OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

107-0172021-002

Agenda Item No. 5(b)
Meeting of July 20, 2021

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Sally Oerth, Interim Executive Director

SUBJECT: Authorizing a First Amendment to the Personal Services Contract with Urban Analytics, LLC, for fiscal consultant services to extend the term of the contract by three years to December 31, 2024 and to increase the not-to-exceed amount by $85,000 from $82,500 to $167,500

EXECUTIVE SUMMARY

On November 6, 2018, the Commission approved Resolution 41-2018 authorizing the Executive Director to enter into a Personal Services Contract with Urban Analytics, LLC to provide fiscal consultant services related to tax allocation bond secondary market annual disclosure reports and other bond-related property tax analysis in an amount not-to-exceed $82,500 through December 31, 2021. OCII now seeks to amend its contract with Urban Analytics to extend the term of the contract by three years to December 31, 2024 and to increase the not-to-exceed amount by $85,000 from $82,500 to $167,500. This amendment would increase the budget available for property tax analysis and would enable OCII to maintain continuity in its reporting by continuing to utilize Urban Analytics to prepare its secondary market annual disclosure reports for an additional three years.

Staff recommend authorization of a first amendment to the personal services contract with Urban Analytics for fiscal consultant services extending the term by three years to December 31, 2024 and increasing the not-to-exceed amount by $85,000 from $82,500 to a total amount not-to-exceed $167,500.

DISCUSSION

The Office of Community Investment and Infrastructure manages a tax allocation bond portfolio of approximately $738.9 million in outstanding principal. Administration of this portfolio requires OCII prepare and submit annual secondary market disclosure reports to

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the Securities and Exchange Commission. These reports contain tabular descriptions of the property tax against which OCII has securitized its bonds. The complexity of the data requires OCII hire a fiscal consultant with specialized knowledge of property tax. On November 6, 2018, the Commission approved Resolution 41-2018 authorizing the Executive Director to enter into a Personal Services Contract with Urban Analytics, LLC to provide fiscal consultant services related to tax allocation bond secondary market annual disclosure reports and other bond- related property tax analysis. The contract had a not-to-exceed amount of $82,500 and a term that ended December 31, 2021.

The original contract budget of $82,500 was sub-divided by service: $45,000 for six annual secondary market disclosure reports per year for three years, $7,500 for additional annual secondary market disclosure reports, should OCII issue new bonds under a new credit during the contract, and $30,000 for bond-related property tax analysis. OCII requires six annual secondary market disclosure reports per year because it issues bonds under six different credits, each of which requires its own secondary market disclosure report. A credit is the revenue stream against which a bond is issued. An example of a new credit would be an issuance against property tax generated in Hunter's Point Shipyard Candlestick Point and pledged to fund infrastructure in the project area.

Although the existing contract has sufficient budget and term remaining to complete the 2021 annual secondary market disclosure reports, OCII has fully expended the budget for bond-related property tax analysis. OCII requires Urban Analytics to perform additional property tax analysis prior to the end of the term of the contract. Specifically, OCII requires Urban Analytics to review and confirm the value and classification of the redevelopment parcels in the 2022 property tax roll, prior to the City's certification of the roll in August 2021. The updated Scope of Services reflects the addition of this analysis for the 2022 property tax roll, as well as for each property tax roll approved in the year of the amended term.

OCII now seeks to amend the existing contract with Urban Analytics to increase the contract not-to-exceed amount to accommodate this additional property tax analysis. In addition, because OCII wishes to maintain consistent reporting, OCII seeks to amend the existing contract with Urban Analytics to add sufficient term and budget to accommodate three additional years of preparation of annual secondary market disclosure reports. The additional three years would extend the contract term to December 31, 2024. The Scope of Services has been updated to reference the total number of deliverables required under the full six years of the amended term. The contract budget, as amended, is illustrated below.

Proposed Contract Budget

Scope	Original	Increase	Amended Contract
Annual Disclosure for Existing Bonds	$ 45,000	$ 45,000	$ 90,000
Annual Disclosure for New Bonds	$ 7,500	$ -	$ 7,500.00
Property Tax Analysis	$ 30,000	$ 40,000	$ 70,000.00
Total	**$ 82,500**	**$ 85,000**	**$ 167,500**

The cost to prepare a secondary market disclosure report is $2,500 per report. Charges for property tax analysis are assessed on an hourly basis based on the rate per hour described in the budget attached to the proposed professional services contract.

The work performed under this contract, as amended, will be paid from property tax, as a cost of debt administration.).

Solicitation Process

Although amending a contract does not require an additional solicitation, staff wish to emphasize that OCII's continued contractual relationship with Urban Analytics is consistent with OCII's purchasing policy and supports OCII's efforts to work with small business enterprises. Section IX.C.5 of OCII's Purchasing Policy authorizes OCII to select a Contractor from a City panel established using a competitive selection process. On March 7, 2018, pursuant to a competitive selection process, the City's Office of Public Finance ("OPF") established a panel of Fiscal and Tax Consultants remaining in effect for two years. OCII's selection of Urban Analytics for the November 6, 2018 contract was made from this panel. On March 1,2020, OPF established a new panel of Fiscal and Tax Consultants. Urban Analytics is on this panel. Additionally, Urban Analytics is a certified San Francisco Small Business Enterprise and Local Business Enterprise.

Recommended Action

Staff recommend authorization of a first amendment to the personal services contract with Urban Analytics for fiscal consultant services extending the term by three years to December 31, 2024 and increasing the not-to-exceed amount by $85,000 from $82,500 to a total amount not-to-exceed $167,500.

California Environmental Quality Act

Authorization of the contract with Urban Analytics is not a "project," as defined by the California Environmental Quality Act ("CEQA") in CEQA Guidelines Section 15378(b)(5), because the action is an administrative activity of government that will not result in a direct or indirect physical change in the environment and, therefore, is not subject to environmental review under CEQA.

(Originated by John Daigle, Debt Manager)

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Sally Oerth

Interim Executive Director