



CITY COUNCIL STAFF REPORT



March 15, 2022

ITEM TITLE

Housing Service Agreement: Approval of an Agreement with RSG, Inc. for Affordable Housing Monitoring and Reporting Services, Including Authorization for Up to Four Additional One-Year Options to Extend

Report Number: 22-0088

Location: No specific geographical location

Department: Development Services

Environmental Notice: The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

City Council and Housing Authority adopt a resolution approving an agreement with RSG, Inc. ("RSG") for affordable housing monitoring and reporting services and authorizing the City Manager/Housing Authority Director (for the Successor Housing Entity pursuant to Government Code section 34176(a)), or their designees, to enter into an initial agreement with RSG for affordable housing monitoring and reporting services with four additional one-year options to extend, for a total contract period of up to five years.

SUMMARY

The City of Chula Vista and the Chula Vista Housing Authority (acting in its capacity as the Successor Housing Entity pursuant to Government Code Section 34176(a); collectively "City") utilize the services of RSG for the monitoring of affordable housing projects and for the preparation of two annual reports to State of California Department of Housing and Community Development ("HCD"). This action requests: (1) the approval of an agreement with RSG; (2) authorization of the City Manager/Housing Authority Director to execute said agreement; and (3) additional authorization to execute up to four (4) additional one-year options to extend, for a total contract period of up to five years.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under

Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

The City utilizes, as available, federal HOME Investment Partnership (“HOME”), State of California Redevelopment funds including the Low-and-Moderate Income Housing fund and Multi-Family Housing Revenue Bond proceeds for financing of affordable housing developments. As a condition of receiving assistance through these governmental resources, the City is required to monitor affordable housing projects in accordance with applicable U.S. Department of Housing and Urban Development (“HUD”) requirements, the attendant Code of Federal Regulations, State HCD requirements, Community Redevelopment Law of the State of California (Health and Safety Code Section 33000, et seq.) and State Bond financing requirements. In addition, the Housing Authority, acting as the Successor Housing Entity, has to prepare and submit annual reporting to HCD.

Consultant Selection Process

On March 12, 2021, an RFQ (RFQ Q13-20-21) was issued for agencies interested in providing housing related services on behalf of the City. Although 101 parties downloaded a copy of the RFQ through the City’s Planet Bids, eight (8) agencies submitted proposals for housing related services (3 specific to monitoring services) by the deadline. Proposal evaluations were completed in accordance with the applicable provisions of the Chula Vista Municipal Code including policies, procedures, and guidelines contained in the Chula Vista Municipal Code Section 2.56.110. Proposal review and scoring was based on the best value selection process outlined in the RFQ, which emphasized qualifications scored based on four main components: 1) ability of business to provide the desired services; 2) relevant skills; 3) experience; and 4) availability of key personnel, quality of relevant references, and cost. The City’s Selection Committee selected RSG as the top ranked proposal.

RSG as the Compliance Consultant

The City and Housing Authority anticipate RSG monitoring 21 affordable housing complexes that will include a total of 2,101 units. RSG’s Scope of Work to be performed is as follows:

- I. Affordable Housing Compliance Reviews:
 1. Review semi-annual compliance reports from FOCUS web-based compliance reporting system prior to scheduling an onsite monitoring visit.
 2. Conduct site visits.
 3. Prepare a written report listing all findings.
 4. Consultant shall use monitoring checklist for those projects that are subsidized using HUD funds.
 5. Consultant shall support the City in the resolution of legal issues involving regulatory agreement enforcement.

II. Reporting

1. Assist in the preparation of the annual SB-341 Successor Housing Entity Annual Report and the Housing Authority Annual Report starting with fiscal year 2022-2023.

City Council/Housing Authority Action

This action authorizes the City Manager/Housing Authority Director or their designees to enter into a contract with RSG to cover the compliance monitoring costs for the first year with options to extend the agreement for up to four (4) additional one-year options based on available fund balance, for an agreement period of up to a total of five years. Table 1 provides the project costs anticipated to be monitored over the five-years. The goal is to add funding to the contract if additional properties are added to the affordable housing portfolio.

Table 1 - Annual Contract Costs

| Term | Amount |
|---------------|----------------------|
| Initial | \$ 50,000.00 |
| Option Year 1 | \$ 75,000.00 |
| Option Year 2 | \$ 75,000.00 |
| Option Year 3 | \$ 75,000.00 |
| Option Year 4 | \$ 75,000.00 |
| Total | \$ 350,000.00 |

It is anticipated with approval of this item that RSG can begin scheduling the required onsite visits.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council/Housing Authority members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.). Staff is not independently aware and has not been informed by any City Council/Housing Authority member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

There is no fiscal impact to the General Fund as a result of this action. Funding for this agreement is included in the adopted budget for fiscal year 2021-2022 in the Chula Vista Housing Authority fund.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact to the General Fund as a result of this action. All costs associated with this agreement are covered by administrative and monitoring fees.

ATTACHMENTS

None.

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