



CITY OF MENIFEE

SUBJECT: Consultant Services Agreement with PlaceWorks for Housing Studies

MEETING DATE: February 15, 2023

TO: Mayor and City Council

PREPARED BY: Doug Darnell, Principal Planner

REVIEWED BY: Cheryl Kitzerow, Community Development Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Approve a Professional Services Agreement with PlaceWorks for professional services to prepare a Housing Market Impact Study and an Inclusionary Housing Feasibility Study in the not-to-exceed amount of \$84,988.

DISCUSSION

This Professional Services Agreement (PSA) is for consultant work to prepare a Meniffee Housing Study (MHS) Project that includes two separate housing study components: 1) a Housing Market Impact Study, to implement Program Action No. 29 of the City's adopted Housing Element; and 2) an Inclusionary Housing Feasibility Study to implement Program Action No. 30 of the Housing Element. This work effort for the housing studies is described further below:

- **Housing Market Impact Study Component.** This study will evaluate existing barriers to affordable housing and opportunities to reduce these barriers to create affordable housing. The Study will include an assessment of a variety of housing options in the City to understand from a market perspective how to ensure options for all types of housing ranging from estate housing, townhomes, condominiums, apartments and to understand more about the build for rent market. The Study will include recommendations for short-, mid- and long-term policies, strategies and programs for suitable housing which will be presented in an MHS report to stakeholders, Planning Commission and City Council as workshop/study sessions.
- **Inclusionary Housing Feasibility Study Component.** The Inclusionary Housing Feasibility Study will provide quantitative data for the City to determine the appropriate method or approach to consider related to inclusionary housing policies. The analysis will

assess and consider the feasibility of various levels of inclusionary requirements, success with inclusionary ordinances in other jurisdictions, and their housing market conditions compared to market conditions in Menifee. The Study will identify and evaluate three to five specific policy design alternatives. The goal of the inclusionary housing component is to help the City Council understand how potential inclusionary housing requirements would impact the feasibility of new residential development and will fulfill LEAP grant funding objectives to streamline and accelerate housing production. Recommendations will be provided in an MHS report to stakeholders, Planning Commission and City Council as workshop/study sessions.

Procurement Method - Request for Proposal (RFP). On October 28, 2022, the City issued a **RFP #2023-7** for the scope of work to prepare the Housing Market and Inclusionary Housing Feasibility studies. Proposal responses were due on November 30, 2022. A total of three proposals were received in response to the solicitation. An evaluation committee of key City staff members familiarized and experienced in the requirements of the RFP, evaluated the submittals based on specific criteria and scoring parameters stated in the solicitation. All proposals scored well enough to continue to the next stage of the evaluation process. Subsequently, individual interviews were held with all three finalists: 1) ECONorthwest; 2) PlaceWorks; and 3) RSG.

An evaluation panel of three individuals representing the Community Development Department participated in the interviews to determine which firm's team, approach and capabilities would best serve the City. The finalists were evaluated on the following components: Overall Project Presentation and project specific questions and answers.

Interview Evaluation Results:

Based on the compiled Interview evaluations, PlaceWorks received a 1st place ranking on the interview with a score of 85.33 points. Scores are provided in the table below.

Consulting Firm	Proposal Score (95 possible points)	Interview Score (100 possible points)	Cost Proposal	Top Proposal Strengths
PlaceWorks	83.67	85.33	\$84,988	<ul style="list-style-type: none">- Extensive/broad expertise in housing/economic studies.- Strong understanding of City/project needs and objectives.- Proactive problem-solving approach to any project issues.- Good communication strategy to ensure easy to follow information and outreach.
EcoNorthwest	76.67	80.67	\$81,840	
RSG	76.67	80.00	\$84,940	

Throughout the evaluation process, initial and finalist interview phase, PlaceWorks was collectively identified as the most qualified proposal.

The fee proposed by PlaceWorks is less than the project budget/cost estimate of \$85,000. Staff has reviewed and determined that the PlaceWorks cost proposal is reasonable for the scope of work to be performed and no further negotiations are necessary.

STRATEGIC PLAN OBJECTIVE

Livable and Economically Prosperous Community

FISCAL IMPACT

The fiscal impact of the proposed PSA with PlaceWorks for this project is \$84,988. In March of 2021, HCD awarded \$300,000 in LEAP Grant funds to the City for planning efforts to incentivize and accelerate housing production. Of this amount, \$45,000 is budgeted to cover the cost of the Inclusionary Housing Feasibility Study and will be paid from Account #301-4330-52841 (LEAP - Inclusionary Housing Feasibility Study). In addition, \$40,000 is budgeted to cover the cost of the Housing Market Study and will be paid from Professional Services Account #100-4330-52800.

ATTACHMENTS

1. PSA - Placeworks