

TRANSMITTAL

To:

THE COUNCIL

Date:

JUN 15 2012

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Matt Karatz)
ANTONIO R. VILLARAIGOSA
Mayor



HOUSING SERVICES DIVISION – OCCUPANCY MONITORING/COMPLIANCE PROGRAM

Los Angeles Housing Department

LAHD

1200 West 7th Street, 9th Floor., Los Angeles, CA 90017

lahd.lacity.org



Antonio R. Villaraigosa, Mayor

Rushmore D. Cervantes, Interim General Manager

June 8, 2012

Council File: 09-1663

C.D.: Citywide

Contact Persons:

Brittanya Murillo (213) 808-8656

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Suzette Flynn (213) 808-8932

Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles
200 North Spring Street, Room 303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO EXECUTE A SECOND CONTRACT AMENDMENT WITH URBAN FUTURES, INC. TO CONDUCT OCCUPANCY MONITORING OF AFFORDABLE HOUSING

Summary

The Los Angeles Housing Department (LAHD) requests authorization to execute a second amendment to Contract No. 11852 with Urban Futures, Inc. (UFI) to extend the term by 15 months and to add compensation of \$480,000. With administrative oversight by the LAHD, UFI conducts occupancy monitoring of the LAHD's Affordable Housing Inventory to ensure compliance with the rent and income restrictions codified in the City's affordable housing regulatory agreements and Land Use covenants.

Recommendations

The General Manager of the LAHD respectfully requests that:

- I. Your office schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) and forward it to City Council for review and approval immediately thereafter;
- II. The City Council take the following actions:
 - A. Authorize the General Manager of the LAHD, or designee, to execute a second contract amendment to Contract No. 11852 with UFI for an additional fifteen (15) months, from

July 1, 2012 through September 30, 2013, for a total term of 36 months, and an additional \$480,000 in compensation for a total contract amount not to exceed \$1,167,742.

- B. Authorize the City Controller to expend funds upon proper written demand from the General Manager of the LAHD, or designee in the amount of \$480,000, upon approval of the Mayor's proposed budget for Fiscal Year 2012-2013. Funding for this amendment is found in the Special Fund schedules: Municipal Housing Finance Funds (MHFF) (Schedule 48) in the amount of \$300,000; and HOME Investment Partnerships Program funds (Schedule 9) in the amount of \$180,000.
- C. Authorize the General Manager of the LAHD, or designee, to prepare Controller instructions and make technical adjustments that may be required and consistent with this action, subject to approval of the City Administrative Officer (CAO) and request that the Controller be instructed to implement these instructions.

III. That the Mayor concurs with the action of the City Council.

Background


The LAHD is charged with conducting occupancy monitoring on properties that have received a loan through one of LAHD's programs (e.g. Affordable Housing Trust Fund, Earthquake, Neighborhood Preservation, or Bond), or that have received a land use concession that requires an affordable housing set-aside (e.g. density bonus, parking reduction). These properties have recorded regulatory agreements or covenants for a specified term (up to 55 years) that designate a certain number of units to be set-aside as affordable for moderate, low, very-low, or extremely low-income households at rent levels based on the income restriction. The LAHD's Affordable Housing Inventory currently includes over 20,000 units in nearly 1,000 properties, all of which must be monitored annually to ensure that the housing units are occupied by income-qualified tenants at affordable rents. Depending on the type of loan or land use concession, annual monitoring is mandated by the United States Department of Housing and Urban Development (HUD), bond issuance documents, Federal law, State law, City ordinances and/or planning conditions approved by the City Planning Commission.

To conduct occupancy monitoring, the LAHD contracts with UFI to collect and review required monitoring documents, which include: income source documentation, occupancy summaries, and tenant income and rent certifications. Additionally, UFI conducts site visits to review project and tenant files for compliance with federal monitoring requirements. UFI was selected through the LAHD's Request for Proposals for "Occupancy Monitoring for Affordable Housing," which was released July 6, 2010. UFI's initial contract (C-118528) was executed for nine-months, from October 1, 2010 – June 30, 2011, in the amount of \$407,742 (Council File 09-1663). This same Council File gave the LAHD the option to amend the contract for two additional one-year terms and one three-month term, not to exceed 36 months, contingent upon UFI's satisfactory performance and funding availability. The contract has been amended once with an additional 12 months, from July 1, 2011 to June 30, 2012, for a total term of 21 months, and \$280,000, for total compensation of \$687,742.

Fiscal Impact

There will be no impact on the City's General Fund. The proposed UFI contract amendment will be entirely funded with HOME and MHFF.

Prepared by:



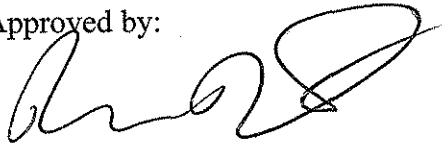
BRITTANYA MURILLO
Manager
Occupancy Monitoring/Compliance Unit

Reviewed by:



SUZETTE FLYNN
Director, Housing Services

Approved by:



RUSHMORE CERVANTES
Interim General Manager

Attachment: DRAFT 2nd Amendment

RC:SF:BM

**DRAFT- SECOND AMENDMENT
TO AGREEMENT NUMBER C-118528 OF CITY CONTRACTS
BETWEEN THE CITY OF LOS ANGELES
AND
URBAN FUTURES, INCORPORATED
RELATING TO
OCCUPANCY MONITORING OF AFFORDABLE HOUSING SERVICES**

THIS SECOND AMENDMENT to Agreement Number C-118528 (Agreement) of City Contracts is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter referred to as the "City", and Urban Futures, Incorporated (UFI), a for-profit, closely held corporation, hereinafter referred to as the "Contractor".

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor agreed to provide certain compliance monitoring services under the City's Affordable Housing Occupancy Monitoring Program, said Agreement effective the date of execution of June 30, 2011 to June 30, 2012 and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the "Agreement"; and

WHEREAS, Section 505 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and Mayor approved (refer to Council File Number 09-1663, dated December 7, 2010, with Mayor concurrence on December 14, 2010), which authorizes the General Manager of the Los Angeles Housing Department an option to prepare and execute an amendment to the Agreement for the purpose of renewing the contract for an additional 15 months, for a total possible performance term of 36 months, subject to satisfactory contractor performance, funding availability and departmental needs; and

WHEREAS, the City Council and Mayor approved funding for this Agreement in the Adopted 2012-2013 City Budget (refer to Council File Number XXX dated _____, 2012 with Mayor's concurrence on _____, 2012) in the department's Special Purpose Fund Schedule 48, the Municipal Housing Finance Fund (MHFF), which contains an appropriation for \$300,000 for Occupancy Monitoring and Schedule 9, HOME Investment Partnership Program fund, which contains appropriations of \$180,000 for Occupancy Monitoring; and

WHEREAS, the City and the Contractor are desirous to prepare and execute an amendment to the Agreement for the purpose of (a) renewing the contract for an additional 15 months for a new ending date of September 30, 2013; (b) adding an additional funds in the amount of Four Hundred Thousand Eighty Dollars (\$480,000) for a new total of One Million One Hundred Sixty-Seven Thousand Seven Hundred Forty-Two Dollars (\$1,167,742); and (c) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended effective upon execution, as follows:

AMENDMENT

1. Amend Section 201, Time of Performance, by deleting the current end date of June 30, 2012, and replacing it with the new ending date of September 30, 2013. This Amendment adds an additional fifteen (15) months for a total term of thirty-six (36) months.
2. Amend Section 301, A, Compensation and Method of Payment, by deleting the current total dollar amount of Six Hundred Eighty-Seven Thousand Seven Hundred Forty Two Dollars (\$687,742) and replacing it with the new total of One Million One Hundred Sixty-Seven Thousand Seven Hundred Forty-Two Dollars (\$1,167,742).

This amendment adds Four Hundred Eighty Thousand Dollars (\$480,000) for a new total of One Million One Hundred Sixty-Seven Thousand Seven Hundred Forty-Two Dollars (\$1,167,742).

3. Amend Section 301, B,1, C, by deleting the existing table entitled "Fee schedule for projects with completed reporting period" in its entirety and replacing it with the following:

AMENDED FEE SCHEDULE FOR PROJECTS WITH COMPLETED REPORTING PERIOD

Project Types	Fees Paid to Contractor For Each Monitored Restricted Unit, per reporting period, for projects in the Affordable Housing Inventory
	Annual
Bond Only	\$14.00
Major Project Projects (MP)	\$27.00
Neighborhood Preservation Project (NPP)	\$22.00
Earthquake (EQ)	\$17.00
Land Use (LU)	\$17.00
Housing Opportunities For Persons With Aids (HOPWA)	\$17.00

	1-4 Units (3 rd Year)	5-25 Units (2 nd Year)	26 or More Units (annual)
HOME Projects On-Site Audit Fee	\$100.00	\$125.00	\$150.00

Annual Administrative Fees	Includes: new project set-up, compliance requests (i.e. queries, Misc. reports, etc.), meetings, application maintenance	10% of annual contract amount
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Hourly Rate For Technical Training and Assistance	Principal \$130	Housing Compliance Supervisor \$75	Compliance Supervisor \$50	Administrative Assistant \$40
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4. Amend Exhibit K, by deleting it in its entirety and replacing it with the Amended Exhibit K attached herein.
5. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and in effect.
6. This Amendment is executed in four (4) duplicate originals, each of which is deemed to be original. This Amendment includes four (4) pages and one Exhibit, which constitutes the entire understanding and agreement between the parties.

IN WITNESS WHEREOF, the City and the Contractor have caused this Agreement to be executed by their duly authorized representative.

APPROVED AS TO FORM:
CARMEN A. TRUTANICH
City Attorney

Executed this _____ day of _____, 2012

By: _____
Deputy / Assistant City Attorney

Date: _____, 2012

For THE CITY OF LOS ANGELES

Rushmore Cervantes
Interim General Manager
Los Angeles Housing Department

By: _____

Title: _____

ATTEST:

JUNE LAGMAY, City Clerk

By: _____
Deputy City Clerk

Date: _____, 2012

Executed this _____ day of _____, 2012

For: Urban Futures, Inc.

By: _____

Print Name: _____

Title: _____

(Contractor's Corporate Seal)

By: _____

Print Name: _____

Title: _____

City Business License Number: 948691-43
IRS ID Number: 95-4641627

Council File Number	Contract/Amendments	Approval Dates
Council File No. 09-1663	Original Contract	12/07/2010 with Mayor's concurrence 12/14/2010
Council File No. 11-0600	1 st Amendment	05/25/2011 with Mayor's concurrence 06/02/2011

Said Agreement is Number C- 118528 of City Contracts, Amendment 2

Exhibit K
Monitoring Documents to be Collected by Program Type

PROGRAM	DOCUMENT	SIGNIFICANCE	FREQUENCY
HOME	Certificate of Continuing Program Compliance	Compliance	Annually
CDBG	Occupancy Summary	Rent verification	Annually
Neighborhood Preservation Program (NPP)	Tenant Income & Rent Certification Form	Income verification	Annually/as needed
Major Projects	Income Source Documents for new and existing Tenants	Income verification	Initial move in Every 6 th year from IDIS close out date
Earthquake MP			
Earthquake NPP	Mandatory Addendum to Lease or Rental Agreement or lease waiver*	Compliance	Initial move in/current tenants/as needed
Bond non-HAP	**Certificate of Continuing Program Compliance (CCPC)	Compliance	Annually
Bond HAP	*Bond Program Report	Rent verification	Annually
	New Tenant Income Certification/Recertification	Income verification	Annually
	Income Source & Third-Party Documents	Income verification	Annually
Land Use (Rental Only)	Occupancy Summary and Land Use CCPC	Rent verification	Annually
	Income Source Documents for new and existing Tenants	Income verification	Initial move in/current tenants Every 6 th year from Certificate of Occupancy
	Tenant Income and Rent Certifications	Income verification	Annually
	Mandatory Land Use Addendum to Lease or Rental Agreement***	Compliance	Initial move in/current tenants/as needed
Housing Opportunities for Persons with AIDS (HOPWA) Non-HOME	CCPC	Compliance	Annually
	HOPWA Program Report	Rent verification	Annually
	New Tenant Income Certification/Recertification	Income verification	Annually/as needed
	HIV/AIDS diagnosis (must be within past year)	Program Eligibility	Initial move in
	Income Source & Third-Party Document	Income verification	Annually/as needed

*Required when there is a change in the household size or income

**Only for Bond HAP projects

*** If Land Use project also has Major Projects regulatory agreement, use only the Major Projects Mandatory Addendum on units that are counted as both Land Use and Major Projects