



CITY COUNCIL AGENDA REPORT

MEETING DATE : September 2, 2014

ITEM NUMBER:

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

DATE: AUGUST 11, 2014

FROM: DEVELOPMENT SERVICES DEPARTMENT/HOUSING AND COMMUNITY DEVELOPMENT

**PRESENTATION BY: WILLA BOUWENS-KILLEEN, PRINCIPAL PLANNER
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RECOMMENDATION

Authorize the City's Chief Executive Officer (CEO) to enter into a one year Professional Services Agreement (Attachment A) with Mike Linares, Inc., in an amount not to exceed \$85,000 per fiscal year, with the option to renew for up to four one year periods.

BACKGROUND

Development Services Department staff requested the City's CEO enter into an interim Professional Services Agreement (PSA) with Mike Linares, Inc. from July 1, 2014 to October 1, 2014 while a Request For Proposal (RFP) was in the process of being awarded. The \$30,030 budgeted for the interim PSA is part of the \$85,000 HCD budgeted for this position during FY14-15.

The attached PSA replaces the current interim PSA with Mike Linares, Inc.

The initial PSA expired on June 30, 2014 with one year left to renew, but the deadline was mistakenly missed. The City Attorney and Purchasing staff advised Development Services Department staff that an RFP and an interim PSA with Mike Linares, Inc. would be required.

Staff immediately released a fast track RFP on July 18, 2014 (published in Daily Pilot Newspaper and the City's Bulletin Board). Various consulting firms were contacted and the RFP was also available on the City's website. Proposals were due on July 29, 2014 and only Mike Linares, Inc. submitted documents.

The City currently receives approximately \$1.3 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 of three 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 capital improvement projects.

The CDBG and HOME Programs have been overseen for the past two years by a Principal Planner, one full-time management analyst, and one part-time consultant. It was converted into a part-time consulting position in 1993 and has been filled for the past several years by 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 to administer and interpret 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 this contract, staff sent a Request for Proposal (RFP) to various firms, advertised the legal notice in the Daily Pilot Newspaper, and posted it on the City of Costa Mesa's Bulletin Board on July 18, 2014. Proposals were due back on July 29, 2014. One proposal was received from Mike Linares, Inc.

Mr. Linares has over 20 years of experience in administration of federal programs and has been President of his own firm since 1995. He is bilingual and has an extensive background in CDBG and HOME Programs with an emphasis in citizen participation, community outreach, program management, and monitoring of sub recipients. He is currently the main HUD interface for their online financial management information system and serves as an adjunct grants accountant along with Finance Department Staff.

ANALYSIS

Contract Staff Duties

Mr. Linares' duties include the following:

1. Public Service Grant Processing
 - Preparation/revision of application package
 - Review approximately twenty to forty applications each year to ensure CDBG eligibility
 - Assist with scheduling interviews with sub-grantees and Housing and Public Service Grant Committee as well as conducting meetings and preparing Committee evaluations
 - Preparation of City Council reports and related materials for Council approval
 - Ensure all City required documents are submitted prior to funding (i.e. executed contracts, purchase requisitions, City approved insurance, expenditure back-up documentation)
 - Review quarterly reports and process payments
 - 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
 - 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. Bi-lingual community outreach (i.e., tenants and landlords, fair housing meetings, Consolidated Plan)
 - h. Special Projects as they occur (i.e. monitoring capital project expenditures, citizen complaints, etc.)
 - i. Review changes to federal program grants
 - j. Represents City in regional efforts, i.e., Continuum of Care/Fair Housing/OCHA

k. Administer/monitor Capital Improvement Projects

Department Work Load

Mr. Linares provides expert advice on many Division programs including: monitoring and contract negotiation for all Agency/City assisted units including Costa Mesa Village, Civic Center Barrio units as well as the rental rehabilitation units. He also administers the HOME, CDBG and Housing Authority budgets; ongoing Habitat for Humanity projects; task force projects, and new housing project/program development.

Besides working on specific projects such as Supportive Housing and capital improvement projects, Mr. Linares serves as the technical manager for HUD's IDIS functions. IDIS is HUD's on-line project performance and financial reporting system that is a separate set of ledgers over and above the City's financial reporting system, unfortunately, it is tracked in a completely different manner than the City's. Therefore, Mr. Linares acts as the liaison to ensure that City ledgers balance with IDIS which is extremely labor intensive. 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; HUD also requires frequent project updates on IDIS. Finally, IDIS reports demand information that is often not readily available from the City's existing financial reporting system. Mr. Linares works closely with the Finance Department to coordinate the information between both parties.

Mr. Linares' proposed rate is \$77 per hour, not to exceed \$85,000 per year. For FY14-15, there is \$85,000 budgeted for consulting in CDBG Administration; therefore, sufficient funding exists to cover the contract costs.

Mr. Linares occupies a key position in the Housing and Community Development (HCD) 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, Housing and Community Development staff is not trained to perform the technical functions required by HUD, which this consultant performs. Mr. Linares also provides institutional knowledge especially critical with the reduction in the division's staff.

FISCAL IMPACT

No fiscal impact because funding for the current agreement is accommodated in the Housing and Community Development FY14-15 budget. Any expenditures in excess of existing approvals will be required to be pre-authorized with total expenditures not to exceed the approved cap.

LEGAL IMPACT

There is no adverse legal impact anticipated by the Council's taking the recommended action, based upon the documents and information provided to this office.

CONCLUSION

Staff recommends approval of the Professional Services Agreement between the City and Mike Linares, Inc. due to the complexity of new laws and requirements, pertaining to the Community Development Block Grant and HOME Investment Partnership Grant, as well as his institutional knowledge of the City's HCD Division.

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Attachment A: [Professional Services Agreement](#)
Exhibit A: Scope of Work
Exhibit B: Fee Schedule
Exhibit C: City Council Policy 100-5
Exhibit D: Certificates of Insurance
Attachment B: [Purchase Requisition](#)