



September 21, 2015

Mr. Sean McGlynn
City Manager
City of Santa Rosa
100 Santa Rosa Ave
Santa Rosa, CA 95404

Dear Mr. McGlynn:

Thank you for the opportunity to submit a proposal to the City of Santa Rosa to provide policy and management options for addressing residents' concerns about the current cost and availability of rental housing in the City. We understand that in a recent study session, the City Council considered preliminary research on such options prepared by City staff and expressed interest in additional research to help Council members make an informed decision on the issue.

We recognize that mitigating the effects of rising rents on residents is a concern for many California cities, and that a range of possible solutions must be vetted to see which are best suited to Santa Rosa's unique circumstances. Management Partners has the skills needed to provide this consulting assistance, and we would be pleased to do so.

Management Partners was founded in 1994 to help local government leaders improve their service to the public. We are a national consulting firm with offices in San Jose and Costa Mesa, California, and in Cincinnati, Ohio. We have a well-established track record of helping local governments throughout the United States, including all of the services provided by cities, counties, towns, utilities, and special districts of all sizes.

During our over 20 years of service, we have earned a national reputation by delivering quality, actionable work products to our clients. We bring extensive experience to this assignment, including first-hand knowledge of the local government context. The work we do is not an academic exercise; it is grounded in the real world of customer service and accomplishment in the public sector. As a result, we have a bias for producing value-added work for each client that will be actionable, and will be implemented.

Understanding of the Engagement

To make informed policy choices, City policymakers need the results of intensive and competent research into the available options of addressing concern over the state of the rental housing market. There are many dimensions associated with the cost and availability of housing, and addressing these issues can have both immediate and long-term impact on the causes and effects of this problem. California state law and the practicalities of the private ownership marketplace both have substantial influence on choices available to policymakers.

In developing the preliminary information for the initial Council study session, staff identified several alternatives for further investigation: mediation/arbitration, a Just Cause and/or a rent stabilization program administered by the city, and the option of continuing without local government action.

There are many issues to explore. Some of that information is documented in industry and academic studies, while other information will be gleaned from research with jurisdictions that have employed one or more of the options. We would expect this research to uncover the opportunities and problems associated with each option, best practices that have been developed where implementation has occurred, and an understanding of the effects – both anticipated and unanticipated – of local governments taking action in this area of public policy. This research will help develop options built on learning to date, with emphasis on California but also including any relevant lessons developed elsewhere.

To make this assignment most useful, the City should use an iterative process in which the Management Partners research team will be guided by City leaders in finalizing and pursuing a scope of work in conducting the research, but in which the research team will then have the opportunity to discuss its findings and results with knowledgeable policymakers as the work develops. Of course, Management Partners accepts responsibility for the quality of its staff work on this assignment, and for conducting an impartial, nonpolitical “search for truth” in developing relevant facts and analysis, as well as in developing credible options for consideration.

Management Partners understands that City staff members are busy with the ongoing work of the organization and that in taking on this assignment, the firm is supplying knowledgeable professionals to supplement the work of City staff. As a result, we will be respectful of staffs’ time commitments and we will conduct our work in a manner that minimizes the amount of time required to support this effort. Nevertheless, we will need to rely on staff for matters related to internal procedures, fielding of public calls, and overall coordination of meetings as appropriate. It will clearly be in the City’s interest to welcome input from local groups with information or questions on the topic.



Planned deliverables on a research assignment such as this can serve as a good basis for framing both the timing and expectations of the work. Based on initial conversations with the City Manager's Office, we anticipate the following deliverables:

- Research Agenda. After an initial meeting with the City, Management Partners will finalize the content of the research agenda.
- Observations and Preliminary Ideas. When the initial research is completed Management Partners will provide the City with a document summarizing the results to that point, which can serve as the basis for continuing conversations, as needed.
- Draft Presentation. When the issues identified in the research agenda and discussed subsequently with the City have been clarified, Management Partners will prepare a presentation of the results for use as the basis of a City Council study session. A draft of the presentation will be discussed with the City prior to being finalized.
- Research Presentation. With the benefit of feedback on the content of the draft presentation. Management Partners will conclude the assignment by preparing and presenting the research and analytical results to the City Council in a study session.

Because of the nature of this assignment, and particularly the valuable iterative nature of the vetting process, it is appropriate to establish a not-to-exceed contract for our work, with the expectation that Management Partners will bill the City at our normal government rates for the time required, and for associated expenses. We anticipate that the City will designate a project manager to whom we will report on a regular basis as the work proceeds, so that the City will retain total control of our staff work, just as it does for the work of City staff. We recommend the contract amount be initially established at not-to-exceed \$75,000.

Our research team will be led by Steven Bocian, Special Advisor, assisted by Christine Butterfield, Special Management Advisor, and a management analyst from our northern California office. Biographical information for Mr. Bocian and Ms. Butterfield is attached and the hourly rates are set forth in this table:

Position	Hourly Rate
President	\$ 300
Vice President	250
Partner	220
Special Advisor	190
Senior Management Advisor	140
Management Advisor	95
Management Analyst	75



We appreciate the opportunity to be of assistance to the City of Santa Rosa. Please feel free to contact me at (513) 313-0503 if you have any questions about this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald E. Newfarmer". The signature is fluid and cursive, with a prominent initial "G" and a long, sweeping underline.

Gerald E. Newfarmer
President and CEO

