

# TRANSMITTAL

To:

**THE COUNCIL**

Date: 08/30/2016

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  
tel 213.808.8808 | fax 213.808.8616  
hcidla.lacity.org

August 29, 2016

Council File: 16-0647  
Council District(s): Citywide  
Contact Persons:  
Claudia Monterrosa (213) 808-8650  
Nancy Twum (213) 808-8440

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 ENTER INTO CONTRACT WITH SELECTED PROPOSER THROUGH THE RELEASE OF THE ASSESSMENT OF FAIR HOUSING (AFH) CONSULTANT SERVICES REQUEST FOR PROPOSALS (RFP)**

**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. Four proposals were received in response to this RFP. After a thorough review of the proposals, HCIDLA recommends that a contract be awarded to the following selected proposer: Western Economic Services, LLC (WES).

HCIDLA requests authority to award and execute a contract with the above recommended proposer, to commence on or before September 30, 2016, for a period of one year with the option to extend the contract for two additional one-year terms. This contract will be in effect for a period not to exceed three years, subject to contractor performance, funding availability, contractor's continuing compliance with applicable Federal, State, and local government legislation, and approval by the Mayor and the City Council. The total budgeted amount for consulting services is \$200,000 for the initial contract term from September 30, 2016 to August 31, 2017. The City of Los Angeles and the Housing Authority of the City of Los Angeles (HACLA) will submit a joint AFH Plan to HUD. As required, any entities that

intend to conduct and submit a joint AFH must promptly notify HUD of such intention by submitting a copy of the written collaborative agreement (Attached is HCIDLA’s and HACLA’s executed AFH Collaboration Agreement). In addition to this collaboration, the City has allocated \$150,000 from the General Fund and \$50,000 from HACLA, totaling \$200,000.

Approval of this contract will allow the City of Los Angeles to prepare and complete the AFH to meet its obligation to affirmatively further fair housing under HUD’s 2015 AFFH Rule 270 days before its next new 5-Year Consolidated Plan (ConPlan) cycle.

**RECOMMENDATIONS**

The General Manager of HCIDLA respectfully requests that 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.

The General Manager of HCIDLA further recommends that the City Council, subject to the approval of the Mayor, take the following actions:

- A. Authorize the General Manager of HCIDLA or designee, to negotiate and execute a Professional Services Agreement (PSA) with Western Economic Services, LLC, for a term of 12 months, effective September 30, 2016 through August 31, 2017, with two one year renewal options, for a total annual contract compensation not to exceed \$200,000 and subject to the following: a) funding availability; b) satisfactory contractor performance; c) Departmental need; d) compliance with all applicable Federal, State, and City regulatory requirements; e) approval of the City Attorney as to form; and, f) compliance with City contracting standards and requirements.
- B. Approve the receipt of \$50,000 from the Housing Authority of the City of Los Angeles (HACLA) and deposit the funds into the Municipal Housing Finance Fund No. 815.
- C. Authorize the City Controller to:
  - (a) Establish Account *43NXXX – HACLA’s Assessment of Fair Housing* within Fund 815 Municipal Housing Finance Fund;
  - (b) Appropriate \$50,000 into Account *43NXXX – HACLA’s Assessment of Fair Housing* upon receipt of the same amount from HACLA;
  - (c) Expend funds for the contract to be executed from the following funding sources:

<b>Fund Name/Number</b>	<b>Account Number</b>	<b>Authority</b>	<b>Amount</b>
General Fund – 100/43 Contractual Services	003040	FY 2016-17 Adopted Budget	\$150,000
Municipal Housing Finance Fund – 815	43NXXX	Requested in this transmittal	\$50,000
<b>Total</b>			<b>\$ 200,000</b>

- D. Authorize the HCIDLA General Manager or designee to prepare Controller's Instructions and any technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer, and instruct the Controller to implement the instructions.

## **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 Fair Housing Act not only makes it unlawful for jurisdictions to discriminate based on race and other protected classes, the law also requires jurisdictions to take actions that can undo historic patterns of segregation and other types of discrimination, and to take actions to promote fair housing choice and foster inclusive communities. The protected classes of the Fair Housing Act are race, color, national origin, religion, sex, disability, or familial status.

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 – including making place-based investments to revitalize distressed areas, or expanding access to quality affordable housing throughout a community.

In addition, the Final Rule identifies four fair housing issues that HUD grantees such as the City of Los Angeles have to assess through their AFH Plan:

1. Patterns of integration and segregation;
2. Racially and ethnically concentrated areas of poverty;
3. Disparities in access to opportunity; and
4. Disproportionate housing needs.

On December 31, 2015, HUD announced the availability of its Affirmatively Furthering Fair Housing (AFFH) Assessment Tool (Local Government Assessment Tool) for use by local governments that receive Community Development Block Grants (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grants (ESG), or Housing Opportunities for Persons with AIDS (HOPWA) formula funding from HUD. The purpose of the Assessment Tool is to guide HUD grantees in developing and completing their Assessment of Fair Housing (AFH) Plan.

The City of Los Angeles' AFH Plan will be conducted by utilizing 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. The City will also incorporate metrics, statistics, and other qualitative and quantified information, relevant to Los Angeles' geography for the successful completion of a meaningful AFH Plan. The analysis will be used to identify contributing factors and help prepare an AFH Plan with measurable outcomes to address the contributing factors of fair housing.

HCIDLA will serve as the lead entity for the AFH and therefore, oversee the completion and submission of the AFH Plan to HUD on behalf of the City's collaborating departments. The selection and approval to work with a qualified fair housing consulting expert is critical to assist the HCIDLA and HACLA prepare and complete a joint submission of the AFH Plan by June 2017.



## **REQUEST FOR PROPOSALS (RFP) PROCESS**

On June 10, 2016, HCIDLA released an RFP to solicit responses from interested firms and organizations to provide Assessment of Fair Housing Consultant Services. The RFP was advertised in the Daily Journal and posted on the Los Angeles Business Assistance Virtual Network (LABAVN). The RFP was cross-listed in four different categories on LABAVN ranging from property managers to social advocacy organizations for maximum exposure to potential bidders, and as a result, 93 notifications were sent to LABAVN users. Additionally, HCIDLA staff sent e-mails to 140 organizations that appear to have the expertise to carry out the functions of a fair housing consultant. These consisted of nonprofit organizations, legal services firms, as well as educational institutions. To be eligible for consideration, proposers needed to:

1. Be qualified to conduct business in the State of California.
2. Be in good standing with the Secretary of State, if a corporation, limited liability company, or partnership.
3. Have not been determined to be non-responsible or been debarred by the City pursuant to the Contractor Responsibility Ordinance.
4. Have not been debarred by the Federal government, State of California or local government.
5. Have at least two (2) years continuous experience within the past five years in assisting localities, public housing agencies (PHAs), departments/agencies, institutions or other entities in developing and implementing programs, practices and protocols to reduce existing barriers to fair housing.
6. Have no outstanding debt which has not been repaid or for which a repayment agreement plan has not been implemented, if the contractor has previously contracted with the State of California or the City of Los Angeles. If it has contracted with HCIDLA, it must not have any outstanding disallowed costs or other liability to the City.

Four proposals were received in response to the RFP. A review team was formed consisting of five HCIDLA staff from various divisions and one HACLA staff person who conducted a thorough review of the proposals. Four out of the six reviewers work outside of the Public Policy & Research Unit, the unit that originated the RFP. Each proposal was evaluated on its own merit for content, responsiveness, conciseness, clarity, relevance, cost, and adherence to the instructions in the RFP. The criteria for evaluating proposals included the following:

<b>Area</b>	<b>Evaluation Criteria</b>	<b>Maximum Points</b>
1	DEMONSTRATED ABILITY AND CAPACITY Previous work experience and staff capacity	25
2	PROGRAM DESIGN Approach to providing required scope of work services	25
3	FAIR HOUSING EXPERIENCE & KNOWLEDGE Fair housing competency and experience; knowledge of HUD's Final AFFH Rule	30
4	COST REASONABLENESS Proposed costs and budget	20
	<b>Total Points</b>	<b>100</b>

The table below shows the final consensus score awarded to each of the proposers. While TDA Consulting (TDA) scored one point higher than WES, TDA did not meet one of the important threshold requirements, which is to “be qualified to conduct business in the State of California as evidenced by the organization’s business registration with the California Secretary of State.” Therefore, the second highest scored proposal from WES is recommended for funding for the Assessment of Fair Housing Consultant Services contract.

<b>Rank</b>	<b>Proposer</b>	<b>Number of Evaluators</b>	<b>Proposer’s Score (100 points maximum)</b>
1	TDA Consulting, Inc.	3	82.30
2	Western Economic Services, LLC	3	81.30
3	LeSar Development Consultants	3	68.40
4	SJC 3 Consulting, Inc.	3	31.70

***RFP Appeals Process***

All proposers were entitled to appeal the results of their proposal evaluations on procedural issues only. On August 17, 2016, all proposers were notified of the proposal review results. No appeals requests were received by the deadline of five business days after notification of the review results.

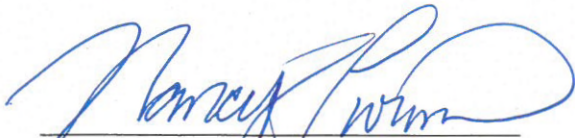
***Services to be provided by the Contractors***

Western Economic Services, LLC is recommended for funding for the Assessment of Fair Housing Consultant Services contract. Contracting with this firm will help the City of Los Angeles complete its required Assessment of Fair Housing (AFH) and meet its obligation to affirmatively further fair housing based on HUD’s 2015 adopted AFFH Rule. HUD’s AFFH Final Rule intends for localities such as the City of Los Angeles to take meaningful actions that address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with integrated and balanced living patterns to transform racially and ethnically concentrated areas of poverty, and fostering and maintaining compliance with civil rights and fair housing laws.

**FISCAL IMPACT STATEMENT**

HCIDLA’s General Fund budget for FY 2016-2017 includes \$150,000 to fund this fair housing contract.

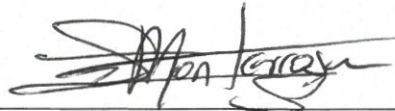
Prepared by:



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NANCY TWUM-AKWABOAH  
Housing, Planning & Economic Analyst

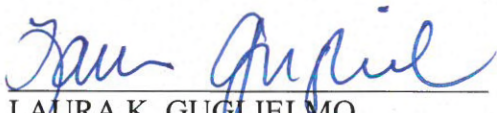
Reviewed by:



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CLAUDIA MONTERROSA  
Director, Public Policy and Research Unit

Reviewed by:



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LAURA K. GUGLIELMO  
Executive Officer

Approved by:



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RUSHMORE D. CERVANTES  
General Manager

Attachment:  
Executed AFH Collaboration Agreement





## COLLABORATION AGREEMENT

BETWEEN

LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT

AND

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

FOR

THE 2017-2022 ASSESSMENT OF FAIR HOUSING: CITY OF LOS ANGELES

THIS AGREEMENT, entered this 23 day of August, 2016 by and between the Los Angeles Housing + Community Investment Department (herein called the "Lead") and the Housing Authority of the City of Los Angeles (herein called the "Collaborating Program Participant") (collectively referred to as "Program Participants").

WHEREAS, the Los Angeles Housing + Community Investment Department (HCIDLA) is the responsible City Department for the administration of the Consolidated Plan for the City of Los Angeles.

WHEREAS, the City of Los Angeles is a Consolidated Plan program participant with a new 5-year Consolidated Plan start date of April 1, 2018.

WHEREAS, the Housing Authority of the City of Los Angeles (HACLA), is a public housing authority (PHA) with a fiscal year beginning date of January 1<sup>st</sup> and with a new 5-year Agency Plan process to begin January 1, 2020.

WHEREAS, the Program Participants are subject to the affirmatively furthering fair housing requirements found at 24 CFR §§5.150 through 5.180 and required to submit an Assessment of Fair Housing (AFH); and

WHEREAS, the Program Participants wish to collaborate and jointly submit the AFH;

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

### LEAD ENTITY

The Los Angeles Housing + Community Investment Department (HCIDLA) will serve as the lead entity of this collaboration and will be responsible for submitting the joint AFH on behalf of the collaborating Program Participants: Los Angeles Housing + Community Investment Department and the Housing Authority of the City of Los Angeles.

### PROGRAM YEAR/FISCAL YEAR ALIGNMENT

In accordance with 24 CFR 5.156 (b) as the alignment of program years between HCIDLA and HACLA is not practicable, the AFH will be submitted in accordance with the lead entity's (HCIDLA) Consolidated Plan program year as referenced above.



## CONSOLIDATED PLANNING/PHA PLANNING CYCLE ALIGNMENT

In accordance with 24 CFR 5.156 (b) aligning the Consolidated Plan and PHA Plan program years is not practical and the joint AFH will be submitted as referenced above.

## ROLES/RESPONSIBILITIES OF PROGRAM PARTICIPANTS

### Assessment of Fair Housing

Collaborating program participants will divide the completion of the AFH. The responsibilities of the Program Participants are as follows:

#### Program Participant #1 (HCIDLA - Lead)

- HCIDLA will be the lead coordinating agency on behalf of the City of Los Angeles for the planning, completion and submission of the AFH Plan.
- HCIDLA will coordinate the collection of local data and enable the identification and collection of local knowledge based on HCIDLA's programs, City policies, studies, community meetings, consultation meetings, etc.
- HCIDLA will oversee and administer the AFH procured Contractor services, including the review of all Contractor's project scope deliverables (i.e., demographic summary, segregation/integration, R/ECAPs, disparities in access to opportunity, narratives, etc.) in coordination with HACLA.
- HCIDLA will oversee and administer the AFH Contractor's preparation of consultation and public meetings (i.e., generating lists of invitees, advertising meetings, conducting outreach, securing meeting space/venues, etc.) in coordination with HACLA and other City and County agencies as necessary.
- HCIDLA will carry out consultation and public meetings in coordination with the AFH Contractor and HACLA.
- HCIDLA will work with HACLA and the AFH Contractor in prioritizing contributing factors, and setting and identifying related goals specific to the City of Los Angeles.
- HCIDLA will schedule, coordinate, and participate in public hearings/meetings to present the draft AFH to senior City staff, commission bodies, City Council members, Mayor's Office and other elected officials to receive feedback and changes that will assist in completing the final draft AFH Plan for submission and approval by HUD.
- HCIDLA will release the draft AFH for a 30-day public comment period and review by posting the draft AFH Plan in publications (e.g., newspapers), sending mass e-mail announcements and informing key entities of the draft release through available City e-mail blast system and posting on HCIDLA's website.
- HCIDLA will be responsible for submitting the final AFH Plan through HUD's Assessment of Fair Housing User Interface system and receiving bound hard copies of the Plan from the AFH Contractor.
- If necessary, HCIDLA will work with Contractor to revise the AFH as per HUD's notification and guidance – to include, but not limited to: soliciting public feedback on revised AFH, presenting revised AFH to elected officials and commissions for feedback, changes, and eventual approval for second submission.
- HCIDLA is responsible for the submission of a revised AFH to HUD no less than 45 calendar days after the date on which HUD provides written notice of not accepting the AFH.
- After the completion and before the submission of the City of Los Angeles' final AFH Plan, HCIDLA is to ensure that all required affirmatively furthering fair housing certifications are completed as specified by HUD.

#### Program Participant #2 (HACLA - Collaborating Program Participant)

- HACLA will collect and provide local data and local knowledge based on HACLA's programs, policies, studies, etc.
- HACLA will assist AFH Contractor's analyses (i.e., demographic summary, segregation/integration, R/ECAPs, disparities in access to opportunity, etc.) in conjunction with HCIDLA.
- HACLA will work with HCIDLA and AFH Contractor in the preparation of consultation and public meetings (i.e., generating lists of invitees, advertising meetings, conducting outreach, securing meeting space/venues, etc.); selecting appropriate audiences/bodies for meetings such as but not limited to RACs,

housing advocate community, HACLA residents and participants, HACLA Commissioners, and other community (public and private) stakeholders.

- HACLA, in coordination with HCIDLA, will carry out consultation and public meetings with the AFH Contractor at scheduled public meetings, consultation meetings, etc. HACLA will address questions and provide necessary information related to HACLA's programs, policies, and strategies as needed.
- HACLA will work with HCIDLA and AFH Contractor in prioritizing contributing factors, and setting and identifying related goals specific to HACLA to be included in the AFH Plan
- HACLA, in coordination with HCIDLA, will assist in scheduling, coordinating, and participating in public hearings/meetings to present the draft AFH to senior City staff, commission bodies, City Council members and other elected officials to receive feedback and comments to assist in the preparation of the final draft AFH Plan.
- HACLA will review the completed draft AFH Plan submitted by Contractor in coordination with HCIDLA (this may require multiple revisions).
- HACLA will assist in posting the draft AFH for 30-day public comments and review by publicizing on HACLA's website, informing PHA residents of the availability to review, and through other outreach and communication means as necessary.
- HACLA will assist in the submission of the final AFH Plan to HUD by providing all necessary information to selected Contractor.
- If necessary, HACLA will assist the Contractor in revising the AFH as per HUD's notification and guidance – to include, but not limited to: soliciting public feedback on revised AFH, presenting revised AFH to elected officials and commissions for feedback, changes, and eventually approval for second submission
- HACLA is to assist in the submission of a revised AFH to HUD no less than 45 calendar days after the date on which HUD provides written notice of not accepting the AFH.
- After the completion and before the submission of the City of Los Angeles' final AFH Plan, HACLA is to provide required affirmatively furthering fair housing certification as specified by HUD.

#### WITHDRAWAL

If either HCIDLA (lead entity) or HACLA (collaborating program participant) choose to withdraw from the collaboration, the executive agency head (e.g., General Manager or President & CEO) must notify the executive agency head of the other department in writing no later than 90 days before the AFH Plan is due. In addition, the withdrawing Program Participant must promptly notify HUD of its withdrawal from the collaboration, a copy of the notice is to be provided to the other Program Participant. Notwithstanding the withdrawal of either Program Participant, in the spirit of cooperation and as far as practicable, each Program Participant will provide any information or data committed to be provided prior to the withdrawal, to the other party in time for it to be included in the other party's AFH plan pending at the time of the withdrawal.

#### SPECIAL CONDITIONS

HCIDLA is to commit \$150,000 for the payment of professional consultation services to assist the City in completing the AFH Plan.

HACLA is to commit an additional \$50,000 towards professional consultation and community engagement services to assist in the preparation and completion of the City's AFH.

Total combined contribution from Program Participants: **\$200,000**.

#### SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

WAIVER

A Program Participant's failure to act with respect to a breach by another Program Participant does not waive its right to act with respect to subsequent or similar breaches. The failure of the Program Participant to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

ENTIRE AGREEMENT

This Agreement between the Program Participants for the submission of the 2017-2022 AFH, supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Program Participants with respect to this Agreement. By way of signing this agreement, the Program Participants are bound to perform the agreements within this agreement. Any amendment to this agreement must be submitted to HUD.

Date 8/23/16

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

By: [Signature]  
RUSHMORE D. CERVANTES  
General Manager, HCIDLA

By: [Signature]  
DOUGLAS GUTHRIE  
President & CEO, HACLA

APPROVED AS TO FORM:  
Michael N. Feuer, City Attorney

By: [Signature]  
Deputy City Attorney  
Counsel to the Los Angeles  
Housing + Community Investment Department

By: [Signature]  
Deputy City Attorney  
General Counsel to the  
Housing Authority of the City of Los Angeles

Attest [Signature]  
LOS ANGELES CITY CLERK - Deputy

