

# City of Hesperia

## STAFF REPORT



**DATE:** May 19, 2020

**TO:** Mayor and City Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Rod Yahnke, Economic Development Manager  
Jennifer M. Shove, Administrative Analyst

**SUBJECT:** Contract Services Amendment with LDM Associates, Inc.

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### RECOMMENDED ACTION

It is recommended that the City Council extend the LDM Associates, Inc. (LDM) contract for Community Development Block Grant (CDBG), Neighborhood Stabilization Program (NSP), and Hesperia Housing Authority (HHA) administrative functions through June 30, 2021, and add an additional \$266,553 to the contract, for a total amount not-to-exceed \$1,103,256.

### BACKGROUND

On September 22, 2015, the City of Hesperia (City) issued a Request for Proposals (RFP 2015-16-003) for professional administration of CDBG programs including housing, economic development, and capital improvements. Staff reviewed the proposals and determined that LDM was the most responsive and qualified service provider. Their contract expires June 30, 2020 and may be extended one year pursuant to the City's purchasing policy.

### ISSUES/ANALYSIS

The following tasks need to be completed in the 2020-21 Fiscal Year:

- 1) Finalize the CDBG Downtown Façade Improvement Program guidelines, begin construction on the first set of buildings and complete labor compliance;
- 2) CDBG reporting, financial draws to reimburse the City for CDBG projects, and other administrative duties;
- 3) CDBG-CV (COVID-19) funding grant management;
- 4) Reconcile and close-out NSP;
- 5) Qualify streets to be paved to ensure CDBG funds will pay for the work as well as perform labor compliance for construction;
- 6) Hesperia Housing Authority monitoring required pursuant to various development agreements and loans provided developers.

Staff is requesting that the LDM contract be extended as 1) they have a long term relationship with HUD which has and will continue to benefit the City's stance with HUD to maintain its annual CDBG allocation; 2) LDM has successfully performed the above tasks; and 3) at this point in time, contracting with a new firm would cost the City additional time and money to bring them up to speed.

### **FISCAL IMPACT**

Funding for this contract will be included in the Fiscal Year 2020-21 Proposed Operating Budget in the CDBG (\$241,125), NSP (\$8,020), and Housing Authority (\$17,408) accounts.

### **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

### **ATTACHMENT(S)**

1. LDM Proposal