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## City of Los Angeles



Eric Garcetti, Mayor

## LOS ANGELES HOUSING DEPARTMENT

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December 5, 2022

Council File: CF 20-0047/19-0400  
Council Districts: Citywide  
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Honorable Members of the City Council  
City of Los Angeles  
c/o City Clerk, City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

### **COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REPORT BACK ON IMPLEMENTATION OF THE HOUSING CRISIS ACT (HCA) (SB 330 and SB 8)**

#### **SUMMARY**

The General Manager of the Los Angeles Housing Department (LAHD) respectfully submits this report in response to the various motions and amending motions from CF 20-0047/19-0400 and 21-0035 which requested a report back on the enforcement of the occupant protections established by the Housing Crisis Act (HCA). This report specifically focuses on the implementation of the Right to Return and Right to Remain provisions of the Housing Crisis Act. Through this report, the General Manager of LAHD respectfully requests authority to amend the Department's existing relocation contract to include Right to Return services for displaced tenants. LAHD also requests Council to instruct the City Attorney, in consultation with LAHD, to develop an ordinance that would require Right to Return services to be funded through a fee paid by developers as part of a housing development application. Lastly, the Department seeks approval to revise its land use fee following an internally conducted fee study to support additional staffing for HCA implementation.

#### **RECOMMENDATIONS**

- I. That the City Council, subject to the approval of the Mayor:
  - A. AUTHORIZE the General Manager of LAHD, or designee, to execute a contract amendment with Interwest Consulting Group, Inc. (C-138119). This amendment will increase the contract amount by \$200,000 from the Foreclosure Registry Trust Fund, Fund No. 56V/43, Account No. 43WC71- SB330 /Relocation and Right to Return Services for a new total contract amount of up to \$4,700,000, to provide additional relocation and Right to Return services, in substantial conformance with the attached draft

pro forma Agreement, subject to contractor's performance, funding availability, and approval of the City Attorney as to form

- B. REQUEST the City Attorney, with the assistance of LAHD, to draft an ordinance within 60 days for Council approval requiring developers to pay for the cost of Right to Return services as part of the development application based on a new fee or cost study conducted by LAHD.
- C. REQUEST the City Attorney, with the assistance of LAHD, to amend LAMC Section 19.14 to include an updated land use fee amount based on a revised fee study conducted by LAHD and to expand its applicability to cover all affordability covenants required by City ordinances, regulations and planning determinations.
- D. AUTHORIZE the Controller to:
  - i. Establish appropriation Account No. 43WC71-SB330/Relocation and Right to Return Services, within the Foreclosure Registry Trust Fund (Penalty sub fund), Fund No. 56V/43.
  - ii. Appropriate from cash balance in the amount of \$200,000 within the Foreclosure Registry Trust Fund, Fund No. 56V/43, Appropriation Account No. 43WC71- SB330/Relocation and Right to Return Services, to fund Interwest Consulting Group, Inc., a contract amendment to be executed for additional relocation and right to return services.
  - iii. Expend funds not to exceed \$200,000 upon proper demand of the LAHD General Manager, or designee.
- E. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

## **BACKGROUND**

The HCA, which went into effect January 1, 2020, significantly increased affordable housing replacement requirements and tenant protections throughout the state. In addition to making several changes to the development process, the HCA required the replacement of low-income housing and required displaced tenants to be provided relocation, a Right to Return to the new development, and a Right to Remain in their units until six months prior to start of construction.

In 2020, LAHD, City Planning and LADBS provided a report to the PLUM and Housing Committees regarding the provisions and implementation of the HCA. On March 3, 2021, the City Council adopted Council Motion 20-0047/19-0400 instructing the departments to report back in more detail on replacement unit requirements, the HCA's interactions with other state laws, and procedures to enforce the occupancy protections established under the HCA. In addition, Council adopted two amending motions from Councilmember Harris-Dawson and Councilmember Bonin.

On March 3, 2021, Council adopted a separate motion (Martinez - Cedillo; CF 21-0035) requesting City Planning, in consultation with the City Attorney and LAHD, to report on the creation of a citywide one-to-one replacement ordinance for RSO units. Council also adopted an Amending Motion by Councilmember Martinez and Councilmember Raman requesting additional analysis of the replacement of naturally occurring affordable housing and LAHD's implementation of SB 330's Right to Return provisions.

After Council approved these motions, the State amended the HCA through SB 8 (2021), which was signed by the Governor on September 16, 2021 and went into effect January 1, 2022. SB 8 clarified that the provisions of the HCA, including the replacement requirements and occupant protections, apply to both discretionary and ministerial (or "by-right") Housing Development Projects submitted to the City before January 1, 2030. Prior to SB 8, the City had only applied the replacement requirements and occupant protections to discretionary projects. The bill also clarified the provisions that apply to single-unit developments. These changes in State law addressed several of the questions and concerns raised by Council.

This report addresses the outstanding policy questions and considerations raised in CF 21-0035 and CF 20-0047/19-0400 by focusing on LAHD's implementation of the Right to Return and Right to Remain provisions of the HCA and then providing a brief response to some of the other policy issues raised in the Council Motions.

### **Right to Return and Right to Remain**

The Council instructions adopted through CF 19-0400/20-0047 and CF 21-0035 include several requests for additional information regarding the enforcement of Right to Return, as detailed below:

*"how the City can enforce the tenant protections in SB330, including staffing and funding needs."*

*"how to facilitate the right of return for tenants, and related costs associated with implementing such a process to make the program more effective" (Housing Committee Instructions CF 20-0047, Instruction #2)*

*"creating a 'right of return' policy to allow displaced residents to return to a comparable unit in the new housing development at an affordable rent."*

*"Propose a plan to create a program that includes outreach and education to ensure that, at a minimum, requirements such as relocation benefits, a right of first refusal, and occupancy for tenants up to six months prior to the start of construction are fully satisfied per SB 330; such report should consider and present immediate actions that the City Council can take to allow for recourse or a private right of action for developer noncompliance; and, should include staffing and resource requirements to implement these services".*

Under SB 8, only tenants with incomes at or below 80% of Area Median Income (AMI) are eligible for Right to Return; however, all tenants have the right to remain until six months prior to the start of construction. LAHD currently enforces the Right to Return provisions of SB 330/SB 8 by sending a mailing to tenants explaining their rights and asking tenants to provide their income information and a signed declaration stating their desire to

return. The developer/owner must also sign a declaration stating that they understand the tenant has the right to return and will contact the tenant no later than three months prior to the start of leasing.

The work required by SB8/330 overlaps with the relocation work required by the RSO when units are removed due to Ellis. In order to provide more proactive outreach to tenants and establish ongoing communication throughout the development process, LAHD recommends expanding the scope of the existing RSO relocation contract with Interwest Consulting Group to include the duties associated with Right to Return and Right to Remain. The scope of Interwest's existing contract includes: reaching out to tenants facing an Ellis Act eviction; informing tenants of their rights; supporting tenants in receiving the maximum allowable relocation assistance; and helping tenants find new housing. As detailed in Attachment 1, the expanded scope will include: informing tenants of their Right to Return; gathering applicable income information when necessary; maintaining contact with tenants throughout the development process; informing tenants when the new unit is ready for lease; and assisting tenants with the leasing process. By expanding Interwest's existing contract, the City will better integrate the relocation determination process required by the RSO with the Right to Return process and ensure that tenants displaced due to new development have one point of contact for assistance.

To pay for these additional services, LAHD recommends adopting an ordinance requiring developers to pay for the contractor's services associated with Right to Return and Right to Remain. While the City Attorney finalizes a fee study and a draft ordinance, LAHD recommends using Foreclosure Registry penalty funds for a one-time expansion of Interwest's contract.

As part of a supplemental FY 24 budget request, LAHD will also request position authority for two additional Management Analysts to provide direct support to tenants who have questions or concerns about relocation assistance, the Right to Remain, and the Right to Return. One position will be housed within LAHD's Land Use Unit and will be responsible for maintaining a tenant hotline, training hotline staff about the Right to Return, developing public and internal educational and training materials, and answering questions regarding the SB 8 application process and replacement unit determinations. The other staff person will be in the RSO division and will be responsible for integrating the SB 8 occupant protections with the Ellis Act and eviction process. This position will work closely with Right to Return staff in Land Use to provide greater support to tenants, particularly non-RSO tenants, who are facing an immediate eviction and need assistance with relocation. This position will ensure developers and tenants understand the right to remain provisions of SB 8 and serve as lead staff person administering the Relocation and Right to Return contract with Interwest.

In order to enforce the Right to Remain provisions, LAHD will require developers to provide a project timeline to both the tenants and the Department as part of the Replacement Unit Determination process. This timeline must include the anticipated eviction date, the anticipated date the project will receive its entitlements and/or building permits, and the anticipated date of demolition and new construction. LAHD staff will monitor the timeline to ensure that the start of development and/or the demolition of existing units is anticipated to occur six months after the projected eviction date.

### **Other Issues Raised**

- **Applicability to projects that do not require a City Planning application**

The PLUM report for CF 20-0047 requested that departments report back on expanding SB 330 replacement and Right to Return policies to “by-right” projects (instruction #2). A “by-right” project is typically a project that does not require an application to City Planning. Since SB 8 went into effect on January 1, 2022, LAHD, LADBS, and City Planning have enforced the replacement requirements and occupancy protections on all Housing Development Projects (except those located in Very High Fire Severity Zones, which are exempt from the HCA replacement provisions and occupant protections per Government Code Section 66300(f)).

- **Applicability to single-family/single-unit developments**

Instruction #5 of the PLUM report for CF 20-0047 referenced the expansion of the HCA provisions to include single-family home construction. With the passage of SB 8, single-unit developments are now subject to the “no net loss” requirements, meaning that a single-unit development cannot be proposed on a site that had more than one unit in the past five years. LAHD, LADBS, and City Planning are actively enforcing this requirement. New single-unit developments are not subject to affordable housing replacement and the Right to Return provisions established under SB 330 and SB 8.

- **Relocation Assistance**

CF 20-0047 directed the department to consider changes to the relocation process and relocation costs. LAHD is currently evaluating the relocation amounts and the relocation process under Council File 21-0042-S3.

- **Affordable Housing Replacement Requirements**

The Bonin-Harris-Dawson Amending Motion to CF 19-0400/20-0047 requested a report on the relationship between the SB 330 replacement requirements and existing and future incentive affordable housing programs (Density Bonus, TOC, etc.). Additionally, CF 21-0035 requested a report back on the creation of a one-to-one replacement requirement. City Planning and LAHD are currently working with an economic consultant to evaluate the feasibility of a 1:1 RSO to Affordable Housing Replacement Policy and examining the interaction between replacement requirements and affordable housing incentive programs as part of the market study being completed as part of the Citywide RHNA Rezoning Program. The Rezoning Program proposes a comprehensive update to the affordable housing incentive programs, which offers an opportunity to report back in more detail on these issues once the analysis and outreach and been completed (see City Planning’s recent report back dated November 30, 2022 per CF 21-1230 for more information on this program).

- **Interaction with the Mello Act Ordinance**

The PLUM report for CF 19-0400/20-0047 asked for information on the interaction between SB 330 and the Mello Act.

The draft Mello Act Ordinance was considered by PLUM on November 30, 2021 (CF 15-0129-S1) and is currently under review for form and legality by the City Attorney’s Office. The draft ordinance proposes

inclusionary requirements for projects that are 5 or more units as well as slightly different replacement requirements than those established by the HCA, and would only apply to projects in the coastal zone. The HCA allows jurisdictions to adopt local policies that are more stringent than those required by state law, therefore the additional regulations under the Mello Act are legally allowable.

One key difference relates to the default affordability assumptions. For Mello Act projects, if the income of a tenant is unknown, the unit is required to be replaced as a Very Low Income unit with a deed-restricted affordable unit. For example, if a ten-unit building in the coastal zone is vacant and the incomes of the previous tenants are unknown, all ten units are required to be replaced as Very Low Income units. In the rest of the City, the replacement unit affordability levels would be based on HUD data, which as of 2022 would require seven of the ten units to be replaced as affordable. The Mello Act Ordinance also requires the replacement of moderate-income housing (up to 120% AMI) and provides a right of return for moderate-income tenants.

### **FISCAL IMPACT**

Through this report, LAHD is requesting authority to fund a temporary, one-time contract expansion for Interwest Consulting using \$200,000 of Foreclosure Registry penalty fees. In the longer term, LAHD proposes to fund the Right to Return services and additional required staffing through increased development fees. As such, there will be no impact to the General Fund.

Approved By:



ANN SEWILL  
General Manager  
Los Angeles Housing Department

### **ATTACHMENTS:**

Appendix 1 - Scope of Work  
Appendix 2: Division of Responsibilities  
Interwest Consulting\_ Amendment 1\_ Draft

## **Appendix 1: Expanded SB 8 Scope of Work for Interwest Consulting**

### **Income Determination Scope of Services**

#### **Supplemental Task 1: Services to be provided to both RSO and Non-RSO units**

<b>Description of Work – Income Determination Services</b>
1. Obtain available information from developer as it relates to tenant’s current and/or previous 5-years on the subject property. This includes, where available, rent rolls, and/or tenant names, address and unit number, phone number and email, and rent rates. For units with limited to no information provided, pull property profiles, use online investigative tools to obtain the appropriate address & unit identification.
2. Prepare and send out informational packages to property unit addresses.
3. Using available information, Consultant to follow up with each unit (tenants) by phone, text, email, and letters to ensure that they received the LAHD informational packet. Where information is available, contact will require at least two calls and two letters, to inform tenants about the Income Self-Certification Form, the Right to Return, and answer questions about the overall process which will include questions about eviction and future relocation payment under the RSO. Where phone contact information is not available, three letters, as approved by LAHD, will be mailed to the unit address two weeks apart.
4. If the tenant responds, Consultant will assist tenants in completing the Income Self-Certification Form and follow up with tenants regarding any incomplete information. For example, if the tenant does not answer all the questions or if income totals do not add up correctly then the consultant should contact the tenant to correct the form*.
5. Consultant will collect the Income Self-Certification Form and share it with the Land Use Section at LAHD. As appropriate, information will be entered into LAHD’s databases. Personal Identifiable Information (PII) will be handled in accordance with LAHD protocol.

### **Right of First Refusal Services**

#### **Supplemental Task 2: Services to be provided to both RSO and Non-RSO units**

<b>Description of Work – RSO “Added Value Services”</b>
1. Consultant will send low-income qualified tenants a notice advising of their Right of First Refusal to apply to the newly constructed property upon its completion.
2. Consultant will add new data tracking fields to the database to create reports for all tenants that requested the First Right of Refusal and their most recent contact information.
3. Consultant will assist low-income tenants in completing a Right of First Refusal request form and log in responses for future statistical analysis.
4. Consultant will track tenants who are low income and have a Right of First Refusal via a portal with tenant information that can be updated by the consultant or tenant, as applicable.

<b>Description of Work – Right of First Refusal Services</b>
1. Consultant will send low-income tenants, which expressed the desire to return during the RSO eviction process, a notification letter to the last address provided during the Income Determination process or RSO process, to the last address determined during the relocation process.

2.	Consultant to attempt three phone calls and emails, if available, to advise the tenant of the application opportunity. Although the program does not provide for a specific deadline to respond, the tenant will be provided a thirty-day response period or be considered non-responsive, and the case will be closed.
3.	Consultant will provide updates on project milestones by checking LADBS' website and communicating with the developer and updating the portal with information on relevant milestones to assess property readiness.
4.	For responsive tenants, the Consultant will assist them in completing the initial application to rent the new unit and help tenants understand the documents required. <i>(Current process: Tenant fills out an application and submits income documents to landlords. The owner gives the application to LAHD's Occupancy Monitoring Consultant to approve.)</i>
5.	All responses and non-responses will be reported back to the Agency and custom reports will be created within the database to provide the Agency ongoing program statistics and analysis.

<b>Description of Work – Fee Savings on Merged Process</b>
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| 1. | Consultant will provide a reduction in fees when the developer files at the same time both the SB 8 application and the LAHD form to initiate the removal of the unit from the housing market. |
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<b>Description of Work – Length of Processing Time</b>
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| 2. | Consultant is to attempt completion of the income and Right of First Refusal process within 30 days of receipt of LAHD notification. |
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**Appendix 2: Division of responsibilities between LAHD and the Relocation/Right to Return Contractor**

<b>Phase</b>	<b>LAHD Responsibility</b>	<b>Relocation/Right to Return Contractor Responsibility</b>
<i>Replacement Unit Determination Phase</i>	<p>Requires developers to provide contact information for existing tenants</p> <p>Encourages developers to file an intent to evict with LAHD as part of the SB 8 application. This allows tenants to access relocation but does not require tenants to leave until the final eviction notice is sent.</p> <p>Requires a project timeline with anticipated eviction and construction dates. LAHD will check to see that the anticipated eviction date is within six months of the anticipated start of construction date</p> <p>Fields questions and concerns from tenants through the Hotline and directs them to the contractor or other appropriate resources.</p>	<p>Assists tenant in understanding the right to return, right to remain, and right to relocation</p> <p>Assists tenants in exercising the right to return and completing the income declaration.</p>
<i>Building Entitlement or Permit Phase</i>	<p>Monitors and enforces the Ellis Act requirements</p> <p>Answers any questions from the contractor</p> <p>Fields questions and concerns from tenants through the Hotline and directs them to the contractor or other appropriate resources.</p> <p>Ensures that tenants have been properly relocation and relocation was paid prior to clearing a demolition permit</p> <p>Issues a covenant with the Right to Return information included</p>	<p>Maintains the tenants' contact information.</p> <p>Answers any questions from the tenants.</p> <p>Assists the tenant in accessing relocation benefits.</p> <p>Assists the tenant in finding interim housing.</p>
<i>Leasing Phase</i>	<p>Monitors and enforces the Right to Return provisions of the covenant (through a separate contractor)</p> <p>Income qualifies the tenants for the deed-restricted affordable units (through a separate contractor)</p>	<p>Informs Right to Return tenants when the Certificate of Occupancy has been issued (and ideally earlier if informed by the developer)</p> <p>Assists tenants in gathering the required income documents</p>

FIRST AMENDMENT  
TO AGREEMENT NUMBER C-138119 OF CITY OF LOS ANGELES CONTRACT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
INTERWEST CONSULTING GROUP INC.

THIS FIRST AMENDMENT to Agreement Number C-138119 (“Agreement”) of City of Los Angeles Contract is made and entered into by and between the City of Los Angeles, hereinafter referred to as the City, and Interwest Consulting Group Inc., hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services, said Agreement effective March 5, 2021, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section 405 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of further amending the Agreement as authorized by the City Council and the Mayor (Council File ##-#### adopted by City Council on TBA, and concurred by the Mayor on TBA), which authorizes the General Manager of the City’s Housing and Community Investment Department to prepare and execute an amendment to the Agreement for the purpose of: (a) adding additional funds in the amount of Two Hundred Thousand Dollars (\$200,000.00) for a new total of **Four Million Seven Hundred Thousand Dollars (\$4,700,000.00)**; and (b) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, pursuant to City Ordinance Number 187122, effective August 8, 2021, the Housing and Community Investment Department was re-named the Los Angeles Housing Department (“LAHD”); and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended as follows:

[Remainder of page intentionally left blank.]

## FIRST AMENDMENT

- §1. Amend the Agreement by deleting all references to “Housing and Community Investment Department” and replacing it with “Los Angeles Housing Department.”
- §2. Amend the Agreement by deleting all references to “HCID” and replacing them with “LAHD”.
- §3. Amend Section 301.A, “Compensation and Method of Payment” by deleting the contract total of Four Million Five Hundred Thousand Dollars (\$4,500,000.00) and replacing it with the new total of **Four Million Seven Hundred Thousand Dollars (\$4,700,000.00)**. This amendment adds **Two Hundred Thousand Dollars (\$200,000.00)**.
- §4. Amend Section 202 by deleting it in its entirety and replacing it to read as follows:

### **I. Los Angeles Municipal Code Tenant Relocation Assistance Services**

The Contractor shall provide contractual services which are supported by the work task schedule identified in this section. All work is subject to prior City approval. Failure to receive approval may result in withholding compensation pursuant to §301. All meetings and interactions with the public shall be conducted in accordance with the appropriate safety measures in place due to the current Covid-19 pandemic.

- A. Based on an assessment form prepared by HCID, the Contractor will contact the tenant to ensure the tenant provides the information required in order to make the assessment on the amount of relocation fees due to the tenant. If the tenant's claim of qualified status, length of tenancy (three years or more), and/or household income differs from the owner's claim, the Contractor shall require the tenant to provide documentation that will support the tenant's claim. Documentation shall support the tenant's claimed qualification, i.e. length of tenancy, low income status, tenant's age, disability status, or if the tenant is residing with one or more dependents who are minors (as determined for federal income tax purposes) and if necessary, obtain proof of school enrollment for children residing in the unit. The Contractor will notify the tenant, landlord, and HCID of the relocation amount the landlord must pay to the tenant pursuant to the LAMC.
- B. The Contractor shall have the ability to operate the relocation assistance services program immediately upon contract execution.
- C. The Contractor shall provide a maximum of five hours of relocation services to eligible tenants referred by the City.
- D. Relocation assistance services shall include, but are not limited to, the following:
  - 1. Conduct an initial interview to define tenants' replacement housing needs and develop a personal action plan to search for new housing.

2. Make available to each tenant, at no cost, a current list of vacant and available rental units that are comparable in size and amenities to the unit occupied by the tenant. All referral listings shall be targeted to tenant's affordability needs. A reasonable effort shall be made to target initial relocation efforts within a five-mile radius of the tenant's current residence if desired and feasible.
  3. Make a reasonable and good faith effort to ensure that all tenants receive assistance inspecting prospective rental units. Ensure that tenants without reliable transportation are provided transportation to inspect prospective rental units at no additional cost. At a minimum, the services shall be offered to tenants in the contractor's initial interview and in the introduction letter sent to tenants.
  4. Provide adequate and appropriate transportation, at no cost to the tenants, and take the reasonable steps to assist tenants who may be disabled with relocation-related activities. At a minimum, the services shall be offered to tenants in the contractor's initial interview and in the introduction letter sent to tenants.
  5. Provide technical assistance and support services during the referred tenants' active search for replacement housing, including assistance with proposals for low/moderate income housing, if applicable. Technical assistance includes information on Credit Checks and Holding Deposits and homebuyer down payment assistance programs.
  6. Provide on-going advisory assistance to minimize tenants' hardships, including referrals to and coordination with community service resources, public housing, and other public services as necessary.
  7. Provide information to tenants on the process to obtain relocation benefits payment from landlords and/or escrow account holders. The Contractor may also provide information on escrow accounts and distribution of funds including moving expenses to landlords in order to expedite disbursement.
  8. Provide tenants with information on the City's Homeownership Down Payment Assistance Program.
  9. Provide a survey to all tenants allowing them the opportunity to assess the contractor's services. The survey format will be approved by HCID and included in the contract.
- E. The Contractor shall provide additional relocation assistance services for qualified tenants up to three hours, to tenants who are identified as elderly, disabled, or families with dependents who are minors. Additional relocation assistance services shall include, but are not be limited to, the following:
1. Exploration of alternative housing options for referred tenants with special needs.

2. Referral to government agencies and private organizations that provide social services to the elderly, low income tenants, disabled individuals, and families with dependents who are minors.
  3. Assistance in securing an extension of tenancy, if allowed by law.
- F. The Contractor shall attend a minimum of three hearings, one workshop, and training sessions required by HCID related to the Tenant Relocation Assistance Service Program on a yearly basis.
  - G. The Contractor must be available to provide testimony at appeal hearings if requested by HCID.
  - H. The Contractor shall possess a strong knowledge of the Los Angeles Municipal Code sections that pertain to relocation assistance (sections 47.06, 47.07, 151.02, 151.09, 151.30, 151.22-151.28 and any amendments related to relocation services at the local or state level if it involves a property regulated by HCID).
  - I. At a minimum, the Contractor shall meet with HCID staff on a quarterly basis. Meetings may take place at HCID offices, the Contractor's offices or via teleconferencing. Meeting time and location will be established by HCID.
  - J. The Contractor shall prepare and deliver monthly status reports to HCID on the progress of assistance services provided to each tenant. Status reports shall include, but are not limited to number of Eligible and Qualified households assisted, Relocation Assistance determination amounts, number of tenants provided with transportation, number of disabled or handicapped tenants provided with special assistance related to relocation activities. The format for the reports will be approved by HCID.
  - K. The Contractor shall allow HCID to review the Contractor's hard copy and electronic records upon request.
  - L. At a minimum, the Contractor shall be able to offer services in both English and Spanish, arrange translation services for other languages as needed and create clear, accessible, and user-friendly materials in both English and Spanish to inform tenants of the Landlord/Tenant Rights and Responsibilities, the relocation assistance services, and how to participate in the program. Printed materials, brochures, letters, and related documents provided to tenants, explaining the relocation assistance services program, must be pre-approved by HCID. All printed materials developed for the program shall be provided to HCID in both hard copy (final or camera ready art as applicable) and editable electronic format. The Contractor acknowledges and agrees that all documents, databases, videos, Public Service Announcements, reports, analyses, studies, drawings, information, or data, originated and prepared by the contractor or subcontractors pursuant to the terms of the final contract, shall become property of the City for its use in any manner it deems appropriate. The Contractor assigns any and all of its respective interest and rights in such property to the City.

## **II. SB 8 Tenant Relocation Assistance Services**

### Income Determination Scope of Services

Supplemental Task 1: Services to be provided to both RSO and Non-RSO units

#### **A. Description of Work – Income Determination Services**

1. Obtain available information from developer as it relates to tenant's current and/or previous 5-years on the subject property. This includes, where available, rent rolls, and/or tenant names, address and unit number, phone number and email, and rent rates. For units with limited to no information provided, pull property profiles, use online investigative tools to obtain the appropriate address & unit identification.
2. Prepare and send out informational packages to property unit addresses.
3. Using available information, Consultant to follow up with each unit (tenants) by phone, text, email, and letters to ensure that they received the HCIDLA informational packet. Where information is available, contact will require at least two calls and two letters, to inform tenants about the Income Self-Certification Form, the Right to Return, and answer questions about the overall process which will include questions about eviction and future relocation payment under the RSO. Where phone contact information is not available, three letters, as approved by HCIDLA, will be mailed to the unit address two weeks apart.
4. If the tenant responds, Consultant will assist tenants in completing the Income Self-Certification Form and follow up with tenants regarding any incomplete information. For example, if the tenant does not answer all the questions or if income totals do not add up correctly then the consultant should contact the tenant to correct the form\*.
5. Consultant will collect the Income Self-Certification Form and share it with the Land Use Section at LAHD. As appropriate, information will be entered into LAHD's databases. Personal Identifiable Information (PII) will be handled in accordance with LAHD protocol.

### Right of First Refusal Services

Supplemental Task 2: Services to be provided to both RSO and Non-RSO units

#### **A. Description of Work – RSO “Added Value Services”**

1. Consultant will send low-income qualified tenants a notice advising of their Right of First Refusal to apply to the newly constructed property upon its completion.
2. Consultant will add new data tracking fields to the database to create reports for all tenants that requested the First Right of Refusal and their most recent contact information.

3. Consultant will assist low-income tenants in completing a Right of First Refusal request form and log in responses for future statistical analysis.
4. Consultant will track tenants who are low income and have a Right of First Refusal via a portal with tenant information that can be updated by the consultant or tenant, as applicable.

#### B. Description of Work – Right of First Refusal Services

1. Consultant will send low-income tenants, which expressed the desire to return during the RSO eviction process, a notification letter to the last address provided during the Income Determination process or RSO process, to the last address determined during the relocation process.
2. Consultant to attempt three phone calls and emails, if available, to advise the tenant of the application opportunity. Although the program does not provide for a specific deadline to respond, the tenant will be provided a thirty-day response period or be considered non-responsive, and the case will be closed.
3. Consultant will provide updates on project milestones by checking LADBS' website and communicating with the developer and updating the portal with information on relevant milestones to assess property readiness.
4. For responsive tenants, the Consultant will assist them in completing the initial application to rent the new unit and help tenants understand the documents required. (Current process: Tenant fills out an application and submits income documents to landlords. The owner gives the application to LAHD's Occupancy Monitoring Consultant to approve.)
5. All responses and non-responses will be reported back to the Agency and custom reports will be created within the database to provide the Agency ongoing program statistics and analysis.

#### C. Description of Work – Fee Savings on Merged Process

1. Consultant will provide a reduction in fees when the developer files at the same time both the SB 8 application and the LAHD form to initiate the removal of the unit from the housing market. Services will be reduced from \$200/case to \$25/case.

#### D. Description of Work – Length of Processing Time

1. Consultant is to attempt completion of the income and Right of First Refusal process within 30 days of receipt of LAHD notification.

- §5. Amend by deleting Section 449 “COVID-19 Notification (If Applicable)” in its entirety and replacing with Section 449 “COVID-19” to read as follows:

“§449 COVID-19

Employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, “Contractor Personnel”), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, “In-Person Services”) must be fully vaccinated against the novel coronavirus 2019 (“COVID-19”). “Fully vaccinated” means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated. Contractor shall retain such proof for the document retention period set forth in this Agreement. Contractor shall grant medical or religious exemptions (“Exemptions”) to Contractor Personnel as required by law. If Contractor wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Contractor shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Contractor. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Contractor shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.”

- §6. Add Section 451, “Contractor Data Reporting” to read as follows:

§451 Contractor Data Reporting

If Contractor is a for-profit, privately owned business, Contractor shall, within 30 days of the effective date of the Contract and on an annual basis thereafter (i.e., within 30 days of the annual anniversary of the effective date of the Contract), report the following information to City via the Regional Alliance Marketplace for Procurement (“RAMP”) or via another method specified by City: Contractor’s and any Subcontractor’s annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner (“Contractor/Subcontractor Information”). Contractor shall further request, on an annual basis, that any Subcontractor input or update its business profile, including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by City.



- §7. Amend by replacing Exhibit C “Professional Fee Schedule” with a new revised Exhibit C attached hereto and incorporated therein.
- §8. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §9. This Amendment may be executed in three (3) duplicate originals, each of which is deemed to be an original. This Amendment includes nine (9) pages which constitute the entire understanding and agreement of the parties. This Amendment, and any subsequent amendments, may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement or amendment. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

[Remainder of page intentionally left blank.]

[Signatures begin on next page.]

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this First Amendment to be executed by their duly authorized representatives.

APPROVED AS TO FORM:  
MICHAEL N. FEUER, City Attorney

Executed this \_\_\_\_ day of \_\_\_\_\_ 2022

By \_\_\_\_\_  
Deputy/Assistant City Attorney

For: THE CITY OF LOS ANGELES

ANN SEWILL  
General Manager  
Los Angeles Housing Department

Date \_\_\_\_\_

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By \_\_\_\_\_  
Luz C. Santiago  
Assistant General Manager

By \_\_\_\_\_  
Deputy City Clerk

Executed this \_\_\_\_ day of \_\_\_\_\_ 2022

Date \_\_\_\_\_

For: INTERWEST CONSULTING  
GROUP, INC.

(Contractor's Corporate Seal)

By \_\_\_\_\_  
(1<sup>st</sup> Signatory Full Name)  
(1<sup>st</sup> Signatory Title)

By \_\_\_\_\_  
(2<sup>nd</sup> Signatory Full Name)  
(2<sup>nd</sup> Signatory Title)

City Business License Number: #####-###-#

Internal Revenue Service ID Number: ##-#####

Council File/CAO File Number: ##-#### Date of Approval: TBA

Said Agreement is Number C-138119 of City Contracts, Amendment 1

**EXHIBIT C**  
**PROFESSIONAL FEE SCHEDULE**

**I. Los Angeles Municipal Code Tenant Relocation Assistance Services**

Services will be compensated according to the following fee schedule:

The fees that will be paid to the selected contractor(s) are set forth in the Los Angeles Municipal Code (LAMC) Section 151.09G1d and are adjusted annually. There is no minimum guarantee. The program is based on received and referred declarations.

As of July 1, 2020, the current fees are as follows:

<b>FEE TYPE</b>	<b>FEE PER UNIT</b>
Relocation Service Fee for Eligible Tenants	<b>\$498</b>
Relocation Service Fee for Qualified Tenants	<b>\$802</b>

The fee may be subject to yearly increases per the LAMC.

**II. SB 8 Tenant Relocation Assistance Services**

**Income Determination Scope of Services**

**Supplemental Task 1: Services to be provided to both RSO and Non-RSO units**

<b>Description of Work – Income Determination Services</b>	<b>Hours/Unit</b>	<b>Cost \$100/hour</b>
1. Obtain available information from developer as it relates to tenant's current and/or previous 5-years on the subject property. This includes, where available, rent rolls, and/or tenant names, address and unit number, phone number and email, and rent rates. For units with limited to no information provided, pull property profiles, use online investigative tools to obtain the appropriate address & unit identification.	.5	\$50
2. Prepare and send out informational packages to property unit addresses.	.25	\$25
3. Using available information, Consultant to follow up with each unit (tenants) by phone, text, email, and letters to ensure that they received the	.5	\$50

HCIDLA informational packet. Where information is available, contact will require at least two calls and two letters, to inform tenants about the Income Self-Certification Form, the Right to Return, and answer questions about the overall process which will include questions about eviction and future relocation payment under the RSO. Where phone contact information is not available, three letters, as approved by HCIDLA, will be mailed to the unit address two weeks apart.		
4. If the tenant responds, Consultant will assist tenants in completing the Income Self-Certification Form and follow up with tenants regarding any incomplete information. <i>For example, if the tenant does not answer all the questions or if income totals do not add up correctly then the consultant should contact the tenant to correct the form*.</i>	.5	\$50
5. Consultant will collect the Income Self-Certification Form and share it with the Land Use Section at HCIDLA. As appropriate, information will be entered into our database system. Personal Identifiable Information (PII) will be handled in accordance with HCIDLA protocol.	.25	\$25
Total	2	\$200

**Right of First Refusal Services:**

**Supplemental Task 2: Services to be provided to both RSO and Non-RSO units**

Description of Work – Right of First Refusal Services	Hours	Cost \$100/hour
1. Consultant will send low-income tenants, which expressed the desire to return during the RSO eviction process, a notification	.25	\$25

letter to the last address provided during the Income Determination process or RSO process, to the last address determined during the relocation process.		
2. Consultant to attempt 3 phone calls and emails, if available, to advise the tenant of the application opportunity. Although the program does not provide for a specific deadline to respond, the tenant will be provided a thirty-day response period or be considered non-responsive, and the case will be closed.	.75	\$75
3. Consultant will provide updates on project milestones by checking LADBS' website and communicating with the developer and updating the portal with information on relevant milestones to assess property readiness.	.5	\$50
4. For response tenants, the Consultant will assist them in completing the initial application to rent the new unit and help tenants understand the documents required. <i>(Current process: Tenant fills out an application and submits income documents to landlords. The owner gives the application to HCIDLA's Occupancy Monitoring Consultant to approve.)</i>	.5	\$50
5. All responses and non-responses will be reported back to the Agency and custom reports will be created within the database to provide the Agency ongoing program statistics and analysis.	.25	\$25
Total	<b>2.25</b>	<b>\$225</b>