

City of Hesperia

STAFF REPORT



DATE: June 20, 2017
TO: Chair and Commissioners, Hesperia Housing Authority
FROM: Nils Bentsen, City Manager
BY: Rod Yahnke, Economic Development Manager
SUBJECT: CP Walker Consulting for Affordable Housing Monitoring

RECOMMENDED ACTION

It is recommended that the Board of Commissioners of the Hesperia Housing Authority extend the sole source contract with CP Walker Consulting for affordable housing monitoring for one year in an amount not to exceed \$13,000 for a total contract amount of \$63,000.

BACKGROUND

The Hesperia Housing Authority (HHA) has nine projects that require annual monitoring. Monitoring includes management and maintenance of the assets (buildings and grounds) as well as income verification of tenants.

HHA staff completes monitoring of the assets to ensure they are maintained in a high quality condition and that all of the Owner Participation Agreement (OPA) Covenants Conditions and Restrictions are adhered to. Due to the complexity and cost of monitoring tenant's income levels this phase of the monitoring process is outsourced.

ISSUES/ANALYSIS

Even though the State of California dissolved all redevelopment agencies, Hesperia's housing assets and responsibilities were transferred to the HHA. Monitoring will limit the City's potential liabilities by ensuring OPA requirements such as insurance are met by project proponents. In addition, the HHA could be liable to repay HOME funds on three of the projects (Villages at Hesperia, Sunrise Terrace I and II) if it does not take appropriate steps to ensure affordability restrictions are adhered to.

FISCAL IMPACT

The contract will not exceed \$13,000 for a one-year extension. Funding is allocated in the HHA budget in fund 370 for this contract.

ALTERNATIVE(S)

1. Provide alternative direction to staff

ATTACHMENT(S)

None