



**Contra  
Costa  
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: August 25, 2015

Subject: "Compliance Services, LLC" Agreement

**RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Director of Conservation and Development, or designee, to execute a contract amendment with Compliance Services, LLC, to extend the contract expiration date from May 6, 2015 to May 6, 2020, and to increase the payment limit by \$425,000 to a new payment limit of \$1,070,000, to allow the contractor to continue providing reporting and monitoring of affordable housing properties.

**FISCAL IMPACT:**

No impact to the County General Fund. Contract costs are covered by a combination of federal grant administrative funds (Community Development Block Grant and HOME Investment Partnership program) and multi-family mortgage revenue bond administrative funds. (73% Bond Administrative Funds, 22% HOME, 4% CDBG, 1% Former Redevelopment Agency Funds)

**BACKGROUND:**

The County entered into a contract with Compliance Services, LLC (Contractor) on May 6, 2008. The contract is subject to the terms of an underlying Master Software License & Hosting Agreement between Compliance Services and the California Statewide

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **08/25/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I  
Supervisor  
Candace Andersen, District II  
Supervisor  
Mary N. Piepho, District III  
Supervisor  
Karen Mitchoff, District IV  
Supervisor

ABSENT: Federal D. Glover, District V  
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: August 25, 2015

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Chris Heck, Deputy

Contact: Kara Douglas -  
674-7880

cc:

Communities Development Authority. The County is a “Participating Public Agency” under the master agreement.

The Contractor monitoring and reporting system enables developers and public agencies to manage affordable housing records easily and efficiently. Real-time calculations and reports ensure compliance with federal, state

## BACKGROUND: (CONT'D)

and local income and rent restrictions. At present, the County manages an affordable housing compliance portfolio of 86 multi-family properties - a number that will grow this year.

The contract had an initial term of five years. After the first five years, the agreement automatically renews annually, unless either party gives a termination notice. When the contract was approved by the Board of Supervisors in 2008, the payment limit was set at \$475,000 to cover the initial five-year term. In June 2013, the Board of Supervisors approved an increase in the payment limit of \$85,000 to pay for services rendered in the sixth year of the contract (May 6, 2013 through May 5, 2014), and in August 2014, approved an increase in the payment limit of \$85,000 to pay for services rendered in the seventh year of the contract (May 6, 2014 through May 5, 2015).

Prior to implementing the web-based compliance system, the County devoted approximately 60 percent of a full time Housing Technician position to multi-family compliance matters. Because the web-based compliance system has made the process of completing federal and state monitoring reports much more efficient, the staffing requirement has dropped to approximately 25 percent of a full time staff position. The value of the increase in efficiency will continue to be realized as the County's portfolio grows. Equally important, management staff now has access to compliance data in a format that is easily accessed and analyzed.

Given the value of the software system and the absence of comparable products in the market, it is requested that the payment limit be increased by \$425,000 (\$85,000 per year for 5 years), to a new payment limit of \$1,070,000, to pay for anticipated costs over the five-year period beginning May 6, 2015 and ending May 5, 2020. The annual payment includes a base charge of \$75,000 for existing housing projects. Additional one-time set-up charges will be incurred for each new project added to the database, as well as additional annual charges of \$6 per unit per new project. The County typically adds one to three new projects each year. An annual allocation of \$85,000 should be sufficient to cover fixed and one-time costs each year.

## CONSEQUENCE OF NEGATIVE ACTION:

If the renewal licensing fees are not approved, the County will not have access to the reporting and monitoring program and additional staff will be required to oversee these matters.