



Legislation Text

File #: 20-406, **Version:** 1

Report Prepared by: Scott McBride, Director of Development Services, Housing Division, Development Services Department

SUBJECT: Approval of a Professional Service Agreement Between the City of Merced and RSG Inc. for Housing Successor Agency Services Through June 30, 2021 in an Amount not to Exceed \$79,760.00

REPORT IN BRIEF

Considers approving the terms and scope of services for a professional services agreement with RSG Inc. to provide consulting services to the City of Merced and the City's Housing Successor Agency.

RECOMMENDATION

City Council - Adopt a motion approving the professional services agreement between the City of Merced and RSG Inc. for consulting services related to the Housing Successor Agency in the amount not to exceed \$79,760.00 and authorizing the City Manager or the Assistant City Manager to execute all the necessary documents.

ALTERNATIVES

1. Approve as recommended by staff; or,
2. Approve, subject to conditions as specified by the City Council; or,
3. Deny the request; or,
4. Refer back to staff for reconsideration of specific items as requested by the Council, or,
5. Defer action until a specified date.

AUTHORITY

Charter of the City of Merced, Section 200

CITY COUNCIL PRIORITIES

City of Merced Adopted Budget Fiscal Year 2020-2021.

DISCUSSION

Staff has negotiated a professional services agreement with RSG Inc. for provision of Affordable Housing Consulting Services to the City (Attachment 1). The total cost for RSG Inc. services is not to exceed \$79,760.00.

RSG Inc. provides services to the City and the City's Housing Successor Agency through the evaluation of existing resources, development strategies, disposition of Housing Successor assets, and technical knowledge regarding the State of California's complex Housing Successor Agency

Regulations. Additionally, they assist City staff with coordinating and preparation of the Annual Housing Successor Report to ensure the City remains in compliance with State of California regulations for Housing Successor Agencies.

For the past year, RSG Inc. has assisted the City and the City's Housing Successor with reporting requirements, project reimbursement negotiations, and the development of a strategy for disposition and development of various Housing Successor Assets.

Over the past year RSG assisted in the City on various items. They include:

- Childs and B Street Development Review including HOME Subsidy Layering Analysis and preparation of Agreements and other documents;
- Transfer of Former Redevelopment Agency Assets to the Housing Successor Agency;
- Merced Pacific Associates Loan Research and Advisory Services;
- Housing Successor Agency Annual Report; and,
- General As-Needed Services.

The agreement being considered is a new scope of services and budget for Fiscal Year 2020-21 aimed at assisting the City and Housing Successor to resolve some of the issues described above. It also includes additional services and to provide general as-needed services for unanticipated issues as the need arises.

The tasks include:

1. Housing Successor Real Property Development Request for Proposals (RFP);
2. Reconciliation of Residual Receipt Payments;
3. Fiscal Year 2019 - 20 Housing Successor Annual Report; and,
4. General As-Needed Services.

The single largest task for 2020-21 is the preparation of an RFP to assist in the disposition of available Housing Successor Agency Properties. The RFP must comply with both the Housing Successor Agency Law and Surplus Land Act. Many interested parties have contacted the City regarding these properties including the Habitat for Humanity of Merced County. The ten individual sites may provide options for affordable housing developers.

RSG Inc. will assist staff with packaging and presenting projects to the City Council. When called upon, RSG Inc. will provide one-on-one project advice and assistance when addressing legal requirements of the Housing Successor.

RSG Inc. has supported staff with addressing previous Housing Successor efforts, responding to programmatic expenditure requirements, assisting staff with valuable industry knowledge related to affordable housing questions, and providing the City with general knowledge related to development of Housing Successor assets.

IMPACT ON CITY RESOURCES

Funding for this professional service agreement is available within the fiscal year 2020-21 adopted budget under the Low and Moderate Income (LMI) Housing Asset - Fund 071.

ATTACHMENTS

1. Professional Services Agreement for FY 2020-21