

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 4, 2014

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Council File No. 14-0268

Council District: Various

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MA*

Reference: Housing and Community Investment Department transmittal dated February 20, 2014; received by the City Administrative Officer on February 28, 2014

Subject: **REQUEST FOR AUTHORITY TO RELEASE A REQUEST FOR PROPOSALS (RFP) FOR HEARING SERVICES FOR VARIOUS DEPARTMENT PROGRAMS INCLUDING THE LOS ANGELES RENT STABILIZATION ORDINANCE AND INSPECTION PROGRAMS**

SUMMARY

The Los Angeles Housing and Community Investment Department (HCID), in its transmittal dated February 20, 2014, seeks authority to issue a Request for Proposals (RFP) to select an additional contractor to conduct General Manager's hearing services for the Rent Stabilization Ordinance (RSO) and Los Angeles Housing Code (Housing Code) enforcement programs. Currently the HCID has one Principal Inspector who is partially doing Hearing Officer work to meet mandated deadlines on hearing cases. The existing contract for these services will expire on July 31, 2014 and is eligible for two one-year extensions; however, HCID requests authority to conduct a new RFP to solicit proposals that will provide additional General Manager's hearing services and supplement the services already in place. In 2013, the HCID reported a 32 percent increase in the number of hearings conducted as compared to 2012. Because the number of hearings in a given year fluctuates, the Department reports a need for flexibility to meet the real and potential demand for hearings to be adjudicated in a timely manner. The contract for the additional Hearing Officer will use funding approved in the existing contract (C.F. 12-1470-S1) for a total annual amount not to exceed \$180,000, of which \$171,000 will be from the Code Enforcement Trust Fund and \$9,000 will be from the Rent Stabilization Trust Fund. This Office concurs with the HCID's request to issue an RFP to hire an additional contractor to provide hearing services.

BACKGROUND

The HCID administers General Manager's hearing services for various programs mandated by pertinent ordinances, including but not limited to: code violations; release of escrow applications; landlord and tenant appeals of HCID decisions regarding rent adjustments; luxury exemption applications; and the Tenant Relocation Assistance program. Landlords and tenants may appeal the HCID's decisions with respect to rent increases, and the HCID allows every property owner who is not compliant with the

Housing Code an opportunity to contest HCID's enforcement actions at a hearing.

Since the 1980s, HCID has used contractors to conduct hearings on an as-needed basis. In addition, from 2001 to 2005, the City Attorney conducted hearings for various RSO and Housing Code enforcement programs. The HCID reports that due to insufficient personnel and financial resources, the City Attorney stopped conducting hearings for the Department. As a result, the HCID assigned in-house staff to conduct the hearings, but the hearings could not be completed in the mandatory timeframes. Therefore, to better serve the needs of all constituents, HCID determined to use part-time contractors as hearing officers to conduct a portion of the hearings services.

The HCID proposes to execute new contracts with one qualified professional to commence on or about August 1, 2014 for a one-year period with two one-year renewal options, not to exceed a total of three years, subject to the contractor's performance and availability of funding. The proposed contract is in addition to the hearing officer services with Beth Rosen-Prinz, who was selected as a result of a April 2013 RFP process.

Those responding to the RFP must show a demonstrated knowledge of all pertinent regulations including the RSO, Rent Adjustment Policies, and Housing Code; a demonstrated ability to produce quality decisions and reports by submitting writing samples and past performances both on time and on budget; and must submit a proposed fee schedule demonstrating the use of available resources to maximize the effectiveness of conducting hearings. The evaluation criteria are outlined in the HCID transmittal. All applications will be reviewed by a team from HCID and evaluated for content, responsiveness, conciseness, clarity, and relevance. The RFP will be posted on HCID's website, the Los Angeles Business Assistance Virtual Network and other City websites. An appeal process is described in the HCID's transmittal.

Pursuant to Charter Section 1022, this Office determined in June 2013 that the hearing officer services could be performed more feasibly by a contractor than by City employees because the work exceeds staffing availability and is intermittent and on-call in nature (C.F. 12-1470-S1).

RECOMMENDATIONS

That the Council, subject to the Mayor, authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to:

1. Issue a Request for Proposals (RFP) for a contractor to provide General Manager's hearing services for various programs including the Rent Stabilization Ordinance (RSO) and Housing Code enforcement programs in substantial conformance with the draft RFP included as an attachment to HCID's transmittal dated February 20, 2014, subject to the approval of the City Attorney as to form; and
2. Assess the responses of the subject RFP and submit the evaluation results with recommendations to the Mayor and Council, including funding levels and necessary implementation instructions.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this report comply with the City's Financial Policies as the sources of the proposed funds will be from the Code Enforcement Trust Fund (\$171,000) and the Rent Stabilization Trust Fund (\$9,000) under the terms of a previously approved contract.

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