



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



18

April 17, 1990

Budget and Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Amendment to Contract with Shute, Mihaly & Weinberger
for Legal Services and Related Budget Amendment -
City of Sacramento - Housing Trust Fund

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the City Council and Redevelopment Agency 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 Shute, Mihaly & Weinberger
for Legal Services and Related Budget Amendment.

SUMMARY

This report recommends an amendment to the current contract for legal services with the firm of Shute, Mihaly & Weinberger, increasing the total compensation by a sum not to exceed \$20,000, and extending the time for performance to December 31, 1990. The purpose of the contract amendment is to provide for legal services regarding technical amendments to the City's Housing Trust Fund and commercial development fee ordinance.

BACKGROUND

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

The specific scope of services under the current amended agreement includes:

- o Legal services regarding implementation of low-income housing strategies in the City and County of Sacramento; and

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- o Legal services on behalf of and at the direction of the City/County Housing Finance Task Force.

To date, Shute, Mihaly & Weinberger has made a substantial contribution to the efforts of the Task Force, the Agency, and the City staff. The firm has prepared opinions on the legal issues involved in a number of alternative revenue sources, advised on the mechanics of the establishment of a Trust Fund, assisted in the preparation of the Commercial Development Fee Ordinance that the City Council adopted last spring, and assisted in the development of administrative guidelines by which to implement the ordinance.

The \$50,000 maximum specified in the Agreement has been expended. However, a considerable amount of legal work is still required in order to evaluate additional funding mechanisms for the Housing Trust Fund and to draft technical amendments to the City ordinance.

FINANCIAL DATA

To date, a total of \$50,000 has been paid under the Agreement with Shute, Mihaly & Weinberger. This report recommends authorization of an additional \$20,000 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 City 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 \$21,578 is being requested to pay for economic consulting to update the nexus study that provides required justification for the development fee. Sufficient funds remain to cover the \$20,000 requested in this report.

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

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POLICY IMPLICATION

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

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:

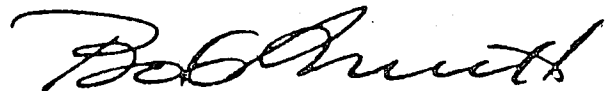
- 1) The City Council authorizes payment of \$20,000 of City Housing Trust Fund revenue to the Redevelopment Agency to pay for legal services related to the City Housing Trust Fund and development fee ordinance.

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- 2) The Redevelopment Agency amends the Community Development budget by accepting a transfer of \$20,000 from the City Housing Trust Fund.
- 3) The Redevelopment Agency authorizes the Executive Director to amend the Contract for Legal Services with Shute, Mihaly & Weinberger to an amount not to exceed \$20,000 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 \$20,000 of City Housing Trust Fund revenue to the Redevelopment Agency of the City of Sacramento for payment for legal services related to the City Housing Trust Fund and development fee ordinance to be provided under contract by Shute, Mihaly & Weinberger.

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 _____

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 \$20,000 from the City Housing Trust Fund to be used for legal services related to the City Housing Trust Fund and development fee ordinance.

Section 2: The Executive Director is authorized to amend the Contract for Legal Services with Shute, Mihaly & Weinberger to increase the maximum compensation payable under the contract by an amount not to exceed \$20,000 to cover City-related work, and to extend the time for performance from December 31, 1989 to December 31, 1990.

CHAIR

ATTEST:

SECRETARY

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RESOLUTION NO.: _____

DATE ADOPTED: _____