



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Shola Olatoye
Director, Housing and
Community Development

SUBJECT: Amend Five Professional Services
Agreements

DATE: November 22, 2021

City Administrator Approval

Date: Dec 9, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Extend The Terms Of Five Professional Services Agreements With Increases To The Amounts Of Three Professional Services Agreements To The Following Consultants Who Will Provide Critically Needed Services To The Housing And Community Development Department And Waive The Request For Proposals/Qualifications Process:

- 1. City Data Services, Extending The Term From December 15, 2021 To December 31, 2024 With An Option To Renew For Two Additional One-Year Terms And Expanding The Scope Of Work And Increasing The Amount Of The Agreement From \$43,100 To An Amount Not To Exceed \$177,180; And**
- 2. Katharine Gale, Extending The Term From December 31, 2021 To June 30, 2022 And Increasing The Amount Of The Agreement From \$41,040 To An Amount Not To Exceed \$50,000; And**
- 3. Amy Hiestand Consultant, LLC Extending The Term From December 31, 2021 To December 31, 2022 And Increasing The Amount Of The Agreement From \$99,999 To An Amount Not To Exceed \$150,000; And**
- 4. Kenneth Jones, Extending The Term From December 31, 2021 To December 31, 2022; And**
- 5. Urban Homesteading Assistance Board, Extending The Term From April 5, 2021 To December 31, 2022.**

EXECUTIVE SUMMARY

Oakland's Housing & Community Development Department (HCD) has faced years of capacity constraints, exacerbated by the hiring crunch of the pandemic. Over the past several years, the volume of work and scope of the agency has shifted significantly, with the welcome influx of federal and state funding. In order to meet the external deadlines that come with this funding and the protracted timeline of the City's hiring process, HCD must leverage all resources at its disposal, including consultants, to meet the housing needs of the City and its residents.

City Council
December 21, 2021

Adoption of the proposed resolution authorizes the City Administrator or designee to execute amendments to existing Professional Services Agreements (Agreements) with the following consultants who have been providing critically-needed services to HCD. The summary of contracts and requested extensions and/or expansions are provided in **Table 1** below:

Table 1: Summary of Professional Services Agreements and Requested Extensions and/or Expansions

| Consultant | Scope | Current Agreement Expiration | Requested Extension Date | Current Contract Amount | Requested Contract Increase Limit |
|---|---|------------------------------|---|-------------------------|-----------------------------------|
| 1. City Data Services (CDS) | Database build out and maintenance | December 15, 2021 | December 31, 2024 with option to renew to December 31, 2025 and December 31, 2026 | \$43,100 | \$177,180 |
| 2. Katharine Gale | Data and policy expert for Emergency Rental Assistance Program (ERAP) | April 11, 2022 | June 30, 2022 | \$41,040 | \$50,000 |
| 3. Amy Hiestand Consultant, LLC | Underwriting and closing for affordable housing projects | December 31, 2021 | December 31, 2022 | \$99,999 | \$150,000 |
| 4. Kenneth Jones | Underwriting and closing for affordable housing projects | December 31, 2021 | December 31, 2022 | \$99,500 | None Requested |
| 5. Urban Homesteading Assistance Board (UHAB) | Technical advisory services for land trust and coop projects | April 5, 2021 | December 31, 2022 | \$25,000 | None Requested |

BACKGROUND / LEGISLATIVE HISTORY

City Data Services (CDS)

On October 24, 2019, HCD requested City Administrator’s Office (CAO) approval to waive the competitive process to contract with CDS for the data management services to administer single family and multifamily housing programs and projects. Because these data management services are very specialized, and the services provided by CDS are specifically designed for local governments to streamline the funding application process, track and monitor projects in

all phases, the CAO approved HCD's request in 2019 to waive the competitive process. The City then entered into a Professional Service Agreement with CDS in December 2019 for a two-year term in the amount of \$43,100 through December 15, 2021.

CDS currently provides ongoing information technology (IT) services to monitor HCD's database of pipeline and completed projects, prepare reports to generate and analyze data, and solicit and manage funding applications. The proposed resolution will extend the Agreement's term by three years through December 15, 2024, at \$11,400 per year, with an option for two additional years at the same rate, along with the expansion in scope of work to include public services module and single family module for a one-time implementation fee of \$21,700 and \$18,360 per year, respectively, for the provision of technical support, ongoing maintenance, and upgrades for the additional scope per year for a three year term, for a grand total contract amount of \$177,180. The two new modules will facilitate project tracking and integration into the U.S. Department of Housing and Urban Development's (HUD's) reporting system for the Residential Lending Services and Community Development and Engagement teams. Please see **Table 2** for a summary of the contract scope and budget amendments proposed.

Table 2: Summary of City Data Services' Proposed Contract Scope and Budget Amendments

| Item | Unit | Amount (\$) |
|--|--|---------------------|
| Multi-Family Housing Development Module - 3 Year Extension | Housing Development Services | \$34,200.00 |
| MultiFamily Housing Development Module - Optional 2 Year Extension | Housing Development Services | \$22,800.00 |
| Public Services Module - 3 Year Term | Community Block Development Grant Program (CDBG) | \$65,100.00 |
| Single Family Module - 3 Year Term | Residential Lending Unit | \$55,080.00 |
| | Grand Total | \$177,180.00 |

Katharine Gale

HCD issued a March 3, 2021 an informal Request for Proposal to four industry experts in the fields of homeless prevention, program development and evaluation. HCD sought consultants for services for a Rental Assistance subject matter expert for less than \$50,000. Responses were due March 18, 2021. Ms. Gale was the only respondent.

Katharine Gale has been the key data and policy expert on the City's Keep Oakland Housed Emergency Rental Assistance program (ERAP). Ms. Gale advises City housing leadership on key state and federal program guideline changes, manages data analyses, and supports the training and technical assistance on programmatic requirements for both the State and the U.S. Treasury. She is the primary author of the City's dashboard and policy manual. Ms. Gale also supports City housing leadership with trend analyses and guidance with external research

partners including but not limited to the University of Pennsylvania, Stanford University, University of San Francisco, and others.

Amy Hiestand Consultant, LLC and Kenneth Jones

On July 10, 2019 HCD released two Requests for Qualifications (RFQ) seeking consultants to provide housing programmatic and project management assistance. The RFQs were sent to six firms, following extensive outreach to the Bay Area network of affordable housing professional consultants. Four proposals were submitted, and two were selected for this work: Amy Hiestand Consulting LLC, and Kenneth Jones. The City entered into professional service agreements with each consultant in Fall 2019 for one-year terms in the following total amounts: Amy Hiestand Consulting LLC at \$49,999 and Kenneth Jones at \$49,500. On January 19, 2021, the City Council adopted Resolution No. 88490 C.M.S. extending both contracts to December 31, 2021 and increasing the contract amounts to the following total amounts: Amy Hiestand Consulting LLC at \$99,999 and Kenneth Jones at \$99,500.

Ms. Hiestand conducts underwriting and closings of Notice of Funding Availability (NOFA) and Homekey loans. She may also conduct research and analysis to advance programmatic needs, as well as other COVID-19 emergency housing related activities, as needed.

Mr. Jones conducts underwriting and closings of NOFA and Homekey loans. He may also conduct research and analysis to advance programmatic needs, as well as other COVID-19 emergency housing related activities, as needed.

Urban Homesteading Assistance Board (UHAB)

On July 17, 2020, HCD requested CAO approval to waive the competitive process for this \$25,000 professional services contract with UHAB. HCD released an RFQ to five firms who are experts in the field of land trusts and limited equity co-ops. One firm is based in Oakland but did not submit a response; the two firms that responded to the RFQ were based in New York City and Michigan. UHAB, based in New York City, was selected for their expertise in land trusts and limited equity co-ops.

UHAB provides research on asset monitoring requirements for ACAH projects, as well as recommended modifications to existing City loan documents to reflect the unique needs of land trusts and co-ops. The remainder of UHAB's scope under the requested contract extension includes assisting with capacity building for land trusts and co-ops and other technical advisory services as necessary.

ANALYSIS AND POLICY ALTERNATIVES

The need for technical professional services is based on a surge of activity related to the housing, homelessness, and COVID-19 crises and the urgency to both deploy available local funds and as well as State and Federal resources that have become available in 2020 to address these overlapping crises. HCD has demonstrated the ability to increase the pace of its work during the pandemic, in part facilitated by the support brought to bear by third-party consultants assisting on an as-needed basis. Examples of this demonstrated increased level of effort includes:

- Release of five NOFAs in calendar years 2020 and 2021
- Implementation of the new Acquisition and Conversion to Affordable Housing Program (ACAH), which includes a component dedicated to Community Land Trusts and Limited Equity Cooperatives
- Funding applications to the State of California which were recently awarded:
 - 2020 Homekey round - \$22.7 million, which resulted in 162 new housing opportunities for people experiencing homelessness
 - 2020 Local Housing Trust Fund - \$5 million for new construction of affordable housing
 - CalHOME - \$3 million for Accessory Dwelling Unit program
- Funding applications to the State of California that are pending:
 - 2021 Local Housing Trust Fund - \$5 million for new construction of affordable housing
 - CalHOME - \$726,000 for down payment assistance for low-income first-time homebuyers
 - Six Oakland projects have been invited to apply for California Housing Accelerator program, which is designed to clear the State's 4 percent tax credit and tax-exempt bond backlog; these projects must close within six months of award.
 - 2021 Homekey round – amount TBD
- Creation of renter and homeowner COVID Relief Financial Assistance Programs using Coronavirus Aid, Relief, and Economic Security (CARES) Act and Emergency Rental Assistance Program funding.

The City Administrator has determined that these contracts have not and will not result in a loss of employment or salary by any employees. The activities that the consultants have carried out and would continue to conduct under these extended agreements are as follows:

1. CDS: HCD will continue to receive database and information technology services to support Housing Development Services (HDS) staff's efforts to receive and manage funding applications, track and monitor pipeline and completed projects, prepare reports and fiscal documentation related to HDS' portfolio to ensure compliance, and generate and analyze data. With the expansion of scope to include Single Family Housing module, HDS and Residential Lending Services (RLS) staff will be able to digitize workflows for effective monitoring and compliance of Single-Family Rehabilitation projects. The new Public Services module for Community Development & Engagement (CDE) will enable staff to efficiently manage and track housing, economic development and public service programs and projects that are funded by federal grant funds. Most critically, this Public Services module can transmit program activity information into HUD's reporting system, Integrated Disbursement and Information System (IDIS) – this integration is a top priority for staff who regularly report on the spending and impacts of Community Development Block Grants (CDBG), Housing Opportunities for Persons With AIDS (HOPWA), HOME Investment Partnerships Program (HOME) and other federal resources to HUD.

CDS' work is supervised by the Business Analyst, the Acting Deputy Director, and the HDS, RLS, and CDE Managers. Staff regularly consult with IT Department staff for support as well.

2. Katharine Gale: Katharine Gale has 25 years of experience in the fields of homelessness, special needs housing, and community development. Due to the City assuming the State's block grant of ERAP funding and new State law Assembly Bill (AB) 832, the need for additional policy and data support has significantly increased. Ms. Gale revised the City program's operating policies and procedures to be in conformance with State law. She also co-leads regular training modules for ERAP Community Partners.

Ms. Gale's work will continue and be expanded to include:

- State reporting analysis and support
- Program evaluation and close out
- Best practices in program compliance

Ms. Gale's work is supervised by the HCD Director.

3. Amy Hiestand Consultant, LLC: Ms. Hiestand will continue reviewing NOFA and Homekey applications, as well as underwriting and closing NOFA and Homekey loans. She may also conduct research and analysis to advance programmatic needs, as well as other COVID-19 emergency housing related activities, as needed.

Ms. Hiestand's work is supervised by the Housing Manager and Acting Deputy Director. It is performed on an as-needed basis only and will conclude by the end of 2022.

4. Kenneth Jones: Mr. Jones will continue underwriting and closing NOFA and Homekey loans. He may also conduct research and analysis to advance programmatic needs, as well as other COVID-19 emergency housing related activities, as needed.

Mr. Jones' work is supervised by the Housing Manager and Acting Deputy Director. It is performed on an as-needed basis only and will conclude by the end of 2022.

5. UHAB: UHAB has provided guidance on due diligence and asset monitoring requirements for ACAH projects, as well as recommended modifications to existing City loan documents to reflect the unique needs of land trusts and co-ops. The remainder of UHAB's scope under the requested contract extension includes assisting with capacity building for land trusts and co-ops and other technical advisory services as necessary.

UHAB's work is supervised by the Housing Manager.

Waiver of Request for Proposal Requirement

Oakland Municipal Code (O.M.C.) Sections 2.042.A and 2.04.051.A require that the City conduct a competitive Request for Proposal/Qualifications (RFP/Q) selection process for the purchase of any combined information technology products and professional services. Per O.M.C. Sections 2.04.042.D and 2.04.051.B, the City Council may waive the City's competitive RFP/Q competitive selection requirements upon recommendation by the City Administrator and upon a finding and determination that it is in the City's best interest to do so. Staff recommends that the City Council extend the term and amount of the above agreements by which HCD receives these essential services and waive the competitive RFP/Q selection process to prevent any delays or reduction in HCD's ongoing work to address the affordable housing crisis in Oakland. Extension of these contracts and associated services will support HCD in advancing the Citywide priority of **housing, economic and cultural security**.

Alternatives

The City could issue a new RFP for each scope of work. This process would take approximately six months to complete and is not recommended for any of the consultants, but especially not for consultants 1 through 3 below for the following reasons:

1. CDS: The database was designed and is hosted by CDS, making it impossible to receive updates and maintenance from a different vendor. Replacing CDS would require the database and portal to be rebuilt to the specifications of a new vendor who would then maintain, host, and support the new system. Staff does not recommend this alternative because it would undo the significant investment of staff time and resources to tailor the system to the department's needs with no clear benefit to the City. Staff is satisfied with the services delivered to date and recommends continuing with these services as opposed to seeking a new vendor who would then need to rebuild the system.
2. Katharine Gale: the final ERAP II funds must be spent by March 31, 2022, with regular reporting required, therefore Ms. Gale's services are urgently required in the next six months.
3. Amy Hiestand Consultant, LLC: Ms. Hiestand is currently reviewing the City's Homekey Request for Proposal applications, and if her contract extension is approved, would continue working on Homekey State applications and closings through 2022.
4. Kenneth Jones: Mr. Jones provides critical development services capacity during a period of unprecedented closing activity.
5. UHAB: UHAB brings the expertise in co-ops and land trusts that is needed to guide the successful implementation of these transactions under the ACAH program.

FISCAL IMPACT

HCD has budgeted funds for consulting services as follows in **Table 3**:

Table 3: Funding Codes for Consultant Contracts

| Vendor Name | Fund | Org | Account | Project |
|--|-------------|------------|----------------|----------------|
| City Data Services | 1870 | 89919 | 54930 | 1000386 |
| Katharine Gale | 2071 | 89919 | 54919 | 1006076 |
| Amy Hiestand Consulting, LLC | 1870 | 89919 | 54930 | 1000386 |
| Kenneth Jones | 1870 | 89919 | 54930 | 1000386 |
| Urban Homesteading Assistance Board (UHAB) | 1870 | 89919 | 54930 | 1000386 |

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for the proposed policy action beyond the solicitation processes described above and standard City Council agenda noticing procedures.

COORDINATION

This report and resolution have been reviewed by the Office of the City Attorney and by the Budget Bureau.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

CDS: Since December 2019, CDS setup and has maintained the portal to host HDS housing project portfolios and capture data for sorting and analysis, along with the ability to release NOFAs through the portal. Staff is satisfied with the services delivered to date, and CDS has met all performance parameters in terms of timeline of the deliverables, responsiveness, and ability to accommodate additional scope items.

Katharine Gale: Ms. Gale has been the key data and policy expert on the City's ERAP program.

Amy Hiestand Consultant, LLC: Ms. Hiestand has successfully reviewed NOFA applications and underwritten and closed transactions in the Housing Development Services team.

Kenneth Jones: Mr. Jones has successfully underwritten and closed transactions in the Housing Development Services team.

UHAB: UHAB has provided valuable consulting services particularly in providing guidance on adjustments to HCD's loan documents.

SUSTAINABLE OPPORTUNITIES

Economic: The creation of affordable housing and preventing displacement positively impact the economics of a community by ensuring that residents with lower incomes can attain economic stability and security, improved quality of life, and increased disposable income. Improving HCD's capacity to carry out its affordable housing programs will result in improved outcomes for the residents these programs are designed to serve.

Environmental: The lack of housing options in Oakland worsens air pollution, as community members are forced to drive long distances to their jobs. Considerable evidence shows that households living near employment-dense areas and transit corridors have lower carbon footprints than those living in less dense areas further from transit. Affordable housing located near transit is particularly impactful, as low-income households are more likely not to own cars if they have access to quality transportation options. Improving HCD's capacity to facilitate development of environmentally friendly housing will advance these environmental goals.

Race and Equity: Demographic data evidences that Oakland's housing and homelessness crisis disproportionately impacts Oakland's lower-income residents and in particular the African American community. COVID-19 has exacerbated this problem. Through the added capacity of the consultants, HCD may expand its work to prioritize creating housing opportunities for those who are unsheltered and with extremely low incomes to address racial inequities. Further, the CDS database work will improve HCD's capacity to understand the relationship between its investments and Oakland's Black, Indigenous and People of Color (BIPOC) communities will enable it to engage in education, enforcement, and inform future policies in a more targeted manner to achieve positive outcomes in the future.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to extend the terms of five professional services agreements with increases to the amounts of three professional services agreements to the following consultants who will provide critically needed services to the Housing and Community Development Department and waive the request for proposals/qualifications process:

1. City Data Services, extending the term from December 15, 2021 to December 31, 2024 with an option to renew for two additional one-year terms and expanding the scope of work and increasing the amount of the agreement from \$43,100 to an amount not to exceed \$177,180; and
2. Katharine Gale, extending the term from December 31, 2021 to June 30, 2022 and increasing the amount of the agreement from \$41,040 to an amount not to exceed \$50,000; and
3. Amy Hiestand Consultant, LLC, extending the term from December 31, 2021 to December 31, 2022 and increasing the amount of the agreement from \$99,999 to an amount not to exceed \$150,000; and
4. Kenneth Jones, extending the term from December 31, 2021 to December 31, 2022; and
5. Urban Homesteading Assistance Board, extending the term from April 5, 2021 to December 31, 2022.

For questions regarding this report, please contact Christina Mun, Acting Deputy Director, HCD, at 510-238-3360.

Respectfully submitted,

Shola Olatoye

SHOLA OLATOYE
Director, Housing and Community Development
Department

Reviewed by:
Christina Mun
Acting Deputy Director, Housing and
Community
Development Department

Prepared by:
Harman Grewal
Business Analyst III, Housing and Community
Development Department