



AGENDA REPORT

Community Development

DATE:	December 19, 2023
TO:	Mayor Martinez and Members of the City Council
FROM:	Lina Velasco, Director of Community Development Jesus Morales, Housing Manager
Subject:	Sole-Source Contract with NELB Consultants, LLC for On-Call Economic and Financial Analysis Services
FINANCIAL IMPACT:	Funds for this contract related to real property negotiations will be charged to developers to facilitate applicant proforma review and evaluation. For City-proposed projects that require proforma review or preparation will be funded using the Planning division's professional services funds as budgeted in account string 15061219-400201.
PREVIOUS COUNCIL ACTION:	November 1, 2022; May 16, 2023
STATEMENT OF THE ISSUE:	The owner of David Paul Rosen & Associates (DRA), a financial advisor for the Community Development Department, is retiring. The Community Development Department is still in need of the expertise of the remaining financial advisors of the DRA firm. These former DRA employees are transitioning to a new company, NELB Consultants, LLC (NELB). To ensure continuity of these projects, City staff is requesting City Council approval of a sole-source contract with NELB.
RECOMMENDED ACTION:	APPROVE a sole-source contract with NELB Consultants LLC, for an amount not to exceed \$200,000, to continue to support the City in financial and economic analyses related to real property negotiations and project evaluation, with a term beginning December 19, 2023, and ending December 31, 2025 – Community Development Department (Lina Velasco 510-620-6706/Jesus Morales 510-621-1220).

DISCUSSION:

On November 1, 2022, the City Council approved an on-call contract with three financial consulting firms, including David Paul Rosen & Associates (DRA). The original contract was for \$50,000 and an amendment adding \$150,000 was approved by City Council on May 16, 2023. DRA was working on the review of the proformas for the Metrowalk Phase II project, Miraflores, and 12th and Macdonald, and assisting the City in the review of the budget/proforma for a Project Homekey application.

The owner of DRA is retiring and closing the firm. The Community Development Department is still in need of the expertise of the remaining financial advisors of the DRA firm to provide continuity on projects that are in progress. Certain former DRA employees are transitioning to a new company, NELB Consultants, LLC (NELB).

The ability to complete projects with the past DRA advisors, via their new firm NELB, will be important to ensure timely project completion, especially for in-progress projects. Therefore, Community Development staff is proposing a sole-source contract with NELB, for a total not-to-exceed amount of \$200,000, to continue to support the City in financial and economic analyses related to real property negotiations and project evaluation, with a term from December 19, 2023, through December 31, 2025.

Additional funds are needed to complete the evaluation of the above projects. The City's Homekey grant application is still under review by the State; however, if awarded, City staff and consultants will need to complete project and application materials quickly.

DOCUMENTS ATTACHED:

Attachment 1 – Sole-Source Contract with NELB

Attachment 2 – Sole-Source Justification