

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 27, 2015

CAO File No. 0220-00540-1129

Council File No. 14-0310

Council District: 1-3, 6-10, 12-15

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Housing and Community Investment Department transmittal dated April 23, 2015

Subject: **RECOMMENDED PROJECTS RESULTING FROM THE REQUEST FOR PROPOSALS RELATIVE TO THE NEIGHBORHOOD IMPROVEMENT FUND REQUEST FOR PROPOSALS**

SUMMARY

The Los Angeles Housing and Community Investment Department (HCID), in its transmittal dated April 23, 2015 (Transmittal), seeks approval of 23 projects relative to the Neighborhood Improvement Fund (NIF) Request for Proposals (RFP). The HCID also requests authority to negotiate and execute contracts or Memoranda of Understanding (MOU) with the successful proposers, depending on whether they are a nonprofit or a City department, and issue corresponding Controller instructions to deposit awarded funds into various accounts subject to City Administrative Officer approval.

Funds proposed for the NIF projects total \$4,737,958 and are comprised of allocations provided during the 39th and 41st Program Years (PY; C.F. 12-1607 and 14-1382) of the Community Development Block Grant (CDBG). The 23 proposed awards represent the entire amount available in NIF-related accounts as shown on Page 4 of the Transmittal. The proposed contracts and MOUs resulting from project awards are anticipated to remain in place to allow up to one year from notice of award for construction to commence and up to two years after notice of award to complete the project. This Office finds that HCID appears to have properly executed instructions provided by the Mayor and Council relative to release of the RFP (C.F. 14-0310), and provided proposer instructions contained in the RFP accordingly, and we concur with the recommendations made in HCID's Transmittal.

Additional Information

The subject Transmittal offers a comprehensive discussion regarding the NIF RFP release and selection process as follows:

- Overview of background and purpose of the NIF RFP, including Mayor and Council approval of the NIF RFP contents and release, consistent with direction in C.F. 14-0310;
- Full amount of funding available for NIF projects;
- Criteria defining eligible applicants for NIF projects, limitation of funds available for each

project (up to \$250,000), and review of each proposal to ensure adherence with CDBG eligibility requirements;

- Description of evaluation criteria and number of points associated with each category;
- Description of evaluator teams charged with project review and eligibility determination; and
- Final scoring and award recommendations.

Of 33 proposals submitted, 30 were found to meet minimum CDBG eligibility requirements. These 30 proposals were then evaluated using criteria established within the RFP document. As stated in the RFP, proposals were required to achieve a minimum score of 70 to be considered for funding. Twenty-three proposals were originally awarded a score of 70 or higher; after consideration of two appeals, one additional proposal from Pacoima Beautiful received a score of 70. HCID recommends funding 23 of 24 projects scoring over 70 as funds from all NIF-related accounts will be expended at that point. HCID indicates that it may be an option to identify \$250,000 in CDBG savings within the next several months to fund Project No. 24, the creation of a 40 foot "green alley" by Pacoima Beautiful.

The HCID reports that proposers demonstrated access to financial resources other than the requested CDBG funds and therefore it is not anticipated that any project shortfalls will be covered with additional CDBG monies. Proposers are required to begin construction on projects within one year of receiving notice of award; if projects do not commence construction timely, it is likely that project funds will be reprogrammed, in part to prevent violations of Department of Housing and Urban Development timeliness regulations. HCID also indicates that if a project does not meet its expected completion timeframe within two years of notice of award of funds, the Department will report to Mayor and Council with a recommendation specific to the project and associated funding. Contracts are anticipated to have a two-year term beginning from the Notice of Award date for each project. HCID included language in their contract template stating that, at the City's discretion, additional time beyond the two years may be provided to close out activities. Pursuant to HUD regulations, the close-out of this type of agreement means that all financial, administrative and performance issues related to the activities undertaken by the contract recipient have been resolved and the contractor has provided final versions of all financial, performance and other reports that were a condition of the award. Although an alternate deadline may be established by the grantee, frequently these reports are due within 90 days of the expiration of the contract.

Pursuant to Charter Section 1022 Determination Procedures, a 1022 Determination is not necessary because the NIF Project work was required to be contracted (C.F. 14-0310), though it should be noted that several City departments successfully proposed NIF Projects and are therefore recommended to receive funding (Public Works Bureaus of Engineering and Street Services and the Departments of Transportation, Recreation and Parks and Aging). HCID indicates that the City Attorney has reviewed the contract and MOU templates referenced in the Transmittal as to form and legality and has found that they are consistent with other agreements relative to CDBG projects. While the templates do not appear as part of the Transmittal, they are available online at <http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=14-0310>.

RECOMMENDATION

That the Council, subject to the Mayor, adopt the recommendations that appear on Pages 2 and 3 of the Housing and Community Investment Department Transmittal dated April 23, 2015 relative to the results of the Neighborhood Improvement Fund Request for Proposals.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendation in this report complies with the City's Financial Policies as the sources of the proposed funding will be from previously-approved Program Years 39 and 41 Community Development Block Grant funds specifically identified for Neighborhood Improvement Fund projects (\$4,737,958).

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