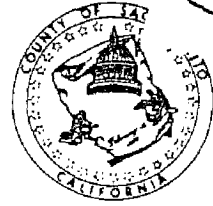




**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



19

April 17, 1990

Budget and Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Amendment to Contract with Keyser Marsten Associates,
Inc. for Consulting Services - City of Sacramento -
Housing Trust Fund

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency and City Council of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution approving the contract amendment.

Respectfully submitted,

ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COMMITTEE:

JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



April 24, 1990

City Council and Redevelopment Agency
of the City of Sacramento
Sacramento, California

Honorable Members In Session:

SUBJECT: Amendment to Contract with Keyser Marsten Associates,
Inc. for Consulting Services.

SUMMARY

This report recommends an amendment to the current contract for consulting services with the firm of Keyser Marsten Associates, Inc., increasing the total compensation by a sum not to exceed \$21,578, and extending the time for performance to December 31, 1990. The purpose of the contract amendment is to update the nexus analysis that provides the legally-required justification for the commercial development fee ordinance that funds the City Housing Trust Fund.

BACKGROUND

In 1987, the Executive Director of the Sacramento Housing and Redevelopment Agency executed an agreement with the firm of Keyser Marsten Associates to provide economic consulting services in connection with the City/County Housing Finance Task Force's investigation of alternative mechanisms for financing affordable housing for very low-income households. The limit of expenditures in that contract is currently \$50,000.

Under the current amended agreement the consultant has completed a nexus study and other analyses related to the Council's consideration of the development fee ordinance. In addition, the firm has conducted subsequent research to refine the analysis and to enhance documentation of the findings. This work was

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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of the City of Sacramento
Sacramento, California
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necessitated by the lawsuit filed against the City seeking invalidation of the ordinance.

The \$50,000 maximum specified in the Agreement has been expended. However, as required by the City ordinance, the nexus study must be updated to reflect changes in household income and construction costs. It is anticipated that the nexus study will require updating approximately every three years. Subsequent updates will be done through an RFP process. In addition, in the course of implementing the ordinance, staff has identified several analytic refinements that would clarify fee categories and result in significant staff time savings. This additional research will facilitate administration of the City's adopted ordinance. The additional \$21,578 should be sufficient to cover this work.

FINANCIAL DATA

To date, a total of \$50,000 has been paid under the Agreement with Keyser Marsten Associates. This report recommends authorization of an additional \$21,578 to be paid from the City Housing Trust Fund.

To date, approximately \$370,000 in commercial development fees have been collected and deposited into the housing trust fund. Approximately \$100,000 of this fund is reserved pending an infill development proposal that may be eligible to receive reimbursement of fees paid. In two separate reports, \$75,000 in trust fund revenue is being requested to pay for legal defense of the development fee ordinance and \$20,000 is requested to pay for legal work related to technical amendments to the ordinance. Sufficient funds remain in the fund to cover the \$21,578 requested in this report.

In the event that the commercial development fee ordinance is invalidated, the Agency would likely have to repay housing trust fund revenues used to pay for this contract amendment.

POLICY IMPLICATION

The action proposed in this staff report is consistent with previously approved policy; there are no policy changes being recommended.

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ENVIRONMENTAL REVIEW

The proposed action is exempt from environmental review per CEQA Guidelines Section 15378(b)(3); NEPA does not apply.

MBE/WBE REVIEW

MBE/WBE considerations are not required with this activity, as it is an extension of a previously awarded contract.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of April 16, 1990, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

RECOMMENDATION

The staff recommends adoption of the attached resolutions whereby:

- 1) The City Council authorizes payment of \$21,578 of City Housing Trust Fund revenue to the Redevelopment Agency to pay for economic consulting services related to the nexus analysis;

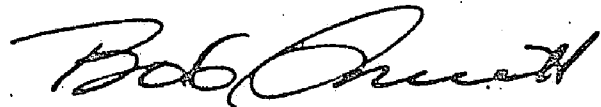
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of the City of Sacramento
Sacramento, California
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- 2) The Redevelopment Agency of the City of Sacramento amends the Community Development budget by adding \$21,578 from the City Housing Trust Fund.

- 3) The Redevelopment Agency authorizes the Executive Director to amend the Contract for Consulting Services by \$21,578 and to extend the Contract to December 31, 1990.

Respectfully submitted,



ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE, City Manager

Contact Person: Thomas V. Lee, 440-1357

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

DISTRIBUTION OF HOUSING TRUST FUND REVENUES

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1: The Finance Director is authorized to distribute \$21,578 of Housing Trust Fund revenue to the Redevelopment Agency of the City of Sacramento for payment of consulting services related to the City Housing Trust Fund and development fee ordinance to be provided under contract by Keyser Marsten Associates, Inc.

MAYOR

ATTEST:

CITY CLERK

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

BUDGET AMENDMENT; ACCEPTANCE OF HOUSING TRUST FUND REVENUES

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The Executive Director is authorized to amend the Community Development budget by accepting a transfer of \$21,578 from the City of Sacramento Housing Trust Fund to be used for consulting services related to the City Housing Trust Fund and development fee ordinance.

Section 2: The Executive Director is authorized to amend the Contract for Consulting Services dated August 10, 1987, between Keyser Marsten Associates and the Agency to increase the compensation by an additional \$21,578 and to extend the time for performance from December 31, 1989, to December 31, 1990.

CHAIR

ATTEST:

SECRETARY

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____