

TRANSMITTAL

To:

THE COUNCIL

Date:

NOV 09 2015

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



Ana Guerrero

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rustawa D. Cervantes, General Manager

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November 4, 2015

Council File No. 14-1705
Council Districts: All
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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

TRANSMITTAL: REQUEST FOR AUTHORITY TO EXTEND EXISTING HOPWA CONTRACTS AND REQUEST FOR APPROVAL OF RECOMMENDATIONS RELATIVE TO THE RESULTS OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH HIV/AIDS (HOPWA) REQUEST FOR PROPOSALS (RFP)

SUMMARY

The Los Angeles Housing and Community Investment Department (HCIDLA) is requesting authority to extend existing Housing Opportunities for Persons with HIV/AIDS (HOPWA) contracts for six months from October 1, 2015 to March 31, 2016 for contract agencies to continue to provide services until the new contracts resulting from the recently concluded HOPWA Request for Proposals (RFP) are in place. HCIDLA conducted an RFP process to select new contractors for the HOPWA program (C. F. 14-1705). HCIDLA is recommending contractors for funding and requesting authority to execute contracts with the successful proposers effective April 1, 2016. In addition, HCIDLA is requesting authority to amend existing contractors to continue to provide services in two regional office areas where HCIDLA could not recommend contracts through this RFP. Further, HCIDLA is also requesting authority to release a new RFP for these two areas where there is no regional office.

Funding for the HOPWA program is provided annually by the U.S. Department of Housing and Urban Development (HUD) as a formula grant through the Consolidated Planning process. The HOPWA program provides housing and supportive services countywide for low-income and homeless persons living with Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) and their families.

RECOMMENDATIONS

The General Manager of the Los Angeles Housing and Community Investment Department (HCIDLA) respectfully requests that:

- I. Your office schedule this transmittal at the next available meeting of the appropriate Council Committee and forward it to the City Council for review and approval immediately thereafter.
- II. The City Council, subject to the approval of the Mayor:
 - A. Authorize the General Manager, HCIDLA, or designee to amend the existing contracts with the HOPWA providers listed in Attachment A for six months, beginning October 1, 2015 through March 31, 2016, to continue to provide HOPWA services countywide until the new contracts awarded through the RFP begin on April 1, 2016. Funding will be provided from the PY 2015-2016 HOPWA grant accounts as follows:

<u>Fund</u>	<u>Account</u> <u>No.</u>	<u>Account Name</u>	<u>Amount</u>
569	43M326	HOPWA Subsidy Assistance	\$1,011,707
569	43M332	Project Sponsor Administration	\$242,345
569	43M406	HOPWA Support Services	\$2,082,164
569	43M442	HOPWA Information Services	\$144,902
569	43M644	Outside Auditor	\$37,500
		Total	\$3,518,618

- B. Authorize the General Manager, HCIDLA, or designee to negotiate and execute contracts in substantial conformance with Attachment B, recommended contractors for the HOPWA program, for twelve-month contracts beginning April 1, 2016 through March 31, 2017, with an option to renew for up to four additional years, subject to review and approval by the City Attorney as to form, and compliance with all necessary City and federal requirements. Funding will be provided for these new contracts from the HOPWA entitlement grant for Program Year April 1, 2016 to March 31, 2017.
- C. Authorize the General Manager, HCIDLA, or designee to negotiate and execute contracts in substantial conformance with Attachment B, existing providers in the regional areas where no contract awards were recommended through this RFP for twelve months beginning April 1, 2016 through March 31, 2017, subject to review and approval by the City Attorney as to form, and compliance with all necessary City and federal requirements. Funding will be provided for these new contracts from the HOPWA entitlement grant for Program Year April 1, 2016 to March 31, 2017
- D. Authorize the General Manager, HCIDLA, to release a Request for Proposals (RFP) for services to be provided at the two Regional Offices not procured through the RFP process: 1) San Gabriel Valley (SPA 3) and East Los Angeles (SPA 7); and 2) Metro Downtown and Metro East (Subgroups of SPA 4). The RFP will be in substantial conformance with the requirements of the HOPWA RFP released in 2015 with respect to eligibility and services to be provided, with services expected to begin April 1, 2017.

E. Authorize the Controller to:

1. Establish new accounts and increase/(decrease) appropriations within the Housing Opportunities for People with AIDS Fund No. 569 as follows:

Account	Account Name	Amount
43M326	HOPWA Subsidy Assistance	\$ (2,535,318)
43M332	HOPWA Project Sponsor Administration	\$ (230,282)
43M335	Savings-HOPWA Subsidy Assistance	\$ 3,700,000
43M336	Savings – HOPWA Support Services	\$ 252,000
43M406	HOPWA Support Services	\$ 1,595,738
43M442	HOPWA Information Services	\$ 144,904
43M455	HOPWA Regional Office	\$ (2,927,042)
	Total	\$0.00

- F. Authorize the HCIDLA General Manager, or designee, to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with these actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement these instructions.

BACKGROUND

The HOPWA program provides housing assistance and related supportive services for low-income persons with HIV/AIDS and their families. Federal regulations require the largest jurisdiction in an Eligible Metropolitan Statistical Area receive the formula allocation (24 CFR 547.110) and provide services countywide. The City of Los Angeles has been the recipient of the federal HOPWA grant under the Consolidated Plan since the 1990s. Over the last five years, the HOPWA grant has ranged from \$12.4 million to \$15.9 million annually. The HOPWA grant for Program Year 2015-2016 is \$14.3 million.

In the HOPWA program, nonprofit agencies and public housing authorities provide housing and services for persons living with HIV/AIDS (PLWHA). Contracts are usually for a one-year term with the option to renew for two additional one-year terms, although the term can be extended upon approval by the Mayor and City Council. HOPWA regulations allow three percent of the grant to be used for grant administration by HCIDLA.

The previous HOPWA RFP was conducted in 2011 (Council File 08-1202), with initial contracts executed for a 6-month term of October 1, 2011 to March 31, 2012 (C.F. 11-2120), followed by three 12-month amendments for each year from April 2012 through March 2015, and a 6-month contract from April 1, 2015 to September 30, 2015, approved through the annual Consolidated Plan process.

REQUEST TO AMEND CONTRACTS

Current HOPWA contracts ended September 30, 2015. HCIDLA is requesting retroactive authority to extend the existing contracts with the current HOPWA providers for the remaining six months of PY 2015-2016, for the term of October 1, 2015 – March 31, 2016, to continue to provide services until the new contracts awarded through the RFP are in place. The extension increases the term of the contracts to 4.5 years. The contracts with two agencies that are not being extended for the additional six months: 1) Safe Refuge (formerly Substance Abuse Foundation of Long Beach) will be funded as of October 1, 2015, through the County Department of Public Health, Division of HIV/AIDS and STD Programs (DHSP) for the services previously funded by the HOPWA program. This arrangement is a result of the HOPWA-DHSP collaboration described below. 2) Southern California Alcohol and

Drug Program, Incorporated, elected not to extend the contract. They have three HOPWA clients who have pending applications in the HOPWA Tenant-Based Rental Assistance program, which will continue to be processed by the HOPWA Central Coordinating Agency.

Attachment A lists the agencies and funding amounts to receive this six-month funding. Funding for the extensions is provided by the PY 2015-2016 HOPWA entitlement grant.

REDESIGN OF THE HOPWA PROGRAM

The proposed redesign streamlines service delivery by funding Regional Offices that will coordinate housing and supportive services in geographic areas throughout the County, develop collaborative relationships and partnerships with a wide array of service providers, and more effectively track client outcomes. Regional Office areas were defined using County Service Planning Areas (SPAs) and data on low-income persons living with HIV/AIDS.

Agencies currently funded under the HOPWA program have reported a marked increase in clients who contend with a number of issues in addition to their HIV status, including mental illness, substance use, and homelessness. The proposed contractors for the Regional Offices have the capacity to address these needs through HOPWA funding, leveraged funding sources, and collaborations. Further, the RFP redesigns the Los Angeles County HOPWA program to reflect shifts in national and local trends to the “Housing First” philosophy of moving clients who are homeless or at risk of homelessness into housing as quickly as possible, while providing intensive supportive services to help those clients maintain housing. Agencies funded through the RFP must collaborate with systems with whom HOPWA clients interact, such as the Coordinated Entry System and the Homeless Families Solutions System, both administered by the Los Angeles Homeless Services Authority (LAHSA) and funded by the City and County of Los Angeles.

In redesigning the HOPWA program, HCIDLA also worked closely with the Los Angeles County Department of Public Health’s Division of HIV/AIDS and STD Programs (DHSP). DHSP administers federal Ryan White HIV/AIDS Program funds for the County. Given the overlap in target population and contractors, HCIDLA and DHSP have coordinated their programs by minimizing duplicative funding and encouraging funded agencies in both systems to collaborate to strengthen overall service provision.

The HOPWA entitlement grant provides the City with only 3% of the grant amount to administer the contract, which is insufficient to pay the entire costs. The new program design helps to minimize the City’s administrative costs by reducing the number of contractors while continuing to provide a comprehensive program with high quality services.

The RFP requested proposals for the following categories of service. A detailed definition of each service category is attached (Attachment C):

1. Housing Specialist Regional Offices
2. Housing Information and Referral
3. Legal Services
4. Training Module
5. Central Coordinating Agency for Short Term Rent Mortgage Utility/ Permanent Housing Placement/ Tenant-Based Rental Assistance
6. Resident Service Coordination
7. Animal Support and Advocacy
8. Fiscal Monitoring

REQUEST FOR PROPOSALS PROCESS

On January 21, 2015, the City Council approved the release of an RFP for the HOPWA program (C.F. 14-1705). The initial start date of the contracts was expected to be July 1, 2015, but due to delays in the RFP process, HCIDLA is pushing this back to the start of the next program year, April 1, 2016.

HCIDLA released the HOPWA RFP on February 12, 2015 through the Los Angeles Business Assistance Virtual Network. Announcement of the release of the RFP was posted on the HCIDLA and LAHSA websites; advertised in a local newspaper; and sent via email to nonprofits, City departments, and City Council offices. A mandatory proposers' conference was held on February 23, 2015, and proposals were due March 26, 2015.

Proposals were evaluated based on the following criteria:

Evaluation Criteria for Program Services:

Area	Description	Points
1	Organizational Capacity and Demonstrated Effectiveness	35
2	Program Plan and Implementation	20
3	Community Need, Outreach, Community Linkages	15
4	Budget	15
5	Past Performance and References	15
	Total Points	100

Evaluation Criteria for Fiscal Services:

Area	Description	Points
1	Relevant background, experience, and qualifications to conduct risk assessments and fiscal monitoring activities	20
2	Demonstrated understanding of the work being requested	15
3	Quality of detailed work plan	10
4	Qualifications and experience of staff assigned to project	15
5	Cost breakdown for each service and total cost	20
6	Recent relevant experience	10
7	Client references	10
	Total Points	100

Eleven evaluation teams consisted of 18 program staff members from the Economic and Workforce Development Department, LAHSA, Department on Disability, and the County of Los Angeles Department of Public Health, in addition to HCIDLA staff members with specific expertise in key subject matters related to program, accounting, and fiscal monitoring requirements. Proposals needed to receive a minimum score of 70 to be considered for funding.

RFP RESULTS AND APPEALS

HCIDLA received 21 proposals: eight for Regional Offices; five for Resident Service Coordination; two for Housing Information and Referral; two for the Training Module; and one each for Legal Services, Central Coordinating Agency, Animal Support and Advocacy, and Fiscal Monitoring. All proposals were reviewed to determine if the minimum eligibility requirements and City contracting requirements had been met. Three proposals were deemed to be ineligible and were not further evaluated for funding.

Eligible proposals were reviewed, scored, and ranked by evaluation teams. On June 19, 2015, HCIDLA notified proposers as to whether they would or would not be recommended for HOPWA funding based on the review of their proposals. Proposers were informed of their rights to file an appeal based on procedural issues. Appeals were due June 26, 2015. No appeals were filed. Attachment B contains a table of recommended proposers based on the results of the proposal evaluations and available funding.

Regional Offices – Eight proposals were submitted for the six Regional Offices and four are being recommended for funding. Two proposals did not pass threshold, one did not score the minimum 70 points, and one was not recommended for funding. The proposal not being recommended for funding is an agency that applied for three Regional Offices as well as the Central Coordinating Agency (CCA) and Residential Services Coordination (RSC) programs. HCIDLA is recommending this agency for two Regional Offices, the CCA, and RSC contracts; however, it was determined that funding them for a third Regional Office would result in an over-concentration of services by one agency, creating a potential risk to the City. Funding levels for the Regional Offices are based on the services to be provided, percentage of low-income persons living with HIV/AIDS in the region, and the number of clients to be served.

Residential Service Coordination proposals - Five proposals were submitted for Residential Services Coordination, which were more than anticipated. This category provides funding for supportive services to HOPWA clients living in affordable and permanent supportive housing. Because supportive service funding is a scarce resource, we determined that this was an important program to fund and are therefore recommending all five proposals for funding. Further, all five proposed contractors are long-time HOPWA providers in good standing. HCIDLA has nearly doubled the funding for the category to be able to contract with all five providers. HCIDLA proposes that each agency receive a proportional share of the budgeted funds based on the projected number of clients to be served. HCIDLA was able to identify savings that will cover the funding increase for 2016-2017 and anticipates that it will be able to cover PY 2017-2018. However, the financial resources for subsequent years are less certain.

On November 4, 2014, the Personnel Department responded to HCIDLA's request for a Charter Section 1022 review and found that, due to special qualifications required by the HOPWA Program, there are no City employees that would be able to perform the work being proposed for contracting.

REQUEST TO 1) RELEASE AN RFP FOR TWO REGIONAL OFFICES AND 2) EXTEND CONTRACTS TO CONTINUE TO PROVIDE SERVICES

Two Regional Offices, listed below, will not be funded through this RFP process and HCIDLA is requesting authority to release an RFP to re-solicit bids for these areas.

- San Gabriel Valley (SPA 3)/East Los Angeles (SPA 7) – One proposal was submitted, but is not being recommended for funding due to the capacity concerns described above.
- Metro Downtown and Metro East (Subgroups of SPA 4). The proposal submitted did not receive the minimum score of 70 required to be recommended for funding.

HCIDLA staff will be meeting with agencies that provide HOPWA services in the two regions to encourage them to collaborate and form partnerships with other providers so they can apply as a Regional Office in the area that they serve, including agencies that may have previously applied. Staff will also conduct additional outreach to providers in the area in an effort to increase the number of bids. The RFP would be in substantial conformance with the eligibility requirements and scope of services in the RFP released earlier in 2015 and approved by City Council and the Mayor. HCIDLA expects to release the RFP no later than July 2016.

To provide services in these areas while HCIDLA reissues the bid, HCIDLA is requesting authority to amend the contacts with three current HOPWA service providers for the one year period of April 1, 2016 – March 31, 2017. Their initial contracts began October 1, 2011, so the contract amendment will extend the term to 5.5 years. (This

includes the six month extension for October 1, 2015-March 31, 2016.) Although this term is longer than usual, the alternative is not providing services, which would be detrimental to persons living with HIV/AIDS. HCIDLA is requesting the additional one-year extension to allow time to conduct the RFP process for these two Regional Office areas.

Agency	12-month funding for PY 2016-2017	Total funding	Area Served
Lamp Community	\$599,354	\$2,881,447	Downtown/East Metro
SRO Housing Corporation	\$570,000	\$2,909,606	Downtown/East Metro
Foothill AIDS Project	\$431,855	\$1,017,918	San Gabriel Valley

FISCAL IMPACT

There is no impact on the City's General Fund. Proposed amended and new contracts will be funded from the federal HOPWA grant for Program Years (PY) 2015-2016 and the anticipated grant for 2016-2017, plus any rollover identified from previous years. Funding costs for the recommendations in this report are as follows: Funding for the 6-month extensions (October 1, 2015 – March 31, 2016) will be \$3,518,618, which is currently available in the PY 2015-2016 HOPWA budget, and funding for 1-year contracts (April 1, 2015 – March 31, 2017) will be \$11,298,213, which is anticipated to be \$14.3 million.

Attachments:

- A. HOPWA Funding Matrix for Six Month Contract Extension (October 1, 2015 – March 31, 2016)
- B. HOPWA RFP Contractor and Funding Recommendations (April 1, 2016 – March 31, 2017)
- C. Description of HOPWA Service Categories

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