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CITY OF LOS ANGELES CALIFORNIA



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06-2432

November 16, 2006

City Administrative Officer
Controller, Room 300
Accounting Division, F&A
Disbursement Division
Los Angeles Housing Department
City Attorney

RE: EXECUTION OF CONTRACTS FOR THE RENT ESCROW ACCOUNT PROGRAM AND UTILITY
MAINTENANCE PROGRAM TENANT OUTREACH SERVICES

At the meeting of the Council held November 1, 2006, the following action
was taken:

*cited in Sylvia Landfield Trust v. City of Los Angeles
No. 11-55904 archived on September 19, 2013*

Attached report adopted.....	_____ X _____
Attached motion (-) adopted.....	_____
Attached resolution adopted.....	_____
FORTHWITH.....	_____
Mayor concurred	_____ 11-13-06 _____
To the Mayor FORTHWITH	_____
Motion adopted to approve communication recommendation(s).....	_____
Motion adopted to approve committee report recommendation(s)...	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Publication date.....	_____
Generally exempt.....	_____

City Clerk
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**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the execution of contracts for the Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP) tenant outreach services.

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

1. AUTHORIZE the General Manager, Los Angeles Housing Department (LAHD), or designee, to:

a. Execute contracts with the following agencies to provide REAP and UMP tenant outreach services, for a term of seven months, beginning December 1, 2006 through June 30, 2007, with two one-year options, for a total amount of \$306,250 in 2006-07, with potential annual funding of \$525,000 dependent on future budgeted funds, subject to the review of the City Attorney as to form and legality, and the Department of Public Works, Bureau of Contract Administration as to adherence with City contracting standards:

<u>Contractor</u>	<u>Contract Amount</u>
Los Angeles Center for Law and Justice	\$ 61,250
Los Angeles Housing Law Project	61,250
Inner City Law Center	61,250
Coalition for Economic Survival	61,250
Inquilinos Unidos	<u>61,250</u>
Total	\$306,250

b. Prepare Controller instructions and make any necessary technical adjustments consistent with the Council and Mayor actions of this report, subject to the approval of the City Administrative Officer (CAO) and authorize the Controller to implement these instructions.

2. REQUEST the Controller to implement instructions received from the General Manager, LAHD, or designee, with regards to this matter.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact to the General Fund. The recommendations are in compliance with City Financial Policies in that the cost of the tenant outreach services contracts for the REAP and UMP are funded by the Rent Stabilization and Code Enforcement Trust Funds appropriated in the 2006-07 Adopted Budget.

Summary:

In its transmittal dated October 20, 2006, the CAO reports that the LAHD requests authority to execute contracts with five firms to provide REAP and UMP tenant outreach services for a period of seven months, beginning December 1, 2006 and ending June 30, 2007, for an amount not to exceed \$306,250. Also proposed are two one-year extensions of \$525,000 annually for a potential total funding amount over three years of \$1,356,250.

*City of Los Angeles
No. 4153914 attached on September 19, 2013
Cited in Sylvia Landfield Trust v. City of Los Angeles*

REAP and UMP outreach services are provided by LAHD contractors that disseminate program information intended to increase voluntary participation of tenants residing in REAP or UMP properties. Participating REAP tenants reside in substandard rental properties and are permitted to withhold rents from non-compliant landlords, depositing them instead into City-administered rent escrow accounts. Likewise, tenants participating in UMP may deposit their rents into City accounts for properties with disrupted utility services due to non-payment on the part of the landlord. Prior to removal of a property from either REAP or UMP, a tenant exit interview is conducted by LAHD contractors to ensure that habitability problems are corrected and utility services are fully restored.

The CAO further reports that the benefits of increased tenant participation in REAP and UMP are threefold: 1) withheld rents create additional disincentives for non-compliant landlords; 2) additional fee revenue is received by the City for each new participating rental unit; and, 3) delinquent utility payments due to the Los Angeles Department of Water and Power are paid from UMP escrow accounts to restore tenant utility services.

On June 30, 2006, Council authorized the LAHD to release a Request for Proposals (RFP) for REAP and UMP tenant outreach services. Six proposals were received and were evaluated by LAHD staff. Five of the six applicants were determined to have sufficient qualifications to perform REAP and UMP tenant outreach services. The LAHD reports that the one applicant was not selected, S & J Business Consulting and no appeal of the scoring was submitted.

The CAO notes that the anticipated annual funding award for these contracts is \$525,000, which is comprised of \$52,500 (ten percent) in Rent funds and \$472,500 (90 percent) in Code funds. These funds are appropriated through the budget process to the Department's Contractual Services Account. Beyond 2006-07, availability of funds is subject to appropriations made in future budgets. The balance of 2006-07 funding, in the amount of \$215,750 was used to fund contracts with previously approved contractors to provide uninterrupted services until the selection of new contractors was completed.

At its regular meeting held October 24, 2006, the Housing, Community, and Economic Development Committee considered this matter and recommended that Council approve the recommendations of the CAO, as submitted in its report dated October 20, 2006. This matter is now submitted to Council for its consideration.

Respectfully submitted,

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

Ken J. Wesson
JEG#

REPT.
ADOPTED

NOV 01 2006

LOS ANGELES CITY COUNCIL

<u>MEMBER</u>	<u>VOTE</u>
WESSON	YES
REYES	ABSENT
CARDENAS	YES
GARCETTI	ABSENT
PERRY	YES

AMA
10/26/06
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MAYOR WITH FILE - 341