

HOUSING COMMITTEE REPORT relative to a proposed contract with BAE Urban Economics for a fee study analysis of the Rent Stabilization Trust Fund.

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

1. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
 - a. Negotiate and execute a sole-source agreement with BAE Urban Economics for the purpose of conducting a fee study analysis for the Rent Stabilization Trust Fund, with a contract term of one year from May 1, 2019 through April 30, 2020, with two one-year renewal options and a compensation amount not to exceed \$80,000, subject to the review and approval of the City Attorney as to form and compliance with the City's contracting requirements.
 - b. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer (CAO).

2. AUTHORIZE the Controller to:
 - a. Establish a new account 43R780- Rent Stabilization Fee Study within the Rent Stabilization Trust Fund No. 440/43.
 - b. Reduce appropriations in the HCIDLA Fund No. 100/43 and transfer funding within the Rent Stabilization Trust Fund No. 440 as follows in support of a fee study analysis for the Rent Stabilization Trust Fund:
 - i. Reduce appropriations in the amount of \$80,000 in Fund No. 100/43, Account No. 1010, Salaries General.
 - ii. Transfer appropriations in the amount of \$80,000 within Fund No. 440/43 from Account No. 43R143, Housing and Community Investment Department to the new Account No. 43R780, Rent Stabilization Fee Study.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. The proposed contract with BAE Urban Economics will be provided by Rent Stabilization Trust Fund No. 440. The recommendations contained in the May 15, 2019 CAO report are in compliance with the City's Financial Policies in that funding for the contract is available within the identified funds.

Community Impact Statement: None submitted.

Summary:

On May 22, 2019, your Committee considered May 15, 2019 CAO and April 15, 2019 HCIDLA reports relative to a proposed contract with BAE Urban Economics for a fee study analysis of the

Rent Stabilization Trust Fund. According to the CAO, the HCIDLA is requesting authority to execute a sole source agreement with BAE Urban Economics for the purpose of conducting a fee study analysis for the Rent Stabilization Trust Fund, with a proposed contract term from May 1, 2019 through April 30, 2020, with two one-year renewal options and a compensation amount not to exceed \$80,000. The proposed contract would be funded by the Rent Stabilization Trust Fund. The HCIDLA indicates that approval of this proposed agreement will allow the HCIDLA to conduct a study and propose an adjustment to the annual rental unit registration fee in order to recover operating costs that have increased since the last fee adjustment in 2012. Additional information on obligatory increases to Departmental costs, new programs, increased workload, and a projected deficit in 2020-21 if there is no fee increase is included in the HCIDLA report.

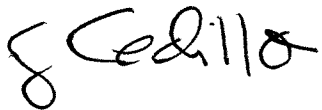
Subsequent to the release of its report, the HCIDLA provided a revised draft agreement that includes a fee schedule detailed in Exhibit C of the HCIDLA report. The CAO concurs with the recommendations of the HCIDLA. On February 11, 2019, HCIDLA released a Request for Bids (RFB) to 29 consultants prequalified to perform economic analysis for the City, but did not receive any bids. The HCIDLA contacted two City-approved contractors directly and selected BAE Urban Economics since they previously performed similar services for HCIDLA as part of the Linkage Fee analysis. The HCIDLA indicates, with the City Attorney's concurrence, that a sole source contract is justified because:

1. The HCIDLA did not receive any bids in response to the RFB.
2. The contractor has the professional expertise as it relates to performing a fee study.
3. The services are unique in that not all jurisdictions have rent stabilization programs.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the May 15, 2019 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
5/22/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-