

TRANSMITTAL

To:

THE COUNCIL

Date: 5/11/2017

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

Office of the General Manager
1200 West 7th Street, 9th Floor, Los Angeles, CA 90017
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hcidla.lacity.org

May 11, 2017

Council File: 16-0647
Council District(s): Citywide
Contact Persons:
Claudia Monterrosa (213) 808-8650
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The 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

COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO TRANSFER GENERAL FUNDS TO THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES (HACLA) FOR CONSULTANT SERVICES TO COMPLETE THE CITY'S ASSESSMENT OF FAIR HOUSING (AFH) PLAN

SUMMARY

Pursuant to Council File Number 16-0647, approved June 8, 2016, the Los Angeles Housing and Community Investment Department (HCIDLA) issued a Request for Proposals (RFP) on June 10, 2016 to solicit qualified firms to satisfy the City of Los Angeles' Assessment of Fair Housing (AFH) requirement as stipulated by the U.S. Department of Housing and Urban Development's (HUD) Affirmatively Furthering Fair Housing Rule (AFFH) of 2015. After a thorough review of the four proposals that were received, HCIDLA recommended that a contract be awarded to the selected proposer, Western Economic Services, LLC (WES).

In August 2016, HCIDLA and the Housing Authority of the City of Los Angeles (HACLA) signed a collaborative agreement to submit a joint City of L.A. AFH Plan to HUD. The City's AFH Plan was to be developed with assistance from the selected AFH contractor. The total budgeted amount for consulting services was to not exceed \$200,000 for the contract term of September 30, 2016 to August 31, 2017. The City allocated \$150,000 from the General Fund and \$50,000 from HACLA, totaling \$200,000 for FY 2016/2017. After undergoing the first phase of work related to the AFH process, HCIDLA concluded that the selected consultant, WES, did not perform its contracted services to the level of satisfaction to

successfully complete the AFH Plan. After informing the contractor of its failure to meet the City's performance standards and non-compliance of provisions within the executed contract (C-128726), the contract between the City of Los Angeles and WES was terminated on February 23, 2017.

As part of the collaboration between HCIDLA and HACLA, both departments decided to seek a new contractor to carry out the remainder of the AFH process and to assist the City in submitting a final AFH Plan to HUD in October 2017. In order to expedite the procurement for a new consultant, HACLA executed a 3-Bid Procurement process to select a qualified contractor for the completion of the AFH Plan. As a result, two entities responded to HACLA's announcement of funding availability, the highest scoring respondent, Enterprise Community Partners, Inc. ("Enterprise") was selected as the new consultant. HACLA will serve as the contract administrator for the Enterprise contract. The new AFH contract is not-to-exceed \$150,000.

HCIDLA is requesting authority to transfer the remaining HCIDLA appropriated AFH Plan General Fund balance of \$100,020.71 for FY 2016/2017 to HACLA, to fund the new contract to continue and complete the City's AFH Plan.

HCIDLA is the local government agency that administers the City's 5-Year Consolidated Plan, and will continue to be the lead entity on behalf of the City for the completion and submission of Los Angeles' AFH Plan to HUD. HACLA will serve as the lead administrative agency for the Enterprise contract as outlined in the Collaboration Letter Agreement (Attachment A).

RECOMMENDATIONS

The General Manager of HCIDLA respectfully requests that:

- 1.) This transmittal be scheduled for consideration at the next available meeting(s) of the appropriate City Council committee(s) and be scheduled for consideration by the full City Council immediately thereafter; and
- 2.) The City Council, subject to the approval of the Mayor, upon execution of the Collaboration Letter Agreement (Attachment A) between the Housing Authority of the City of Los Angeles (HACLA) and the Los Angeles Housing and Community Investment Department (HCIDLA), TRANSFER \$100,020.71 of unspent FY 2016/2017 General Funds from Fund No. 100/43 Account No. 3040 Contractual Services to HACLA to fund a new Assessment of Fair Housing (AFH) contract with Enterprise Community Partners, Inc.

BACKGROUND

On July 16, 2015, the U.S. Department of Housing and Urban Development (HUD) published its Affirmatively Furthering Fair Housing (AFFH) Final Rule implementing the Fair Housing Act of 1968 obligation for jurisdictions receiving federal funds for housing and urban development to affirmatively further fair housing. The AFFH Final Rule facilitates reliance on local knowledge and local decision-making to determine best strategies for HUD grantees to meet their fair housing obligations at the local level.

In accordance with HUD's AFFH Final Rule, all HUD grantees (i.e., local government entities and public housing authorities) must complete an Assessment of Fair Housing (AFH) Plan 270 days prior to their 5-Year Consolidated Plan (ConPlan) due date. HCIDLA and HACLA signed a collaborative agreement to jointly develop and submit a City of Los Angeles AFH Plan to HUD by June 2017. HCIDLA serves as the lead entity for the AFH and therefore, oversees the completion and submission of the AFH Plan on behalf of the City's collaborating departments.

As part of the HCIDLA/HACLA partnership, HCIDLA released a Request for Proposals (RFP) in June 2016 to solicit responses from interested firms and organizations to provide Assessment of Fair Housing Consultant Services. Four proposals were received in response to the RFP allocating no more than \$200,000 for contract services. The applicant recommended to receive funding was Western Economic Services, LLC (WES). On September 30, 2016, the City Council approved the expenditure of funds - \$50,000 receipt from HACLA and \$150,000 from the City's FY2016/2017 General Fund budget specifically to develop the City's AFH Plan, a combined not-to-exceed budget of \$200,000 to finance a contract with WES.

The City's first portion of AFH work entailed conducting a series of focus groups, local and regional meetings with key stakeholders between January 2017 and March 2017 under various topic areas. Many of these meetings were a collaborative effort between the City of Los Angeles and the Community Development Commission of the County of Los Angeles and the Housing Authority of the County of Los Angeles. More than 150 people attended the focus group and stakeholder meetings during this phase.

Previous AFH Consultant Performance Issues

On February 17, 2017, HCIDLA sent a notice to correct deficiencies to WES, thereafter placing their contract on suspension based on WES' work performance deficiency issues in conducting the focus groups, stakeholder meetings, submission of completed work, and the development of a resident survey for the public. The contractor was given a reasonable amount of time to correct deficiencies in accordance with their executed contract with the City. In response to the City's notice, WES did not correct deficiencies, but instead issued a notice to terminate its contract with the City of Los Angeles on February 23, 2017.

Thereafter, HCIDLA and HACLA decided to move forward in securing a new consultant through HACLA's execution of a Request for Quotes (RFQ) process. In order to fund the new contract, HCIDLA returned HACLA's original \$50,000 amount, and HCIDLA is requesting the remaining \$100,020.71 of General Funds to fully fund the new contract in the amount not-to-exceed \$150,000.

Continuation of the AFH Process

The City initially planned to submit its AFH Plan by June 2017, but both HCIDLA and HACLA have determined that an extended deadline of October 2017 is necessary for the City to gather additional public comments and plan for a meaningful public engagement during the remainder of the AFH process. The City has notified HUD that it will submit its AFH by October 2017. HUD has acknowledged the notification and informed the City that its AFH can be submitted after its original due date without any penalties or impact to the City's 5-Year Consolidated Plan.

The City of Los Angeles continued its AFH planned public forum community meetings without a consultant between February 2017 and March 2017. During this time, the City held nine community meetings where more than 180 residents and stakeholders participated. Attendees included service

providers, property owners, community organizers, and community residents. Concurrently, the City collected more than 1,200 fair housing resident surveys from meeting attendees, as well as from public housing resident meetings, and via the assistance of community-based partner agencies.

The City will necessarily rely on the expertise of the new contract entity to provide required analyses of quantitative and qualitative data to assist in the remainder of the AFH process to finalize the City's AFH Plan. Services from the new AFH contractor will include compiling and summarizing responses from the completed resident surveys, as well as analyzing HUD's data and mapping tool, local data and local knowledge based on the City of Los Angeles' characteristics, programs, policies, community and stakeholder input, as well as other tasks. The analysis will be used to identify contributing factors and help prepare a successful AFH Plan with meaningful and measurable outcomes to address the contributing factors of fair housing.

SECURING A NEW ASSESSMENT OF FAIR HOUSING CONSULTANT

Given the City's limited timeframe to complete the AFH, HACLA utilized its Small Bid Procurement procedure to expeditiously complete a competitive process and procure a new consultant.

On April 7, 2017, HACLA released its RFQ, as finalized by both City entities, to prospective bidders for the continuation of the City's Assessment of Fair Housing. The RFQ was sent to four possible bidders identified by both HCIDLA and HACLA as potentially the most qualified to complete the AFH in compliance with the HUD requirements and in a timely manner.

RFQ recipients were given five business days to respond. Two proposals were received in response to the announcement for bid solicitation. A review team was formed consisting of two HCIDLA staff and two HACLA staff who conducted a thorough review of the proposals. Each proposal was evaluated on its own merit for content, responsiveness, conciseness, clarity, relevance, cost, and adherence to the instructions in the RFQ.

The table below shows the final scores for each of the proposers:

Rank	Proposer	Number of Evaluators	Proposer's Score (110 points maximum)
1	Enterprise Community Partners, Inc.	4	101.25
2	Lesar Development Consultants	4	83.25

Based on the final scores, Enterprise Community Partners, Inc. was selected as the new consultant. Since the Enterprise contract is expected to be executed as soon as possible in May 2017, it is imperative that the contract be fully funded as expeditiously as possible before June 30, 2017.

Updated City of LA AFH Plan Completion Calendar

Dates	Tasks
May 2017	Contractor submits 1 st draft of AFH Plan to City City to review 1 st draft of AFH Plan
June 2017	Contractor to create 2 nd draft of AFH Plan City to review 2 nd draft of AFH Plan
Mid-June 2017 – End of June 2017	Series of task force and subcommittee meetings
July 2017	Comments on 2 nd draft due from City
July 2017	Contractor submits 3 rd draft of AFH Plan to City
July 2017 – September 2017	AFH draft posted for 45-day public comment period
September 2017	Final draft due to City
Early October 2017	City Council approval and adoption of AFH Plan
October 16, 2017	Final AFH submitted to HUD

FISCAL IMPACT STATEMENT

The City Council previously allocated \$150,000 from the General Fund for this purpose. The remaining balance of \$100,020.71 is available to transfer to HACLA to fund the new contract.


Prepared by:


NANCY TWUM-AKWABOAH
Housing, Planning & Economic Analyst

Reviewed by:


CLAUDIA MONTERROSA
Director, Public Policy and Research Unit

Reviewed by:


LAURA K. GUGLIELMO
Executive Officer

Approved by:


RUSHMORE D. CERVANTES
General Manager

Attachment A: HCIDLA/HACLA Collaboration Letter Agreement

Attachment A



HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER
2600 Wilshire Boulevard • Los Angeles, California 90057 • (213) 252-2500
TTY (213) 252-5313

PRESIDENT AND CEO
DOUGLAS GUTHRIE

April 28, 2017

Mr. Rushmore Cervantes, General Manager
Housing and Community Investment Department of the City of Los Angeles (HCIDLA)
1200 West 7th Street, 9th Floor
Los Angeles, CA 90017

RE: AGREEMENT BETWEEN HCIDLA AND HACLA REGARDING THE PROCUREMENT
OF SUCCESSOR CONSULTANT SERVICES TO COMPLETE AND SUBMIT THE 2017-
2022 ASSESSMENT OF FAIR HOUSING

THIS AGREEMENT, entered into this 5 day of ^{MAY} April, 2017 by and between the City of
Los Angeles Housing and Community Investment Department of the City of Los Angeles
("HCIDLA") and the Housing Authority of the City of Los Angeles ("HACLA") (Herein called
the Parties or singularly "Party").

WHEREAS, HCIDLA and HACLA entered into a Collaboration Agreement on August 8,
2016 ("Collaboration Agreement") to become Collaborating Program Participants in
completing and submitting the City of Los Angeles' Assessment of Fair Housing (AFH); and
WHEREAS, HCIDLA has terminated the contract with the initial vendor, Western Economic
Services, LLC ("WES"); and has informed HUD that the City will be submitting the AFH to
HUD on October 16, 2017; and

WHEREAS, due to the need to have extensive community engagement and a minimum of
45-day period for the draft AFH to be available for public comment, the need to secure a
replacement consultant is urgent and extremely time sensitive to meet the requirement that
the AFH submittal deadline.

WHEREAS, it has been determined and agreed by the Parties that the time to complete the
City's regular procurement process will defeat the Parties ability to meet such timelines;
and

WHEREAS, HACLA has the ability to utilize its Small Bid Procurement procedure to
expeditiously complete a competitive process to procure a new vendor to complete the
AFH in time for a timely submittal;

NOW, THEREFORE, it is agreed between the Parties hereto that:

1. LEAD ENTITY

Attachment A

HACLA and HCIDLA collaborated and drafted the Request for Quotes ("RFQ") and the Parties and their respective counsel have each given their approval of the RFQ issued. For the purpose of accommodating the Parties' needs in this regard, the HACLA assumed the Lead Entity role solely to secure a new consultant and has issued a Request for Quotes on 4/7/17. The RFQ was sent to four potential bidders identified by the Parties as potentially the most qualified to complete the AFH in compliance with the HUD requirements and in a timely manner. A Successor Consultant has been chosen; Enterprise Community Partners, Inc.

All other responsibilities of the Parties set forth in the Collaboration Agreement remain the same except as they may be changed by the supplemental terms set forth herein.

2. SUPPLEMENTAL TERMS

- A) With regard to the administration of the contract with Enterprise Community Partners, Inc. ("Successor Consultant"), invoices shall be submitted to HACLA pursuant to the terms and conditions of the proposed contract issued as part of the RFQ and pursuant to the final contract entered into between HACLA and the Successor Consultant ("Successor Contract"). Should there be any discrepancy between the proposed contract in the RFP and the final Successor Contract the final Successor Contract shall control.
- B) Invoices submitted to the HACLA shall be subject to both HCIDLA and HACLA review. Invoices shall be forwarded to HCIDLA within three (3) business days of receipt and HCIDLA shall have give (5) business days to review and approve such invoices. Failure of HCIDLA to submit its comments and/or approval to HACLA may be interpreted as approval and the invoices may be paid pursuant to HACLA's discretion.
- C) The City of Los Angeles has already returned the \$50,000.00 in funds contributed by HACLA under the Collaboration Agreement.
- D) HCIDLA has settled all issues of payment for services rendered under its Contract with WES. HCIDLA shall take all necessary action to promptly submit to HACLA the total amount of funds remaining after settlement of all outstanding accounts on the WES contract to fund the HACLA contract with the Successor Contractor entered to complete the AFH. (City funds) The City funds shall be transmitted to HACLA no later than June 30, 2017. The total amount of funding available under the final contract may not exceed \$150,000.
- E) Should any funding remain at the conclusion of the Successor Contract, each Party shall be entitled to a portion of the remaining funds in an amount equal to the proportion between the amount of funding contributed by that Party to the total funding of the Successor Contract. Such remaining amounts shall be reimbursed to each Party within 90 days of the conclusion of the Contract.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

Attachment A

By: 

RUSHMORE D. CERVANTES
General Manager, HCIDLA

By: 

DOUGLAS GUTHRIE
President and CEO, HACLA

APPROVED AS TO FORM:

Michael N. Feuer, City Attorney

By: 

Deputy City Attorney
Counsel to the Los Angeles
Housing + Community Investment
Department

By: 

Deputy City Attorney
General Counsel to the
Housing Authority
of the City of Los Angeles