

HOUSING COMMITTEE REPORT relative to Request for Qualifications (RFQ) and associated actions in connection with the Accessible Housing Program (AHP).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the Los Angeles Housing and Community Investment Department (HCIDLA) prequalified list of contractors consisting of one vendor, AG Pacific Construction and Development Corporation, identified through the AHP Licensed General Contractors RFQ, for a term of three years, effective May 1, 2019 through April 30, 2022, with the option to extend for up to two one-year terms.
2. FIND that work can be performed more economically or feasibly by independent contractors than by City employees and, in accordance with Charter Section 1022, approve of the use of affordable housing property owners for the provision of retrofit work on developments that have been recommended by the City's Expert Accessibility Consultant and where tenant relocation is not required.
3. AUTHORIZE the General Manager, HCIDLA, or designee, to:
 - a. Negotiate and execute a new contract with AG Pacific Construction and Development Corporation for the provision of general construction services on an on-call basis in substantial conformance with the Draft On-Call General Contractors Agreement attached to the April 25, 2019 HCIDLA report, attached to the Council file, for a compensation amount not to exceed \$6,000,000 and a term of three years from May 1, 2019 through April 30, 2022, with an option to extend for up to two additional one-year terms, subject to the review and approval of the City Attorney as to form, compliance with the City's contracting requirements, and funding availability.
 - b. Solicit bids for projects from the proposed prequalified list of contractors identified through the AHP RFQ in substantial conformance with the Draft Request for Bids Packet attached to the April 25, 2019 HCIDLA report.
 - c. Prepare and release subsequent RFQs to supplement the list of prequalified licensed and bonded general contractors to retrofit apartment unit developments so that units and common areas are accessible for persons with mobility and/or hearing/vision impairments, pursuant to the Corrected Settlement Agreement, and state and Federal accessibility laws and regulations, in substantial conformance with the Draft RFQ attached to the April 25, 2019 HCIDLA report, subject to approval by the City Attorney as to form.
 - d. Use the Authorization for Expenditure (AFE) process for the provision of minor construction services for retrofit work on developments that have been recommended by the City's Expert Accessibility Consultant and where tenant relocation is not required, for a compensation amount not to exceed \$5,000 per AFE, subject to the approval of the City Attorney and funding availability.
 - e. Negotiate and execute sole-source agreements with the City's affordable housing

property owners for the provision of retrofit work on developments that have been recommended by the City's Expert Accessibility Consultant, where tenant relocation is not required, in substantial conformance with the Draft Property Owner Sole-Source Agreement Template attached to the June 11, 2019 City Administrative Officer (CAO) report, for a compensation amount not to exceed \$100,000 per agreement, and a term of one-year effective upon contract execution, with an option to extend for up to one six-month term, subject to the review and approval of the City Attorney as to form, compliance with the City's contracting requirements, and funding availability.

4. REQUEST the Controller to:

- a. Establish new accounts within the Accessible Housing Fund No. 10D/43 as follows:

Account Title

43R621 Court Monitor

43R698 Retrofit

- b. Transfer an appropriation in the amount of \$2,450,669 from the Unappropriated Balance Fund No. 100/58, Account No. 580238- Accessible Housing Program to Fund No. 10D/43, New Appropriation Account No. 43R698 for retrofit for retrofit work of properties to comply with the *Corrected Settlement Agreement* in the lawsuit Independent Living Center of Southern California, et al, vs. City of Los Angeles (US Court Case CV12-0551).
- c. Reduce appropriations in the HCIDLA No. 43, General Fund No. 100 and transfer funding within the Accessible Housing Fund No. 10D as follows:
- i. Reduce appropriations in the amount of \$1,720,000 in Fund No. 100/43, Account No. 3040, Contractual Services.
 - ii. Transfer appropriations in the amount of \$490,000 within Fund No. 10D/43 from Account No. 43R143, HCIDLA to Account No. 43R621, Court Monitor for services provided by the mandated court monitor per the Corrected Settlement Agreement.
 - iii. Transfer appropriations in the amount of \$730,000 within Fund No. 10D/43 from Account No. 43R143, HCIDLA to Account No. 43R844, Technical Services for the existing contract with the Expert Accessibility Consultant for architectural services.
 - iv. Transfer appropriations in the amount of \$499,060 within Fund No. 10D/43 from Account No. 43R143, HCIDLA to Account No. 43R698, Retrofit, for the construction of first floor powder rooms at 4080-4100 South Vermont Avenue.
 - v. Transfer appropriations in the amount of \$940 within Fund No. 10D/43 from Account No. 43R143, HCIDLA to Account No. 43R778, Crescent Villages Apartments.

d. Expend funds upon proper demand of the General Manager, HCIDLA, or designee.

5. INSTRUCT the HCIDLA to report on a quarterly basis in regard to implementing the above recommendations.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. The funding for the proposed contract with AG Pacific Construction and Development Corporation will be provided by the Accessible Housing Fund No. 10D and funding available in the Unappropriated Balance for general contractors to conduct accessibility retrofits. The recommendations contained in the June 11, 2019 CAO report, attached to the Council file, 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 June 12, 2019, your Committee considered April 25, 2019 HCIDLA and June 11, 2019 CAO reports relative to RFQ and associated actions in connection with the AHP. According to the HCIDLA, the CSA was approved by Council on August 30, 2016 (Council File No. 12-0014-S23). The CSA is complex and a multi-faceted agreement that addresses Plaintiffs' allegations against the City for deficiencies in the physical accessibility for persons with disabilities of housing developments and their property management policies and procedures in violation of federal and state law. The housing developments covered under the CSA received assistance from the City and/or the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA). To ensure the City's compliance and implementation of the CSA within the 10-year term, HCIDLA has been designated to oversee and implement the terms of the CSA, and thus has established the AHP. The CSA terms are extraordinarily complex, but achievable with the appropriate resources, oversight, cooperation from the City's developer partners, and supervision by the CSA-mandated Court Monitor.

To comply with the multi-faceted terms of the CSA and utilizing various technical services, the HCIDLA has developed a dedicated website for the AHP that includes, but is not limited to centralized registration, required policy documents and forms, enrollment for training for property owners, property managers, tenants, applicants, and AHP staff, listings for all of the HCIDLA Covered Housing Developments, online submittal of grievances through the AHP Grievance Process, and an accessible housing search registry, which is currently being developed. Pursuant to the CSA, monthly Fair Housing trainings have been held for property owners and managers and upon advance request, translation, including sign language, is provided.

The AHP goals are to ensure people with disabilities equal opportunity to access, rent, use, and enjoy the City's affordable housing programs through surveying existing properties for compliance, building new accessible units and/or retrofitting existing units, while complying with the terms of the CSA, within a ten-year span. The CSA further requires the City to bring 4,000 Housing Units (Target Number of Accessible Units) into compliance with the architectural accessibility standards under Section 504 of the Rehabilitation Act of 1973 (Section 504), Title II of the Americans with Disabilities Act (ADA), and Section 11135 of the California Government Code. At least 2,655 of such units must be housing units with mobility features. The City has

flexibility to meet its annual and overall production schedules under the Accessible Housing Unit Plan through a combination of new construction, substantial alteration/rehabilitation, remediation (retrofit), housing units under the Enhanced Sensory Unit Program, or certification that existing housing units meet federal and California accessibility standards.

The CSA requires that the City ensures that retrofits conducted meet the required accessibility standards. The City has determined that to timely meet this requirement in an expeditious and cost-efficient manner, it is best for the City to maximize the options to conduct the retrofit work through the following:

1. Use of a pool of qualified licensed general contractors.
2. Sole-source agreements, subject to the approval of the City Attorney, with the City's affordable housing property owners for minor general retrofit construction services that does not involve any tenant relocation, for a compensation not to exceed \$100,000.
3. Use the AFE process, subject to the approval of the City Attorney, for minor general retrofit construction services that does not involve any tenant relocation, for a compensation not to exceed \$5,000 per AFE.

Currently, the HCIDLA is working with the City Attorney to develop the sole-source agreements.

All three of these options will be for scope(s) of accessibility retrofit work that have been recommended by the CSA required neutral Expert Accessibility Consultant (Chief Architect), LCM Architects, LLC (LCM); contractor(s) and developer partners will be trained by the expert architect, and all work performance will be overseen and monitored by AHP retrofit construction staff to ensure compliance with applicable accessibility standards.

The HCIDLA issued a RFQ in July 2018 resulting in only four respondents that submitted Statement of Qualifications (SOQs). Of the four respondents, two did not meet minimum threshold requirements and one scored below 70 based on the established evaluation criteria. Therefore, only one bidder was recommended for the list and for an as-needed contract at this time. This poor response is likely due to the very competitive construction market, where general contractors and subcontractors are in high demand. It is anticipated that approximately 1800 units must be retrofitted over the next seven years to ensure the HCIDLA will meet the City's obligations to build or retrofit 4,000 units by the end of the Settlement term. As more than two years have already elapsed, it is critical that this work be accelerated and uninterrupted. Thus, HCIDLA is requesting to re-release a revised RFQ to increase the number of qualified respondents to supplement the prequalified list of licensed General Contractors by re-evaluating required qualifications as well as the scope of work.

The CSA has identified 729 existing housing developments, otherwise known as the Covered Property List. Between June and December of 2018, LCM physically surveyed 71 sites, constituting 383 accessible units for compliance with applicable accessibility standards. Based upon the accessibility reports received to date from LCM, 22 sites require minor remediation and have been recommended for priority; 17 sites require moderate remediation, two sites require major remediation, and five sites are technically infeasible to remediate. Several reports are pending, and AHP retrofit staff and LCM indicate that up to an additional 12 of the 2018 surveyed sites will be recommended for priority in the minor remediation category. Also, by the end of this

month, LCM will complete surveys of an additional 30 more recently constructed new and substantial rehabilitation developments. If any remediation is required for these developments, it is anticipated to be easily remedied in the minor category and likely under \$5,000. Therefore, it is anticipated that up to 64 sites will require minor remediation and must be commenced in 2019 pursuant to the CSA's required Accessible Housing Unit Plan (AHUP) annual production schedule. Estimated construction costs for sites in the minor remediation category total \$1,067,045. Additionally, \$800,000 is estimated for architectural and technical services for 27 sites that are in the moderate remediation category. Construction costs (labor and materials) for those in the moderate remediation will be substantially higher. LCM's reports include a specific scope of work required for each property and an estimated budget which will be used establish the specific scope of work and contract total for each project, whether performed by the General Contractor or the developer partners. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as amended and contained in the CAO report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	YES
HARRIS-DAWSON:	ABSENT

ARL
6/12/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-