

TRANSMITTAL

To:

THE COUNCIL

Date: **OCT 09 2014**

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

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September 25, 2014

Council File: 14-0113
Council Districts: Citywide
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OFFICE OF THE CITY CLERK
RECORDS SECTION
2014 SEP 25 - 1 PM PM 22 22
CITY OF LOS ANGELES

The Honorable Eric Garcetti
Mayor, City of Los Angeles
200 N. Spring Street, Room 303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST TO APPROVE THE CONTRACTOR, CHARLES & CYNTHIA EBERLY INC., DBA THE EBERLY COMPANY, SELECTED THROUGH A REQUEST FOR PROPOSALS (RFP) FOR LANDLORD OUTREACH SERVICES FOR THE RENT ESCROW ACCOUNT PROGRAM (REAP) AND UTILITY MAINTENANCE PROGRAM (UMP)

Summary

Pursuant to Council File Number 14-0113, approved March 18, 2014, the Los Angeles Housing and Community Investment Department (HCIDLA) issued a RFP in July 2014 to solicit qualified firms to provide REAP and UMP Landlord Outreach Services. Subsequently, two proposals were received. HCIDLA completed a thorough review of the proposals and recommends that a contract be awarded to the following contractor:

Charles & Cynthia Eberly Inc., DBA The Eberly Company

HCIDLA proposes to award and execute the contract with The Eberly Company to commence on or about November 1, 2014 for one year with an option to extend for two additional periods of up to one year each, for a total not to exceed three years, subject to contractor performance, available funding, and approval by the Mayor and City Council. The total projected program cost of \$150,000 for the initial contract term from November 1, 2014 to October 31, 2015, as well as \$150,000 annual cost for the renewal options, will be expended from the Code Enforcement Trust Fund and Rent Stabilization Trust Fund with no impact to the General Fund.

Approval of the following recommendations will enable HCIDLA to continue utilizing the service of a contractor to provide outreach and education services to landlords whose properties are in REAP. Services tailored for landlords aid in reducing the amount of time a property is in REAP as well as enhance the ability of property owners to maintain their rental properties and prevent the re-occurrence of a property being placed in the program.

The contractor will also provide outreach services for UMP to assist the City in reducing tenant displacement or eviction due to non-payment of utilities by property owners. The contractor will work with landlords and HCIDLA to ensure delinquent LADWP bills are paid and shut-offs are avoided.

Recommendations

The General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), respectfully requests that this transmittal be scheduled for consideration at the next available meeting(s) of the appropriate City Council committee(s) and scheduled for consideration by the full City Council immediately thereafter.

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

1. AUTHORIZE the General Manager of HCIDLA or designee to execute a contract with the following agency to provide outreach services to landlords whose buildings are in the REAP and/or UMP programs, for a one-year term to commence on or about November 1, 2014 with an option to extend for two additional periods of up to one year each, for a total not to exceed three years subject to the approval of the City Attorney as to form:

Charles & Cynthia Eberly Inc. DBA The Eberly Company
November 1, 2014 – October 31, 2015

\$150,000

2. AUTHORIZE the City Controller to expend funds up to \$150,000 in FY 2014-15 for a REAP landlord outreach contract stated in Recommendation 1 above, as well as to expend funds up to \$150,000 annually for the two one-year renewal options that are subject to satisfactory contract performance and availability of sufficient funding through future City budgets, upon proper written demand by the General Manager of HCIDLA or designee. The initial contract amount will be expended from General Fund Number 100, Department 43, Account 3040, Contractual Services. The above fund is to be reimbursed from the Rent Stabilization Trust Fund Number 440/43 and from the Code Enforcement Trust Fund Number 41M/43.
3. AUTHORIZE the General Manager of HCIDLA or designee to prepare Controller instructions and make any necessary technical adjustment consistent with the Mayor and Council action on this and other approved projects, subject to the approval of the City Administrative Officer (CAO), and to instruct the Controller to implement the instructions.

Background

In 1988, the City Council and the Mayor, increasingly concerned with the deterioration of rental housing in the City, adopted a Rent Escrow Account Program (REAP) whereby tenants could place their rents into an escrow account when the landlord had refused or consistently failed to correct cited deficiencies. Shortly thereafter, the Council and the Mayor also adopted the Rent Reduction Program (RRP) which consisted of a schedule of rent reductions that corresponded to reductions of housing services that rendered a rental unit uninhabitable under California Civil Code section 1941.1. The REAP/RRP program proved extremely effective in encouraging owners to bring their buildings up to at least minimum standards of habitability when tenants participated in the program.

In 1993, the City Council and Mayor strengthened protections for tenants participating in the REAP program and provided for expedited inclusion of properties where there was imminent threat to the health and safety of tenants. In 1997, the City established the REAP outreach program whereby it contracted with three community organizations to expand participation by tenants in the REAP program through provision of education and outreach to tenants residing in subject buildings. That same year the City Council and Mayor expanded the REAP program to include properties referred under the Utility Maintenance Program, which dealt with properties where tenants were threatened with utility shut-off because of property owner delinquency in payment to the Department of Water and Power.

In February 1999, the Mayor and City Council directed the General Manager of HCIDLA to issue a RFP for contractors to provide outreach services to tenants residing in rental units subject to REAP and UMP, commencing the REAP/UMP Tenant Outreach Services that exist today. In 2011 the City Council and the Mayor authorized the Housing and Community Investment Department to add a contract specifically tailored to provide outreach services to landlords. Currently HCIDLA contracts with five organizations to provide outreach and education services to both landlords and tenants.

The success of these programs and the subsequent improvement of rental housing conditions depend on the tenant's and landlord's understanding of the programs and their level of involvement and participation. Increased participation by the tenants may act to provide a financial incentive to the owners to correct Housing Code violations in their rental properties due to the collection of less rent. Increased tenant education is necessary to provide information and to encourage participation, since REAP participation is voluntary. Similarly, information and assistance to landlords is imperative in reducing the amount of time a property is in REAP and preventing reoccurrences of REAP cases for the same properties.

Request for Proposals (RFP) Process

On July 3, 2014, HCIDLA released a RFP to solicit responses from interested firms and organizations to provide REAP/UMP Landlord Outreach Services. The RFP was advertised in the Los Angeles Times as well as on the LABAVN and HCIDLA web pages. The RFP was cross-listed in eight different categories on LABAVN ranging from property managers to community housing services to social advocacy organizations for maximum exposure to potential bidders. Proposals were accepted only from individuals or organizations that:

1. Have no outstanding debts with the City of Los Angeles;
2. Are qualified to conduct business in the State of California;

3. Have at least three (3) years experience performing outreach and educational services for landlords and property owners (as individuals or in groups) with respect to landlord/tenant and property law; and experience related to the Rent Escrow Account Program and the Utility Maintenance Program;
4. Have the ability to put an effective landlord outreach program into operation at the beginning of the contract term;
5. Have the ability to offer services in both English and Spanish, at a minimum, and arrange translation services for other languages as needed. It is desirable for all applicants to have conflict resolution experience between landlords and tenants to resolve disputes while remaining as neutral as possible;
6. Have not been determined to be non-responsible or been debarred by the City pursuant to the Contractor Responsibility Ordinance;
7. Have not been debarred by the federal government, State of California, or local government;
8. Are in good standing with the Secretary of State, if proposers are corporations or limited liability companies.

Two proposals were received in response to the RFP. During preliminary review, one proposal was deemed responsive for further evaluation. HCIDLA formed a review team consisting of three HCIDLA staff who conducted a thorough review of the proposal. The panelists who evaluated the proposal were selected to reflect differing perspectives and expertise. The 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:

Area	Description	Points
1	Demonstrated a commitment to the operation and jurisdiction of the pertinent enforcement agencies.	10
2	Demonstrated a commitment to the REAP, UMP, Urgent Repair Program and the landlord outreach program goals and objectives.	10
3	Quality and creativity of outreach program concepts and strategy.	30
4	Demonstrated ability to produce quality deliverables on-time and on-budget as evidenced by past performance, including experience and qualifications of project manager, key personnel, and subcontractors.	30
5	Proposed budget, allocation of costs, and use of available resources to maximize the effectiveness of the property owner outreach and education program.	20
	Total Points	100

The table below shows the final average score awarded to the applicant. As no other proposals met the initial threshold review, it was the only proposal that was subsequently evaluated. The Eberly Company

was scored highly qualified in every category and is recommended for funding for the REAP/UMP Landlord Outreach contract. The result of the RFP was not appealed.

Applicant	Number of Evaluators	Average Score (100 points maximum)
The Eberly Company	3	86.3

The Eberly Company has been serving as the contractor for REAP/UMP Landlord Outreach Services since January 2011. The contract with The Eberly Company will enable HCIDLA to continue landlord-tailored outreach services in order to educate landlords regarding their rights and responsibilities under REAP/UMP and thereby reduce the amount of time properties are in REAP and reoccurrences of REAP cases for the same properties.

Fiscal Impact Statement

There is no impact to the General Fund. The contract is fully fee-supported, with 95% of the proposed budget (\$142,500.00 annually) coming from the Code Enforcement Trust Fund and 5% (\$7,500.00 annually) coming from the Rent Stabilization Trust Fund.

Prepared by:



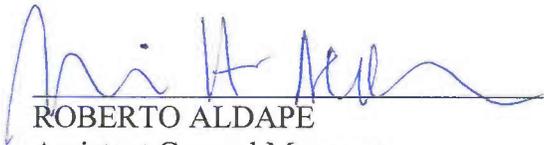
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Compliance Division

Reviewed by:



ROBERTO ALDAPE
Assistant General Manager
Regulatory Compliance and Code Bureau

Approved by:



RUSHMORE D. CERVANTES
General Manager
HCIDLA

Attachments:

1. Draft Professional Services Agreement – Landlord Outreach Services