



May 13, 2025

The Honorable Board of Commissioners
Los Angeles County
Development Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**AMENDMENTS TO INCREASE ANNUAL COMPENSATION TO HOUSING DEVELOPMENT
CONSULTING SERVICES CONTRACTS
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval of amendments to the Los Angeles County Development Authority's (LACDA) seven existing contracts with California Housing Partnership Corporation, CSG Advisors Corporation, CTY Housing, Inc., HR&A Advisors, Inc., Keyser Marston Associates, Le Sar Development Consultants and Mosaic Urban Development, LLC to increase the annual contract amount by \$200,000, for a not to exceed \$500,000 per contract, for housing development consulting services ("Contracts").

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the approval of amendments to the existing Contracts are not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Authorize the Executive Director or designee to execute amendments to the Contracts to increase the annual compensation by an additional \$200,000 for each Contract, using program funds included in the LACDA's approved Fiscal Year 2024-2025 budget, to a total maximum amount of up to \$500,000 for each Contract, subject to review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On December 20, 2020, the LACDA awarded eight one-year Contracts of up to \$100,000 per

contract, with the option to extend up to four additional years, for a total contract term through September 30, 2025. The Executive Director executed these Contracts pursuant to his delegated authority to execute contracts for goods and services up to \$100,000.

On March 23, 2021, the Board approved an increase in compensation for the eight Contracts to increase the total amount of compensation to \$300,000 per contract.

The LACDA utilizes the Contracts to engage housing development consultants in the review of Notice of Funding Availability (NOFA) applications and to provide a wide variety of other services including assistance in closing construction and permanent financing for special needs and affordable housing projects, analyses of potential projects and financial modeling, and financial consulting services related to proposed projects to determine financial feasibility.

The number of applications submitted through the LACDA's NOFA has dramatically increased since execution of these Contracts. In previous years, the LACDA received an average of 20 NOFA applications during each NOFA Round and the current Contract terms were sufficient to perform NOFA reviews and provide consulting services throughout the year. The latest NOFA Round, for which applications were due on March 6, 2025, saw a total of 38 applications submitted. This dramatically increased the workload of staff, which necessitated engagement of the housing development consultants.

In addition to the increase in affordable housing funding applications, many projects have completed construction and are converting to permanent financing. This has resulted in close to 40 projects requiring permanent financing conversion oversight between October 2024 and September 2025. During this same period, LACDA staff are managing over 10 new construction loan closings and over 30 affordable housing projects in construction. Because of the number of permanent conversions, the housing development consultants have been contracted to assist with closing construction and permanent financing.

Further, the number of projects and related analyses that the LACDA must conduct to plan for and implement Board and County objectives has likewise increased. Also, there are several projects which LACDA is collaborating with other County departments to complete. When the work of our partner County Departments has required the use of a housing development consultant, LACDA's Contracts have been used to complete that work.

Due to this ongoing and increasingly large volume of work, the continuing review and administration of projects, and the vital need for these housing finance advisory consulting services, the Contracts require additional funding. This increased funding will ensure that projects are effectively managed and that the LACDA can continue to meet the needs of the Board and affordable housing projects within Los Angeles County while the LACDA recruits staff.

Therefore, the LACDA is seeking authority to amend the Contracts to increase the annual compensation for each contract by up to \$200,000, to a total annual compensation of up to \$500,000 for the remainder of the Contracts.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund.

The additional annual compensation of up to \$200,000 for each Contract for an amount not to

exceed \$500,000 per Contract will be comprised of program funds included in the LACDA's approved Fiscal Year 2024-2025 budget and proposed Fiscal Year 2025-2026 budget.

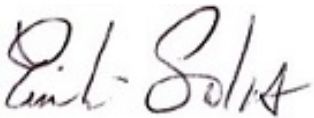
FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b)(5) because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Contract amendments will allow the LACDA to continue investing in and effectively managing affordable housing projects throughout LA County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Emilio Salas".

Emilio Salas

Executive Director

ES:LK:NS