



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



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May 2 , 1989

Budget and Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Amendment of Professional Services Contract with
Keyser Marston Associates, Inc.

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolutions approving the amendment to the agreement.

Respectfully submitted,

ANDREW J. PLESCIA
Acting Executive Director

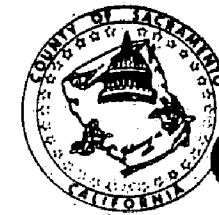
TRANSMITTAL TO COMMITTEE:

JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



DATE: May 1, 1989

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Amendment of Professional Services Contract with
Keyser Marston Associates, Inc.

SUMMARY

This report recommends an amendment to the current contract for professional services with the consultant firm of Keyser Marston Associates, Inc., increasing the total compensation by an amount not to exceed \$20,000.

BACKGROUND

On August 14, 1987, the Executive Director of the Sacramento Housing and Redevelopment Agency executed a contract for professional services with Keyser Marston Associates, Inc. to provide economic consulting services in connection with your City/County Housing Finance Task Force's investigations of alternative financial mechanisms for providing affordable housing for low-income households. Previous actions of the Agency authorized the Executive Director to negotiate and execute agreements of under \$20,000 for legal and consultant services. Pursuant to this authority, the Executive Director entered into a services contract with Keyser Marston for \$15,000. On March 1, 1988, you approved a \$15,000 increase to the contract.

The specific scope of services under the amended agreement included an analysis of the nexus between new commercial/industrial construction and very low-income housing needs. Additionally the consultant provided analyses of the impact of the proposed development fee on the costs of new construction and subsequent impact on rent levels.

On March 7, 1989, the City Council approved a zoning ordinance amendment establishing a Housing Trust Fund with revenues derived from a fee on commercial/industrial construction. At the same time, staff was directed to further investigate other sources of funds for the Trust Fund and other mechanisms for increasing the

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supply of housing affordable to low- and very low-income households.

It is anticipated that the requested investigations will require additional research by our economic consultant. The additional \$20,000 should be sufficient for the required analysis and participation in subsequent work activities including preparation of material and testimony in our legal defense of the Trust Fund Ordinance.

FINANCIAL DATA

Funds are available in the Housing Development Unit consultant Services Budget. The total contract would be increased from \$30,000 to \$50,000. (This contract qualifies as a Low-Moderate Housing contract; therefore, the Agency requests approval to internally transfer the \$20,000 in Downtown Tax Increment Fund to the Downtown Tax Increment Low-Moderate Housing Fund.)

ENVIRONMENTAL REVIEW

The recommended action is administrative in nature and does not require environmental review.

POLICY IMPLICATION

The actions proposed in this staff report are consistent with previously adopted policy and there are no policy changes being recommended.

MBE/WBE

There are no subcontractors therefore MBE/WBE concerns are not applicable.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of May 1, 1989, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES:


NOES:

ABSENT:

RECOMMENDATION

Staff recommends approval of the attached resolution approving an amendment to the contract for professional services with Keyser Marston Associates, Inc., increasing the maximum total compensation by \$15,000 and extending the time for performance to December 31, 1989.

Respectfully Submitted,


ANDREW J. PLESZIA
Acting Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE, City Manager

Contact: John Molloy 440-1357

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RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

AMENDMENT OF CONTRACT FOR PROFESSIONAL SERVICES
WITH KEYSER MARSTON ASSOCIATES, INC.

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO:

Section 1: The August 14, 1987 Contract for Professional Services with the firm of Keyser Marston Associates, Inc. is hereby amended to increased the compensation by an additional \$20,000 for a total maximum compensation of \$50,000.

Section 2: The Acting Executive Director is authorized to transfer budget as described in staff report and outlined on Budget Amendment Request.

CHAIR

ATTEST:

SECRETARY

1100WPP2(290)

AMENDMENT TO CONTRACT FOR PROFESSIONAL SERVICES

This AMENDMENT to the Contract for Professional Services between the Redevelopment Agency of the City of Sacramento (the "Agency") and Keyser Marston Associates, Inc. (the "Contractor"), is made this _____ day of _____, 1989.

WHEREAS, the Agency and the Contractor executed the Contract on August 14, 1987; and

WHEREAS, the contract was amended on March 1, 1989; and

WHEREAS, the Agency and the Contractor desire to further amend the Contract;

NOW, THEREFORE, the Contract is amended as follows:

1. The maximum compensation for completion of economic consul activities is increased by \$20,000.00 to \$50,000.00.
2. The time for performance is extended to December 31, 1989.
3. All other terms of the contract shall remain the same and unchanged.

IN WITNESS WHEREOF, the parties have executed this Amendment to the contract as of the date first written above.

APPROVED AS TO FORM:

REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO

Agency Counsel

BY:

ANDREW J. PLESCIA
Acting Executive Director

APPROVED:

KEYSER MARSTON ASSOCIATES, INC.

Finance Department

BY:

KATE FUNK
KEYSER MARSTON ASSOCIATES
Golden Gateway Commons
55 Pacific Avenue Mall
San Francisco, CA 94111

Organizational Approval

Account Code: 4222
Organization: 2650
Cost Code: B00200