



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 21-274

Board Meeting Date: 4/6/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Raymond Hodges, Director, Department of Housing
Subject: Cooperation Agreement with City of San José for the joint management of an affordable housing web portal project

RECOMMENDATION:

Measure K: Adopt a resolution authorizing:

- A) The County, through the Department of Housing, to jointly manage, with the City of San José, an affordable housing web portal project to be developed by Exygy, Inc., which will improve access to affordable housing developments for San Mateo County residents by providing households seeking affordable housing a single, multi-lingual platform to enable prospective tenants to find and apply for affordable housing on one site; and
- B) The County Manager, or the Director of the Department of Housing as designee, to execute a cooperation agreement with the City of San José for the term of March 30, 2021 through March 29, 2022 in a total amount not to exceed \$383,303, which establishes a payment schedule and roles and responsibilities for both agencies in jointly managing a joint affordable housing web portal project to be developed by Exygy, Inc., and granting of a waiver of the Request for Proposals process for the development of an affordable housing web portal project from Exygy, Inc., pursuant to Section 2.83.090 of the San Mateo County Ordinance Code.

BACKGROUND:

A. Need for Affordable Housing Portal

Affordable housing apartments are housing units that are deed-restricted for occupancy by tenant households who earn below a specified area median income and that have been constructed with the support of the local jurisdiction in which they are situated through either the donation of land or the provision of low-interest loans ("Affordable Housing Developments"). Affordable Housing Developments have distinct eligibility requirements based upon unit composition, levels of household incomes served, and funding sources utilized by the specific development. As a result, each

Affordable Housing Development requires its own tenant application process, which results in a unique list of eligible applicants for that Affordable Housing Development.

The tenant application process for Affordable Housing Developments can be challenging for low-income households. First, households seeking to establish tenancy at an Affordable Housing Development must contact each Affordable Housing Development from a list maintained by the County of San Mateo Department of Housing (“DOH”) to establish when the property manager will accept applications. Property managers typically do not open vacancy lists for several years. Once a household finds an Affordable Housing Development that is accepting applications, they must complete the application and compile all required documentation in support of the application. This process is especially arduous for households with limited English proficiency. The household must then deliver the completed application, typically in-person, which can be particularly challenging for households who have child-care needs and/or have limited transportation options. When a household is placed on an eligibility list, it may take months before that household is called for an interview. Households must call the property manager to inquire about their current status on the eligibility list. The process for finding and applying to Affordable Housing Developments is time-consuming for both applicants and property managers.

B. County’s Efforts to Develop Affordable Housing Portal

The affordable housing industry is acutely aware of the challenges low-income households face in seeking to establish tenancy at an Affordable Housing Development. Over the past five years, the City and County of San Francisco has invested \$7,000,000 to develop its affordable housing web portal called DAHLIA. Administered by Exygy Inc. (“Exygy”), San Francisco’s DAHLIA site provides a web-based solution that lists all affordable housing vacancy opportunities in San Francisco in one site, simplifies and streamlines the application process for applicants, and provides automated tools for property managers to facilitate the processing of applications. Almost all affordable housing vacancies in San Francisco are posted and processed using this system. As a result of its success, the use of the DAHLIA platform has expanded to other Bay Area jurisdictions. On November 13, 2018, this Board authorized the Information Services Department (“ISD”) to execute an agreement with Exygy for a term of November 12, 2018 through June 30, 2019 in a total amount not to exceed \$350,000 to pilot an affordable housing web portal similar to the one used in San Francisco but tailored to the needs of the County (Resolution No. 076277). DOH worked closely with ISD to manage the pilot project since DOH has the housing expertise and knowledge of affordable housing listings required to successfully partner with Exygy.

On August 19, 2019, DAHLIA was successfully launched with two available affordable housing listings. In addition to successfully launching the pilot, Exygy facilitated multiple convenings to engage with cities, affordable housing developers, market rate developers, and nonprofit organizations in the County to assess the housing listing needs of these stakeholders and build consensus around requirements for the web portal based on applicable local, state and federal laws and regulations.

On May 5, 2020, this Board authorized the Director of DOH to execute an agreement with Exygy for a term of April 1, 2020 through September 30, 2020 in a total amount not to exceed \$254,400 to work with the County, the Housing Authority of the County of San Mateo (“HACSM”), and other local jurisdictions in the Bay Area to explore opportunities for a regional DAHLIA, while continuing to add local affordable housing listings to DAHLIA (Resolution No. 077406). Pursuant to this agreement, Exygy developed a project report, in which it detailed opportunities for collaboration with Bay Area jurisdictions and interviewed multiple jurisdictions, including housing authorities across the Bay Area,

to assess their respective affordable housing listing needs and challenges. Exygy has been working to pilot an affordable housing listing with HACSM that includes affordable housing opportunities as well as project-based Section 8 voucher opportunities offered by HACSM.

The County of San Mateo (“County”), the City of San José (“City”), the County of Alameda, and the City and County of San Francisco (“San Francisco”) (collectively, “DAHLIA Members”) are each in different stages of their implementation of DAHLIA. A regional coordination team comprised of DAHLIA Members is in development to (1) facilitate the successful implementation and support of the DAHLIA platform, and (2) explore the opportunity to build one regional DAHLIA site that lists Affordable Housing Development information from throughout the Bay Area. This regional DAHLIA effort is termed Doorway in order to be distinguished apart from San Francisco’s fully implemented DAHLIA site. At this early stage of the regional coordination, the terms ‘Doorway’ and ‘DAHLIA’ are used interchangeably. Agencies, including the Housing Authority of Santa Clara County, are evaluating current and planned features of a Doorway platform.

DISCUSSION:

A. Selection of Exygy, Inc. for Development of Affordable Housing Portal

Pursuant to San Mateo County Ordinance Code section 2.83.090, the Purchasing Agent may enter into agreements with other public agencies for the purpose of obtaining goods and services required by County officers and departments, provided that the procurement has been or will be conducted in compliance with local law governing one of the public agencies that is a party to the agreement, and the local law requires competitive procurement and publication of notice of the procurement.

In August 2019, the City released a Request for Proposals (“RFP”) for the second phase of its implementation of the Doorway platform (the “Project”) through the City’s e-procurement system. A total of eighty-eight (88) companies viewed the RFP, and one (1) proposal response from Exygy was received prior to the submittal deadline. Exygy’s proposal was reviewed by a three-member evaluation team representing the City’s Housing Department and the City’s Office of Civic Innovation (“Evaluation Team”) to ensure that Exygy’s proposal response met or exceeded the City’s requirements. Exygy also participated in an oral interview and a Best and Final Offer (“BAFO”) to make clarifications and to refine costs. After Exygy’s response to the BAFO, the City engaged in conversations with DOH to determine whether the County would be interested in a joint Project with Exygy.

The City and County could realize cost savings in each jurisdictions’ implementation of DAHLIA by extending the scope of the Project to include the County and jointly managing the Project. DOH expressed interest in this joint Project, and a second BAFO was conducted requesting that Exygy include the County into its RFP proposal. DOH representatives reviewed the second BAFO and accepted the joint Project proposal submitted by Exygy in its response to the second BAFO. The City’s RFP process included a ten-day protest period that began when the City issued the Notice of Intended Award on September 18, 2020. No protests were received. Accordingly, City staff recommended award of contract to Exygy on March 30, 2021 to the San José City Council, and San José City Council approved, as the sole respondent to the RFP and whose proposal either met or exceeded all RFP specifications.

B. Terms of City Agreement with Exygy and Cooperation Agreement between City and

County

Under the terms of the Agreement between the City and Exygy (“Doorway Phase 2 Agreement”), Exygy will implement an applicant portal for the City and an applicant portal for the County that will enable prospective tenants to find and apply for Affordable Housing Development vacancies (“Applicant Portals”). Under the Doorway Phase 2 Agreement, Exygy will also implement partner portals for the City and County, which will enable property managers of Affordable Housing Developments to efficiently manage applications (“Partner Portals”). The Applicant Portals and Partner Portals for the City and the County will be on separate websites and will be easily linked to one another in the future because each will have the same design, the same process for property managers, and the same requirements for applicants. Exygy will also provide system maintenance, website hosting, and vacancy listing support during the Project implementation period (March 30, 2021 through March 29, 2023). In addition to these features, property managers and City and County staff will have access to various analytics reports. These reports will provide aggregate statistics of applicant demand for various affordable housing types and locations and application processing efficiency. The Cooperation Agreement between the City and the County (“Cooperation Agreement”) establishes the cost-sharing terms for the Project being implemented under the Doorway Phase 2 Agreement and defines the roles of the City and the County in managing and supporting the Project. The Cooperation Agreement is for a term of March 30, 2021 to March 29, 2022 in a total amount from County not to exceed \$383,303. The County and the City will jointly approve the acceptance of all common deliverables and both agencies will approve invoices for mutual features prior to payment processing by the City.

The Cooperation Agreement contemplates the possibility an additional County contribution of \$449,409 in the second year of the term of the Cooperation Agreement (“Year 2 County Contribution”) subject to this Board’s approval at a future date. Before returning to this Board to request approval of the Year 2 County Contribution, DOH staff seek to explore opportunities to (1) build a regional Doorway platform with DAHLIA Members and other jurisdictions within the nine Bay Area counties, and; (2) evaluate the success of Exygy’s deliverables from the first year of the Project.

Adoption of the Resolution will authorize the County to implement a Doorway platform in partnership with the City. Doorway has been successfully implemented in San Francisco and Alameda County. Once fully implemented, Doorway will vastly improve access to Affordable Housing Developments for San Mateo County residents by providing households seeking affordable housing a single, multi-lingual platform, which will enable prospective tenants to find and apply for affordable housing on one site.

County Counsel has reviewed and approved the Resolution and the Cooperation Agreement as to form.

FISCAL IMPACT:

The total amount of the Cooperation Agreement shall not exceed \$383,303 and shall be drawn from the Department of Housing’s **Measure K** FY 2020-21 budget.