

COUNCIL COMMUNICATION

City Clerk Use Only

DATE:

October 5, 2006

TITLE:

Comprehensive Housing Strategic Plan

Professional Services Agreement

CONTACT: Jan Shonkwiler, Housing Programs Manager

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Meeting Date: October 18, 2006

SUMMARY RECOMMENDATION

Staff recommends the City Council:

1. Approve the Professional Services Agreement with David Paul Rosen and Associates (DRA) to develop a five-year, comprehensive Housing Strategic Plan;

2. Adopt the attached resolution authorizing the City Manager to execute the Professional

Services Agreement with DRA;

3. Adopt the attached ordinance for a budget adjustment in the amount of \$115,000, transferring funds from the Affordable Housing Fund; and

4 Direct staff to hold in abeyance requests for financial subsidies for potential affordable housing developments, other than those already committed by Development Agreement, until the Comprehensive Housing Strategic Planning process is complete

BACKGROUND

Securing attainable housing for our workforce, young adults, and aging seniors is not a new issue. The City's first Affordable Housing Task Force, developed in 1988, directed the City's implementation of the 10% Affordable Housing Goal (AHG), whereby ten percent of new construction in new specific plan areas (master planned communities) and rezoned properties would be subject to "affordable housing".

Financing the Future

The key component of Roseville's 10% AHG is acquiring adequate funding to create the housing which would be "affordable". Over the past 10 years, traditional methods of financing affordable housing through federally funded programs has become increasingly competitive and numerous funding programs have become phased out. Therefore, state and local resources may be our primary vehicle to ensure that attainable housing for each economic segment can continue to be created now and for our future generations.

In April 2006, the City issued a Request for Proposal (RFP) to hire a consultant to assist the City in developing a comprehensive strategy to guide the City for the next five years in prioritizing, funding and implementing the City's affordable housing goals.

In response to our RFP, we received proposals from three firms. Our panel interviewed all three proposing firms in August and chose DRA to negotiate a final proposal and Professional Services Agreement. We found DRA to have extensive experience in the housing field utilizing

qualified staff members to provide a professional product without inflating the project budget. When checking references we found clients were impressed with services provided by DRA and used the firm on multiple occasions. Several DRA staff members are scheduled to moderate or serve as panel members in the upcoming California Redevelopment Association/California Association of Local Housing Finance Agencies Affordable Housing Conference.

DRA proposes to create the comprehensive Housing Strategic Plan through eight tasks which include:

- 1) Development of housing needs assessment;
- 2) Calculation of housing affordability gap analysis for several construction and rehabilitation scenarios;
- 3) Identification of local resources for housing;
- 4) Identification of potential non-local resources for housing;
- 5) Review of current affordable housing policies;
- 6) Creation of detailed five-year capital plan for investment of funds;
- 7) Provide best practice models for administration and successful implementation plan for housing programs; and
- 8) Facilitate creation of a Housing Task Force to assist in the development of the comprehensive Housing Strategic Plan.

We have included an optional ninth task for additional consulting services as needed to assist the Housing Division on other housing-related issues such as the recent Redevelopment Agency bond issuance. DRA has committed to complete the Plan within 6 months.

Creation of Housing Task Force

We believe a key component of the strategic planning effort will be the creation of a Housing Task Force which will assist in reviewing and prioritizing the City's future affordable housing needs, such as rental versus purchase housing. The task force will also evaluate potential changes to current housing policies contained within the Housing Element of the General Plan and the feasibility of alternate methods of funding, given the current legal constraints.

Staff envisions that this task force will be comprised of various stakeholders from the community including: affordable housing residents, Building Industry Association, Chamber of Commerce, affordable housing developers, employers, affordable housing advocates, and others who are concerned about attainable and workforce housing in Roseville. If the Professional Services Agreement is approved by City Council, staff will then work with DRA to develop a methodology to construct the Housing Task Force and come back to City Council for feedback and approval.

The attached Professional Services Agreement/Housing Strategic Plan proposal represents both the consultant's recommendations and the City's preferences on the best manner in which to develop a comprehensive Housing Strategic Plan to guide the City for the next five years. Two originals of the Professional Services Agreement, signed by DRA, are attached for Council review and approval. DRA's insurance verification is on file with Risk Management.

FISCAL IMPACT

This professional services agreement includes a fixed fee of \$105,000 for eight specified tasks and \$10,000 in optional additional services to be charged on a time and expense basis.

Resources of the Affordable Housing Fund will provide funding for this contract, with no impact to the General Fund.

Due to the benefits associated with developing a Comprehensive Housing Strategic Plan, especially in regards to future investment of city controlled funding for attainable housing developments, staff is recommending that the City hold in abeyance consideration of funding developer requests for potential attainable housing projects. It would be prudent to have the plan complete before considering new requests for subsidy funding, thereby allowing the Housing Task Force to have input into future attainable housing developments, given the severe fiscal constraints the city has regarding revenue availability and housing unit need analysis. However, staff will continue to act upon funding requests (gap financing) from developers who have been given assurances through secured Development Agreements, most notably in the West Roseville Specific Plan, the city will continue to subsidize those funding requests for attainable housing developments.

ENVIRONMENTAL REVIEW

Not applicable.

RECOMMENDATION

Staff recommends the City Council:

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Respectfully Submitted,

Jan Shonkwiler, Housing Programs Manager

Michael T. Shellito

Assistant City Manager/Community Services Director

APPROVED:

W. Craig Robinson City Manager