



Agenda Report

February 24, 2020

TO: Honorable Mayor and City Council

FROM: Department of Housing

SUBJECT: AMEND CONTRACT NO. 30885 WITH DAVID PAUL ROSEN & ASSOCIATES TO PROVIDE ADDITIONAL FINANCIAL CONSULTANT SERVICES FOR THE CONCORD SENIOR HOUSING PROJECT AND INCREASE THE NOT-TO-EXCEED CONTRACT AMOUNT FROM \$90,000 TO \$102,000

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3), as it will not have a potentially significant environmental effect and, therefore, falls under the "General Rule" exemption;
- 2) Authorize the City Manager to amend Contract No. 30855 with David Paul Rosen & Associates by increasing the not-to exceed amount by \$12,000 to provide additional financial consultant services in connection with the Concord senior housing project. This amendment increases the contract value from \$90,000 to \$102,000.

BACKGROUND:

On March 27, 2017, the City Council authorized the City Manager to enter into a professional services contract with David Paul Rosen & Associates ("DRA") in the amount of \$90,000 to provide financial consulting services in connection with the Concord senior housing preservation project (the "Project"). The Project entails the disposition of City-owned real property, and the financial restructuring, renovation and preservation of the Concord, a 150-unit low income senior citizen rental complex located at 275 E. Cordova Street. The Concord is operated and managed by Retirement Housing Foundation ("RHF"). On March 26, 2019, the City and RHF entered into a Disposition, Development and Loan Agreement (the "DDLA") for the Project. On December 11, 2019, the California Tax Credit Allocation Committee approved RHF's application in what was a very competitive funding cycle, and awarded the Project a reservation of 4% Low Income Housing Tax Credits for Tax-Exempt Bond Financed Projects.

The Project construction closing is anticipated to occur no later than April 30, 2020, and the City will require consultation services from DRA to assist the City through this phase of the Project. Services to be provided by DRA will include the review of, and the provision of advice regarding, conventional construction loan documents, construction tax-exempt loan documents, permanent tax-exempt loan documents, seller note, project subsidy documents, equity documents, tax credit documents, construction documents, closing draw documents, and such other documents as may be required for the Project. Due to additional services provided by DRA that were related to unanticipated complexities in the Project and an extended Project timeline (resulting from a protracted negotiations period with RHF, delay by HUD in approving the project rents, and delay in receiving a State tax credit allocation), the services to be provided by DRA to close out the Project transaction will require an increase of \$12,000 in the Contract not-to-exceed amount. The Contract has a remaining balance of approximately \$6,500.

COUNCIL POLICY CONSIDERATION:

This proposed action supports the City Council Strategic Planning Three-Year Goals in the area of maintaining fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The proposed action is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The authorization to amend the contract with David Paul Rosen & Associates for the provision of additional financial consultant services in connection with the Concord senior housing project will not have a significant effect on the environment and, hence, is not subject to CEQA.

FISCAL IMPACT:

Funding to cover the cost of the proposed contract amendment are available in the Department's FY 2020 operating budget.

Respectfully submitted,



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