

**AMENDMENT NUMBER TWO
TO AGREEMENT FOR FINANCIAL CONSULTING SERVICES**

This Amendment is made and entered into this 21st day of May, 2013, ("Effective Date") among the SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY, CITY OF COSTA MESA, CALIFORNIA, ("Successor Agency") serving as successor agency of the dissolved community redevelopment agency pursuant to Division 24, Community Redevelopment Law of the California Health and Safety Code in particular Parts 1.8 and 1.85 added by Assembly Bill X1 26 ("Dissolution Act") and THE COSTA MESA HOUSING AUTHORITY, a public body corporate and politic ("Housing Authority") and the CITY OF COSTA MESA, a California municipal corporation ("City") (together the Successor Agency, Housing Authority and City as referred to as "Costa Mesa"), and KEYSER MARSTON ASSOCIATES, INC., a California Corporation ("Consultant").

WHEREAS, Successor Agency to the City of Costa Mesa Redevelopment Agency, City of Costa Mesa and Consultant entered into an original agreement on July 1, 2012, to provide financial consulting services (the "Agreement"); and

WHEREAS, Consultant and City amended the Agreement on December 14, 2012, to adjust the amount of compensation from One Hundred and Ten Thousand Dollars (\$110,000.00), to a total amount not to exceed One Hundred Thirty Thousand Dollars (\$130,000.00); and

WHEREAS, City is developing permanent supportive housing that requires the specialized financial analysis expertise of the Consultant; and,

WHEREAS, Consultant and City desire to amend the Agreement to adjust the amount of compensation from the existing compensation limit of One Hundred Thirty Thousand Dollars (\$130,000.00), to a total amount not to exceed One Hundred Forty Thousand Dollars (\$140,000.00), in order to support the permanent supportive housing project.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Paragraph 2.1 of the original Agreement shall be amended to read, "As compensation for the provision of services outlined in Exhibit "A" and in accordance with this agreement, Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "B," attached hereto and incorporated by reference. Consultant's total compensation shall not exceed One Hundred and Forty Thousand Dollars (\$140,000.00).
2. All terms not herein defined shall have the same meaning and use as set forth in the Agreement.
3. All other terms, conditions, and provisions of the successor Agreements not in conflict with this Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set their hand by their duly authorized representatives as of the day and year first above written.

CITY OF COSTA MESA, A municipal corporation
AND COSTA MESA ACTING AS SUCCESSOR
AGENCY TO THE COSTA MESA
REDEVELOPMENT AGENCY

COSTA MESA
HOUSING AUTHORITY
a public body corporate and politic

[Redacted Signature]

[Redacted Signature]

Chief Executive Officer of Costa Mesa

Housing Authority Executive Director

Date: 6/24/13

Date: 6/24/13

KEYSER MARSTON ASSOCIATES, INC.
"Consultant"

[Redacted Signature]

Date: June 20, 2013

Signature

Kathleen H. Head, Vice President
Name and Title

[Redacted Taxpayer ID Number]

Taxpayer ID Number

ATTEST:

[Redacted Signature]

Date: 6/25/13

City Clerk of the City of Costa Mesa

[Redacted Signature]

Date: 06/10/13

City Attorney

APPROVED AS TO CONTENT

[Redacted Signature]

Date: 6/10/13

Project Manager



**CITY OF COSTA MESA
COSTA MESA HOUSING AUTHORITY
CITY OF COSTA MESA ACTING AS SUCCESSOR AGENCY**

MEETING DATE: MAY 21, 2013

ITEM NUMBER:

**SUBJECT: AMENDMENT TWO TO THE PROFESSIONAL SERVICES AGREEMENT WITH
KEYSER-MARSTON ASSOCIATES CONSULTING**

DATE: MAY 7, 2013

FROM: CHIEF EXECUTIVE OFFICE

**PRESENTATION BY: RICK FRANCIS, ASSISTANT CHIEF EXECUTIVE
OFFICER**

**FOR FURTHER INFORMATION CONTACT: MARGARET CHANG, MANAGEMENT ANALYST
714-754-5618**

RECOMMENDATION:

Staff recommends the following:

1. Approve Amendment Two to the Professional Services Agreement (PSA) with Keyser Marston Associates (KMA) Consulting, increasing the compensation limit from \$130,000 to \$140,000 through an allocation of \$10,000 in HOME Administration funds.
2. Authorize City Chief Executive Officer to sign the amended PSA with KMA Consulting in the amount of \$140,000.
3. Approve Budget Adjustment No. 13-028 (Attachment 3) in the amount of \$10,000.

BACKGROUND / ANALYSIS:

The City entered into a PSA with KMA Consulting on July 1, 2012, in the amount of \$100,000. Amendment One was approved by the Council and went into effect on December 14, 2012, increasing the compensation amount to a total amount not to exceed \$130,000. Amendment Two will increase the compensation amount by an additional \$10,000 for a total amount not to exceed \$140,000.

KMA Consulting provides services for a variety of Housing and Community Development and Successor Agency projects. It is anticipated that an additional \$10,000 is required during the current fiscal year to enlist KMA's expertise throughout the beginning stages of the permanent supportive housing project. Housing and Community Development (HCD) staff has identified \$10,000 in one-time HOME Administration funds that are available to supplement the KMA contract. KMA Consulting services are imperative to keep the permanent supportive housing project moving forward and to conduct the HUD required financial feasibility review of the proposed project.

No other terms of the contract will be modified.

ALTERNATIVES CONSIDERED:

There are no alternatives considered for this item. If the amendment is not approved, the City would be unable to access KMA's services for the supportive housing project until the beginning of the next fiscal year.

FISCAL REVIEW:

The attached Budget Adjustment No. 13-028 (Attachment 3) will increase revenue in the HOME admin program from unencumbered fund balance to increase the appropriation for the Keyser, Marston & Associates contract by \$10,000 for consulting costs related to the supportive housing project.

LEGAL REVIEW:

The Professional Services Agreement has been reviewed by the City Attorney and approved as to form and content.

CONCLUSION:

Amendment to the Professional Services Agreement with KMA Consulting will provide adequate funding to complete all work and services for the current fiscal year.

MARGARET CHANG
Management Analyst

RICK FRANCIS
Assistant Chief Executive Officer

BOBBY YOUNG
Finance & I.T. Director

- Attachment:
1. Amendment Two to Keyser-Marston Professional Services Agreement
 2. Amendment Two to Keyser-Marston Professional Services Agreement – Redlined Version
 3. Budget Adjustment No. 13-028

Distribution:

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