

REPORT

DATE ISSUED: April 16, 2009

REPORT NO: HCR 09-033

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of May 15, 2009

SUBJECT: Amendment and Additional Funding of Contracts to Provide Professional Services for the Commission's Development of Additional Affordable Housing (Citywide)

REQUESTED ACTION:

That the Housing Commission amend contracts for Financial Feasibility Analysis and Architectural/Forensic Services to extend the contracts by adding two one-year option renewals and approve additional funding for FY2009 through FY2011.

STAFF RECOMMENDATION:

Approve additional funding to the following firms, in the amounts indicated, for the terms indicated, to enable the firms to continue providing previously contracted services to the Housing Commission and assist staff in the analysis and selection of additional affordable housing units under the Commission's Affordable Housing Development Program.

| Firm | Services | Additional Funding FY 2009/Term | Additional Funding FY2010/Term | Additional Funding FY2011/Term |
|---------------------------------|--|--|---------------------------------------|---------------------------------------|
| Building Analysts | Architectural/Forensic Services | \$25,000 5/12/09 – 6/30/09 | \$100,000 7/1/09 – 6/30/2010 | \$100,000 7/1/2010 – 6/30/2011 |
| Keyser Marston Associates, Inc. | Financing Feasibility Analysis | \$20,000 6/2/09 – 6/30/09 | \$50,000 7/1/09 – 6/30/2010 | \$50,000 7/1/2010 – 6/30/2011 |
| GAFCON, Inc. | Architectural/Forensic Services and Financial Feasibility Analysis | \$0 5/12/09 – 6/30/09 | \$100,000 7/1/09 – 6/30/2010 | \$100,000 7/1/2010 – 6/30/2011 |

BACKGROUND:

In March 2007, the Housing Commission submitted an application to HUD to transition the public housing portfolio from the Federal public housing program. A component of this transition included the Housing Commission leverage of equity in the former public housing units and creating a minimum of 350 additional affordable units.

April 16, 2009

Amendment and Additional Funding for Consultant Services

Page 2

In March and May 2008, staff issued separate Request for Proposals/Qualifications for financial feasibility analysis services and architectural services. These services were needed to assist staff in performing the due diligence evaluation of potential projects for the new affordable housing portfolio. The procurement process was conducted in accordance with established Housing Commission Policy PO203.100 and the following four contracts were approved and executed in 2008:

| Firm | Services | Amount Funded | Term |
|--------------------------------|--------------------------------|----------------------|-----------------------|
| Building Analysts | Architectural Services | \$49,500 | 5/12/2008 – 5/11/2009 |
| GAFCON, Inc. | Architectural Services | \$49,500 | 5/12/2008 – 5/11/2009 |
| Keyser Marston Associates Inc. | Financing Feasibility Analysis | \$49,900 | 6/3/2008 – 6/2/2009 |
| GAFCON, Inc. | Financing Feasibility Analysis | \$49,900 | 6/3/2008 – 6/2/2009 |

DISCUSSION

The Housing Commission has been utilizing these contracts to assist in the evaluation of potential developments; however, the original terms of the contracts were for a one-year period, which is about to expire. In addition, funding for two of the contracts, KMA and Building Analysts, is insufficient to continue the provision of services through the end of the current contract term (which has been extended through June 30, 2009).

Staff has been evaluating several potential projects and need these services to continue through FY 2010 and possibly through FY2011. Because staff is satisfied with the services that have been provided by the existing consultants, staff recommends amending the existing contracts to add two one-year optional extensions for the periods July 1, 2009 – June 30, 2010 (Option Year 1) and July 1, 2010 – June 30, 2011 (Option Year 2).

The request for additional funding (listed below) exceeds the approval authority of the Housing Commission’s President and CEO (Approval Authority up to \$50,000 for Consultants, Architects and Engineers) and requires approval by the Housing Commission Board (Approval Authority up to \$250,000).

| Firm | Services | Additional Funding FY 2009 | Additional Funding FY2010 | Additional Funding FY2011 |
|---------------------------------|--|-----------------------------------|----------------------------------|----------------------------------|
| Building Analysts | Architectural/Forensic Services | \$25,000 | \$100,000 | \$100,000 |
| Keyser Marston Associates, Inc. | Financing Feasibility Analysis | \$20,000 | \$50,000 | \$50,000 |
| GAFCON, Inc. | Architectural/Forensic Services and Financial Feasibility Analysis | | \$100,000 | \$100,000 |

FISCAL CONSIDERATIONS:

Funds for FY2009 are currently in the budget and will be requested via a budget revision; funds for FY2010 and FY2011 will be budgeted in the applicable fiscal year budgets and committed via Auditor Certificates.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A.

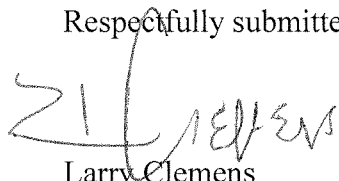
ENVIRONMENTAL REVIEW:

The funding of Consultant Contracts is not a project within the meaning of the California Environmental Quality Act (CEQA) and is categorically exempt under the provisions of the National Environmental Protection Act (NEPA).

KEY STAKEHOLDERS & PROJECTED IMPACTS:

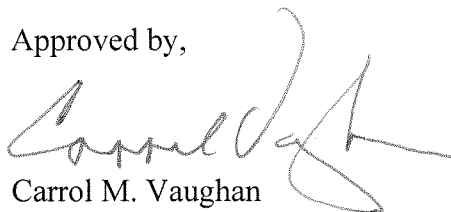
There are no anticipated impacts from this action. Key stakeholders include firms that provide Financial Feasibility and Architectural services.

Respectfully submitted,



Larry Clemens
Senior Vice President,
Housing Development & Finance

Approved by,



Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101. You may review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.