

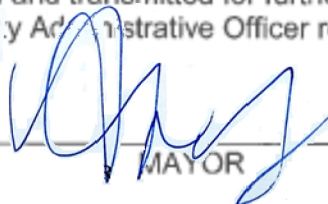
TRANSMITTAL

0220-00540-1163

TO The Council	DATE 4/5/16	COUNCIL FILE NO. 13-1574
FROM The Mayor	COUNCIL DISTRICT Citywide	

Proposed Second Amendment to Contract No. C-123803 with UFBA, Inc. for the continued provision of occupancy monitoring services

Approved and transmitted for further processing.
See the City Administrative Officer report attached.



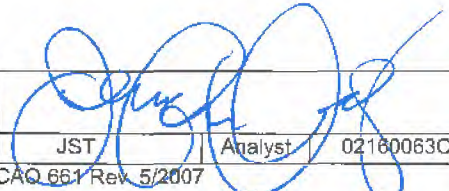
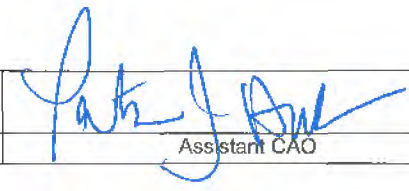
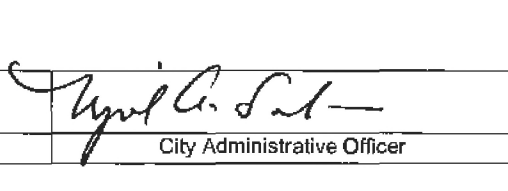
MAYOR (Ana Guerrero)

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 03-15-16	C.D. No. Citywide	CAO File No.: 0220-00540-1163				
Contracting Department/Bureau: Housing and Community Investment Department (HCID)		Contact: Brittanya Murillo: 213-808-8976 Angeles Mojica: 213-808-8985					
Reference: Transmittal from HCID dated February 16, 2016; Received by the City Administrative Officer on March 2, 2016.							
Purpose of Contract: To continue to conduct occupancy monitoring of the City's affordable housing inventory							
Type of Contract: () New contract (X) Amendment		Contract Term Dates: Extend contract term by 12 months to commence retroactive to January 1, 2016 through December 31, 2016. Total contract term will be from January 1, 2014 to December 31, 2016.					
Contract/Amendment Amount: 12 months and \$1,008,988							
Proposed amount \$ 1,008,988 + Prior award(s) \$ 1,390,000 = Total \$ 2,398,988							
Source of funds: \$180,000 from Municipal Housing Finance Fund No. 815 \$300,300 from HOME Investment Partnerships Program Fund No. 561 \$528,688 from Low and Moderate Income Housing Fund No. 55J							
Name of Contractor: Urban Futures Bond Administration, Inc.							
Address: 3111 North Tustin Ave, Suite 110 Orange, CA 92865							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			a. Equal Employment Opportunity/Affirm. Action	X		
2. Appropriated funds are available	X			b. Good Faith Effort Outreach**	X		
3. Charter Section 1022 findings completed	X			c. Equal Benefits Ordinance	X		
4. Proposals have been requested	X			d. Contractor Responsibility Ordinance	X		
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50	X		
7. Workforce that resides in the City: %				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The General Manager of the Los Angeles Housing and Community Investment Department (HCID) requests authority to execute the Second Amendment (Amendment) to Contract No. C-123803 (Contract) with Urban Futures Bond Administration, Incorporated (UFBA) for continual occupancy monitoring of the City's affordable housing inventory. The proposed Second Amendment would extend the contract term by 12 months to commence retroactive to January 1, 2016 to December 31, 2016, and add compensation of \$1,008,988, for a total term of three years from January 1, 2014 to December 31, 2016 and revised compensation of \$2,398,988. The Amendment is needed to continue the required occupancy monitoring of the affordable housing portfolio for calendar year 2016. This Office concurs with the HCID's request to execute a Second Amendment to Contract No. C-123803 with UFBA for the continued provision of occupancy monitoring services. A copy of the draft amendment is attached to the HCID transmittal dated February 16, 2016, which has been forwarded to the City Attorney for concurrent review and approval as to form.

 JST Analyst 02180063C	 Assistant CAO	 City Administrative Officer
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BACKGROUND

The HCID's affordable housing inventory consists of approximately 43,000 units, which includes 23,000 units previously transferred to the City from the Los Angeles Community Redevelopment Agency (CRA/LA). These properties are subject to one or more recorded regulatory agreements or covenants, which are placed on the property when the owner receives financing through the City's Affordable Housing Trust Fund (AHTF), from Multi-family Housing Revenue Bonds issued by the City, other loans and grants, and/or when the owner has received a land use concession, such as a density bonus, parking reduction, Mello Act, or discretionary planning determinations. HCID is charged with annual occupancy monitoring of the affordable units set aside in these covenants and regulatory agreements for up to 55 years to ensure compliance with rent, income, and other programmatic restrictions.

Due to the number of units that would be subject to occupancy monitoring, HCID had requested to contract out the additional responsibilities for monitoring the housing projects on an annual basis. Pursuant to Charter Section 1022, the Personnel Department Contract Review Report dated November 28, 2012 found that City employees do have the expertise to perform the work; however, the work assignment exceeds staffing availability. This Office concurs that it is more feasible to contract for occupancy monitoring services because the work exceeds staffing availability and because specialized knowledge and technical expertise relating to housing regulations are required. Selected through the City's competitive Request for Proposals process, UFBA has contracted with HCID since 2014 to provide occupancy monitoring services (C.F.13-1574). The current contract is for one year with two one-year renewal options. The contract's First Amendment, which increased compensation by \$710,000 and extended the term by one year, expired on December 31, 2015.

CURRENT PERFORMANCE

In August 2015, HCID conducted its annual site visit of UFBA's office to review project/tenant files monitored by UFBA. HCID staff was very satisfied with the timeliness and results produced by UFBA staff. This contract thus far has increased the rate of projects' compliance with tenant household-income and affordable rent requirements, to over 90%. HCID requests that UFBA receive a retroactive contract extension for one additional year to commence on January 1, 2016 through December 31, 2016 for an additional \$1,008,988.

Pursuant to the contract, UFBA's responsibilities for calendar year 2016 will include, but not be limited to the following tasks:

- Calculate the income and rent tables based on the HUD rent and income limits, and submit to HCIDLA for approval;
- Distribute to all owners and specified project contacts, the updated income/rent schedules and utility allowances for their projects;
- Collect tenant certifications after initial lease-up as required and review for accuracy;
- Conduct on-site property audits for HOME-funded properties;
- Support a web portal that is accessible to property owners/managers so that they may view a five-year history of compliance status for their projects;
- Send notification letters to owners of CRA/LA-restricted projects;
- Submit monthly compliance reporting and Cash Requests to HCIDLA;

- Monitor projects in the affordable housing portfolio for compliance with the appropriate program regulations; and
- Review files for fair housing compliance with Americans with Disabilities Act and Section 504 of the Rehabilitation Act.

RECOMMENDATIONS

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

1. Authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to execute a Second Amendment to Contract No. C-123803 with Urban Futures Bond Administration, Incorporated, increasing compensation by an amount of \$1,008,988, for a total contract amount not to exceed \$2,398,988 utilizing Low and Moderate Income Housing Funds (No. 55J- \$528,688), Municipal Housing Finance Funds (No. 815- \$300,300), and HOME Funds (No. 561- \$180,000), and retroactively extending the term by one year from January 1, 2016 through December 31, 2016, in substantial conformance with the attached draft amendment and subject to the following: a) funding availability; b) satisfactory contractor performance; c) HCID work requirements; d) compliance with all applicable Federal, State and City regulatory requirements; e) approval of the City Attorney as to form; and, f) compliance with City contracting requirements;
2. Authorize the use of \$528,688 of Low and Moderate Income Housing Funds received from former Community Redevelopment Agency/Los Angeles projects transferred to HCID to pay for the occupancy monitoring services.
3. Authorize the Controller to:
 - A. Establish and appropriate a new account within Fund 55J Low and Moderate Income Housing as follows:

<i>Account</i>	<i>Title</i>	<i>Amount</i>
43M243	Occupancy Monitoring	\$528,688

- B. Expend funds upon proper demand of the General Manager of HCID, or designee; and,
4. Authorize the General Manager of HCID, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer, and request the Controller to implement these instructions.

FISCAL IMPACT STATEMENT

There will be no impact to the City's General Fund. Funding for the proposed second contract amendment will be provided by the Housing and Community Investment Department's Municipal Housing Finance Fund No. 815 (\$180,000), HOME Investment Partnership Program Fund No. 561

(\$300,300), and Low and Moderate Income Housing Fund No. 55J (\$528,688). The recommendations are in compliance with the City's Financial Policies in that funding for the proposed activities is available within the identified funds.