

TRANSMITTAL

To:

THE COUNCIL

Date: FEB 27 2014

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

Eric Garcetti

by Rich Lewellyn

(Rich Lewellyn)

ERIC GARCETTI
Mayor

RECEIVED
CITY CLERKS OFFICE
2014 FEB 28 AM 10:23
CITY CLERK
BY _____
DEPUTY



Eric Garcetti, Mayor
Rushmore D. Cervantes, Interim General Manager

Regulatory Compliance & Code Bureau
1200 West 7th Street, 8th Floor, Los Angeles, CA 90017
tel 213.808.8888 | toll-free 866.557.7368
hcidla.lacity.org

February 20, 2014

Council File: New
Council District: Citywide
Contact Person/s:
Nell Dizon: (213) 808-8824
Roya Babazadeh: (213) 808-8823
Roberto H. Aldape: (213) 808-8826

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

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO RELEASE A REQUEST FOR PROPOSAL (RFP) FOR THE LOS ANGELES HOUSING AND COMMUNITY INVESTMENT DEPARTMENT (HCIDLA) GENERAL MANAGER'S HEARING SERVICES FOR VARIOUS DEPARTMENT PROGRAMS INCLUDING LOS ANGELES RENT STABILIZATION ORDINANCE PROGRAMS AND INSPECTION PROGRAMS

SUMMARY

The Los Angeles Housing and Community Investment Department (HCIDLA) seeks authority to issue a new Request for Proposal (RFP) for the selection of an additional contractor to conduct General Manager's hearing services for the Rent Stabilization Ordinance and the Los Angeles Housing Code enforcement programs.

HCIDLA administers General Manager's hearing services for various programs mandated by their pertinent ordinances, including but not limited to, code violations, release of escrow applications, landlord and tenant's appeals of departmental decisions regarding rent adjustments, luxury exemption applications, and the Tenant Relocation Assistance Program. These hearings are conducted within specified time frames in conformance with the Los Angeles Rent Stabilization Ordinance (RSO), Los Angeles Municipal Code (LAMC) Chapter XV; Los Angeles Housing Code (Housing Code), LAMC Chapter XVI; and other pertinent regulations. The RSO protects tenants from excessive rent increases, while allowing the landlords a reasonable return on their investments. The Los Angeles Housing Codes prevent or remedy the escalation of substandard and unsanitary conditions in residential rental units through systematic and complaint-based code enforcement inspections.

HCIDLA has utilized contracted hearing officers to conduct hearings on an as-needed basis to afford tenants and landlords the right to contest HCIDLA's determination on various RSO and Housing Code

enforcement programs. The use of a contracted hearing officer has allowed HCIDLA to provide tenants and property owners their rights to the due process and meet the increasing constituents' demand for hearings.

The existing contract for one contractor to provide General Manager's hearing services will expire on July 31, 2014 and is eligible for two one-year extensions. This transmittal seeks authority to release an RFP to solicit proposers that will provide additional General Manager's hearing services for RSO and Housing Code enforcement programs and supplement existing hearing services. The RFP process will allow HCIDLA to evaluate proposers and select one professional who will best serve HCIDLA and the constituents during Fiscal Year 2014-2015 and an optional two additional years thereafter. Upon receiving authority, HCIDLA plans to execute the new contract on or about August 2014.

If approved, the contract for the additional Hearing Officer, will use the funding already approved for the existing contract (C.F. 12-1470-S1). The total annual amount, not-to-exceed, \$180,000 will be expended from the Rent Stabilization and Code Enforcement Trust Funds to fund the new contract for General Manager's hearing services.

A copy of the draft RFP was forwarded to the City Attorney for review and approval as to form.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully 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 issue and release an RFP for a contractor to provide General Manager's hearing services for various programs including RSO and Housing Code enforcement programs in substantial conformance with the draft RFP included as an attachment to this transmittal, subject to the approval of the City Attorney as to form.
2. DIRECT the General Manager of HCIDLA, or designee, to assess the responses of the subject RFP and submit the evaluation results with recommendations to the Mayor and the City Council, including funding levels and necessary implementation instructions.

BACKGROUND

Since the 1980s, the City has contracted for General Manager's hearing services specifically for the deliberation of rent adjustment requests pursuant to the RSO. The RSO provides various provisions by which a landlord may apply to the HCIDLA for approval of an increase of rents beyond the annual allowable amount. Landlords and tenants may appeal HCIDLA's determinations on rent adjustment applications to a hearing officer. In addition, HCIDLA requires that every property owner, whose property is not compliant with the Housing Code, to be afforded an opportunity to contest HCIDLA's enforcement actions at a hearing.

From 2001 to June 2005, the City Attorney conducted all hearings required by various RSO and Housing Code enforcement programs under the LAMC Chapter XV, XVI, and other pertinent regulations to accommodate the demand for hearings. However, in June 2005, the City Attorney stopped conducting all hearings for HCIDLA due to insufficient personnel and financial resources. As a result,

HCIDLA assigned in-house staff to perform the hearings. While it is legally permissible under the LAMC for HCIDLA-employed staff to perform the hearings, there are still hearings that could not be scheduled within the mandated timeframes. Therefore, HCIDLA assessed various alternatives and determined that it would be more cost effective and practical to use part-time contracted hearing officers to conduct a portion of the required hearings. Besides substantial cost savings, the use of independent contractors to conduct hearings would minimize impacts to the availability of HCIDLA's operational staff, which would, in turn, better serve the needs of constituents. Having contracted hearing officers services would also provide HCIDLA with an additional resource in the event that the HCIDLA's in-house staff would be unable to conduct the scheduled hearings in time.

In 2007, HCIDLA issued an RFP and subsequently began contracting with two as-needed Hearing Officers to carry out hearings only on rent adjustment hearing requests. HCIDLA staff conducted hearings for other RSO and Housing Code enforcement cases.

In 2010, HCIDLA issued a new RFP to provide Rent Adjustment and Code Enforcement Hearing Services, and subsequently commenced a 6-month contract with only one as-needed Hearing Officer in 2011. The scope of work was expanded to allow the contractor to provide General Manager's hearing services for both RSO and Housing Code enforcement cases.

On November 6, 2012, the City Council approved a qualified list of contractors selected by the HCIDLA through a Housing Studies and Research Request for Qualifications (RFQ) process to complete various housing studies and services, including the category of Hearing Services (C.P. 12-1470, with the Mayor's concurrence on November 8, 2012). Approval of the RFQ results included two qualified individuals for the Hearing Services category, Beth Rosen-Prinz and Howell Tumlin. On April 3, 2013, after consulting with the City Attorney and the Office of the City Administrative Officer for guidance, HCIDLA issued a condensed Request for Proposal (RFP) to solicit proposals from the two qualified individuals. Only one proposer, Beth Rosen-Prinz, responded to the Hearing Services RFP, and a contract was subsequently executed, effective August 1, 2013. The Department intends to increase the use of contracted Hearing Officers to reduce the need for in-house staff.

In 2013, HCIDLA experienced a 32% increase in the number of hearings conducted from 1,193 in 2012 to 1,571 in 2013. There are often fluctuations in the number of hearings conducted each year as a result of cases that are continued, and/or new programs that are implemented. The Department needs the flexibility to meet the increase in demand for hearings, and the limitations placed on scheduling hearings with only one contracted hearing officer is straining the Department's ability to conduct timely hearings. In order to reduce costs and increase HCIDLA's ability to conduct the legally mandated hearings, there is a need for an additional contracted Hearing Officer.

REQUEST FOR PROPOSAL (RFP) PROCESS

This RFP will solicit qualified professionals to provide General Manager's hearing services for RSO and Housing Code enforcement programs. HCIDLA proposes to execute new contracts with one qualified professional to commence on or about August 1, 2014, for a one-year period with an option for two one-year extensions, not to exceed a total of three years, subject to the contractor's performance, availability of funding and approval by the Mayor and City Council. This proposed contract will be in addition to the existing contract for Hearing Officer services with Beth Rosen-Prinz. The RFP will be posted on the

HCIDLA's website, Los Angeles Business Assistance Virtual Network (LABAVN) and the City's websites. In addition, the current contracted Hearing Officer will be notified.

Proposers for this RFP must satisfy the following conditions:

1. Proposers must be qualified to conduct business in the State of California;
2. Proposers must not have any disallowed or outstanding debts to the City of Los Angeles;
3. Proposers must have a thorough understanding of the RSO, Rent Adjustment policies and the Los Angeles Housing Codes;
4. Proposers must demonstrate experience in performing Administrative hearing services.
5. The proposed fee schedule and use of available resources should maximize the effectiveness of the delivery of the General Manager's hearing services; and,
6. Proposers must have the ability to produce quality reports based on clear findings of fact and conclusions of law.

All applications will be reviewed by a team of experts. Each application will be 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 shall include the following:

Selection Criteria	Score
Demonstrated knowledge of the RSO, Rent Adjustment policies, and/or Housing Code.	20 points
Demonstrated ability to produce quality decisions and reports by submitted writing samples and past performances.	20 points
Demonstrated experience in conducting hearings and rendering decisions and reports on time and on budget.	30 points
Proposed fee schedule and use of available resources to maximize the effectiveness of conducting hearings.	30 points
Total	100 points

HCIDLA will notify all applicants in writing of the results of the proposal evaluations. Applicants may appeal procedural issues only, by submitting a letter to the HCIDLA within five (5) working days of receiving notifications. Appeals will be reviewed before a panel of experts from HCIDLA. The City Council and the Mayor will exercise final authority in the selection of the contractor, as well as the allocation of funds to be awarded through this RFP.

FISCAL IMPACT

There is no impact to the General Fund. This contract will use funds that have been approved for the existing Hearing Officer contract (C.F. 12-1470-S1). Annual funding for the contract, not-to-exceed \$180,000, will be provided from the Code Enforcement Trust Funds (\$171,000) and Rent Stabilization Trust Funds (\$9,000), which are already set aside for this proposal and the existing contract.

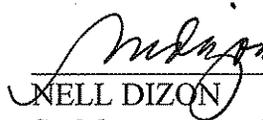
Attachment: Draft RFP for General Manager's Hearing Services

Prepared by:



TONY PELAEZ
Housing Investigator II
Compliance Division

Prepared by:



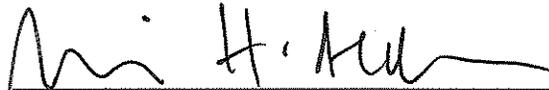
NELL DIZON
Sr. Management Analyst I
Compliance Division

Reviewed by:



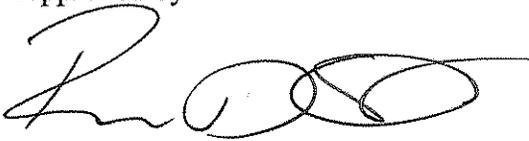
ROYA BABAZADEH
Director of Enforcement Operations
Compliance Division

Approved by:



ROBERTO H. ALDAPE
Assistant General Manager
Regulatory Compliance & Code Enforcement Bureau

Approved by:



RUSHMORE D. CERVANTES
Interim General Manager
Los Angeles Housing and Community Investment Department