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Title: CONSIDER AMENDMENT NO. 1 TO MDG ASSOCIATES, INC FOR CONTRACT SERVICES FOR THE CITY’S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AND ANTICIPATED NEW PERMANENT LOCAL HOUSING ALLOCATION GRANT AND CONSIDER ADOPTING RESOLUTION NO. 22-034 OF THE CITY OF CARSON, CALIFORNIA AMENDING THE FY 2021-2022 GENERAL FUND BUDGET (CITY COUNCIL).

Sponsors:

Indexes:

Code sections:

Attachments: 1. EXHIBIT NO. 1 MDG Contract-2020-2023, 2. EXHIBIT NO.2 (MDG Contract) Amendment No. 1 to Contract FINAL, 3. EXHIBIT NO.3 Budget Resolution - 22-034

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, March 01, 2022

Consent

SUBJECT:

CONSIDER AMENDMENT NO. 1 TO MDG ASSOCIATES, INC FOR CONTRACT SERVICES FOR THE CITY’S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AND ANTICIPATED NEW PERMANENT LOCAL HOUSING ALLOCATION GRANT AND CONSIDER ADOPTING RESOLUTION NO. 22-034 OF THE CITY OF CARSON, CALIFORNIA AMENDING THE FY 2021-2022 GENERAL FUND BUDGET (CITY COUNCIL).

I. SUMMARY

MDG provides technical assistance to the City for CDBG funded residential and commercial rehabilitation programs, namely the work write-ups and construction/contractor observation. The residential rehabilitation program, called the Neighborhood Pride Program (“NPP”) has been very successful in assisting low- and moderate-income residents make health and safety improvements and repairs to their homes. This has increased the demand for MDG’s services. In addition, MDG will provide similar technical assistance for the anticipated new Permanent Local Housing Allocation Grant program (PLHA). This new program will serve as a new funding source for the City’s residential rehabilitation program. This additional demand makes it necessary to amend MDG’s

current contract to increase the amount by \$150,000 for the services for this current year and in FY22/23. The term of the contract is unchanged to expire on June 30, 2023. Each year approximately 20-25 homes are funded and improved through the NPP program. For the first time, staff is requesting the City Council to consider using the General Fund to pay for MDG's services, instead of CDBG funds, to allow CDBG funds to be exclusively used for construction in the low-income residential rehabilitation program.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 1 to the MDG Associates, Inc. contract to provide Residential and Commercial Inspection and Project Coordination services by increasing the contract amount by \$150,000 for a total contract amount not to exceed \$450,000.
2. AUTHORIZE the Mayor to execute Amendment No. 1 for MDG Associates, Inc contract following approval as to form by the City Attorney.
3. WAIVE further reading and ADOPT Resolution No. 22-034, "A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2021-22 BUDGET IN THE GENERAL FUND TO PROVIDE FUNDING FOR CDBG CONSULTANT SERVICES"

III. ALTERNATIVES

TAKE any other action the City Council deems appropriate.

IV. BACKGROUND

The CDBG entitlement program has funded the NPP for many years. While the overall entitlement amount has been reducing over time, improved efficiencies in the program still allow many low- and moderate-income homeowners to have health and safety improvements made to their homes. The program's popularity continues to grow each year. The existing contract term with MDG is July 1, 2020 to June 30, 2023 with a \$300,000 contract limit. The term is not proposed to be changed.

Staff is recommending the MDG contract to be increased by \$150,000 to conduct the following services:

- Conduct inspections;
- Prepare the scope of work; and
- Work with contractors and homeowners to complete the project.

The need for said services has increased since the number of NPP applications has

increased and staff anticipates additional funds from the PLHA grant program to be available in the next fiscal year. The PLHA funds will be used for similar home improvement projects as NPP.

Therefore, staff is seeking City Council approval to amend the current contract to assist with the increased workload to complete the residential and commercial project coordination services for the City. MDG will be paid for actual work conducted and is not guaranteed the full contract amount.

V. FISCAL IMPACT

Funds for residential and commercial inspection and project coordination services are included in the FY 2021/22 adopted budget in CDBG grant fund accounts 215-70-720-964-6062, 215-70-720-964-6025 and 215-70-720-964-6004. Adopting Resolution No. 22-034 will appropriate \$150,000 from the unreserved, undesignated general fund to account number 101-70-720-964-6004.

VI. EXHIBITS

1. Contract Services Agreement by and between City of Carson and MDG Associates, Inc. (pgs. 4-48)
2. First Amendment to MDG Associates Agreement (pgs. 49-53)
3. Resolution No. 22-034 (pgs.54-55)

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