



# AGENDA REPORT

**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Emily Weinstein  
Interim Director, Housing &  
Community Development

**SUBJECT:** Affordable Housing Professional  
Services Agreements

**DATE:** October 2, 2023

City Administrator Approval

Date: Oct 12, 2023

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt a Resolution Authorizing The City Administrator To:**

**(1) Extend The Terms And Increase The Amounts Of Four Existing Professional Services Agreements With The Following Consultants And Waive The Request For Proposals/Qualification Process:**

**(A) Amy Hiestand Consultant, LLC Extending The Term From December 31, 2023, To December 31, 2026, And Increasing The Amount Of The Agreement From \$150,000 To An Amount Not To Exceed \$300,000; And**

**(B) Kenneth Jones (Aka Liberty Atlantic Development Partners) or An Entity Owned by Kenneth Jones, Extending The Term From December 31, 2023, To December 31, 2026, And Increasing The Amount Of The Agreement From \$99,500 To An Amount Not To Exceed \$150,000; And**

**(C) Housing Tools, LLC, Extending The Term From May 1, 2024 To December 31, 2026, And Increasing The Amount Of The Agreement From \$49,999 To An Amount Not To Exceed \$150,000; And**

**(D) Anjanette Scott, LLC, Extending The Term From May 1, 2024, To December 31, 2026, And Increasing The Amount Of The Agreement From \$49,999 To An Amount Not To Exceed \$150,000; And**

**(2) Enter Into A Professional Services Agreement With Myall Consulting For A Term To December 31, 2026, And In An Amount Not To Exceed \$150,000.**

## **EXECUTIVE SUMMARY**

Oakland's Housing and Community Development Department (HCD) has faced years of capacity constraints in terms of staffing, exacerbated by hiring issues related to the pandemic.

CED Committee  
October 24, 2023

Over the past several years, the volume of work and scope of the department has shifted significantly, with an influx of federal, state and local funding providing both opportunities for funding affordable housing projects and programs. In order to meet the workload demands of the department with the protracted timeline of the City of Oakland's (City) hiring process, as well as to address surges of work anticipated with planned department reorganization, HCD must leverage all resources at its disposal, including consultants, to meet the housing needs of the City and its residents.

Adoption of the proposed resolution authorizes the City Administrator to execute amendments to existing Professional Services Agreements and enter into a Professional Services Agreement with one additional consultant to provide critically needed services to HCD. The total amount of additional funds requested for the consultant contracts is \$550,502. The summary of the contracts and requested extensions and expansion are provided in **Table 1** below:

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

Consultant	Scope	Term of Current Agreement	Requested Extension Date	Current Contract Amount	Requested Contract Increase Limit	Additional Funds Needed
Amy Hiestand Consulting, LLC	Program development and technical assistance; Underwriting and closing for affordable housing projects; NOFA review and evaluation	7/30/2019 - 12/31/23	12/31/26	\$150,000	\$300,000	\$150,000
Kenneth Jones (Liberty Atlantic Development Partners) or an entity owned by Kenneth Jones	Program development and technical assistance; Underwriting and closing for affordable housing projects	10/14/19 - 12/31/23	12/31/26	\$99,500	\$150,000	\$50,500
Housing Tools LLC	NOFA review and evaluation; Underwriting and closing	5/1/23 - 5/1/24	12/31/26	\$49,999	\$150,000	\$100,001

	for affordable housing projects; Rapid Response Housing Program Technical Assistance					
Anjanette Scott LLC	NOFA review and evaluation; Underwriting and closing for affordable housing projects; Rapid Response Housing Program Technical Assistance	5/1/23 - 5/1/24	12/31/26	49,999	\$150,000	\$100,001
Myall Consulting	NOFA review and evaluation; Underwriting and closing for affordable housing projects; programmatic support	New Agreement	12/31/26	New Agreement	\$150,000	\$150,000
<b>Total</b>						<b>\$550,502</b>

## **BACKGROUND / LEGISLATIVE HISTORY**

### **Amy Hiestand LLC and Kenneth Jones (Liberty Atlantic Development Partners)**

On July 10, 2019, HCD released two Requests for Qualifications (RFQ) seeking consultants to provide affordable 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.<sup>1</sup> 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.<sup>2</sup> 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. On December 6, 2022, the City Council adopted Resolution No. 89489 C.M.S. extending both contracts to December 31, 2022, to December 31, 2023, with no increase to the contract amount.

Ms. Hiestand conducts underwriting and closings of Acquisition and Conversion to Affordable Housing (ACAH) Notice of Funding Availability (NOFA) and Homekey loans. She also conducts research and analysis to advance programmatic needs, as well, and may assist with the planning and implementation of Measure U funding program and researching the opportunity for an over-the-counter ACAH loan product.

Mr. Jones conducts underwriting and closings of ACAH NOFA and Homekey loans. He may also conduct research and analysis to advance programmatic needs, as well as other housing related activities, as needed, including improvements to the predevelopment loan program to meet the needs of emerging developers and the creation of a rolling homeless housing funding program.

#### Housing Tools LLC and Anjanette Scott LLC

On January 23, 2023, HCD released a RFQ for NOFA Application Review Assistance and Other General Housing Development Activities. The RFQ was sent to 19 firms, following extensive outreach to the Bay Area network on affordable housing professional consultants. Three proposals were submitted and two were selected for this work: Housing Tools, LLC and Anjanette Scott, LLC. The third submittal was rejected since the consultant had a conflict of interest that prevented them from being able to perform the work listed in the RFP. The City entered into a professional services agreement with Housing Tools, LLC in May 2023 and Anjanette Scott, LLC in July 2023. Each contract amounts equal \$49,999.

Housing Tools, LLC and Anjanette Scott, LLC will work on loan closings for Affordable Multifamily New Construction projects and assist with NOFA related tasks, including reviewing and updating materials. Both consultants may also conduct other affordable housing technical and programmatic assistance, as needed, including tasks related to the Rapid Response Housing Program or improvements to the predevelopment loan program to meet the needs of emerging developers.

#### Myall Consulting

On March 2, 2023, HCD released Amendment #2 to the RFQ for NOFA Application Review Assistance and Other General Housing Development Activities. The Amendment added items to

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

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

the Scope of Work listed in the original RFQ and Amendment #1, including planning and implementation of the Measure U funding program (Measure U is the 2022 Affordable Housing and Infrastructure Bond that was approved by Oakland voters in November 2022), closing affordable housing loans and assisting with loan/project work-outs or other special assignments. The Amended RFQ was sent to 19 firms. One proposal from Myall Consulting was submitted and selected for this work. The City wishes to enter into a professional services agreement with Myall Consulting to conduct affordable housing technical and programmatic assistance, including updating NOFAs, reviewing NOFA applications, performing loan closings and other programmatic assistance, as needed, such as improvements to the predevelopment loan program to meet the needs of emerging developers or the creation of a homeless housing funding program.

## **ANALYSIS AND POLICY ALTERNATIVES**

The need for technical professional services is based on a surge of activity related to the housing and homelessness crises and the urgency to both deploy available local funds, as well as State and Federal resources that have become available to address these overlapping crises. HCD has demonstrated the ability to increase the pace of its work, 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, 2022, and 2023. In 2023, Council approved a total of \$70M to fully fund seven (7) new construction affordable housing projects and an additional two (2) projects that were partially funded from this award.
- Implementation of the ACAH Program, which includes a component dedicated to Community Land Trusts and Limited Equity Cooperatives. In response to the December 2022 NOFA, ~\$13,000,000 was awarded to seven projects.
- 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.
  - 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, and the remaining two started construction in 2023.
  - Two Oakland projects have received funding commitments under the tax credit program and both will close its loans and start construction in Spring 2024.
  - In 2023, Oakland has received \$53 million from three State grants, the Regional Early Action Planning Grant 2.0, the Prohousing Incentive Program, and the Infill Infrastructure Grant Catalytic program. Each of these grants will require reporting to the State on varying intervals between now and 2027. -
- State funding cycles for City and its projects anticipated in 2023:
  - Affordable Housing Sustainable Communities NOFA expected in November 2023

- Homekey Round 4 NOFA expected in Winter 2023/2024
- Local Housing Trust Fund NOFA – awarded funding from rounds in 2020, 2021 and 2022
- State SuperNOFA in 2024 (date to be determined)
- Low-income housing tax credit & tax-exempt bond applications in Spring and Fall 2024

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 New Construction and ACAH NOFA and Homekey applications, as well as underwriting and closing affordable housing loans and grants. She may also conduct research and analysis to advance programmatic needs, as needed.
2. Kenneth Jones: Mr. Jones will continue underwriting and closing New Construction and ACAH NOFA and Homekey loans. He may also conduct research and analysis to advance programmatic needs, as needed.
3. Housing Tools, LLC: will continue to work on loan closings for the Affordable Multifamily New Construction, Homekey and ACAH projects and assist with NOFA related tasks, including reviewing and updating materials. Housing Tools, LLC may also work on the Rapid Response Housing Program and conduct other technical and programmatic assistance, as needed.
4. Anjanette Scott, LLC: will work on loan closings for the Affordable Multifamily New Construction, Homekey and ACAH projects and assist with NOFA related tasks, including reviewing and updating materials and tools. Anjanette Scott, LLC may also work on the Rapid Response Housing Program and conduct other technical and programmatic assistance, as needed.
5. Myall Consulting: Myall Consulting will work on loan closings for the Affordable Multifamily Affordable New Construction, Homekey and ACAH Programs and conduct other technical and programmatic assistance, as needed.

All of the consultants are supervised by the Housing Development Services Manager and Interim HCD Director. The work is performed on an as-needed basis only. Extension of these contracts and entering into a new contract with Myall Consulting will support HCD in advancing the Citywide priority of housing, economic and cultural security.

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 since they are all currently working on Affordable Multifamily New Construction, Homekey and ACAH loan closings and other affordable housing programs and tasks. This critical work would be delayed while staff issues the new RFP.

### FISCAL IMPACT

HCD has budgeted funds in the amount of \$500,502 of Affordable Housing Trust Fund (Boomerang) and Measure U funds for the consultant contracts as shown in **Table 2**:

**Table 2:** Funding Codes for Consultant Contracts

<b>Name of Fund</b>	<b>Fund</b>	<b>Org</b>	<b>Account</b>	<b>Project</b>
Affordable Housing Trust Fund (Boomerang)	1870	89929	54930	1000386
Measure U Affordable Housing Bond Tranche 1	5340	89929	54930	1007138

### 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

Amy Hiestand Consultant, LLC: Ms. Hiestand has successfully reviewed NOFA applications for the ACAH and New Construction Programs. She has underwritten and closed transactions for the Housing Development Services team. She has also researched and revamped the policies

of the ACAH Program for the 2022 ACAH NOFA and assisted in refining the policies and procedures for cooperatives in the ACAH Program.

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

Housing Tools LLC: Since the professional services agreement was executed with Housing Tools LLC in May 2023, Housing Tools LLC has collected and analyzed due diligence documents and drafted loan documents for a New Construction NOFA project.

Anjanette Scott LLC: Since the professional services agreement was executed with Anjanette Scott LLC in July 2024, Ms. Scott has assisted with revisions to New Construction NOFA materials and due diligence associated with New Construction loan closings.

Monthly invoices are submitted by the consultants for review and approval by staff, and as a result, staff is evaluating the effectiveness and efficiency of the work being performed on an on-going basis. Staff also evaluates the effectiveness and efficiency of the work at the end of an assignment, for example, once a loan has been closed or NOFA applications have been evaluated and scored.

## **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 shows 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:

(1) Extend The Terms And Increase The Amounts Of Four Existing Professional Services Agreements With The Following Consultants And Waive The Request For Proposals/Qualifications Process:

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For questions regarding this report, please contact Meghan Horl, Housing Development Coordinator IV, at [mhorl@oaklandca.gov](mailto:mhorl@oaklandca.gov) or 510-847-6392.

Respectfully submitted,

Emily Weinstein

Emily Weinstein (Oct 11, 2023 16:23 PDT)

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EMILY WEINSTEIN  
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