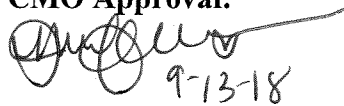


CITY COUNCIL ACTION REQUEST

Department(s): Housing	CEQA: Not a Project, File No. PP17-003, Agreements / Contracts resulting in no physical changes to the environment.	Coordination: City Attorney's Office, City Manager's Budget Office	Dept. Approval: /s/ Jacky Morales-Ferrand
Council District(s): Citywide			CMO Approval:  9-13-18

SUBJECT: SECOND AMENDMENT TO THE MASTER AGREEMENT WITH TAX CREDIT ASSET MANAGEMENT, LLC. FOR CONSULTANT SERVICES PERTAINING TO THE MAINTENANCE OF THE CITY'S MULTIFAMILY LOAN PORTFOLIO

RECOMMENDATION:

Approve the Second Amendment to the Master Agreement with Tax Credit Asset Management, LLC. for consultant services pertaining to the maintenance of the City's multifamily loan portfolio, increasing the maximum total amount of compensation by \$175,000 from \$270,000 to \$445,000.

BASIS FOR RECOMMENDATION:

The Housing Department conducted a Request for Qualifications that resulted in selection of Tax Credit Asset Management, LLC. (TCAM) to provide the Housing Department with asset management and loan servicing technical assistance with the goal of improving the revenue generated from the City's \$650 million multifamily project loan portfolio. Over the past three years, TCAM has conducted a strategic review to determine the overall performance of the portfolio and opportunities for improving residual receipt collections. They have also reviewed the City's asset management policies and procedures, established benchmarks to measure the relative performance of individual loans, conducted an audit and analysis of residual receipt collections, and established long-term portfolio cash flow and residual receipt revenue projection models. This amendment, increasing the maximum total amount of compensation in the Master Agreement by \$175,000, will enable TCAM to continue providing consultant services pertaining to the maintenance of the City's multifamily loan portfolio. In the current fiscal year, TCAM will assist to provide a more automated process to extract and upload data into the new projection models in order to provide the Housing Department with a more reliable budgeting tool. TCAM will also continue to provide training to staff on how to assess the performance of loans and to validate or repudiate residual receipt calculations.

There is no commission recommendation or input associated with this action. This Council item is consistent with the 2018-2019 Proposed Operating Budget Service Delivery Framework "to effectively develop, manage, and safeguard the City's fiscal, and physical resources to enable and enhance the delivery of City services and projects."

COST AND FUNDING SOURCE:

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2018-2019 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
346	0562	Housing Non-Personal/Equipment	\$1,165,605	\$175,000	X-55	06/19/18, 30124

* The 2018-2019 Proposed Operating Budget was adopted by the City Council on June 19, 2018.

FOR QUESTIONS CONTACT: Leif Regvall, Interim Division Manager, (408) 535-8232.