

HOUSING COMMITTEE REPORT relative to request for authority to execute a sole-source contract with BAE Urban Economics to conduct a staff costs fee study for the Los Angeles Housing and Community Investment Department's (HCIDLA) Affordable Housing Bond and Occupancy Monitoring and Covenants Programs.

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

1. AUTHORIZE the General Manager, HCIDLA, or designee, to:

- a. Negotiate and execute a sole-source agreement with BAE Urban Economics for the purpose of conducting a staff cost fee study to establish the basis for applicant and developer fees to cover City staff costs related to the HCID's Affordable Housing Bond Program and the Occupancy Monitoring and Covenants Program, with a contract term from March 1, 2019 through February 29, 2020 and a compensation amount not to exceed \$79,990, subject to the review and approval of the City Attorney as to form and compliance with the City's contracting requirements.
- b. Prepare Controller instructions and make any necessary technical adjustments consistent with this action, subject to the approval of the City Administrative Officer (CAO).

2. AUTHORIZE the Controller to:

- a. Transfer appropriations within Fund No. 100/43, the sources of funds for which are in the Municipal Housing Finance Fund No. 815 (\$29,626.70), the Low and Moderate Income Housing Fund No. 55J (\$9,875.57) and the Community Development Block Grant Fund No. 424 (\$9,875.57) as follows:

	<u>Account</u>	<u>Title</u>	<u>Amount</u>
From:	1010	Salaries, General	\$49,377.84
To:	3040	Contractual Services	\$49,377.84

- b. Transfer appropriations as follows:

From:			
<u>Fund</u>	<u>Account</u>	<u>Title</u>	<u>Amount</u>
815	43R299	Reimbursements to the General Fund	\$18,363.30
55J	43R299	Reimbursements to the General Fund	6,124.43
424	43R299	Reimbursements to the General Fund	<u>6,124.43</u>
Total:			\$30,612.16

To:			
818	43R143	HCIDLA	\$18,363.30
55J	43R143	HCIDLA	6,124.43

424 43R143 HCIDLA

6,124.16

Total: \$30,612.16

- c. Increase appropriations in the amount of \$30,612.16 in Fund No. 100/43, Account No. 3040 Contractual Services.
- d. Expend funds appropriated to Fund No. 100/43, Account No. 3040 Contractual Services; the sources of funds for which are from the Municipal Housing Finance Fund No. 815 in the amount of \$47,990, the Low and Moderate Income Housing Fund No. 55J in the amount of \$16,000, and the Community Development Block Grant Fund No. 424 in the amount of \$16,000 to the fund the contract, upon proper written demand of the General Manager, HCIDLA, or designee.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. The above recommendations comply with City financial policies as the proposed fees are fair and recover the full cost of providing services.

Community Impact Statement: None submitted.

Summary:

On February 13, 2019, your Committee considered February 5, 2019 and January 10, 2019 HCIDLA reports relative to a request authority to execute a sole-source contract with BAE Urban Economics to conduct a staff costs fee study for the HCIDLA Affordable Housing Bond and Occupancy Monitoring and Covenants Programs. According to the CAO, the HCIDLA is requesting authority to execute a sole source agreement with BAE Urban Economics for the purpose of conducting a staff cost fee study to establish the basis for applicant and developer fees to cover City staff costs related to the HCIDLA's Affordable Housing Bond (AHB) Program and the Occupancy Monitoring and Covenants (OMC) Program, with a proposed contract term from March 1, 2019 through February 29, 2020 and a compensation amount not to exceed \$79,990.

The proposed contract would be funded by the Municipal Housing Finance Fund, the Low and Moderate Income Housing Fund, and the Community Development Block Grant Fund. The HCIDLA indicates that approval of this proposed agreement will allow the HCIDLA to cover the staff costs to administer the AHB and OMC programs and reduce the HCIDLA's impact on the General Fund. It should be noted that the Controller instructions in this report differ from the Controller instructions in the January 10, 2019 HCIDLA report, attached to the Council file. Subsequent to the release of its Report, the HCIDLA confirmed that the Controller instructions should reflect appropriations totaling \$79,990 to match the proposed contract and not \$80,000. The CAO concurs with the HCIDLA's recommendations as amended.

On November 5, 2018, the HCIDLA released a Request for Bids (RFB) to 29 consultants prequalified to perform economic analysis for the City of Los Angeles, but did not receive any bids. The HCIDLA contacted two City-approved contractors directly and selected BAE Urban Economics since they previously performed similar services for HCID as part of the Linkage Fee analysis. The HCIDLA reports and the City Attorney concurs that a sole source contract is

justified because:

- The HCIDLA did not receive any bids in response to the RFB
- The contractor has the professional expertise as it relates to performing a fee study.
- The work to be performed is expected to be temporary and completed within one year.

A proposed scope of work and draft agreement is included in the HCIDLA's Report. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as contained in the CAO report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	ABSENT
KREKORIAN:	YES
HARRIS-DAWSON:	YES

ARL
2/13/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-