>44%</td>
<td>500</td>
<td>120</td>
<td>720</td>
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<td>150</td>
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<tr>
<td>Service Description</td>
<td>Improvement</td>
<td>Adults</td>
<td>Jobs</td>
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<tr>
<td>High School Classes for young adults and TAY</td>
<td>90%</td>
<td>282</td>
<td>46</td>
<td>276</td>
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<tr>
<td>Legal services for barrier removal</td>
<td>29%</td>
<td>330</td>
<td>40</td>
<td>240</td>
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<tr>
<td>Entrepreneurial Development and Small Business Support</td>
<td>25%</td>
<td>280</td>
<td>30</td>
<td>180</td>
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<tr>
<td>Financial Education Classes</td>
<td>53%</td>
<td>600</td>
<td>100</td>
<td>600</td>
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<tr>
<td>Advocacy and Civic Engagement Training &amp; Opportunities</td>
<td>27%</td>
<td>300</td>
<td>12</td>
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<td><strong>Total Leverage</strong></td>
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² MLKCH Promotoras Funding is noted under the Health Strategy as part of their $1M grant.
**Children, youth, and adults are physically and mentally healthy.**

With a goal of building physical and mental health, the People Strategy focuses on enrolling residents in health insurance plans, ensuring everyone has a “medical home”, preventing and treating chronic and non-chronic health conditions, and offering a range of physical and mental health wellness activities. CII, Service Navigators, Community Coaches and leverage partners will provide a range of services that increase awareness of, access to, and enrollment in physical and behavioral health care. CII and its partners will host enrollment events at the People Center; offer health education, management and prevention services; schedule on-site mobile health and dental clinics; convene events with “medical home” providers to increase awareness of their services; and connect seniors and disabled individuals to services to maintain independent living (e.g. In-Home Supportive Services, transportation assistance).

*Health Access and Medical Homes* - Care Coordinators will work individually with residents to provide accurate information about the available preventative health programs, work on behavior changes, and connect them to health services. They will also help families make use of routine health services to both prevent and treat medical and mental health conditions. For individuals with chronic health issues, Care Coordinators will work with residents to develop long-term plans to access the necessary medical supports. Care Coordinators will partner with local health care providers to hold informational workshops. These events also serve the cross-function of increasing awareness of available medical homes and encouraging residents to access these resources.

*Increasing Knowledge and Health Management* - Education is critical in addressing chronic health issues. Partners such as MLKCH and St. John’s Well Child and Family Center are
poised to provide services and education to support increased knowledge and health management. CII will leverage its existing LA County Department of Mental Health contract to provide mental health services to Jordan Downs’ residents. This includes psychological assessment; psychiatric evaluation; medication management; individual, family, and group counseling; and seven evidence-based mental health interventions including Trauma-Focused Cognitive-Behavioral Therapy; Parent-Child Interaction Therapy; and Functional Family Therapy To support these activities, CII will leverage services through local providers, such as St. John’s Well Child and Family Center, and Federally Qualified Health Care Centers (FQHC), such as Watts Healthcare and AltaMed.

Healthy Living - To support overall wellness, CII will subcontract with local organizations to provide health and wellness activities at the People Center. These activities provide an opportunity for residents to learn about CII and the People Center through low pressure, engaging events that also support physical and mental health wellness, e.g. increasing physical activity and stress management. Examples services include a Walking Club by the Urban Peace Institute and dance classes by Everybody Dance.

Data Tracking – The Care Coordinators and Service Navigators will track referrals and program participation via CII’s Salesforce database. As part of their regular meeting with residents, Care Coordinators will summarize the resident feedback and progress towards meeting their goals. CII will also collect feedback from partners through regular activities reports and meetings, as allowed by MOU provisions and resident consent.

Key Service Providers: CII (Mental Health Services), Cedars Sinai (Mobile Health Clinic), St. John’s Well Child Center (Developmental Screenings & Services), MLKCH (primary
health care), South Central Los Angeles Regional Center (SCLARC) (developmental screenings and services for children with disabilities), HOPICS (substance abuse), AltaMed (Dental Services), Vision to Learn (Vision Exams/Glasses), Watts Counseling and Learning Center (Mental Health Services); Watts Healthcare (primary health); L.A. Care (primary health and healthy living classes/activities), Urban Peace Institute (Walking Club), Everybody Dance (Dance Classes), DPSS, Departments of Public Health, Health Services, and Mental Health, LA Metro (transportation assistance/discounts), Access (transportation assistance/services), Dare U to Care Outreach Ministry (food access), FreshWorks (food access).

*Resource Commitments:* **$14,796,232** in leveraged commitments. See Table 2 for a detailed breakdown of Health Services commitments. CII has allocated approximately **$300,000** in Choice funds to this strategy.
### Table 2: Health Strategy and Expected Results by Final Year of the Grant

**Impact Statement:** Children, youth, and adults that are physically and mentally healthy.

**Expected Outcomes:**
- 1,771 (95%) residents have a medical home
- 1,865 (100%) residents have health insurance
- 85% of residents have more knowledge of managing high risk health issues

**Baseline:**
- At baseline, 270 (80%) of target residents have a medical home where they regularly go, other than an emergency room, when they are sick or need advice about their health
- At baseline, 347 (80%) of target residents have health insurance
- 77% of residents have no/minimal knowledge on management of high-risk health issues

<table>
<thead>
<tr>
<th>Strategy/Activity</th>
<th>JD Residents Served</th>
<th>Leverage Slots</th>
<th>Leverage $</th>
<th>Leverage Partner</th>
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<tbody>
<tr>
<td></td>
<td>%</td>
<td>Entire Grant</td>
<td>Annual</td>
<td>Entire Grant</td>
</tr>
<tr>
<td>Tier 3 Complex Case Management – Mental Health Services</td>
<td>35%</td>
<td>660 residents</td>
<td>101</td>
<td>606</td>
</tr>
<tr>
<td>Health Outreach and Education - assist with enrollment and providing linkages/referrals for primary care, mental health, and specialty care for residents.</td>
<td>7%</td>
<td>130 residents</td>
<td>50</td>
<td>200</td>
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<tr>
<td>Program and service promotion at large scale collaborative community event</td>
<td>57%</td>
<td>420 children</td>
<td>70</td>
<td>420</td>
</tr>
</tbody>
</table>

3 This data was not collected in the 2020 Resident Survey
<table>
<thead>
<tr>
<th>Services</th>
<th>53%</th>
<th>1,000 residents</th>
<th>250</th>
<th>1,500</th>
<th>$41,750</th>
<th>$250,500</th>
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</thead>
<tbody>
<tr>
<td>Direct services – provide onsite and offsite</td>
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<tr>
<td>physical/dental/eye health services</td>
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<tr>
<td>St. John's Well Child &amp; Family Center</td>
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<tr>
<td>Developmental Health Screenings (Children)</td>
<td></td>
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<tr>
<td>St. John's Well Child &amp; Family Center - Health</td>
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<tr>
<td>Screenings</td>
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<tr>
<td>St. John's Well Child &amp; Family Center - Pap</td>
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<td>Test</td>
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<tr>
<td>St. John's Well Child &amp; Family Center - Pregnancy</td>
<td></td>
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<td>test</td>
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<td>St. John's Well Child &amp; Family Center - TB</td>
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<td>Test</td>
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<tr>
<td>St. John's Well Child &amp; Family Center - Flu</td>
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<td>Shot</td>
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<td>St. John's Well Child &amp; Family Center -</td>
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<tr>
<td>Screenings for Diabetes and Hypertension</td>
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<tr>
<td>St. John's Well Child &amp; Family Center -</td>
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<td>Primary Medical Care Visits</td>
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<tr>
<td>St. John's Well Child &amp; Family Center -</td>
<td></td>
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<tr>
<td>Well Women Check Ups</td>
<td></td>
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</tr>
<tr>
<td>Health prevention and management activities including but not limited to exercise classes, nutrition and stress management classes, walking clubs, living/managing chronic health challenges, and substance abuse</td>
<td>53%</td>
<td>1,000 residents</td>
<td>983</td>
<td>983</td>
<td>$445,300</td>
<td>$2,671,800</td>
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<tr>
<td>2,137</td>
<td>2,137</td>
<td>166,666</td>
<td>$1,000,000</td>
<td>MLKCH - new program and funding (mobile health, virtual health, site, substance abuse, and Promotoras program)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>240</td>
<td>$33,400</td>
<td>$200,400</td>
<td>St. John's Well Child &amp; Family Center - Substance Abuse Counseling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>120</td>
<td>$42,000</td>
<td>$84,000</td>
<td>JDCP - Health Education – Phase S6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>30</td>
<td>$21,000</td>
<td>$21,000</td>
<td>JDCP - Health Education – Phase S7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Leverage</td>
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</table>
Early Learning - Children enter Kindergarten ready to learn.

The central strategies around early childhood learning are focused on ensuring children are born healthy, reach appropriate developmental milestones, receive timely services, and enter kindergarten ready to learn. CII and its partners are building a cradle to college/career readiness pipeline by increasing access to and enrollment in high quality services that support healthy development for children 0-5. This begins with an exhaustive campaign to ensure all residents are aware of the full range of early childhood educational opportunities available. Targeted outreach will be conducted by Community Coaches, Service Navigators, and Care Coordinators to identify families with young children, including pregnant women. The Los Angeles County Office of Education’s (LACOE) mobile preschool will also be used as an outreach tool to inform residents of the benefits of early childhood education.

Formal Center Based and Home-Based Early Childhood Education - CII will promote the availability of full-day care at the Head Start and Early Head Start Center at Jordan Downs as well as surrounding locations. For families who prefer home-based services or for pregnant women, CII will offer home-based Early Head Start services using the evidence-based Growing Great Kids curriculum to structure weekly home visits. In addition, CII’s center-based and home-based Head Start and Early Head Start services include developmental screenings and assessments; health, dental mental health, and nutrition activities; referrals for follow-up services; in-house behavioral health support for children and parents; leadership and advocacy training; and monthly group socializations.

Developmental Screenings - All children participating in CII’s early childhood programs undergo a series of screenings and assessments using tools such as Ages and Stages, Ages and...
Stages – Social Emotional, and the Desired Results Developmental Profile. The results of these tools will be shared with parents and used to identify potential areas of concerns, such as development delays, and health and mental health issues. As appropriate, CII will link families to the SCLARC for additional assessment and treatment options. CII and partners will coach families on how to advocate for their child and provide families with information to understand their options and educational rights.

*Parenting Support and Advocacy* - To help families further develop their advocacy and leadership skills, CII uses the Abriendo Puertas/Opening Doors curriculum. It is the first evidence-based curriculum developed by Latinx parents for Latinx parents. This curriculum encourages parents to develop their advocacy and leadership skills, both for their own child and for the community as a whole. CII will monitor children’s progress during the early childhood years, and if children are not enrolled in CII programs, data will be gathered through data-sharing agreements with partners.

In addition, several leverage partners have committed slots to support families with children 0-5. The Partnership for Children South Los Angeles (PCSLA) has a network of 38 organizations in their system of care, and families enrolled in their services have access to the entire network. Also, PCSLA will offer a Peer Support Group for young mothers with children that need additional supports. Other supports will be available through programs such as Project Fatherhood and Motivated Mothers. Finally, CII will distribute information to community partners and residents about existing 0-5 focused community efforts such as First 5 LA and Best Start.

*Data Tracking* - Since CII already offers services from pregnancy through preschool, CII
is well-positioned to track the developmental and educational progress of children that engage in the agency’s programs. For those not participating in CII activities, CII has established relationships with other early education providers in the community and will establish data sharing agreements, as necessary, to track the progress of Jordan Downs’ children, including Crystal Stairs and Drew Child Development. The Partnership for LA Schools (Partnership) will also play a critical role since they manage three of the local schools that Jordan Downs children attend, including child development centers funded by the California Department of Education on some local Los Angeles Unified School District (LAUSD) elementary campuses. The Partnership will lead establishing data sharing agreements with LAUSD entities.

**Key Service Providers:** CII (Early Head Start, Head Start, home visitation, trainings on trauma and resiliency, parent engagement); Partnership (parent engagement and data collection); Drew Child Development Corporation (Head Start, Preschool); Crystal Stairs (Early Head Start, Head Start/Preschool); LACOE (Head Start convener and mobile preschool); LA Education Partnership (Head Start, Early Head Start); St. John’s Well Child Center (screenings and services); PCSLA (parent engagement); Watts Counseling and Learning Center (preschool/child care); SCLARC (services and referrals for children with disabilities); First 5 LA; Best Start Communities; Child360 (Early Childhood Education Quality and technical assistance).

**Resource Commitments:** $9,472,398 in leveraged commitments. See Table 3 for a detailed breakdown of commitments for Early Learning Services. CII will allocate approximately $225,000 in Choice funds to this strategy.
Table 3: Early Learning Strategy for Children Ages 0-5 and Expected Results by Final Year of the Grant

**Impact Statement:** Children enter Kindergarten ready to learn.

**Expected Outcomes:**
- 71 (65%) of target resident children, from birth to kindergarten entry, are participating in center-based or formal home-based early learning settings or programs\(^4\)
- 71 (65%) of target resident children in kindergarten demonstrate at the beginning of the program or school year age-appropriate functioning across multiple domains of early learning as determined using developmentally appropriate early learning measures\(^5\)

**Baseline:**
- 30 (50%) of children 0-5 participate in center-based or formal home-based early learning settings or programs
- Children in kindergarten who demonstrate age-appropriate functioning across multiple domains of early learning – baseline – LAUSD – Local District South Kindergarten Readiness pilot with 32 schools (2018) - 28% developmentally vulnerable on one or more domains and 27% developmentally at risk on one or more domains.\(^6\)

<table>
<thead>
<tr>
<th>Strategy/Activity</th>
<th>JD Residents Served</th>
<th>Leverage Slots</th>
<th>Leverage $</th>
<th>Leverage Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>Entire Grant</td>
<td>Annual</td>
<td>Entire Grant</td>
</tr>
<tr>
<td>Linkages and services for expecting, teen and first-time parents, and parents with children 0-5</td>
<td>31%</td>
<td>200 children</td>
<td>27</td>
<td>162</td>
</tr>
<tr>
<td>Developmental screenings and medical services – screen for age-appropriate developmental functioning and provide referrals for needed services. Immunizations, primary</td>
<td>100%</td>
<td>1,680 children</td>
<td>10</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td>120</td>
</tr>
</tbody>
</table>

\(^4\) No complete count of children 0-5 at the time of submission of the People Plan. Numbers are based on information provided in the grant application.

\(^5\) Same as above

\(^6\) This is the most recent data available at the time of the submission of the People Plan
<table>
<thead>
<tr>
<th>Healthcare and Dental Services for Healthy Development</th>
<th>250</th>
<th>1,500</th>
<th>$41,750</th>
<th>$250,500</th>
<th>St. Johns Child &amp; Family Center (development screenings)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Center-based ECE – early head start, head start and preschool slots for children</td>
<td>84%</td>
<td>600 children</td>
<td>14</td>
<td>84</td>
<td>$308,832</td>
</tr>
<tr>
<td>Early childhood education and parent engagement</td>
<td>90%</td>
<td>600 children</td>
<td>100</td>
<td>600</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Teen Parents – services to support teen parents</td>
<td>15%</td>
<td>90 young adults</td>
<td>15</td>
<td>90</td>
<td>$9,500</td>
</tr>
<tr>
<td><strong>Total Leverage</strong></td>
<td></td>
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</table>
School-Aged Children – Children are proficient in core academic subjects; youth, including youth with disabilities, graduate from school college- and career ready.

Based on the 2020 survey, Jordan Downs' school-age youth attend over 100 schools throughout LA County; only 43% attend one of three assigned local schools targeted in the People Strategy – Florence Griffith Joyner Elementary, Edwin Markham Middle, and Jordan High. All three schools are underperforming. At Griffith Joyner Elementary, 82% of 3rd graders do not meet state standards for English Language Arts (ELA), and 80% do not meet state standards math; at Markham Middle, 77% of 8th graders do not meet ELA standards and 85% do not meet state standards for math; at Jordan High School, 48% of 11th graders do not meet ELA standards and 91% do not meet state standards for math7.

The Education Strategy is grounded in the Partnership framework and coupled with school community supports and on-site education-related activities at Jordan Downs. The Partnership, an independent 501(c)(3) organization, has been working with LAUSD to dramatically improve outcomes at some of LA’s highest need schools. The Partnership is leading one of the largest in-district school transformation efforts and currently manages 18 LAUSD schools – three of which are the assigned neighborhood schools (Joyner Griffith Elementary, Markham Middle, Jordan High) for Jordan Downs residents. Designed to serve as a lever for change, the Partnership’s model includes capacity building in the focal areas of great leaders, highly effective teaching, and engaged and empowered communities. Together, the Partnership and CII, through its Community Schools initiative and other services, will support schools as

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7 All school data from 2018-19 Ed-Data.org School Profiles. Data for 2018-19 was used as state assessments were not administered in 2019-2020 due to the COVID-19 pandemic.
academic and social centers, with a goal of transforming schools into a place where educators, families, and neighbors come together to support innovative learning and to address the impact of out-of-school factors, such as poverty, racism, and violence, that can undermine the effectiveness of in-school opportunities. Community Schools are developed through an intensive process of collaborating with youth, parents, community residents, and school staff to understand the strengths and challenges of each school community and develop an individualized plan of resources and supports to optimize children's educational outcomes at those schools. CII and the Partnership are already developing these programs, and activities at Community Schools will be leveraged to support the residents of Jordan Downs – including the Community School site at Griffith Joyner Elementary. CII collaborates with the Partnership for onsite community services at the two other local schools - Markham Middle and Jordan High.

Extended Learning and Enrichment Activities - As part of the Education Strategy, partners will host several afterschool and summer enrichment programs. This summer, extended learning activities are particularly important, given the past year of remote learning due to COVID-19. Extended learning and enrichment opportunities will launch in summer 2021 with partners such as CII, Children Mending Hearts, Boys and Girls Club of Metro Los Angeles (BGCMLA), and Project SOAR, offering in-person activities for children in grades K-8. Beyond this summer, extended learning and enrichment activities will be available year-round to support student academic and personal development, including tutoring and homework assistance; Science, Technology, Engineering, and Math (STEM) programs; as well as other enrichment activities like dance, performing arts, leadership development, and sports.
College Preparation and Career Readiness - Youth who have a goal of attending college will be enrolled in College Track's college preparatory program. This national program recruits students from underserved communities and works with them for 10 years - from the summer before ninth grade through college graduation - and provides comprehensive services that help remove barriers, provide academic support, develop leadership, offer financial and college advising, and assistance with scholarships. In addition to College Track, Kaiser Permanente Watts Counseling and Learning Center, BGCMLA, the Partnership, and Project SOAR provide additional resources to support college preparedness for students and their families.

CII and its partners will incorporate career exploration in their regular activities with guest speakers and job site tours. For example, the Children's Defense Fund Freedom School model is designed to have Read Aloud guests attend the morning assembly. These guests from various career fields will be selected to introduce children to a wide variety of career opportunities. Although Freedom Schools focuses on younger children, this strategy recognizes a need to start early. A similar approach will be incorporated in other activities like CII's Wyman's Teen Outreach program. To support real-world experience for youth ages 16 and above, Service Navigators and Care Coordinators will refer youth to the Watts/LA WSC and the WLCAC for youth employment opportunities. Lastly, youth will be encouraged to attend annual employment and resource fairs like the CII Works event, and the Second District Spring into Summer Hiring Spree.

Parental Involvement and Engagement. Some of the most consistent predictors of a child's academic success and social adjustment are related to their parents, such as parental expectations of a child's academic achievement. CII is implementing several strategies to ensure
parents are engaged and fully supportive of their children's academic progress. Understanding the nuances of LAUSD opportunities can be a challenge for any parent, particularly parents for whom English is not their primary language or did not attend school in the U.S. The Partnership offers their Parent College program at each of the Partnership schools, which will be leveraged in support of Jordan Downs' families. Parent College ensures all parents have core information about how the education system works and how to best advocate for their children's academic growth. Parents learn about the college application and financial assistance processes and are encouraged to visit a college campus with their child.

Data Tracking - The Partnership will play a critical role with data tracking since they manage three of the local schools that Jordan Downs children attend, and will serve as the intermediary for school level data. To supplement school data, CII will encourage parents to share report cards as part of their care coordination visits. Similarly, CII will request report cards for children not enrolled in care coordination, but participating in enrichment activities. This information will be tracked in the Salesforce database.

Key Service Providers: CII (after/out-of-school services, services for system involved families/children, teacher training); Partnership (data collection, teacher training, and parent engagement); WLCAC (tutoring, GED/HiSET preparation, summer jobs); Watts/LA WSC (summer job); We Care Outreach and Urban Peace Institute (Safe Passages and Sports Activities); Gang Reduction Youth Development (GRYD) (youth development); BGCMLA (out of school activities); A Better You (art Classes); College Track and Project SOAR (college prep); Watts Counseling and Learning Center (College prep, scholarship, education counseling); Children Mending Hearts and SBCC (tutoring and learning pods); SCLARC (services for
children with disabilities); Everybody Dance (dance classes); Free Arts (art classes); Los Angeles Drama Club (drama classes); LA Community and Compton College Districts (concurrent enrollment classes for high school students); LA Metro (STEAM training for teachers and student, transportation assistance services); Los Angeles Public Library (mobile STEAM lab); BRIDGE (scholarships).

Resource Commitments: $23,144,362 in leveraged commitments. See Table 4 for a detailed breakdown of commitments for School-Age Children. CII will allocate approximately $800,000 in Choice funds to this strategy.
Table 4:  Education Strategy for School-Aged Children and Expected Results by Final Year of the Grant

**Impact Statement:** Children are proficient in core academic subjects; youth, including youth with disabilities, graduate from school college- and career ready.

**Expected Outcomes:**
- 468 (65%) of target resident students are at or above grade level according to state mathematics and English language arts (ELA) assessments in at least the grades required by the ESEA (3rd through 8th and once in high school)\(^8\)
- 252 (80%) of target resident students graduate from high school\(^9\)

**Baseline:**
- 25% (4) of 3rd graders met ELA standards and 18% (3) met Math standards at Florence Griffith Joyner Elementary.
- 9% (1) of 4th graders met ELA standards and 9% (1) met Math standards at Florence Griffith Joyner Elementary.
- 0% 5th graders met ELA standards and 18% (2) met Math standards at Florence Griffith Joyner Elementary.
- 17% (3) of 6th graders met ELA standards and 83% (3) met Math standards at Florence Griffith Joyner Elementary.
- 11% (2) of 7th graders met ELA standards and 0 met Math standards at Florence Griffith Joyner Elementary.
- 23% (3) of 8th graders met ELA standards and 15% (2) met Math standards at Edwin Markham Middle.
- 29% (2) of 11th graders met ELA standards and 14% (1) met Math standards at Jordan High.
- 70% of target resident students graduated from high school.\(^10\)
- 1 or 1% of families with children 5-18 have at least one child not enrolled in school

<table>
<thead>
<tr>
<th>Strategy/Activity</th>
<th>JD Residents Served</th>
<th>Leverage Slots</th>
<th>Leverage $</th>
<th>Leverage Partner</th>
</tr>
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<tbody>
<tr>
<td>Supportive services for families involved in the child welfare system.</td>
<td>63% 420 families</td>
<td>70 420</td>
<td>$136,620</td>
<td>$819,720</td>
</tr>
<tr>
<td>Educational support services – access to tutoring, after/out-school activities to promote healthy youth development,</td>
<td>100% 720 children</td>
<td>41 246</td>
<td>$13,900</td>
<td>$83,400</td>
</tr>
<tr>
<td></td>
<td></td>
<td>66 396</td>
<td>$55,117</td>
<td>$330,702</td>
</tr>
</tbody>
</table>

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\(^8\) No complete count of school age children at the time of submission of the revised People Plan. Numbers are based on original submission of People Plan.

\(^9\) Same as above.

\(^10\) Reported on Jordan High School level, as student level data is unavailable at the time of submission of the revised People Plan.
<table>
<thead>
<tr>
<th>STEAM activities, and educational counseling.</th>
<th>60</th>
<th>360</th>
<th>$12,437</th>
<th>$74,622</th>
<th>BGCMLA (Healthy Lifestyles)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>52</td>
<td>312</td>
<td>$20,000</td>
<td>$120,000</td>
<td>BGCMLA (The arts)</td>
</tr>
<tr>
<td></td>
<td>234</td>
<td>1,404</td>
<td>$58,850</td>
<td>$353,100</td>
<td>CII (Neighborhood Schools)</td>
</tr>
<tr>
<td></td>
<td>252</td>
<td>1,512</td>
<td>$16,380</td>
<td>$105,955</td>
<td>Partnership (Additional family/community engagement programming)</td>
</tr>
<tr>
<td></td>
<td>56</td>
<td>336</td>
<td>$39,200</td>
<td>$117,600</td>
<td>JDCP (Afterschool programming S4)</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>240</td>
<td>$28,000</td>
<td>$84,000</td>
<td>JDCP (Afterschool programming S5)</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>390</td>
<td>$45,500</td>
<td>$91,000</td>
<td>JDCP (Afterschool programming H3)</td>
</tr>
</tbody>
</table>

| College prep - offer services for students to tour college campuses, and participate in college prep classes (e.g. SAT prep) and other college readiness activities. | 55% | 400 children | 93 | 360 | $415,000 | $1,740,000 | College Track |
|                                                                                                                                   | 252 | 1,512 | $274,680 | $1,776,745 | Partnership (college compass initiative) |

| Scholarship activities – scholarships support and funding for seniors pursuing higher education. (4 Scholarships per year) | 6% | 20 HS Students | 2 | 12 | $20,000 | $120,000 | Operation Progress |

| Safety – increase safe passage services to support children attending school | 83% | 600 children | 252 | 1,512 | $11,340 | $73,350 | Partnership (Safe passage) |
|                                                                           | 300 | 1,800 | $632,298 | $3,793,788 | Los Angeles Police Department |
and participating in community activities

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</tr>
<tr>
<td>Parent engagement - workshops and trainings on navigating systems, assistance with enrollment in services, workshops/activities to support parents of children with disabilities, and college prep.</td>
<td>29%</td>
<td>300 adults</td>
<td>252</td>
<td>1,512</td>
<td>$30,240</td>
</tr>
<tr>
<td></td>
<td>70%</td>
<td>500 children</td>
<td>252</td>
<td>1,512</td>
<td>$2,520</td>
</tr>
<tr>
<td>Teacher trainings/workshops – provide trauma and resiliency training for teachers and school administrators. (teachers trained at seven schools annually)</td>
<td></td>
<td>900 teachers</td>
<td>252</td>
<td>1,512</td>
<td>$147,420</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>252</td>
<td>1,512</td>
<td>$50,400</td>
</tr>
<tr>
<td>Fitness Classes and Activities</td>
<td>17%</td>
<td>120 children</td>
<td>40</td>
<td>200</td>
<td>$144,000</td>
</tr>
<tr>
<td>Childcare</td>
<td>42%</td>
<td>300 children</td>
<td>200</td>
<td>1,200</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>Total Leverage</strong></td>
<td></td>
<td></td>
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III. **Case Management**

The Watts Rising Care Coordination Model, grounded in trauma-informed care, is a two-generation, asset-based wraparound approach that simultaneously advances child and parents/household’s goals. By addressing the needs of both the child and the parents/household members, a multiplier effect is created that positively impacts a household’s path forward, and is critical to affecting lasting whole-family wellness and success. The approach is also aligned with the Strengthening Families Protective Factors framework, which focuses on parental resilience, social connections, concrete support in times of need, knowledge of parenting and child development, and social and emotional competence of children. This model is applied to all households regardless of the presence of children, as the goal is to support overall household health and success. CII, as the People Lead, will coordinate this approach for residents under a tiered care coordination model, which includes Service Navigation, also known as Light Touch, (Tier 1), Care Coordination (Tier 2), and Complex Care Coordination with Mental Health Supports (Tier 3).

**Watts Rising Care Coordination Model**

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Navigation</strong></td>
<td><strong>Care Coordination</strong></td>
<td><strong>Complex Care Coordination</strong></td>
</tr>
<tr>
<td>The function of linking residents with an essential health and/or community service. Client needs linkage to services, ideally three or less unrelated items, but no additional follow up services are required.</td>
<td>The function of coordinating care and services across systems, leading to greater holistic and person-centered care for residents. Client needs support with accessing services and/or the coordination of services.</td>
<td>Refers to care coordination services provided to residents who need Mental Health Services provided by CII.</td>
</tr>
</tbody>
</table>
To deliver the Care Coordination Model to Jordan Downs residents, CII is partnering with Better Tomorrows, El Nido, and the Jordan Downs Relocation Consultant, Del Richardson and Associates (DRA). Better Tomorrows and El Nido have been contracted by TMO and BRIDGE, respectively, to provide service navigation to residents living in the new housing developments as they come on-line. CII, using Choice funds, will provide service navigation to residents who have not yet relocated to a new unit at Jordan, have relocated into another HACLA development or have relocated using a Housing Choice Voucher (HCV); and care coordination to all interested residents. For residents requiring complex care coordination, CII will leverage and provide services under its contract with the Los Angeles County Department of Mental Health. DRA, contracted by HACLA, is providing relocation counseling to Jordan Downs households as redevelopment proceeds through the site. Because HACLA has committed to a “build first” approach to the redevelopment of Jordan Downs, residents are being relocated in phases to allow for them to move directly into a new unit if they so desire.

Together these three partners, El Nido, Better Tomorrows, and DRA, plus CII comprise the Jordan Downs Care Management Team charged with providing a seamless “one-stop, no wrong door” approach to service delivery for Jordan Downs residents. This means that a Jordan Downs resident, regardless of whether they are living in a new unit or in an old one, can enter the Care Coordination system at any point through any member of the Care Management Team and be connected to the services and resources they need.

The Care Management Team, comprised mostly of staff with boots on the ground, meets regularly for quality assurance, to follow up on referrals for residents (across the care coordination tiers) to partner agencies, and to address community trends and/or emerging
concerns. These regular meetings are an essential component to implementing a successful one-stop no wrong door approach. These meetings also provide on-going opportunities to share information about resources and services available through Choice and leverage partners.

Foundational to this approach is the Jordan Downs Service Coordination Working Group, comprised of the leadership and boots-on-the-ground staff from CII and the three partners. The Working Group has been meeting for the last year to develop the overall structure, resident permissions, intake forms and coordination process. The Working Group will continue to meet on quarterly basis to evaluate how the service model is working, to address administrative items, and to adjust and align strategies as needed.

**Jordan Downs Care Management Team**

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Navigation</td>
<td>Care Coordination</td>
<td>Complex Care Coordination</td>
<td>Relocation Support</td>
<td></td>
</tr>
<tr>
<td>Lead Agency(ies)</td>
<td>El Nido/ Better Tomorrows</td>
<td>CII</td>
<td>CII</td>
<td>CII Mental Health</td>
</tr>
<tr>
<td>Target Population</td>
<td>JD Residents in new developments</td>
<td>Open to All JD Residents</td>
<td>Open to All JD Residents</td>
<td>Open to All JD Residents</td>
</tr>
</tbody>
</table>

*Case Management Approach.* Because of the build first model, the inclusion of service navigation services in the new developments, and the redevelopment work already well underway, the care coordination approach as designed remains the same for Jordan Downs residents whether before, during or after relocation, as well after the replacement units are
complete. Currently, there are Jordan Downs residents in each stage of the relocation process, living in new units, and receiving service navigation.

To kick off the Care Coordination services available through Choice Neighborhoods, CII will lead a community outreach and engagement campaign. Planned community outreach includes mail, email, door-to-door flyering, and in-person visits to inform residents of services available, and engagement includes various resident activities and meetings where information and resources are shared. Jordan Downs Community Coaches, Promotoras and Community Health Workers, El Nido and Better Tomorrow staff, and CII’s Care Coordinators will utilize their empathic skills, cultural sensitivity, and knowledge of the community to engage and encourage residents to participate in care coordination.

Under the no wrong door approach, interested residents will complete a Resident Interest Form – which collects basic demographic information, surveys residents for areas of needs and interests, and screens for mental health concerns – with any member of the Care Management Team. A sample copy of the Resident Interest Form is attached (see Attachment C). In addition, residents are presented with an Authorization for the Release of Information (see Attachment D) to allow the Care Management Team to share personal information and coordinate services. Depending upon this initial screening process, residents who require multiple referrals and/or indicate the need to have a mental health services will be referred to CII for Care Coordination services. Otherwise, the Care Management Team member completing the screening with the resident will connect the resident with the appropriate service(s).

Once enrolled in Care Coordination, CII staff will work with each resident to develop an understanding of their unique strengths, interests and needs. Using a Universal Screening Tool,
Care Coordinators and residents will co-create Individual Service Plans that identify resident goals and objectives, metrics and milestones for assessing progress, timelines for meeting goals, and resources and supports necessary for residents to achieve their goals. Care Coordinators will utilize their extensive knowledge of community resources as well as CII’s expansive network of leveraged and subcontracted partners to provide a comprehensive, individualized set of services and supports to help each resident thrive and best support them to achieve their personal goals. To support residents in advancing their plan, Care Coordinators will meet with each resident monthly, or as needed, but at minimum on a quarterly basis to document progress, celebrate successes, and address challenges or barriers to meeting benchmarks. CII staff will also provide crisis management for residents in need.

As noted previously, the services under the Care Coordination Model will be available before, during, and after relocation to meet resident needs. Because the Relocation Consultant (DRA) is already integrated into the Care Management Team, this will help to minimize any breaks or gaps in services. Six months before a Jordan Downs resident begins the relocation process, DRA relocation counselors will coordinate with the CII team to understand a household’s service needs and considerations to inform the relocation process. Jointly, DRA and CII will participate in one-on-one meetings with residents to identify household needs and preferences. DRA and CII together will provide intensive care coordination, change management, and stress reduction services in coordination with the developer, property management, and HACLA to ensure residents: 1) understand all possible housing options and are prepared to move within the site or successfully relocate using a HCV; 2) are assisted and supported in successfully relocating as the phased housing plan is implemented; and, 3) are
working toward achieving their health, economic, education, and other quality of life goals. Families who express interest in moving to a new on-site unit will be connected to the on-site Service Navigator for that specific development, and the Service Navigator will be briefed on the resident’s needs and current plan to assist with the transition. For residents that decide to move to another HACLA development or relocate using a HCV, all of the aforementioned services will be available, as well as assistance with identifying critical resources in their new community, including but not limited to childcare and enrolling youth in a new school.

*Staffing qualifications, roles and responsibilities.* Service Navigation and Care Coordination services, will be delivered by seven full-time Care Coordinators at CII, supervised by a Program Supervisor and supported by a full-time administrative assistant and half-time research assistant. CII will on-board Care Coordinators as care coordination service delivery grows. CII Care Coordinators will carry a 1:79 caseload of existing households at full staffing if all families enroll simultaneously. Realistically, based on previous case management services delivered at Jordan Downs, it is assumed that only about 30% of families will engage in Tier 2 Care Coordination, at any one time, which translates into roughly a 1:25 caseload. It is expected that another 20% will enroll in Tier 3 services – Complex Care Coordination (Mental Health) program.

To ensure that CII Care Coordinators are fully equipped to address the broad range of needs of Jordan Downs residents, Care Coordinators will have and/or develop an area of expertise, such as education and youth development, seniors and special populations, health, relocation support, eviction prevention, and employment. In addition, some Care Coordinators
will be assigned to create a bridge among partners and/or work closely with the Relocation Consultant, the Community Coaches, and HACLA Housing services.

Care Coordinators are required to have at least an undergraduate degree in a human/social services field with relevant work experience. CII will train Care Coordinators in Motivational Interviewing; case management; two-generation wraparound model; CII’s Universal Screening Tool; CPR/First Aid; Mental Health First Aid; child abuse/mandated reporting; de-escalation; social determinants of health; trauma-informed care; cultural competence and humility; protective factors; Community Resilience Model; and, human development across the lifespan, as part of their core training.

IV. **Relocation & Re-Occupancy**

HACLA and its development team, JDCP, have adopted a build-first approach to redevelopment of the Jordan Downs site, which eliminates the need for existing Jordan Downs residents to relocate temporarily offsite. Residents have the right to move one time into a newly constructed unit, or they may choose to move off-site into another public housing development or via a HCV to another community of their choice. Moving assistance and relocation advisory services are provided to all affected Jordan Downs residents.

All residents who are in “good standing” under their current leases at Jordan Downs, that is, the household has not been evicted or terminated from housing assistance, are eligible to move into a new unit as they are completed. The HACLA relocation consultant, DRA, provides counseling through many outlets to support families through the entire relocation process, from initial briefings to re-occupancy. All households are given notices and ongoing communications
regarding the relocation process, the assistance available to them, and related timeframes for resident relocations.

Prior to their scheduled relocation, DRA assigns a Relocation Counselor to each household who works with them throughout the relocation process. Residents electing to move offsite will receive assistance with their housing search. For those electing to move from the Jordan Downs development via the HCV program, the Relocation Consultant will provide housing referrals, transportation, Section 8 pre-inspection and contracting coordination and assist with rental negotiations. CII Care Coordinators will assist with the coordination of services, referrals to community resources, as needed, and for residents with children, assist with school enrollment in the local schools.

All affected households are eligible for two types of moving payments from HACLA: Fixed Move based on a schedule from FHWA for the State of California by room count; or an actual move payment based on a licensed professional mover moving the resident; and in certain cases, a combination of the two. This typically occurs when a resident selects a self-move (Fixed Move) option but has an appliance that needs to be disconnected and reconnected.

To ensure the seamless delivery of support to Jordan Downs households, the Relocation Consultant is a regular member of the Care Management Team that meets regularly with the developers’ onsite service coordinators – El Nido and Better Tomorrows - and CII’s Care Coordinators. Furthermore, CII will assign a Care Coordinator to regularly join the Relocation Consultant and participate in joint meetings with residents for better service coordination and to be able to quickly address any anxiety and stress associated with the relocation. CII’s Care
Coordinators will also work with HACLA to identify, prevent and address concerns that might result, if unresolved, in a household’s eviction prior to relocation.

The following services will be provided to all households prior to the commencement of each applicable phase of the redevelopment of the property by the Relocation Consultant:

- One-on-one meetings to identify household needs and preferences
- Identifying and responding to special needs and reasonable accommodation issues and requests
- Assistance with documentation collection (i.e. birth certificates, proof of income, etc.)
- Helping to identify available units that meet the needs of the household
- Ensuring replacement units are decent, safe and sanitary
- Scheduling moves and working closely with moving contractors to ensure moves are completed on schedule
- Delivering all relevant relocation notices required in accordance with applicable federal, state and local regulations and maintaining all required documentation in household relocation files
- Referrals to social service provider(s), as needed, to address social service-related barriers to relocation, and assisting with school enrollment, childcare, and/or related services for residents electing to move offsite
- Preparing and filing claims for eligible relocation compensation
- Preparing advance payments to secure housing for residents receiving HCV to minimize financial hardships
- Providing translation services to all persons with Limited English Proficiency needs
• Support for seniors, individuals with disabilities and/or other vulnerable individuals as needed to aid in a smooth transition
• Post move follow-up

V. **Sustainability**

The sustainability of the Watts Rising people plan is grounded in multi-pronged approach:

1. Pre-committed funding for future services and programming.
2. A governance structure that supports data collection and quality assurance.
3. Joint fund development to support ongoing work under the grant.
4. Capacity and leadership development of residents.

*Pre-Committed Funding.* HACLA and its development partners have a jump start on sustainability – a total of $993,300 per year for social services has been programmed into the operating budgets across all housing phases that gradually ramps up as each phase is complete. In addition, BRIDGE is committed to raising an additional $150,000 per year to supplement services to residents, bringing the annual total to over $1 million per year once all phases are built.

*Governance Structure.* HACLA and its development and people partners are establishing a governance structure to oversee the collective efforts of the People Strategy. A proposed draft of the structure is attached (see Attachment E). This body will support ongoing cross-communication to eliminate silos between service providers and development, neighborhood and safety efforts at Jordan Downs. The governance body will focus on data collection and reporting, quality assurance, fundraising, and long-term space planning for people services.
Joint Fund Development. A key function of the new governance body is to support fund development for ongoing and new services, and overall development of housing and neighborhood projects, for Jordan Downs. Partners can collectively or individually identify funding opportunities, and each opportunity will determine if a joint or individual proposal should be submitted, and how the partners can support each other’s funding applications, for example, with letters of support. The intent is to coordinate efforts, minimize competition, and focus on supporting Choice Neighborhoods and Jordan Downs residents through our collaborative partnership and power.

Capacity and Leadership Development. Lastly, a critical component to the sustainability of the people plan is the investment in the residents – building their capacity and developing their leadership skills. Through the supports provided by CII, and others, residents will be provided with the opportunity to gain new skills on how to access services, and advocate for resources. CII, in concert with other community partners, will look to increase “train-the-trainer” and other leadership development opportunities to support increased resident capacity which in turn supports the long-term sustainability of a well-resourced and responsive service delivery system.

VI. Annual Goals

Data management is a shared responsibility between HACLA and CII. HACLA provides resident and site data, while CII is responsible for service-related data. To facilitate data collection, cross-communication, and reporting, HACLA and CII have initiated various MOUs with property development and management, and service providers.

- To support data collection for the 2020 resident survey, HACLA facilitated an MOU between BRIDGE Housing, Harder + Company Community Research, Inc., CII, and
SSRC. Partners for subsequent surveys may change, and the MOU will be modified as needed.

- To coordinate data sharing between HACLA and the care management providers, an MOU was developed between JDCP development partners BRIDGE and TMO; their on-site service navigation partners, El Nido and Better Tomorrows, respectively; CII; and the Relocation Consultant (DRA).

- To allow for cross-communication among the Care Management Team and coordinated service delivery to residents, CII established a service coordination MOU similar to the data sharing MOU above. Monthly reports are submitted to CII for regular tracking of services, needs, trends, and referrals to leverage and community partners.

- In addition to information collected from the service coordination partners, CII also established MOUs with leverage partners. Leverage partners submit quarterly reports on services provided, both services outlined in their initial leverage letters, and other services offered in response to community need. Similar to the reasons presented above, this process helps to confirm services for referrals from the Service Navigators and/or CII for services, particularly to leverage partners, and facilitate clean unduplicated data counts. This information is recorded into our tracking forms; Salesforce, the database CII uses to track resident contacts and services; and CN Inform. This information is also shared with HACLA. As a cross-communication strategy, CII will provide a quarterly report back to each leverage partner to confirm reported leverage, the number of referrals sent, the number of referrals served, and success stories from the People strategy.
- CII intends to execute an MOU with the Partnership, HACLA, and LAUSD to support student-level data collection. The three assigned local schools identified for the People Strategy include Florence Griffith Joyner Elementary, Edwin Markham Middle, and Jordan High. According to the 2020 resident survey, these are the three schools with the greatest number of Jordan residents. School data for the last available year of testing is provided in the table. We were unable to secure the number of resident students who graduate on time, as the data currently provides number of students who graduated, but does not show the number of students who did not graduate or dropped out. We will work to secure that information through improved tracking, case management and program services.

To analyze collected data, CII is engaging its Research and Evaluation Center (REC) to help interpret the data and produce internal and external reports on the progress of the People strategy. CII’s Choice work will be directly supported by two REC staff members, a Research Associate (.50 FTE), and a Senior Research Associate (.20 FTE).
### Table 5: Annual Goals

<table>
<thead>
<tr>
<th>METRIC</th>
<th>Source</th>
<th>Baseline</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number and percentage of target residents between the ages of 18-64 with wage income</td>
<td>2020 Resident Survey</td>
<td>267</td>
<td>267</td>
<td>347</td>
<td>388</td>
<td>429</td>
<td>471</td>
<td>512</td>
<td>525</td>
</tr>
<tr>
<td></td>
<td>39%</td>
<td>39%</td>
<td>51%</td>
<td>57%</td>
<td>63%</td>
<td>69%</td>
<td></td>
<td></td>
<td>77%</td>
</tr>
<tr>
<td>Average annual income of target households (excluding those households who cannot work due to being elderly or disabled)</td>
<td>HACLA Data</td>
<td>$23,829</td>
<td>$24,306</td>
<td>$24,792</td>
<td>$25,286</td>
<td>$25,793</td>
<td>$26,309</td>
<td>$26,835</td>
<td>$27,372</td>
</tr>
<tr>
<td>Number and percentage of target residents who have a place of healthcare where they regularly go, other than an emergency room, when they are sick or need advice about their health</td>
<td>2020 Resident Survey</td>
<td>1,436</td>
<td>1,455</td>
<td>1,510</td>
<td>1,585</td>
<td>1,660</td>
<td>1,716</td>
<td>1,772</td>
<td>1,809</td>
</tr>
<tr>
<td></td>
<td>77%</td>
<td>78%</td>
<td>81%</td>
<td>85%</td>
<td>89%</td>
<td>92%</td>
<td></td>
<td>95%</td>
<td>97%</td>
</tr>
<tr>
<td>Number and percentage of target residents who have health insurance</td>
<td>2020 Resident Survey</td>
<td>278</td>
<td>278</td>
<td>288</td>
<td>302</td>
<td>316</td>
<td>330</td>
<td>347</td>
<td>347</td>
</tr>
<tr>
<td></td>
<td>80%</td>
<td>80%</td>
<td>83%</td>
<td>87%</td>
<td>91%</td>
<td>95%</td>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Increased knowledge of managing high risk health issues</td>
<td>77%</td>
<td>77%</td>
<td>79%</td>
<td>81%</td>
<td>83%</td>
<td>84%</td>
<td></td>
<td>85%</td>
<td>87%</td>
</tr>
<tr>
<td>Number and percentage of target resident children, from birth to kindergarten entry, participating</td>
<td>2020 Resident Survey</td>
<td>30</td>
<td>30</td>
<td>32</td>
<td>34</td>
<td>35</td>
<td>37</td>
<td>39</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>50%</td>
<td>53%</td>
<td>56%</td>
<td>59%</td>
<td>62%</td>
<td></td>
<td>65%</td>
<td>68%</td>
</tr>
</tbody>
</table>

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11 This data is based on adults with health insurance.
12 This question was not asked in the 2020 survey.
in center-based or formal home-based early learning settings or programs

<table>
<thead>
<tr>
<th></th>
<th>Number and percentage of target resident children in kindergarten who demonstrate at the beginning of the program or school year age-appropriate functioning across multiple domains of early learning as determined using developmentally appropriate early learning measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ed.Data 28% vulnerable 27% at risk Un-available 28% vulnerable 27% at risk 38% vulnerable 37% at risk 48% vulnerable 47% at risk 58% vulnerable 57% at risk 65% vulnerable 65% at risk 70% vulnerable 70% at risk</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number and percentage of target resident students at or above grade level according to State mathematics assessments in at least the grades required by the Elementary and Secondary Education Act (ESEA) (3rd through 8th and once in high school)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd grade - Florence Griffith Joyner Elementary School</td>
</tr>
<tr>
<td>4th grade - Florence Griffith Joyner Elementary School</td>
</tr>
<tr>
<td>5th grade - Florence Griffith Joyner Elementary School</td>
</tr>
<tr>
<td>6th grade – Edwin Markham Middle School</td>
</tr>
<tr>
<td>7th grade – Edwin Markham Middle School</td>
</tr>
<tr>
<td>8th grade – Edwin Markham Middle School</td>
</tr>
<tr>
<td>11th grade – Jordan High School</td>
</tr>
</tbody>
</table>

Number and percentage of target resident students at or above grade level according to State English language arts assessments in at least the grades required by the Elementary and Secondary Education Act (ESEA) (3rd through 8th and once in high school)
<table>
<thead>
<tr>
<th>Grade</th>
<th>School Name</th>
<th>SBAC Year</th>
<th>Percentage</th>
<th>Unavailable</th>
<th>Percentage</th>
<th>Percentage</th>
<th>Percentage</th>
<th>Percentage</th>
<th>Percentage</th>
<th>Percentage</th>
<th>Percentage</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd grade</td>
<td>Florence Griffith Joyner Elementary School</td>
<td>2018-19</td>
<td>4</td>
<td>25%</td>
<td>4</td>
<td>25%</td>
<td>6</td>
<td>35%</td>
<td>7</td>
<td>45%</td>
<td>9</td>
<td>55%</td>
</tr>
<tr>
<td>4th grade</td>
<td>Florence Griffith Joyner Elementary School</td>
<td>2018-19</td>
<td>1</td>
<td>9%</td>
<td>1</td>
<td>9%</td>
<td>3</td>
<td>23%</td>
<td>4</td>
<td>37%</td>
<td>6</td>
<td>51%</td>
</tr>
<tr>
<td>5th grade</td>
<td>Florence Griffith Joyner Elementary School</td>
<td>2018-19</td>
<td>0</td>
<td>Unavailable</td>
<td>0</td>
<td>2</td>
<td>16%</td>
<td>4</td>
<td>32%</td>
<td>5</td>
<td>49%</td>
<td>7</td>
</tr>
<tr>
<td>6th grade</td>
<td>Edwin Markham Middle School</td>
<td>2018-19</td>
<td>3</td>
<td>17%</td>
<td>3</td>
<td>17%</td>
<td>5</td>
<td>29%</td>
<td>7</td>
<td>41%</td>
<td>10</td>
<td>53%</td>
</tr>
<tr>
<td>7th grade</td>
<td>Edwin Markham Middle School</td>
<td>2018-19</td>
<td>2</td>
<td>11%</td>
<td>2</td>
<td>11%</td>
<td>5</td>
<td>25%</td>
<td>7</td>
<td>38%</td>
<td>10</td>
<td>52%</td>
</tr>
<tr>
<td>8th grade</td>
<td>Edwin Markham Middle School</td>
<td>2018-19</td>
<td>3</td>
<td>23%</td>
<td>3</td>
<td>23%</td>
<td>4</td>
<td>33%</td>
<td>6</td>
<td>43%</td>
<td>7</td>
<td>54%</td>
</tr>
<tr>
<td>11th grade</td>
<td>Jordan High School</td>
<td>2018-19</td>
<td>2</td>
<td>29%</td>
<td>2</td>
<td>29%</td>
<td>3</td>
<td>38%</td>
<td>3</td>
<td>47%</td>
<td>4</td>
<td>56%</td>
</tr>
<tr>
<td>Percentage of target resident students who graduate from high school on time</td>
<td>Ed.Data</td>
<td></td>
<td>70%</td>
<td></td>
<td>70%</td>
<td></td>
<td>72%</td>
<td></td>
<td>74%</td>
<td></td>
<td>76%</td>
<td></td>
</tr>
<tr>
<td>Leverage Partner</td>
<td>Description</td>
<td></td>
<td></td>
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</tbody>
</table>
| **Boys and Girls Club of Metro LA (BGCMLA)** | • BGCMLA is designed to increase program offerings and serve some of the most vulnerable children in the neediest neighborhoods of Los Angeles. BGCMLA offers nationally recognized, research-based programs and activities in areas that focus on academic success, good character and citizenship and healthy lifestyles.  
• BGCMLA utilizes various tools to measure program success as provided through their larger home organization, Boys and Girls Clubs of America. By measuring how much Club kids and teens are achieving, they are able to determine how effectively the club experience is helping America's youth build great future. BGCMLA has reported that a 52% of 12th grade club members have expressed interest in a STEM career, compare with 27% of 12 graders nationally. They have also reported that 97% of club teens are expected to graduate from high school, and 76% of low-income club members ages 12-18 who attend regularly receive mostly A’s and B’s, compared to 67% of their peers nationally. |
| **BRIDGE Housing** | • BRIDGE is a development partner that manages more than 20,000 affordable housing units. BRIDGE provides supports and opportunities to residents via extensive programs, services, and community development strategies that enrich the lives of the residents and removes barriers to economic and social success.  
• BRIDGE has developed more than 18,000 homes and apartments in California, Oregon and Washington. BRIDGE is consistently ranked among the top affordable housing developers in the nation, and has built a track record of successful collaboration with all levels of government, market-rate developers, financial institutions and other non-profits. They have also received more than 180 local, national and international awards, including five ULI Global Awards for Excellence. |
| **Career Expansion Inc.** | • Career Expansion Inc provides economic opportunity for all by bridging the gap between education and the future workforce. They build direct pathways from high quality trainings to employment and career growth opportunities in areas like construction, utilities, energy, and safety industries.  
• Career Expansion Inc has successfully trained and certified hundreds of Los Angeles residents with a placement rate of 70% into all 23 unions recognized by the Los Angeles/Orange County Building and Construction Trades Council. |
| **Cedars Sinai Medical Center** | • Cedars Sinai Medical Center is a nonprofit academic healthcare organization that serves the diverse Los Angeles community through programs like COACH for Kids and Their Families. COACH is a mobile medical and case-management program that provides free primary and preventative healthcare services for low-income and medically underserviced children and their families.  
• Cedars-Sinai believes that patient satisfaction isn't based solely on diagnosis and treatment, but also on every interaction with the doctors, nurses and support staff. To ensure they provide the best care possible, they regularly survey patients to... |
| **Children’s Institute (CII)** | • CII is a multiservice organization whose mission is to transform the lives of children and their families who have been exposed to adversity and persistent poverty, family and community violence, and serious mental health needs. CII provides services in areas like early childhood education, behavioral health and family strengthening services.  
| | • CII has integrated a two-generation model of services that are based on a foundation of trauma-informed and evidence-based care. They have served over 30,000 children and family members, have had 11,633 professional training attendees, and served residents in 29 locations. CII has an internal Research and Evaluation Center which tracks the outcomes and outputs of its various programs. In addition, CII partners with external evaluators to measure the efficacy of a number of their programs. |
| **City of Los Angeles Mayor’s Office of Gang Reduction and Youth Development (GRYD)** | • GRYD is a comprehensive city-wide approach to reduce violent crimes and strengthen youth, family and community resiliency. GRYD’s preventative and intervention services work toward increasing the protective factors that help reduce the number of young people who join gangs, and provide case management services to gang-involved young people.  
| | • The Los Angeles Police Department’s city-wide approach to reduce violent crimes has effectively decreased crime and the following accomplishments by the GRYD program in 2018: Gang related violent crime in GRYD zones decreased by –10.1%, GRYD responded to 547 total violent incident, 70,469 hours of proactive peacekeeping by contracted intervention workers, and 3,618 Prevention and 2,872 Intervention clients were served. |
| **College Track** | • College Track empowers students from low-income communities to graduate from college. College Track’s 10-year program removes the barriers that prevent students from earning a college degree by providing comprehensive academic support, leadership training, financial and college advising and scholarships.  
| | • College Tracks highlights their successes through the accomplishments of their students. 50% of college students in their program have graduated with a four-year degree within six years, which is more than double the national average for low-income and first-generation students. College Track’s alumni report also revealed that 87% of their alumni are earning more than their parents after being out of college for 5 years. |
| **Crystal Stairs** | • Crystal Stairs is a Los Angeles based non-profit child care and development organization that works to promote programs that strengthen and assist families towards reaching self-efficiency and provides enriched lives for their young children. |
| Five Keys Schools and Programs | • With an emphasis on research and advocacy, Crystal Stairs works to improve the lives of families through quality early childhood education and child care services by providing comprehensive child development services for low-income children and their families.  

• Five Keys Schools and Programs are designed to meet residents where they are academically and provides opportunities to earn their high school diploma, study for their GED or improve their English Language Skills through ESL Classes.  

• The Five Keys model is based on the understanding that each student has different variables that may assist or distract them from making the progress to succeed. Five Keys works individually with each student to assist them in creating an Education Plan that will work based on their situation. Students meet with their teachers a minimum of once per week to review their progress, goals, and to discuss support services needed to succeed. Their 30% growth in the past three years to 100+ community learning centers shows the success they have found in supporting the communities in education. |
| Jordan Downs Community Partnership (JDCP) | • JDCP, a joint venture between The Michaels Organization (TMO) and BRIDGE Housing, is working to offer an array of social programs, services and community development to support the residents of Jordan Downs. TMO, in partnership with Better Tomorrows, provides service navigation, afterschool programming, health education programs like exercise and nutrition classes. |
| Los Angeles County Office of Education (LACOE) | • LACOE’s Head Start-Early Learning division takes priority in providing a healthy educational foundation in Early Childhood by providing services to strengthen early learning skills, prepare kids to get ready for school and literacy support for the benefit of the entire family’s health and well-being.  

• LACOE is the nation's largest regional education agency who supports and protects the education and well-being of LA county’s nearly 2 million children through an equity lens. They provide conscientious oversight of school district budgets to safeguard vital resources and public dollars because they believe protecting the districts fiscal health helps promote equitable access to a quality education. As a partner to Los Angeles County educators, LACOE brings resources, training and support to the 80 school districts that serve 1.4 million students in the region. |
| Los Angeles Police Department (LAPD) | • LAPD works to increase and enhance the safety, security and welfare of HACLA residents. LAPD offers a program called Safe Passages to help ensure students who walk to school get there safely without facing violence. Law enforcement, trained gang-interventionists and a network of leaders and parents work together to ensure students know the paths that will get them to school safely.  

• LAPD’s CSP program actively works toward eradicating the “gang lines” in the communities they serve by building relationships between law enforcement and the adjoining neighborhoods, schools and non-profit organizations that exist around the housing developments. Since the inception of the CSP, violent crimes
<table>
<thead>
<tr>
<th>Organization</th>
<th>Description</th>
</tr>
</thead>
</table>
| Managed Career Solutions (MCS)       | • MCS operates the Harbor-Watts Business Source Center and provides small business assistance training with an aim towards access to capital to small business owners and budding entrepreneurs.  
• MCS has been implementing programs that are designed to maximize positive outcomes by streamlining service-delivery models, applying a comprehensive system of metrics, and ensuring a responsive culture of service. By prioritizing their constituents, they ensure that they are actively listening to their concerns and developing solutions that addresses their needs. MCS, in their 26-year history, has managed City, County, state, federal and foundation contracting in a wide range of programs including Welfare-to-Work, Job Training Partnership ACT, Workforce Investment Act and more. |
| Martin Luther King Jr. Community Healthcare (MLKCH) | • MLKCH is a private, non-profit, safety-net hospital that provides medical and surgical care, labor and delivery, emergency services, and health education and outreach services. MLKCH also provides opportunities for community members to become advocates in their community through their Promotora program.  
• MLKCH was given the highest grade “A” for patient safety from the prestigious Leapfrog Group. The Leapfrog Hospital Safety Grade is a bi-annual evaluation of how well they protect their patients from errors, injuries, accidents and infections and the “A” rating is achieved by only one-third of hospitals nationwide. MLKCH also prioritizes patient satisfaction by ensuring that leadership teams are visiting patients often and observing the way the health team provides care. This allows them to learn more about their care process as well as what can be improved to help promote a culture of safety. |
| Operation Progress                   | • Operation Progress is a holistic and comprehensive mentoring and scholarship program offered in partnership with LAPD officers, local catholic schools and scholarship providers. Operation Progress transforms the lives of the scholars and sets them on paths to achievement using the Five Pillars of Success that focus on academics, life skills, health and wellness, service and support/safety.  
• Operation Progress lifts their community and shapes the future as they work with their scholars to develop skills, relationships, new mindsets, and the toolbox to transcend socio-economic conditions, serving as an example of success and resilience. OP has successfully enrolled 105 students into their program who spend around 400 hours per school year in the program. They currently have 48 LAPD/LASP officers mentoring students. Through this constant student engagement, they have reported 88% of their students as having a 3.0 GPA. |
| Partners for Children South L.A (PCSLA) | • PCSLA improves access to high-quality healthcare, early education and family supports for the youngest and most vulnerable children in South LA. Services include providing a peer-support group for young mothers, and service linkage and cross-agency care coordination for children ages 0-5 and their families.  
• PCSLA operates in a culture of transparent and collaborative leadership. They continuously build the capacity of each of their partners while strengthening the
ways in which they work together. Their programs and services also receive ongoing feedback and insights from an independent team of evaluators who are constantly collecting and assessing both qualitative and quantitative data to ensure program efficiency.

<table>
<thead>
<tr>
<th>Partnership for LA Schools (Partnership)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The Partnership is one of the largest, in-district public school transformation organizations in the United States. They are an independent non-profit organization that promotes change through an innovative transformation model: working with the Los Angeles Unified School District (LA Unified) under a Memorandum of Understanding. Their model relies on sustainable and scalable solutions that can be applied at schools beyond their 19 campuses to dramatically improve outcomes for all students.</td>
</tr>
<tr>
<td>• Partnership for LA Schools has seen significant gains in student achievement over the last decade. Most schools that have entered the partnership did so performing in the bottom 5% of schools in the state. Since entering the partnership, they have undergone significant transformation. Some of their successes includes investing in 160+ teacher leaders with comprehensive training and support, providing approximately 150 parents with training in community organizing and advocacy each year, reaching an 87% graduation rate with the baseline of 36%, 49% of students at one of their 5 schools being accepted into a 4-year college, and more.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Public Counsel</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Public Counsel is the largest <em>pro bono</em> law firm in the nation. They work with major law firms and corporations to change people's futures with a staff of 71 attorneys and 50 support staff - including five social workers - along with over 5,000 volunteer lawyers, law students and legal professionals assists over 30,000 children, youth, families, and community organizations every year. Public Counsel's activities are far-ranging and impact a wide spectrum of people who live at or below the poverty level. Volunteer attorneys have the opportunity to work on a variety of different projects-large and small, litigation and transactional matters. Our staff provides training, model pleadings and forms and consultations to volunteers.</td>
</tr>
<tr>
<td>• Public Counsel has been able to provide nearly $100 million in legal services from a budget of just over $15 million. This has been made possible because they leverage 70+ attorneys and 60+ staff through partnerships with some of the leading advocates and law firms in the country. Public Counsel has been able to right the wrongs inflicted upon more than 16,000 clients in just this past year. They have made this country a fairer and more compassionate place, especially for those who cannot afford counsel and who fear coming forward to protect their rights.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>R.O.C Era</th>
</tr>
</thead>
<tbody>
<tr>
<td>• ROC Era believes in the power of the people REGARDLESS OF COLOR. They advocate for oppressed communities and future generation. They meet a need for change, especially in underserved areas where children from the black and brown communities are being held back, lacking resources, and having fewer opportunities that other children have in this country. Their goal is to be that</td>
</tr>
<tr>
<td>Organization</td>
</tr>
<tr>
<td>--------------</td>
</tr>
<tr>
<td>ROC Era</td>
</tr>
<tr>
<td>South Central Los Angeles Regional Center (SCLARC)</td>
</tr>
<tr>
<td>St. John’s Well Child &amp; Family Center</td>
</tr>
<tr>
<td>USC Suzanne Dworak-Peck School of Social Work</td>
</tr>
<tr>
<td>Watts/LA WorkSource Center (WSC)</td>
</tr>
<tr>
<td>----------------------------------</td>
</tr>
<tr>
<td>• Watts/LA WSC is a one-stop shop for workforce services, providing a comprehensive range of no-cost employment and training services for employers and job seekers.</td>
</tr>
<tr>
<td>• The Watts/LA WSC has a significant number of their full-time staff co-located at Jordan Downs to administer the Jordan Downs Forward Section 3 hiring program. Through that program, 60% of Jordan Downs residents have been referred to trade unions. A total of 87% Jordan Downs residents were pre-screened and referred by Watts/LA WSC. 30% of the residents were hired by Smart &amp; Final and 50% of residents were referred to other Smart &amp; Final locations.</td>
</tr>
</tbody>
</table>
### General Jordan Downs Resident Interest Form

<table>
<thead>
<tr>
<th>Date:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Resident's Last Name</th>
<th>First Name</th>
<th>M.I.</th>
<th>DOB</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Resident's Preferred Name</th>
<th>Identified Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ Male □ Trans (M-F) □ Gender Non-conforming □ Female □ Trans (F-M) □ No Answer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>City, State</th>
<th>Zip Code</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Phone</th>
<th>Email</th>
<th>Alternate Phone</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Preferred Method of contact</th>
<th>Preferred Social Medium usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Phone □ Email □ Mail □ Text</td>
<td>□ Instagram □ Facebook □ Twitter □ Other</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Race</th>
<th>Ethnicity</th>
<th>Currently enrolled in school</th>
<th>Currently enrolled in job training program</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ White □ Black/African American □ Amer. Indian/Alaska Native □ Asian □ Native Hawaiian/ Other Pacific Islander □ Some other race □ Two or more races □ Don’t know □ Refuse to answer</td>
<td>□ Hispanic/Latino □ Not Hispanic □ Don’t know □ Refuse to answer</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Type</th>
<th>Internet in the home</th>
<th>Veteran Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Single Person □ Single Parent/Female □ Single Parent/Male □ Two Adults/No Children □ Two Parent Family</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Have a bank account?</th>
<th>Receive WIC services</th>
<th>Receive unemployment or SSI/SSDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary Language</th>
<th>Other Known Languages</th>
</tr>
</thead>
</table>

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60
<table>
<thead>
<tr>
<th>Do you have children living with you?</th>
<th>What are the ages of the children living with you?</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Yes</td>
<td>□ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Do you have health insurance?</th>
<th>Employment Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Yes</td>
<td>□ working full-time</td>
</tr>
<tr>
<td>□ No</td>
<td>□ working part-time</td>
</tr>
<tr>
<td></td>
<td>□ not working</td>
</tr>
<tr>
<td></td>
<td>□ disabled</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Are there specific services you would like assistance with?</th>
</tr>
</thead>
</table>

### Access/Linkage Interests (Check all that apply)

#### Housing
- Eviction Prevention/Advocacy
- Housing Infraction
- Housing Recertification
- Housing Stabilization
- Landlord/Tenant Mediation
- Relocation Support (on/off site)
- Rental Assistance
- Utility Assistance

#### Basic Support
- Baby Essentials
- Food
- Clothing
- Furniture/Household Items
- Technology Support
- Transportation

#### Economic Sufficiency
- Banking / Financial Literacy
- Business Development
- Financial Assistance/Supports
- Job Training
- Homeownership
- Unemployment Benefits

#### Education
- Adult Education / GED/HiSET
- College Prep./Enrollment
- Developmental Screening
- Early Childhood Services
- English as a Second Language
- Gang Prevention
- K-12 Education/Support
- Positive Youth Development
- Scholarship
- Vocational Classes

#### Health
- Physical, Dental, or Vision
- Mental Health
- Substance Treatment
- Health Insurance/Enrollment
- In-home Support Services
- Nutrition
- Pregnancy Resources/Support
- Prevention Activity

#### Legal & Supportive Services
- Community Advocacy
- Expungement/Seal Records
- Identification (ID)
- Immigration
- Law Enforcement/CSP
- Legal Assistance
- Parenting Classes
- Skill Development
- Social/Other Support Group

### PHQ-4

Over the last 2 weeks, how often have you been bothered by any of the following problems?  
(Use "✔️" to indicate your answer)
Over the last 2 weeks, how often have you been bothered by the following problems? (Use “✔” to indicate your answer)

<table>
<thead>
<tr>
<th>Problem</th>
<th>Not at all</th>
<th>Several days</th>
<th>More than half the days</th>
<th>Nearly every day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeling nervous, anxious or on edge</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Not being able to stop or control worrying</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Little interest or pleasure in doing things</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Feeling down, depressed, or hopeless</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

To be completed by staff only:

PHQ-4 Score: _____

Intake: □ Accepted □ Referred to: __________________________ Date of Referral: ___________

Completed By: _______________________________ Organization: _______________________________

Attachment D  Authorization for Release of Information for Care Coordination

Jordan Downs Care Management

Client Name: ____________________________ DOB: ___________

Name of Legal Guardian (if client is under 18): ____________________________ Relationship: ____________________________

Address: ____________________________

Phone #: ____________________________ Email (optional): ____________________________

I hereby authorize ____________________________________________________________ to disclose my personal case management information and/or records to the entities listed and checked below. I understand that PHI used or disclosed as a result of my signing this Authorization may not be further used or disclosed by the recipient unless such use or disclosure is specifically required or permitted by law. These records are protected by the California Welfare and Institution Code Section 5328. For purposes of this Authorization, my personal information includes personal demographic information, case management screening, intake, consent forms, client treatment (need to rephrase this document) planning documents, and all the provider has in possession regarding my care coordination (case management) services.
I understand that this information is used to support the coordination of case management services provided under the 2019 HACLA Choice Neighborhood Implementation grant for Jordan Down residents. These services are provided by several providers who coordinate efforts to ensure a seamless and no wrong door approach for Jordan residents. This includes making a referral to one of the listed organizations and sharing key documents for case management service planning purposes. Partners include: Children’s Institute (CII), El Nido, Better Tomorrows, Del Richardson & Associates. I understand that none of the information of records received or obtained under this Authorization may be re-leased to another agency outside of this agreement without prior written consent.

I authorize my personal information to the checked entities listed below.

☐ Children’s Institute (CII)
☐ El Nido
☐ Better Tomorrows
☐ Del Richardson & Associates

This authorization shall become effective ______________ and is subject to revocation by the undersigned at any time except to the extent that the action has already been taken. If not earlier revoked, this consent shall terminate on ___________. (Under no circumstances should the termination date exceed one year.)

YOUR RIGHTS WITH RESPECT TO THIS AUTHORIZATION:

☐ Right to Receive a Copy of This Authorization - I understand that if I agree to sign this Authorization, which I am not required to do, I must be provided with a signed copy of the form.
☐ Right to Revoke This Authorization - I understand that I have the right to revoke this Authorization at the bottom of this form.

I understand that I may revoke this Authorization by providing written notice of revocation and/or by returning to the provider to sign a form indicating revocation. The revocation will be effective immediately.

I understand that signing this form is voluntary and that I may refuse to sign this Authorization without affecting the commencement, continuation, or quality of my services by my current case management/service coordination/housing relocation provider.

I have had an opportunity to review and understand the content of this authorization form. By signing this authorization, I am confirming that it accurately reflects my wishes.
REVOCATION OF AUTHORIZATION

SIGNATURE OF CLIENT/LEGAL REPRESENTATIVE:

DATE: ______________________

Signature of Client/Personal Representative       Date
Attachment E  Governance Structure

Coalition Management

People Core Partners
- HACL
- BRIDGE Housing
- Childrens Institute
- The Michaelis Organization

Roles and Responsibilities
- Role Clarity
- Guide strategy execution
- Supports aligned action
  (keepers of the process)
- Establishes shared measurement
- Lead community engagement
- Advance policy for sustained change
- Mobilize resources
- Encourage and model joint planning
- Manage group conflict
- Coordinate resource development
- Ensures mutuality across and between partners

Strategic Planning + Goals Development

Mission + Vision + Values

Pace of Growth

Performance Management: Outputs and Outcomes

Process + Coalition Stewardship and Management

Service Stakeholders
- Better Tomorrows
- El Nido
- Relocation Consultant
- Partnership for LA Schools
- Community Safety Partnership (LAPD)
- JD Youth (16-24)
- JD Community Coaches
- JD RAC

Roles and Responsibilities
- Understand goals and the overall strategy
- Coordinate service delivery with other CNI partners
- Provide accurate and timely data reporting
- Coordinate outreach and community engagement
- Resource sharing to offset any capacity limitations
- Participate in joint planning
ATTACHMENT 3.

DRAFT MEMORANDUM OF UNDERSTANDING

BETWEEN HACLA AND THE CITY OF LOS ANGELES
CITY OF LOS ANGELES
MEMORANDUM OF UNDERSTANDING

COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)

Agreement No: 

Public Agency Partner: Housing Authority of the City of Los Angeles (HACLA)

Consolidated Plan Year: PY 2021- until end of CDBG entitlement

Catalog of Federal Domestic Assistance (CFDA): 14.218
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</tr>
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<td>5</td>
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<tr>
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<td>5</td>
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<tr>
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</tr>
<tr>
<td>§403 TERMINATION PROCESS</td>
<td>7</td>
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<tr>
<td>5. ENTIRE AGREEMENT</td>
<td>7</td>
</tr>
<tr>
<td>§501 COMPLETE AND INTEGRATED AGREEMENT</td>
<td>7</td>
</tr>
<tr>
<td>§502 NUMBER OF PAGES AND ATTACHMENTS</td>
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</tr>
<tr>
<td>6. SIGNATURE</td>
<td>8</td>
</tr>
</tbody>
</table>

**ATTACHMENT**

ATTACHMENT I  STANDARD PROVISIONS AND GRANT REQUIREMENTS

**APPENDIX**

APPENDIX I  ANNUAL CDBG COMPLIANCE PACKAGE
THIS Memorandum of Understanding (hereinafter referred to as "Agreement") is entered into between the City of Los Angeles, a municipal corporation ("City"), by and through the Los Angeles Housing + Community Investment Department ("HCIDLA"), and/or its successor, Community Investment for Families Department, hereinafter called the “CDBG Administrator”, and the Housing Authority of the City of Los Angeles ("HACLA"), a public body, corporate and politic.

RECITALS

WHEREAS, the City has entered into a Grant Agreement with the U. S. Department of Housing and Urban Development, hereafter called "HUD" or the "GRANTOR," pursuant to Title I of the Housing and Community Development Act of 1974, as amended, to address the needs of the City, and the Grantor has awarded Community Development Block Grant (CDBG) funds to the City for this purpose; and

WHEREAS, the CDBG Administrator has been designated by the City to provide for the proper planning, coordination, direction and management of the City's various community development activities; and

WHEREAS, the CDBG Administrator cooperates with private organizations, other agencies of the City and agencies of other governmental jurisdictions in carrying out certain functions and programs which are its responsibility; and

WHEREAS, the project or projects that is/are the subject of this Agreement, hereinafter called “Project(s),” has/have been funded through the Housing and Community Development Consolidated Plan (Consolidated Plan), as approved by the Mayor and City Council; and

WHEREAS, the Consolidated Plan as submitted by the CDBG Administrator to HUD, has been approved; and

WHEREAS, HACLA hereby acknowledges that the City and the CDBG Administrator, as the recipient of the HUD grant funds, have certain responsibilities regarding the administration of the grant funds; and

WHEREAS, the CDBG Administrator has determined that the administration of the Project could be more economically and feasibly performed by HACLA; and

WHEREAS, the Parties now wish to enter into this Agreement pursuant to which HACLA, has agreed to provide the services and operate the Project in accordance with and as set forth by this Agreement;

NOW, THEREFORE, the City and HACLA agree as follows:
1. **INTRODUCTION**

§101 PARTIES TO THE AGREEMENT

The parties to this Agreement are the City of Los Angeles, by and through the Los Angeles Housing + Community Investment Department, and its successor, Community Investment for Families Department, a municipal corporation, having its principal office at 1200 West Seventh Street, 9th Floor, Los Angeles, CA 90017 and the Housing Authority of the City of Los Angeles, a public body, corporate and politic, having its principal office at 2600 Wilshire Boulevard, Los Angeles, CA 90057. The representatives who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be forwarded are as follows:

A. CDBG Administrator, represented by:

   Abigail Marquez, General Manager
   Community Investment for Families Department
   1200 West 7th Street
   Los Angeles, CA 90017
   Email: Abigail.Marquez@lacity.org

   With copy to:

   Julie O’Leary, Chief Management Analyst
   Consolidated Planning Division
   Email: Julie.oleary@lacity.org

B. HACLA, represented by:

   Douglas Guthrie, President & Chief Executive Officer
   Housing Authority of the City of Los Angeles
   2600 Wilshire Boulevard
   Los Angeles, CA 90057
   Email: Douglas.Guthrie@hacla.org

   With copies to:

   Marlene Garza, Chief Administrative Officer
   Email: Marlene.Garza@hacla.org

   Jenny Scanlin, Chief Strategic Development Officer
   Email: Jenny.Scanlin@hacla.org

§102 SERVICE OF NOTICES

A. Formal notices, demands, and communications required by this Agreement to be given by either party shall be made in writing and may be delivered personally or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated as of the date of mailing.
B. If the name and/or address of the person designated to receive the notices, demands or communications changes, the affected party shall notify the other party in writing of the change in accordance with this section within five (5) days of the change.

§103 TERM OF THE AGREEMENT

A. The term of this Agreement shall be effective upon execution and will terminate until the date on which the City’s CDBG program ends and any additional time as necessary to closeout activities and achieve National Objective, provided that said term is subject to the provisions of this Agreement.

B. Performance shall not commence until HACLA has obtained the CDBG Administrator's approval of the required documents described in Attachment I -Standard Provisions and Grant Requirements, as further described in Section 106 of this Agreement, and in Appendix I - Annual CDBG Compliance Package as further described in Section 105 of this agreement, and is in receipt of those and/or other documents as described in this Agreement.

§104 AMENDMENTS

Either party may request an amendment to this Agreement. Amendments to this Agreement must be in writing and properly executed by both the CDBG Administrator and HACLA. No verbal agreement or conversation with any employee of either party shall affect or modify any terms and conditions of this Agreement.

HACLA agrees to comply with all future CDBG Administrator directives and any rules, amendments or requirements promulgated by the CDBG Administrator affecting this Agreement, provided reasonable notice is provided by the CDBG Administrator to HACLA.

§105 ANNUAL CDBG COMPLIANCE PACKAGE

The Annual CDBG Compliance Package hereinafter referred to as Appendix I -Annual CDBG Compliance Package, from time to time also referred to as Appendix I, consists of the following documents:

1. Project Eligibility Proposal (PEP)
2. Performance Goals
3. Project Activity Budget
4. City Department Compliance Plan
5. City of Los Angeles CDBG Performance Evaluation Policy and Procedures

These documents are Incorporated by reference and made a part of this Agreement. These documents may be renewed on an annual basis and may be revised or updated with the approval of the General Manager of the CDBG Administrator and HACLA.

§106 STANDARD PROVISIONS AND GRANT REQUIREMENTS

The Standard Provisions and Grant Requirements hereinafter referred to as Attachment I - Standard Provisions and Grant Requirements are incorporated by reference and made part of this Agreement. It consists of the following documents:
1. Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion
   Lower Tier Covered Transactions
2. Certification Regarding Lobbying
3. Real Property Legal Description (If Applicable)
4. Contract and Subcontract Activity (HUD-2516)
5. Semi-Annual Labor Standards Enforcement Report - Local Contracting Agencies -
   (HUD-60002), if applicable
6. Section 3 Summary Report (HUD-60002), if applicable

2. DUTIES AND REQUIREMENTS OF HACLA

§201 RESPONSIBILITIES

HACLA shall ensure that the Program activities are implemented in accordance with the
policies of this Agreement, the rules and regulations of the CDGB, HUD, the State of California,
and contract policies as approved by the Los Angeles City Council and the Mayor as detailed in
Attachment I and incorporated herein by this reference. HACLA shall comply with all Federal,
State and City directives, information bulletins, Information notices, and/or other written
communication provided to HACLA relative to this program.

§202 PROJECT ELIGIBILITY AND NATIONAL OBJECTIVE

Based on the Project Eligibility Proposal (PEP), included in Appendix I - Annual CDBG
Compliance Package, as submitted by HACLA for the funded project(s), the CDBG Administrator
will have determined that the Project meets both a HUD National Objective and HUD Eligibility
criteria.

§203 STATEMENT OF WORK

The Statement of Work is a description of the services to be provided by HACLA. The
CDBG Administrator-approved Appendix I - Annual CDBG Compliance Package includes the
CDBG Project Eligibility Proposal form which contains the Project Description. The Project
Description shall be supported by Performance Goals and a Project/Activity Budget also
contained in Appendix I - Annual CDBG Compliance Package. Should HACLA determine a need
to alter the services described, the performance goals or the budget, the CDBG Administrator
approval must be requested in writing. The approval must be received from the CDBG
Administrator in writing before any change is implemented and may require City Council action
and an amendment to the PEP and/or Agreement.

§204 COMPLIANCE WITH CDBG REQUIREMENTS

The CDBG Administrator will monitor HACLA for compliance with CDBG regulations, in
accordance with Appendix I - Attachment 4 - Compliance Plan, where applicable. HACLA shall
cooperate with the CDBG Administrator in its monitoring efforts and shall give the CDBG
Administrator prompt access to HACLA records and documents that pertain to CDBG funded
activities. HACLA shall also cooperate with and assist the CDBG Administrator in its reporting
requirements to HUD by promptly responding to requests for information and documentation
by the CDBG Administrator and promptly providing any such Information and documentation.
Further, HACLA shall promptly pursue corrective action as may be instructed by the CDBG
Administrator to ensure compliance with all applicable regulations.
In the event that HACLA subcontracts any of the services identified in the Appendix I - Attachment I - CDBG Project Eligibility Proposal (PEP) form, such services must be monitored in accordance with the Appendix I - Attachment 3 - Project/Activity Budget.

A. All CDBG funded entities shall:

1. Oversee and monitor all Project activities of contractors.
2. Safeguard and manage all funds paid to HACLA including those issued for payment to contractors.
3. Comply with administrative directives and bulletins issued by the CDBG Administrator.
4. Submit reports to the CDBG Administrator that identify their expenditures and progress in meeting the objectives of their funded activity.
5. Be prepared to present the status of the Project's progress in meeting the objectives of their funded activity, upon request.

B. Reporting Requirements

HACLA shall submit quarterly status reports to the CDBG Administrator in accordance with instructions provided via CDBG Information Bulletins and Directives and/or other similar forms, in accordance with Attachment I.

C. Fiscal Monitoring Requirements

HACLA is responsible for fiscal oversight of its contractor(s) and subcontractor(s). HACLA shall conduct fiscal review, as appropriate for the Project(s). Fiscal review shall include but not be limited to site verification of time sheets, payroll registers, vendor invoices, canceled checks, and other documents deemed necessary to support claims for reimbursement.

D. Performance Evaluation Policy and Procedures

HACLA shall comply with the Appendix I - Attachment 5 - CDBG Performance Evaluation Policy and Procedures which evaluate the Project or activity against the performance goals identified in the Annual CDBG Compliance Package.

§205 TECHNICAL ASSISTANCE

Should HACLA need technical assistance from the CDBG Administrator regarding matters that are the subject of this Agreement, HACLA shall submit a written request to the CDBG Administrator identifying the nature of the problem, the action HACLA has taken to resolve the problem, and the type of assistance needed.

3. COMPENSATION

§301 COMPENSATION FOR SERVICES/PROJECT(S)

A. Compensation

The CDBG Administrator shall fund HACLA a total amount as described in the Project Eligibility Proposal, Exhibit 3 - Project/Activity Budget of Appendix I -
Annual CDBG Compliance Package, for the complete and satisfactory performance of the terms of this Agreement HACLA’s authority to expend these funds shall be for specific time periods as set forth in this Agreement. HACLA’s right to receive compensation is conditioned upon satisfactory performance and compliance with this Agreement.

In no event shall the final expenditures for the period specified herein exceed the total compensation set forth above except as provided for by an approved revision to Appendix I - Exhibit 1 – CDBG Project Eligibility Proposal form.

B. Reimbursement

Reimbursement for expenses incurred in the performance of this Agreement shall be made only upon acceptance by the CDBG Administrator of HACLA’s invoice and supporting documentation as described in, but not limited to, Attachment I A-7 Reporting Requirements and A-11 Documentation of Expenditures and Reimbursements of this Agreement.

C. Documentation of Expenditures

Expenditures shall be supported by properly executed payrolls, time records, invoices, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. Checks, payrolls, invoices, vouchers, orders, or other accounting documents shall be clearly identified and readily accessible. Undocumented expenditures shall not be paid under this Agreement.

D. Funding of Agreement

Funding for all periods of this Agreement is subject to the continuing availability of federal funds for this Project to the City. This Agreement may be terminated immediately upon written notice to HACLA of a loss or reduction of grant funds.

4. REMEDIES

§401 NOTICE TO CORRECT PERFORMANCE

A. The CDBG Administrator may notify HACLA of its failure to comply with the terms and conditions of this Agreement by giving written notice, effective upon date of such notice, which states the specific performance deficiencies to be corrected.

B. Within five (5) working days, HACLA shall reply in writing setting forth the corrective actions that will be undertaken to remedy the performance deficiencies, which actions are subject to the CDBG.

C. HACLA shall thereafter submit monthly progress reports to the CDBG Administrator in accordance with the CDBG Administrator’s approved corrective action plan specifying the actions taken and resolution of the performance deficiencies.
§402 SUSPENSION OF THE AGREEMENT

A. The CDBG Administrator may, by giving written notice, suspend all or part of the Project operations for HACLA’s failure to comply with the terms and conditions of this Agreement. This Notice of Suspension shall be effective upon the date of the CDBG Administrator’s written notice.

B. This notice shall set forth the specific conditions of noncompliance and the period provided for corrective action.

C. Within five (5) working days from the date of the CDBG Administrator’s written notification, HACLA shall reply in writing setting forth the corrective actions which will be undertaken, subject to the CDBG Administrator’s written approval.

§403 TERMINATION PROCESS

A. HACLA shall retain and dispose of all documents and records related to this Agreement, in accordance with the CDBG Administrator Directives or written instructions provided to HACLA.

B. HACLA shall return to the CDBG Administrator equipment that was purchased with grant funds in excess of $5,000 of value, pursuant to this Agreement.

C. Upon satisfactory completion and documentation of termination activities, the CDBG Administrator shall determine the total amount of funds earned by HACLA.

D. The CDBG Administrator may withhold any payments due to HACLA after notice of termination has been issued, for the purpose of set-aside, until the exact amount of unearned dollars due to HACLA is determined.

E. Subsections A, B, C and D above shall also apply to termination of this Agreement upon the date specified in §103 hereinabove, or upon completion of performance under this Agreement.

5. ENTIRE AGREEMENT

§501 COMPLETE AND INTEGRATED AGREEMENT

This Agreement contains the full, complete and integrated Agreement between the two parties. No verbal agreement or conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement. Except as amended, all terms and conditions shall remain in full force and effect. The provisions of this Agreement that impose an on-going duty shall survive beyond the termination or expiration of the Agreement.

§502 NUMBER OF PAGES AND ATTACHMENTS

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes eight (8) pages, one (1) Attachment - Standard Provisions and Grant Requirements, and one (1) Appendix - Annual CDBG Compliance Package that constitute the entire understanding and agreement of the parties.
6. **SIGNATURE**

IN WITNESS WHEREOF, the Community Investment for Families Department, on behalf of the City of Los Angeles, the Housing Authority of City of Los Angeles have caused this Agreement to be executed by their duly authorized representatives.

____________________________________________
DOUGLAS GUTHRIE  
President & Chief Executive Officer  
Housing Authority of the City of Los Angeles  
Executed this _______________ day of _______________, 2021

____________________________________________
ABIGAIL MARQUEZ  
General Manager  
Community Investment for Families Department  
Executed this _______________ day of _______________, 2021
SECTION

A-1 INSURANCE
A-2 CONFLICT OF INTEREST
A-3 COMPLIANCE WITH STATE AND FEDERAL STATUTES AND REGULATIONS
A-4 INVENTIONS, PATENTS AND COPYRIGHTS
A-5 RETURN OF PROGRAM INCOME
A-6 RETURN OF ENEXPENDED FUNDS AND CLOSEOUTS
A-7 REPORTING REQUIREMENTS
A-8 RETENTION AND MAINTENANCE OF RECORDS
A-9 EQUIPMENT RECORDS
A-10 DOCUMENTATION OF EXPENDITURES AND REIMBURSEMENT
A-11 CONFIDENTIALITY OF INFORMATION
A-12 SECURITY CLEARANCE AND TUBERCULOSIS TEST OF STAFF AND VOLUNTEERS
A-13 MANAGEMENT INFORMATION SYSTEM RECORDS AND REPORTS
A-14 INSTALLATION OF FINANCIAL AID SIGN
A-15 EMPLOYMENT OPPORTUNITIES FOR LOW INCOME PERSONS AND SMALL BUSINESSES
A-16 FAITH-BASED ACTIVITIES
A-17 PROGRAM INCOME
A-18 REVERSION OF ASSETS
A-19 CONTRACTS AND SUBCONTRACTS
A-20 CONDITIONS PRECEDENT TO THE EXECUTION OF THE AGREEMENT WITH THE DEPARTMENT’S CONTRACTOR(S)
A-21 RESTRICTIONS ON DISBURSEMENTS
A-22 PARTICIPATION OF SMALL, MINORITY AND WOMEN’S BUSINESS

EXHIBITS

EXHIBIT A CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS
EXHIBIT B CERTIFICATION REGARDING LOBBYING
EXHIBIT C REAL PROPERTY LEGAL DESCRIPTION
EXHIBIT D CONTRACT AND SUBCONTRACT ACTIVITY (HUD-2516)
EXHIBIT E SEMI-ANNUAL LABOR STANDARDS ENFORCEMENT REPORT– LOCAL CONTRACTING AGENCIES (HUD-4710)
EXHIBIT F SECTION 3 SUMMARY REPORT (HUD-60002)

A-1. INSURANCE

During the term of this Agreement the Department shall require its contractor(s) to provide and maintain a program of insurance having coverage and limits in the amounts and types listed on the Required Insurance and Minimum Limits Sheet (Form Gen. 146). Such insurance shall conform to City requirements established by Charter, ordinance or policy, shall comply with instructions set forth on the City of Los Angeles—Instructions And Information On Complying With City Insurance Requirements (Revised 10/09) document, and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. Specifically, such insurance shall: 1) protect City as an Insured or an Additional Interest Party, or a Loss Payee As Its Interest May Appear, respectively, when such status is appropriate and available depending on the nature of applicable coverage; 2) provide City at least thirty (30) days advance written notice of cancellation, material reduction in coverage or reduction in limits when such change is made at option of the insurer; 3) be primary with respect to City’s insurance plan.
Track4LA™ is the City's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used primarily by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the ACORD 25 Certificate of Liability Insurance in electronic format. Track4LA™ can be accessed at http://track4la.lacity.org. Additional instructions and information on complying with City of Los Angeles insurance requirements can be found at http://cao.lacity.org/risk/Submitting_proof_of_Insurance.pdf.

A-2. CONFLICT OF INTEREST

No City-funded Employees as Board Members

The Department shall not execute any Agreements and/or Amendments with contractors where an employee (an individual who is paid or receives any financial benefit from funds from the Agreement with the City), is a member of the Board of Directors. The Board minutes must reflect this requirement.

Code of Conduct

The Department shall require contractors/subcontractors to comply with the following conflict of interest requirements:

Conflict of Interest

A. Prior to obtaining the City's approval of any subcontract, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

B. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administrating any subcontract supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq., if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

C. Definitions:

1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.
2. The term "financial or other interest" includes but is not limited to:
   a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
   b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock;
employment in a managerial capacity; or membership on the board of directors or governing body.

3. A subcontract is any agreement entered into by Contractor for the purchase of goods or services with any funds provided by this Agreement.

D. Minutes of Board Meetings must reflect disclosure of transactions where Board Members may have had a direct or indirect interest/benefit in the action.

E. No director, officer, employee (or agent) of the Contractor may be on the Board of Directors if they receive any financial benefit provided by any City Agreement.

F. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).

G. The Contractor shall not subcontract with a former director, officer, or employee within a one-year period following the termination of the relationship between said person and the Contractor.

H. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.

I. The Contractor warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.

J. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this Project during his/her tenure as such employee, member or officer or for one year thereafter.

K. The Contractor shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this Project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".

L. The Contractor warrants that it has adopted and shall comply with the Code of Conduct, as approved by the City that meets the foregoing requirements.

A-3. COMPLIANCE WITH STATE AND FEDERAL STATUTES AND REGULATIONS

The Department shall comply and shall also require its contractor(s) to comply with all applicable statutes, rules, regulations, and orders of the United States, the State of California, the County and City of Los Angeles. Failure to comply with any of the following provisions may result in suspension, termination or reduction of grant funds, and repayment by the Department and/or its contractor of any unlawful expenditures. The Department and its contractor(s) shall also comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. The Department and/or its contractor(s) shall comply as follows:

A. Statutes and Regulations Applicable To All Grant Contracts

The Department/contractor shall comply with all applicable requirements of State, Federal, County and City of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies, and any other requirements governing this Agreement. The Department/contractor shall comply with state and federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. The Department/contractor shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Office of Management and Budget (OMB) Circulars or Successor Regulations (2CFR200)
The Department/contractor shall comply with OMB Circulars, as applicable: OMB Circular A-21 (Cost Principles for Educational Institutions); OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments); OMB Circular A-102 (Grants and Cooperative Agreements with State and Local Governments); Common Rule, Subpart C for public agencies or 2 CFR 215 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations); OMB Circular A-122 (Cost Principles for Non-Profit Organizations); OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations, or 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

2. Single Audit Act

The Department/contractor shall adhere to the rules and regulations of the Single Audit Act, 31 USC Sec. 7501 et seq.; City Council action dated February 4, 1987 (C.F. No. 84-2259-S1); and any administrative regulation or field memos implementing the Act.

3. Americans with Disabilities Act

In implementing this Agreement, The Department, contractor(s) and subcontractor(s) represents and certifies that it will:


B. Not discriminate in the provision of its programs, services or activities on the basis of disability or on the basis of a person’s relationship to, or association with, a person who has a disability.

C. Provide reasonable accommodation upon request to ensure equal access to all of its programs, services and activities.

The Department, contractor(s) and subcontractor(s) represents and certifies that any construction for housing performed with funds provided through this Agreement will be done in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 CFR, Part 40.

The Department, contractor(s) and subcontractor(s) represents and certifies that its buildings, and facilities used to provide services in accordance with this Agreement, are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The Department, contractor(s) and subcontractor(s) understands that the City is relying upon these certifications and representations as a condition to funding this Agreement.

4. Political and Sectarian Activity Prohibited

None of the funds, materials, property, or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

If this Agreement provides for more than $100,000 in grant funds or more than $150,000 in loan funds, the Department shall require its Contractor(s) to submit to the City a Certification Regarding Lobbying and a Disclosure Form, if required, in accordance with 31 USC 1352. A copy of the Certificate is attached hereto as Exhibit B. No funds will be released to Contractor until the Certification is filed.
The Department shall require that its contractor(s) file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by Contractor. Contractor shall require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors shall certify and disclose accordingly.

5. Records Inspection

At any time during normal business hours and as often as the City/CDBG Administrator, HUD, the U.S. Comptroller General and the Auditor General of the State of California, through any authorized representative, may deem necessary, both the Department and its contractor(s) shall make available for examination all of its records, paper or electronic, with respect to all matters covered by this Agreement. The City/CDBG Administrator, HUD, the U.S. Comptroller General, and the Auditor General of the State of California, through any authorized representative, shall have the authority to audit, examine, and make excerpts or transcripts from records, including all Department and contractor invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

6. Records Maintenance

Records, in their original form, shall be maintained in accordance with requirements prescribed by the CDBG Administrator with respect to all matters covered on file for all documents specified in this Agreement. Original forms are to be maintained on file for all documents specified in this agreement. Such records shall be retained for a period of five (5) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The CDBG Administrator may, at its discretion, take possession of, retain, and audit said records. Records, in their original form pertaining to matters covered by this Agreement, shall at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the CDBG Administrator.

7. Contracts, Subcontracts and Procurement

The Department/contractor shall comply with the federal and City/ CDBG Administrator standards in the award of any contracts/subcontracts. For purposes of this Agreement, contracts and subcontracts shall include but not be limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction contracts.

The Department shall require its contractor(s) to ensure that the terms of this Agreement with CDBG Administrator are incorporated into all subcontractor agreements. The Department shall withhold funds to any contractor agency that fails to comply with the terms and conditions of this Agreement and their respective contractor agreement.

The Department and its contractor(s) shall conduct procurement in a manner that provides for full and open competition. The Department and its contractor(s) shall perform a cost or price analysis in connection with every procurement action, including contract modifications, to determine that the expenditure is reasonable. When any purchase is made, it can only be for an allowable cost. Invitations for bids shall clearly set forth all requirements that the bidder must fulfill in order for his bid to be evaluated by the grantee. Specific procurement requirements and procedures are set forth in 24 CFR §85.36, 24 CFR §84.44, 2 CFR Part 200, and Los Angeles City Charter §§371 and 372. The Department shall consult with CDBG Administrator prior to any procurement action or funding release to ensure compliance with the federal grant requirements.

8. Labor
The Department/contractor shall comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration (5 C.F.R. 900, Subpart F).

The Department/contractor shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7) and as supplemented by Department of Labor regulations (29 CFR part 5); the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874) and as supplemented by Department of Labor regulations (29 CFR part 3); and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) and as supplemented by Department of Labor regulations (29 CFR part 5).

The Department/contractor shall comply with the Federal Fair Labor Standards Act (29 USC § 201) regarding wages and hours of employment.

None of the funds shall be used to promote or deter union/labor organizing activities. CA Gov't Code Sec. 16645 et seq.

The Department/contractor shall comply with the Hatch Act (5 USC §§1501-1508 and 7324-7328).

The Department/contractor shall comply with the provisions of Article 3, Chapter 1, Part 7, Division 2 of the Labor Code of California, the California Child Labor Laws and all other applicable statutes, ordinances, and regulations relative to employment, wages, hours of labor and industrial safety.

9. Civil Rights

The Department/contractor shall comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352, 42 U.S.C. §2000d, and implementing regulations) which prohibits discrimination on the basis of race, color, or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794, 45 CFR, Part 84), which prohibits discrimination on the basis of handicaps; (d) The Age Discrimination act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) which may apply to the application; (k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance; (l) Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. 2000e); (m) the Americans with Disabilities Act, 42 USC §12101 et seq., and the Americans with Disabilities Act Amendments Act, Pub.L. 110-110-325; and (n) the Genetic Information Nondiscrimination Act of 2008 (GINA) P.L. 110-233.

10. Environmental

The Department/contractor shall comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a
result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

The Department/contractor shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523) and the California Safe Drinking Water and Toxic Enforcement Act of 1986; (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205); (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234); and (j) Section 508 of the Clean Water Act (33 U.S.C. 1360).

The Department/contractor shall comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Department/contractor shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4822 et seq.) that prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

The Department/contractor shall comply with the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.) that restores and maintains the chemical, physical and biological integrity of the Nation’s waters.

The Department/contractor shall ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of this project are not listed in the Environmental Protection Agency’s (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA. Department/contractor shall comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

11. Preservation

The Department/contractor shall comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

12. Suspension and Debarment

The Department shall require its contractor(s) to comply with Federal Register, Volume 68, Number 228, regarding Suspension and Debarment, and contractor shall submit a Certification Regarding Debarment required by Executive Orders 12459 and 12689, and any amendment thereto. Said Certification shall be submitted to the Department concurrent with the execution of a contract under this Agreement and shall certify that neither contractor nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department head or agency. The Department shall require its contractor(s) to include the language of this Certification shown in Exhibit A in all subcontracts and that all subcontractors certify accordingly.

13. Drug-Free Workplace

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14. **Animal Welfare**

The Department/contractor shall comply with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 USC §§2131 et. seq.)

15. **The Department/contractor shall assure, pursuant to the Consolidated Appropriations Act of 2008 (P.L. 110-161) grant funds must not be used in contravention of the federal buildings performance and reporting requirements of Executive Order No. 13123, part 3 of title V of the National Energy Conservation Policy Act (42 USC 8251 et Seq.) or subtitle A of title I of the Energy Policy Act of 2005 (including the amendments made thereby), nor shall grant funds be used in contravention of section 303 of the Energy Policy Act of 1992 (42 USC 13212).**

16. **The Department/contractor must comply with Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State and local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees, and contracts. The law does not apply to children’s services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment.**

The Department/contractor further agrees that the above language will be included in any subcontracts that contain provisions for children’s services and that all subcontractors shall certify compliance accordingly.

17. **The Department/contractor shall assure, pursuant to Public Law 103-333, §507, to the extent practicable, that all equipment and products purchased with funds made available under this Agreement shall be American made.**

18. **The Department/contractor shall administer this Agreement in accordance with OMB requirements contained in the following Circulars: Common Rule, Subpart C, for public agencies, or 2 CFR 215 for nonprofit organizations.**

19. **The Department shall require its contractor(s) to acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the City under the False Claims Act (Cal. Gov. Code §§12650 et seq.), including treble damages, costs of legal actions to recover payments, and civil penalties of up to Ten Thousand Dollars ($10,000) per false claim.**

20. **Relocation**

If relocation is required, the costs of such relocation may be paid from the funds provided through this Agreement. Department/contractor is required to provide full benefits, including advisory services, moving expenses and replacement housing as specified in Uniform Relocation Assistance and Real Property Acquisitions Policies Act and HUD Handbook 1378. The Department/contractor shall assist tenants in filing claims using the HUD claim form and will attach supporting documents to each claim form (lease agreements or hotel receipts and utility bills, proof of income where required). The Department/contractor shall file a report monthly on the status of the move and the payments. The Department/contractor will maintain files on each tenant and will make them available to CDBG Administrator or HUD staff upon request. Relocation and property acquisition shall be conducted in compliance with pertinent federal, state and local requirements including the Federal Acquisition Regulation (Title 48 Code of Federal Regulations).
B. Statutes and Regulations Applicable to this Grant Agreement:

1. Community Development Block Grant Program

Department/contractor shall comply with all federal statutes and regulations pertaining to the Community Development Block Grant program, including, but not limited to 42 U.S.C. §5301 et seq., 24 CFR Parts 84, 85, and 570, 2 CFR Part 200.

2. Asbestos and Lead-Based Paint:

Laws and regulations pertaining to abatement of asbestos containing materials (ACM) and lead-based paint (LBP) including insuring that all personnel involved in the abatement of removal process of all ACM and LBP will wear the necessary, legally required protective clothing and respiratory gear.

3. Archaeological Sites:

If archaeological sites are determined to be located in the vicinity of the project which is the subject of this agreement, a halt work condition is required to allow a state certified archaeologist to assess findings and all work to continue in non-archaeological areas.

4. Equal Employment Opportunity

Compliance with Executive Order 11246, “Equal Employment Opportunity, as amended by Executive Order 11375, and as supplemented by Department of Labor Regulations (41 CFR part 60).


6. Equal Access to HUD-Assisted or Insured Housing

   a. Eligibility for HUD-Assisted or Insured Housing

   A determination of eligibility for housing that is assisted by HUD or subject to a mortgage insured by the Federal Housing Administration (FHA) shall be made in accordance with the eligibility requirements provided for such program by HUD, and such housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status. The terms “sexual orientation” and “gender identity” are defined in 24 CFR §5.100

   b. Prohibition of Inquiries on Sexual Orientation or Gender Identity

   No owner or administrator of HUD-assisted or HUD-insured housing, approved lender in an FHA mortgage insurance program, nor any (or any other) recipient or subrecipient of HUD funds may inquire about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing or housing whose financing is insured by HUD, whether renter- or owner-occupied, for the purpose of determining eligibility for the housing or otherwise making housing available.

   This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit an individual from voluntarily self-identifying sexual orientation or gender identity. This prohibition on inquiries does not prohibit lawful inquiries of an applicant or occupant’s sex where the housing provided or to be provided to the individual is temporary, emergency shelter that involves the sharing of sleeping areas or bathrooms, or inquiries made for the purpose of determining the number of bedrooms to which a household may be entitled. The term “household” is defined in 24 CFR §570.3.
A-4. INVENTIONS, PATENTS AND COPYRIGHTS

A. Inventions and Discoveries

1. Reporting Procedure

If any invention or discovery conceived and/or reduced to practice, whether patentable or not under U.S. patent law, is produced or made during performance of this Agreement (“Invention”) including, without limitation, processes and business methods, the Contractor shall promptly report the Invention to the CITY and keep the Invention confidential until directed otherwise by the CITY. The CITY shall then report the Invention to the Grantor. Contractor further agrees to oblige by all applicable provisions under the Bayh-Dole Act, as codified in 35 U.S.C. §§ 200-212 and augmented by relevant laws including 37 C.F.R. § 401.

2. Allocation of Patent Rights

The rights in the Invention, including rights under any patent issued thereon, will be determined in accordance with 37 CFR §401.

B. Copyright Policy

1. The Grantor shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement. Contractor shall comply with 24 CFR 85.34.

C. Rights to Data

1. The Grantor and the City shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. “Unlimited rights” means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so as required by 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the Grantor acquires the data under a copyright license as set forth in 48 CFR 27.404(f)(2) instead of unlimited rights (48 CFR 27.404 (a)).

2. Obligations Binding on Contractors/Subcontractors: The Department shall require all Contractors to comply with the obligations of this section 405 and also require its subcontractors to comply by incorporating the terms of this section into all subcontracts.

A-5. RETURN OF PROGRAM INCOME

The Department shall, within forty-five (45) days of the expiration of this Agreement, transmit to the CDBG Administrator any, and all, program income directly generated by funds provided by the Agreement. The CDBG Program Income is defined in 24 CFR 85.25 and 24 CFR 570.500. Any program income on hand when this Agreement expires, or received after the Agreement expiration, shall be paid as required by 24 CFR 85.25 and 24 CFR 570.503(b)(7), 24 CFR 570.504 and 24 CFR 570.505.

A-6. RETURN OF UNEXPENDED FUNDS AND CLOSEOUTS

A. Upon completion or termination of this Agreement any unexpended funds, whether advances, interest earned on advances or unearned funds, shall be immediately returned to CDBG Administrator, in no event later than forty five (45) days after completion or termination.

B. The Department shall submit a complete and accurate final closeout invoice of costs and reimbursements for services performed under this Agreement to the CDBG Administrator within forty-five (45) days following the termination or completion of this Agreement. Failure to comply with this forty-five (45) day requirement may result in a unilateral close-out of this Agreement by the CDBG Administrator based on previous invoices filed with CDBG.
Administrator, and/or the imposition of sanctions as specified herein. Requests for payment after the 45 days shall not be paid by the CDBG Administrator.

A-7. REPORTING REQUIREMENTS

A. General Reporting: The Department shall furnish to the CDBG Administrator at the times and on the forms and formats, electronically or manually, as CDBG Administrator may require all records, reports, data and information pertaining to matters covered by this Agreement.

B. Program Reporting: The Department shall submit to the CDBG Administrator the following program reports as identified below. The Department shall submit to CDBG Administrator all required documents in accordance with all CDBG Administrator procedures and directives, which are incorporated herein by reference.

1. Monthly Fiscal Report

   The Department shall submit monthly fiscal reports as prescribed by the CDBG Administrator that identify their expenditures and progress in meeting the objectives of their funded activity.

2. HUD Report

   The Department shall provide performance reports and status updates at least once a year on the forms and formats to be determined by CDBG Administrator. The Department shall also submit to the CDBG Administrator the following HUD reports in accordance with 24 CFR Part 135 as identified below:

   a. Contract and Subcontract Activity Report – Due on or before November 30 each year for all projects. Form HUD-2516 is attached hereto as Exhibit D.

   b. Semi-Annual Labor Standards Enforcement Report – Local Contracting Agencies – Due on or before April 1 and October 1 each year for construction, rehabilitation, public works, and other similar projects. Form HUD-4710 is attached hereto as Exhibit E.

   c. Section 3 Summary Report – Due on or before April 15 each year for construction, rehabilitation, public works, and other similar Projects for any contractor(s) and subcontractor(s) paid more than $100,000 per Project. Form HUD-60002 is attached hereto as Exhibit F.

3. Closeout Report

   a. Within 45 calendar days following the termination of this Agreement if requested, the Department shall submit to the CDBG Administrator, on forms provided by the CDBG Administrator, a complete and accurate final closeout invoice including accruals of allowable expenditures and a remittance for all unearned grant funds as identified in the close-out. Final requests to modify Project Budget shall be submitted to the CDBG Administrator before final closeout. By submission of the closeout invoice, the Department certifies that: i) Costs reported and payments requested are valid and consistent with the terms of the Agreement; and, ii) Cash payments received from the CDBG Administrator shall be used to pay only for expenditures reported in the final closeout invoices. Costs reported are subject to the CDBG Administrator verification.

   b. In the event that the Department does not submit a final closeout or other required documentation within the prescribed time frame, the CDBG Administrator reserves the right to unilaterally closeout the Agreement and use the invoice then on file at the CDBG Administrator for determination of the Department’s final allowable expenditures. The CDBG Administrator will not reimburse the Department for expenditures reported after the 45-day closeout date following the termination of this Agreement.
A-8. RETENTION AND MAINTENANCE OF RECORDS

A. Record Retention

Records, in their original form, shall be maintained in accordance with requirements prescribed by the Grantor and the City with respect to all matters covered by this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Unaltered copies of eligibility documents are acceptable. These records shall be retained for a period of five years after termination of this Agreement and after final disposition of all pending matters. Pending matters include, but are not limited to, an audit, litigation, or other actions involving records. The CDBG Administrator may, at its discretion, take possession of and retain the records. Before destruction of records retained under this Agreement, the Department shall notify the CDBG Administrator and request instructions on disposition of the records.

B. Records Maintenance

To ensure compliance with CDBG regulations, the Department shall establish and maintain all records as set forth in 24 CFR 570.506 to demonstrate that each activity undertaken as part of the Project meets the national objective identified in the Agreement. Further, the Department shall ensure that its subcontractors comply with such recordkeeping requirements. The Department shall cooperate with and assist the CDBG Administrator in meeting its reporting requirements to HUD by promptly responding to all requests for information and documentation by the CDBG Administrator and promptly providing such information and documentation.

C. Location of Records: Records (including, but not limited to, client or participant files and fiscal documents in their original form) pertaining to matters covered by this Agreement shall at all times, be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the CDBG Administrator.

A-9. EQUIPMENT RECORDS

A. Nonexpendable personal property (equipment) acquired pursuant to this Agreement shall be properly maintained and accounted for as set forth below:

A record shall be maintained for each item of equipment acquired for the program. Equipment is nonexpendable property, which is not consumed or does not lose its identity by being incorporated into another item of equipment, which costs $5,000 or more per unit, or is expected to have a useful life of one year or more. Items costing below $5,000, but falling into the following categories are also considered equipment and records must be maintained for them: (1) electronic communications equipment for stationary or vehicular use, including cellular telephones acquired by lease or purchase, and (2) electronic office equipment as follows – facsimile machines, copiers, electric typewriters, personal computers (monitors and CPU’s), terminals, and printers.

The record shall include: (1) description of the item of equipment, including model and serial number, if applicable; (2) date of acquisition; (3) the acquisition cost or assigned value to the program; and (4) source of acquisition.

B. All equipment obtained under this Agreement shall have a City identification decal affixed to it. The identification decal, when practical, shall be affixed where it is readily visible.

C. A physical inventory shall be taken by the Department and reconciled with the record card annually or at other times as the City shall prescribe.

A-10. DOCUMENTATION OF EXPENDITURES AND REIMBURSEMENT

A. Expenditures shall be supported by properly executed payrolls, time records, invoices, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. Checks, payrolls, invoices, vouchers, orders, or other accounting documents shall be clearly identified and readily accessible.

B. Payroll expenditures shall be supported by activity reports that may include but not be limited to case reports, mileage logs, attendance rosters and other documents supporting work related to City contract or program.
C. The Department shall not release funds to any contractor for reimbursement of costs, until it has received adequate documentation from the contractor that the expenditures are reasonable and allowable under the sub-agreement. All documentation must remain on file with the Department.

A-11. CONFIDENTIALITY OF INFORMATION

A. The Grantor, the CDBG Administrator, and the Department will exchange various kinds of information pursuant to this Agreement. The information will include data, applications, program files and databases. This information is confidential when defining an individual or an employing unit. Confidential information requires special precautions to protect it from unauthorized use, access, disclosure, modification, and destruction.

B. The CDBG Administrator and the Department agree that:

1. Each party shall keep all information that is exchanged between them in the strictest confidence and make such information available to their own employees only on a “need-to-know” basis.

2. Each party shall provide written instructions to all of its employees with access to information provided by the other party of the confidential nature of the information and of the penalties for unauthorized use or disclosure found in §1798.55 of the Civil Code, §502 of the Penal Code, §2111 of the Unemployment Insurance Code, §10850 of the Welfare and Institutions Code and other applicable local, State and federal laws.

3. Each party shall (where appropriate) store and process information in an electronic format, in such a way that unauthorized persons cannot reasonably retrieve the information by computer, remote terminal, or other means.

4. Each party shall promptly return to the other party confidential information when its use ends or destroy the confidential information utilizing an approved method of destroying confidential information by shredding, burning, or certified, or witnessed destruction. Magnetic media are to be degaussed or returned to the other party.

5. If the Department enters into an agreement with a third party to provide services, the Department agrees to include these data and security and confidentiality requirements in the agreement with that third party. In no event shall said information be disclosed to any individual outside of that third party’s authorized staff, subcontractor(s), service providers, or employees.

6. Each party shall designate an employee who shall be responsible for overall security and confidentiality of its data and information systems and, each party shall notify the other of any changes in that designation. In no event shall said information be disclosed to any individual outside of that third party’s authorized staff, subcontractor(s), service providers, or employees.

A-12. SECURITY CLEARANCE AND TUBERCULOSIS TEST OF STAFF AND VOLUNTEERS

A. The Department understands and agrees that by signing this Agreement, the Department’s staff and also contractor staff working with youth, either as employees or volunteers, who have a supervisory or disciplinary authority over minors must be fingerprinted and pass the background check, as required by California Penal Code §11105.3 and California Education Code §45125.1 and §10911.5. Fingerprinting and a background check may be required of other staff and volunteers depending upon how much contact the staff member will have with minors. The Department and its contractor(s) shall be responsible for obtaining security clearances for staff whose duties require a sufficient level of interaction with youth.

B. The Department and its contractor(s) shall have Tuberculosis (TB) tests completed on any staff member working with the youth.

C. The Department shall maintain proof of Security Clearance and TB tests of all staff, including those of its contractor(s), and make these records available for future inspection.

A-13. MANAGEMENT INFORMATION SYSTEM RECORDS AND REPORTS
A. The Department shall report to the CDBG Administrator numeric data, statistics, facts, news, details and information for its CDBG-funded project(s) using forms and formats such as the electronic Integrated Services Information System (ISIS) prescribed by the CDBG Administrator for this purpose.

B. The CDBG Administrator shall rely upon and use records and monthly invoices located at the CDBG Administrator’s office, and on-site verifications, as needed, to substantiate the Department’s performance and expenditure data, including but not limited to enrollment, training services, placement activities, wages, business/job creation, and post-program services status.

C. The CDBG Administrator may contact Department staff, participants, contractors, subcontractors, training institutions or schools to verify the documentation supporting performance and compliance with this Agreement.

A-14. INSTALLATION OF FINANCIAL ASSISTANCE SIGN

The Department shall install, or allow to be installed, for public display upon the Project premises a sign, identifying the Project as receiving financial assistance from HUD.

A-15. EMPLOYMENT OPPORTUNITIES FOR LOW INCOME PERSONS AND SMALL BUSINESSES

Any project/program funded in part or in whole with Housing and Community Development funds shall comply with the following provisions (referred to as a Section 3 clause):

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this Agreement agree to comply with HUD’s regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

C. The Department agrees to send to each labor organization or representative of workers with which the Department has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers’ representative of the Department’s commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference; it shall set forth minimum number of job titles subject to hire; the availability of apprenticeship and training positions; the qualifications for each; the name and location of the persons(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The Department agrees to include this Section 3 clause in every contract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the contract or in this Section 3 clause, upon a finding that the contractor is in violation of the regulations in 24 CFR Part 135. The Department will not contract with any contractor where the Department has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR Part 135.

E. The Department will certify that any vacant employment positions, including training positions, that are filled (1) after the Department is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Department’s obligations under 24 CFR Part 135.

F. Noncompliance with HUD’s regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preferences in the award of contracts and subcontracts shall
be given to Indian Organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

A-16. FAITH-BASED ACTIVITIES

Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the grant-funded program. However, a contractor that participates in a grant-funded program shall comply with the following provisions if it is deemed to be a religious or faith-based organization. The Department shall require its contractor(s) to comply with this Section A-17.

A. A contractor may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this Agreement. If a contractor conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this Agreement, and participation must be voluntary for the beneficiaries of the grant-funded programs or services.

B. A religious or faith-based contractor will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct grant funds to support any inherently religious activities, such as worship, religious instruction, or proselytization.

C. A religious or faith-based contractor may use space in their facilities to provide grant funded services, without removing religious art, icons, scriptures, or other religious symbols.

D. A religious or faith-based contractor retains its authority over its internal governance, and it may retain religious terms in its organization’s name, select its board members on a religious basis, and include religious references in its organization’s mission statements and other governing documents.

E. A religious or faith-based contractor shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

F. Grant funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities.

G. Grant funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting HUD-eligible activities. Where a structure is used for both eligible and inherently religious activities, grant funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to grant funds herein. Sanctuaries, chapels, or other rooms that a grant-funded religious congregation uses as its principal place of worship, however, are ineligible for grant-funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property dispositions.

A-17. PROGRAM INCOME

A. Program income is defined as income earned through the activities funded by this Agreement. Program income includes, but is not limited to, grants, fees that duplicate payments; average daily attendance (ADA) payments earned through program funded activities; and public or nonprofit agency revenues in excess of program eligible activities.

B. Interest earned on advances received pursuant to the terms of this Agreement is “program income.” All interest earned must be reported as part of the Department’s monthly expenditure report and must be returned to The CDBG Administrator quarterly and must identify the amount of interest earned on advanced funds.

C. Any program income must be reported to the CDBG Administrator on the expenditure report, and must be returned to the CDBG Administrator in accordance with the CDBG Administrator’s written direction to the Department. At the CDBG Administrator’s discretion, program income may be used to augment the Department’s program. Use of program income is permitted only by written amendment to this Agreement. Should this use of program income be approved, the Department shall maintain records in support of all earnings and expenditures relating to the use of those

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funds in accordance with the CDBG Administrator’s record retention and audit requirements. The CDBG Administrator shall monitor the Department’s compliance with all program income requirements.

D. The Department’s failure to comply fully with program income requirements, including any HCIDLA directives, shall result in findings of disallowed costs. The Department also agrees to include this Program Income provision in its grant-funded contracts.

A-18. REVERSION OF ASSETS

A. The Department shall, within 45 days of the expiration of this Agreement, transfer to the CDBG Administrator any and all grant funds on hand at the time of expiration and any and all accounts receivable attributable to the use of grant funds provided under this Agreement.

B. Any real property under the control of the Department’s contractor/subcontractor that was acquired or improved in whole or in part with grant funds provided under this Agreement in excess of $25,000, shall either be:

1. Used to meet one (1) of the national objectives set forth in 24 CFR 570.208 until five (5) years after the expiration of the agreement between the Department and its contractor/subcontractor, or such longer period of time as determined appropriate by the CDBG Administrator pursuant to HUD requirements; or

2. Disposed of in a manner which results in the City CDBG Trust Fund being reimbursed in the amount of the current fair market value of the property, less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time specified in accordance with §A.18.B.1 above.

C. Any real property under the control of the Department which was acquired or improved in whole or in part using CDBG funds in excess of $25,000 must be used in accordance with 24 CFR 570.505. In general, 24 CFR 570.505 will require that any City controlled property which was acquired or improved in whole or in part using CDBG funds in excess of $25,000 must be used to meet one (1) of the national objectives of the CDBG program for as long as the City receives CDBG funds plus five (5) years. The Department shall not change the use or planned use of the property (including the beneficiaries of such use) from that for which the acquisition or improvement was made without first notifying the CDBG Administrator and obtaining the CDBG Administrator’s input and approval regarding the proposed change. If the Department fails to notify the CDBG Administrator and obtain the CDBG Administrator’s approval of the proposed change, the Department may be required to reimburse the City CDBG Trust Fund from non-federal funding sources the amount of the current fair market value of the property, less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.

A-19. CONTRACTS AND SUBCONTRACTS

A. For the purpose of this Agreement, contracts and subcontracts shall include, but not be limited to, purchase agreements, lease or rental agreements (excluding real property agreements), third party agreements, consultant services contracts, and construction contracts.

B. Contracts and subcontracts entered into in the performance of this Agreement shall:

1. Be subject to the terms and conditions set forth in this Agreement. The Department shall incorporate the applicable provisions of this Agreement in a written agreement with its contractor or subcontractor(s) or otherwise require contractors to submit executed affidavits therefor;

2. Specifically prohibit assignment or transfer of interest without prior written approval by the CDBG Administrator;

3. Contractor/subcontractor must specifically provide proof, when applicable, of the appropriate permits and/or business licenses.
A-20. CONDITIONS PRECEDENT TO THE EXECUTION OF THE AGREEMENT WITH THE DEPARTMENT’S CONTRACTOR(S)

A. Prior to the execution of a contract under this Agreement, the Department shall obtain the following documents from its contractor(s):

1. Budget Summary/Expenditure/Work Plan
   a. Contractor(s) shall submit to the Department for approval in writing a proposed Summary/Expenditure/Work Plan ("the Plan").
   b. The Budget Summary/Expenditure/Work Plan is a detailed listing of items for expenditure and scope of service(s) under the terms of this Agreement. The Plan shall be submitted with all backup documentation as required and/or a cost allocation plan, if necessary and appropriate. All requests to modify the Plan must be made in writing and must be approved in writing by the Department during the term of this Agreement. The Plan shall also describe all contractor services to be used by the Department and the payment procedures for subcontractors.

B. Prior to the execution of a contract under this Agreement, the Department shall obtain the following documents from its contractor(s):

1. A Code of Conduct to the CDBG Administrator for approval - The Code of Conduct submitted must meet the requirements of §403 Conflict of Interest of this Agreement.
2. A Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion, fully executed in accordance with Executive Orders 12459 and 12689, 24 CFR 85.35 and 24 CFR Part 24, and attached hereto as Exhibit A.
4. If applicable, Exhibit C – Real Property Legal Description, if the approved project involves the acquisition of real property.
5. All other documents that are required by the CDBG Administrator

A-21. RESTRICTIONS ON DISBURSEMENTS

No money received pursuant to this Agreement by the Department shall be disbursed to any contractor except pursuant to a written agreement which incorporates the applicable provisions set forth herein and unless the contractor is in compliance with City and HUD requirements with regard to accounting and fiscal matters, to the extent that they are applicable.

A-22. PARTICIPATION OF SMALL, MINORITY, AND WOMEN’S BUSINESS

Consistent with Executive Order Nos. 11625, 12432, and 12138, the Department shall provide opportunities for small, minority, and women’s businesses to participate in contracting and procurement activities generated under this Agreement. The Department shall:

A. Invite small, minority, and women’s businesses to participate in procurements under this Agreement.
B. Divide total requirements into small requirements to permit maximum small, minority, and women’s business participation whenever economically feasible.
C. Use the services and assistance of the Small Business Administration, the Minority Business Development Agency of the Department of Commerce, and the Community Services Administration (or its successor), as require
EXHIBIT A (For Department use with its contractors)
CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION
LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Orders 12459 and 12689, Debarment and Suspension, 24 CFR Part 24 Section 24.510, and 29 CFR Parts 97.35 and 98.510, Participants’ responsibilities.

(READ ATTACHED INSTRUCTIONS FOR CERTIFICATION BEFORE COMPLETING)

1. The prospective recipient of Federal assistance funds certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

CITY CONTRACT NUMBER: _____________

CONTRACTOR

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

_________________________________  __________________________
SIGNATURE                         DATE
Exhibit A (cont.)

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.


5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non-Procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
EXHIBIT B (For Department use with its contractors)
CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans
And Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

CITY CONTRACT NUMBER: ___________

CONTRACTOR

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE ___________________________ DATE ________________
EXHIBIT D
CONTRACT AND SUBCONTRACT ACTIVITY (HUD-2516)

(Fillable version and instructions are available via http://www.hud.gov/offices/adm/hudclips/forms/files/2516.pdf)

Contract and Subcontract Activity

U.S. Department of Housing and Urban Development

Public Reporting Burden for this collection of information is estimated to average .50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Executive Order 12241 dated July 14, 1983, directs the Minority Business Development Plans shall be developed by each Federal Agency and that these annual plans shall establish minority business development objectives. The information is used by HUD to monitor and evaluate MBE activities against the total program activity and the designated minority business enterprise (MBE) goals. The Department requires the information to provide guidance and oversight for programs for the development of minority business enterprise concerning Minority Business Development. If the information is not collected HUD would not be able to establish meaningful MBE goals nor evaluate MBE performance against these goals.

While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice - The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. It will not be disclosed or released outside the United States Department of Housing and Urban Development without your consent, except as required or permitted by law.

<table>
<thead>
<tr>
<th>1. Grant/Project Owner/Developer/Sponsor/Builder/Agency</th>
<th>Check if: PHA, IHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Location (City, State, Zip Code)</td>
<td></td>
</tr>
<tr>
<td>3a. Name of Contact Person</td>
<td></td>
</tr>
<tr>
<td>3b. Phone Number (Including Area Code)</td>
<td></td>
</tr>
<tr>
<td>4. Reporting Period</td>
<td>Oct. 1 - Sept. 30 (Annual-FY)</td>
</tr>
<tr>
<td>5. Program Code (Not applicable for CPD programs)</td>
<td></td>
</tr>
<tr>
<td>6. Date Submitted to Field Office</td>
<td></td>
</tr>
<tr>
<td>7. Contractor/Subcontractor Name and Address</td>
<td></td>
</tr>
</tbody>
</table>

### Grant/Project Number or other Identification of property, subdivision, dwelling unit, etc.

<table>
<thead>
<tr>
<th>7a. Grant/Project Number or other Identification of property, subdivision, dwelling unit, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

### Type of Trade Code

<table>
<thead>
<tr>
<th>7c. Type of Trade Code (If known)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

### Racial/Ethnic Codes

<table>
<thead>
<tr>
<th>7d. Racial/Ethnic Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

### Program Codes

<table>
<thead>
<tr>
<th>5. Program Codes (Complete for Housing and Public and Indian Housing programs only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. All Insured, Including Section 8</td>
</tr>
<tr>
<td>2. Flexible Subsidy</td>
</tr>
<tr>
<td>3. Section 8 Non Insured, Non-HFDAO</td>
</tr>
<tr>
<td>4. Insured (Management)</td>
</tr>
</tbody>
</table>

Previous editions are obsolete.
EXHIBIT E
SEMI-ANNUAL LABOR STANDARDS ENFORCEMENT REPORT – LOCAL CONTRACTING AGENCIES (HUD-4710)

(Fillable version and instructions are available via http://portal.hud.gov/hudportal/HUD?src=/program_offices/labor_relations/olrform)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Name:</td>
<td>Agency Type: [e.g., CO, FHA, TEAMRA]</td>
<td>State:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LR2000 Agency ID #: [HUD Use Only]</td>
</tr>
</tbody>
</table>

Period Covered: Check One and Enter Year(s)

- [ ] Period 1: October 1, ____ to March 31, ____
- [ ] Period 2: April 1, ____ to September 30, ____

Agency Contact Person: 

Agency Contact Phone/E-mail: 

**PART I - CONTRACTING ACTIVITY**

*Pertains ONLY to projects awarded during the reporting period.*

1. Number of prime contracts subject to the Davis-Bacon and Related Acts (DBRA) and/or the Contract Work Hours and Safety Standards Act (CWHSSA) awarded this period
   
   Note: Do not include contracts included in previous semi-annual reports

2. Total dollar amount of prime contracts reported in item 1 above

   $________

3. List for each contract awarded this period:

<table>
<thead>
<tr>
<th>Project Name/Number</th>
<th>Contract Amount</th>
<th>Wage Decision Number</th>
<th>Wage Decision Lock-In Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXAMPLE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;Boy’s Club Renovation # CD54885-65&quot;</td>
<td>&quot;$0,000,000.00&quot;</td>
<td>&quot;FL040001/Mod 3, 6/20/94, Building&quot;</td>
<td>&quot;07/02/04 bid open date&quot;</td>
</tr>
</tbody>
</table>

*Use additional pages if necessary

**WHAT IS THE LOCK-IN DATE?** For contracts entered into pursuant to competitive bidding procedures, the bid opening date "locks-in" the wage decision provided that the contract is awarded within 90 days. If the contract is awarded more than 90 days after bid opening, the contract award date locks-in the wage decision. For contracts, purchase orders or other agreements for which there is no bid opening or award date, use the construction start date as the lock-in date. However, for projects receiving assistance under Section 8 of the U.S. Housing Act of 1937 or contracts involving a project wage determination, the lock-in rules may vary from above. See Department of Labor Regulations, 29 CFR, Part 1, Section 1.6 and/or HUD Handbook 1344.1, or consult the HUD Labor Relations staff.

**WHAT IT ISN'T:** Do not use the wage decision publication date, unless that happens to correspond to one of the trigger events described above. If you are not sure about any of this, please feel free to contact the Labor Relations staff in your state or region.
PART II - ENFORCEMENT ACTIVITY*

Pertains to all projects, not just contract(s) awarded during the reporting period.

4. Number of employers against whom complaints were received (list employers and projects involved below):

<table>
<thead>
<tr>
<th>Employer</th>
<th>Project(s)</th>
</tr>
</thead>
</table>

5. (a) Number of cases (employers) referred to HUD Labor Relations for investigation or §5.11 hearing (list referrals below):

5. (b) Number of cases (employers) referred to the Department of Labor (DOL) for investigation or §5.11 hearing (list referrals below):

<table>
<thead>
<tr>
<th>Employer</th>
<th>Project</th>
<th>HUD or DOL</th>
<th>Invest. Or Hearing</th>
</tr>
</thead>
</table>

6. (a) Number of workers for whom wage restitution was collected/dispursed:

Report only once; if you previously reported workers for whom restitution was collected, do not report the same workers when funds are disbursed. Include workers to whom restitution was paid directly by the employer.

(b) Total amount of straight time wage restitution collected/dispursed during this period:

Report only once; if you report funds collected, do not report the disbursement. Include restitution amounts paid directly by the employer as reported on correction certified payrolls.

| $ |

(c) Total amount of CWHHSA overtime wage restitution collected/dispursed during this period:

Report only once; if you report funds collected, do not report the disbursement. Include restitution amounts paid directly by the employer as reported on correction certified payrolls.

| $ |

(d) Total amount of liquidated damages collected:

| $ |

* Use additional pages if necessary
### EXHIBIT F

**SECTION 3 SUMMARY REPORT (HUD-60002)**

(Fillable version and instructions are available via [http://www.hud.gov/offices/adm/hudclips/forms/files/60002.pdf](http://www.hud.gov/offices/adm/hudclips/forms/files/60002.pdf))

---

#### Section 3 Summary Report

Economic Opportunities for Low - and Very Low-Income Persons

U.S. Department of Housing and Urban Development

Office of Fair Housing and Equal Opportunity

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Section back of page for Public Reporting Burden statement

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1. Recipient Name & Address: (street, city, state, zip)

2. Federal Identification: (grant no.)

3. Total Amount of Award:

4. Contact Person

5. Phone: (include area code)

6. Length of Grant:

7. Reporting Period:

---

8. Date Report Submitted:

9. Program Code: (Use separate sheet for each program code)

10. Program Name:

---

#### Part I: Employment and Training (**Columns B, C, and F are mandatory fields. Include New Hires in E & F**)

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Job Category</td>
<td>Number of New Hires</td>
<td>Number of New Hires that are Sec. 3 Residents</td>
<td>% of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents</td>
<td>% of Total Staff Hours for Section 3 Employees and Trainees</td>
<td>Number of Section 3 Trainees</td>
</tr>
<tr>
<td>Professionals</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Technicians</td>
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<tr>
<td>Office/Clerical</td>
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<tr>
<td>Construction by Trade (List)</td>
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<tr>
<td>Trade</td>
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<td>Trade</td>
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<tr>
<td>Other (List)</td>
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<tr>
<td>Total</td>
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<td></td>
</tr>
</tbody>
</table>

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* Program Codes

1 = Flexible Subsidy
2 = Section 202/811
3 = Public Housing
4 = Development
5 = HOME
6 = HOME State Administered
7 = CDBG Entitlement
8 = CDBG State Administered
9 = Other CDBG Programs
10 = Other Housing Programs

---

Form HUD 60002 (8-2005)
Ref 24 CFR 135
### Part II: Contracts Awarded

1. Construction Contracts:

   A. Total dollar amount of all contracts awarded on the project $ 

   B. Total dollar amount of contracts awarded to Section 3 businesses $ 

   C. Percentage of the total dollar amount that was awarded to Section 3 businesses % 

   D. Total number of Section 3 businesses receiving contracts 

2. Non-Construction Contracts:

   A. Total dollar amount all non-construction contracts awarded on the project/activity $ 

   B. Total dollar amount of non-construction contracts awarded to Section 3 businesses $ 

   C. Percentage of the total dollar amount that was awarded to Section 3 businesses % 

   D. Total number of Section 3 businesses receiving non-construction contracts 

### Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or non-metropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

---

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance for housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.
## DEPARTMENTAL AUTHORITY TO CONTRACT/AMEND

**CA-1 Form (Rev. 1/22/14)**

<table>
<thead>
<tr>
<th>Contractor LEGAL Name: □ Verified via <a href="http://kepler.sos.ca.gov/">http://kepler.sos.ca.gov/</a> Entity#:</th>
</tr>
</thead>
</table>

### I. Contractor Information

**Program Name:**

**Project Title:**

**Number of agreements to be executed:**

For multiple agreements, the following must be completed: Worksheet CA-M & Sections II, III, IV, V & VII of this form.

- **Contact Name, Title:**
- **Tele#:**
- **Address:**
- **City:**
- **State:**
- **Zip Code:**
- **Name of Authorized Signatory:**
- **Title:**
- **IRS#:**
- **BTRC#:**
- **DUNS#:**
- **State of Incorporation:** □ CA □ Other:

**Brief Scope of Services:**

### II. Contract Authority

- **Council File #(s) & Approval Date(s):**
- **Con Plan PY:**
- **Page#:**
- **Proj ID#:**
- **PEP Approved?** □ Yes □ No □ N/A

- **L.A.A.C. Section 14.8 (For Amendment)**
- **Other:**

### III. Contract Type

- **Professional Services Agreement**
- **Full Service Agreement**
- **Construction Agreement**
- **Memorandum of Understanding**
- **Other**

- **Amendment #:**
- **Original Contract #:**
- **Purpose of Amendment:**
  - □ Add funds □ Extend time □ Revise Scope
  - **Other:**

### IV. Procurement Method

- **Sole Source (Attach required narrative & cost/benefit analysis)**
- **Small Purchase (Attach proof of 3 recent quotes)**
- **Request for Proposal/Qualifications (RFP/RFQ) – The summary sheet of selected vendors is required**
For Large delivery system contracts completed procurement documentation is on file.

V. This Section for Construction Contracts Only

<table>
<thead>
<tr>
<th>CDBG National Objective (choose one):</th>
<th>Promissory Note required?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ LMC - Service Payback ☐ LMI - Job Creation ☐ Slum/blight in Redevelopment Area ☐ Slum/blight Spot</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CEQA REQUIREMENTS?</th>
<th>☐ Yes</th>
<th>☐ No</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ NOE Filed OR □ Report Approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date Filed:</td>
<td>C.F. #:</td>
<td>C.F. Date:</td>
</tr>
</tbody>
</table>

VI. Funding Information & Term of Contract

1. Contract Amount
   a. Funding Source: CFDA#: $ |
   b. Funding Source: CFDA#: $ |
   c. Funding Source: CFDA#: $ |

2. Amount added by this amendment (If Applicable)
   a. Funding Source: CFDA#: $ |
   b. Funding Source: CFDA#: $ |
   c. Funding Source: CFDA#: $ |

3. Total Contract Amount (Sum of Line 1 & 2)
   $ |

4. Term of Contract (Including All Amendments) Start Date: | End Date: |

VII. Approval Signatures & Department Info

Contract Liaison: | Tele# |
Contract Monitor: | Tele# |
Funding Approval
**FOR HCIDLA ACCOUNTING SERVICES: SONIA GARCIA, 4TH FLOOR**
PRINT NAME/INITIAL/DATE | Tele# |
Director Approval
PRINT NAME/ SIGNATURE & DATE
COMMENTS: