



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Christina Mun
Interim Director, Housing
and Community
Development

SUBJECT: Extend HCD Professional Services
Agreements

DATE: November 7, 2022

City Administrator Approval

Date: November 15, 2022

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Extend The Terms Of Professional Services Agreements With Amy Hiestand Consulting, LLC And Kenneth Jones For Affordable Housing Services From December 31, 2022, To December 31, 2023, With No Increase To The Contract Amount

EXECUTIVE SUMMARY

Adoption of the proposed resolution would authorize the City Administrator to extend the term, with no increase to the contract amount, of two existing professional services agreements with the following consultants who have been providing critically needed services to HCD for underwriting and closing for affordable housing projects:

- Amy Hiestand Consulting, LLC under the current contract amount of \$150,000
- Kenneth Jones under the current contract amount of \$99,500

The terms of both professional services agreements will be extended from December 31, 2022 to December 31, 2023 with no increase in contract amounts of both agreements.

Oakland's Housing & Community Development Department (HCD) has faced years of capacity constraints, exacerbated by the hiring crunch of the pandemic and staggering need for housing services. Although the Housing Development Services unit is now nearly fully staffed, in recent years the volume of work and scope of the agency has shifted significantly with an influx of federal and state affordable housing funding and the urgency to respond to our housing and homelessness crisis. 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 hiring of consultants, to meet the housing needs of the City and its residents.

City Council
December 6, 2022

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 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.¹ 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.

On December 21, 2021, the City Council adopted Resolution No. 88969 C.M.S.² extending both contracts to December 31, 2022, and increasing the professional service agreement amount for Amy Hiestand Consulting, LLC, from \$99,999 to \$150,000.

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.

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 as well as State and Federal resources that have become available since 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 NOFAs in calendar years 2021 and 2022; in 2022, Council approved award commitments totaling \$37,561,000 for six new construction affordable housing projects
- Implementation of the Acquisition and Conversion to Affordable Housing Program (ACAH), which includes a component dedicated to Community Land Trusts and Limited Equity Cooperatives. Since 2020, \$6,350,000 has been awarded to 58 units under the ACAH Program, and staff are aiming for the next ACAH NOFA to be issued by December 2022.
- Funding applications to the State of California which were recently awarded:
 - 2020 Homekey Round 1 - \$22.2 million, which resulted in 171 new housing opportunities for people experiencing homelessness.

¹ City of Oakland - [File #: 21-0008](#) (legistar.com)

² City of Oakland - [File #: 21-0928](#) (legistar.com)

- 2021 Homekey Round 2 - \$31.9 million, which resulted in 114 new affordable units for people experiencing homelessness.
- 2020, 2021 and 2022 Local Housing Trust Fund - \$15 million for new construction of affordable housing over three years
- CalHOME - \$3 million for Accessory Dwelling Unit program
- Six Oakland projects have received funding commitments under the California Housing Accelerator program, which is designed to clear the State's 4 percent tax credit and tax-exempt bond backlog; four of the projects started construction in 2022.
- State funding cycles for City and its projects anticipated in 2023:
 - Affordable Housing Sustainable Communities NOFA issued in January 2023 (due March 2023)
 - Homekey Round 3 NOFA expected in Spring 2023
 - Local Housing Trust Fund NOFA in 2023 (date to be determined)
 - State SuperNOFA in 2023 (date to be determined)
 - Low income housing tax credit & tax exempt bond applications in Spring and Fall 2023

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

1. Amy Hiestand Consulting, LLC: Ms. Hiestand will continue reviewing NOFA and Homekey applications, as well as underwriting and closing NOFA and Homekey loans and grants. 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 Development Services Manager and Interim HCD Director. It is performed on an as-needed basis only and will conclude by the end of 2023.

2. Kenneth Jones: Mr. Jones will continue underwriting and closing NOFA and Homekey loans and grants. 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 Development Services Manager and Interim HCD Director. It is performed on an as-needed basis only and will conclude by the end of 2023.

Extension of these contracts and associated services will support HCD in advancing the Citywide priority of housing, economic and cultural security.

FISCAL IMPACT

There is no cost associated with the extension of these two professional agreements. Amy Hiestand Consulting, LLC has approximately \$30,500 remaining on her existing contract, and Kenneth Jones has \$89,300 remaining on his existing contract, both of which will be spent down during the extended timeframe.

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. Contracts, including Contract Extensions, were also reviewed by the Contract Compliance Division.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

Ms. Hiestand has successfully reviewed NOFA applications and underwritten and closed transactions in the Housing Development Services team, and has also provided assistance in working with the City Attorney's Office to modify HCD's loan documents for future resident ownership in CLT and cooperative projects.

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

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 Professional Services Agreements With Amy Hiestand Consulting, LLC And Kenneth Jones For Affordable Housing Services From December 31, 2022, To December 31, 2023, With No Increase To The Contract Amount.

For questions regarding this report, please contact Christia Mulvey, Housing Development Services Manager, HCD, at 510-332-4461.

Respectfully submitted,

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