

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 5, 2019

CAO File No. 0220-00540-1328

Council File No. 12-0968-S5

Council District: 1, 8, & 9

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Reference: Housing and Community Investment Department transmittal dated December 18, 2018; Received by the City Administrative Officer on January 10, 2019; Additional Information Received through February 4, 2019

Subject: **REQUEST FOR AUTHORITY TO RELEASE REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING PROGRAMS AND SERVICES WITHIN THE UNIVERSITY OF SOUTHERN CALIFORNIA (USC) NEXUS STUDY AREA**

RECOMMENDATIONS

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

1. Adopt Recommendations I, V, and VI of the Housing and Community Investment Department (HCID) transmittal (Report) dated December 18, 2018 (C.F. 12-0968-S5) relative to releasing a Request for Proposals for contractors to provide affordable housing programs and services in the University of Southern California (USC) Nexus Study Area; and,
2. Instruct HCID to report back to the Mayor and Council on the results of the proposal evaluation and request authority to negotiate and execute contracts with the selected contractor(s), along with funding recommendations.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to release a Request for Proposals (RFP) for contractors to provide the following services: 1) serve as the University of Southern California (USC) Neighborhood Housing Preservation Fund Administrator; 2) create a USC Area housing Metrics/Data Dashboard for the purpose of tracking and analyzing local housing conditions in the USC Nexus Study Area; and 3) provide homebuyer education in the USC Nexus Study Area, in substantial conformance with the draft RFP included as Attachment 2 to HCID's Report. The HCID is also requesting authority to negotiate and execute contracts for the time period and contract amounts further discussed in this report. However, our Office recommends that HCID report back to the Mayor and Council on the results of the RFP and funding

recommendations, and request for authority to contract at that time because of the proposed length of the contracts and to allow Council to approve the RFP results. Finally, the HCID is requesting authority to spend funds for the administration of the program. Our Office concurs with the Department's recommendations, as amended, to require the HCID to report back to the Mayor and Council on the results of the RFP prior to negotiating and executing contracts.

Contract Terms

The HCID requests authority to execute a ten-year Grant Agreement for the USC Neighborhood Housing Preservation Fund Administrator in the amount of \$5,600,000. The HCID is requesting a ten-year agreement because the proposed program is modeled after other affordable housing loan programs such as the Supportive Housing Loan Fund and New Generation Fund (C.F. 14-1628) which also have ten-year terms. The City Attorney concurs with the request given the City's history of entering into longer-term contracts as it relates to specialized lending services.

While the HCID requests a five-year contract in the amount of \$75,000 for the USC Area Housing Metrics/Data Dashboard in their Report, our Office and the City Attorney recommend that the contract should be for three years, and that the HCID should pursue another procurement process for the remaining two years of the project. The HCID concurs with this recommendation.

Finally, the HCID requests a three-year contract in the amount of \$50,000 for the USC Homebuyer Education Provider. Our Office and the City Attorney concur with this recommendation.

The Mayor and City Council allocated funds for these programs and services on June 13, 2018 (C.F. 12-0968-S4). It should be noted that \$5,951,025 was allocated for the USC Neighborhood Preservation Fund. The HCID reports that the difference between the \$5,951,025 allocated last June and the \$5,600,000 requested for the contract is \$351,025, and will be used to fund staff and administration associated with the program. For FY 2019-20, the HCID is requesting a total of \$120,000, of which \$67,735.38 will be for salaries, \$42,104.31 for related cost reimbursements, and \$10,160.31 will be for lease costs. The HCID stated they would continue to fund administration for the program through transfers through Financial Status Reports in subsequent years. Our Office concurs with the request for funding for a portion of an existing Senior Management Analyst position.

Pursuant to Charter Section 1022, the Personnel Department determined that City employees do have the employee classifications with the necessary qualifications to perform the work. Additionally, this Office determined that it is more feasible to contract because the services required exceed staffing availability, are of limited duration, and additional staff cannot be deployed or trained in a timely manner.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommended actions comply with City Financial Policies in that they are fully funded by the Affordable Housing Trust Fund.