

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: May 27, 2015

CAO File No. 0220-00540-1125  
Council File No. C.F. 13-1078  
Council District: Citywide

To: The Council  
The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Housing and Community Investment Department Transmittal dated March 24, 2015;  
Received by the City Administrative Officer on April 1, 2015

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT (HCID) REPORT  
BACK ON THE 2014 LEAD HAZARD REDUCTION DEMONSTRATION GRANT  
APPLICATION AND REQUEST FOR AUTHORITY TO IMPLEMENT THE NEW  
GRANT**

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### SUMMARY

On October 30, 2013, the Mayor and Council authorized the Housing and Community Investment Department (HCID) to apply to the U.S. Department of Housing and Urban Development (HUD) for a Lead Hazard Reduction Demonstration Grant (LHRD Grant) in accordance with HUD's 2014 Notice of Funding Availability (NOFA), and if awarded, to finalize the grant agreement and report back to the Mayor and Council (C.F. 13-1078). On September 30, 2014, HCID was awarded a \$3.9 million LHRD Grant, which HCID refers to as Lead Grant 11. This grant consists of \$3.5 million for lead hazard remediation and along with a \$400,000 Healthy Homes Supplement. HCID now requests authority to: 1) release a Request for Proposals (RFP) to select contractors for the provision of Lead Hazard Remediation Program (LHR Program) outreach services; 2) continue employment by resolution authority for ten exempt positions; and 3) create new accounts and appropriations to implement the grant. This Office concurs with these requests.

### BACKGROUND

Lead Grant 11 will allow HCID to continue its LHR Program, which remediates lead hazards in housing units occupied by low-income households with children under the age of six years. The \$400,000 Healthy Homes Supplement will be used to address ancillary health and safety issues in homes receiving Lead Grant funding. With Lead Grant 11, HCID projects that it will conduct 170 Lead Inspections and Risk Assessments, make 160 units lead safe, provide outreach and education to 2,700 households. The period of performance for Lead Grant 11 is December 1, 2014 through November 30, 2017. To implement the program funded by Lead Grant 11, HCID requests authority to: 1) release a RFP to select contractors for the provision of LHR Program outreach services; 2) continue employment by resolution authority for ten exempt positions; and

3) create new accounts and appropriations to implement the grant.

Title X of the 1992 Residential Lead-Based Paint Hazard Reduction Act mandates the creation of an infrastructure that corrects lead-based paint hazards in housing. Pursuant to this directive, Congress appropriates funding annually to assist states, Native American Tribes, and local governments in undertaking comprehensive programs to identify and control lead-based paint hazards in eligible privately-owned rental and owner-occupied housing. With the appropriations, HUD has issued NOFAs for the Lead-Based Paint Hazard Control Grant, the Lead Hazard Reduction Demonstration Grant, the Healthy Homes Production Grant, and the Lead Outreach Grant. Over the past thirteen years, the City has been awarded six Lead Hazard Reduction Demonstration Grants, four Lead-Based Paint Hazard Control Grants, two Lead Outreach Grants and one Healthy Homes Production Grant. With these grants, HCID established the LHR Program.

Although the bans on leaded gasoline and paint in 1978 have greatly reduced the exposure to dangerous lead levels, many children are still at risk of high exposure to lead in pre-1978 housing. High exposure to lead can have serious health consequences, including damage to the brain and nervous system. Children under the age of six years are most vulnerable to the harmful effects because the brain and nervous system are still developing at this early stage.

#### HCID Lead Hazard Remediation Program

The HCID designed the LHR Program to remediate lead-based paint hazards and to educate tenants and owners. In addition, the LHR Program builds program and workforce capacity by providing certification training for contractors, workers, inspectors, HCID staff and community health advocates.

The LHR Program is available to assist housing citywide, with emphasis in high-risk areas in Council Districts 1, 6, 7, 8, 9, 10, 13 and 14. These target areas are considered high-risk because of the large percentage of pre-1978 rental housing units, low-income residents, and concentration of households with young children. Since its inception, the LHR Program has been successful in making more than 2,200 housing units lead-safe in privately-owned, low-income rental and owner-occupied housing units in which children under the age of six years reside or frequently visit. Currently, HCID operates the LHR Program with two Lead Hazard Reduction Demonstration Grants (Lead Grants 9 and 10) and one Healthy Homes Production Grant (Healthy Homes 1).

The HUD allows for a close-out period of three months after the period of performance has ended. The period of performance for Lead Grant 9 ended on August 31, 2014. The HCID obtained a five-month extension for the close-out report, extending the due date to April 28, 2015. The period of performance for Lead Grant 10 will end on May 31, 2015, with the close-out report due on August 31, 2015. The period of performance for Healthy Homes 1 was extended from November 14, 2014, to February 13, 2015. The HCID also obtained a 48-day extension for the Healthy Homes 1 close-out report, extending the due date to June 30, 2015. The period of performance for Lead Grant 11 is from December 1, 2014, through November 30, 2017, with the close-out report due February 28, 2018.

The HCID reaches out to both owners and tenants by making presentations at apartment association meetings; sponsoring trainings for owners, tenants, contractors and community advocates; attending and distributing information at health fairs; and making presentations at childcare facilities and other organizations serving children under six years of age. To assist in its outreach and project recruitment, HCID will contract with four Community-Based Organizations (CBOs) selected through a competitive RFP. The CBOs will conduct door-to-door outreach and group presentations and will educate the community about lead hazards, lead poisoning prevention and lead-safe work practices. In addition, the CBOs will assist tenants and owners in completing LHR Program application packets, collecting necessary qualifying information and submitting the applications to HCID for funding. The HCID also works directly with the Los Angeles County Childhood Lead Poison Prevention Program inspectors, who disseminate pamphlets with LHR Program information to families of lead-poisoned children. As part of the Healthy Homes Supplement, CBOs will be required to provide Healthy Homes training and education to tenants, owners and community members.

#### Lead Outreach, Education, and Enrollment Contractors – Request For Proposals

With previous Lead Grant funding, HCID contracted with CBOs, selected through the City's RFP process, to conduct education, outreach and enrollment activities for the Lead Hazard Remediation Program. The most recent contracts with current CBOs expired on December 30, 2014. With Lead Grant 11 funding, HCID proposes to continue using CBOs for outreach services. The alliance built with HCID and CBOs has been very successful in creating a positive relationship between the community residents and local government. Because the CBOs are familiar with constituents and community needs and are able to accommodate tenant schedules, HCID states that contracting with CBOs is an effective way to reach tenants and owners while controlling costs.

The Contractors will continue to assist HCID by performing outreach, education, and enrollment activities as described above. In addition, the scope of services will be expanded to require the Contractors to provide support to the Healthy Homes Program. The Contractors will also be required to provide Healthy Homes training to 100 property owners, tenants and community members.

The Contractors must be able to meet with tenants and conduct trainings in the evening and on weekends when occupants are available. Up to four firms will be selected. Although the services will be available citywide, the Contractors will emphasize efforts in high risk areas with low-income households with children under the age of six years. The HCID proposes to issue an RFP, which is attached to the HCID transmittal, for the selection of up to four qualified Lead Outreach, Education and Enrollment Contractors. The term of the CBO contracts will be for one year with an option to extend the contracts for up to two additional one-year terms. Compensation will be in the amount of \$210,000. The HCID plans to release the RFP by the end of May 2015 and to recommend a selection by September 2015.

Each proposal will be reviewed and rated as follows:

Evaluation Criteria	Points
Experience – Quality and depth of the experience as it relates to the services for which the contractor is applying, training of assigned personnel, work experience with the City of Los Angeles, government agency and private contract activity, description of services, references and other items as outlined in the Proposal Package section of the RFP.	30
Capacity – The capacity to provide the requested program services including workforce, program staffing and resumes and other items as outlined in the Proposal Package section of the RFP.	30
Program Design – The description of how the proposer intends to provide the required services including program staffing, staff job descriptions, work operations plan, use of available resources to maximize the effectiveness of the LHR Program funding.	20
Cost/Budget – Proposed budget, allocation of costs, and use of available resources to maximize the effectiveness of the bidder in response to service needs.	20
<b>Total Points</b>	<b>100</b>
<b>Bonus Points</b>	
Promise Zone	5

Position Authorities

To ensure the continuation of the LHR Program with Lead Grant 11 funds, HCID requests continued resolution authority for the following ten civil service exempt positions through June 30, 2016:

Classification Title	Class Code	No. of Positions
Rehabilitation Project Coordinator II	8502-2	1
Rehabilitation Project Coordinator I	8502-1	1
Rehabilitation Construction Specialist II	1569-2	2
Rehabilitation Construction Specialist I	1569-1	3
Project Assistant	1542	2
Clerk Typist	1358	1
<b>Total</b>		<b>10</b>

These positions were previously authorized to operate the LHR Program and Healthy Homes programs. Staff is responsible for assisting owners and tenants in filling out applications, collecting and reviewing occupant income documentation, ordering Lead Inspections/Risk Assessment Reports, conducting workshops, creating lead work specifications, monitoring construction, conducting clearances, coordinating and working with other organizations. Funding for these positions, including related costs, will be provided from Lead Grant 9, Lead Grant 10, Healthy Homes Grant 1, and the new grant, Lead Grant 11. However, HCID may choose not to fill some vacancies as it closes out the existing Lead Grants 9 and 10 and the Healthy Homes Grant 1 programs.

On January 14, 2015, HCID requested the Personnel Department to make a Charter Section 1022 Determination if the City currently has the staff available to perform the required lead hazard remediation program services. The Personnel Department determined that City employees do not have the classifications that can perform the full scope of the proposed work associated with this project. A copy of the HCID transmittal, along with the draft RFP, has been forwarded to the City Attorney for concurrent review and approval as to form and compliance with the City's contracting requirements.

**RECOMMENDATION**

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

1. Authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to;
  - a. Release a Request For Proposals in substantial conformance with the Attachment to the HCID transmittal dated March 24, 2015 to select contractors for the provision of Lead Hazard Remediation Program outreach services, subject to the review and approval of the Office of the City Attorney as to form, assessment of the qualifications submitted, and return to the Mayor and City Council with contractor recommendations, funding levels and Controller instructions; and,
  - b. Prepare Controller instructions and/or make any necessary technical adjustments consistent with the Mayor and City Council actions on this program, subject to the approval of the City Administrative Officer, and request the Controller to implement these instructions.
  
2. On July 1, 2015, authorize continued Resolution Position Authority within HCID for the following exempt positions funded from Lead Hazard Remediation Program for the period from July 1, 2015 to June 30, 2016, as follows:

<b>Classification Title</b>	<b>Class Code</b>	<b>No. of Positions</b>
Rehabilitation Project Coordinator II	8502-2	1
Rehabilitation Project Coordinator I	8502-1	1
Rehabilitation Construction Specialist II	1569-2	2
Rehabilitation Construction Specialist I	1569-1	3
Project Assistant	1542	2
Clerk Typist	1358	1
<b>Total</b>		<b>10</b>

3. Authorize the positions described above in accordance with the City Charter Section 1001, and the Civil Service Commission, as exempt from the civil service provisions of the Charter, based on the positions being grant-funded for a term of no more than two years, which by application of the procedures described in City Charter Section 1001 (d)(4), may

be extended for one additional year for a maximum exemption of three years; and, based on their special funding status, authorize a one-time waiver from the City's managed hiring process;

4. Authorize the City Controller to:

- a. Establish a new interest bearing Fund No. XXX entitled "Lead Grant 11" for the receipt and disbursement of the U.S. Department of Housing and Urban Development's Lead Hazard Reduction Demonstration Grant in the amount of \$3.9 million, to be administered by HCID;
- b. Establish accounts within Lead Fund No. XXX, Department 43, for 2014-15 as follows:

Account No.	Account Name
43L143	HCID Admin
43L299	Related Cost
43L904	Admin Reserve
43L902	Lead Hazard Reduction Direct
43L903	Healthy Homes Supplement
43L844	Technical Services

- c. Appropriate \$3,900,000 within Fund No. XXX, Department 43, for 2014-15 as follows:

Account No.	Account Name	Amount
43L143	HCID Admin	\$ 37,724
43L299	Related Cost	8,840
43L904	Admin Reserve	1,818,536
43L902	Lead Hazard Reduction Direct	1,555,360
43L903	Healthy Homes Supplement	400,000
43L844	Technical Services	79,540
<b>TOTAL</b>		<b>\$ 3,900,000</b>

- d. Appropriate \$37,724 within General Fund No. 100, Department 43, for 2014-15 as follows:

Account No.	Account Title	TOTAL
001010	Salaries, General	\$ 29,040
002130	Travel	6,100
006030	Lease	2,584
<b>TOTAL</b>		<b>\$ 37,724</b>

## **FISCAL IMPACT STATEMENT**

There will be no impact on the General Fund. The recommendations in this report are in compliance with the City's Financial Policies in that the program costs are paid for with grant funds.