

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 8, 2013

CAO File No. 0220-00540-1060

Council File No. 10-1140

Council District: All

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Housing and Community Investment Department dated August 7, 2013; received by the City Administrative Officer on August 16, 2013; additional information received through October 7, 2013

Subject: **REQUEST FROM THE HOUSING AND COMMUNITY INVESTMENT DEPARTMENT FOR AUTHORITY TO: 1) CREATE NEW ACCOUNTS AND AMEND EXISTING APPROPRIATIONS FOR LEAD GRANTS; 2) AMEND HEALTHY HOMES PRODUCTION PROGRAM GRANTS; 3) APPLY FOR HUD GRANTS; AND, 4) ENTER INTO A PERSONAL SERVICES AGREEMENT**

SUMMARY

The Housing and Community Investment Department (HCID), formerly the Los Angeles Housing Department, requests authority to: 1) create new accounts and amend existing appropriations for Lead Hazard Remediation Program grants; 2) amend eight Healthy Homes Production Program contracts; 3) apply for federal grants; and, 4) enter into a Personal Services Agreement to prepare the federal grant applications. This Office is in general agreement with the HCID requests.

Lead Hazard Remediation Program

Since 1997, HCID has applied for and received competitive grant funding from the U.S. Department of Housing and Urban Development's (HUD) Office of Healthy Homes and Lead Hazard Control (OHHLHC). The HCID has used the grants to fund the Department's Lead Hazard Remediation Program (LHRP) to mitigate lead-based paint hazards with an emphasis on privately owned, low income rental units and owner-occupied housing where children under the age of six reside. The program also provides funding for outreach and education for owners and tenants through contracts with four Community-Based Organizations (CBOs).

Under the LHRP, HCID currently administers two HUD Lead Hazard Reduction Demonstration grants (LG 9 and LG 10) for a total of \$7.5 million. The Department states that the grants are exceeding the benchmarks set in the original grant applications. In-kind matching for the grants is provided by HCID's Systematic Code Enforcement Program (SCEP) and Community Development Block Grant (CDBG) funds and Program partners.

The HCID requests authority to create new accounts and to amend the existing appropriations for LG 9 and LG 10 to continue the operations of the two grants for 2013-14. The Department anticipates that LG 9 will conclude in August 2014 and LG 10 will finish in May 2015.

Healthy Homes Production Program

In November 2011, HCID was awarded \$1.86 million from HUD (C.F. 10-1140-S4) for the Healthy Homes Production Program Grant (HHPP). Through this grant program, HCID identifies and corrects health and safety hazards in housing occupied by low-income residents, especially children, seniors, and other populations with health problems that may be triggered by hazards in the home environment. As of June 2013, 52 units have been completed through HHPP.

The hazard outreach, assessment and mitigation services are conducted by the following six contractors:

- Mexican American Opportunity Foundation (MAOF)
- AG Pacific Construction & Development (AGP&D)
- DB Consultants
- Rebuilding Together
- Watts Labor Community Action Committee (WLCAC)
- Harbor Community Development Corporation.

Contracts with these six vendors were approved by Council and the Mayor in September 2012 (C.F. 10-1140-S5) for a total amount of \$420,000. The terms of the contracts were from October 1, 2012 through September 30, 2013. The HCID requests additional funding in the amount of \$36,400 for MAOF, \$50,400 for AGP&D and \$36,400 for DB Consultants for a total of \$123,200. In addition, the Department requests that all six of the HHPP contract terms be extended from October 1, 2013 through September 30, 2014.

In November 2012, Council and the Mayor approved two additional HHPP contracts (C.F. 10-1140-S4) with Healthy Homes Collaborative (HCC) and the Los Angeles Conservation Corps (LACC). The HCC provides Behavioral Intervention Services. The original term of the contract was for one year from October 1, 2012 through September 30, 2013 with an amount of \$137,500. A prior First Amendment to the HCC contract added \$11,000 to the contract amount for a total of \$148,500 without extending the term. The proposed Second Amendment would extend the term for one year from October 1, 2013 through September 30, 2014. No additional funds are requested.

The LACC is responsible for conducting a series of physical interventions based on home inspections and work write-ups. The initial contract amount was \$80,000 with a one-year term from November 1, 2012 through October 31, 2013 with two one-year renewal options. The proposed First Amendment would add \$20,000 to the contract for a total of \$100,000 and would extend the term for one year from November 1, 2013 through October 31, 2014.

The HCID requests authority to create new accounts and to amend the existing appropriations for HHPP to continue the operations of the Program in 2013-14. Funding for the amendments would

come from Healthy Homes 1 (HH 1) Fund No. 54K, Healthy Homes Direct Account No. 43H316. The new total for the eight HHPP contracts would be \$791,700. A summary of the contracts, service areas, amounts, terms and proposed amendments is included in Table 1. The HCID estimates that the HHPP grant will conclude in November 2014.

Table 1
Healthy Homes Production Program Contracts

Contractor	Contract Number	Service Areas and Council Districts	Original Contract Amount	Proposed Funding Increase	Proposed Total Funding	Original Contract Term	Proposed Contract Extension
Mexican American Opportunity Foundation (MAOF)	C-121614	East Los Angeles 1, 13, 14, part of 4	\$46,200	\$36,400	\$82,600	10/1/2012 – 9/30/2013	10/1/2013 – 9/30/2014 First Amendment
AG Pacific Construction & Development (AGP&D)	C-121609	South Los Angeles and Central Los Angeles 1, 4, 5, 8, 9, 10, 13	96,600	50,400	147,000	10/1/2012 – 9/30/2013	10/1/2013 – 9/30/2014 First Amendment
DB Consultants (DBC)	C-121615	North Valley and South Valley 2, 3, 5, 6, 7, 12	155,400	36,400	191,800	10/1/2012 – 9/30/2013	10/1/2013 – 9/30/2014 First Amendment
Rebuilding Together	C-121608	West Los Angeles	42,000	N/A	42,000	10/1/2012 – 9/30/2013	10/1/2013 – 9/30/2014 First Amendment
Watts Labor Community Action Committee (WLCAC)	C-121757	South Los Angeles 8, 9, 10, part of 15	58,800	N/A	58,800	10/1/2012 – 9/30/2013	10/1/2013 – 9/30/2014 First Amendment
Harbor Community Development Corporation	C-121758	Harbor 15	21,000	N/A	21,000	10/1/2012 – 9/30/2013	10/1/2013 – 9/30/2014 First Amendment
Healthy Homes Collaborative (HHC)	C-121785	All All	Orig: 137,500 1 st Amd: 11,000	N/A	148,500	10/1/2012 – 9/30/2013	10/1/2013 – 9/30/2014 Second Amendment
Los Angeles Conservation Corps (LACC)	C-121877	All All	80,000	20,000	100,000	11/1/2012 – 10/31/2013	11/1/2013 – 10/31/2014 First Amendment
Total Budget Amount:			\$648,500	\$143,200	\$791,700		

The HCID also requested authority to amend the HHPP contracts and reallocate funds to other HHPP contractors in the event that a contract is unable to fulfill their contractual obligations to ensure that the HHPP goals are met. The CAO recommends that any changes regarding HHPP contractors and funding be reviewed and approved through the City's contracting process.

Grant Application

The HCID requests authority to apply for the HUD-OHHLHD FY 2014 Notice of Funding Availability (NOFA) in the winter of 2013. If successful, HCID also requests authority to enter into negotiations with HUD to finalize the budgets and proposed accomplishments for the grant agreements. Furthermore, the Department requests that the Mayor and Council designate the General Manager, HCID, or designee, as the responsible Officer to administer the funds in accordance with the grant agreements established with HUD.

If any of the HUD grants are awarded to HCID, the Department will present the grant agreements to the Mayor and Council for acceptance. Some of the grants will have matching fund requirements. The HCID intends to offer in-kind matching through staff time and agreements with community partner agencies. The Department states that there will be no impact to the General Fund as a result of receiving any of the HUD grants.

Professional Services Agreement

To apply for the HUD-OHHLHC FY NOFA grants, HCID requests authority to contract with one of the vendors on the HCID list of approved Professional Services Consultants (C.F. 12-1470). The Department anticipates that the cost will be \$10,000 per grant application for a total not to exceed \$20,000. The contractor would be funded from the Contractual Services Account No. 3040 in the Department's 2013-14 Adopted Budget. In order to select a contractor, HCID proposes to invite the qualified grantwriting consultants on the approved list to submit proposals which include the consultant's grant writing experience in general and specifically with federal grants, familiarity with the subject matter, fee schedule and staffing. In addition, the consultants will be interviewed, and the proposals and interviews will be scored. The consultant with the highest combined score will be selected.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the City Controller to:

a. Establish new accounts within Lead Fund No. 53Q, Department 43, for 2013-14 as follows:

Account No.	Account Name
43K143	Housing
43K299	Related Costs

b. Transfer appropriations within Lead Fund No. 53Q, Department 43, for 2013-14 as follows:

	Account No.	Account Name	Amount
From:	43G904	Administrative Reserve (3 Yr)	\$664,923.38
		Total:	\$664,923.38
To:	43K143	Housing	\$486,808.44
	43K299	Related Costs	178,114.94
		Total:	\$664,923.38

c. Expend funds under Recommendation 1.b. above for a total amount not to exceed \$664,923.38 for the U.S. Department of Housing and Urban Development (HUD) Lead Hazard Reduction Demonstration Grant (LG 9) for 2013-14, upon proper written demand from the General Manager, Housing and Community Investment Department (HCID), or designee;

d. Increase appropriations in General Fund No. 100, Department 43, for Lead Fund No. 53Q, Department 43 for 2013-14 as follows:

Account No.	Account Name	Amount
001010	Salaries, General	\$462,287.44
002120	Printing & Binding	3,500.00
003310	Transportation (Mileage and Parking)	4,146.00
002130	Travel	6,500.00
003040	Contractual Services	1,075.00
006010	Office and Administration	6,300.00
001090	Overtime	3,000.00
	Total:	\$486,808.44

- e. Expend funds under Recommendation 1.d. above for a total amount not to exceed \$486,808.44, upon proper written demand from the General Manager, HCID, or designee;
- f. Establish new accounts within Lead Fund No. 54S, Department 43, for 2013-14 as follows:

Account No.	Account Name
43K143	Housing
43K299	Related Costs

- g. Transfer appropriations within Lead Fund No. 54S, Department 43 for 2013-14 as follows:

	Account No.	Account Name	Amount
From:	43J404	Reserve	\$486,678.16
		Total:	\$486,678.16
To:	43K143	Housing	\$357,851.76
	43K299	Related Costs	128,826.40
		Total:	\$486,678.16

- h. Expend funds under Recommendation 1.g. above for a total amount not to exceed \$486,678.16 for LG 10 for 2013-14, upon proper written demand from the General Manager, HCID, or designee;
- i. Increase appropriations in General Fund No. 100, Department 43, for Lead Fund No. 54S, Department 43, for 2013-14 as follows:

Account No.	Account Name	Amount
001010	Salaries, General	\$334,361.76
002120	Printing & Binding	1,165.00
003310	Transportation (Mileage)	3,500.00
002130	Travel	6,500.00
003040	Contractual Services	1,075.00
006010	Office and Administration	8,250.00
001090	Overtime	3,000.00
	Total:	\$357,851.76

- j. Expend funds under Recommendation 1.i. above for a total amount not to exceed \$357,851.76, upon proper written demand from the General Manager, HCID, or designee;

- k. Establish new accounts within Healthy Homes 1 (HH1) Fund No. 54K, Department 43 for 2013-14 as follows:

Account No.	Account Name
43K143	Housing
43K299	Related Costs

- l. Transfer appropriations within HH 1 Fund No. 54K, Department 43 for 2013-14 as follows:

	Account No.	Account Name	Amount
From:	43H317	Administrative Reserve (3 Yr)	\$274,592.98
		Total:	\$274,592.98
To:	43K143	Housing	\$201,972.48
	43K299	Related Costs	72,620.50
		Total:	\$274,592.98

- m. Expend funds under Recommendation 1.l. above for a total amount not to exceed \$274,592.98, upon proper written demand from the General Manager, HCID, or designee;
- n. Increase appropriations in General Fund No. 100, Department 43, for HH 1 Fund No. 54K, Department 43, for 2013-14 as follows:

Account No.	Account Name	Amount
001010	Salaries, General	\$188,482.48
002120	Printing & Binding	2,000.00
003310	Transportation (Mileage and Parking)	2,490.00
002130	Travel	6,500.00
006010	Office and Administration	2,500.00
	Total:	\$201,972.48

- o. Expend funds under Recommendation 1.n. above for a total amount not to exceed \$201,972.48, upon proper written demand from the General Manager, HCID, or designee;

- p. Expend funds for the Healthy Homes Production Program (HHPP) contracts as described in Table 1 of this report from HH 1 Fund No. 54K, Department 43, for a total amount not to exceed \$143,200 for 2013-14;
2. Authorize the General Manager, Housing and Community Investment Department (HCID), or designee, to:
 - a. Execute contract amendments with the HHPP contracts in Table 1 of this report to increase funding as shown for an increase in the total contract amount of \$143,200 and for an extension of the terms of the contracts for one year, subject to the approval of the City Attorney as to form and compliance with the City's contracting requirements;
 - b. Submit two applications in response to the HUD Office of Healthy Homes and Lead Hazard Control (OHHLHC) FY 2014 Notice of Funding Availability (NOFA) for Lead Hazard Demonstration Grants;
 - c. Execute a professional services agreement with one of HCID's pre-approved consultants listed as a grant writer (C.F. 12-1470) for up to \$10,000 per application to prepare up to two HUD FY NOFA grant applications on behalf of HCID, subject to the approval of the City Attorney as to form and compliance with the City's contracting requirements;
 - d. To expend up to \$10,000 per application from the HCID Contractual Services Account No. 3040 included in the 2013-14 Adopted Budget;
 - e. Negotiate with HUD to finalize the budgets and proposed accomplishments for the grant agreements;
 - f. Be the responsible Officer to administer the funds in accordance with the grant agreements established with HUD;
 - g. Prepare Controller instructions and make any technical adjustments consistent with the Mayor and Council actions on the items in this report, subject to the approval of the City Administrative Officer, and request the Controller to implement those instructions in accordance with the funding allocations approved by the Mayor and Council; and,
 3. Request the General Manager, HCID, or designee, to report back and present the HUD Lead Hazard Demonstration Grant agreement for Mayor and Council approval if one or both of the HUD grants are awarded to the City.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Funding for the proposed \$791,700 in Healthy Homes Production Program contract amendments will be provided from Healthy Homes 1 (HH 1) Fund No. 54K, Healthy Homes Direct Account No. 43H316. Funding in an amount not to exceed \$20,000 for the proposed Personal Services Agreement to prepare two grant applications will be provided from the Housing and Community Investment Department's Contractual Services Account No. 003040. The recommendations in this report comply with City Financial Policies in that the cost of the services provided will be paid by grants and by funds included in the 2013-14 Adopted Budget.

MAS:MMR:02140033C