

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: May 19, 2022

CAO File No. 0220-00540-1603

Council File No. 20-0464-S1

Council District: Citywide

To: The Mayor  
The Council

From: *for* Matthew W. Szabo, City Administrative Officer 

Reference: Los Angeles Housing Department transmittal dated May 9, 2022; Received by the City Administrative Officer on May 9, 2022; Additional Information Received through May 16, 2022

Subject: **REQUEST FOR AUTHORITY TO EXECUTE A SECOND AMENDMENT TO THE TECHNICAL SERVICES CONTRACT WITH KEYSER MARSTON ASSOCIATES, INC. TO INCREASE THE TOTAL CONTRACT COMPENSATION BY \$20,000**

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### RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize the General Manager of the Los Angeles Housing Department (LAHD), or designee, to execute a Second Amendment to Contract No. C-136338 with Keyser Marston Associates, Inc., to increase the compensation amount by \$20,000, for a new compensation total of \$60,000, in substantial conformance with the draft Second Amendment attached to the LAHD transmittal, dated May 9, 2022, subject to the approval of the City Attorney as to form and legality, contractor performance, funding availability, and compliance with the City's contracting requirements.

### SUMMARY

The Los Angeles Housing Department (LAHD) requests the authority to execute a Second Amendment to Contract No. C-136338 with Keyser Marston Associates, Inc. (KMA) for the continued provision of financial analysis and loan underwriting services for affordable and supportive housing projects and programs. The proposed Second Amendment will increase the compensation amount by \$20,000, for a new contract amount of \$60,000.

The contractor, KMA, was selected from a Request for Proposals process completed by the LAHD in 2019 to solicit responses for the provision of technical services to support the LAHD's affordable housing and development programs. The LAHD executed a contract with KMA with a compensation amount of \$30,000 and a contract term of July 1, 2020 through June 30, 2021, with two one-year renewal options. The First Amendment increased the compensation amount by \$10,000 and extended the contract term for one additional year. The LAHD indicates that the proposed Second Amendment is needed to increase KMA's compensation amount by \$20,000 for the continued

provision of financial analysis services for the remainder of the fiscal year. The proposed Amendment funding was previously earmarked for another financial analysis and loan underwriting contractor, Affordable Housing Portfolio Advisors, who chose not to extend its contract for 2021-22. The LAHD notes that it will request to extend KMA’s contract term through the Program Year 48 Consolidated Plan, which is currently pending the City Council’s approval (C.F. 21-1186-S1). The following table provides a breakdown of the KMA contract compensation amounts.

Contract/Amendment	Funding	Funding Sources*	Contract Term
Original Contract	\$ 30,000	MHFF, HOME, and LMIHF	7/1/2020 – 6/30/2021
First Amendment	10,000	MHFF	7/1/2020 – 6/30/2022
Second Amendment (proposed)	20,000	MHFF and LMIHF	7/1/2020 – 6/30/2022
<b>Total</b>	<b>\$ 60,000</b>		
* MHFF – Municipal Housing Finance Fund No. 815; HOME – HOME Investment Partnerships Program Fund No. 561; and LMIHF – Low and Moderate Income Housing Fund No. 55J			

Pursuant to Charter Section 1022, the Personnel Department determined that City classifications have the necessary qualifications to perform the work. This Office, however, determined that the work can be performed more feasibly by a contractor than by City forces because the services require technical expertise that is not sufficiently available in the City’s workforce, exceed staffing availability, and additional staff cannot be deployed or trained in a timely manner.

**FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. The proposed Second Amendment to the contract with Keyser Marston Associates, Inc. will be funded by the Municipal Housing Finance Fund (\$10,000) and the Low and Moderate Income Housing Fund (\$10,000).

**FINANCIAL POLICIES STATEMENT**

The recommendation of this report complies with the City’s Financial Policies.