

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 10, 2016

CAO File No. 0220-00540-1173

Council File No. 15-0471

Council District: Citywide

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer

Reference: Housing and Community Investment Department Transmittal dated April 12, 2016; Received by the City Administrative Officer on May 10, 2016; Additional Information Received on June 2, 2016

Subject: **REQUEST FOR AUTHORIZATION TO EXECUTE FIRST AMENDMENTS TO TENANT OUTREACH AND EDUCATION SERVICES CONTRACTS FOR THE RENT ESCROW ACCOUNT AND UTILITY MAINTENANCE PROGRAMS**

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. Execute First Amendments to contracts with the agencies (listed below), extending the contract terms by one year, from July 1, 2016 to June 30, 2017, and increasing each contract amount by \$150,000, from \$112,500 to \$262,500 for a total amount of \$1,050,000 in substantial conformance with the pro forma agreements attached to the HCID Transmittal dated April 12, 2016, subject to funding availability, the review and approval of the City Attorney as to form and compliance with the City's contracting requirements:

Contract No.	Contractor	Original FY 2015-16	First Amendment FY 2016-17	Totals
C-126476	Inquilinos Unidos	\$112,500	\$150,000	\$262,500
C-126529	Inner City Law Center	112,500	150,000	\$262,500
C-126478	Coalition for Economic Survival	112,500	150,000	\$262,500
C-126477	Strategic Actions for a Just Economy	112,500	150,000	\$262,500
	Totals	\$450,000	\$600,000	\$1,050,000

- b. Prepare Controller instructions and make 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 City Controller to:

- a. Expend funds upon proper written demand of the General Manager of HCID, or designee, on an as needed basis, not to exceed \$570,000 from Fund No. 41M, Systematic Code Enforcement Fee, Department 43. Funding is from the Fiscal Year (FY) 2015-16 available balance and the FY 2016-17 budget. The fund allocation is as follows:

Account No.	Account Name	Amount
43M228	Rent & Code Outreach Program	\$100,000
43n228	Rent & Code Outreach Program	\$470,000

- b. Expend funds upon proper written demand of the General Manager of HCID, or designee, on an as needed basis, not to exceed \$30,000 from Fund No. 440, Rent Stabilization Trust, Department 43. Funding will be from the FY 2016-17 budget. The account allocation is as follows:

Account No.	Account Name	Amount
43N228	Rent & Code Outreach Program	\$30,000

SUMMARY

The Los Angeles Housing and Community Investment Department (HCID) requests authority to execute proposed First Amendments (Amendments) for tenant outreach and education services contracts for the Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP). The existing contracts are with the following agencies: 1) Coalition for Economic Survival; 2) Inner City Law Center; 3) Inquilinos Unidos; and, 4) Strategic Actions for a Just Economy. The initial compensation amount was \$450,000 for a term of nine months from October 1, 2015 to June 30, 2016 (CF 15-0471). The proposed Amendments would allow the City to exercise the renewal option to extend the contracts by 12 months, commencing July 1, 2016 and expiring June 30, 2017, and to add compensation in the amount of \$600,000, for a total term of 21 months (October 1, 2015 to June 30, 2017) and a revised total compensation of \$1,050,000. The contracts are fully fee-supported and are funded by the Code Enforcement and the Rent Stabilization Trust Funds.

On November 13, 2013, the Personnel Department (Personnel) determined that the City had 11 applicable classifications with the expertise to perform the work. However, Personnel and HCID indicate that the work assignment exceeds staffing availability. On February 7, 2014, this Office concurred that it was more feasible and practical to select contractors to perform the proposed work.

Typically, Department reports submitted in accordance with the Mayor's Executive Directive No. Three only require approval from the Mayor and do not require approval from the Council. However, the HCID Transmittal includes a request for the use of funds which are included in HCID's 2016-17 budget. At the time the HCID Transmittal was released (April 12, 2016), the City's Fiscal Year (FY) 2016-17 budget was not yet approved. As a result, the HCID Transmittal was referred on May 10, 2016 to the Housing Committee and the Council for review and approval. Subsequently, the Council and Mayor on May 25, 2016 and June 2, 2016 respectively, adopted the City's FY 2016-17 budget (CF 16-0600).

This Office recommends approval of HCID's request to execute proposed Amendments to tenant outreach and education services contracts for the REAP and UMP. Even though the proposed Amendment funding is now approved as part of the City's adopted 2016-17 budget, Council and Mayor approval is required for HCID to execute the Amendments and the contractors to begin working. Please note that the Controller instructions in the City Administrative Officer's report has been amended to include approval from both the Council and Mayor; whereas, the HCID report's Controller instructions only include approval from the Mayor.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this report are in compliance with the City's Financial Policies in that the \$600,000 for the contract Amendments will be paid for with special funds. The 12 month renewal terms for the contracts are fully fee-supported, with \$570,000 (95 percent) of the proposed compensation expended from the Code Enforcement Trust Fund and the remaining \$30,000 (5 percent) expended from the Rent Stabilization Trust Fund.

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