

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 12, 2016

CAO File No. 0220-00540-1194

Council File No. 15-0024

Council District: Citywide

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Housing and Community Investment Department Transmittal dated July 20, 2016; Received by the City Administrative Officer on July 22, 2016; Additional information Received on August 2, 2016

Subject: **REQUEST TO EXECUTE A FIRST AMENDMENT TO A COOPERATION AGREEMENT WITH THE COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES FOR A REGIONAL AFFORDABLE HOUSING LISTING SERVICE**

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:
 - a. Negotiate and execute the First Amendment to a Cooperation Agreement (C-125926) with the Community Development Commission of the County of Los Angeles and Emphasys Computer Solutions, Inc. (Emphasys) to increase compensation by \$129,890 for Year 2 funds, for a total amount of \$167,345, for a retroactive period of performance for 12 months from July 14, 2016 through July 13, 2017, in substantial conformance with the draft Amendment (attached), and subject to the following: 1) funding availability; 2) satisfactory contractor performance; 3) HCID work requirements; 4) compliance with all City contracting requirements; and 5) approval by the City Attorney as to form and legality;
 - b. Prepare Controller's instructions for any necessary technical adjustments consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions; and,
2. Authorize the Controller to:
 - a. Establish a new account, 43N701 Housing Listing Service, within Fund No. 240, Housing Production Revolving Fund, Department 43 and transfer appropriation as

follows:

	Account No.	Account Name	Amount
From	43K299	Reimbursement of General Fund Costs	\$9,165
To	43N701	Housing Listing Service	\$9,165

- a. Establish a new account, 43N701 Housing Listing Service, within Fund No. 815, Municipal Housing Finance Fund, Department 43 and transfer appropriation as follows:

b.

	Account No.	Account Name	Amount
From	43K299	Reimbursement of General Fund Costs	\$61,150
To	43N701	Housing Listing Service	\$61,150

- c. Establish a new account, 43N701 Housing Listing Service, within Fund No. 55J, Low and Moderate Income Housing Fund, Department 43 and appropriate \$59,575 from available cash balance; and,
- d. Expend funds upon proper demand of the General Manager of HCID, or designee.

SUMMARY

The General Manager of the Housing and Community Investment Department (HCID) requests authority to execute a proposed First Amendment (Amendment) to a Cooperation Agreement (C-125926) with the Community Development Commission of the County of Los Angeles (County) and Emphasys Computer Solutions, Inc. (Emphasys) for the continued provision of an affordable housing listing service where HCID developments are posted for the public, and which includes online and toll-free call center support. The Cooperation Agreement (Agreement) term is for three years from July 14, 2015 through July 13, 2018. The initial compensation amount was \$37,455 for a period of performance for 12 months from July 14, 2015 through July 13, 2016. The proposed Amendment would allow the City to increase compensation by \$129,890 for a retroactive period of performance for 12 months from July 14, 2016 through July 13, 2017, and a revised total compensation of \$167,345. The \$129,890, which will be paid from HCID's Housing Production Revolving Fund No. 240, Municipal Housing Finance Fund No. 815, and Low and Moderate Income Housing Fund No. 55J, represents a partial match to the \$3.2 million commitment made by the County for this regional data sharing effort.

Please note that the proposed Amendment attached to this report has been amended at the request of HCID, to reflect a reduction of \$2,300 for printing of marketing materials, and its subsequent impact on the County's 10 percent administrative cost. This Office concurs with HCID's request. Please note that the Controller instructions in this report have been amended to reflect the estimated reduction in the transfer of funds within Fund No. 815, Municipal Housing Finance Fund, from \$63,450 to \$61,150.

BACKGROUND

On December 19, 2006, the County Board of Supervisors delegated authority to the Los Angeles County Executive Office to execute an agreement with SocialServe.com to create a website called the Los Angeles County Housing Resource Center (LAC-HRC). In August 2015, Emphasys acquired the technology assets of SocialServe.com and became their parent company. The County entered into its most recent contract for internet-based housing database and website services on December 30, 2015. The attached Amendment reflects the changes that have occurred since the HCID first entered into the Agreement with the County and SocialServe.com on July 14, 2015.

Compensation for the second year of the Agreement will be \$129,890, which includes maintenance costs related to hosting the website and call center support. The second year in the proposed Amendment is \$44,750 more than the original estimated cost of \$85,140 for the second year. Additional costs in the proposed Amendment include: 1) on-site training; 2) development and maintenance for periodic reporting on compliance, unit vacancies, and open waiting lists; and, 3) a new regional partnership usage volume fee based on the region's increased support services and call center volume during HCID's first year in the Agreement. The third and final year of the Agreement is estimated to cost \$106,075. Compensation amounts are outlined in Exhibit B of the Agreement and attached to this report. Funding for the third year of the Agreement will be identified as part of a subsequent request to amend the Agreement.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The proposed First Amendment to a Cooperation Agreement (C-125926) with the Community Development Commission of the County of Los Angeles and Emphasys Computer Solutions, Inc. will be paid for by the Housing Production Revolving Fund No. 240, Municipal Housing Finance Fund No. 815, and Low and Moderate Income Housing Fund No. 55J. The recommendations in this report are in compliance with the City's Financial Policies in that the costs for the Cooperation Agreement will be paid by special funds.

MAS:EIC:02170013C

Attachment

DRAFT FIRST AMENDMENT TO COOPERATION AGREEMENT

**FIRST AMENDMENT TO
COOPERATION AGREEMENT BY AND BETWEEN
THE COMMUNITY DEVELOPMENT COMMISSION OF THE
COUNTY OF LOS ANGELES AND THE LOS ANGELES HOUSING AND COMMUNITY
INVESTMENT DEPARTMENT FOR SHARED DATA COLLECTION AND CREATION AND
MAINTAINANCE OF A HOUSING RESOURCE CENTER PARTNER WEBSITE**

THIS FIRST AMENDMENT to the Cooperation Agreement ("Amendment One") is made and entered into by and between the Community Development Commission of the County of Los Angeles ("Commission"), the Los Angeles Housing and Community Investment Department (HCIDLA), and Emphasys Computer Solutions, Inc., a Michigan corporation ("Contractor"). The Commission, HCIDLA and the Contractor are hereinafter referred to collectively as the "Parties" and each individually as a "Party." HCIDLA enters into this Amendment One in partnership with the Commission and Contractor to continue operation and improve the partner website ("HCIDLA Partner Website") that is linked to the Los Angeles County Housing Resource Center website ("LAC-HRC Website") that is operated by the Contractor on behalf of the Commission.

WITNESSETH

- A. WHEREAS, from March 31, 2009 to December 31, 2009, the Commission maintained a contract (Master Agreement) with Non-Profit Industries, d/b/a Socialserve.com (Socialserve) to develop, operate, and manage the LAC-HRC Website.
- B. WHEREAS, the Los Angeles County Board of Supervisors granted authority for the Commission's Executive Director to enter into agreements with cities or agencies in Los Angeles County that desired to have partner websites to the LAC-HRC Website.
- C. WHEREAS on July 14, 2015, the Commission and HCIDLA entered into a three-year Cooperation Agreement with Socialserve in order to provide for the development and operation of an HCIDLA Partner Website to the LAC-HRC Website; and
- D. WHEREAS, the executed Cooperation Agreement has been further identified by HCIDLA as City Contract No. C-125926; and
- E. WHEREAS, Section 8.A. of the Cooperation Agreement provides for amendments; and
- F. WHEREAS, the Parties are desirous of amending the Cooperation Agreement as authorized by the Los Angeles City Council and Mayor (refer to Council File No. 15-0024, dated December 23, 2014; approved by Council on February 10, 2015 and concurred with the Mayor on February 17, 2015), for the purpose of increasing compensation by One Hundred Twenty-nine Thousand, Eight Hundred Ninety Dollars (\$129,890); these funds are made up of Low and Moderate Income Housing Funds (No. 55J- \$59,575), Municipal Housing Finance Funds (No. 815- \$61,150), and Housing

Production Revolving Funds (No. 240- \$9,165); for a new total contract amount not to exceed One Hundred Sixty-seven Thousand, Three Hundred Forty-five Dollars (\$167,345); and

G. WHEREAS, in August, 2015, the Contractor acquired the technology assets of Socialserve, and now serves as the parent company; and

H. WHEREAS, on December 15, 2015, the Los Angeles County Board of Supervisors, also acting as the Los Angeles County Board of Commissioners, approved a new sole source contract between the Commission and Contractor to effectively continue the uninterrupted operation of the LAC-HRC Website upon the expiration of the current contract; and

I. WHEREAS, a contract ("Master Agreement") for Internet-based Housing Database and Website Services by and between the Commission and the Contractor was executed on December 30, 2015; and

J. WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Cooperation Agreement; and

NOW, THEREFORE, the Parties agree that the Revised Agreement be amended effective upon execution, as follows:

AMENDMENT

1. Amend the first paragraph, by deleting "Non-Profit Industries, Inc. a North Carolina not for profit corporation d/b/aSocialserve.com", and replacing it with "Emphasys Computer Solutions, Inc., a Michigan corporation"
2. Amend Recital A, by replacing the existing language with the following:
 - A. WHEREAS, Commission and Contractor entered into a Contract for Internet-Based Housing Database Website Services on December 30, 2015, ("Master Agreement") for purposes of creating, managing, maintaining and expanding information and services on the LAC-HRC Website.
3. Amend Recital E by replacing the existing language with the following:
 - E. WHEREAS, the current Master Agreement, as amended, expires on December 31, 2018.
4. Amend Recital G by replacing the existing language with the following:
 - G. WHEREAS, HCIDLA will pay all costs for the HCIDLA website described herein with funds utilizing Low and Moderate Income Housing Funds (No. 55J- \$59,575), Municipal Housing Finance Funds (No. 815- \$61,150), and Housing Production Revolving Funds (No. 240- \$9,165).
5. Amend Section 6, Fees and Payments by deleting sections A and B and replacing the existing language with the following:

6. Fees and Payments

- A. As itemized in Exhibit B, HCIDLA agrees to pay the Contractor and Commission as follows;
- Year 1, defined as July 14, 2015 to July 13, 2016: up to \$37,455, which includes an administrative fee not to exceed \$3,405;
 - Year 2, defined as July 14, 2016 to July 13, 2017: up to \$129,890, which includes an administrative fee not to exceed \$9,990, for a total contract amount not to exceed \$167,345;
 - Year 3, defined as July 14 2017 to July 13, 2018: up to \$106,075, which includes an administrative fee not to exceed \$7,825, for a total contract amount not to exceed \$273,420.

Administrative fees paid to the Contractor shall pass-through to the Commission within 30 days of receipt of payment.

- B. All payments due subsequent to December 31, 2018, shall be conditioned upon renewal of the Master Agreement.

7. Amend to delete Exhibit B and replace it in its entirety with the revised Exhibit B in this amendment.

SPACE BELOW LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the Parties have caused this Revised Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM:
MICHAEL N. FEUER
City Attorney _____, 2016

By: _____
Deputy / Assistant City Attorney

Date: _____, 2016

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____
Deputy City Clerk

Date: _____, 2016

For THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES
General Manager
Los Angeles Housing + Community Investment
Department

By: _____

Title: _____

Executed this _____ day of
_____, 2016

(Contractor's Corporate Seal of Notary)

Executed this _____ day of
_____, 2016

For: COUNTY OF LOS ANGELES

COMMISSION
Community Development Commission of the
County of Los Angeles

By: _____
Sean Rogan, Executive Director

Date: _____

COUNTY OF LOS ANGELES
Chief Information Office

By: _____
Peter Loo, Acting Chief Information Officer

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By: _____
Senior Deputy County Counsel

Date: _____

For: Emphasys Computer Solutions, Inc.

By: _____
Name: MICHAEL BYRNE
Title: Chief Executive Officer

ATTEST:

By: _____

Title: _____

Date: _____,

EXHIBIT B
PROJECT COST SCHEDULE

<u>Service Component</u>	<u>Year 1</u> 7/14/15 – 7/13/16	<u>Year 2</u> 7/14/16 – 7/13/17	<u>Year 3</u> 7/14/17 – 7/13/18
Develop artwork (“Skin”) for new HCIDLA custom header co-branded with County site	\$2,500	-	-
Develop artwork/ language for marketing and promotion, printing	\$2,500	-	-
Develop search link to return all listings <ul style="list-style-type: none"> • Include “flag”: to identify HCIDLA properties as needing to be in compliance with listings on site • Link will also flag LA County properties if they are co-funders with HCIDLA/City 	\$1,200	\$575	\$925
Launch website <ul style="list-style-type: none"> • Configuring database for HCIDLA data • Setting up DNS for URLs • HTML coding to build site 	\$1,400	-	-
Owner/manager training sessions	\$2,000 4 trainings (\$500 each)	\$3,500 4 Webinars (\$500 each) 2 On-Site Trainings (\$750 each)	\$2,000 4 trainings (\$500 each)
Staff training	\$500	-	-
Specialized travel/training	\$3,000	-	-

<u>Service Component</u>	<u>Year 1</u> 7/14/15 – 7/13/16	<u>Year 2</u> 7/14/16 – 7/13/17	<u>Year 3</u> 7/14/17 – 7/13/18
Prevent “flagged” HCIDLA properties from being able to be deleted by owner(s) without authorization	\$800	\$550	\$550
Develop custom report to send monthly to include status and contact information: <ul style="list-style-type: none"> ○ Available ○ Registered ○ Not registered ○ Accessible ○ Waitlisted 	\$900	\$275	\$275
Initial outreach and support to register projects, billed at \$55/project. Year 1 for 350 projects (federal funding); year 2 for 500 projects (CRA and Bond restrictions); year 3 for 400 projects (Land Use restrictions), totaling 1,250 projects over 3 years. Query current listings with special population designations and contact those properties to increase accessible descriptions and educate on reason behind the effort. <ul style="list-style-type: none"> • Ensure accessible features listed for units for tenants with 1) mobility impairments; 2) sensory (hearing/visual) impairments • Ensure these features can be queried by general public 	\$19,250	\$27,500	\$22,000
Host www.housing.lacity.org website and basic support services	-	\$10,000	\$10,000
Call center support	-	\$35,000	\$35,000

<u>Service Component</u>	<u>Year 1</u> 7/14/15 – 7/13/16	<u>Year 2</u> 7/14/16 – 7/13/17	<u>Year 3</u> 7/14/17 – 7/13/18
Merge City and County portfolio for shared data access <ul style="list-style-type: none"> Pending agreement by Commission and HCIDLA 	-	\$1,500	\$1,500
Custom coding, field collection, surveys, data analysis	-	Periodic Compliance Polling Notification System to verify compliance, unit vacancies and open waiting lists \$15,000 Development	Out of Scope – billed per project on agreed upon hourly fees or separate contract
Maintenance of Periodic Compliance Polling System	-	\$6,000/yr. for maintenance	\$6,000/yr. for maintenance
Subtotal	\$34,050	\$99,900	\$78,250
CDC Administrative Fee (10% of Subtotal)	\$3,405	\$9,990	\$7,825
Regional Partnership Usage Volume Fee -Includes printing of marketing materials (3,000 posters, fliers, lobby cards)	-	\$20,000	\$20,000
Total per contract period	\$37,455	\$129,890	\$106,075
Total contract amount to date	\$37,455	\$167,345	\$273,420