TRANSMITTAL		
То:	Date: 05/10/2016	
THE COUNCIL		
From:		
THE MAYOR		
TRANSMITTED FOR Y	OUR CONSIDERATION. PLEASE SEE ATTACHED.	





Eric Garcetti, Mayor Rushmore D. Cervantes, General Manager

Regulatory Compliance & Code Bureau 1200 West 7th Street, 8th Floor, Los Angeles, CA 90017 tel 213.808.8888 | toll-free 866.557.7368 hcidla.lacity.org

April 12, 2016

Council File: 15-0471 Council Districts: All Contact Person/s: Nell Dizon (213) 922-9682 Roya Babazadeh (213) 808-8823 Roberto H. Aldape (213) 808-8826

The Honorable Eric Garcetti Mayor, City of Los Angeles 200 North Spring Street, Room 303 Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

EXECUTIVE DIRECTIVE 3 TRANSMITTAL: REQUEST FOR APPROVAL TO EXECUTE FIRST AMENDMENTS TO THE CONTRACTS WITH THE CITY'S FOUR TENANT OUTREACH AND EDUCATION SERVICES CONTRACTORS FOR THE RENT ESCROW ACCOUNT PROGRAM (REAP) AND UTILITY MAINTENANCE PROGRAM (UMP)

SUMMARY

In accordance with the Mayor's Executive Directive No. 3, the Los Angeles Housing and Community Investment Department (HCIDLA) hereby respectfully requests authority to execute First Amendments to its contracts for Tenant Outreach and Education Services for the Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP). The existing contracts with the Coalition for Economic Survival, Inner City Law Center, Inquilinos Unidos, and Strategic Actions for a Just Economy (SAJE), will expire on June 30, 2016. The proposed First Amendments will allow the City to exercise the renewal option to extend the term of the contracts by one year (CF 15-0471), ending on June 30, 2017, for a revised term of 21 months, and to add \$150,000 to each contract, augmenting the compensation from \$112,500 to \$262,500 each, for a total of \$1,050,000. There will be one (1) remaining renewal option following the approval of this action. Executive Directive 3 Transmittal: First Amendments to the REAP/UMP Tenant Outreach Contracts Page 2

Contractor	Original Term October 1, 2015 – June 30, 2016	1st Amendment July 1, 2016 – June 30, 2017	Total	
Coalition for	\$112,500	\$150,000	\$262,500	
Economic Survival	\$112,500	\$150,000	\$202,500	
Inner City Law Center	\$112,500	\$150,000	\$262,500	
Inquilinos Unidos	\$112,500	\$150,000	\$262,500	
SAJE	\$112,500	\$150,000	\$262,500	
Total:	\$450,000	\$600,000	\$1,050,000	

Approval of these First Amendments will enable HCIDLA to continue utilizing the services of the contractors to provide outreach and education services primarily to the tenants who reside in the properties that are subject to the REAP and UMP. The tenant outreach program, which has been successful in supporting the REAP and UMP, encourages landlords to bring properties, that have persistent Housing Code violations, into compliance and maintain their properties.

The tenant outreach program provides information and education to tenants, encourages tenants to participate in the REAP, and aids the City in reducing tenant constructive evictions due to non-payment of utilities. HCIDLA prevents constructive evictions by making the funds available in escrow to pay outstanding and delinquent utility bills from the Los Angeles Department of Water and Power (LADWP) and other utility companies to prevent termination of services when property owners fail to make timely payments. The tenant outreach contractors also assist property owners in ensuring that violations are removed, and facilitate conflict resolution between landlords and tenants.

Drafts of the First Amendments are attached, and have been forwarded, along with a copy of this transmittal, to the City Attorney for concurrent review and approval as to form.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully recommends that the Mayor:

1. AUTHORIZE the General Manager of HCIDLA, or designee, to execute First Amendments to the contracts with the following agencies, extending the term of the contracts by one year, ending on June 30, 2017, and increasing the contract amounts by \$150,000 each, in substantial conformance with the attached pro forma agreements, subject to funding availability and the approval of the City Attorney as to form:

		Original	1 st Amendment	
Contract No.	Contractor	FY 2015-16	FY 2016-17	Total
C-126476	Inquilinos Unidos	\$112,500	\$150,000	\$262,500
C-126477	SAJE	\$112,500	\$150,000	\$262,500
C-126478	Coalition for Economic Survival	\$112,500	\$150,000	\$262,500
C-126529	Inner City Law Center	\$112,500	\$150,000	\$262,500
		\$450,000	\$600,000	\$1,050,000

- 2. AUTHORIZE the City Controller to:
 - a. Expend funds upon proper written demand of the General Manager of HCIDLA, 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 Fiscal Year 2015-16 available balance, and from the proposed Fiscal Year 2016-17 budget pending approval from the Mayor and City Council. The funds 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 HCIDLA, or designee, on an as needed basis, not to exceed \$30,000 from Fund No. 440, Rent Stabilization Trust, Department 43. Funding is from the proposed Fiscal Year 2016-17 budget pending approval from the Mayor and City Council. The account allocation is as follows:

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

3. AUTHORIZE the General Manager of HCIDLA or designee to prepare Controller instructions and make any necessary technical adjustment consistent with the Mayor and Council action on this and other approved projects, subject to the approval of the City Administrative Officer (CAO), and to instruct the Controller to implement the instructions.

BACKGROUND

In 1997, the City established the REAP outreach program whereby it contracted with three community organizations to expand participation by tenants in the REAP through provision of education and outreach to the tenants residing in the subject buildings (CF 93-1850-S1). That same year the Mayor and City Council expanded the REAP to include properties referred to the UMP, which applies to master metered properties subject to the Rent Stabilization Ordinance, where tenants are threatened with utility shut-off because of property owners' delinquency in payment to the LADWP. In February 1999, the Mayor and City Council directed the General Manager of HCIDLA 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, commencing the REAP/UMP Tenant Outreach and Education Services that exist today.

In 2010, the Mayor and City Council authorized HCIDLA to add a contract specifically tailored to provide outreach services to landlords. Currently, HCIDLA contracts with five organizations to provide outreach and education services to both landlords and tenants. The tenant and landlord outreach contractors work together to provide the necessary information to all parties involved in order to encourage property owners to maintain their properties and ensure the City can maintain its valuable rental housing stock free of blight.

The success of these programs and the subsequent improvement of rental housing conditions depend on the tenants' and landlords' understanding of the programs and their level of involvement and participation. When tenants participate in REAP, property owners are incentivized to immediately correct Housing Code violations on their rental properties. Education of tenants is necessary to provide information and to encourage participation, since REAP participation is voluntary. Similarly, providing information and

assistance to landlords is imperative to reducing the amount of time a property is in REAP and preventing reoccurrences of the same property being referred to REAP.

FISCAL IMPACT

There is no impact to the General Fund. The contract amendments are fully fee-supported, totaling an additional funding of \$600,000, with 95% of the proposed funding (\$570,000) provided by the Code Enforcement Trust Fund, and 5% (\$30,000) provided by the Rent Stabilization Trust Fund.

Executive Directive 3 Transmittal: First Amendments to the REAP/UMP Tenant Outreach Contracts Page 5

Prepared by:

PATRICK BRAGANZA Management Assistant Compliance Division

Reviewed by:

NELL DIZON Assistant Director Compliance Division

Reviewed by:

Executive Officer

Attachments:

- 1. Draft First Amendment to Agreement No. C-126476
- 2. Draft First Amendment to Agreement No. C-126477
- 3. Draft First Amendment to Agreement No. C-126478
- 4. Draft First Amendment to Agreement No. C-126529

Reviewed by:

TONY PELAEZ

Sr. Management Analyst I Compliance Division

Reviewed by:

ROBERTO H. ALDAPE Assistant General Manager Regulatory Compliance and Code Bureau

Approved by:

RUSHMORE D. CERVANTES General Manager

FIRST AMENDMENT TO AGREEMENT NUMBER **C-126476** OF CITY CONTRACT BETWEEN THE CITY OF LOS ANGELES AND INQUILINOS UNIDOS A California Nonprofit Corporation

RELATING TO RENT ESCROW ACCOUNT PROGRAM (REAP) AND UTILITY MAINTENANCE PROGRAM (UMP) TENANT OUTREACH SERVICES

THIS FIRST AMENDMENT to Agreement Number C-126476 is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter referred to as the City, and Inquilinos Unidos, a California nonprofit corporation, hereinafter referred to as the Contractor, organized and existing under the laws of the State of California.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an agreement wherein the Contractor shall provide education and outreach services to tenants residing in buildings in Los Angeles that comprise the Housing and Community Investment Department (HCID) Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP) and said agreement, effective October 1, 2015, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, §406 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by City Council and the Mayor (refer to Council File Number 15-0471, adopted by City Council on May 26, 2015, and concurred to by the Mayor on June 2, 2015), which authorizes the General Manager of the Housing and Community Investment Department to prepare and execute an amendment to the Agreement for the purpose of: (a) extending the term of performance under the Agreement through **June 30, 2017**; and (b) adding additional funds in the amount of **One Hundred Fifty Thousand Dollars** (**\$150,000**), for a new total of Two Hundred Sixty-Two Thousand Five Hundred Dollars (**\$262,500**); and

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

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended as follows:

1st Amendment

§1. Amend Section 201,<u>Time of Performance</u>, by deleting the current end date of June 30, 2016, and replacing with the new end date of June 30, 2017.

This amendment adds an additional twelve (12) months for a total term of twentyone (21) months.

§2. Amend Section 301, <u>Compensation and Method of Payment</u>, by deleting the current total dollar amount of One Hundred Twelve Thousand Five Hundred Dollars (\$112,500) and replacing with the new total dollar amount of Two Hundred Sixty-Two Thousand Five Hundred Dollars (\$262,500).

- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §4. This Amendment is executed in three (3) originals, each of which is deemed to be an original. This Amendment includes three (3) pages, which constitute the entire understanding and agreement of the parties.

APPROVED AS TO FORM:

Executed this ____ day of _____, 2016

MICHAEL FEUER, City Attorney

By _____ Deputy/Assistant City Attorney Date _____ For: THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES General Manager Housing and Community Investment Department

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By _____ Title_____

Executed this __ day of ____, 2016

By _____ Deputy City Clerk Date _____

For: INQUILINOS UNIDOS

(Contractor's Corporate Seal)

By ______ Name:ELSA P. CHAGOLLA Title Executive Director

By	
Name	
Title	

City Business License Number: <u>145890-88</u> Internal Revenue Service ID Number: <u>95-4172060</u>

Contract/Amendments	Council File/CAO Number	Approval Date
First Amendment	15-0471	10/6/2015; 10/9/2015
Original Contract	15-0471	10/6/2015; 10/9/2015

Said Agreement is the <u>1st</u> Amendment of Agreement Number <u>C-126476</u> of City contracts.

FIRST AMENDMENT TO AGREEMENT NUMBER C-126477 OF CITY CONTRACT BETWEEN THE CITY OF LOS ANGELES AND STRATEGIC ACTIONS FOR A JUST ECONOMY (SAJE), INC. A California Nonprofit Corporation

RELATING TO RENT ESCROW ACCOUNT PROGRAM (REAP) AND UTILITY MAINTENANCE PROGRAM (UMP) TENANT OUTREACH SERVICES

THIS FIRST AMENDMENT to Agreement Number C-126477 is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter referred to as the City, and Strategic Actions for a Just Economy (SAJE), INC., a California nonprofit corporation, hereinafter referred to as the Contractor, organized and existing under the laws of the State of California.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an agreement wherein the Contractor shall provide education and outreach services to tenants residing in buildings in Los Angeles that comprise the Housing and Community Investment Department (HCID) Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP) and said agreement, effective October 1, 2015, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, §406 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by City Council and the Mayor (refer to Council File Number 15-0471, adopted by City Council on May 26, 2015, and concurred to by the Mayor on June 2, 2015), which authorizes the General Manager of the Housing and Community Investment Department to prepare and execute an amendment to the Agreement for the purpose of: (a) extending the term of performance under the Agreement through **June 30, 2017**; and (b) adding additional funds in the amount of **One Hundred Fifty Thousand Dollars (\$150,000**), for a new total of Two Hundred Sixty-Two Thousand Five Hundred Dollars **(\$262,500)**; and

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

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended as follows:

§1. Amend Section 201,<u>Time of Performance</u>, by deleting the current end date of June 30, 2016, and replacing with the new end date of June 30, 2017.

This amendment adds an additional twelve (12) months for a total term of twenty-one (21) months.

§2. Amend Section 301, <u>Compensation and Method of Payment</u>, by deleting the current total dollar amount of One Hundred Twelve Thousand Five Hundred Dollars (\$112,500) and replacing with the new total dollar amount of Two Hundred Sixty-Two Thousand Five Hundred Dollars (\$262,500).

- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §4. This Amendment is executed in three (3) originals, each of which is deemed to be an original. This Amendment includes three (3) pages, which constitute theentire understanding and agreement of the parties.

Executed this day of, 2016	
For: THE CITY OF LOS ANGELES RUSHMORE D. CERVANTES General Manager Housing and Community Investment Department	
By	
By Title	
Executed this day of, 2016	
For: STRATEGIC ACTIONS FOR A JUST ECONOMY (SAJE), INC. A California Non-Profit Corporation	
By Name:CYNTHIA STRATHMANN Title Executive Director	
By Name Title	

City Business License Number: <u>2558669-0001-7</u> Internal Revenue Service ID Number: <u>93-1226092</u>

Contract/Amendments	Council File/CAO Number	Approval Date
First Amendment	15-0471	10/6/2015; 10/9/2015
Original Contract	15-0471	10/6/2015; 10/9/2015

Said Agreement is the <u>1st</u> Amendment of Agreement Number <u>C-126477</u> of City contracts.

FIRST AMENDMENT TO AGREEMENT NUMBER **C-126478** OF CITY CONTRACT BETWEEN THE CITY OF LOS ANGELES AND COALITION FOR ECONOMIC SURVIVAL A California Nonprofit Corporation

RELATING TO RENT ESCROW ACCOUNT PROGRAM (REAP) AND UTILITY MAINTENANCE PROGRAM (UMP) TENANT OUTREACH SERVICES

THIS FIRST AMENDMENT to Agreement Number **C-126478** is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter referred to as the City, and **Coalition for Economic Survival**, a California nonprofit corporation, hereinafter referred to as the Contractor, organized and existing under the laws of the State of California.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an agreement wherein the Contractor shall provide education and outreach services to tenants residing in buildings in Los Angeles that comprise the Housing and Community Investment Department (HCID) Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP) and said agreement, effective October 1, 2015, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, §406 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by City Council and the Mayor (refer to Council File Number 15-0471, adopted by City Council on May 26, 2015, and concurred to by the Mayor on June 2, 2015), which authorizes the General Manager of the Housing and Community Investment Department to prepare and execute an amendment to the Agreement for the purpose of: (a) extending the term of performance under the Agreement through **June 30, 2017**; and (b) adding additional funds in the amount of **One Hundred Fifty Thousand Dollars (\$150,000**), for a new total of Two Hundred Sixty-Two Thousand Five Hundred Dollars **(\$262,500)**; and

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

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended as follows:

1

§1. Amend Section 201,<u>Time of Performance</u>, by deleting the current end date of June 30, 2016, and replacing with the new end date of June 30, 2017.

This amendment adds an additional twelve (12) months for a total term of twenty-one (21) months.

§2. Amend Section 301, <u>Compensation and Method of Payment</u>, by deleting the current total dollar amount of One Hundred Twelve Thousand Five Hundred Dollars (\$112,500) and replacing with the new total dollar amount of Two Hundred Sixty-Two Thousand Five Hundred Dollars (\$262,500).

- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §4. This Amendment is executed in three (3) originals, each of which is deemed to be an original. This Amendment includes three (3) pages, which constitute theentire understanding and agreement of the parties.

APPROVED AS TO FORM: Executed this ____ day of ____, 2016 MICHAEL FEUER, City Attorney For: THE CITY OF LOS ANGELES By Deputy/Assistant City Attorney Date _____ **RUSHMORE D. CERVANTES** General Manager Housing and Community Investment Department ATTEST: Ву_____ HOLLY L. WOLCOTT, City Clerk Title Executed this ____ day of _____, 2016 By Deputy City Clerk Date _____ For: COALITION FOR ECONOMIC SURVIVAL

(Contractor's Corporate Seal)

By _____ Name:LARRY GROSS Title Executive Director

A California Non-Profit Corporation

Ву	
Name_	
Title	

City Business License Number: <u>0000948691-0001-8</u> Internal Revenue Service ID Number: <u>95-4649627</u>

Contract/Amendments	Council File/CAO Number	Approval Date
First Amendment	15-0471	10/6/2015; 10/9/2015
Original Contract	15-0471	10/6/2015; 10/9/2015

Said Agreement is the 1st Amendment of Agreement Number C-126478 of City contracts.

1st Amendment

FIRST AMENDMENT TO AGREEMENT NUMBER **C-126529** OF CITY CONTRACT BETWEEN THE CITY OF LOS ANGELES AND INNER CITY LAW CENTER A California Nonprofit Corporation

RELATING TO RENT ESCROW ACCOUNT PROGRAM (REAP) AND UTILITY MAINTENANCE PROGRAM (UMP) TENANT OUTREACH SERVICES

THIS FIRST AMENDMENT to Agreement Number **C-126529** is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter referred to as the City, and **INNER CITY LAW CENTER**, a California nonprofit corporation, hereinafter referred to as the Contractor, organized and existing under the laws of the State of California.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an agreement wherein the Contractor shall provide education and outreach services to tenants residing in buildings in Los Angeles that comprise the Housing and Community Investment Department (HCID) Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP) and said agreement, effective October 1, 2015, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, §406 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by City Council and the Mayor (refer to Council File Number 15-0471, adopted by City Council on May 26, 2015, and concurred to by the Mayor on June 2, 2015), which authorizes the General Manager of the Housing and Community Investment Department to prepare and execute an amendment to the Agreement for the purpose of: (a) extending the term of performance under the Agreement through **June 30, 2017**; and (b) adding additional funds in the amount of **One Hundred Fifty Thousand Dollars (\$150,000**), for a new total of Two Hundred Sixty-Two Thousand Five Hundred Dollars (**\$262,500**); and

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

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended as follows:

§1. Amend Section 201,<u>Time of Performance</u>, by deleting the current end date of June 30, 2016, and replacing with the new end date of June 30, 2017.

This amendment adds an additional twelve (12) months for a total term of twenty-one (21) months.

§2. Amend Section 301, <u>Compensation and Method of Payment</u>, by deleting the current total dollar amount of One Hundred Twelve Thousand Five Hundred Dollars (\$112,500) and replacing with the new total dollar amount of Two Hundred Sixty-Two Thousand Five Hundred Dollars (\$262,500).

- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §4. This Amendment is executed in three (3) originals, each of which is deemed to be an original. This Amendment includes three (3) pages, which constitute the entire understanding and agreement of the parties.

APPROVED AS TO FORM:

Executed this ____ day of _____, 2016

MICHAEL FEUER, City Attorney

By _____ Deputy/Assistant City Attorney Date _____ For: THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES General Manager Housing and Community Investment Department

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By _____ Title_____

Executed this ____ day of _____, 2016

By _____ Deputy City Clerk Date _____

For: INNER CITY LAW CENTER A California Non-Profit Corporation

(Contractor's Corporate Seal)

By _____

Name: ADAM MURRAY Title Executive Director

By	
Name	
Title	

City Business License Number 0000946403

Internal Revenue Service IL	Number <u>95-3697572</u>	
Contract/Amendments	Council File/CAO Number	Approval Date
Final American day and	45 0474	10/0/0045. 10/0

Contract/Amendments	Council File/CAO Number	Approval Date
First Amendment	15-0471	10/6/2015; 10/9/2015
Original Contract	15-0471	10/6/2015; 10/9/2015

Said Agreement is the 1st Amendment of Agreement Number C-126529 of City contracts.