



**REPORT TO MAYOR AND CITY COUNCIL**

AGENDA ITEM

TO: THE HONORABLE MAYOR  
AND CITY COUNCIL

DATE: July 15, 2008

SUBJECT: Authorization for the City Manager to Select and Enter Into  
Contract with a Subcontractor for the City Inclusionary Housing  
Program and Homebuyer Assistance Programs

**Report in Brief**

To aid staff in qualifying the large volume of applicants for the City's Inclusionary Housing Program, the City Council authorized the hiring of a subcontractor in 2005. This subcontractor helps staff by facilitating orientation meetings, reviewing applications, certifying incomes and assisting families by qualifying them for home loans. The subcontractor has allowed staff to focus on the more global issues of managing the programs such as applying for grant funds and negotiating with developers to insure that their inclusionary requirements are met. As the current subcontractor's three year contract is expiring, staff is requesting City Council approval to select a subcontractor and execute a new contract.

Staff recommends that the City Council approve Resolution No. \_\_\_\_ authorizing the City Manager to select a subcontractor based on previously submitted proposals to aid City staff in the implementation of the Inclusionary Housing and Homebuyer Assistance Programs, and that the City Council authorizes the City Manager to enter into a contract with the selected subcontractor.

**Background**

Under the Spring Lake Affordable Housing Plan and the City's 6A Ordinance, staff is required to certify incomes of potential homebuyers before these households are eligible to purchase units with the City's program. These income certifications can be tedious and time consuming. It was decided early on in the implementation of the program to hire a subcontractor that could aid staff in doing a lot of the detailed work associated with client eligibility that would distract staff from more other critical aspects of program implementation.

In the first three years of the program, the City has had over 350 applications submitted. Many of these interested parties remain on the list of qualified households as they work to resolve credit issues, debt issues and/or income issues in order to eligible to purchase a home under the program.

With such a high volume of applicants in the pipeline, it would be difficult for staff to continue to service these households as needed. Incomes for these potential purchasers must be certified every six months. Also, as units become available, staff must review the incomes of all qualified households to verify if they have sufficient income to purchase units in the developer's lotteries.

In 2005, the City Council approved a contract for these services with the Sacramento Home Loan Counseling Center (HLCC). HLCC has provided these services to the City for the last three years. Per the City's procurement requirements, staff issued a Request for Proposals (RFP) on May 23, 2008 to solicit qualified firms that would be interested in providing these services to the City. Staff sent the RFP to firms that had expressed interest. The RFP was also posted on the City website, the California Redevelopment Association website and the website for the Northern California Chapter of the National Association of Housing and Redevelopment Officials.

The City received three responses to the RFP. These responses were from Neighborworks of Sacramento, Willdan, and Mercy Housing. A selection committee was convened that was made up of City staff as well as representatives of the housing industry who evaluated the proposals and is preparing a recommendation to the City Manager. Staff is seeking the City Council's approval to allow the City Manager to formerly select this firm and enter into a contract with the firm.

### **Discussion**

This request is to maintain a service that is needed for the success of the City's affordable housing programs. The consultant aids staff in a lot of the day-to-day implementation of these programs. Dealing with potential purchasers can be a time consuming process. Many of these households have issues with income, credit, or debt loads. Staff does not have the time or expertise to address these issues. By maintaining these consultant services, staff is able to insure that services are provided to help people qualify for affordable housing opportunities and implement other requirements of the program, including public outreach and collaboration with developers to meet their affordable housing conditions.

If these services are not maintained, it will distract staff from other needed functions. This includes pursuing multifamily housing projects that aid the City in meeting its Regional Housing Needs Assessment requirements, reviewing developer submissions to make sure they meet the requirements of the City's programs and the preparation, management, and closeout of grant programs that fund the City's First-Time Homebuyer programs.

### **Fiscal Impact**

The estimated annual cost of the proposed contract is \$60,000 which will be funded by the City's housing funds and is included in the FY09 budget and updated 10-Year Plan. Therefore, the proposed contract will not have an impact on the General Fund. When the City receives funds for First-Time Homebuyer activities, there are administrative and activity delivery funds available to pay for the consultant services. Also, last year the Council approved revisions to the 6A

Inclusionary Housing Ordinance to allow administrative expenses to be paid with affordable housing fees.

**Public Contact**

The RFP was sent to seven firms that expressed interest or were referred to staff as a resource able to perform the work. In addition, the RFP was available for download on two statewide websites.

This item was also posted as part of the City Council Agenda for the July 15, 2008 meeting.

**Alternative Courses of Action**

1. Approve Resolution No. \_\_\_\_\_ authorizing the City Manager to select a subcontractor to aid City Staff in the implementation of the Inclusionary Housing and Homebuyer Assistance Programs, and that the City Council authorizes the City Manager to enter into a contract with the selected subcontractor.
2. Cease further consideration of Inclusionary Housing and Homebuyer Assistance Programs.

**Recommendation for Action**

Staff recommends that the City Council approve Alternative No. 1.

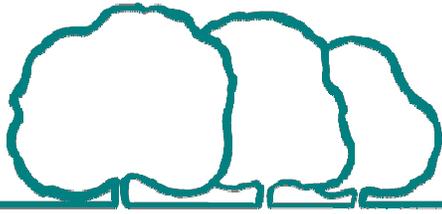
Prepared by: Jamie McLeod  
Associate Housing Analyst

Reviewed by: Robert MacNicholl  
Acting Comm. Dev. Director

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Mark G. Deven  
City Manager

Attachments: Resolution  
Request For Proposals



City of Woodland

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## Request for PROPOSALS

### Technical Assistance and Administrative Services for the City of Woodland Inclusionary Housing Program and Homebuyer Assistance Programs

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#### **Proposal Specifications**

The City of Woodland is seeking proposals from qualified private firms and individuals to provide technical assistance and administrative services for its Inclusionary Housing Program and Homebuyer Assistance Programs. Qualified consultants assigned to the position must have extensive experience working with homebuyer counseling, income certifications, and Federal, State and local homebuyer programs.

#### **General Background**

Woodland, incorporated in 1871, is a community of approximately 56,000 people located 20 miles northwest of the City of Sacramento. Woodland has instituted an Inclusionary Housing Program in the Springlake Specific Plan Area. When completed, this Specific Plan Area will have a build out of approximately 4,400 units of which at least ten percent are required to be affordable. The City has also been aggressive in securing additional homebuyer assistance funds through the State. In the past, the City has received BEGIN, CalHOME, and HOME funds that are used to qualify more households for the City's affordable units. First Time Homebuyer funds are available citywide for resale units as well as new construction.

The first home under the Inclusionary Program was sold in June of 2006. Since then the over 40 units have been sold to eligible households. The City uses a "silent second" model for its program. Selling these units have been challenging based on the changes in the market as well as the instability in the financial markets. The City expects that any firm selected to help implement the program will have sufficient staff to provide quick, thorough, and prompt responses to the City, potential buyers, and developers.

#### **Description of Duties**

The selected Consultant will provide professional and technical assistance for the Inclusionary Housing Program as well as the homebuyer assistance programs. The scope of work will include:

- Consultant shall do all work, attend all meetings, produce all reports and carry out all activities necessary for completion of the services. These include monthly homebuyer orientations, Inclusionary Housing lotteries (often at night or on weekends), and public meetings as needed. In addition, the consultant is responsible for administering the homebuyer income eligibility process, education and counseling in accordance with the requirements of the City's Inclusionary Housing Program and the regulations of the various funding sources.

- The Consultant will work closely with City staff as well as developer sales staff to ensure that the largest pool of potential buyers is provided in a timely manner.
- The Consultant will be expected to provide the City with a monthly report that describes the financial condition of each family that has applied to the program. The report should also include a status report for each family (i.e. ready to buy, needs to pay down debt, needs more downpayment, etc). This should include important information like household income, savings for downpayment, household size and other details that the City needs.
- The Consultant will provide the City with lists of buyers before and after lotteries. These lists will include, name, address, and phone numbers for all eligible buyers. The lists should track when the families were last contacted, when their income information was updated, and the response of the family to available housing units. The Consultant will work closely with City staff to continue to identify all eligible households after a lottery until all available units are in sales contracts.
- The Consultant will research other available funding sources and programs and inform City staff of potential opportunities for programs that may enhance the City's housing programs.
- The Consultant will have designated staff available during normal business hours to answer questions from the City, developers, banks, and homebuyers.
- The Consultant will provide additional assistance as needed to the City. This could include attending community meetings or providing additional reports in a format designated by City staff.

### **Proposal Format**

Your proposal should be submitted in the following format; not to exceed five pages and exhibits:

#### **Section 1 (Organizational Structure and Experience):**

1. Please list any certifications that have you received from any Federal, State or Local Agencies.
2. Attach an organizational chart showing how the proposed Woodland program and assigned staff fit into your organization. List the positions and brief descriptions of general duties of these staff including other responsibilities. Provide resumes or information regarding education and housing experience as it relates to this program (Label this Section as Exhibit I).
3. Please also include a list of current activities of your organization include all current contracts and responsibilities and how many staff hours a week those obligations require.
4. State the reasons why your organization is qualified to carry out the proposed program successfully and on time.

5. Demonstrate that there is organizational capacity to provide the following:
  - Availability of a live person answering the phone during normal office hours. Please include a staffing plan. Please provide information on what staff and systems are already in place and/or describe plans for increasing capacity to accommodate the required services. Include how many calls a day your organization receives on average.
  - Describe ability to report tracking outcomes of clients served through post service client tracking. Samples of tracking plans, reports and documents should be labeled as Exhibit II.
  - Describe staff knowledge and experience used in preparing the reports to document race, ethnicity and economic data on clients. Provide samples of client intake forms and label these as Exhibit III.
  - List all software programs used. All applicants must have at least a proficiency in the Microsoft Office Suite. The City prefers any requested information to be provided in an Excel format unless otherwise specified.
  
6. Describe relationships with lenders, title companies and builders. What systems are used to coordinate all parties involved in finalizing the sale of homes. Describe how you propose your organization fits within that process as well as what participation you expect from City staff.

**Section 2 (Administrative Process):**

Please describe your process for accepting and reviewing applications. Include your rules, practices, and schedules for recertifying income and updating contact information for the applicants.

**Section 3 (Budget):**

Please submit a proposed budget to perform the necessary duties to administer the City of Woodland's program. The budget should have a breakdown of costs for:

- Initial Income certifications or applications (average cost per client)
- Income reviews performed during the month (provide estimate on average number or certifications you expect to do per month)
- Income Certification Reports (monthly summary)
- Monthly Homebuyer Orientation meeting (one per month)
- Affordable Housing Lottery (one per quarter)
- Fees charged per closed loan

Provide the hourly rate(s) for your consultant services. Also explain how you track staff hours and your billing system.

In lieu of a detailed budget, the consultant may also charge the City a flat monthly fee. If you choose to implement this option, please provide the City with what this monthly fee is.

**Section 4 (Additional Information):**

Provide any additional information you believe will be helpful to assist in the review of your proposal. Include any attachments, exhibits or reports which you feel will help the City gain an understanding of your firm's ability to provide these services to the City of Woodland (Exhibit IV). **(PLEASE KEEP THIS CONCISE!)**

To be considered, proposals must be submitted no later than **4:00 p.m. Friday, June 20, 2008** to the City's Community Development Department, 520 Court Street, Woodland, CA 95695. **POSTMARKS WILL NOT BE ACCEPTED.** Please submit **five copies** of your proposal. **PLEASE KEEP YOUR SUBMISSIONS TO FIVE PAGES PLUS EXHIBITS.**

**A Pre-proposal Conference has been scheduled for June 6, 2008, 1:30 PM at the City Council Chambers located at 300 First Street, Woodland, CA 95695. Attendance is not mandatory.**

**Selection Criteria**

Selection of a consultant will be done on a competitive basis. In reviewing and evaluating the written responses to this Request for Proposals (RFP), City staff will be considering the following (not necessarily in order of priority):

- Section 1: Organizational Structure and Experience (45 Points)
- Section 2: Administrative Process (20 Points)
- Section 3: Budget (35 Points)
- Section 4: Additional Information

These criteria should not be construed so as to limit other considerations which may become apparent during the course of the review and selection process. The City reserves the right to reject any and all proposals. Staff will rate and rank all proposals on how the Consultant responded to the requested information.

**Selection Committee**

The selection committee will be comprised of the following members:  
Redevelopment Manager  
A Representative of a Developer  
City Housing Analyst

**Selection Schedule**

The following is an estimated schedule for selecting a firm and negotiating a contract:

June 6	Pre-proposal Conference
June 20	Proposals due
June 24	Notification of top candidates
July 1	Interviews
July 15	City Council authorization
July 16	Execution of contract
July 16	Contract Begins

**Term of Contract**

The term of the contract is one year and renewable annually for up to three years.

**All questions concerning this RFP should be directed to Jamie McLeod, Associate Housing Analyst at (530) 661-5823.**

**Miscellaneous Provisions**

The following meanings are attached to the following defined words when used in these specifications and the contract: the word "City" means the City of Woodland. The word "Consultant," "Bidder," "Contractor," or "Firm" means the person, firm or corporation submitting a proposal to provide services to the City.

This RFP does not commit the City of Woodland to award a contract or to pay any cost incurred in the preparation of a proposal.

Any changes to the RFP requirements will be made by addendum. All addenda shall be signed by bidders and attached to the proposal. Failure to attach any addenda may render the proposal non-responsive and cause it to be eliminated from consideration.

The City may require the selected bidder(s) to participate in negotiations and to submit such prices; technical or other revisions of their proposals as may result from negotiations. Bidder(s) selected for interview may be asked to submit "best and final" cost proposals as a final step in the selection process.

The City of Woodland reserves the right to negotiate a service contract with two or more bidders to provide the service jointly for the contract period.

All responses to this RFP become the property of the City of Woodland. At such time a final award is made, all proposals submitted in response to this RFP become a matter of public record and shall be regarded as public records, with the exception of those elements in each proposal which are defined by the bidder as business or trade secrets, and marked "Trade Secret", "Confidential" or "Proprietary", or if disclosure is required under the Public Record Act.

**Insurance Coverage**

Prior to entering into a contract, the consultant shall provide proof that it has provided for all necessary insurance in accordance with the City's Standard Professional Services Contract (a sample is available upon request).

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
WOODLAND TO AUTHORIZING THE CITY MANAGER TO  
SELECT AND ENTER INTO CONTRACT WITH A  
SUBCONTRACTOR FOR THE CITY INCLUSIONARY  
HOUSING PROGRAM AND HOMEBUYER ASSISTANCE  
PROGRAMS**

**WHEREAS**, the City of Woodland has implemented an Inclusionary Housing Program in City Code Section 6A as well as in the Springlake Specific Plan and the Springlake Affordable Housing Plan;

**WHEREAS**, the City routinely applies for funds to assist low and moderate income homebuyers to purchase homes;

**WHEREAS**, the day-to-day administration of the Inclusionary Program as well as the homebuyer assistance programs can be burdensome;

**WHEREAS**, in the past the City has subcontracted out some of these tasks to allow staff to address the more global needs of these programs; and

**WHEREAS**, the City issued a Request for Proposals on May 23, 2008 to identify a firm to fulfill these needs for the City;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WOODLAND DOES HEREBY RESOLVE** that the City Manager is authorized to select an administrative subcontractor to aid staff in implementation of the City's Inclusionary Housing and First Time Homebuyer Programs; and

**BE IT FURTHER RESOLVED** that the City manager is authorized to enter into a contract with the selected subcontractor as well as execute any needed documents to carry out this action.

**PASSED AND ADOPTED** this 15th day of July, 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Marlin Davies, Mayor

ATTEST:

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Sue Vannucci, City Clerk

APPROVED AS TO FORM:

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Ann M. Sipelle, City Attorney