

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: September 16, 2015

CAO File No. 0220-00540-1148

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 August 20, 2015; Received by the City Administrative Officer on August 24, 2015

Subject: **REQUEST FOR AUTHORIZATION TO ENTER INTO CONTRACTS WITH PROPOSERS SELECTED THROUGH A REQUEST FOR PROPOSALS (RFP) FOR TENANT OUTREACH AND EDUCATION SERVICES FOR THE RENT ESCROW ACCOUNT PROGRAM (REAP) AND THE UTILITY MAINTENANCE PROGRAM (UMP)**

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### SUMMARY

In a transmittal dated August 20, 2015, the Housing and Community Investment Department (HCID) requests authorization to enter into contracts with the proposers: 1) Inquilinos Unidos, 2) Inner City Law Center, 3) Coalition for Economic Survival, and 4) Strategic Actions for a Just Economy for the provision of tenant outreach and education services for the Rent Escrow Account Program (REAP) and the Utility Maintenance Program (UMP). Each of the four proposed contracts has an initial term of nine months from the date of execution with the option of two additional 12-month extensions. Compensation for each of the contracts is \$112,500 for the initial nine-month term and \$150,000 for each 12-month renewal option.

The proposed contracts will have no impact to the General Fund. Compensation for the contracts will be funded by the Code Enforcement Trust Fund (\$427,500) with the remaining amount of \$22,500 funded by the Rent Stabilization Trust Fund. The total amount requested for the initial nine-month terms is \$450,000. If all four contracts were to be extended, the amount would be \$600,000 for each additional year. This Office concurs with the Department's request to execute contracts with: 1) Inquilinos Unidos, 2) Inner City Law Center, 3) Coalition for Economic Survival, and 4) Strategic Actions for a Just Economy to provide the tenant outreach and education services for the REAP and UMP.

### BACKGROUND

In 1988, the Council and the Mayor established REAP to allow tenants of substandard buildings to place rents voluntarily into an escrow account administered by the City in cases where the

landlord has refused or failed to correct cited deficiencies (C.F. 11-1783). In 1997, the City created an outreach program for REAP and contracted with community-based organizations for the provision of educational and outreach services to tenants that reside in subject buildings to increase the likelihood of their participation in REAP. Also in 1997, REAP was expanded to include UMP properties where tenants are threatened with utility shut-off because the property owners have not paid the utility bills.

In February 1999, the Mayor and Council directed the General Manager of HCID to issue a Request for Proposals (RFP) for contractors to provide outreach services to tenants residing in rental units subject to the REAP and UMP, beginning the REAP/UMP Tenant Outreach Services that exist today. Currently, HCID contracts with four organizations to provide outreach and education services to both landlords and tenants. The tenant outreach program is intended to encourage landlords to bring properties that have existing Housing Code violations into compliance and to maintain their properties. The success of these programs and the subsequent improvement of rental housing conditions depend on the understanding by tenants and landlords of the programs and the level of involvement.

### **Request for Proposals (RFP) Process**

On June 8, 2015, the HCID issued an RFP (C.F.15-0471) to solicit qualified organizations to provide REAP and UMP tenant outreach and education services. Six proposals were received in response to the RFP. Each proposal was evaluated and scored based on a set of evaluation criteria found in the HCID transmittal dated August 20, 2015.

On July 22, 2015, one of the non-awarded proposers, BASTA, Inc. (BASTA), submitted an appeal. In response, HCID staff formed an Appeal Review Panel which granted BASTA eight additional points after finding that there was a delay in processing BASTA's Local Business Certification form on the LABAVN website. However, the eight additional points added to BASTA's score did not change the rankings of the proposals. The RFP stated that the Department will select four contractors for the proposed services. The four highest scoring proposals were:

- 1) Inquilinos Unidos
- 2) Inner City Law Center
- 3) Coalition for Economic Survival
- 4) Strategic Actions for a Just Economy

The HCID proposes executing contracts with the four above-named contractors to commence nine months from the date of execution, with an option to extend the terms for two additional 12-month periods, for a total not to exceed 33 months. The total amount requested for authorization in this report is \$450,000 for the initial nine-month terms. If all four contracts were to be extended, the amount would be \$600,000 for each additional year. Compensation for the contracts will be funded by the Code Enforcement Trust Fund and the Rent Stabilization Trust Fund.

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. The proposed contracts, along with the HCID transmittal dated August 20, 2015, are attached to this report. This Office concurs with the Department's request to execute contracts with: 1) Inquilinos Unidos, 2) Inner City Law Center, 3) Coalition for Economic Survival and 4) Strategic Actions for a Just Economy to provide tenant outreach and education services for REAP and UMP.

**RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

- I. Authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to negotiate and execute contracts with the agencies in the table below, to provide outreach and education services to tenants who reside in buildings that are subject to the Rent Escrow Account Program (REAP) and/or Utility Maintenance Program (UMP) for a nine-month term from the date of execution, with an option to extend the contracts for two additional periods 12-months terms, for a total not to exceed 33 months, subject to the approval of the City Attorney as to form:

	Initial Term (9 months)	Annual Renewal (12 months)
Inquilinos Unidos	\$112,500	\$150,000
Inner City Law Center	\$112,500	\$150,000
Coalition for Economic Survival	\$112,500	\$150,000
Strategic Actions for a Just Economy	\$112,500	\$150,000
<b>Total</b>	<b>\$450,000</b>	<b>\$600,000</b>

- II. Authorize the General Manager of HCID, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council action on this, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions.

- III. Authorize the City Controller:

- A. To transfer appropriation within Fund/Department 41M/43 as follows:

From:

Account	Description	Amount
43M411	Unallocated	\$427,500.00

To:

Account	Description	Amount
43M228	Rent and Code Outreach Program	\$427,500.00

B. To transfer appropriation within Fund/Department 440/43 as follows:

From:

Account	Description	Amount
43M411	Unallocated	\$22,500.00

To:

Account	Description	Amount
43M228	Rent and Code Outreach Program	\$22,500.00

C. To expend funds not to exceed \$450,000 from the above funds and accounts upon proper written demand of the HCID General Manager, or designee.

### 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 contracts will be paid for with special funds. The initial nine-month terms for the contracts, as well as the annual renewals, are fully fee-supported, with \$427,500 of the proposed compensation for the initial nine months expended from the Code Enforcement Trust Fund and the remaining \$22,500 expended from the Rent Stabilization Trust Fund.