

DATE: MARCH 28, 2005
TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION
THROUGH: FINANCE COMMITTEE
FROM: CYNTHIA J. KURTZ, CITY MANAGER
SUBJECT: AMENDMENT TO PROFESSIONAL SERVICES CONTRACT NO.
CDC-534 WITH KEYSER MARSTON ASSOCIATES FOR ECONOMIC
CONSULTING SERVICES

RECOMMENDATION

It is recommended that the Pasadena Community Development Commission:

- 1) Authorize the Chief Executive Officer to amend Professional Services Contract No. CDC-534 with Keyser Marston Associates for continuation of economic consulting services on affordable housing projects and inclusionary housing requirement issues, by increasing the contract from \$74,999 to \$150,000; and
- 2) Approve a Journal Voucher appropriating \$75,001 from the unappropriated Affordable Housing Trust Funds balance to Account No. 8115- 810-684120 (Housing Trust Funds Administrative Account).

BACKGROUND

In June 2003 the Pasadena Community Development Commission ("Commission") issued a Request For Proposals ("RFP") seeking qualified firms to provide professional consulting services in the areas of financial and economic analysis for City- and Commission-sponsored development projects. Three vendors were selected, including Keyser Marston & Associates ("KMA"), each with a different area of expertise including affordable/inclusionary housing, commercial/economic development and redevelopment. Contracts were awarded to each in the amount of \$74,999 with a two-year contract performance term beginning January 1, 2004 and ending December 31, 2005.

The greatest need for these contract services during the last year has been in the area of affordable housing. KMA was selected and awarded a contract because of their particular expertise in this area and, as such, the KMA contract value has been exhausted and is in need of an extension. During the term of the contract performance, the assistance of KMA was required on key housing developments and complex policy matters that have enabled the City to adequately address its critical affordable housing needs. The KMA projects that have included affordable housing are Heritage Square, Orange Grove Gardens, Fair Oaks Court, Cypress Townhomes, Parke Street Apartments, density bonus developments, and several issues with the implementation

of inclusionary housing. A number of these projects, including Orange Grove Gardens, Heritage Square, and inclusionary housing ordinance in-lieu fees, have experienced extended timeframes for completion.

KMA is currently providing services on a number of key projects in-process including Fair Oaks Court, density bonus developments, and inclusionary housing issues. Because KMA has already initiated its financial analyses on these items, and for the purposes of analytic consistency and continuity, it is recommended that the Commission continue the services of KMA for the duration of these items. Transferring jobs to the other vendors would result in a possible increase in individual project cost and duplication of work, since it presents challenges for one vendor to pick-up mid-project the work of another vendor for projects of this type. Furthermore, work on redevelopment and economic development projects is currently being performed by two of the other vendors, Rosenow-Spevacek Group and Wald Realty Advisors. Wald Realty has performed approximately \$18,930 in work on two projects and has quotes for two more projects pending. To date, \$21,000 of the contract with the Rosenow Spevacek Group has been paid for Ice Rink analysis.

Increasing the KMA contract amount by \$75,001 for the balance of the term through December 31, 2005 would allow necessary time and funding for completion of key in-process projects. At the end of the term, the Commission will conduct a competitive process to select firms for the next two-year cycle.

FISCAL IMPACT

Commission approval of the subject recommendation will result in a draw from the unappropriated Affordable Housing Trust Funds balance in the amount of \$75,001.

Respectfully submitted,




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