



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

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

**FROM:** City Manager

**SUBJECT:** A resolution of the City Council of the City of Commerce, California, approving an extension to the services agreement with MDG Associates, Inc., to provide professional consulting services related to the City's Community Development Block Grant (CDBG) and Home Improvement programs

**MEETING DATE:** December 1, 2020

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### **RECOMMENDATION:**

Adopt a Resolution approving an extension to the Services Agreement with MDG Associates, Inc., to continue providing housing consulting services and assist with administering the City's Community Development Block Grant (CDBG) programs/projects, including the Home Preservation Grant Program.

### **BACKGROUND/ANALYSIS:**

On October 3, 2017, the City Council approved a three year consultant services agreement between the City of Commerce and MDG Associates, Inc., to assist with housing services. These services include, but are not limited to, analyzing and managing existing housing programs while also studying new programs that may be appropriate to meet the needs and goals of the City as well as its residents. Specifically, services included administering two existing home improvement programs offered by the City as well as creating and implementing the necessary policies and procedures associated with the City's Community Development Block Grant (CDBG) programs/projects.

The first home improvement program MDG is tasked with administering is the Neighborhood Fix-Up Grant, which provides for financial assistance of up to \$2,000 every two years, to qualified residents for the cost of materials associated with eligible exterior upgrades to residences. Due to ongoing hardships associated with COVID-19, the City is working to re-prioritize this program and will need MDG to aide in updating the program.

The second program administered by MDG is the Home Preservation Grant. The grant offers up to \$25,000 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. This Program is sustained through the use of CDBG funds, therefore MDG will continue to assist with improving four to six single family homes annually with the use of these funds.

Based on the continued need of MDG's consulting expertise with administering the Home Preservation Grant Program and other CDBG related programs/projects, City staff requested that MDG provide a revised proposal that included the reduced scope of services and an adjusted annual budget which reflects the scope of work described in the attached Professional Services Agreement. By reducing the scope of services there will be an average annual savings of \$62,000 from MDG's previously approved services agreement. Staff is hereby recommending that the City approve the extension of the MDG Associates, Inc. agreement for three (3) additional years, through December 1, 2023. The rate schedule below provides a not-to-exceed budget for MDG's CDBG Administration support services:

- FY 2020-2021 - \$21,600
- FY 2021-2022 - \$22,200
- FY 2022-2023 - \$22,800

This amount will allow MDG to continue with the administration and implementation of the CDBG Program, including but not limited to compliance with Federal and HUD regulations, monitor project progress and expenditures, preparing contracts and status reports, and supporting staff with Program Audit review of CDBG activities.

#### **ALTERNATIVES:**

1. Approve staff's recommendation
2. Reject staff's recommendation
3. Provide staff with further direction

#### **FISCAL IMPACT:**

On October 3, 2017, the City Council approved \$200,000 annually for a three-year period. Prior year appropriated funds still remain, sufficient enough to cover the aforementioned proposed budget for MDG's consulting fees.

#### **RELATIONSHIP TO STRATEGIC GOALS:**

The issue before the Council is consistent with the Community Quality of Life Guiding Principle 5 of the City's Strategic Action Plan: "Foster environmentally conscious initiatives and continue to identify and develop city codes that support a clean, well-maintained, sustainable community". An Action Item titled "Pursue quality of life initiatives through the operating budget and CIP plan" was also developed to provide a pathway for the vision of the Guiding Principal to be realized.

Reviewed by: Jose Jimenez, Director of Economic Development and Planning

Reviewed by: Vilko Domic, Assistant City Manager

Approved as to form: Norma Copado, Assistant City Attorney

Respectfully submitted: Edgar P. Cisneros, City Manager

**ATTACHMENTS:**

1. Resolution
2. Professional Services Agreement
3. MDG's Proposal