



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Shola Olatoye
Director, Housing and
Community Development

SUBJECT: Amend Professional Services
Agreements with HCD Consultants

DATE: December 7, 2020

City Administrator Approval 

Date: January 5, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator Or Designee To Extend The Terms And Increase The Amounts Of Two 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. Amy Hiestand Consulting, LLC Extending The Term From Dec. 31, 2020, To December 31, 2021 And Increasing The Amount Of The Agreement From \$49,999 To An Amount Not To Exceed \$99,999; And**
- 2. Kenneth Jones, Extending The Term From June 30, 2021, To December 31, 2021 And Increasing The Amount Of The Agreement From \$49,500 To An Amount Not To Exceed \$99,500.**

EXECUTIVE SUMMARY

Adoption of the proposed resolution authorizes the City Administrator or designee to execute two amendments to Professional Services Agreements with consultants who have been delivering critically needed services to the Housing and Community Development (HCD) Department since Fall 2019. Currently, each agreement is in an amount less than \$50,000 and would be increased by \$50,000 each, and the terms of the respective agreements would be extended to December 31, 2021.

The services are of a technical nature and assist HCD staff in carrying out various time sensitive activities that facilitate the Department's ability to address the City's housing and homelessness crisis, which has recently been exponentially exacerbated by the COVID-19 pandemic.

Based on the consultants' successful completion of scope of work items in their respective agreements, which were procured on an informal basis, staff recommends that the City Council extend the respective terms and amounts of these agreements so that their assistance may continue and waive the Request for Proposal process to prevent any delays or reduction in HCD's ongoing work to address the affordable housing crisis in Oakland.

City Council
January 19, 2021

BACKGROUND / LEGISLATIVE HISTORY

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 the Fall of 2019 for one-year terms in the following total amounts: Amy Hiestand Consulting LLC at \$49,999 and Kenneth Jones at \$49,500.

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 since the Fall of 2019, 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 seven Notices of Funding Availability (NOFAs) starting in the Fall of 2019 through 2020
- Creating an Acquisition and Conversion to Affordable Housing Program (ACAH), which includes a component dedicated to Community Land Trusts and Limited Equity Cooperatives
- Applications to the State of California which have been awarded:
 - Project Homekey - \$22.7 million, which will result in 185 new housing opportunities for people experiencing homelessness
 - CalHOME - \$3 million for Accessory Dwelling Unit program
 - Permanent Local Housing Allocation Program - \$3 million per year for long-term operating subsidies that will create 18 to 20 new units per year of housing for people experiencing homelessness
- Applications for funding to the State of California that are pending:
 - Local Housing Trust Fund - \$5 million for new construction of affordable housing
 - Cal HOME - \$5 million for down payment assistance for first time homebuyers
- Creation of a renter and homeowner COVID Relief Financial Assistance Program utilizing Coronavirus Aid, Relief, and Economic Security (CARES) Act funding

The activities that the consultants have carried out and would continue to conduct under these extended agreements are as follows:

- Review NOFA applications;

- Closing NOFA loans;
- Conducting research and analysis needed to advance programmatic needs; and
- Other COVID-19 emergency housing related activities, as needed.

The work of the HCD consultants is supervised by the Housing Manager, the Assistant to the Director, and Deputy Director. It is performed on an as-needed basis only and will conclude by the end of 2021. The City Administrator has determined that these contracts have not and will not result in a loss of employment or salary by any employees.

These activities reflect administrative expenses related to the Department's ability to effectively and efficiently deliver programs that promote affordable housing production, preservation, anti-displacement, and homelessness prevention. These activities are critically important to address the dire housing and homelessness crisis that impacts Oakland's lower-income residents. Continuation of these services for an additional year, provided on a part-time, as-needed basis, will prevent any delays or reduction in HCD's ongoing efforts to address the affordable housing crisis in Oakland.

Alternatives

The City could issue a new Request for Qualifications for this scope of work. This process would take approximately six months to complete.

FISCAL IMPACT

HCD has budgeted funds for consulting services in the 2020/21 midcycle budget as a means to support the department in advancing its work. These are administrative funds available in Affordable Housing Trust Fund (Fund 1870), Housing Development (89929), Project (TBD).

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for the proposed policy action beyond the 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 Office.

SUSTAINABLE OPPORTUNITIES

Economic: The creation of affordable housing positively impacts 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. As such, HCD's work prioritizes creating housing opportunities for those who are unsheltered and with extremely low incomes to address racial inequities. Through targeting and prioritizing how funds are deployed, HCD can address racial equity impacts.

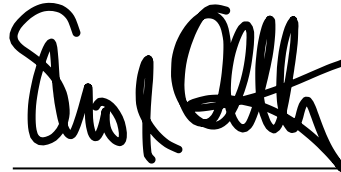
ACTION REQUESTED OF THE CITY COUNCIL

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For questions regarding this report, please contact Maryann Leshin, Deputy Director, HCD, at 510-238-6225.

Respectfully submitted,



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Department

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