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Title: CONSIDER AWARD AND APPROVAL OF CONTRACT SERVICES AGREEMENT TO RSG, INC. FOR HOUSING COMPLIANCE MONITORING, REPORTING AND RELATED SPECIAL PROJECTS SERVICES (HOUSING AUTHORITY)

Sponsors:

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Attachments: 1. Exhibit No. 1 - RFP No. 21-021, 2. Exhibit No. 2 - Proposed Agreement with RSG, Inc., 3. Exhibit No. 3 - Existing Agreement with RSG, Inc., 4. Exhibit No. 4 - Existing agreement with DHA Consulting LLC

Date	Ver.	Action By	Action	Result
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Report to Housing Authority

Tuesday, July 06, 2021

Consent

SUBJECT:

CONSIDER AWARD AND APPROVAL OF CONTRACT SERVICES AGREEMENT TO RSG, INC. FOR HOUSING COMPLIANCE MONITORING, REPORTING AND RELATED SPECIAL PROJECTS SERVICES (HOUSING AUTHORITY)

I. SUMMARY

The Carson Housing Authority (“Authority”) issued Request for Proposal No. 21-021 (“RFP”) (Exhibit No. 1) on May 6, 2021 seeking qualified firms to provide housing compliance monitoring, reporting, and related special project services. The scope solicited under the RFP include: (1) SB 341 Annual Reporting and related duties previously performed by DHA Consulting LLC (“DHA”) (now retired from service); (2) assistance with TSA’s Villaggio refinancing proposal; and (3) other housing compliance monitoring, reporting and services as required by applicable laws and regulations. The proposal submitted by RSG, Inc. (“RSG”) was the only bid received by the deadline of May 27, 2021.

Staff has reviewed RSG’s proposal and has determined the firm to be highly qualified and is recommending approval of Contract Services Agreement (“Agreement”) (Exhibit No. 2). The proposed Agreement total contract sum is capped at \$475,235 for a five-year period

through June 30, 2026.

The Authority's existing contract with RSG (Exhibit No. 3) for housing compliance monitoring is scheduled to expire June 30, 2023 and has a total remaining balance of \$54,250.00 for the two remaining years. The Authority's existing contract with DHA (Exhibit No. 4) is also scheduled to expire on June 30, 2023 and has a total remaining balance of \$26,132.50 for the two remaining years. However, as mentioned above, since the DHA principal has retired, we have consolidated all housing compliance monitoring, reporting, and related services under the new Agreement and are recommending award of the contract to RSG.

II. RECOMMENDATION

TAKE the following actions:

1. **AWARD** and **APPROVE** the contract services agreement with RSG, Inc. to provide affordable housing compliance monitoring, reporting and related special projects services for a not-to-exceed contract sum of \$475,235 through June 30, 2026.
2. **AUTHORIZE** the Authority Chair to execute the agreement, following approval as to form by the Authority Counsel.

III. ALTERNATIVES

TAKE any other action the Authority deems appropriate.

IV. BACKGROUND

Scope of Services

RSG's scope of services consists of three general components: (1) Housing Authority Regulatory Reporting, (2) Ongoing Program/Project Monitoring and Compliance, and (3) Other Items / Special Projects as requested.

(1) Housing Authority Regulatory Reporting.

RSG is able to assist the Authority with the following regulatory reporting as required by applicable laws:

SB 341 Annual Report. Pursuant to redevelopment agency dissolution, SB 341 created a new requirement that successor housing entities provide an annual report that details compliance with the expenditure limitations specified in SB 341 during each five-year compliance period ("SB 341 Report"). The SB 341 Report provides information regarding the Low- and Moderate-Income Housing Asset Fund encumbrances reported on the Housing Asset Transfer form and is submitted to the State's Department of Housing and Community Development ("HCD") each year. This report was previously prepared by DHA on an annual basis. Diane Hadland, president and sole member of

DHA, previously produced the report but retired from service in March 2021.

HA Annual Report. Pursuant to Health and Safety Code (“HSC”) Sections 34328 and 34328.1, all housing authorities must annually file with their respective city clerks and submit to HCD a complete report of its activities during the previous fiscal year by October 1. As part of the reporting process, a housing authority may make recommendations for legislation or other actions necessary to carry on a program of housing and community development properly in the State.

(2) Ongoing Project / Program Monitoring and Compliance.

Once completed, housing projects and programs require ongoing monitoring to ensure compliance under governing agreements and applicable laws. RSG is able to assist the Authority on matters pertaining to rental increase requests, residual receipt payments, agreement analysis, and any other requests by the Authority, for the properties including: 61-unit Carson Terrace, 91-unit Avalon Courtyard, 149-unit Villaggio I and II, 40-unit Arbor Green, 85-unit Gateway, 105-unit Via 425 Phase I and II apartments, 50-unit Veteran’s Village, 65-unit Bella Vita and the 45-unit Carson Arts Colony developments. Services also include monitoring of owner-occupancy units and compliance pursuant to related state and federal regulations, project funding sources and the agreements for each project.

(3) Other Items / Special Projects as requested.

The proposed Agreement includes several special projects and as needed tasks:

Villaggio Refinancing. RSG would review the proposal provided by TSA on March 9, 2021. This includes a thorough review of the existing controlling documents (Regulatory Agreement and Loan Documents), proposed capital repair and improvement plans, and the proposed HUD Loan terms and long-term cash flow to support the debt. RSG’s role is to help the Authority verify TSA’s assumptions on the cash available to repay a portion of the Authority loan after TSA’s project capital repair needs are met. RSG will also help oversee compliance under regulatory and other contractual obligations.

TSA has also requested that the proceeds received by the Authority as part of the Villaggio refinancing be set-aside and used as project based rental assistance for the Avalon Courtyard project. Under the Agreement, RSG would review TSA’s proposal which entail review of the existing controlling, proposed capital repair and improvement plans, and the proposed pro forma.

Other Items (As-needed). RSG is able to advise and support staff as needed on affordable housing-related questions or issues as they arise. This includes as needed general staff assistance, project underwriting, HOME subsidy layering analysis (if applicable), and residual receipts review and analysis.

Over the years, RSG has provided excellent service for the Authority’s affordable housing compliance monitoring requirements and their staff are recognized experts in housing compliance monitoring in the state of California. RSG also provides the City of Carson with mobile home rent review services under a separate contract.

V. FISCAL IMPACT

If all services are utilized, the proposed Agreement costs the Authority up to \$475,235 over a five-year term ending on June 30, 2026. Funds for these services are budgeted under Housing Authority Account No. 255-70-720-964-6004 (CD Housing Professional Services). The termination of the two existing contracts with RSG and DHA Consulting LLC would partially offset these costs in the amount of \$80,382.50 (existing balance remaining for next two years).

VI. EXHIBITS

1. RFP No. 21-021 (pgs.5-40)
2. Proposed Agreement with RSG, Inc. (pgs. 41-78)
3. Existing Agreement with RSG, Inc. (pgs. 79-120)
4. Existing Agreement with DHA Consulting LLC (pgs. 121-157)

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