



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

2-D June 18, 2019

A handwritten signature in black ink, appearing to read "Celia Zavala", is written over a faint circular stamp.

CELIA ZAVALA
EXECUTIVE OFFICER

June 18, 2019

The Honorable Board of Commissioners
Los Angeles County Development
Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**INCORPORATE FUNDING TO AFFIRMATIVELY FURTHER FAIR HOUSING AND AWARD
CONTRACTS TO THE HOUSING RIGHTS CENTER
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter requests incorporation of \$5,000,000 of County Fair Housing general funds (Fair Housing funds) into the Los Angeles County Development Authority's (LACDA) Fiscal Year (FY) 2019-2020 budget for fair housing activities, and approve contracts with the Housing Rights Center to affirmatively further fair housing in Los Angeles County.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that approval of contracts for fair housing services with the Housing Rights Center (HRC) are not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Authorize the LACDA to accept \$5 million in Fair Housing funds from the County of Los Angeles for fair housing activities and incorporate these funds into LACDA's approved Fiscal Year 2019-2020 budget.
3. Authorize the LACDA to hire an additional 5 full-time equivalent positions to implement these activities.
4. Approve and authorize the Executive Director, or her designee, to execute, amend and, if necessary, reduce or terminate a one-year contract, and all related documents, on behalf of the County, using Fair Housing funds in the amount of \$400,000, with the Housing Rights Center, to

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affirmatively further fair housing to residents within the County of Los Angeles, effective from July 1, 2019 through June 30, 2020.

5. Authorize the Executive Director, or her designee, to execute four, one-year, extensions to the contract, upon continued allocations for funding from the County, and satisfactory contract performance, to be effective following approval as to form by County Counsel and execution by all the parties.
6. Approve and authorize the Executive Director, or her designee, to execute, amend and, if necessary, reduce or terminate a one-year CDBG Reimbursable Contract, and all related documents, on behalf of the County, in the amount of \$200,000, with the Housing Rights Center, to affirmatively further fair housing to residents within the unincorporated areas of the County and 48 CDBG participating cities, effective from July 1, 2019 through June 30, 2020.
7. Authorize the Executive Director, or her designee, to execute up to four one-year extensions to the contract, at the same annual amount of compensation, using the annual allocation of CDBG funds by the U.S. Department of Housing and Urban Development (HUD), contingent upon continued CDBG funding and satisfactory contract performance, to be effective following approval as to form by County Counsel and execution by all the parties.
8. Authorize the Executive Director, or her designee, to execute amendments to the recommended contracts to: (a) make necessary changes to the scope of services; and/or (b) add, delete and/or change certain terms and conditions, subject to prior review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will accept and incorporate \$5 million in Fair Housing funds from the County into the LACDA's FY 2019-2020 budget, delegate authority to the Director to award a \$400,000 contract using Fair Housing funds and a \$200,000 contract using CDBG funds to affirmatively further fair housing in Los Angeles County.

On July 24, 2018, the LACDA released its Affirmatively Furthering Fair Housing in Los Angeles County report, which includes a detailed assessment on the County's current efforts as well as specific recommendations that go beyond what is required by federal law to create inclusive and integrated communities throughout the County.

The report highlights the need for increased programs and policies that protect against housing discrimination and provide financial assistance to individuals with limited means. This includes creating source-of-income discrimination protections that expand the prohibition of discrimination to rental subsidies, the expansion of current homeownership programs for residents with limited means, and stabilization subsidy programs that can offer short-term and long-term rental assistance to at-risk or displaced families.

Additionally, the report recommends the County expand fair housing services for residents, create a partnership with landlords to incentivize program participation, and engage in an in-depth gentrification study that will provide a broader interpretation of displacement and neighborhood changes and develop the capacity to identify areas at risk of such occurrences. Finally, the report recommends that the County create an acquisition fund to acquire properties in gentrifying neighborhoods to alleviate the displacement of residents with limited means. In an effort to combat

decades of discriminatory practices and create truly integrated communities throughout the County.

On January 15, 2019, the Board approved a motion that directed the CEO to allocate \$5 million specifically support County programs to affirmatively further Fair Housing. On April 2, 2019, the Board adopted a motion that authorized the LACDA Executive Director, or her designee, to execute a Fair Housing funding agreement between the County and the LACDA, formerly known as the Community Development Commission of the County of Los Angeles, for the transfer of up to \$5,000,000 to be used for fair housing activities and accept and incorporate the funding into the LACDA's approved Fiscal Year 2018-2019 budget. However, since this occurred late in the fiscal year, we are requesting the funds be incorporated into the LACDA FY 2019-2020 budget.

In addition, LACDA will request 5 new full-time equivalent (FTE) positions to oversee the following activities:

- Customer Services/Incentive Programs for Landlords
- Displacement/Gentrification Study
- Establish/Develop Displacement Database
- Expand Home Ownership Program (HOP)
- Expand Fair Housing Services to Include Testing

HUD requires that each CDBG recipient comply with Title VIII of the Civil Rights Act of 1968, also known as the Fair Housing Act (Act). The Act requires that each recipient administer programs and activities in a manner that affirmatively furthers fair housing within its jurisdiction. On May 28, 2013, your Board approved the 2013-2018 Housing and Community Development Consolidated Plan for the Los Angeles Urban County, which included the Five-Year Fair Housing Strategic Plan. The CDBG Reimbursable Contract will implement the provisions of the Fair Housing Strategic Plan by providing fair housing services to residents of unincorporated Los Angeles County and 48 participating cities.

HRC will be awarded two contracts in 2019-2020: \$400,000 in County Fair Housing funds and \$200,000 in CDBG funds.

The following services will be performed using County Fair Housing funds:

- Education, Outreach, and Training
- Source of Income Protection Ordinance – Education, Outreach, and Enforcement
- Training of Testers & Testing*
- Source of Income Protection Ordinance – Education, Outreach, and Enforcement
- Compliance with Fair Housing Laws – includes providing legal consultation and opinions to the LACDA

* Testing training is to assist in expanding HRC's tester pool. Testing will include, but not be limited to, both sales and rental pre-application testing and will be consistent with nationally accepted practices. Staff will also be trained in full-application rental testing, which uncovers differential treatment in the rental process after an application is submitted.

The following services will be performed using CDBG funds:

- Housing discrimination counseling
- Information and referrals
- Intake, processing, investigation and resolution of housing discrimination complaints

- Audits to discover patterns of housing discrimination
- Training members of the housing industry and general public on fair housing laws
- Development of partnerships to further the goals of fair housing and equal opportunity in housing

Funds will be used to pay for staff salaries and operating costs. The minority and female composition of the Board of Directors and employees of the Housing Rights Center is provided in Attachment A.

On May 28, 2019, your Board approved the 2019-2020 One-Year Action Plan to receive CDBG funds from HUD for the purposes of meeting the County's housing and community development needs. The Action Plan included funds for fair housing activities, which is consistent with the purposes set forth in the Action Plan.

FISCAL IMPACT/FINANCING

There is an impact on the County general fund, as funding will continue to be required in future years.

As part of the \$5 million, HRC will receive a contract for \$400,000 for FY 2019-2020 for activities to affirmatively further fair housing in the unincorporated areas and the 48 participating cities. The contract will be renewed annually, contingent upon satisfactory contract performance and continued funding. Funds for future years will be included through the LACDA's annual budget approval process.

The LACDA is requesting that future allocations of Fair Housing funds be used to provide services as described in the April 15, 2019 report. The report includes a five-year plan for fair housing services, beginning July 1, 2019 and running through June 30, 2024. Contingent on available future allocations of Fair Housing Funds, the LACDA will use the contract with the Housing Rights Center, subject to annual one-year renewals, to ensure a continuity of fair housing services are provided during the five-year period.

The CDBG Reimbursable Contract will be funded with \$200,000 in CDBG administrative funds allocated by HUD. The CDBG Reimbursable Contract may be renewed for a maximum of four additional years, in one-year increments, at the same rate of compensation, contingent upon satisfactory contract performance and continued CDBG funding from HUD.

CDBG funds to cover the first year of this contract are included in the LACDA's approved Fiscal Year 2019-2020 Budget. Funds for future years will be included through the LACDA's annual budget approval process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Should the Housing Rights Center require additional or replacement personnel during the term of the contracts, they will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program who meet the minimum qualifications for the open positions. The firm will contact the County's GAIN/GROW Division for a list of participants by job category.

The contracts will be effective following execution by the LACDA and the Housing Rights Center.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(4) because it involves public services that will not have a physical impact on or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

On April 2, 2019, a Request for Proposals (RFP) process was initiated for fair housing consulting services using CDBG funds. Firms were notified through the LACDA's online vendor solicitation system, the County's Webven website, and a copy of the RFP Notice and the RFP were posted on the LACDA's website.

By the deadline of April 3, 2014, one organization submitted a proposal. The proposal was evaluated and based on the RFP requirements and the rating process, the Housing Rights Center was selected as qualified to provide fair housing consulting services. The Summary of Outreach Activities is provided in Attachment A.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The contracts will ensure that residents of Los Angeles County and CDBG participating cities will receive fair housing services.

Respectfully submitted,



MONIQUE KING-VIEHLAND

Executive Director

MKV:GS:LJ:RW

Enclosures

Attachment A

AWARD REIMBURSABLE CONTRACTS FOR FAIR HOUSING SERVICES TO THE HOUSING RIGHTS CENTER

Summary of Outreach Activities

On April 2, 2019, the following outreach was initiated to identify a contractor to provide fair housing services for the Los Angeles County Development Authority (LACDA) to serve Los Angeles County.

A. Request for Proposal Outreach

The RFP Notice and RFP were also posted on the LACDA's website. A total of 254 firms were notified through the LACDA's online solicitation system and 375 firms through the County's WebVen website.

B. Distribution of the Proposal Packets

A total of 39 firms received copies of the RFP by downloading the RFP package from the LACDA's website.

C. Proposal Results

By the deadline of April 25, 2019, a response to the RFP was received from one organization. The proposal was evaluated and based on the RFP requirements and rating process, the Housing Rights Center was selected as qualified to provide fair housing services for the LACDA.

Minority/Women Participation – Selected Organization

<u>Name</u>	<u>Board of Directors</u>	<u>Employees</u>
Housing Rights Center	Total: 11	Total: 21
	5 Minorities	18 Minorities
	4 Women	13 Women
	45% Minorities	85% Minorities
	36% Women	62% Women

The LACDA encourages the participation of minorities and women in the contract award process including: providing information about the LACDA at local and national conferences; conducting seminars for minorities and women regarding the LACDA's programs and services; advertising in newspapers to invite placement on the vendor list;

and mailing information to associations which represent minorities and women. The above information has been voluntarily provided by the above organizations.

The recommendation to award the contracts to the Housing Rights Center is being made in accordance with federal regulations, and without regard to race, creed, color, gender, religion or sexual orientation.