



CITY COUNCIL AGENDA REPORT

MEETING DATE: May 2, 2006

ITEM NUMBER:

SUBJECT: RENEW CONTRACT FOR COMMUNITY DEVELOPMENT BLOCK GRANT/HOME CONTRACT STAFF

DATE: MAY 2, 2006

FROM: CITY MANAGER'S OFFICE - HOUSING AND COMMUNITY DEVELOPMENT

PRESENTATION BY: MURIEL ULLMAN, NEIGHBORHOOD IMPROVEMENT MANAGER

FOR FURTHER INFORMATION CONTACT: MURIEL ULLMAN AT (714) 754-5167

RECOMMENDATION

That the City Council authorize the City Manager to enter into a Professional Services Contract (Attachment A) with Mike Linares, Inc., in an amount not to exceed \$78,000 per fiscal year, with the option to renew for up to three (3) years.

BACKGROUND

The City currently receives nearly \$2 million from the United States Department of Housing and Urban Development (HUD) to administer the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs.

All CDBG funds must be used to achieve one (1) of three (3) national objectives: elimination of slum and blight, benefit to low and moderate-income people and/or meet an urgent need. HOME Programs are designed to provide decent, safe and sanitary housing for low-income persons. Past and present programs include special housing code enforcement; single-family rehabilitation loans and grants; and planning and engineering of the Downtown Community Center.

The CDBG and HOME Programs have been overseen for the past several years by the Neighborhood Improvement Manager (part-time); one (1) full-time management analyst and one (1) part-time consultant. The part-time consultant was formerly a full-time management analyst position. It was converted into a part-time consultant position in 1993 and has been filled for the past several years by part-time contract staff person Mike Linares. Contracting out the position allows staff the flexibility to utilize contract

staff on an as-needed basis, while obtaining the specific expertise required administering and interpreting the constantly changing regulations. Additionally, due to the integration of HUD's online management information system (the Integrated Data and Information System – IDIS) this position has been transformed into one which incorporates CDBG/HOME and public service grant administration, as well as, technical manager for IDIS.

Prior to negotiating the contract, staff solicited proposals from three (3) different firms. Only Mr. Linares responded to the RFP.

Mr. Linares has over fifteen (15) years of experience in administration of federal programs. He is bilingual and has an extensive background in both CDBG and HOME Programs, with an emphasis in citizen participation, community outreach, program management and monitoring of sub recipients.

ANALYSIS

A. Contract Staff Duties:

Mr. Linares' duties include the following:

1. Public Service Grant Processing
 - a. Preparation/revision of application package
 - b. Review forty-plus (40+) applications to ensure CDBG eligibility
 - c. Assist with scheduling interviews with sub-grantees and 3R Committee as well as conducting meetings and preparing Committee evaluations
 - d. Preparation of City Council letter and related materials for Council approval
 - e. Ensure all City required documents are submitted prior to funding (i.e. executed contracts, purchase requisitions, City approved insurance, expenditure back-up documentation)
 - f. Review quarterly reports and process payments
 - g. Monitor sub-grantees
2. HOME/CDBG Administration
 - a. Consolidated Plan
 - Consolidated Plan - One-Year Action Plan and Amendments
 - Consolidated Plan Performance Report
 - Grantee Performance Report
 - b. HOME Program
 - Annual Performance Report
 - Assist in HOME unit monitoring (currently 22 units)
 - c. Section 3 Plan - Preparation, Monitoring and Training
 - d. Environmental Reviews of all CDBG/HOME Funded Activities

- e. Miscellaneous Annual and Semi-Annual Report
 - Minority/Women contracts
 - Labor Standards
 - Fair Housing Assessment
- f. Integrated Data and Information System (IDIS) Implementation
 - Housing rehabilitation project setup, revision, and completion
 - CDBG and HOME project setup
 - Gathering information regarding CDBG project progress from other departments
 - Ongoing reconciliation of City ledgers with IDIS on-line ledgers
- g. Bilingual community outreach (i.e., Westside tenants and landlords fair housing meeting, Consolidated Plan.)
- h. Special Projects as they occur - i.e. monitoring capital project expenditures, citizen complaints, etc.
- i. Review changes to fed program grants
- j. Represents City in regional efforts, i.e., Continuum of Care/Fair Housing/OCHA

B. Department Work Load

Administrative/Project Management Responsibilities

Administrative staff share responsibilities for administration of the “Neighbors for Neighbors” program; monitoring and contract negotiation for all Agency/City assisted units including Costa Mesa Village, twenty- two (22) Civic Center Barrio units, as well as, the Redevelopment Agency rental rehabilitation units and eleven (11) Habitat for Humanity units. Staff also administers the HOME, CDBG and RDA housing budgets; ongoing affordable housing projects; the homebuyer assistance programs; special miscellaneous projects, and new housing project/program development. Mr. Linares assists in several aspects of the above with an emphasis on contract preparation for twenty (20) public service grants and preparation of HUD’s annual plan and related reports.

Integrated Disbursement Information System

Mr. Linares serves as the technical manager for HUD’s Integrated Disbursement Information System (IDIS) functions. IDIS is HUD’s on-line project performance and financial reporting system that involves a separate set of ledgers over and above what the City’s financial reporting system requires. Because IDIS financial data is tracked differently than the City ledgers, Mr. Linares acts as the Department liaison with the Finance Department to ensure that City ledgers balance with IDIS. This task is extremely labor intensive due to the different systems of reporting financial data and the challenge of balancing two sets of books. Additionally, IDIS has resulted in increased administrative/technical requirements for City staff. For example, IDIS requires that project set-up and

completion reports, which must be filed each time a housing rehabilitation loan or grant is funded. Additionally, HUD requires frequent project updates on the IDIS and de-obligation of funds if an applicant falls out. Finally, the IDIS reports required for federal fund reimbursement demand information is often not readily available from the City's existing financial reporting system. Mr. Linares works closely with the Finance Department to draw down money from HUD, monitors both sets of accounting ledgers and monthly tracking of commitment and expenditure of dollars.

C. Bid Process

Staff sent out Requests for Proposal (RFP) to three (3) CDBG/HOME consultants. Two of the consultants (Wildan Associates and Baker Street Associates), declined to bid on the contract.

OPTIONS CONSIDERED

Mr. Linares occupies a key position in Housing and Community Development Division. Besides managing several projects of his own, he serves as the HUD on-line financial reporting system technical Manager and primary liaison with the Finance Department. Elimination of his position will severely impact the level of programming which this Division can offer. Additionally, HCD staff is not trained to perform the technical functions required by HUD, which this consultant performs.

Should this position not be funded, there are options available to the City Council. These include a) reducing Mr. Linares' hours and training housing rehabilitation and administrative staff to perform some of Mr. Linares' duties. This will result in a reduction in housing rehabilitation loans and grants; or b) Hiring a full time position to replace Mr. Linares. However, depending on workload, Mr. Linares works between 20-24 hours per week. Hiring, a permanent employee does not give the City the flexibility to cut back hours as needed based on the level of work generated in the Department.

Filling this position on a part time staff basis vs. a consultant is not recommended. Staff looked at doing this several years ago. However, due to the highly technical nature of the position and the expertise required, market conditions dictate that this position be contracted out.

In conclusion, none of the options above is recommended since they will severely impact the Division's ability to continue to provide an adequate level of federal grant administration.

FISCAL REVIEW

In fiscal year 2005-2006, \$110,000 is available for professional contract services for the CDBG Program. It is estimated that the contract amount will not exceed the amount

available. The contract is recommended to be effective from July 2006 through June 30, 2007, with an option to renew for three (3) additional years.

LEGAL REVIEW

The City Attorney's Office has prepared and approved the attached Professional Services Agreement. No further legal review is needed at this time.

CONCLUSION

That the City Council authorize the City Manager to enter into a Professional Services Contract with Mike Linares, Inc., in an amount not to exceed \$78,000 per fiscal year, with the option to renew for up to three (3) years.

Allan L. Roeder
City Manager

Muriel Ullman
Neighborhood Improvement Manager

Marc R. Puckett
Director of Finance

Kimberly Hall Barlow
City Attorney

Attachments: A. [Professional Service Agreement](#)
B. [Organizational Chart](#)