

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SAN BERNARDINO  
AND RECORD OF ACTION**

June 22, 2021

**FROM**

**GARY HALLEN, Director, Community Development and Housing**

**SUBJECT**

Contract with Keyser Marston Associates, Inc. for Real Estate Financial Consulting Services

**RECOMMENDATION(S)**

Approve **Contract No. 21-492** with Keyser Marston Associates, Inc to provide real estate economic financial review and services in the amount of \$400,000 for the term of July 1, 2021 through June 30, 2026.

(Presenter: Gary Hallen, Director, 387-4411)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Ensure Development of a Well-Planned, Balanced, and Sustainable County.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General funding (Net County Cost). These services will be funded by multiple funding sources such as HOME, Neighborhood Stabilization Program (NSP), County Housing Funds and State Permanent Local Housing Allocations (PLHA) funds, based on the project funding source for which services are provided. Sufficient appropriation and revenue have been included in Community Development and Housing Department's (CDH) 2021-22 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

CDH finances a number of complex housing development projects, which require a high level of analysis regarding the financial structure, developer selection, low income housing tax credit financing, new and innovative housing cost and typologies and to stay in compliance with Health and Safety Code Section 33000, negotiations, and project costs verification. Keyser Marston Associates, Inc. (KMA) provides specialized consulting services in real estate financial analysis for affordable housing. The scope of service is vital in guiding the County to determine the appropriate financial investment in its housing projects and is in alignment with the County and Chief Executive Officer's goal of operating in a fiscally-responsible and business-like manner.

KMA provides pro forma and transaction structuring services, low-income housing tax credit reviews, and utilizes its database of construction costs and financial parameters of affordable housing development throughout California and the Inland Empire market to determine the long-term financial viability of proposed affordable housing developments. KMA's state-wide

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June 22, 2021**

knowledge of affordable housing development activity assists the County in ensuring the level of financial assistance requested by the developer is appropriate and that any financial assistance provided is leveraged in a fiscally responsible manner. The periodic need for the services does not warrant the hiring of full-time staff.

In December of 2012, CDH released a Request for Proposals (RFP) for Real Estate Pro Forma and Transaction Structuring Services. KMA was one of the three proposals received and the most qualified for the specific services needed. On January 30, 2013, a Purchase Order (PO) was issued to KMA for \$100,000 and approved by purchasing in accordance with County Policy 11-04 for services in excess of \$100,000. On July 22, 2014 (Item No. 20), the Board of Supervisors (Board) approved the PO increase from \$100,000 to \$200,000, with no change to the PO term of February 4, 2013 through January 31, 2016.

On March 1, 2016 (Item No. 23), the Board approved the issuance of a PO with KMA in the amount of \$75,000 for a term of March 1, 2016 through September 30, 2016. On May 31, 2016, CDH released an RFP for Real Estate Pro Forma and Transaction Structuring Services. During the evaluation process KMA was selected as the successful bidder. On September 27, 2016 (Item No. 12), the Board of Supervisors approved the contract with KMA in the amount of \$300,000, for the provision of pro forma analysis, financial structuring and real estate negotiation services for the contract period of October 1, 2016 through June 30, 2021. Since the current contract with KMA is expiring for these services, CDH completed an RFP process and KMA was selected as the successful bidder.

Since January 2013, KMA has provided financial structuring analysis on affordable housing projects that include a mix of new construction, acquisition, rehabilitation, and work-out strategies for existing projects. Such projects included Pacific Village Phase I, Las Terrazas Affordable Housing Project, Loma Linda Veteran Village, Desert Haven, Golden Apartments Affordable Housing Project, Siena Apartments, Bloomington Phase I, II and II and acquisition and relocation of Ayala Park in Bloomington. Additionally, KMA provides support to CDH staff by providing essential training and education on various and everchanging state funding sources.

**PROCUREMENT**

CDH released a RFP EDA121-EDA-4175 on April 9, 2021, for Real Estate Pro Forma and Transaction Structuring Services. Proposals were received from the following four vendors, and were reviewed by an evaluation committee.

Vendor	Location
Econorthwest	Portland, Oregon
Concourse Group	Annapolis, Maryland
Keyser Marston Associates	Los Angeles, California
Whitaker Real Estate Services	Norco, California

Proposals were evaluated based on quality and/or experience in working with other public agencies; type of projects reviewed with similar financial structuring; methodology or approach; project lead and staff experience; and cost. The evaluation committee recommended KMA

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June 22, 2021**

based on the breadth of experience in this specialized field. KMA has more than 45 years of industry experience and has provided reliable analysis to the City of Anaheim/Anaheim Housing Authority, Cities of Orange, Long Beach, and Los Angeles, and previously to the County of San Bernardino. No appeals were filed.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on June 2, 2021; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on June 3, 2021; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412) on June 3, 2021; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on June 8, 2021.

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Record of Action of the Board of Supervisors  
County of San Bernardino

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Dawn Rowe  
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: June 22, 2021



cc: CDH - Hallen w/agree  
Contractor - C/O CDH w/agree  
File - w/agree  
CCM 06/29/2021