

# TRANSMITTAL

To:

**THE COUNCIL**

Date: 12/08/2016

From:

**THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**



(Ana Guerrero)

**ERIC GARCETTI**  
Mayor



Eric Garcetti, Mayor  
Rushmore D. Cervantes, General Manager

**Program Operations Bureau**

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November 30, 2016

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 APPROVAL OF RECOMMENDATIONS RELATIVE TO THE RESULTS OF THE HOPWA PROGRAM REQUEST FOR PROPOSALS; SERVICE PLANNING AREAS 3/7 AND 4 (METRO AND DOWNTOWN EAST SUBAREAS)**

**SUMMARY**

The Los Angeles Housing and Community Investment Department (HCIDLA) is requesting authority to execute contracts with agencies that shall provide services to assist clients with all aspects of housing search, placement and retention, including but not limited to providing crisis beds. Other services also include the ongoing establishment of connections to supportive services with the ultimate goal of helping clients become permanently, stably housed. The HCIDLA conducted a Request for Proposals (RFP) process to select new contractors for the Housing Opportunities for Persons with AIDS (HOPWA) program (C. F. 14-1705) to provide services in two areas where a previous RFP did not identify viable service providers. Specifically, the RFP solicited proposals for the provision of services in two service planning area (SPA) regions of Los Angeles County: SPAs 3 and 7 and subareas of SPA 4 (Metro Downtown and East). The HCIDLA is recommending contractors for funding and requesting authority to execute contracts effective April 1, 2017.

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 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 City 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, take the following action:
  - A. Authorize the General Manager, HCIDLA, or designee to negotiate and execute contracts with the recommended contractors for the HOPWA program, for twelve-month contracts beginning April 1, 2017 through March 31, 2018, with an option to renew for up to three (3) additional one-year terms, 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 43 beginning on April 1, 2017 to March 31, 2018.

## **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 (PY) 2016-2017 is \$13.7 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.

## **REDESIGN OF THE HOPWA PROGRAM**

The HOPWA program has gradually undergone a service delivery redesign. The redesign streamlines service delivery by funding Regional Offices that 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. Service areas for Regional Offices were defined using County 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 issues beyond their HIV status, including mental illness, substance use, and homelessness. The current contractors for the Regional Offices have the capacity to address these needs through HOPWA funding, leveraged funding sources, and collaborations. Further, the 2015 RFP redesigned 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 2015 RFP must collaborate with systems with which HOPWA clients interact, such as the Coordinated Entry System and the Homeless Family 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 previous HOPWA RFP was conducted in 2015 (Council File 14-1705), with initial contracts executed for a one-year term from April 1, 2016 to March 31, 2017, approved through the annual Consolidated Plan process. While this RFP process identified contractors for four regional offices, two areas did not yield contractors for services. To ensure consistent coverage for the SPAs without regional offices, HCIDLA established one-year contracts with three agencies to maintain service in those areas. In light of this, authority was sought to re-issue the RFP for the outstanding regional areas.

## REQUEST FOR PROPOSALS PROCESS

On November 24, 2015, the City Council approved the release of an RFP for the HOPWA Regional Specialist Offices - SPAs 3 and 7; SPA 4, Metro Downtown and East (C.F. 14-1705).

The HCIDLA released this RFP on August 1, 2016 through the Los Angeles Business Assistance Virtual Network. Announcement of the release of the RFP was advertised in a local newspaper; and sent via email to nonprofits, City departments, and other interested parties. A mandatory proposers' conference was held on August 11, 2016, and proposals were due September 19, 2016.

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
	<b>Total Points</b>	<b>100</b>

One evaluation team, consisting of three program staff members from the Department on Disability and HCIDLA with specific expertise in key subject matters related to program and accounting, evaluated two proposals for the SPA 3/7 area (San Gabriel Valley). No proposals were received for the SPA 4 subareas.

## RFP RESULTS AND APPEALS

The HCIDLA received two proposals for the SPAs 3/7 regional office. Both proposals were reviewed to determine if the minimum eligibility requirements and City contracting requirements had been met.

Eligible proposals were reviewed and scored by the evaluation teams. On October 18, 2016, 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 October 24, 2016. No appeals were filed.

While the RFP process yielded competitive proposals for the SPA 3/7 service areas, none were received for the SPA 4 subareas' regional office contract opportunity. After engaging in a second competitive bid process that

yielded no viable proposals, it was determined that an additional RFP process would be inefficient and would likely not yield a viable service contract, creating the potential for a critical service gap on April 1, 2017. A service gap would be detrimental in the Metro/Downtown and East areas of SPA 4. This unexpected lack of proposals compelled HCIDLA staff to reach out to the City Attorney’s Office to determine viable options. The City Attorney’s Office staff attorney advised that we could continue to contract with the two current service providers in this area.

Both LAMP/OPCC and SRO Housing Corporation agreed that maintaining a continuity of service in the SPA 4 Metro Downtown and East subareas is critical and agreed to continue providing HOPWA services in the SPA 4 subareas in question. Both agencies were hesitant to respond to the RFP, indicating that the full range of resources and services required of regional offices would put undue pressure on their administrative and service capacities. However, the agencies agreed to enter into contracts with enhanced budgets, agreeing to gradually ramp-up service capacity and to incrementally serve more clients. Both agencies currently provide varying services in the SPA 4 Metro and East subareas, and will continue to operate in these areas.

All contract terms for the three agencies will be April 1, 2017 through March 31, 2018, with the option to exercise three, one-year extensions.

Funding levels for the Regional Offices are generally 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. Below are the proposed funding levels for three recommended contractors:

<b>Agency</b>	<b>12-month Funding for PY 2017-2018</b>	<b>Area Served</b>
LAMP/OPCC	\$699,354	Downtown/East Metro (SPA 4 subareas)
SRO Housing Corporation	\$670,000	Downtown/East Metro (SPA 4 subareas)
Foothill AIDS Project	\$1,321,934	San Gabriel Valley (SPAs 3/7)
Total	\$2,691,288	

#### **FISCAL IMPACT**

There is no impact on the City’s General Fund. Proposed new contracts will be funded from the federal HOPWA grant for PY 2017-2018, plus any rollover identified from previous years. Funding for these 1-year contracts (April 1, 2017 – March 31, 2018) will be \$2,691,288. Funding for the PY 2017-18 HOPWA budget is anticipated to be \$13,700,201 (level funding).

Prepared by:



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