

TRANSMITTAL

To:

THE COUNCIL

Date:

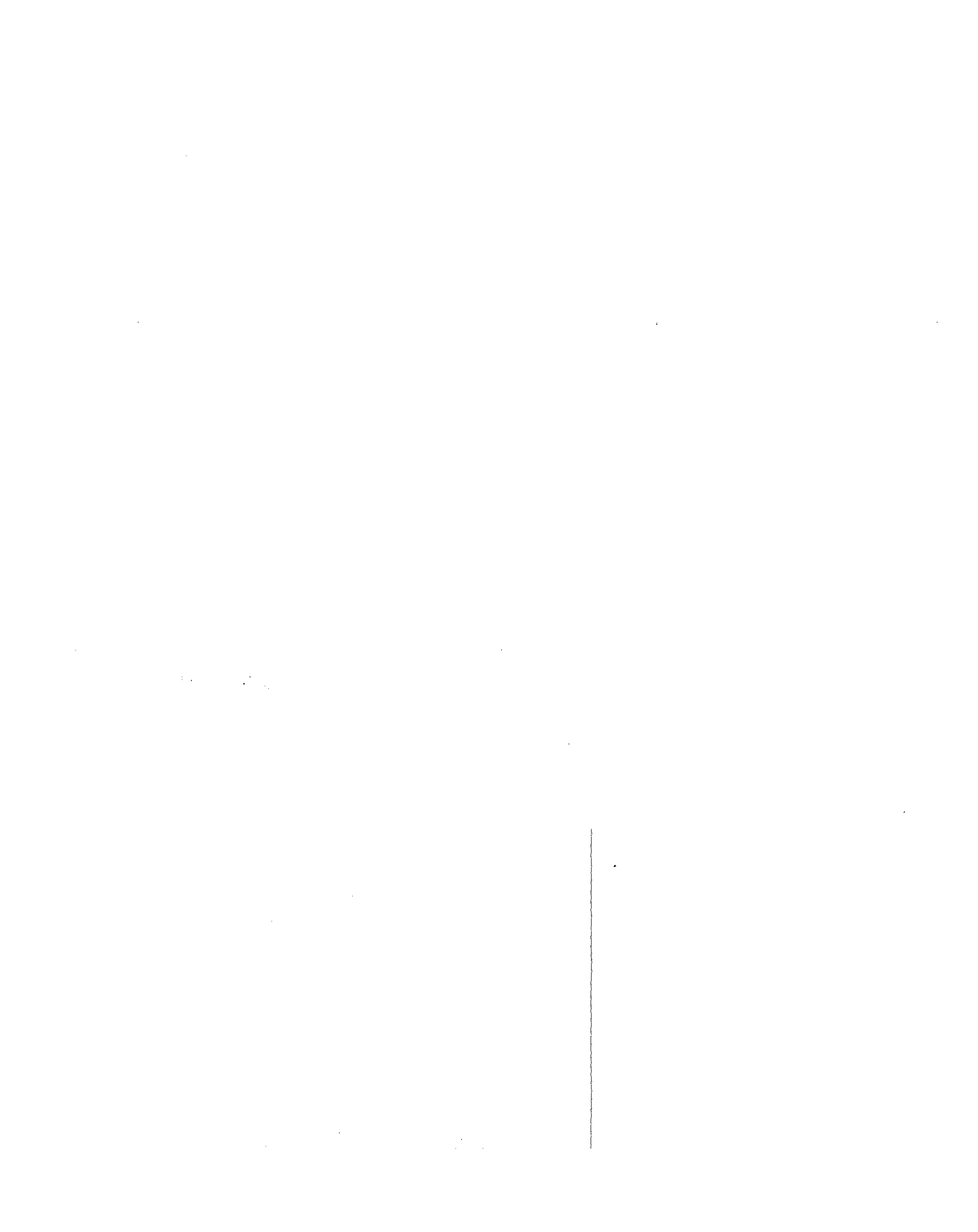
JAN 27 2014

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

 (Ana Guerrero)
ERIC GARCEPPI
Mayor





Eric Garcetti, Mayor
Rushmore D. Cervantes, Interim General Manager

Regulatory Compliance & Code Bureau
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January 14, 2014

Council File: New
Council Districts: Citywide
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The Honorable Eric Garcetti
Mayor, City of Los Angeles
200 N. Spring Street, Room 303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

TRANSMITTAL: REQUEST FOR AUTHORITY TO RELEASE A REQUEST FOR PROPOSAL (RFP) FOR LANDLORD OUTREACH AND EDUCATIONAL SERVICES FOR THE CITY LOS ANGELES (CITY)'S RENT ESCROW ACCOUNT PROGRAM (REAP) AND UTILITY MAINTENANCE PROGRAM (UMP)

SUMMARY

The Los Angeles Housing and Community Investment Department (HCIDLA) seeks authority to issue a new Request for Proposal (RFP) for the selection of a Landlord Outreach Contactor for the Rent Escrow Account Program (REAP) and the Utility Maintenance Program (UMP). REAP and UMP are HCIDLA enforcement programs that encourage landlords to maintain their properties, and to bring properties that have unresolved Housing Code violations into compliance. Rents, for units placed into REAP, are reduced in accordance with the nature and severity of the violations cited. Tenants in properties subject to REAP and UMP, have the option to pay their rent directly into a City-administered escrow account. These funds can then be used to make repairs, pay for essential services, or fund relocation benefits.

Currently, HCIDLA has an outreach program for both tenants and landlords. The outreach program began in 1997 to educate eligible tenants about REAP and UMP under the assumption that tenants would be more willing to participate in the programs if they understood the purpose and benefits of the programs. Increased tenant participation in REAP/UMP motivates landlords to repair their properties immediately. While the program started with the contractors being tasked with providing outreach to both tenants and landlords, the Department concluded that landlords would be best served by a contractor that specifically tailored its services to address the unique information and facilitation needs of landlords.

On June 17, 2010, HCIDLA requested the release of an RFP for outreach services specifically geared towards landlords whose properties are referred to REAP/UMP. In January 2011, the release of an RFP for a Landlord Outreach Contractor was approved. As a result of this process, the HCIDLA contracted with The Eberly Company as the Landlord Outreach Contractor under CF No. 09-0404-S2. The original contract was effective from January 1, 2011 to December 31, 2011, with three subsequent amendments. The third and final amendment, allowed under this agreement, will expire on June 30, 2014.

The proposed RFP will enable HCIDLA to continue utilizing the services of a landlord contractor to provide outreach for REAP and UMP, facilitating removal of properties from REAP and UMP, as well as preventing properties from returning to these enforcement programs once they have been cleared. The additional assistance of an outreach landlord contractor is essential to the success of the REAP and UMP because educating and motivating the landlords and property owners of multi-family rental dwellings is essential factors in maintaining these rental properties.

Accordingly, the Contractor will ensure that landlords are aware of Housing Code requirements, and REAP/UMP policies and procedures, including the process for requesting for release of funds from REAP and UMP escrow accounts and other relevant information. The Contractor will meet with landlords either individually or in group settings to provide information and facilitate services designed to assist them in maintaining their properties and correcting violations. The Contractor will also work collaboratively with tenants and tenant organizations to resolve landlord-tenant conflicts and provide access to the units, as needed.

This RFP process will allow HCIDLA to evaluate proposers and select one that will provide the best service to the landlords. Upon receiving authority, HCIDLA plans to execute the new contract on or about June 2014, before the present contract expires.

October 25, 2013, HCIDLA requested a determination on Charter Section 1022 from the Personnel Department to show that the City currently does not have the staff available to perform the required outreach services. At the time of finalizing this transmittal, this determination is still under review at the Office of the City Administrative Officer.

A copy of the draft RFP will be forwarded to the City Attorney for review and approval as to form.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully recommends that the City Council, subject to the approval of the Mayor, take the following actions:

1. AUTHORIZE the General Manager of HCIDLA, or designee, to issue and release an RFP for a contractor to provide Landlord Outreach Services for REAP and UMP in substantial conformance with the draft RFP included as Attachment I of this transmittal, subject to the approval of the City Attorney as to form.
2. DIRECT the General Manager of HCIDLA, or designee, to assess the responses of the subject RFP and submit the evaluation results with recommendations to the Mayor and the City Council, including funding levels and necessary implementation instructions.

BACKGROUND

In 1988, the City Council and the Mayor, increasingly concerned with the deterioration of rental housing in the City, established the REAP, whereby tenants could voluntarily place their rents into a City-administered escrow account when the landlord had refused or consistently failed to correct cited Housing Code deficiencies (C.F. 87-1084-S2; Ordinance No. 164205). Shortly thereafter, the Council and the Mayor also adopted the Rent Reduction Program (RRP), which consisted of a schedule of rent reductions that corresponded to reductions in housing services that rendered a rental unit untenable under California Civil Code Section 1941.1 (C.F. 87-1084-S2; Ordinance No. 164496). REAP/RRP proved to be very effective in motivating landlords to remedy violations of the City's Housing Code and bring their buildings up to minimum standards of habitability when tenants participated in REAP.

In 1993, the City Council and Mayor strengthened protections for tenants participating in REAP and provided for expedited inclusion of properties where there was an imminent threat to the health and safety of tenants (C.F. 93-1850). In 1997, the City established an outreach program for REAP and contracted with three community based organizations for the provision of educational and outreach services to tenants residing in subject buildings to increase the likelihood of their participation in REAP (C.F. 93-1850-S1). That same year, the City Council and Mayor expanded REAP to include properties referred under the Utility Maintenance Program (UMP), which focuses on properties where tenants are threatened with utility shut off because of the property owner's delinquency in payment to the Los Angeles Department of Water and Power (LADWP).

In February 1999, the Mayor and City Council directed the General Manager of LAHD to issue an RFP to contract for outreach services to tenants and property owners of the rental units subject to the REAP and UMP. Based on the results of the RFP, one contract was executed in April 2000 (C.F. 97-1303-S4). The Mayor and City Council added two additional contracts in October 2000 (C.F. 99-2036). In 2000, the Mayor and City Council also added to the contractor's scope of work to include contacting tenants before REAP and UMP properties are referred to the City Council for termination consideration.

In audits of both REAP and UMP in December 2001 and May 2002, respectively, the City Controller made recommendations to increase the use of outreach contractors. It was suggested that expanded outreach contact efforts would better educate tenants and property owners about the programs and increase tenant participation. This participation would serve as a strong financial disincentive to landlords and property owners who would then be encouraged to remedy outstanding violations or resolve outstanding utility bills. For these reasons, and due to the tremendous increase in cases resulting from the ordinance modifications approved by the Mayor and City Council in April 2001, and increase in inspections performed by the City's Systematic Code Enforcement Program (SCEP), two additional contractors were added in July 2003 (C.F. 99-2036).

HCIDLA has continued contracting with four organizations for REAP/UMP tenant outreach services by conducting competitive selection processes (C.F. 02-2426 and 09-0404). In January 2011, the Department was authorized to add a Landlord Outreach Contractor using existing funding, increasing the total number of outreach contractors to five (C.F. 09-0404-S2).

The current Landlord Outreach contract will expire on June 30, 2014, with no further options for annual contract extensions. The proposed RFP and resulting contract would enable HCIDLA to continue to use

the services of a contractor committed to providing outreach to landlords and property owners whose properties are in REAP/UMP. This work would support the Department's continuing efforts to improve rental housing conditions and assist property owners in expediting the removal of existing Housing Code violations, ensuring timely closure of the REAP/UMP cases, and preventing properties from being placed into REAP/UMP repeatedly.

The existing Landlord Outreach Contractor provides REAP and UMP outreach services to landlords citywide with focus on high-risk areas where ~~there~~ exist aging properties that are poorly maintained and have a history of housing code violations. The Landlord Outreach Contractor must also assist the landlords and property owners in conflict resolution with tenants and expedite closing of REAP and UMP cases by facilitating access to units for repair work to be performed when tenant-landlord conflicts cause difficulties accessing the units. The Landlord Outreach Contractor will be required to periodically meet with prominent landlord and tenant organizations to discuss tenant-landlord conflict issues, and strive to reach a thorough understanding of the issues in order to reach resolutions.

From January 1, 2011 to December 31, 2013, 1,747 new cases were referred to the Landlord Outreach Contractor who assisted in the closing of 2,227 new and existing cases, representing more than 8,567 REAP and UMP units, through the following outreach activities: workshops, seminars, site visits, mailings, phone calls, etc.

HCIDLA has benefited from its partnerships with community based organizations in the delivery of outreach services for several reasons. First, the work requires specialized knowledge and expertise in the areas of affordable and rent-stabilized rental housing for the provision of time-sensitive services. Second, the contractor provides bilingual services and is available during evenings and weekends. On October 25, 2013, HCIDLA requested a determination on Charter Section 1022 from the Personnel Department to show that the City currently does not have the staff available to perform the required outreach services. At the time of finalizing this transmittal, this determination is still under review at the Office of the City Administrative Officer.

The contracted outreach services will be paid from funds derived from REAP/UMP administrative fees.

REQUEST FOR PROPOSAL (RFP) PROCESS

This RFP will solicit a qualified organization to provide Landlord Outreach Services for REAP and UMP.

HCIDLA proposes to execute new contracts with one organization to commence on or about July 1, 2014, for a one-year period with an option to extend for two additional periods of up to one year each, for a total not to exceed three years, subject to contractor performance, availability of funding and approval by the Mayor and City Council. The RFP will be posted on the HCIDLA's website, Los Angeles Business Assistance Virtual Network (LABAVN) and the City's websites, and will be advertised in local newspaper(s). In addition, the current REAP and UMP landlord contractor, as well as Minority Business Enterprise/Women Business Enterprise trade associations, will be notified.

Applicants for the REAP/UMP Landlord Outreach Services must satisfy the following conditions:

1. Must be in good standing with any regulatory oversight agencies;

2. Do not have any disallowed or outstanding debts to the City of Los Angeles;
3. Are qualified to conduct business in the State of California;
4. Have at least three (3) years experience performing outreach and educational services for landlords and property owners (as individuals or in groups);
5. Have experience related to property law, REAP and UMP and demonstrated commitment to the REAP, UMP, Urgent Repair Program and the landlord outreach programs goals and objectives;
6. Have the ability to put an effective landlord outreach program into operation at the beginning of the contract term;
7. Have the ability to offer services in both English and Spanish, at a minimum, and arrange translation services for other languages as needed. It is desirable for all applicants to have conflict resolution experience between landlords and tenants to resolve disputes while remaining as neutral as possible;
8. Have not been determined to be non-responsible or debarred by the City pursuant to the Contractor Responsibility Ordinance;
9. Have not been debarred by the federal government, State of California or local government; and,
10. Are in good standing with the Secretary of State, if proposers are corporations or limited liability companies.

All applications will be reviewed by a team of evaluators with particular expertise in the respective service program category. Each application will be evaluated on its own merit for content, responsiveness, conciseness, clarity, relevance, cost and adherence to the instructions in the RFP.

The criteria for evaluating proposals shall include the following:

Area	Description	Points
1	Demonstrated commitment to the operation and jurisdiction of the pertinent enforcement agencies.	20
2	Quality and creativity of outreach program concepts and strategy.	30
3	Demonstrated ability to produce quality deliverables on-time and on-budget as evidenced by past performance, including experience and qualifications of project manager, key personnel, and subcontractors.	30
4	Proposed budget, allocation of costs, and use of available resources to maximize the effectiveness of the property owner outreach and education program.	20
	Total Points	100


The City will notify all applicants in writing of the results of the proposal evaluations. Applicants may appeal procedural issues only, by submitting a letter to the HCIDLA within five (5) working days of receiving notification. Appeals will be reviewed before a panel of experts from HCIDLA. The City Council and the Mayor will exercise final authority in the selection of the contractor, as well as the allocation of funds to be awarded through this RFP.

Fiscal Impact Statement

To increase the level of service provided by the landlord outreach contractor, and improve efficiency without increasing the operational overhead of the contractor, the Department is increasing the funding for the contract from \$105,000 annually to an annual amount not-to-exceed \$150,000, or \$450,000 for three (3) years. This contract is fully fee supported, 95% of the proposed budget (\$142,500.00 annually) will come from the Code Enforcement Trust Fund, and 5% (\$7,500.00 annually) will come from the Rent Stabilization Trust Fund.


There is no impact on the General Fund.

Prepared by:




MARJORIE PHAN
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Compliance Division

Prepared by:



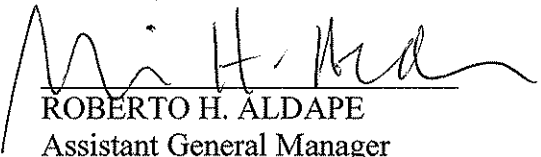
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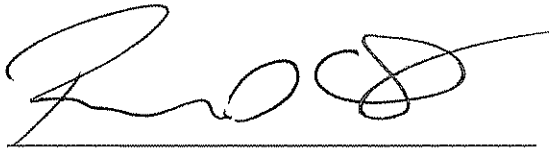
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Approved by:



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Investment Department

Attachment(s):
Draft Request for Proposal