



SAN DIEGO
HOUSING
COMMISSION

REPORT

DATE ISSUED: January 7, 2016

REPORT NO: HCR16-006

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of January 15, 2016

SUBJECT: Amendment to the San Diego Housing Commission's Contract with LeSar
Development Consultants

REQUESTED ACTION

Approve an amendment to the contract between the San Diego Housing Commission & LeSar Development Consultants.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) Board take the following actions:

- 1) Approve a contract amendment to increase the annual amount of the current contract option for the period effective May 11, 2015, through May 10, 2016, between the Housing Commission and LeSar Development Consultants (LeSar) in the amount of \$48,000 to a not-to-exceed annual amount of \$248,000; and
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to execute such documents, in a form approved by General Counsel, and to perform such acts as are necessary and/or appropriate to implement these approvals.

SUMMARY

The existing contract between the Housing Commission and LeSar allows for a base contract amount of \$200,000 per year for general affordable housing consulting services. LeSar has provided services in support of Housing Commission initiatives related to transit-oriented development, affordable housing development, capital mapping and the facilitation of meetings as the Housing Commission developed HOUSING FIRST – SAN DIEGO, the Housing Commission's three-year Homelessness Action Plan, which was presented to the Housing Commission's Board of Commissioners (Board) on November 21, 2014.

The Housing Commission approved the initial contract award to LeSar for General Affordable Housing Consulting Services on May 11, 2012. The initial contract was awarded for a one-year period, with four additional one-year renewal options, and was intended to provide consulting services to several Housing Commission departments, such as Real Estate, Grants, and Homeless Housing Innovations. Three one-year contract renewals have been executed under the authority previously granted to the President & CEO.

At the direction of the Housing Commission's Board of Commissioners, as well as the San Diego City Council's Smart Growth and Land Use Committee, staff was directed to address the increased costs of producing affordable housing. A study was commissioned and LeSar prepared the report entitled,

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"Addressing the Housing Affordability Crisis in San Diego" (the Report), which was completed on November 25, 2015. The Housing Commission became one of the first public housing authorities in California to develop a comprehensive blueprint to identify and make recommendations regarding the costs of developing affordable rental housing.. The Report was developed in collaboration with City Council offices, the City of San Diego's (City) Development Services Department, the City's Independent Budget Analysts' Office and the Coalition for Housing and Jobs, whose members include the Housing Commission, San Diego businesses, developers, and nonprofit organizations. Housing Commission staff transferred (within permissible uses) allocated funds from other areas of the contract with LeSar to complete this Report. No additional funds will be needed for the Report.

However, LeSar provides additional consulting services to the Housing Commission. To continue receiving these services , additional funds will be necessary. Housing Commission staff requests an increase in the contract amount of \$48,000 to be used to continue to receive services from LeSar, such as:

1. Healthcare Strategy

- a. Task: Continued work, research, and convenings related to Whole Person Care Group, Medicaid 1115 Waiver, Pay for Success, and other areas identified by staff (Ongoing).

2. Analysis of and Recommendations on HHIT Data Collection

Task 1: Review current data elements reported on and method of collection (September 1, 2015 to December 31, 2015).

- Research best practices on data collection methods and content
- Interview other stakeholders as to what they would like to know about Housing Commission funded housing and program related outcomes (i.e. universities, 25 Cities leadership, County, advocates)

Task 2: Identify missing data elements and enhanced data collection method to improve efficiencies and to position the Housing Commission and its stakeholders for compliance with regulatory requirements and funding opportunities including Pay for Success and social innovation investments.

- Draft data framework and recommendations
- Edit, format, and submit recommendations

3. Capital Mapping subscription

Task: Provide a bi-monthly report which includes:

- Legislative and funding opportunities and initiatives which align with the Housing Commission's priorities
- Covers trends and forecasts at the national, state and regional levels that impact funding availability and policies in affordable housing
- Provides an update on key bills signed by the Governor
- 24-month rolling forecast to assist with resource planning.
- Presents new or updated funding opportunities identified by priority category as sources of grants, equity investments of low-interest loans.

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Staff is recommending the Housing Commission amend the current contract to increase it by \$48,000, bringing the maximum not-to-exceed amount to \$248,000 for the current contract term.

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action were partially approved in the Fiscal Year 2016 Housing Authority of the City of San Diego ("Housing Authority") Approved Budget. Approving this action will authorize the Housing Commission expend \$48,000 in addition to the FY 2016 budget as approved by the Housing Authority.

EQUAL OPPORTUNITY/CONTRACTING

LeSar Development Consultants is a Small Local Business Enterprise and certified as a Small Business by the State of California. The Housing Commission will verify that LeSar submitted the required EOC forms and Workforce Report with its current contract option prior to executing this amendment.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

The Housing Commission approved the initial contract award to LeSar for General Affordable Housing Consulting Services on May 11, 2012. The contract was awarded for a one-year period with four additional one-year renewal options at an amount not to exceed \$200,000 per year.

On May 11, 2013, the first one-year option was executed, and on May 11, 2014, the second one-year option was executed. On September 12, 2014, an amendment to the second one-year option was executed in the amount of \$48,000, increasing the total not-to-exceed contract amount to \$248,000.

The third one-year option was executed on May 11, 2015. All renewal options were executed under the authority previously granted to the President & CEO.

ENVIRONMENTAL REVIEW

This activity is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action.

Respectfully submitted,

Deborah Ruane

Deborah Ruane
Senior Vice President
Real Estate Division

Approved by,

Jeff Davis

Jeff Davis
Executive Vice President & Chief Operating
Board & Executive Function

Attachment: 1) Draft Amendment

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City

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Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.

FIRST AMENDMENT TO THIRD OPTION
SAN DIEGO HOUSING COMMISSION
AGREEMENT FOR
GENERAL AFFORDABLE HOUSING CONSULTING SERVICES
WITH
LESAR DEVELOPMENT CONSULTANTS

Contract No. GAHCS-12-01

WHEREAS, the San Diego Housing Commission (“Commission”) and LeSar Development Consultants (“Contractor”) entered into that certain Agreement for General Affordable Housing Consultant Services (the “Agreement”), dated May 24, 2012, but effective on May 11, 2012.

WHEREAS, on April 26, 2013 the Commission and Contractor amended the Agreement, under the “First Amendment and Exercise of First Option,” to add four additional one-year options to the Agreement and exercised the first of four additional one-year options. The term of the first option period commenced May 11, 2013 and continued through May 10, 2014 (First Option).

WHEREAS, on May 21, 2014, the Commission and the Contractor exercised the second of four additional one-year options to the Agreement. The term of the second option period commenced on May 11, 2014 and continued through May 10, 2015 (Second Option).

WHEREAS, in August 2014 the Commission and Contractor executed a Second Amendment to Agreement to increase the Contractor’s compensation for the Second Option Period and revise the scope of services and compensation schedule (Second Amendment).

WHEREAS, on June 29, 2015 the Commission and Contractor exercised the “Third Option and Third Amendment to Agreement” to exercise the third of four additional one-year options to the Agreement and to revise the scope of services of the Agreement to remove all references to the “Continuum of Care Program” (Third Option and Third Amendment).

WHEREAS, the Commission and Contractor now desire to amend the Third Option to the Agreement in order to increase the compensation to the Contractor during the third option period in the amount of Forty-Eight Thousand and No/100 dollars (\$48,000.00).

NOW THEREFORE, the Commission and Contractor hereby amend the Agreement and agree as follows:

1. Total Compensation During Third Option Period. Total Compensation During the Third Option Period is hereby deleted in its entirety and restated as follows:

Total Compensation during Third Option Period. The total compensation for all services performed and/or materials and goods supplied pursuant to the Agreement during the Third Option period shall not exceed Two Hundred and Forty-Eight Thousand and No/100 Dollars (\$248,000.00). All services performed and/or materials and goods supplied pursuant to the Agreement shall be on the same terms and conditions as set forth in the Agreement.

All other portions of the Third Option and Third Amendment shall remain in full force and effect.

2. No Novation. The parties hereto acknowledge and agree that except for the changes set forth herein to amend the Third Option to Agreement, all of the terms and provisions of the Agreement are hereby acknowledged by the parties to be valid and are hereby recognized, renewed, extended and continued in full force and effect.

3. Counterparts. This First Amendment to Third Option may be executed in any number of counterparts and, as so executed, the counterparts shall constitute one and the same agreement. The parties agree that each such counterpart is an original and shall be binding upon all the parties, even though all of the parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Third Option to be executed this _____ day of January, 2016.

Contractor:

LeSar Development Consultants

By: _____
Jennifer LeSar, President & CEO

Commission:

San Diego Housing Commission

Approved as to Form:

Christensen & Spath LLP

By: _____
Jeff Davis
Executive Vice President and Chief
Operating Officer

By: _____
Charles B. Christensen
General Counsel
San Diego Housing Commission