



City of Chula Vista

Staff Report

File#: 14-0292, **Item#:** 6.

A. RESOLUTION NO. 2014-122 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA: WAIVING THE COMPETITIVE FORMAL BID REQUIREMENTS; APPROVING AN AGREEMENT BETWEEN THE CITY/HOUSING AUTHORITY AND COMPLIANCE SERVICES, LLC FOR AFFORDABLE HOUSING MONITORING SOFTWARE; AND AUTHORIZING THE CITY MANAGER/HOUSING AUTHORITY DIRECTOR OR HIS DESIGNEE TO EXECUTE THE INITIAL AGREEMENT AND THE PURCHASING AGENT TO EXECUTE THREE ONE-YEAR OPTIONS TO EXTEND THE AGREEMENT

B. RESOLUTION NO. 2014-004 OF THE CHULA VISTA HOUSING AUTHORITY: WAIVING THE COMPETITIVE FORMAL BID REQUIREMENTS; APPROVING AN AGREEMENT BETWEEN THE CITY/HOUSING AUTHORITY AND COMPLIANCE SERVICES, LLC FOR AFFORDABLE HOUSING MONITORING SOFTWARE; AND AUTHORIZING THE CITY MANAGER/HOUSING AUTHORITY DIRECTOR OR HIS DESIGNEE TO EXECUTE THE INITIAL AGREEMENT AND THE PURCHASING AGENT TO EXECUTE THREE ONE-YEAR OPTIONS TO EXTEND THE AGREEMENT

RECOMMENDED ACTION

Council adopt resolution A and Authority adopt resolution B.

SUMMARY

The City of Chula Vista and the Chula Vista Housing Authority (collectively "City") utilizes computer software provided by Compliance Services (CS) for the monitoring of affordable housing projects. This action requests approval of an Agreement with CS and authorization of the City Manager/Housing Authority Director or his Designee to execute the initial Agreement and the Purchasing Agent to execute three (3) additional one-year options to extend.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). The proposed activity is not considered a project as defined under Section 15378(b)(5) of the State CEQA Guidelines because the proposal consists of the use of computer software for reporting purposes, and will not result in a direct or indirect physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, this activity is not subject to CEQA. Under NEPA, the activities qualify for a Certification of Exemption pursuant to Title 24, Part 58.34(a)(2)&(3) of the Code of Federal Regulations and pursuant to the U.S. Department of Housing & Urban Development Environmental Guidelines. Thus, no further environmental review is necessary at this time.

BOARD/COMMISSION RECOMMENDATION

Not applicable

DISCUSSION

The City utilizes, as available, federal Community Development Block Grant (CDBG), federal HOME Investment Partnership (HOME), State of California Redevelopment funds including Low and Moderate Income Housing fund, and issuance of Multi-Family Housing Revenue Bonds 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 of California Department of Housing and Community Development (HCD) requirements, Community Redevelopment Law of the State of California (Health and Safety Code Section 33000, *et seq.*) and State Bond financing requirements.

CS compliance monitoring and reporting software system enables developers and the City to manage affordable housing records easily and efficiently. Real-time calculations and reports ensure compliance with federal, state and local income and rent restrictions. All of the reporting is submitted electronically through the software by property owners/managers. The software in turn determines compliance. City staff monitors submittals and addresses compliance issues.

CS as Software Administrator:

CS software is used by various public agencies to monitor over 600 affordable housing properties, representing more than 65,000 units. Cities that currently use the software and related services include the City of Concord, City of Escondido, City of Foster City, City of Fresno, City of Hayward, City of Hesperia, City of Santa Clara, and Contra Costa County.

The City has been using CS software since 2010 to monitor compliance of 13 properties, consisting of approximately 1,300 units. In 2015, the City will add three additional properties: Kiku Garden Apartments (Garden Villas), Lofts on Landis, and Congregational Tower. The total number of properties will grow to 16 and includes 1646 units.

Scope of Work:

The scope of work proposed to be performed by CS is as follows:

- Review the regulatory agreement for each property and prepare a concise compliance summary. The summary shall outline tenant eligibility responsibilities specific to each project and provide procedures for ensuring continuing compliance.
- Update Compliance Summary, as needed;
- Respond to request from users to reset password and/or provide technical assistance;
- Host the software on its Web servers;
- Take reasonable efforts and actions to provide the city with any available updates to the software, whenever the same becomes available to those other cities or consultants that have a commercial license to the software.

- Back up and protect all city data, using commercially reasonable efforts. The city shall designate an authorized contact person(s), who shall have 24/7 access to the aforementioned city data.

Waiving Competitive Bidding Requirement

The existing software is unique in providing for the electronic submission of reports that are then tied to the applicable rent and income limits as determined by the funding source. Based on city research, no other vendor currently provides a similar type of software product.

The City has used CS software since 2010. Significant resources have been dedicated to training of city staff and property owners/managers in the software system and data input, including all property information and copies of all loan agreements and regulatory documents.

Therefore, staff is recommending that the bid process be waived and an agreement with CS be approved as to form (Attachment 1).

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site specific and consequently, the 500-foot rule in California Code of Regulations section 18704.2(a)(1) is not applicable to this decision. Staff is not independently aware, nor has staff been informed by any City Councilmember, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community.

The nature of this Agreement is consistent with:

Goal 1: Operational Excellence.

Strategy 1.2: Excel in service delivery by continuously improving

Initiative 1.2.2: Leverage new and emerging technology to provide efficient, effective, and secure Informational Technology solutions.

The software allows developers to enter reporting data (as required by the City) into internet based software eliminating the need to submit paper copies. The software also includes uploaded copies of loan and regulatory documents and current rent and income limits, as it applies to specific projects.

The Housing Compliance Services software online reporting system helps meet green mandates by significantly reducing the use of paper, the production of which is both resource-intensive and a major source of pollution, as well as by eliminating the fuel consumption and carbon dioxide (CO2) output associated with transportation/shipping. Important documents and reports are stored in a single portal for quick and easy staff access.

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CURRENT YEAR FISCAL IMPACT

Funding for this Agreement is included in the adopted budget for fiscal year 2014-15 in the Chula Vista Housing Authority fund. There is no fiscal impact to the General Fund as a result of this action.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact as all costs associated with this Agreement are covered by bond administrative and monitoring fees.

ATTACHMENT

1. Two-Party Agreement
2. Disclosure Form

Staff Contact: Jose Dorado, Project Coordinator, Development Services Department-Housing