



## Legislation Details (With Text)

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<b>Title:</b>	CONSIDER APPROVAL OF AMENDMENT NO. 2 TO A CONTRACT SERVICES AGREEMENT WITH DHA CONSULTING, LLC TO CONTINUE FINANCIAL ANALYSIS AND HOUSING CONSULTING SERVICES (HOUSING AUTHORITY)				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. Exhibit No. 1 - Proposed DHA Contract Amendment No. 2				

Date	Ver.	Action By	Action	Result
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## Report to Housing Authority

Tuesday, November 19, 2019

Consent

### SUBJECT:

**CONSIDER APPROVAL OF AMENDMENT NO. 2 TO A CONTRACT SERVICES AGREEMENT WITH DHA CONSULTING, LLC TO CONTINUE FINANCIAL ANALYSIS AND HOUSING CONSULTING SERVICES (HOUSING AUTHORITY)**

### I. SUMMARY

The Carson Housing Authority ("Authority") Board is being asked to approve the Amendment No. 2 to Contract Services Agreement ("Amendment No. 2") by and between the Authority and DHA Consulting, LLC ("DHA") for the continuance of financial analysis and housing consulting services (Exhibit No. 1). Tasks performed by DHA currently include financial analysis of Authority assets, which include real properties, loan receivables, and rental income, as well as preparation of required reports under SB 341 and SB 107. Due to the specialized nature of the work, reliance on consultants to assist the Authority with ongoing obligations is necessary. DHA processes the required expertise as well as the institutional knowledge of Carson Housing Authority matters (many originating from former redevelopment obligations) best suited to assist the Authority's needs. As such, the City Council can make a finding that DHA meets the definition of "*Sole Source Purchasing*" under the Carson Municipal Code.

Staff is requesting the waiver of bidding requirements, and approval of the proposed

Amendment No. 2 to extend the term through June 30, 2023. The proposed Amendment No. 2 would increase the maximum contract amount by an additional \$30,000 to cover the 3.5 year term extension. If approved as recommended, the contract maximum not-to-exceed amount would total \$95,000 from July 1, 2016 to June 30, 2023.

## **II. RECOMMENDATION**

TAKE the following actions:

1. DETERMINE DHA Consulting, LLC to be a sole source vendor as authorized under Carson Municipal Code Section 2611(e) ("Sole Source Purchasing");
2. WAIVE the bidding requirements in Chapter 6 ("Purchasing System") of Title II of the Carson Municipal Code, pursuant to Carson Municipal Code Section 2611(e) ("Sole Source Purchasing");
3. APPROVE Amendment No. 2 to the Contract Services Agreement with DHA Consulting, LLC to extend the contract term through June 30, 2023 in the additional amount of \$30,000, for a total not-to-exceed amount of \$95,000; and
4. AUTHORIZE the Authority Chairman to execute the Amendment No. 2 following approval as to form by the Authority Counsel.

## **III. ALTERNATIVES**

TAKE any other action the Authority Board deems appropriate.

## **IV. BACKGROUND**

DHA has provided a wide array of municipal finance services and specialized expertise to Carson including services to the former Carson Redevelopment Agency, Carson Successor Agency (Agency), Carson Housing Authority, and City of Carson since 2002. Diane Hadland is the president and sole member of DHA. She consistently provides excellent guidance to the Authority and has been instrumental in providing institutional knowledge and familiarity with Authority matters to assist with staff changes in both the Community Development and Finance Departments throughout the years.

### **Housing Authority Formation and Redevelopment Dissolution**

The City of Carson formed the Carson Housing Authority as a separate and legal entity by adoption of Resolution No. 11-035 on March 8, 2011 in order to provide safe, sanitary and affordable housing opportunities for its residents. To finance the operations of the Authority, the Carson Redevelopment Agency adopted Resolution No. 11-17 to transfer all of its housing set-aside funds to the Authority. Since then, the Authority has been the responsible entity for housing monitoring, administration, and certain housing production requirements.

Upon the dissolution of redevelopment agencies throughout California on February 1, 2012, the Authority became the entity to oversee City's housing programs that were part of the former RDA. Unlike successor agencies that are charged with winding down the affairs of the former redevelopment agencies, the Authority is charged with monitoring and maintaining existing low-and moderate income housing assets and meeting outstanding requirements for former redevelopment agencies.

As obligations of the Authority and Agency are closely related, DHA currently provide consultation services to both the Authority and the Agency. With respect to the Authority, DHA provide financial analysis of Authority assets, which include real properties, loan receivables, and rental income, as well as preparation of required reports under SB 341 for the Authority.

#### SB 341

Since January 1, 2014, SB 341 imposes new housing expenditure and reporting requirements on the Authority. Subsequently, SB 107, enacted in September 2015, provided additional changes to the reporting requirements of SB 341. The Authority is responsible for providing the SB 341 (and SB 107) Annual Report to the Authority Board for subsequent posting to the internet and submittal the State of California Department of Housing and Community Development (HCD). This year, the SB 341 Annual Report was submitted to the Authority Board on August 6<sup>th</sup> for receive and file.

For the next SB 341 Report, the Authority must also demonstrate compliance of the five year expenditure requirement under Section 34176.1(a). This requirement, in simplified terms, stipulates that 80% of remaining housing funds must be spent on affordable housing developments for extremely-low and very-low income households during the five year period of January 1, 2014 to December 1, 2018. DHA prepared the first four required SB 341 Annual Reports. Having DHA prepare the fifth report, which would include a section on the five year expenditure requirement, allows for continuity to ensure compliance under the State Law. Additionally, DHA can also assist the Authority with any post regulatory compliance issues (if any) that may arise from the five year period.

#### Waiver of Bidding Requirements

Staff recommends waiving the bidding requirements in Chapter 6 (“Purchasing System”) of Title II of the Carson Municipal Code (C.M.C), pursuant to the exemption in C.M.C. Section 2611(e) which reads as follows:

*“Sole Source Purchasing. The City Manager may dispense with this Chapter’s bidding requirements if he or she finds that the materials, supplies, equipment, or services are unique because of their quality, durability, availability, or fitness for a particular use and are available only from one (1) source, or, if available from more than one (1) source, can be purchased from the manufacturer or service provider for a lower price. If the cost of such sole source purchasing is \$25,000 or greater, then the City Council’s approval shall be required.”*

Given DHA’s institutional knowledge of former Carson Redevelopment Agency matters as it relates to Authority, staff believes that the above cited section of the Carson Municipal Code is applicable and that a determination that DHA is a “sole-source” provider of the services being sought is justifiable. Another vendor would not be able to provide the knowledge uniquely possess by DHA to effectively and efficiently carry out the needs of the Authority. Additionally, DHA has consistently provided excellent service for both the financial analysis and the reporting requirements of the Authority. Staff recommends that the Amendment No. 2 for consulting services with DHA be approved and executed.

## **V. FISCAL IMPACT**

Amendment No. 2 extends the contract term by 3.5 years to June 30, 2023 and would cost an additional \$30,000. For Fiscal Year 19-20, sufficient funds have been budgeted under Housing Authority Account No. 255-70-720-964-6004 (CD Housing Professional Services).

## **VI. EXHIBITS**

1. Proposed DHA Contract Amendment No. 2 (pgs. 4-11)

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