

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: June 3, 2019

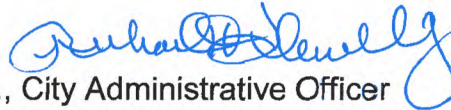
CAO File No. 0220-00540-1361

Council File No. 16-1115

Council District: Citywide

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: Housing and Community Investment Department transmittal dated April 26, 2019; Received by the City Administrative Officer on May 6, 2019; Additional Information Received through May 21, 2019

Subject: **REQUEST FOR AUTHORITY TO EXECUTE A FOURTH AMENDMENT TO THE CONTRACT WITH FORSYTH STREET ADVISORS, LLC FOR CONTINUATION OF TECHNICAL SERVICES RELATED TO FINANCIAL STRUCTURING OF AFFORDABLE HOUSING PROJECTS AND PROGRAMS**

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### RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to execute a Fourth Amendment to Contract No. C-129916 with Forsyth Street Advisors, LLC for the continued provision of technical services related to the financial structuring of affordable housing projects and programs and to increase compensation by \$65,000, for a cumulative compensation amount not to exceed \$353,000, in substantial conformance with the draft Amendment attached to the HCID's transmittal dated April 26, 2019 (Report), subject to the review and approval of the City Attorney as to form and compliance with the City's contracting requirements; and,
2. Adopt recommendations II B. and C. of the related HCID Report relative to the request for authority to execute an amendment to the Forsyth Street Advisors, LLC contract.

### SUMMARY

The Housing and Community Investment Department (HCID) requests authority to execute a proposed Fourth Amendment (Amendment) to Contract No. C-129916 with Forsyth Street Advisors, LLC for the continued provision of technical services related to the financial structuring of affordable housing projects and programs, including providing assistance in developing a proposal for a Local Housing Finance Agency in the City of Los Angeles. The proposal for the Housing Finance Agency will be subsequently presented to the Mayor and Council for approval.

The proposed Amendment would allow the HCID to increase compensation by \$65,000, for a cumulative compensation amount of \$353,000.

The original contract, previous amendments, and proposed Amendment cumulatively total \$353,000 with a breakdown as follows:

<b>Forsyth Compensation Amounts and Terms</b>		
	<b>Contract Amount</b>	<b>Term Period</b>
Original Contract	\$ 94,000	4/1/2017 – 3/31/2018
First Amendment	19,000	4/1/2018 – 3/31/2019
Second Amendment	-	4/1/2019 – 6/30/2019
Third Amendment	175,000	7/1/2019 – 6/30/2020
Proposed Amendment	65,000	7/1/2019 – 6/30/2020
<b>Total Amount</b>	<b>\$ 353,000</b>	

The Third Amendment, which increased compensation by \$175,000 and extended the contract term by one year for the continuation of services in Fiscal Year 2019-20, was approved as part of the 2019-20 Consolidated Plan. The HCID indicates that the proposed Amendment is needed to ensure sufficient funds are available for services provided during the current fiscal year. This Office concurs with the recommendations of the Department.

Pursuant to Charter Section 1022, the Personnel Department determined that City employees do have the employee classifications with the necessary qualifications to perform the work. Additionally, this Office determined that it is more feasible to contract 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 funding for the proposed Fourth Amendment to the contract with Forsyth Street Advisors, LLC will be provided by the Municipal Housing Finance Fund No. 815. The recommendations are in compliance with the City's Financial Policies in that funding for the proposed amendment is available within the identified funds.

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