

Advancing California Financing Authority

Governing Board

May 21, 2026

Agenda Item 5.c.

Contract

Subject:

Contract – Housing Compliance Consulting and Software: Compliance Services, LLC
(\$375,000)

Authorization to negotiate and enter into contract to continue using the sole source agreement with Compliance Services, LLC for housing program compliance monitoring services and software with an amendment for a 5-year term with an option to extend for up to two additional years for an amount not to exceed \$75,000 annually, contingent upon budget availability and satisfactory performance.

Background:

This request seeks authorization, based on compelling business needs, to extend the sole source contract with Compliance Services LLC (CS) for an amount not to exceed \$75,000 annually for a 5-year term with an option to extend for up to two additional years, contingent upon budget availability and satisfactory performance. The current sole source agreement with CS was approved by the Association of Bay Area Governments Finance Authority for Nonprofits (ABAG FAN) Executive Committee on April 2, 2020 and is scheduled to expire on June 30, 2026.

The Association of Bay Area Governments (ABAG) and ABAG FAN have entered into a Joint Exercise of Powers Agreement, which created the Advancing California Finance Authority (ACFA).

Pursuant to Article VI(L) of the joint exercise of powers agreement pursuant to which ABAG FAN was organized, ABAG FAN has the power to assign, delegate or contract with a third party to perform any of the duties of the ABAG FAN Board of Directors, including but not limited to, acting as administrator for ABAG FAN.

On May 21, 2020, the Governing Board approved, accepted and recognized the transfer of ABAG FAN Board duties to the Financing Authority pursuant to Resolution No. 2020-001, including but not limited to, acting as administrator of ABAG FAN.

ABAG FAN administers a portfolio of 57 affordable rental housing projects, each of which requires substantial monitoring to ensure compliance with state and federal laws, including IRS tax regulations and compliance with the California Debt Limit Allocation Committee's (CDLAC) annual reporting requirements. Each deal is structured differently, with its own mix of covenants, affordability commitments, financing terms, and long-term monitoring obligations. ABAG FAN is no longer originating new transactions and is focused on winding down and maintaining the housing portfolio. Its regulatory requirements remain in effect through 2065.

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ABAG FAN's housing portfolio requires on-going support to maintain full regulatory compliance, such as monitoring income and rental limits and collecting and submitting annual reports. CS has served as ABAG FAN's compliance advisor and software provider since 2018. ABAG FAN has consistently received high-quality service, and the team has proven to be responsive, efficient, and a valued partner.

Staff evaluated options for housing program compliance monitoring based on the following criteria:

- Expertise serving government agencies with affordable housing and bond compliance in California
- Availability of compliance software tailored for public agencies
- Cost-effectiveness

After an extensive market search, staff determined that the consulting services and software offered by CS represent the best option. Based on staff's review of comparable service and software providers, CS offers the specialized expertise required for housing program compliance monitoring. Staff does not believe another provider could match CS's efficiency or its deep knowledge of ABAG FAN's portfolio, especially considering its complexity and that every deal carries unique regulatory requirements.

Additionally, CS's software is uniquely and specifically developed for public agencies responsible for managing bond regulatory compliance. Most commercially available systems are designed for affordable housing owners, operators, or developers. CS's software also offers very competitive pricing at less than half the cost of other providers. Transitioning to a new provider would require paying a new up-front implementation fee and undergoing an additional multi-month setup period. Given that the ABAG FAN portfolio is winding down and in maintenance mode, adopting a new system would not provide any meaningful operational or financial benefit.

Issues:

None identified.

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Recommended Action:

The ACFA Governing Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into contract to continue using the sole source agreement with Compliance Services, LLC for housing program compliance monitoring services and software with an amendment for a 5-year term with an option to extend for up to two additional years for an amount not to exceed \$75,000 annually, contingent upon budget availability and satisfactory performance.

Attachments:

- A. Summary Approval

Reviewed:



Andrew Fremier

S U M M A R Y O F A C F A G O V E R N I N G B O A R D A P P R O V A L

Work Item No.:	P1171
Consultant:	Compliance Services LLC Walnut Creek, CA
Work Project Title:	Housing Compliance Consulting and Software Contracts
Purpose of Project:	Extension of the existing contract on a sole source basis to provide housing program compliance monitoring services.
Brief Scope of Work:	ABAG FAN currently has a portfolio of 57 affordable housing transactions, each of which requires substantial monitoring to ensure compliance with state and federal laws, including IRS tax regulations, as well as monitoring income and rental unit thresholds.
Project Cost Not to Exceed:	\$75,000 per fiscal year. Any unspent funds at the end of the fiscal year will carry forward to the following fiscal year.
Funding Source:	ABAG FAN
Fiscal Impact:	Funds are included in the FY2026-27 FAN Budget.
Motion by Committee:	The ACFA Governing Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into contract to continue using the sole source agreement with Compliance Services, LLC for housing program compliance monitoring services and software with an amendment for a 5-year term with an option to extend for up to two additional years for an amount not to exceed \$75,000 annually, contingent upon budget availability and satisfactory performance.
ACFA Governing Board Approval	Pat Eklund Chair
Date Approved	