



CITY OF COSTA MESA
COSTA MESA HOUSING AUTHORITY

MEETING DATE: JUNE 23, 2015

ITEM NUMBER: **CC-1**

SUBJECT: AMENDMENT FOUR TO THE PROFESSIONAL SERVICES AGREEMENT WITH KEYSER-MARSTON ASSOCIATES CONSULTING

DATE: JUNE 17, 2015

FROM: DEVELOPMENT SERVICES DEPARTMENT/HOUSING AND COMMUNITY DEVELOPMENT/NETWORK FOR HOMELESS SOLUTIONS DIVISION

**PRESENTATION BY: DAN BAKER, PUBLIC AFFAIRS MANAGER
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RECOMMENDATION

1. Approve *Amendment Four*, revise existing cap not to exceed \$107,917 and extend the term to June 30, 2016 to the Professional Services Agreement with Keyser Marston Associates (KMA) Consulting.

BACKGROUND

The City entered into a Professional Service Agreement with KMA Consulting on July 1, 2012, in the amount of \$100,000. *Amendment One* was approved by the City Council and went into effect on December 14, 2012 increasing the compensation amount not to exceed a total of \$130,000. *Amendment Two* was also approved by Council and went into effect on May 21, 2013 to increase the total compensation amount by \$10,000, and not to exceed \$140,000 in total compensation. *Amendment Three* was approved by Council on February 18, 2014 increasing the total compensation not to exceed \$200,000.

KMA Consulting provides services for a variety of Housing and Community Development and Costa Mesa Housing Authority projects. The City Council and the former Redevelopment Agency (RDA) have engaged financial and real estate consultants via the RDA and City approved agreements in a variety of development projects to provide specialized financial consulting services to supplement staff expertise. These projects included the First Time Home Buyer Program, St. Johns Manor, and other senior and low-to-moderate housing projects. Their scope of services included support in negotiations, financial analysis of residential receipt notes and any housing loan modifications, evaluation of developer business financials, and assistance to City staff in reviewing responses to Request for Proposal's for major development projects. Additionally, they have been instrumental, along with special counsel to the Redevelopment Agency and

Successor Agency, in assisting in the preparation of documents necessary to implement ABX126, (RDA Dissolution legislation). They have also provided programmatic assistance due to staff reductions for such projects as the Neighborhood Stabilization Program and the Homeless Task Force Supportive Housing strategy.

Specifically, KMA consultant Muriel Ullman has been instrumental in coordinating efforts to provide assistance to at-risk and homeless Costa Mesa residents. Ms. Ullman has also assisted with community relations with local churches, residents, businesses and outside jurisdictions regarding City initiatives regarding neighborhood improvement and homeless services.

ANALYSIS

The scope, breadth and depth of independent financial review and analyses required for complex development projects, coupled with confidentiality that must be maintained during various stages of the project, necessitate the services of independent financial consultants to augment staff expertise. KMA has been such a consultant in the past and has provided the City with comprehensive real estate and financial consulting services of the highest professional standard. Additionally, given the abolishment of the RDA and the necessity to reduce staff and implement programmatic reductions, this firm is readily available to assume many tasks including affordable housing management, community relations, homeless coordination, and ABX126 coordination, and document preparation.

The City has contracted with KMA since the early nineties. KMA has a proven track record of success on complex development financing projects, previous work experience with California RDA's, the ability to manage numerous projects with varying complexity, and experience in housing program services including Neighborhood Stabilization Program, supportive housing strategies for homeless, senior housing strategies, etc., and is intimately familiar with numerous City of Costa Mesa projects.

Due to the multitude of new programs created by City Council, as well as the complexity of the new laws and requirements pertaining to the Housing Authority, staff recommends that the City Council and the Costa Mesa Housing Authority approve *Amendment Four* to the existing agreement with Keyser Marston Associates Consulting, not to exceed \$107,917 on tasks to be performed, as assigned by the CEO, City Attorney, City Council or other authorized persons during the term of the Agreement.

ALTERNATIVES CONSIDERED

The City Council can decide not to approve *Amendment Four* to the Professional Services Agreement with Keyser Marston Associates Consulting and maintain the cap not to exceed the current amount of \$200,000, as approved under *Amendment Three*.

FISCAL IMPACT

Funding for Amendment Four will be accommodated in Housing and Community Development, Housing Authority, and the General Fund FY15-16 budget.

LEGAL IMPACT

The City Attorney's Office has prepared and approved documents as to form.

CONCLUSION

Staff recommends approval of *Amendment Four*, revise the existing cap to the total compensation not to exceed \$107,917 and extend the term to June 30, 2016.

GARY ARMSTRONG, AICP
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Richard L. Francis
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STEPHEN DUNIVENT
Interim Finance Director

Thomas Duarte
City Attorney

- Exhibit A - [Amendment Four](#)
- Exhibit B - [Fee Schedule](#)
- Exhibit C - [Scope of Work](#)
- Exhibit D - [Purchase Requisition](#)