

COMMUNICATION FROM VICE-CHAIR, HOUSING COMMITTEE relative to a request for authority to release a Request for Proposals (RFP) for occupancy monitoring of affordable housing.

Recommendations for Council action:

1. AUTHORIZE the General Manager, Housing and Community Investment Department (HCID), or designee to prepare and release an RFP to solicit bids for occupancy monitoring services, in substantial conformance with the RFP, as amended, attached to the June 14, 2016 HCID report and Council file, to include an amended scope of services to construct a database and reports to collect tenant accessibility information from property owners/manager, subject to the review and approval of the City Attorney as to form and legality.
2. DIRECT the General Manager, HCID, or designee, to report with recommendations for contractor selection and funding for the contract term of January 1, 2017 through December 31, 2017 with the option to renew for up to four additional one-year terms, contingent upon availability of funds, satisfactory contractor performance and need.

Fiscal Impact Statement Submitted: The City Administrative Officer (CAO) reports that there will be no impact to the General Fund. Funding for the successful proposal will be in an amount not to exceed \$950,000 for Fiscal Year 2016-17, and funds will be provided by the Housing and Community Investment Department's Municipal Housing Finance Fund No. 815 (\$300,300), HOME Investment Partnership Program Fund No. 561 (\$180,000), and Low and Moderate Income Housing Fund No. 55J (\$469,700). The recommendations contained in the August 2, 2016 CAO report, as amended, are in compliance with the City's Financial Policies in that funding for the proposed activities is available within the identified funds.

Community Impact Statement: None submitted.

Summary:

On August 17, 2016, the Vice-Chair and one member of the Housing Committee considered June 14, 2016 HCID and August 2, 2016 CAO reports relative to a request for authority to release an RFP for occupancy monitoring of affordable housing. According to the CAO, the HCID will need to initiate a new procurement process to replace the current occupancy monitoring services contract (Contract No. C-123803) that will expire on December 31, 2016.

The RFP includes an appeal process which allows proposers to appeal procedural issues only. The recommendations in the August 2, 2016 CAO report are in compliance with the City's Financial Policies in that there is no additional cost to the City. Also, a copy of the June 14, 2016 HCID report along with the proposed RFP have been forwarded to the City Attorney for concurrent review and approval as to form and legality and compliance with the City's contracting requirements.

The HCID's affordable housing inventory consists of approximately 1,370 properties and over 40,000 units, which includes units previously transferred to the City from the Los Angeles

Community Redevelopment Agency (CRA/LA). These properties are subject to one or more recorded regulatory agreements or covenants, which are placed on the property when the owner receives financing through the City's Affordable Housing Trust Fund (AHTF), from Multi-family Housing Revenue Bonds issued by the City, other loans and grants, and/or when the owner has received a land use concession, such as a density bonus, parking reduction, Mello Act, or discretionary planning determinations. The HCID is charged with annual occupancy monitoring of the affordable units set aside in these covenants and regulatory agreements for up to 55 years to ensure compliance with rent, income, and other programmatic restrictions.

The HCID has contracted out occupancy monitoring services since 2003 with said services to include enforcement of contract requirements and development of an accurate tracking and documentation system to ensure successful monitoring of the housing projects on an annual basis. Failure to adequately monitor federal financing programs or to provide documentation of successful monitoring could result in the loss of affordable housing stock, disallowed costs requiring repayment of federal grant funds, and potential lawsuits for failure to perform a mandatory duty.

After further consideration and having provided an opportunity for public comment, the Vice-Chair moved to recommend approval of the recommendations as contained in the August 2, 2016 CAO report, as amended. Specifically, the scope of services of the RFP have been amended to include the construction of a database and reports to collect tenant accessibility information from property owners/managers. This matter is now submitted to Council for its consideration.

Respectfully Submitted,



COUNCILMEMBER FELIPE FUENTES, VICE-CHAIR  
HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	ABSENT
FUENTES:	YES
HUIZAR:	ABSENT
PRICE:	YES
HARRIS-DAWSON:	ABSENT

ARL  
8/17/16

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**