



## Staff Reports

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**File #:** 1780-2019, **Version:** 1

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**To:** Honorable Chair and Commissioners

**From:** Vincent Smith, Community Development Director

**Prepared By:** Lark Ferrell, Housing Manager

**TITLE:**  
Section 8 Software Agreement

**RECOMMENDED ACTION:**

Authorize the Executive Director to execute a five-year agreement with MRI Software LLC for software for the Section 8 Housing Choice Voucher Program.

**DISCUSSION:**

The Housing Authority (the "Authority") has contracted with HAPPY Software for its Section 8 software for over 20 years. The Authority uses a variety of software modules for the operation of its Section 8 Housing Choice Voucher Program. These modules include, but are not limited to, an inspection module to track and schedule unit inspections, a module to calculate tenants' incomes and rent portions, and a module for the Family Self Sufficiency Program. HAPPY software is also used each month by Housing and Finance staff to make housing assistance payments to the Section 8 landlords. Having software which is supported and maintained is critical to the Authority's ability to continue to efficiently and effectively operate the Section 8 Housing Choice Voucher Program.

Historically, the Authority contracted with HAPPY Software through one-year agreements. Because HAPPY Software did not offer multi-year agreements, the prices would increase annually, often by up to 10% each year. In March 2018, MRI Software acquired Happy Software and has implemented new pricing structures. Under MRI's pricing model, the Authority's current year's cost for the software support and maintenance of all Section 8 software modules would be \$24,751. This cost could increase by up to 7% annually if the Authority continued to contract through one-year agreements. If it entered into a three-year agreement, the cost could increase by up to 5% annually. However, if the Authority enters into a five-year agreement, the price would be locked in with no more than a 3.5% annual increase each year. This is half of the increase faced under a one-year agreement. Because the Authority does not anticipate changing software systems during the next five years, staff recommends the Authority enter into a five-year agreement. This would minimize the cost over the five-year term. Additionally, the discounted price would be honored if the Authority were to upgrade to a newer version of HAPPY software during the term of the agreement.

**FINANCIAL IMPACTS:**

There is no General Fund impact. The cost of the agreement would be paid by the Housing Authority's Section 8 Housing Choice Voucher Program administrative budget. The current year cost under the proposed agreement is \$24,751 and is covered by the Housing Authority's budget (84301-

53201). If the annual cost of the agreement increases by the 3.5% maximum each year, the total cost over the five-year term would be \$132,726. This cost would be included in the Housing Authority's annual Section 8 administrative budget.

**CEQA:**

The Community Development Director has determined that the Recommended Action described in this Agenda Report is not subject to California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15060(c).

**DOCUMENTS ATTACHED:**

ATCH 1 - Resolution\_MRI HAPPY Agreement

**NOTIFICATION:**

HUD was notified of the Authority's intention to enter into the agreement. Additionally, notice of this agenda item was posted 72 hours in advance of the meeting.