

Date: 1/11/12

Submitted in HCED Committee

Council File No: 11-2120

Item No.: 1

REPORT FROM

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

*Report from the CAO*

Date: January 10, 2012

CAO File No. 0220-00540-0974

Council File No. 11-2120

Council District: All

To: The Mayor  
The Council

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Los Angeles Housing Department Transmittal (LAHD) dated November 29, 2011;  
Amendment by LAHD dated January 5, 2012

Subject: **REQUEST FOR APPROVAL OF FUNDING RECOMMENDATIONS ON THE 2010-2011 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) REQUEST FOR PROPOSALS (RFP), AUTHORIZATION TO EXECUTE CORRESPONDING CONTRACTS AND APPROVAL OF REVISIONS TO THE BY-LAWS OF THE LOS ANGELES COUNTYWIDE HOPWA ADVISORY COMMITTEE**

**SUMMARY**

The Los Angeles Housing Department (LAHD) requests the approval of funding recommendations relative to the 2011-2012 (Consolidated Plan Program Year 37/Con Plan) Housing Opportunities for Persons with AIDS (HOPWA) Request for Proposals (RFP) and authorization to execute corresponding contracts. Programs and services funded under the HOPWA grant are managed by the LAHD. Agencies under contract with LAHD provide housing and supportive services and are selected through a RFP process conducted approximately every three years. LAHD reports that Council authorized LAHD to extend the current 2011-2012 contracts through September 30, 2011 (C.F. 10-2440). Prior to the extension, LAHD received authorization to release a RFP for HOPWA services to be provided for a nine month period beginning July 1, 2011 through March 31, 2012 with an option to renew for two additional periods of up to 12 months each, subject to contractor performance and availability of HOPWA funds (C.F. 08-1202). Released on July 11, 2011, the RFP received a total of 32 proposals from various organizations. Each proposal submitted was reviewed for funding recommendations.

Additional actions being requested include: 1) authorize new contracts with public agencies providing various services using HOPWA funds, separate from the RFP process above, 2) extend an existing contract with Shelter Partnership to provide additional technical services related to HOPWA, 3) extend an existing contract with the Housing Authority of the City of Los Angeles (HACLA) to cover rental assistance to at-risk individuals already provided under the Connections Tenant-Based Rental program, 4) approve changes to the Los Angeles Countywide HOPWA Advisory Committee (LACHAC) By-Laws, and 5) transfer appropriations within HOPWA consistent with these actions. Our Office supports LAHD's recommendations.

*Background: HOPWA Services RFP*

The 2011-2012 HOPWA RFP solicited proposals for supportive services program funding that would assist low-income, homeless and at-risk of homeless persons living with HIV/AIDS (PLWH/As) and their families to locate, stabilize and maintain their housing. The six program categories listed below are intended to

fund service programs that serve PLWH/As who are homeless, residing in emergency shelters, transitional housing, or living independently in permanent housing.

The HOPWA RFP was released by the LAHD on July 11, 2011 with notices of the RFP printed in *Daily Commerce*. The RFP was also posted on LAHD's website and the City's Business Assistance Virtual Network, with links to LAHSA's websites. Approximately 270 notices were sent out by LAHD via U.S. Postal Mail and electronic mail to HIV/AIDS housing and social service providers, interested organizations, and individuals. Funding alerts were also sent out to various social service organizations that were not currently funded with HOPWA funds, but received funding from similar sources such as the Office of AIDS Programs and Policy, the AIDS Coordinator's Office and LAHSA. Finally, HOPWA staff contacted all Executive Directors of current agencies receiving direct HOPWA funding, as well as various agencies that work indirectly with the HOPWA program as referral agencies.

On July 18, 2011, a proposers' conference was conducted by LAHD with approximately 70 persons representing 32 housing and service provider organizations in attendance. The conference emphasized the need for agencies to submit their best-effort proposal addressing the current needs and challenges faced by this population and seeking new innovative approaches to program categories to better assist this population. All technical assistance questions at the conference were submitted in writing and responded to in writing. After the conference, any additional technical assistance questions were submitted in writing and answered within 48 hours. All questions and answers were posted on the LAHD website to give all proposing agencies an equal opportunity to review.

Eligible applicants are community-based, non-profit organizations and public housing authorities operating within Los Angeles County with at least 12 months experience, prior to the date of submission, in providing services to low-income, at-risk homeless or homeless PLWH/As. A current 501 (c) (3) non-profit status and good standing with the California Secretary of State were also required.

The deadline for the submission of proposals was August 5, 2011. The LAHD received a total of 32 proposals, representing funding requests in the amount of \$7,263,112. The RFP included six program categories that correspond with the six categories of HOPWA expenditures approved with the PY 37 Con Plan (C.F. 10-2440). Available funds for each category appeared in the RFP as follows:

<u>Category</u>	<u>Available Funds</u>
■ Housing Information Services .....	\$128,400
■ Emergency Housing and Meal Vouchers.....	450,000
■ Housing Grant Programs, including Short Term Rent, Mortgage, and Utility Assistance (STRMU) Program & Permanent Housing Placement Grants (PHP).....	980,000
■ Emergency, Transitional and Permanent Housing, including Scattered Site Master Leasing .....	1,060,300
■ Supportive Services, including Emergency, Transitional and Permanent Housing.....	1,469,182
■ Technical Services, including Fiscal Auditing .....	38,000
<b>Total</b>	<b>\$4,065,882</b>

The total available amount represents six months of available funding and includes seven percent contractor project administration for each category. The LAHD reserved the right in the RFP to increase or decrease each cost category based on the responses received. LAHD indicates that a total of \$4,736,359

is currently available and represents an increase of \$670,447 transferred from public housing agencies that LAHD over-budgeted during 2010-11. When rollover funds from previous six-month contracts and unexpended funds from PY 36 are factored in, the total funding recommendation is \$5,325,802. Details regarding funding recommendations appear in Attachment A to LAHD's November 29, 2011 transmittal.

*Rating Process*

LAHD staff began the rating process by reviewing each proposal package for minimum requirements to determine that the City required documents had been submitted. Each proposal was then reviewed by evaluation teams made up of persons with knowledge and expertise in the fields of housing and supportive services to PLWH/As and/or government grants for human services.

A minimum of 70 points was required for the proposals to be considered for funding. The factors that were scored in the review and evaluation of the proposals and the points assigned to each factor were as follows:

<u>Category/Factor</u>	<u>Points</u>
Community Need, Target Population and Community Linkages.....	10
Organization Capacity and Demonstrated Effectiveness.....	30
Project Plan and Implementation.....	30
Budget .....	20
Financial Systems, Performance with Other Funding Sources, and Resource Development.....	<u>10</u>
<b>Total Points Available</b>	<b>100</b>

*Appeals Process and RFP Review Results*

An appeals process was established by LAHD in which applicants not recommended for funding were notified and allowed to submit an appeal. Four appeals were considered; three were upheld and one was overturned. The appeals panel was composed of one representative from LAHD two non-LAHD persons with hands-on expertise in the RFP categories. The results of the appeals are detailed on Attachment M to LAHD's subject transmittal.

The LAHD reports that funding recommendation objectives considered maintaining and building upon the current HOPWA delivery system, expertise and outreaching to organizations qualified to provide services to further enhance the current client services level to PLWH/As. The LAHD further reports that the recommendations provide the full complement of services that will provide service avenues to HIV/AIDS clients in the range of services permitted under the HOPWA grant. Details of award and amounts by specific contractors can be found in Attachment A of the LAHD transmittal dated November 29, 2011.

*New Contracts with Public Agencies and Extension of Technical Assistance Provider Contracts*

The LAHD requests to execute new contracts with four public housing authorities and extend the contract of one technical assistance service provider as summarized in Attachments C and D of the LAHD transmittal dated November 29, 2011. The housing authorities (HACLA, Housing Authority of the County of Los Angeles, Housing Authority of Long Beach and Pasadena Community Development Commission) provide long-term rental assistance for PLWH/A in the County of Los Angeles through the Project Based

and Tenant Based Rental Assistance (TBRA) programs. Administered by the housing authorities, the TBRA program is similar to the Housing Choice Voucher (HCV) "Section 8" program. Eligible PLWH/A must be low-income and meet other eligibility criteria as set forth by HOPWA regulations. Clients are normally enrolled in the TBRA certificate program for a 12-month period before their transition into the HCV program. Clients pay 30 percent of their income towards the rent and the remaining portion is subsidized by the Housing Authorities through HOPWA funds. LAHD indicates that the services provided by these contractors are very specialized and specific expertise is required; further, all five are governmental agencies. Each of these criteria is among the Council-approved exceptions to the competitive bidding process (C.F. 95-0600-S29). LAHD reports that they have been satisfied with each agency's performance and recommends continuing the relationships.

Shelter Partnership is the technical assistance service provider for LAHD and subject to a separate awards process from other HOPWA providers (C.F. 08-2742). The original contract with Shelter Partnership was executed in November 2009. LAHD indicates that the proposed extension through March 31, 2012 will provide needed housing studies until a new RFQ for housing studies and services is approved and awarded.

#### *Extension of HACLA Contract*

The LAHD requests authority to extend an existing contract with HACLA to provide services relative to the HOPWA Connections Program. HACLA was selected under a competitive process to provide permanent supportive housing for homeless and at-risk of homeless persons living with HIV/AIDS and their families (C.F. 08-2742). Under the existing contract, HACLA is responsible for intake and recruitment, client assessment, rental assistance, housing search assistance, eligibility determination and follow-up services relative to the Connections Program. Continuity of services will be preserved by extending the existing contract. LAHD reports that the Connections Program is ending on November 1, 2012 and therefore the one-year proposed extension to the existing contract that expired on October 31, 2011 is sufficient. No additional funds are necessary. The proposed amendment appears Attachment E to the LAHD report dated November 29, 2011.

#### *Advisory Committee Bylaws*

The purpose of the Los Angeles Countywide HOPWA Advisory Committee (LACHAC) is to review and advise the City on matters relative to the planning and administration of the HOPWA grant. Other roles include providing advice and comment on the goals and objectives for the Con Plan relative to strategic and annual plans for the HOPWA grant. The LACHAC also identifies ways the HOPWA program can be coordinated with other HIV/AIDS programs to more effectively assist low-income persons by leveraging other funding sources and programs.

A change to LACHAC bylaws was last approved in 2005 (C.F. 00-1422). The newly-proposed bylaws appear as Attachment F on the LAHD transmittal dated November 29, 2011 and include the following changes:

- Length of committee member terms increased to three years;
- Meetings will be held bi-monthly during the entire year; and,
- Updates recording protocols to include digital recordings and provides for their retention for three years.

### *Funding Allocations*

Due to the gap between the beginning of the HOPWA program year (April 1) and the beginning of the fiscal year (July 1), the funding allocation for the first year of the three-year HOPWA contract period cycle typically covers a nine-month period. Given that existing contracts were extended for a six-month period beginning with the start of PY 37, the proposed awards are for six months. The HOPWA funding amounts are determined based on the total amount of HOPWA funds received from HUD for project year 2010-2011 (Con Plan Program Year 37) and program savings that can be rolled over from the prior year. The six-month, prorated amount represents half of a corresponding annual level and applies to all the Supportive Service and Housing Authority Contracts. The Technical Assistance providers are on a separate contract cycle and are not affected by the funding allocation.

Among the recommendations provided are instructions to establish a new HOPWA account funded specifically from LAHD's three percent allocation for administrative costs. This request is in response to Housing and Urban Department (HUD) findings showing that funding previously allocated to technical assistance activities was in fact found to be administratively related. The proposed transfers recommended in this report address the need to formally correct the allocations. It should be noted that the three percent allocation identified is not new; it is part of the overall 10 percent administrative cap allowed under HUD regulations for both contractor and administrative agency oversight.

Finally, LAHD received an entitlement amount that was slightly higher (\$111,735), a difference of less than one percent, than the estimated amount included in the PY 37 Con Plan. A recommendation in this report acknowledges the receipt of the additional funds and provides authority to amend the HOPWA Budget as needed to reflect the additional entitlement.

### **RECOMMENDATIONS**

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

1. Approve the Housing Opportunities for Persons with AIDS (HOPWA) Supportive Services funding recommendations in the six program categories identified in the *Proposed Funding Recommendations Matrix* (Attachment A of the Los Angeles Housing Department (LAHD) transmittal dated November 29, 2011);
2. Authorize the General Manager, LAHD, or designee to:
  - a. Retroactively execute contracts, substantially similar to Attachment B of the LAHD transmittal dated November 29, 2011, between the City and the 25 proposed HOPWA service providers as identified in Attachment A of the LAHD transmittal dated November 29, 2011, subject to the review of the City Attorney as to form and compliance with City contracting standards, for the period October 1, 2011 through March 31, 2012, with an option to renew for two one-year terms and one six-month term, not to exceed a total of 36 months and in the initial funding amounts included in Attachment A, subject to satisfactory contractor performance as determined by LAHD, available funding and ongoing need;
  - b. Retroactively execute contracts, substantially similar to Attachment B of the LAHD transmittal dated November 29, 2011, between the City and four public housing authorities (Housing Authority of the City of Los Angeles, Housing Authority of the County of Los

Angeles, Housing Authority of Long Beach and Pasadena Community Development Commission) to provide Long Term Rental Assistance in accordance with the Attachment C of the LAHD transmittal dated November 29 2011, subject to the review of the City Attorney as to form and compliance with City contracting standards, for the six-month period of October 1, 2011 through March 31, 2012, with an option to renew for two one-year terms and one six-month term, not to exceed a total of 36 months and in the initial funding amounts included in Attachment C, subject to satisfactory contractor performance as determined by LAHD, available funding and ongoing need;

- c. Amend contract with the Housing Authority of the City of Los Angeles, Contract No. 115923, to extend the time of performance for 12 months retroactively from November 1, 2011 to October 31, 2012, for a total term of 48 months, to provide rental payments already encumbered under the Connections Tenant-Based Rental program, in accordance with Attachment E of the LAHD transmittal dated November 29, 2011, subject to the review of the City Attorney as to form and compliance with City contracting standards; and,
- d. Execute the fourth amendment to the contract of Shelter Partnership, a HOPWA technical assistance provider, Contract No. 116287, for an additional six-month period ending March 31, 2012, as indicated in Attachment D of the LAHD transmittal dated November 29, 2011, subject to the review of the City Attorney as to form and compliance with City contracting standards.

3. Authorize the Controller to:

- a. Expend funds for the contracts between the City of Los Angeles and the agencies listed in Attachments A and C of LAHD's November 29, 2011 transmittal from Fund 569 not to exceed the amounts listed in Attachment A of LAHD's November 29, 2011 transmittal upon proper demand of the General Manager, LAHD, or designee;
- b. Transfer appropriations within HOPWA Fund No. 569, Department 43, in the amount of \$40,000 as follows:

From:	<u>Account No.</u> 43H326	<u>Account Title</u> HOPWA Subsidy Assistance	<u>Amount</u> \$40,000
To:	<u>Account No.</u> 43H406	<u>Account Title</u> HOPWA Supportive Services	<u>Amount</u> \$20,000
	43H315	HOPWA Project Sponsor Admin	<u>20,000</u>
		<b>Total</b>	<b><u>\$40,000</u></b>

- c. Establish a new account within HOPWA Fund No. 569, Department 43, funded from the three percent of LAHD General Administration in the amount \$102,900 as follows:

From:	<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
	43G314	HOPWA Technical Assistance	\$72,900
	43G414	HOPWA Technical Assistance	<u>30,000</u>
		<b>Total</b>	<b><u>40,000</u></b>
To:	<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
	43G643	Consultant Fee	\$102,900

- d. Expend funds upon presentation of proper demand from the General Manager, LAHD, or designee in the total amount of \$102,900 from HOPWA Fund 569, Department 43, as follows:

From:	<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
	43G314	HOPWA Technical Assistance	\$ 900
	43F314	HOPWA Technical Assistance	<u>72,000</u>
		<b>Total</b>	<b><u>\$72,900</u></b>
To:	<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
	43G643	Consultant Fee	\$102,900

4. Approve the revisions to the Los Angeles Countywide HOPWA Advisory Committee bylaws, approved by LACHAC in November 2011 and included as Attachment F to LAHD's November 29, 2011 transmittal, subject to the approval of the City Attorney as to form and legality;
5. Authorize the General Manager, LAHD, or designee, to amend the HOPWA Budget as needed to reflect the revised HOPWA entitlement amount of \$12,627,562, an increase of \$111,735 from the amount approved in the PY 37 Con Plan; and,
6. Prepare Controller's instructions and make any technical adjustments consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

**FISCAL IMPACT STATEMENT**

There is no impact on the City's General Fund. Approval of these recommendations will authorize the Los Angeles Housing Department (LAHD) to execute contracts with vendors consistent with the outcome of the Request for Proposals (RFP) for the Housing Opportunities for Persons with AIDS (HOPWA) Program, execute contract amendments with two existing HOPWA Program service providers to extend the time of performance, approve changes to advisory committee bylaws and transfer appropriations within HOPWA consistent with these actions. The fund source is previously-approved federal HOPWA funds. All of these recommendations comply with the City's Financial Policies in that the full cost of these services will be paid through special fund sources.