

**AGENDA ITEM 7c**  
**Treasure Island Development Authority**  
**City and County of San Francisco**  
**Meeting of December 14, 2022**

**Subject:** Resolution Approving and Authorizing the Execution of a Fourth Amendment to Professional Service Agreement between the Treasure Island Development Authority and Associated Right of Way Services Inc., Retroactive to January 1, 2023, Extending the Term of the Agreement through March 31, 2023 (Action Item)

**Contact:** Robert Beck, Treasure Island Director

**SUMMARY**

On August 1, 2017, the Treasure Island Development Authority (the “Authority”) entered into a Professional Service Agreement (the “Agreement”) with Associate Right of Way Services, Inc., a California corporation (“AR/WS”), for consulting and advisory services to implement the Transition Housing Rules and Regulations (“THRR”) for The Villages at Treasure Island. The Agreement term will expire on December 31<sup>st</sup>.

On November 4<sup>th</sup>, the Authority advertised a Request for Proposals (“RFP”) to provide services to support the implementation of the THRR over the next several years of development. Proposals are due on December 15<sup>th</sup>, and we anticipate completing the selection process and recommending a contract award to the Authority Board at their March 8<sup>th</sup> meeting.

Staff has prepared a fourth Amendment to the Agreement (Exhibit A attached) extending the term through March 31, 2023, unless earlier terminated, to provide uninterrupted service for Villages’ Residents and, should a new provider be selected, to provide a small period for the transfer of knowledge, records and communications. No increase in the contract amount is requested.

**BACKGROUND**

In June of 2011, the Board of Supervisors approved the entitlement and transaction documents for the development of Treasure Island, including the Disposition and Development Agreement (“DDA”), the Housing Plan, and the Transition Housing Rules and Regulations (“THRR”) for The Villages at Treasure Island. The THRR provided certain transitional housing benefits to residents of The Villages at Treasure Island – the Island’s market-rate rental housing – at the time the documents were approved.

From 2011 to 2017, the Authority contracted with a relocation advisory firm to assist in the administration of the THRR for a series of Interim Moves of residents. In 2016, with the development of new permanent housing on the horizon, the Authority issued a Request for Qualifications (“RFQ”) for services for this new phase of development.

On August 1, 2017, the Authority entered into a Professional Service Agreement (the “Agreement”) with Associate Right of Way Services, Inc., a California corporation (“AR/WS”), for consulting and advisory services to implement the THRR and in particular to engage every eligible household to advise them of their benefits and housing options, to gather information on household composition, and to assist the Authority in developing the policies and procedures necessary to implement the THRR. Under the agreement Authority staff have negotiated Task Orders with AR/WS for specific periods of performance for defined scopes with specified objectives. To date, Authority staff have authorized eight Task Orders with AR/WS.

The Agreement had an initial term of five years, through July 31, 2022, and included two options to extend the term for a total of four additional years. The initial budget authority under the Agreement was \$1,250,000. In December 2019, the Board authorized an increase in the contract amount to \$1,670,000; in February 2021, the Authority Board increased the Agreement to \$2,000,000. In May 2022, the Authority Board approved a third amendment extending the term of the Agreement through December 31, 2022, and increasing the authorized contract amount to \$2,120,000. With the approval of the third amendment, the Board encouraged the Director to issue a new RFP to provide Advisory Services beyond the Term of the current Agreement.

On November 4<sup>th</sup>, the Authority advertised an RFP for Advisory Services for the next 5 years with an option to extend the term of the contract, at the Authority’s sole discretion, for an additional four years. Proposals are due on December 15<sup>th</sup>.

## **THE THRR**

The THRR was an attachment to the DDA between Authority and the Treasure Island Community Development (“TICD”), the master developer for the Treasure Island/Yerba Buena Island Development Project (“Project”). The THRR was created to provide certain housing opportunities and transition benefits as part to those households who were living in The Villages at Treasure Island (“The Villages”) at the time of the approval of the DDA on June 2011. These residents are identified as Pre-Development and Disposition Agreement (“Pre-DDA”) households.

A separate Treasure Island Homeless Development Initiative Transition Housing Plan provided for the transition of affordable housing residents on Treasure Island into new affordable units to be developed in partnership with One Treasure Island member agencies – Swords to Plowshares, Catholic Charities, Community Housing Partnership, and HealthRIGHT 360.

Under the THRR, Pre-DDA Households are eligible to select from a range of housing benefits including the opportunity for a replacement unit in a building to be constructed by the Authority (a “Transition Unit”), an affordable unit (if they met income eligibility requirements), premarketing opportunities and down payment assistance if they wish to purchase a new unit on Treasure Island, an In-Lieu payment if they elected not to take a Transition Unit, and advisory services to help them navigate these options. A central responsibility of AR/WS is to be an objective advisor to eligible residents to ensure that they understand all of their benefits options and can make the best choice for their household.

On December 11, 2019 meeting of the Authority Board of Directors, Authority Board approved Resolution 07-19 authorizing a Second Amendment to the THRR expanding housing opportunities to residents who became leaseholders at The Villages between June 29, 2011 and December 11, 2019. Specifically, the Second Amendment allowed these residents to:

1. Receive Pre-marketing opportunities for market-rate housing; and
2. Receive Priority, if income-qualified, for newly constructed affordable housing opportunities (affordable for-rent or BMR for-sale).

In implementing the Second Amendment to the THRR, these Post-DDA residents' housing opportunities are subordinate to Pre-DDA households' housing opportunities.

### **SCOPE OF SERVICES**

Although the Project is a multi-year, multi-phased development, there is a continuing and on-going need to advise households of their options under the THRR, process Early In-Lieu payment benefits, assist residents in navigating the process to certify eligibility for affordable housing, and maintain demographic data necessary to plan the construction of transition housing. Implementing the THRR requires close coordination and collaboration with MOHCD, The Villages property management, and the Project's individual affordable and market-rate housing developers, as well as the City Attorney's Office.

The extended term will allow AR/WS to continue providing residents with advisory services until the RFP process has been completed and a new contract awarded for the continuation of these services

### **BUDGET IMPACT**

The Fourth Amendment to the Professional Service Agreement extends the Term and has no financial impact on Authority FY 2022-23 budget for the services anticipated in this fiscal year.

### **RECOMMENDATION**

Staff recommends the Authority Board approve the proposed Fourth Amendment to the Professional Services Agreement between the Treasure Island Development Authority and Associate Right of Way Services, Inc., to extend the contract Term through March 31, 2023, unless earlier terminated, and authorize the Treasure Island Director to execute said Fourth Amendment. Because the December meeting of the TIDA Board was cancelled due to a lack of quorum, approval of the amendment is requested retroactive to January 1, 2023.

### **EXHIBITS**

Exhibit A: Fourth Amendment to the AR/WS Agreement

Prepared by: Robert P. Beck, Treasure Island Director

## FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

**THIS FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT** (this “Third Amendment”), dated for reference purposes only as of January 1, 2023, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation (the “Authority”), and Associated Right of Way Services, Inc., a California corporation (the “Contractor”).

### RECITALS

**A.** The Authority and the Contractor entered into that certain Professional Services Agreement dated for reference purposes as August 1, 2017 (the “Original Agreement”), to assist in the creation of relocation plans and to provide advisory and consulting services for implementation of the Transition Housing Rules and Regulations of the Treasure Island / Yerba Buena Island Development, as more particularly described in the Original Agreement.

**B.** The Authority and the Contractor entered into that certain First Amendment to Professional Agreement dated as of December 11, 2019 (the “First Amendment”), that certain Second Amendment to Professional Agreement dated as of February 16, 2021 to amend the Original Agreement to increase Compensation, and that certain Third Amendment to Professional Agreement dated as of July 1, 2022 to amend the Original Agreement to extend the Term and increase the annual Scope of Services.

**C.** The Authority and the Contractor desire to amend the Original Agreement to extend the Term on the terms and conditions set forth in this Fourth Amendment

**D.** The Original Agreement, First Amendment, Second Amendment, Third Amendment, and this Fourth Amendment shall collectively be referred to as the “Agreement”. All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Authority and the Contractor hereby amend the Agreement as follows:

### AGREEMENT

- 1. Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.
- 2. Effective Date.** The effective date of this Fourth Amendment shall be January 1, 2023 (the “Effective Date”).
- 3. Term.** As of the Effective Date, the Term of the Agreement described in Section 2.1 of the Original Agreement shall be amended to read as follows:

“The term of this Agreement shall be from August 1, 2017 to March 31, 2023, unless earlier terminated as otherwise provided herein.”

3. **Counterparts.** This Fourth Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof.

4. **Full Force and Effect.** Except as specifically amended herein, the terms and conditions of the Sublease shall remain in full force and effect.

**[Remainder of page intentionally left blank]**

**IN WITNESS WHEREOF**, the Authority and the Contractor have executed this Fourth Amendment to Agreement at San Francisco, California, as of the date first above written.

<p><b>AUTHORITY</b></p> <p>TREASURE ISLAND DEVELOPMENT AUTHORITY</p> <p>By: _____ Robert Beck Treasure Island Director One Avenue of the Palms, Suite 241 San Francisco, CA 94130</p> <p>Approved as to Form:</p> <p>David Chiu City Attorney</p> <p>By: _____ Deputy City Attorney</p>	<p><b>CONTRACTOR</b></p> <p>Associated Right of Way Services, Inc., a California Corporation</p> <p>By: _____ <b>Larry Castellanos, SR/WA</b> <b>Vice President</b> City vendor number: <b>73050</b></p>
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1 (Professional Service Agreement with Associated Right of Way Services, Inc.)

2 **Resolution Approving and Authorizing the Execution of a Fourth Amendment to the**  
3 **Professional Service Agreement between the Treasure Island Development Authority**  
4 **and Associated Right of Way Services Inc., Retroactive to January 1, 2023, Extending**  
5 **the Term of the Agreement through March 31, 2023**

6 **WHEREAS**, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,  
7 authorizing the Mayor’s Treasure Island Project Office to establish a nonprofit public benefit  
8 corporation known as the Treasure Island Development Authority (the “Authority”) to act as a  
9 single entity focused on the planning+, redevelopment, reconstruction, rehabilitation, reuse and  
10 conversion of the Former Naval Station Treasure Island located on Treasure Island and Yerba  
11 Buena Island (together, the "Base") for the public interest, convenience, welfare and common  
12 benefit of the inhabitants of the City and County of San Francisco; and

13 **WHEREAS**, On June 7, 2011, the BOS voted 11-0 on various pieces of legislation  
14 authorizing the Treasure Island/Yerba Buena Island Development Project (the “Project”),  
15 including a Disposition and Development Agreement (the “DDA”); and

16 **WHEREAS**, The DDA contains a Housing Plan which, amongst other matters, granted  
17 certain housing opportunities and benefits as part of the Project to residents of affordable and  
18 market units on the island; and

19 **WHEREAS**, The benefits available to residents of market-rate units leased to and  
20 operated by the John Stewart Company were enumerated in the Transition Housing Rules and  
21 Regulations (the “THRR”) for The Villages at Treasure Island; and

22 **WHEREAS**, The THRR grants certain housing opportunities and transition benefits as  
23 part of the Project to those households who were living in The Villages at Treasure Island (“The  
24 Villages”) at the time of the approval of the DDA on June 2011; and

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1           **WHEREAS**, These residents are identified as Pre-Development and Disposition  
2 Agreement (“Pre-DDA”) households; and

3           **WHEREAS**, The benefits available to residents of housing units leased to and operated  
4 by affordable housing providers under the Treasure Island Homeless Development Initiative  
5 (“TIHDI”) were enumerated in the TIHDI Transition Housing Plan; and

6           **WHEREAS**, The Authority required support to administer and implement the THRR,  
7 identify and engage eligible households to explain available benefits, and to gather information  
8 needed to plan for the construction of the appropriate number and size of Transition Units; and

9           **WHEREAS**, After issuing a Request for Proposal (“RFP”) TIDA-17-0, reviewing  
10 proposals and conducting interviews, completing contract negotiations, and receiving approval  
11 from the Civil Service Commission (PSC 480405-16/17) to enter into a Professional Service  
12 Agreement for consulting and advisory services, the Authority awarded a contract (the  
13 “Agreement”) to Associate Right of Way Services, Inc. (“AR/WS”) to assist to the creation of  
14 relocation plans for eligible households in the implementation of the THRR; and

15           **WHEREAS**, The effective date of the Agreement was August 1, 2017 with an initial term  
16 through July 31, 2022, and Task Orders to be authorized by Authority Staff annually or when-  
17 needed identifying specific tasks, periods of performance, and approved budgets; and

18           **WHEREAS**, On December 11, 2019, the Authority Board approved a second  
19 amendment to the THRR expanding certain relocation and transition options for “Post-  
20 Development and Disposition Agreement (“**Post-DDA**”) residents; and

21           **WHEREAS**, The second amendment allowed Post-DDA households residing in The  
22 Villages in The Villages as of the effective date of the second amendment to:

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24           1.       Receive premarketing opportunities for market-rate housing; and  
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- 1           2.     Receive priority in newly constructed affordable housing opportunities  
2                     (affordable for-rent or BMR for-sale) when income-qualified; and

3           **WHEREAS**, On December 11, 2019, the Authority Board also approved an amendment  
4 to the AR/WS Agreement to modify the Scope of Services to implement the additional  
5 responsibilities included in the second amendment to the THRR and increasing the contract  
6 amount to \$1,670,000 (the “First Amendment” to the Agreement); and

7           **WHEREAS**, At the time of the First Amendment to the Agreement, the authorized  
8 contract amount was understood to be insufficient to fund services through the full term of the  
9 Agreement, and over the following two months staff has developed a budget consistent with the  
10 expected level of services through the current term of the Agreement which would expire on  
11 July 31, 2022; and

12           **WHEREAS**, On February 16, 2021, the Authority Board also approved a Second  
13 Amendment to the AR/WS Agreement to increase the contract amount by \$330,000 to  
14 \$2,000,000 (the “Second Amendment”); and

15           **WHEREAS**, On May 11, 2022, the Authority Board also approved a Third Amendment  
16 to the AR/WS Agreement to increase the contract amount by \$120,000 to \$2,120,000 (the “Third  
17 Amendment”); and

18           **WHEREAS**, A RFP was issued on November 4, 2022, with Proposals to be submitted  
19 on December 15, 2022, and Staff anticipates completing the section process and  
20 recommending award of a new contract for these purposes at the March 8, 2023 meeting of  
21 the Authority Board; and

22           **WHEREAS**, Implementing the THRRs requires continuous engagement with eligible  
23 households to explain available benefits, process Early In-Lieu requests, assist residents in  
24 navigating the process to certify eligibility for affordable housing opportunities, and gather  
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1 information needed to plan for the construction of the appropriate number and size of Transition  
2 Units; and

3 **WHEREAS**, Should a new provider be selected, they will benefit from a period of  
4 overlap with AR/WS to transfer their knowledge and experience; and

5 **WHEREAS**, Staff has drafted a Fourth Amendment to the Agreement to extend the  
6 contract Term through March 31, 2023 to provide uninterrupted services through that Term to  
7 be authorized via Task Orders as needed which the Authority may exercise in its sole  
8 discretion; **now, therefore be it**

9 **RESOLVED**, That the Authority Board of Directors approves the Fourth Amendment to  
10 Professional Service Agreement with Associated Right of Way Services, Inc., retroactive to  
11 January 1, 2023, and authorizes the Treasure Island Director to execute and perform the Fourth  
12 Amendment; and be it

13 **FURTHER RESOLVED**, That the Fourth Amendment does not materially increase the  
14 obligations or liabilities of the Authority, does not materially reduce the rights of the Authority,  
15 and is necessary or advisable to complete the tasks contemplated by the Agreement; **and be**  
16 **it**

17 **FURTHER RESOLVED**, That the Authority Board of Directors authorizes the Treasure  
18 Island Director or his designee to enter into any additions, amendments or other modifications  
19 to the Agreement that the Director determines in consultation with the City Attorney are in the  
20 best interests of the Authority, do not materially increase the obligations or liabilities of the  
21 Authority, do not materially reduce the rights of the Authority, and are necessary or advisable  
22 to complete the tasks contemplated by the Agreement, such determination to be conclusively  
23 evidenced by the execution and delivery by the Treasure Island Director or his designee of the  
24 documents and any amendments thereto.

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**CERTIFICATE OF SECRETARY**

**I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 11, 2023.**

**Mark Dunlop, TIDA Board Secretary**