

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: February 5, 2019

CAO File No. 0220-00540-1331  
Council File No. 13-0413  
Council District: Citywide

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: Housing and Community Investment Department (HCID) transmittal dated January 10, 2019; Received by the City Administrative Officer on January 18, 2019; Additional Information Received through January 29, 2019

Subject: **REQUEST TO EXECUTE A SOLE SOURCE CONTRACT WITH BAE URBAN ECONOMICS FOR THE PURPOSE OF CONDUCTING A STAFF COSTS FEE STUDY FOR THE HCID'S AFFORDABLE HOUSING BOND PROGRAM AND THE OCCUPANCY MONITORING AND COVENANTS PROGRAM**

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**RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager of the Los Angeles Housing and Community Investment Department (HCID), or designee, to:
  - a. Negotiate and execute a sole-source agreement with BAE Urban Economics for the purpose of conducting a staff cost fee study to establish the basis for applicant and developer fees to cover City staff costs related to the HCID's Affordable Housing Bond Program and the Occupancy Monitoring and Covenants Program, with a contract term from March 1, 2019 through February 29, 2020 and a compensation amount not to exceed \$79,990, subject to the review and approval of the City Attorney as to form and compliance with the City's contracting requirements; and,
  - 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; and,
2. Authorize the Controller to:
  - a. Transfer appropriations within Fund No. 100/43, the sources of funds for which are in the Municipal Housing Finance Fund No. 815 (\$29,626.70), the Low and Moderate Income Housing Fund No. 55J (\$9,875.57) and the Community Development Block

Grant Fund No. 424 (\$9,875.57) as follows:

	Account	Title	Amount
From:	001010	Salaries, General	\$49,377.84
To:	003040	Contractual Services	\$49,377.84

b. Transfer appropriations as follows:

From:

Fund	Acct	Title	Amount
815	43R299	Reimbursements to General Fund	\$18,363.30
55J	43R299	Reimbursements to General Fund	6,124.43
424	43R299	Reimbursements to General Fund	6,124.43
		Total	\$30,612.16

To:

Fund	Acct	Title	Amount
815	43R143	Housing and Community Investment Department	\$18,363.30
55J	43R143	Housing and Community Investment Department	6,124.43
424	43R143	Housing and Community Investment Department	6,124.43
		Total	\$30,612.16

- c. Increase appropriations in the amount of \$30,612.16 in Fund No. 100/43, Account No. 003040 Contractual Services; and,
- d. Expend funds appropriated to Fund No. 100/43 Account No. 003040 Contractual Services, the sources of funds for which are from the Municipal Housing Finance Fund No. 815 in the amount of \$47,990, the Low and Moderate Income Housing Fund No. 55J in the amount of \$16,000, and the Community Development Block Grant Fund No. 424 in the amount of \$16,000 to the fund the contract, upon proper written demand of the General Manager of HCID or designee.

## SUMMARY

The Housing and Community Investment Department (HCID) requests authority to execute a sole source agreement with BAE Urban Economics for the purpose of conducting a staff cost fee study to establish the basis for applicant and developer fees to cover City staff costs related to the HCID's Affordable Housing Bond (AHB) Program and the Occupancy Monitoring and Covenants (OMC) Program, with a proposed contract term from March 1, 2019 through February 29, 2020 and a compensation amount not to exceed \$79,990. The proposed contract would be funded by the Municipal Housing Finance Fund, the Low and Moderate Income Housing Fund, and the

Community Development Block Grant Fund. The HCID indicates that approval of this proposed agreement will allow the HCID to cover the staff costs to administer the AHB and OMC programs and reduce the Department's impact on the General Fund. It should be noted that the Controller instructions in this report differ from the Controller instructions in HCID's transmittal dated January 10, 2019 (Report). Subsequent to the release of their Report, the HCID confirmed that the Controller instructions should reflect appropriations totaling \$79,990 to match the proposed contract and not \$80,000. This Office concurs with the recommendations of the Department, as amended.

On November 5, 2018, the HCID released a Request for Bids (RFB) to 29 consultants prequalified to perform economic analysis for the City of Los Angeles, but did not receive any bids. The HCID contacted two City-approved contractors directly and selected BAE Urban Economics since they previously performed similar services for HCID as part of the Linkage Fee analysis. The HCID reports and the City Attorney concurs that a sole source contract is justified because: 1) the Department 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; and 3) the work to be performed is expected to be temporary and completed within one year. A proposed scope of work and draft agreement is included in the HCID's Report.

Pursuant to Charter Section 1022, the Personnel Department determined that City employees do have the employee classifications with the necessary qualifications to perform the work. Additionally, this Office determined that it is more feasible to contract because the services required exceed staffing availability, are of limited duration, and additional staff cannot be deployed or trained in a timely manner.

## **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. The proposed contract with BAE Urban Economics will be provided by the Municipal Housing Finance Fund No. 815, the Low and Moderate Income Housing Fund No. 55J, and the Community Development Block Grant Fund No. 424. The recommendations in this report are in compliance with the City Financial Policies in that funding for the proposed contract is available within the identified funds.

*RHL:MO:02190065C*