

**COMMUNICATION**

**TO: LOS ANGELES CITY COUNCIL**

**FILE NO. 11-1783**

**FROM: COUNCILMEMBER TONY CÁRDENAS, CHAIR  
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**

COMMUNICATION FROM CHAIR, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE relative to approval of the results of the Request for Proposals for tenant outreach and educational services for the City's Rent Escrow Account Program and Utility Maintenance Program, authority to execute contracts with selected contractors, and related actions.

Recommendation for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

AUTHORIZE the General Manager, Los Angeles Housing Department (LAHD), or designee, to:

- a. Execute contracts with the following agencies to provide Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP) tenant-outreach services, for a term of 12 months, beginning on July 1, 2012 through June 30, 2013, with two one-year options, for a total amount of \$420,000, in substantial conformance with the draft Professional Services Agreement attached to the LAHD Transmittal dated April 13, 2012 contained in Council File 11-1783 and subject to the following: funding availability; satisfactory contractor performance; compliance with all applicable Federal, State and City regulatory requirements; approval of the City Attorney as to form; and, approval of the Department of Public Works, Bureau of Contract Administration as to adherence with City contracting standards:

<u>Contractor</u>	<u>Amount</u>
Los Angeles Center for Law and Justice	\$105,000
Inner City Law Center	\$105,000
Coalition for Economic Survival	\$105,000
Inquilinos Unidos	<u>\$105,000</u>
Total:	\$420,000

- b. Execute a second amendment to Contract No. C-118559 with Charles and Cynthia Eberly, Inc. DBA The Eberly Company, to provide REAP and UMP landlord-outreach services, for a total amount of up to \$183,750 and in substantial conformance with the draft Professional Services Agreement attached to the LAHD Transmittal dated April 13, 2012 contained in Council File 11-1783, and subject to the following: funding availability; satisfactory contractor performance; compliance with all applicable Federal, State and City regulatory requirements; approval of the City Attorney as to form; and, approval of the Department of Public Works, Bureau of Contract Administration as to adherence with City contracting standards.

- c. Negotiate and execute an additional six-month renewal option as part of the second amendment to Contract No. C-118559 with Charles and Cynthia Eberly Inc. DBA The Eberly Company, to provide REAP and UMP landlord-outreach services, for a total amount of up to \$341,250, for a term of 42 months, effective from the date of execution through June 30, 2014, and subject to the following: funding availability; satisfactory contractor performance; compliance with all applicable Federal, State and City regulatory requirements; approval of the City Attorney as to form; and, approval of the Department of Public Works, Bureau of Contract Administration as to adherence with City contracting standards.
- d. Prepare Controller instructions and make any necessary technical adjustments consistent with the Council and Mayor actions on this report, subject to the approval of the City Administrative Officer (CAO) and authorize the Controller to implement these instructions.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. The recommendations of this report are in compliance with City Financial Policies in that the \$525,000 annual cost of the tenant and landlord-outreach services agreements for the Rent Escrow Account Program and Utility Maintenance Program are funded through Rent Stabilization Trust Funds (\$52,500) and Code Enforcement Trust Funds (\$472,500) appropriated in the 2012-13 Adopted Budget.

Community Impact Statement: None submitted.

## SUMMARY

On June 13, 2012, the Chair of the Housing, Community and Economic Development Committee considered a LAHD transmittal dated April 12, 2012, and a CAO report dated June 12, 2012 relative to approval of the results of the Request for Proposals for tenant outreach and educational services for the City's REAP and UMP; authority to execute contracts with selected contractors for a term of 12 months, effective July 1, 2012 through June 30, 2013 with two one-year renewal options; and authority to execute a second amendment to the Landlord outreach contract with Charles & Cynthia Eberly, Inc., DBA the Eberly Company, to increase the contract amount and to extend the term of the contract; and related actions.

A representative of the LAHD appeared before the Committee Chair to discuss the matter and respond to related questions. The LAHD reported that the purpose of the 4 selected contractors for tenant outreach was to educate tenants and provide them with information relative to their rights and responsibilities under the REAP and UMP programs. Additionally, the contract with the Eberly Company for landlord outreach provides specifically tailored services to landlords in the REAP and UMP programs relative to advising them on what they can do to expedite removal of their properties from the REAP and make corrections to the properties. The LAHD reported that it has received good feedback from property owners regarding the Eberly Company, particularly since the company has extensive background in property management and assisting property owners in REAP.

The Committee Chair then inquired how the LAHD determined the contract amounts and the LAHD reported that it maintained the total funding level of \$525,000 by reducing the tenant outreach contractors from a total of 6 to 4 for greater effectiveness, and raising the contract amount to \$105,000 for each tenant contractor, and proposing an increase in the contract with Eberly Company to \$105,000 for landlord outreach to align that contract with the tenant outreach contracts.

Additionally, the Chair questioned the ratio of 4 to 5 concerning funding for tenant outreach contractors versus funding for the landlord outreach contractor and what criteria were utilized by the LAHD in determining this ratio. The LAHD responded that it used the ratio of tenants in the properties versus the number of landlords, and noted that the majority of properties in the program have 4 to 5 units and that tenants required more one-on-one outreach and education as opposed to the landlords.

The Chair then expressed concern that a large number of landlords in the program might be “Mom and Pop” operations and may also require greater education services from the landlord outreach contractor. The LAHD advised the Chair that the majority of landlords tend to be investors of small scale properties rather than “Mom and Pop” landlords. However, the LAHD recently conducted an assessment and determined that approximately 200 properties in REAP are “Mom and Pop” operations; and as a result, the LAHD is developing a pilot program to provide assistance to them as well. The Chair then requested the LAHD to provide details of this pilot program to his Chief of Staff.

After providing an opportunity for public comment, the Committee recommended approval of the recommendations in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

COUNCILMEMBER TONY CÁRDENAS, CHAIR  
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CÁRDENAS:	YES
REYES:	ABSENT
WESSON:	ABSENT
ALARCÓN:	ABSENT
PERRY:	ABSENT

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