



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

**Item No.** \_\_\_\_\_

**FROM:** City Administrator

**SUBJECT:** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING A SERVICES AGREEMENT WITH MDG ASSOCIATES INC. TO PROVIDE PROFESSIONAL CONSULTING SERVICES TO STAFF THE POSITION OF HOUSING CONSULTANT

**MEETING DATE:** September 19, 2017

---

### **RECOMMENDATION:**

Adopt a Resolution approving the Services Agreement between the City of Commerce and MDG Associates Inc. to provide professional consulting services to staff the position of Housing Consultant.

### **BACKGROUND:**

The City of Commerce released a Request for Proposal for Housing Consultant Services, with the primary goals to evaluate, create, implement and administer housing programs to the City's residents.

Prior to the dissolution of the City's Redevelopment Agency, the City of Commerce offered a variety of programs that provided financial assistance to allow improvements to residential dwelling units within its jurisdiction. These programs included the Neighborhood Fix-Up Grant, Environmental Rehabilitation Program, Emergency Repair Grant Program, First Time Homebuyer Program and the Substantial Rehabilitation Loan Program. These programs served as resources for residents in need of assistance. With the loss of Redevelopment funds, proper monetary resources no longer existed, resulting in the elimination of all, but the Neighborhood Fix-Up Grant Program. The City has also managed to retain the Home Preservation Grant Program, which is sustained through Community Development Block Grant (CDBG) funds.

The Housing Consultant will be tasked with examining the programs discussed herein, as well as recommending any new programs that may be an appropriate fit for the City and its residents. Those programs that best meet the needs of the residents will be recommended for reinstatement and/or implementation. The Housing Consultant will also be responsible for identifying alternative funding mechanisms that may be available and not currently utilized. Initially, assistance with administering these programs will be

necessary, and the Housing Consultant may be required long-term. Another major component of the consultant's work will include administering the two existing housing programs currently offered by the City. All work items will be carried out in conjunction with City staff direction, input and review.

## **ANALYSIS:**

The City of Commerce has always sought to improve the quality of its housing stock and ensure the highest possible quality of living for all its residents. The City recognizes the need to offer additional housing programs and will look to do so with the help of a consultant. With the dissolution of Redevelopment and the housing programs that were funded by it, the City previously eliminated three full-time housing specific positions and two consulting positions which were necessary to administer the housing programs. Currently, there is no staff member with a housing related job title, or housing specific job description. Since the dissolution of Redevelopment, one full-time Planning staff member has been responsible for administering the City's two remaining housing programs. Over the last year, a second full-time staff member (Office Specialist) has also been working to help administer these programs. As stated earlier in this report, the consultant's work will include administering the City's two existing programs, and recommending reinstatement or implementation of additional housing programs. The consultant will also be asked to provide a recommendation on the appropriate staffing levels necessary to implement and administer these programs.

The City Council first reviewed this item at their August 15, 2017 meeting. At that time, there were some concerns were raised regarding the proposed budget for this work, as well as the use of consultants by the Public Works & Development Services Department (PWDS). One Councilmember suggested that current staff try to undertake this project without the use of consultants. The Mayor also suggested that one Councilmember meet with PWDS staff to further discuss this matter, as well as other projects currently being worked on. Another Councilmember asked to be part of the discussion with PWDS staff. The City Council did not take any action on the agreement during their August 15th meeting.

The City's Planning Division consists of three full-time City employees, and one part-time Planning consultant. The Deputy Director of Development Services is responsible for overseeing the operations of both the City's Planning and Building and Safety Divisions. As stated earlier in this report, one Planning staff member is currently administering the two existing housing programs, with assistance from an Office Specialist. Planning staff is tasked with a heavy workload, including approximately fifty projects currently underway or under review. This does not include any housing related projects associated with either of the two programs currently being administered.

The first program currently being administered by staff is the Neighborhood Fix Up Grant. This program has funded small exterior home improvements since January 19th, 1999. It has proven to be successful and well received by residents who are interested in preserving and improving their own homes, as well as the community's housing stock. The current iteration of the program provides financial assistance, up to \$2,000 every two years, to qualified residents for the cost of materials associated with eligible exterior upgrades to residences. Since March of 2016, 66 residents received notice that they were selected to receive Fix Up Grant funding. Thus far, 27 of those residents have concluded

their projects and received reimbursement. Staff's role in administering this program includes, but is not limited to, income qualifying interested residents, reviewing applications submittals, visiting residences and photo documenting conditions (both before and after), and processing submittals for reimbursement. A full listing staff's duties related to this program are attached to this report.

The Home Preservation Grant is the second program Planning staff is responsible for administering. It was established to help revitalize the City's residential neighborhoods by assisting low to moderate income residents with the repair and rehabilitation of their single-family owner-occupied home. When the Program was first implemented, the grant offered up to \$10,000 to eligible home owners to assist with essential home improvements such as the replacement of windows, re-roofs, asbestos abatement, exterior accessibility modifications, and minor repair/replacement of interior plumbing, electrical, or ceiling and/flooring, site improvements, and utility connections. The grant amount was later increased to \$20,000. Despite losing Redevelopment funds, this Program was sustained through the use of CDBG funds. To be eligible, the gross combined annual household income cannot exceed the moderate income limits for Los Angeles County as defined by the Department of Housing and Urban Development. Annually, three to five homes are improved with the use of these funds. As of the date this report was drafted, there were 99 residents on the waiting list for this Program. Internally, there are roughly 29 steps that staff must complete in order to process a single Home Preservation Grant project. A full listing of these steps is included as an attachment to this staff report.

#### **STAFF RECOMMENDATION:**

Staff is recommending that the City Council approve the proposed agreement with MDG for housing consultant services. MDG was established in 1991 and have worked to provide housing related administration and implementation services to cities such as but not limited to Azusa, Claremont, Duarte, Upland, Temecula, El Monte, Paramount, Carson, Lawndale, Buena Park, and Redlands. Additionally, MDG staff maintains a solid relationship the local and national offices of the Department of Housing and Urban Development (HUD), as they currently provided technical assistance to grantees throughout the country on behalf of HUD. MDG has provided the City with a proposal, scope of work, and proposed budget to assist the City over a twelve month period. The cost associated with their work was initially proposed to be billed on a time and materials basis. However, after staff interviews and further discussions regarding the project budget, MDG provided a proposed annual budget for the work described in the scope of work. The proposed cost is \$85,060. Staff is hereby recommending approval of the subject services agreement for the proposed work at a cost of \$85,060 plus a ten percent contingency for a total of 93,566.

Staff anticipates this work taking twelve months to complete and upon doing so, will provide its recommendations to Council to consider.

#### **ALTERNATIVES:**

1. Approve and execute the Services Agreement between the City of Commerce and MDG Associates Inc.; or
2. Provide staff with alternative direction.

**FISCAL IMPACT:**

Funding for this work and its corresponding programs will be mostly provided by revenue generated through Measure AA. Annually, \$200,000 of Measure AA funds have been set aside to be used for the City's housing programs. Additionally, \$100,000 of general fund money has been set aside to be used for housing programs on an annual basis.

**RELATIONSHIP TO STRATEGIC GOALS:**

This agenda report relates to the strategic planning goal: "*Protect and Enhance the Quality of Life in the City of Commerce*".

Recommended by: Maryam Babaki  
Director of Public Works & Development Services  
Prepared by: Matt Marquez  
Deputy Director of Development Services  
Reviewed by:  
Approved as to form:  
Respectfully submitted:

**ATTACHMENTS:**

1. Resolution
2. Professional Services Agreement
3. Neighborhood Fix Up Grant Program Procedures
4. Home Preservation Grant Program Procedures