



City of Culver City

Staff Report

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Item #: C-8.

HA - CONSENT ITEM: Approval of an Amendment to the Existing Professional Services Agreement with Metropolitan Property Management, LLC for Property Management Services for the Nine-Unit Affordable Housing Complex Located at 4031 Jackson Avenue, Culver City, CA 90232 in an Amount Not-to-Exceed 15% of Gross Rental Proceeds Plus Reimbursement for Cost of Repairs During the Time of Performance from July 1, 2024, through June 30, 2027.

Meeting Date: June 24, 2024

Contact Person/Dept.: Tevis Barnes/ Housing and Human Services
Mona Kennedy/ Housing and Human Services
Marna Johnson/ Housing and Human Services

Phone Number: (310) 253-5780

Fiscal Impact: Yes No **General Fund:** Yes No

Attachments: Yes No

Public Notification: (E-Mail) Meetings and Agendas - Public Notification: Metropolitan Property Management Services LLC (06/03/2024); Residents of 4031 Jackson Avenue, Culver City (06/10/2024); (E-Mail) Meetings and Agendas - City Council (06/19/2024)

Department Approval: Tevis Barnes, Assistant Executive Director (06/03/2024)

RECOMMENDATIONS:

Staff recommends the Culver City Housing Authority (CCHA) Board approve an amendment to the existing Professional Services Agreement (PSA) with Metropolitan Property Services, LLC (Metropolitan) to continue providing property management services for the affordable nine-unit multi-family complex located at 4031 Jackson Avenue, Culver City, CA 90232 in an amount not-to-exceed 15% of gross rental proceeds plus reimbursement for cost of repairs during the time of performance from July 1, 2024 through June 30, 2027.

BACKGROUND:

The property located at 4031 Jackson Avenue, Culver CA 90232, (Jackson Property) is an 8,888

sq./ft. nine-unit multi-family housing complex built in 1987 by Gangi Builders. The property was improved with the support of funds from the former Culver City Redevelopment Agency (CCRA) Housing Set Aside Fund to create affordable housing units. The former CCRA purchased the Jackson Property for \$1.010 million in 2002 under a first right of refusal provision in the agreements with Gangi Builders to maintain the property as affordable housing for the lifespan of the property. The Jackson Property was transferred to the CCHA as an asset with the dissolution of the CCRA.

DISCUSSION

Since 2013, Metropolitan has provided property management services to the CCHA to maintain the Jackson Property as affordable decent, safe, and sanitary housing and oversee the daily operations.

Scope of Service

If approved by the Board, Metropolitan will continue to provide the following Scope of Services:

- **Building Maintenance**
 - Maintenance of contracts with third-party repair and maintenance vendors (i.e. landscaping, laundry room, and pest control)
 - Preventative Maintenance
 - Monthly site inspections
 - Routine repairs
 - Emergency repairs -24 hours service

- **Tenant Selection**

- **Delinquencies**
 - Track and collection delinquent rents

- **Financial Management**
 - Collection of rent
 - Disbursement of expenditures (i.e. landscaping, laundry room rentals/service, and utilities)
 - Monthly reports on rent collection and operating expenses

Notification of Renewal to Jackson Property Residents

A 14-day notice was posted to the door of all residents at the Jackson Property on June 10, 2024, informing them of the proposed renewal of the PSA with Metropolitan for property management services. The notice provided contact information if the residents had any questions or concerns regarding the proposed PSA renewal.

Competitive Bidding Process

Pursuant to Culver City Municipal Code Section 3.07.065.A, a contract for general services (including the repair and maintenance of City-owned personal and real property) may be awarded without complying with formal competitive bidding procedures; provided, the contract is based upon competitive quotations, whenever practical, as determined by the City Manager. Staff solicited three informal quotes from local property management companies. All companies offered similar scope of service and competitive and similar pricing/fee structure. Staff recommends continuing with Metropolitan for their established relationship with the tenants and knowledge and familiarity with the Jackson Property. In addition, Metropolitan pricing was found to be reasonable and competitive for comparable building size and scope of service with the other quotes reviewed by staff.

FISCAL ANALYSIS:

The amount of compensation provided to Metropolitan for performing and completing all work and services described above is 15% of gross rents collected. Routine and emergency maintenance and repair costs are billed at \$85.00 per hour plus a \$15.00 one-time per day service charge.

At the end of each calendar month, Metropolitan provides CCHA with a monthly accounting report to verify income and expenses of the Jackson Property. These monthly reports include the total amount of monthly rents received, minus the portion retained for compensation and routine and emergency maintenance and repair costs with supporting backup receipts. All Jackson Property rent proceeds are deposited into Account No. 476.50700.383150 (Housing Authority - Rent/Concession). In Fiscal Year 2023/2024, a total of \$86,227 was collected in rental proceeds from the Jackson Property.

ATTACHMENTS

None

MOTION:

That the Culver City Housing Authority Board:

1. Approve an amendment to the existing professional services agreement with Metropolitan Property Services, LLC to continue providing property management services for the affordable nine-unit multi-family complex located at 4031 Jackson Avenue, Culver City, CA 90232 in an amount not-to-exceed 15% of gross rental proceeds and reimbursement for cost of repairs for the time of performance from July 1, 2024, through June 30, 2027; and

2. Authorize Housing Authority General Counsel to review/prepare the necessary documents; and

3. Authorize the Executive Director to execute such documents on behalf of the CCHA.