

REPORT TO CITY COUNCIL

DATE: JULY 12, 2006

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT

SUBJECT: APPROVAL OF AN AGREEMENT WITH MDG ASSOCIATES, INC., FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SINGLE-FAMILY HOUSING REHABILITATION PROGRAM CONSULTING SERVICES

The purpose of this item is to seek City Council approval for the City to enter into an agreement with MDG Associates, Inc., for Community Development Block Grant (CDBG) Single-Family Housing Rehabilitation Program consulting services. Staff would note that also on the July 12 Redevelopment Agency (RDA) Agenda is a companion agreement with MDG Associates, Inc., to administer the RDA portion of the Single-Family Housing Rehabilitation Program. While MDG Associates, Inc., will be responsible for administering both the CDBG and RDA portions of the program, separate agreements are necessary due to the fact that funding sources are different and the program components are slightly different. The budget for both the CDBG and RDA components of the Single-Family Rehabilitation Program is \$322,436, with a combined not-to-exceed amount of \$34,487 for MDG Associates, Inc., to administer the program.

The City originally entered into an agreement with MDG Associates, Inc., in January of 1999 to administer the CDBG Single-Family Housing Rehabilitation Program. This agreement has been renewed on an annual basis. The agreement for the last program year (FY 2005-06) expired on June 30, 2006 and staff is requesting that a new contract be approved for FY 2006-07. The agreement is not to exceed \$14,487, which is completely reimbursable through CDBG funds and was included in the CDBG budget for this fiscal year. The agreement amount represents 20% of the \$72,436 program budget that the City is allowed to spend for administering this program.

Federal law requests cities to seek competitive bids every three years. Last year the City sent a request for proposal from qualified individuals and/or firms for the implementation and administration of the City's 2005-06 Single-Family Housing Rehabilitation Program. MDG Associates, Inc., was one of two firms to bid on the project. Proposals are not required for this fiscal year's services.

Since 1999 MDG Associates, Inc., has successfully administered the City's housing rehabilitation program. Their continued services would include reviewing completed applications for approval, conducting work write-ups, preparing loan packages, assisting applicants, coordinating the loan committee, executing and recording loan documents, conducting progress inspections and preparing reports to the Community Development

Commission (CDC) and the Department of Housing and Urban Development (HUD). Staff finds MDG Associates, Inc.'s work to be exemplary and recommends that the agreement be approved for another year.

The proposed agreement has been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends the City Council approve the attached agreement with MDG Associates, Inc., in the amount not to exceed \$14,487.

Attachments: Agreement
Consultant's Proposal (June 2005)