

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: RAISSA DE LA ROSA,  
ECONOMIC DEVELOPMENT MANAGER  
PLANNING AND ECONOMIC DEVELOPMENT  
SUBJECT: THIRD AMENDMENT TO PROFESSIONAL SERVICES  
AGREEMENT WITH ECONOMIC AND PLANNING SYSTEMS,  
INC., FOR PROJECT MANAGEMENT AND TECHNICAL  
SUPPORT RELATED TO THE HOUSING ACTION PLAN

AGENDA ACTION: RESOLUTION

---

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council, **by Resolution**, approve the third amendment to the professional services agreement number F001059 with Economic and Planning Systems, Inc., of Oakland, CA, in an amount not to exceed \$194,805.00, extending ongoing project management and technical support efforts related to refining, completing and measuring the results of the Housing Action Plan.

---

EXECUTIVE SUMMARY

Santa Rosa continues to face a significant shortage of housing, particularly that available for moderate and lower income families. Following two housing-focused study sessions in fall 2015, and a six-part Council housing series, Santa Rosa's Housing Action Plan was accepted by Council on June 7, 2016. The Housing Action Plan (HAP) was designed to address how Santa Rosa can increase production, achieving a goal of "housing for all."

The Housing Action Plan provides a pathway toward proactive and intensive engagement by the City in housing production, achieving a goal of "housing for all." This includes:

1. Regulatory and procedural reforms that improve certainty and reduce barriers to housing production of all types;
2. Public investments that improve development readiness of opportunity sites;
3. Provision of regulatory and financial incentives for inclusionary housing; and

THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH  
ECONOMIC AND PLANNING SYSTEMS, INC., FOR PROJECT MANAGEMENT AND  
TECHNICAL SUPPORT RELATED TO THE HOUSING ACTION PLAN  
PAGE 2 OF 4

4. Expanded direct investment in low and very low income affordable housing and homeless facilities and services.

Economic and Planning Systems, Inc. (EPS) played an important role in completing the HAP, an effort that exceeded the allotted contracted amount originally designated to the project by \$28,925. This amendment considers this as well as ongoing technical analysis and staff support for an additional \$34,500 for a total agreement amount of \$194,805.

### BACKGROUND

In response to Santa Rosa's significant shortage of housing, the Council conducted two study sessions in fall 2015 to understand housing needs, review existing housing programs and funding opportunities, and to identify new approaches to increasing housing supply. As the result of Council Direction, staff began work on the Housing Action Plan to be completed by June 2016.

On February 23, 2016, the Council received the first Housing Action Plan report regarding funding approaches to develop more housing in the community.

Also on February 23, 2016, the Council received a report from the Planning and Economic Development Department outlining improvements previously made and underway to facilitate housing production through changes to the development review process.

On April 19, 2016, the Council received a report outlining alternatives to expanding housing units, from affordable to market rate. Council also received a report regarding developers' assessment of housing production in Santa Rosa and an outline of potential housing program initiatives. The Council directed refinement of the housing initiatives into a Housing Action Plan, including an organizational plan, an outreach plan, and a financial plan.

On June 7, 2016, the Council accepted the Housing Action Plan and authorized staff to prioritize an implementation work plan. The Housing Action Plan frameworks a wide range of policy, operational, and funding reforms broken down into five program areas. Broadly, the Plan seeks to maximize housing production within realistic fiscal commitments, and expand and incentivize housing related investments.

On November 1, 2016, Council received a report outlining the economic development impacts of housing, and adopted by resolution the Affordable Housing Incentives Pilot Program.

EPS was a driving force in management and team coordination support, and analytical research and presentation throughout the two Study Sessions and six Council Reports.

### PRIOR CITY COUNCIL REVIEW

Not applicable.

### ANALYSIS

The Consultant played an important role in completing the HAP update which culminated in a final presentation to Council on November 1, 2016. This Consultant effort exceeded what City staff and the Consultant had anticipated would be required in terms of staff meetings, staff coordination, and document and presentation preparation. For time spent in the creation and approval of the HAP, the accrued time exceeding the original agreement funds amounted to \$28,925 of billing. This includes the “Housing as Economic Development” work that was reflected in the final of the six Council sessions and presented on November 1st.

Continuing the role that the Consultant has played during the past year, the Consultant will continue management and coordination efforts with senior City staff, including attending regular HAP Team meetings assisting with measurement towards meeting the HAP objectives.

As directed by City staff, Consultant will contribute research, data, and technical analysis building on previous research and analytical efforts that contribute to refinement of the HAP and measurement of Housing Action Program results, going forward. As direction is given, related work programs and budget allocation estimates will be prepared. Additionally, Consultant will respond to impromptu questions or requests from City staff for HAP-related technical support as needed. Key aspects of this technical analysis and support may include:

- Collaboration with or providing advice to City staff in their efforts to strengthen their capacity to monitor economic and market conditions, and evaluate the economic and fiscal effects of housing development resulting from the HAP.
- Responding to requests from City staff for specific demographic or real estate data from our commercial data sources and data archives as part of the staff’s individual project analysis or other reporting.
- Further developing measuring and monitoring of housing production including establishing methods and protocols for City staff to evaluate the relative merits of projects seeking City development incentives and subsidies, and conducting related fiscal and economic data gathering and reporting.

City staff and Consultant will work together to determine the likely scope of these efforts

THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH  
ECONOMIC AND PLANNING SYSTEMS, INC., FOR PROJECT MANAGEMENT AND  
TECHNICAL SUPPORT RELATED TO THE HOUSING ACTION PLAN  
PAGE 4 OF 4

in order to establish a more accurate management process of timing and budget.

FISCAL IMPACT

Funds for this contract are available within the Economic Development Division's  
FY2016-2017 adopted budget.

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it  
is not a project which has a potential for resulting in either a direct physical change in  
the environment, or a reasonably foreseeable indirect physical change in the  
environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

CONTACT

Raissa de la Rosa, Economic Development Manager  
Tel. 707-543-3059  
[rdelarosa@srcity.org](mailto:rdelarosa@srcity.org)