

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 15, 2019

CAO File No. 0220-00540-1319

Council File No. 16-0729

Council District: Citywide

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated November 15, 2018; Received by the City Administrative Officer on November 27, 2018; Additional Information Received through January 15, 2019

Subject: **REQUEST FOR AUTHORITY TO EXECUTE A SECOND AMENDMENT TO THE CONTRACT WITH URBAN FUTURES BOND ADMINISTRATION, INC. FOR CONTINUATION OF SERVICES RELATED TO OCCUPANCY MONITORING OF AFFORDABLE HOUSING**

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. Negotiate and execute a Second Amendment to Contract No. C-129186 with Urban Futures Bond Administration, Inc. for the continued provision of services related to the monitoring of tenant occupancy of housing units with HCID affordability restrictions, to increase compensation by \$1,250,319, for a revised total not to exceed \$3,150,319, for a retroactive term of 12 months from January 1, 2019 through December 31, 2019, in substantial conformance with the draft Amendment attached to this report, subject to the review and approval of the City Attorney as to form, availability of funds, and compliance with the City's contracting requirements; and,
 - b. Prepare Controller's instructions and make any necessary technical adjustments consistent with the Council and Mayor actions on this matter, subject to the approval of the City Administrative Officer; and,
2. Authorize the Controller to:
 - a. Establish and appropriate a new appropriation account entitled Occupancy Monitoring in the amount of \$100,000 within the Low and Moderate Income Housing

Fund No. 55J/43 from the available cash balance of the Low and Moderate Income Housing Fund;

- b. Transfer funding within the Housing Community Investment Department No. 43, HOME Investment Partnerships Program Fund No. 561 as follows to provide funding for a contract:

From:

Fund	Acct	Title	Amount
561	43R143	Housing and Community Investment Department	\$88,770
561	43R299	Reimbursement of General Fund Costs	57,700
		Total	\$146,470

To:

Fund	Acct	Title	Amount
561	43R243	Occupancy Monitoring	\$146,470

- c. Decrease appropriation in the amount of \$88,770 in Fund No. 100/43, Account No. 001010, Salaries, General account; and,
- d. Expend funds appropriated to the Municipal Housing Finance Fund No. 815 Account 43R243 in the amount of \$170,430, Home Investment Partnerships Program Fund No. 561 Account 43R243 in the amount of \$326,470, and the Low and Moderate Income Housing Fund No. 55J, Account No. 43R243 in the amount of \$100,000 to fund the contract, upon proper written demand of the General Manager of HCID or designee.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to execute a proposed Second Amendment (Amendment) to Contract No. C-129186 with Urban Futures Bond Administration, Inc. (UFBA) for the continued provision of tenant occupancy monitoring services. The First Amendment extended the contract term from January 1, 2017 through December 31, 2018 and increased compensation by \$950,000 for a revised total amount of \$1,900,000. The proposed Amendment would allow the City to increase compensation by \$1,250,319 for a term of 12 months from January 1, 2019 to December 31 2019, and a revised total compensation of \$3,150,319. The requested Amendment is needed in order for HCID to continue to perform tenant occupancy monitoring of the affordable housing portfolio until the end of the 2019 calendar year.

The original contract, First Amendment, and proposed Amendment cumulatively total \$3,150,319 with a breakdown as follows:

Urban Futures Contract Compensation Amounts and Terms		
	Contract Amount	Term Period
Original Contract	\$950,000	01/01/17 – 12/31/17
First Amendment	950,000	01/01/18 – 12/31/18
Proposed Second Amendment	1,250,319	01/01/19 – 12/31/19
Total Amount	\$3,150,319	

The Department requested a contract extension for six months, and included funding authority for six months (\$596,900) in its transmittal dated November 15, 2018 (Report). Subsequent to the release of the Report, the HCID confirmed that Council approved the existing contract for a one-year term, with two one-year options to renew, or a total of three years. The HCID reported that they will be returning to Council with a request to issue a new Request for Proposal for tenant occupancy monitoring services, to extend the existing contract beyond the three year term to prevent a break in services, and to include an additional scope of services.

Our Office recommends that the proposed Amendment reflect a full year-term, as originally approved by Council, and a full year not to exceed amount of \$1,250,319, subject to the availability of funds. Funding for the contract from July 1, 2019 through December 31, 2019 is subject to consideration through the annual budget process.

Pursuant to Charter Section 1022, the Personnel Department determined that City employees do have the employee classifications with the necessary qualifications to perform the work. Additionally, this Office determined that it is more feasible to contract because the services required exceed staffing availability, are of limited duration, and additional staff cannot be deployed or trained in a timely manner.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The proposed Second Amendment to the contract with Urban Futures Bond Administration, Inc. will be provided by the HOME Investment Partnerships Program Fund No. 561, the Municipal Housing Finance Fund No. 815, and the Low and Moderate Income Housing Fund No. 55J. The recommendations are in compliance with the City's Financial Policies in that funding for the proposed contract amendment is available within the identified funds.

RHL:EIC:02190065C

Attachment

Attachment to CAO Report - Draft Second Amendment

SECOND AMENDMENT
TO AGREEMENT NO. C-129186 OF CITY OF LOS ANGELES CONTRACTS
BETWEEN
CITY OF LOS ANGELES
AND
URBAN FUTURES BOND ADMINISTRATION, INC.

THIS SECOND AMENDMENT to Agreement Number C-129186 is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter referred to as the City, and Urban Futures Bond Administration, Inc., a California corporation, hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City of Los Angeles has contracted with Urban Futures Bond Administration, Inc. wherein the Contractor shall provide Occupancy Monitoring under the Home Investment Partnership Grant, said Agreement is number C-129186, effective January 1, 2017, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section 505 of the Agreement provides for amendments to the Agreement; and

WHEREAS, this Amendment is necessary and proper to continue this Program and to ensure uninterrupted services; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the action of the Los Angeles City Council and Mayor (refer to Council File Number xx-xxxx authorized by City Council on xxx, 2018 and approved by the Mayor on xxxx, 2018, respectively), which authorized the General Manager of the Housing Community and Investment Department to prepare and execute an amendment to the Agreement for the purpose of: a) extending the term of the Agreement for an additional six months (6) months for a new ending date of December 31, 2019; b) adding additional funds in the amount of One Million Two Hundred Fifty Thousand Three Hundred Nineteen Dollars (\$1,250,319) for a new total amount of Three Million One Hundred Fifty Thousand Three Hundred Nineteen Dollars (\$3,150,319); and c) making other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment.

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

AMENDMENT

- §1. Amend Section 201, Time of Performance, by deleting the current end date of “December 31, 2018” and replacing it with the new end date of “June 30, 2019.”

This amendment adds an additional Six (6) months for a total term of Thirty (30) months.

- §2. Amend Section 301, Compensation and Method of Payment, subsection A, by deleting the current dollar amount of One Million Nine Hundred Thousand Dollars (\$1,900,000) and replacing it the new total dollar amount of Three Million One Hundred Fifty Thousand Three Hundred Nineteen Dollars (\$3,150,319).

This amendment adds One Million Two Hundred Fifty Thousand Three Hundred Nineteen Dollars (\$1,250,319) for a new total amount of Three Million One Hundred Fifty Thousand Three Hundred Nineteen Dollars (\$3,150,319).

- §5. Exhibits H and J, shall be deleted and replaced with the revised Exhibits H and J, attached hereto and incorporated herein.
- §6. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §7. This Amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. This Amendment includes three (3) pages and two Exhibits, which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Amendment to be executed by their duly authorized representatives.

APPROVED AS TO FORM:

Executed this _____ day of _____, 2019

MICHAEL N. FEUER, City Attorney

By _____
Deputy/Assistant City Attorney

For: CITY OF LOS ANGELES
RUSHMORE D. CERVANTES
General Manager
Housing and Community Investment Department

Date _____

ATTEST:

By _____
Laura K. Guglielmo
Executive Officer

HOLLY L. WOLCOTT, City Clerk

By _____
Deputy City Clerk

Executed this _____ day of _____, 2019

Date _____

For: Urban Futures Bond Administration, Inc.,
A California corporation

(Contractor's Corporate Seal)

By _____
Name: Marshall F. Linn
Title: Chief Executive Officer

City BTRC Number: 948691-43

Internal Revenue Service Number: 95-4641627

D-U-N-S Number: 079273559

CFDA Number: HOME 14.239

Council File Number	Contract/Amendments	Mayoral Approval Dates
16-0729	Original Contract	February 13, 2017
16-0729	First Amendment	February 7, 2018
16-0729	Second Amendment	February 7, 2018

Said Agreement is Number C-129186 of City Contracts Amendment Second.

TCAC Agreement)																			
Income source documentation w/ back-up (50059 acceptable in lieu of support source docs if property has HUD contract; copy of current HUD contract must be obtained; for LU only TIC may replace source docs if TCAC Agmt)	X Initial	X Initial	X Initial	X Initial	X Initial	X Initial		X	X Initial	X	X Initial	X Initial	X					Income/Asset Verification	Annually (unless indicated Initial)

	MP		*EQ		NPP/NSP		Bond		Land Use	HOPWA	CRA				***Shelter/ HHH/ PSH-LU	Home Ownership	Significance	Frequency
Income certification every 6 years (50059 acceptable in lieu of support source docs if property has HUD contract; copy of current HUD contract must be obtained)	X	X			X	X								X			Income/Asset Verification	Every 6th year form IDIS or Placed-In-Service Date
HOME Checklist	X				X												Compliance	Annually
Lease & Lease addendum (at initial move-in)	X	X			X	X								X			Compliance	Initial and as needed
Lease Waiver (if less than 12 mos.)	X	X			X	X								X			Compliance	Initial and as needed
Occupancy summary (replaces Bond Report for Bonds)	X	X	X	X	X	X	X	X	X	X	X	X	X	X			Compliance	Annually
Transitional Occupancy Summary Report															X		Compliance	Annually
CCPC	X	X	X	X	X	X	X	X		X	X	X	X	X			Compliance	Annually
Bond program report (Occupancy Summary Report in lieu of Bond Report)							X	X									Compliance	Annually

CDLAC docs (if applicable)							X	X						X				Compliance	Annually
8703 tax form							X	X						X				Compliance	Annually
Rent Roll (CRA/HCD must submit current and previous year's rent rolls)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			Rent Verification	Annually
Affidavit of Ownership																	X	Establish Residency	Annually and as requested by HCIDLA
HIV/AIDS Diagnosis (collected w/initial move-in; must be within past year)										X								Program Eligibility	Initial
Site Visits (Documents collected at site visits: Sample Lease Agreement & Addendum; Property Management Plan, Waiting List, Tenant Selection Plan, Affirmative Marketing Plan (for projects with 5 or more units))	X	X				X	X							X					As Required (Collected w/each audit and as needed or requested by HCIDLA)

****TIC &/or 50059 may be accepted in lieu of TIRC for projects w/TCAC agreements or HUD contracts; must provide copy of TCAC agreement or HUD contract and rent adjustment letters**

*****Permanent Support Housing (HHH) - must provide evidence of services**

**Revised EXHIBIT J
Itemized Fee Schedule**

Service		Fee	Explanation of Fee
Bond		\$17.00	Per Unit
Major Project (MP)		\$27.00	Per Unit
CRA		\$22.00	Per Unit
Neighborhood Preservation Project (NPP)		\$22.00	Per Unit
Earthquake (EQ)		\$20.00	Per Unit
Land Use (LU)		\$14.00	Per Unit
Housing Opportunities for Persons with AIDS		\$17.00	Per Unit
Single Family- verify owner occupancy		\$15.00	Per Unit
CDLAC reporting		\$275.00	Per Project
Certified return receipt mailings		\$8.00	Per item
Service		Every 3 Years, as needed	Explanation of Fees
HOME, Non-Compliant and Bond On-Site Audit Fee		\$250.00	Per Visit
Service		Fee	Explanation of Fee
Annual Administrative Fees		10% of Annual Contract	Includes: new project set-up, compliance requests, queries, misc. reports, etc.
Hourly Rates		Fee	
Managing Director		\$130.00	
Compliance Lead		\$75.00	
Compliance Specialist		\$50.00	
Compliance Assistant		\$40.00	

All costs related to the "Scope of Work" are included in the itemized fee schedules listed above. UFBA does not charge additional fees for non-salary expenses (i.e. mileage, supplies, etc.)