



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



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March 27, 1990

Budget & Finance Committee
Transportation/Community
Development Committee
Sacramento, CA

Honorable Members in Session:

SUBJECT: Request for Proposals for a Consultant to Develop a
Central City Housing Strategy

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency and City Council of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution approving the Request for Proposals.

Respectfully submitted,

ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COMMITTEE:

SOLON WISHAM, JR.
Assistant City Manager

Attachment



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



March 27, 1990

City Council of the
City of Sacramento
and
Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session

SUBJECT: Request for Proposals for a Consultant to Develop a
Central City Housing Strategy

SUMMARY

This report recommends the allocation of up to \$200,000 for the development of a Central City Housing Strategy; which includes the hiring of a consultant to assist Agency and City staff in the preparation of the Strategy through a Request for Proposals (RFP) process and funds for subsequent preparation of required environmental documents. (See attached recommended RFP.) The source of the \$200,000 consists of \$100,000 from currently uncommitted fund balance in the Downtown tax increment fund (i.e. contingency reserve) and \$100,000 of the City of Sacramento's funds. The Central City Housing Strategy follows and complements the proposed interim Central City Housing Policy which is discussed in a companion staff report. It is planned that a draft Central City Housing Strategy will be available in the Fall of 1990.

BACKGROUND

The development and preservation of market rate and affordable housing is an integral part of supporting the billion dollar private and public investment in the renaissance of the Central City of Sacramento. Certainly, the City's desire to increase and preserve housing in the Central City has been adopted as a goal in the General Plan, the Capitol Area Plan and the Central City Community Plan. While many new developments have been completed or planned recently for the downtown, such as: new highrise office buildings; the light rail line; the planned "K" Street and Downtown retail renovation; expansion of the convention center; a new hotel; and planned waterfront development, housing development has lagged behind, with a few notable exceptions. One of these, the Capitol Area Development Authority (CADA), has demonstrated that where land

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and/or a subsidy is available, quality market rate and affordable owner and renter housing can be successfully developed in Sacramento's Central City. Other examples include several rehabilitations in Alkali Flat, Riverview Plaza, the Sequoia and the Ridgeway Hotels, all requiring deep subsidies, and a few private historic rehabilitations. However, with these notable exceptions, the Central City housing goals have not been realized.

Despite much debate, discussion and unrealized project proposals, few other new residential projects have been developed in recent years. What's worse, several significant projects (the Francesca, the Californian, the Shasta and the Merrium, for example) have been demolished or gone out of the housing business. Critical questions that must be answered are, to what extent is Central City and downtown housing development a desirable public policy goal and, if so, what incentives can the City or Agency provide to encourage this housing? If a subsidy is required to achieve affordable market rate housing, to what extent can the City and Agency provide housing development subsidies, given the significant county-wide need for affordable housing and the limited resources available? If subsidies are provided, where should they be directed (i.e., new construction, rehab, which neighborhoods)? If subsidies are not provided, is the downtown market sufficiently developed to support private investment in housing, or is it necessary to wait for the private market to materialize? What are the costs of waiting? In the meantime, should the Agency proceed to acquire land or designate land for housing through land controls, to allow for this housing once its production becomes feasible?

The need to encourage the development of housing in the Central City and downtown includes: (1) traffic concerns as people are forced to commute to work; (2) related air quality environmental concerns; and (3) a large number of people living and working in the Downtown, which is the critical element needed to complete the implementation of the desired "twenty-four hour city." People living in the central area help give downtown the life, activity and economic support that is needed to protect the significant private and public investment in retail, cultural and recreational facilities.

While the amount of new residential development in the Central City has been limited, there are many governmental and private plans and activities taking place which highlight the need for development of a coordinated and comprehensive approach to the housing needs in the

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Central City. Considerable public and private money, time and effort have been invested in such housing-related efforts and issues as:

- In 1988, the consulting firm of Devine and Gong, Inc., with Laurin Associates, prepared the "R" Street Corridor Housing Study.
- The "R" Street Corridor Advisory Committee has spent a year addressing the need for office and residential development in the 53 block Corridor.
- The "R" Street effort has stimulated an interest in retaining the residential character of the adjacent Southside Park neighborhood, especially preserving the existing affordable housing and the many historic properties in the area.
- In 1989, Rural California Housing Corporation prepared a Housing Condition Survey Report for the Southside Park area. Following that report, the City Council adopted a plan for the Southside area.
- The Lot A Plan proposed by Capitol Mall Partners (McCuen and Rockefeller) contains a one million dollar commitment to be spent on housing Downtown.
- The development of the Southern Pacific property could result in the building of medium to high density residential units.
- Other privately planned office projects for the downtown will generate demand for housing, some of which will be for low income housing.
- Preservation of existing and new single room occupancy (SRO) units are vitally needed. In April 1989, the City Council adopted a policy paper confirming its commitment to SRO housing.
- The Downtown housing stock is suffering from disinvestment. Consequently, not only do we need new housing, but the City needs to address its policies concerning the preservation of the available stock.
- The Northeast neighborhood has been identified as a housing resource area, yet no new housing has been built there."

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- Important issues to be addressed are the relocation of public housing as well as the provision of affordable housing and opportunities for upscale housing in the Richards Boulevard project area.
- Many projects and programs have been developed in the past few years in response to the rising problem of homelessness. Shelters and programs have been located near the Downtown, generally in the Richards Boulevard area. The issue of homeless shelters and transitional housing needs to be addressed within the context of a Central City Housing Plan.
- Several other plans and policies have been adopted by the City Council regarding land use, zoning and development standards for all or a portion of the central City area, including the Merged Downtown Sacramento Redevelopment Plan; the Urban Land Institute Capitol Mall Development Study; the Sacramento Urban Design Plan; Central Business District Framework Plan, the Architectural Design Guidelines and the Streetscape Plan; the Capitol Area Development Authority Plan; the City of Sacramento Transportation Management Plan; the Downtown Sacramento: Redevelopment Implementation Strategy Plan and Action Program; the City of Sacramento General Plan with the Housing Element and related elements; and the Zoning Ordinance.

The existence of these many plans, policies and ordinances which have an impact on housing development in the Central City results in potential confusion and conflict in their interpretation and implementation. Thus, there is a need to develop a city-wide consensus among decision makers, interest groups and City and Agency staff as to what is the desired policy direction for housing in the area. Realizing that there exists a need for better coordination and a comprehensive approach to the future development of the Central City, the City Planning and Agency staff have met and discussed the need to mutually hire a consultant and develop a Central City Housing Strategy. It is therefore recommended that the City and the Agency issue a joint Request for Proposals to solicit a consultant, or consultant team, to assist in the preparation of a Central City Housing Strategy. The purpose of the strategy is to completely analyze all existing plans and to use these plans as background information necessary to promulgate a new, comprehensive plan and strategy for the Central City, and to identify specific actions and resources necessary to implement that plan. The specific tasks identified by staff for the consultant to address are outlined in the attached RFP statement.

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Major categories of tasks include:

- (1) Goals and Objectives
 - Identify goals and objectives of the strategy
- (2) Need/Demand for Market Rate and Below Market Rate Housing
 - Regional market
 - Downtown market
 - Market timing
 - Future market
 - Subsidized housing
- (3) Supply Analysis
 - Housing supply
 - Housing conditions
 - Planned housing projects
 - Vacant land survey
- (4) Housing Development Feasibility Analysis
 - Various housing development scenarios - type, mixed use, mixed income
 - Need for subsidy - amount of gap
 - Availability of residential support services
 - Marketability of various housing products
 - Traffic, parking, schools, parks, etc.
 - Experience in other cities
- (5) Conformity and Conflict of Existing City/Agency Plans and Policies
- (6) Land Use, Planning, and Zoning Questions
 - Land use map
 - Zoning map of sites for housing
 - Housing development opportunity locations
 - Uses for conversion to residential
 - Density
 - Neighborhood by neighborhood analysis of housing opportunities with special emphasis on where increased density is possible, where new construction should be promulgated and where preservation should be emphasized
 - Transition areas
 - Preservation issues

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(7) Incentives and Policies

- Incentives/disincentives that encourage/discourage housing downtown - regulatory and financial
- The appropriate type and level of subsidies, if any, for each type of housing proposed
- Regional concerns - traffic, air quality and jobs/housing balance
- Low income and affordable versus market rate housing
- Role of SRO's, homeless shelters
- Family versus single person housing
- Preservation versus new construction

(8) The Strategy

- A suggested step-by-step implementation strategy, tempered by federal, state and local financing constraints.
- Include a five year plan for achievement of specific housing goals

Criteria for consultant selection are also provided in the RFP. selection panel comprised of the Director of Planning and Development, the Executive Director of SHRA, the Planning Director, the SHRA Housing Development Director and a City Council appointed public member who is a real estate expert, architect or residential developer, will review and select the consultant for consideration by the Council. A technical advisory committee will be established to meet three or four times to review the consultant's work.

FINANCIAL DATA

A total of \$200,000 is recommended to complete the strategy and related environmental documents. Funding will be \$100,000 from tax increment fund balance and \$100,000 from the City of Sacramento. The Agency will administer the contract(s) pursuant to an Individual Project Agreement with the City. Consequently, the Agency budget will need to be increased by the amount of the City's participation, up to \$100,000. The total amount will cover all costs associated with the preparation, publication and distribution of a final Central City Housing Strategy Report, the environmental documentation, and all consultant-related expenses.

It is proposed that staff support of the consultant and the development of the plan will be shared by the Agency and the City. Existing staff are expected to absorb the workload of this project.

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ENVIRONMENTAL IMPACT

CEQA: Not a project per CEQA Section 15378(b)(3).
NEPA: Not applicable - no federal funding involved.

MBE/WBE REQUIREMENTS

The Request for Proposal statement encourages prospective consultants to be sensitive to including women and minorities as part of their consultant teams, including sub-contractors. The selected consultant will be required to adhere to the City and Agency's minority business enterprise and women business enterprise (MBE/WBE) requirements.

POLICY IMPLICATIONS

The recommended Request for Proposal statement and process for the development of a Central City Housing Strategy will probably result in several new policy initiatives. Among these will probably be recommendations on housing and commercial development, land use, density, and a variety of financial issues.

VOTE AND RECOMMENDATION OF COMMISSIONS

At its regular meeting of March 19, 1990, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Diepenbrock, Moose, Pernell, Simon, Strong, Wiggins,
Williams, Wooley, Yew, Simpson

NOES: None

ABSENT: Amundson

At its meeting of March 15, 1990, the Sacramento City Planning Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Becerra, Chinn, Gaston, Hollick, Holloway, Notestine,
Otto, Rose, Yee

NOES: None

ABSENT: None

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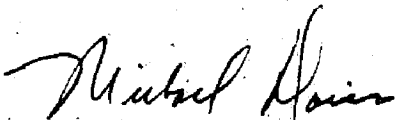
RECOMMENDATIONS

The City Planning and Sacramento Housing and Redevelopment Agency staff recommends that the City Council adopt the attached resolutions: (1) allocating up to \$100,000 from downtown tax increment which may come from 1990 TAB proceeds, (2) executing an Individual Project Agreement with the City of Sacramento for \$100,000 from the City for development of the Central City Housing Strategy; and (3) authorizing the City of Sacramento Community Development Director and the Sacramento Housing and Redevelopment Agency Executive Director to issue a Request for Proposals to solicit a consultant to assist the City and Agency in the preparation of the Central City Housing Strategy and related environmental review documents.

Respectfully submitted,



ROBERT E. SMITH
Executive Director.



MICHAEL M. DAVIS
Director, Planning and
Development Department

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Tom Lee 440-1357

JC:dr:plf

2729D

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVING CENTRAL CITY HOUSING STRATEGY
REQUEST FOR PROPOSALS AND AGREEMENT

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL:

Section 1: The City Manager is authorized to enter into an Individual Participation Agreement for the preparation of the Central City Housing Strategy with the Sacramento Housing and Redevelopment Agency. The costs to the City under the Agreement shall not exceed \$100,000.

Section 2: The City Planning and Development Director is hereby authorized to jointly issue with the Executive Director of the Sacramento Housing and Redevelopment Agency the attached Request For Proposal for such services relating to preparation of the strategy.

MAYOR

ATTEST:

CITY CLERK

H100WPP2(609)/1

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

APPROVING CENTRAL CITY HOUSING STRATEGY REQUEST FOR PROPOSAL

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The amount of \$100,000 shall be allocated from the 1990 Tax Allocation Bond (TAB) issue to pay the costs for a consultant to prepare the Central City Housing Strategy and related environmental review and documents.

Section 2: The Executive Director is authorized to enter into an Individual Participation Agreement with the City of Sacramento relating to the preparation of such strategy.

Section 3: The Agency budget shall be increased by the amount the City contributes to the total cost for such consultant.

Section 4: The Executive Director is hereby authorized to issue a Request For Proposal for consultant services relating to the preparation of the Central City Housing Strategy.

CHAIR

ATTEST:

SECRETARY

1100WPP2(609)/2

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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**CITY OF SACRAMENTO
DEPARTMENT OF PLANNING AND DEVELOPMENT
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

REQUEST FOR PROPOSALS

SACRAMENTO CENTRAL CITY HOUSING STRATEGY

INTRODUCTION

The City of Sacramento is seeking the services of a consultant to prepare a strategy for the development and preservation of market rate and subsidized housing in the central area of the City of Sacramento. The purpose of the strategy is to completely analyze all existing plans, policies and ordinances and to use those plans as background information necessary to promulgate a new, comprehensive plan and strategy for the Central City, and to identify specific actions and resources necessary to implement that plan. The consultant will work with the City Planning and Development Department and the Sacramento Housing and Redevelopment Agency (SHRA) to develop the Sacramento Central City Housing Strategy and related environmental review documents.

THE STUDY AREA

The Sacramento Central City Study Area is enclosed by the rivers and the interstate freeways. Specifically, the area is bounded by Interstate Highway 80 - Business on the East and South including the area south to Broadway, the Sacramento River on the West and the American River on the North. (See attached map.)

THE SETTING

Sacramento is one of the nations fastest growing and most desirable regions for living and working. The City is the government center of the world's sixth largest economic entity - California. In moving away from an economy dependent upon governmental and agricultural activity, Sacramento is rapidly becoming the center of a regionally diverse economy with newly developed strength in manufacturing, electronics, finance, transportation, service

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industries and retailing. The Sacramento Area Council of Governments projects that the region's current population of 1.4 million will continue to grow at a rate faster than the state, while California remains the leader in population growth in the nation. Ranked sixth nationally in economic growth, Sacramento was

among the top five metropolitan areas in terms of employment growth between 1987 and 1988. In addition, Sacramento leads the nation in personal income growth, according to Chase Econometrics.

THE DOWNTOWN

At the crossroads between the west coast and points easterly, as well as Southern California and the Pacific Northwest, Sacramento is the cosmopolitan hub of the Great Central Valley of California and this dynamic multi-county region. The current billion dollar public and private investment in Sacramento's downtown renaissance is reflective of the City's growing significance as an economic and cultural center. Several new downtown projects are: the recently opened 16 story - 500 room Hyatt Regency Hotel; the new 18.3 mile light rail system now serving the center city area; the historic restoration of the State Capitol Building; and, the Old Sacramento historic area along the waterfront which is one of the largest historic preservation projects in the nation. Other major improvements to the downtown are planned, as well. Stretches along the Sacramento River will soon be revived with a mixed-use \$100 million development -the Docks project. The Sacramento Convention Center will undergo a \$90 million expansion, and the Downtown Plaza Retail Mall will be expanded and renovated. The historic Crocker Art Museum will also be expanded and a new Central Library will be completed.

Private commercial development in the downtown includes 10 million square feet of office space and over one million square feet of retail space. Several new office towers are under construction, including the new 358 foot, 28 story Renaissance Tower and other projects being built that are expected to add over 1.5 million square feet of office space. Downtown Sacramento is undergoing a dramatic transformation. No project is more illustrative of the emergence of the new downtown Sacramento than the Capitol Mall Project planned for the City - owned site, known as "Lot A," located between the State Capitol Building and the Sacramento River. This project has been identified as "Sacramento's signature development."

The plan for this site by Capitol Mall Partners (McCuen and Rockefeller) is to include construction of 880,000 square feet of office and commercial space, 20,000 square feet of retail space and a 300 room hotel, which will generate a demand for housing, some of which could be provided close to work in the Downtown.

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AVAILABILITY OF DOWNTOWN HOUSING CHOICES

The availability of a wide range of housing choices for residents who work and/or want to live in the central city is, of course, an integral element of a successful twenty-four hour cosmopolitan city. Sacramento's downtown and Capitol area is ringed by neighborhoods which presently provide a wide variety of such choices which are not available elsewhere in the region. These older residential neighborhoods offer the opportunity of cultural diversity, a range of housing types, prices and quality, as well as the largest stock of historically significant residences in the region. Over the past ten years, virtually no new housing has been built in the downtown. An exception however is, the Capitol Area Development Authority (CADA) who has developed a significant number of newer owner and rental housing on State - owned land within the CADA redevelopment area near the Capitol.

HOUSING AFFORDABILITY

Finally, Sacramento is becoming recognized, widely, as the affordable urban place to live in California. Rents for a quality two bedroom apartment are in the \$450 to \$650 range as compared to \$800 to \$1,000 for similar units in the San Francisco Bay Area. First time homebuyers can find a large stock of single family homes close in to the urban core for under \$150,000. Average sales prices of single family homes in the Bay Area are well over \$250,000, substantially beyond the affordability of all but a very few higher income households. Yet, warning signals are being sounded due to Sacramento's growing reputation as a high quality and affordable place to live and work. In the recent past, housing costs are getting beyond the affordability of an increasing proportion of Sacramento households.

An analysis by Agency staff provided in association with the recently completed Housing Finance Task Force report found that in the City and County of Sacramento, 60,000 renter households have very low incomes, and of these 24,000 renter households pay over 50 percent of their meager incomes for rent. Further, an additional 20,000 renter households earning less than 50 percent of the area's income pay between 30 percent and 50 percent of their

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incomes for rent. Consequently, demand continues to outpace supply. On the homeownership side, median home prices increased from \$97,999 in December 1988 to \$119,499 in December 1989 or 22% over one year (per the Sacramento Association of Realtors), reducing the number of first-time homebuyers who can afford to buy.

It should be noted, however, that the downtown area presently has one of the highest proportions of very low income housing within the City. The plan must address strategies that can preserve the supply of very low income affordable housing in the City while increasing the number of housing units for low, moderate and higher income households, in order to realize the "24 hour city." There are divergent opinions in the community regarding the need for both very low income and low/mod income housing in the downtown.

JOB/HOUSING BALANCE, TRAFFIC AND AIR QUALITY

In addition, recent and projected expansive growth of the Sacramento region has engendered concerns over the location of jobs and housing, traffic congestion, lengthy commutes and air quality. These regional issues must be addressed in the planning for the development of housing in the downtown. Although thousands of jobs are to be located in newly built and planned office/commercial and retail buildings, little attention has been paid to the need or benefits of central city housing.

PLANNED HOUSING PROJECTS AND ACTIVITIES

There are several housing efforts presently underway and proposed in the central area which, taken together, underscore the need for a coordinated strategy for the development and preservation of housing in the central area of Sacramento. In addition, a past myriad of housing/land use studies have addressed the Central City's housing needs in a piecemeal-manner, or are outdated. Those efforts and studies include:

- The Capital Area Development Authority (CADA) planned development of ten sites on State owned land near the Capital Building. These sites could yield up to 200 units and are presently being offered by CADA for development.
- The "R" Street Corridor Advisory Committee proposes land use changes to allow development of high density residential and office projects in the corridor. Also, planned office/commercial development in the corridor could generate the need for additional low income and market rate housing units in the corridor and surrounding areas.

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- The Southside Park Plan, recently adopted by the City Council, proposes development of up to 200 mixed income units, and rehabilitation of historic properties and numerous dilapidated housing units. Development of the SHRA owned site at 5th and T Streets, a critical element of the plan, could add up to thirty to forty mixed income rental units.
- Capitol Mall Partners' (McCuen and Rockefeller) adopted plan for the Agency owned "Lot A" site on Capitol Mall includes 880,000 square feet of office/commercial space and 20,000 square feet of retail space which will generate a significant need for housing much of which could be located downtown. In addition to project generated tax increment and Housing Trust Fund revenue for housing, the project developers have pledged \$1,000,000 for development and preservation of housing in the Central City.
- Development of the Southern Pacific site which could result, initially, in building mixed income high density units on the site.
- Northeast neighborhood sites - vacant and underutilized parcels could yield new units, including the redevelopment agency owned site at 17th and K Streets currently planned for 51 multifamily units. Preservation of the older housing stock is critically in portion in this and other Central City neighborhoods.
- Richards Boulevard Redevelopment Area - An older commercial and industrial area situated immediately north of the downtown, the Richards Boulevard area is expected to be soon designated as a redevelopment project area.
- Several other plans and policies have been adopted by the City Council regarding land use, zoning and development standards for all or a portion of the central City area, including the Merged Downtown Sacramento Redevelopment Plan; the Urban Land Institute Capitol Mall Development Study; the Sacramento Urban Design Plan; Central Business District Framework Plan, the Architectural Design Guidelines and the Streetscape Plan; Capitol Area Development Authority (CADA) Plan; City of Sacramento Transportation Management Plan; the Downtown Sacramento: Redevelopment Implementation Strategy Plan and Action Program; the City of Sacramento General Plan including the Housing Element and related elements; and the Zoning Ordinance.

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Given the existence of many plans, policies and ordinances which have an impact on housing development in the Central City, potential confusion and conflict in their interpretation and implementation exists. There is a need to develop a city-wide consensus among decision makers, interest groups and City and Agency staff as to what is the desired policy direction for housing in the area.

STUDY PURPOSE/PRODUCT

The strategy should completely analyze all existing plans, policies and programs and promulgate a new comprehensive plan and strategy for the Central City and identify specific actions and resources necessary to implement the new strategy. The analysis and recommendations should be two tiered: generally relating to the Central City as a whole; and, a Central City neighborhood by neighborhood series of analysis and recommendations.

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SCOPE OF SERVICES

Applicant consultants must address each of the areas listed below by: (1) describing the methodology proposed to be used; (2) providing a detailed description of the product by category; (3) identifying sources of research information and data to the extent that they are known at the time of application. (Note: City/Agency staff will provide all available documents and data. Original research will likely also be required.) Where special technical skills are to be utilized to address a particular question, please identify consultant team members and/or sub-consultants who are proposed to do that work.

The analysis shall address the following:

1. Goals and Objectives

Considering the regional transportation, environmental and jobs/housing balance issues, the need for affordable housing, the need to protect the billion dollar public and private investment in the downtown, the need to increase the Central City population to support existing and planned retail, cultural and entertainment facilities, and the desire to preserve downtown neighborhoods, identify the primary goals for a new housing strategy for Sacramento's Central City. Identify the two or three supportive objectives, including, the short and long term objectives that should be included in the plan. Recommend the time period that the plan should cover - two, five or ten years.

2. Need/Demand for Market Rate and Below Market Rate Housing

Despite the positive growth trends in the Sacramento region, development of market rate and subsidized new and rehabilitated housing has lagged substantially behind other new development activities in the central area. Recent media reports indicate, however, that there may be a market in downtown Sacramento for upscale rental units. The consultant is asked to identify the market and demand for housing in the central area of Sacramento. The market analysis should be based on the short term (one to five years) and long term (up to ten years) regional and local supply and demand variables. This analysis should be based on existing conditions, economic and employment growth, wage levels and trends, transportation/commute patterns and real estate values and development trends. To the extent possible a neighborhood analysis should be provided.

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A. Regional Market

- 1) Utilizing the regional housing needs calculations prepared by Sacramento Area Council of Governments (SACOG) provide an analysis of the need for housing, particularly very low, low and moderate income housing, for the total County and City geographical area. Please note: This analysis will serve as background material for the 1991 updates of the housing elements of the City and County. That update may be a joint report combining the two housing elements. SACOG will publish regional figures in July 1990 which are to be used in this study.
- 2) Identify the regional housing market conditions particularly the predominance of the suburban market, that must be considered in developing a Central City Housing Strategy. Discuss how planned specific large-scale residential developments will affect the viability of the downtown housing market. Projects to consider could include those proposed for West Sacramento and Yolo County to be located across the Sacramento River from downtown Sacramento, the South Natomas projects, the Centrage project, the Southern Pacific Railroad site and other major planned projects.

B. Downtown Market

- 1) Provide a nexus analysis which identifies the relationship between employment and the amount of housing demand that could be generated by the new commercial and office development currently under construction or planned for the study area. The analysis should show the housing demand by income category (very low, low and moderate). Also, identify the amount of the demand that could be allocated reasonably to the Central City, if appropriate housing were available.
- 2) Considering the demand for housing in the Central City and the downtown, identify, if any, the market for housing development and/or preservation in the Central City. Discuss the desirability of living in the Central City. Address residential types, style, income, number of bedrooms, amenities, and density of housing. Describe in detail the housing product(s) that will be successful in the Central City, especially the downtown and by neighborhood. Explain the basis for such a determination. Identify design features and support amenities needed to attract market rate users. This analysis should be done on a neighborhood by neighborhood basis.

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- C. Market Timing - If there is not a current identifiable market for housing in the subject area, is it a question of timing? Identify when, and under what conditions, a market may be realized. For what type of housing?
- D. Future Market - Identify the current and future - next five to ten years - market conditions and trends for development of new and rehabilitated market rate owner and rental housing in the study area.
- E. Subsidized Housing - Provide an analysis indicating the need for subsidized housing in the area, by Central City neighborhoods. (Subsidized housing is that which is to be provided to households with very low, low and moderate incomes. Very low income is defined as fifty percent of the County median income. Low income is between fifty-one and eighty percent of the County median, and moderate is eighty-one to one hundred twenty percent of the median.)

3. Supply Analysis

- A. Housing Supply - Using available information and data, provide an updated count and analysis of existing housing units by income and category type ((e.g., owner, rental) single family, multifamily, duplexes, fourplexes, garden apartments, multi-story)). Provide this data by land use category, zoning designation, redevelopment areas and designated neighborhoods or areas (e.g., Northeast Neighborhood, Midtown, Richards Boulevard, Alkali Flat, Downtown, Capitol Area, Southside Park, and Southside.) A comprehensive list of areas will be provided to the consultant.
- B. Housing Conditions - Provide an analysis by neighborhood of the quality and condition of the existing housing stock, and an assessment of the extent and type of need for rehabilitation.
- C. Planned Housing Projects - Provide a map by neighborhood of currently under construction and planned residential projects to be located in the study area by expected completion date, housing type, and income category. Include a breakdown of existing market rate and subsidized residential units by moderate, low and very low income.
- D. Vacant Land Survey - Provide an updated map and listing of all vacant parcels located by neighborhood within the study area by zoning category.

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4. Housing Development Feasibility Analysis

A. Gap Analysis - Provide financial analysis for the feasibility of developing the types of residential projects at three density levels -20 units per acre; 26-60 units per acre; and over 60 units per acre, (include your assumptions). Identify any gap in financing and your ideas on how and in what form the gap funds can be provided for the following:

1) 100% market rate residential- for:

- a. Owner and
- b. Rental

2) Mixed income - Determine whether or not mixed income housing projects could be economically feasible in the area. If so, identify general locations. Identify the mix of income levels per project that would most likely be successful, for:

- a. Owner and
- b. Rental

3) Mixed use - Develop a prototype of mixed use project that could succeed, the optimal locations, and the mix of uses that would be feasible. Determine if commercial/office portions of mixed use projects can finance the "gap" required to make the housing portion economically feasible. Recommend a ratio of non-residential to residential uses that would be feasible.

4) Subsidy required - provide an analysis to determine if the required gap (subsidy amount) changes by neighborhood or location.

B. Residential Support Services -

1) Identify the residential support land uses and services including supermarkets, grocery stores, pharmacies and other commercial retail facilities available in the subject area and sub-areas, that will support an increased numbers of residents and livability in the area. Provide data regarding the number of downtown residents required to support such retail uses.

2) Determine the traffic, parking, schools and park facilities needed to support increased populations in the subject area and sub-areas (neighborhoods).

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- 3) Identify other new residential support uses needed, by locations in order to attract an increased population living in the Central City and downtown, e.g. farmer's market, cultural facilities, theaters, etc.

5. Central City and Housing Plans, Policies, Ordinances and Programs

- A. Existing Plans, Ordinances and Policies - Provide an evaluation of the effectiveness of existing City and Agency adopted planning and policy documents and ordinances related to the Central City and housing. Identify overlapping and/or conflicting policies and recommend appropriate changes. Determine whether economic or other changes since adoption of those plans and policies dictate revision of those policies. Recommend appropriate new policies which would foster an improved environment for residential development mixed use and preservation in the Central City.
- B. Existing Programs - Identify changes to existing housing programs which would contribute to achieving Central City housing goals.
- C. Public Funds for Housing - Provide an analysis and recommend where the City and Agency should devote its limited resources to improve the conditions for the development of a Central City and downtown housing market especially with respect to new construction versus rehabilitation, and rental versus ownership housing. In particular, provide this analysis on a neighborhood by neighborhood basis. Identify the appropriate form and level of subsidy for each type of housing proposed. Provide the reasons for the recommended policy.

6. Land Use, Planning and Zoning

Within the context of the Central City as a whole and also the various Central City neighborhoods, the following analysis should be completed:

A. Land use

- 1) Land use map - Provide a map of the study area broken down by neighborhoods of the existing General Plan, Central City Community Plan and Redevelopment areas land use designations. Also identify the number of acres allocated for each land use category.
- 2) Transition areas - Identify areas that should be designated and preserved as areas of transition from non-residential uses to residential uses and provide guidelines for land use designation of such areas.

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B. Zoning

- 1) Provide a map of the study area categorized by neighborhoods of the existing zoning designations, and a breakdown of the number of acres zoned by category. Indicate the residential development potential by housing type.
- 2) Currently, there appears to be relatively few sites zoned for residential uses, exclusively. Most of the downtown parcels are zoned for office/commercial uses. The consultant should address the extent to which rezonings to residential and/or mixed uses are necessary in order to provide a sufficient supply of sites for housing development. Also, provide an evaluation of the feasibility and desirability to rezone areas from commercial to mixed use and/or residential uses. Identify the areas where new land designations and rezonings are appropriate. Provide assumptions and reasons for conclusions.

- C. Housing Development Opportunity Locations - On a map of the Central City, indicate the general locations that might be suitable for residential uses by type (e.g., single family detached, condominium, rental, SRO, mixed uses). Also, based on that map, provide an analysis of the residential development potential by designated neighborhoods. Specifically, this must be a neighborhood by neighborhood analysis indicating the type of housing (market, type, density) to be located there, and addressing the potential for rehabilitation versus new development.
- D. Susceptible Sites - Identify susceptible uses and sites that could be converted to residential uses. Identify the number and location of housing units located on R/O zoned land.
- E. Density - The consultant should address the type and density of housing that will be economically feasible in the Central City. Identify the general location of this housing. Also discuss whether the City, and possibly the County, should adopt land use policies which encourage higher density market rate housing downtown, and lower density housing in the outlying neighborhoods and the suburbs. Examine various ways of increasing densities consistent with preservation policies, maintenance of neighborhood character and design considerations.

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7. Incentives and Policies

A. Incentives - Disincentives

1) Market Timing

- a) If current market conditions are not sufficient to attract and stimulate private investment in the development of market rate and subsidized housing in the Central City and downtown identify other incentives, financial and regulatory, the City/SHRA could offer or provide to encourage market and subsidized housing in the area. Specifically, for each type of housing proposed recommend by neighborhood the type and amount of subsidy that would be required for new construction and rehabilitation projects to be successful.
- b) Also, identify existing disincentives to building housing in the study area.
- c) Conduct a survey of developers/builders of commercial and residential builders to determine their views of the incentives and policies that the City/Agency could provide to promote housing in the Central City. Include local and out of area developers, especially solicit input from successful mixed use (residential, office and commercial) builders.

- 2) Housing Land Availability - Recommend whether or not the City/SHRA should buy land now and bank it for future development, or resale. Identify the opportunity costs of allocating funds to land banking versus making public funds available presently for development of needed housing. Identify general locations where the City/SHRA might consider buying sites for future housing development. Also, recommend a process for developing those sites and how the site(s) should be offered. For example, should sites be sold to developers at market value, or used as a subsidy for proposed projects? Provide guidelines and rationale for your recommendations.

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- 3) Residential Support/Supermarket - There is a need for a major supermarket in the Central City, especially in downtown residential areas. Identify an optimal location. Recommend incentives that the City/SHRA should offer to encourage the development of a quality downtown supermarket. Recommend whether or not the Agency should require that a supermarket be included within commercial/retail/office projects proposed or redevelopment sites. Identify other residential/neighborhood serving commercial uses that are needed. Provide this analysis on a neighborhood by neighborhood basis.
- 4) Parking - Identify changes, if any, that are needed in the City's parking requirements for residential and mixed uses that enhance the livability of downtown and Central City neighborhoods, as well as to contribute to the financial feasibility of housing development projects. Take into account recommendations being developed by City's transportation parking studies currently underway.
- 5) Public Improvements - Identify the public improvements, such as infrastructure, pedestrian pathways, public art, parks and open space, streetscape improvements and recreational uses, that are needed to enhance the environment for living downtown. Take into account recommendations being developed by Cultural Arts and Central City studies under way by the City.
- 6) Marketing
 - a. Propose a marketing plan that the City and Agency could implement that promotes living in the downtown. Identify the features and attractions that are unique about this area that would attract new residents and investment in housing to the area.
 - b. Identify the specific incentives/strategies that the City/Agency should adopt to promote investing and living in Sacramento's Central City and Downtown.
- 7) Successful Policies in Jurisdictions - Survey policies and actions successfully taken by other similar cities and evaluate the applicability of those policies to Sacramento, especially in the development of mixed use projects.

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B. Policies

- 1) Regional Issues - Recommend housing strategies that need to be implemented in the Central City and downtown to make a positive impact upon such critical regional concerns as:
 - a. Jobs and housing balance.
 - b. Traffic, transportation and commute concerns.
 - c. Environmental issues, especially air quality.
- 2) Market Versus Subsidized - Recommend a policy that the City might consider in planning for the downtown with respect to providing housing in the area for market rate and various levels of subsidized housing - very low, low and moderate income, including homeless shelters and transitional units. Would a specific ratio of market to subsidized work, in general? Provide the basis for such a policy.
- 3) Single Room Occupancy Hotels (SROs) - Recommend a policy regarding the role of existing SRO projects in the central city and downtown. Identify where new SRO's ought to be built. Take into consideration the previous policies and current programs underway by the Agency.
- 4) Historic Preservation - A substantial stock of historically significant residential structures exist in the study area. Recommend policies, programs and resources which the City and Agency could explore that are not currently being utilized in order to improve the preservation of this unique of housing.
- 5) Family Housing - Consider whether housing in the Central City and downtown should be targeted to support families. Are related land uses - schools, libraries, parks, childcare centers sufficient? Identify, if any, the demand for such housing.
- 6) Twenty-four Hour City - Identify the desired relationship of housing development and the "24 hour city" goal, in terms of type and location of housing. Identify the areas of the downtown - retail, (Downtown K Street Mall), entertainment, employment, etc. where residential development should be targeted to support those activities.

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8. Strategy

Provide a specific and detailed plan or strategy, incorporating the analysis and recommendations of Sections One through Seven above. The plan should be based on a neighborhood by neighborhood basis. It should include a detailed step-by-step implementation strategy, tempered by federal, state and local financing constraints. The strategy must also include Five Year Goals for 1991 to 1995 for source and use of funds available for market and below market housing, by neighborhood, by new construction and rehabilitation.

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REQUEST FOR PROPOSAL PROCESS

1. Consultant Selection Process

- A. A team made up of the Director of Planning and Development, the Planning Division Director, the SHRA Executive Director, the SHRA Housing Development Director, a public member who is an architect, housing developer, or real estate broker, appointed by the City Council will be responsible for reviewing applicants' proposals, final ranking of applications and recommending a consultant team to the Planning Commission, Sacramento Housing and Redevelopment Commission, and the City Council.
- B. Initially, at least three applicants will be selected for an interview.
- C. The consultant selection process will be managed and supported by the City of Sacramento Planning and Development Department and the SHRA staff.
- D. In the interest of fair and equitable competition, the City and Agency retains the sole responsibility to determine the timing, arrangement and method of proposed presentations throughout the consultant selection process. Prospective consultants are cautioned not to undertake any actions to promote or advertise their interest except in the course of Agency-sponsored presentations.
- E. A pre-bid meeting for prospective consultants will be held early in the Request for Proposal (RFP) application period in order for City/Agency staff to explain the RFP criteria and to answer consultants' questions regarding the study.
- F. Consultants are strongly encouraged to include on their consultant team professionals who are experts in the specific areas that are to be addressed in the Central City Housing Strategy, such as land use planning, architecture, real estate, housing development, finance and residential market feasibility experience, downtown revitalization, and public policy formulation. Familiarity with the Sacramento market is critical.

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- G. Only applications that are complete on the RFP deadline will be accepted and considered for the interview phase. However, City/Agency staff may request additional information, and clarification or modification of the materials submitted. Where necessary, staff may meet with applicants in order to resolve any questions, or secure clarifying information regarding the submitted applications.
- H. The Agency/City reserves the right to reject any and all submissions.
- I. Sacramento is a culturally and racially diverse metropolitan area. Applicants are encouraged to be sensitive to including women and minorities in the make-up of their consultant teams, including sub-contractors. The selected consultant will be asked to meet the City and Agency's Women Business Enterprises (WBE) and Minority Business Enterprises (MBE) requirements.

2. Consultant Ranking Criteria

Criteria listed below will provide guidance for City and Agency staff in their initial review of the submitted proposals. In general, the applicant must exhibit experience and demonstrate skill in the following areas: (A total of 100 points is possible.)

- A. Quality of Response to Scope of Services - Applicants must address each of the six sections listed in the Scope of Services, provided herein. Applications must provide full descriptions of methodologies proposed to be used.
(20 points)
- B. Experience - Demonstrated experience with land use planning, design, redevelopment, housing development and housing subsidy programs. Extensive prior experience with assisting large cities in developing center city and/or downtown housing strategies. Experience with integrating market rate and subsidized owner and renter housing with downtown and center city retail, transit, cultural and recreational facilities, and considerable knowledge in residential design, architecture and land use/zoning planning. Emphasis on experience with residential mixed use projects.
(25 points)

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- C. Technical Expertise - Ability to provide all technical analysis required, including, but not limited to market and subsidized housing development feasibility and demand analysis. Familiarity with the Sacramento rental/ownership housing market will be considered. Demonstrated skill in economics of and issues surrounding high density and mixed use development, redevelopment laws and programs, historic preservation issues and financing concerns, SRO's, housing rehabilitation, and infill housing development, housing subsidy programs and land use design, architectural and planning concerns. (25 points)
- D. Communication Skills - Demonstrated ability to function well in an environment of diverse and potentially competing individuals, groups and interests. Ability to work with City planning and redevelopment agency staff, private developers and center city/downtown property owners, small and large businesses, retail owners and developers, State government officials, low income housing and homeless advocates, historic preservation supporters, and cultural facility operators and advocates. (10 points)
- E. Regional Planning Skills - Capability to provide and interpret technical data regarding the relationship between housing development in the central city and downtown, and regional issues such as the jobs/housing balance, transportation demands and commute patterns and air quality impact. (10 points)
- F. Responsiveness/Performance - Applicants must demonstrate a track record of timely responsiveness and performance. (10 points)

FUNDS AVAILABLE

The Sacramento Housing and Redevelopment Agency and the City of Sacramento have allocated up to a total of \$200,000 for the costs of the development of the Central City Housing Strategy. Included in that budget are all consultant fees, including the expense to produce required environmental documents estimated to be \$50,000. Other costs include printing all documents associated with the study, publication and distribution of the final report and all associated incidental expenses including transportation, telephone, meeting and advisory committee expenses. The consultant must

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provide a budget of such expenses in the RFP application. Exclusions to the consultant related costs include the costs associated with the provision of City and/or Agency staff support to the consultant or to any advisory committee. Such staff costs will be incurred by the City and/or the Agency, as appropriate.

REPORT REQUIREMENTS

The consultant will be required to provide City/SHRA staff with ten (10) copies of each section of the draft report as it is completed. The City and Agency staff will comment on each draft section and return it to the consultant for completion of the final draft report. Upon completion of all sections the consultant will then submit twenty-five (25) copies of the final draft for approval by the Planning Commission and the Sacramento Housing and Redevelopment Commissions, and then finally by the City Council. Within sixty days of the City Council approval of the final Central City Housing Strategy the consultant will be required to incorporate all final comments and corrections and submit to the City one hundred (100) bound copies of the completed executive summary report and twenty (20) copies of the technical report.

It is envisioned that the final report will include two documents. First, a public document that includes: (a) an executive summary of City Council adopted recommendations (b) a summary of primary findings and rationale for the recommendations; and (c) supporting data and charts. That document should be produced for distribution and be of high quality design and materials with a cover of at least three colors and text of two colors. The second document will serve as a technical appendix. It shall contain background technical reports, explanations of the methodology of any research and calculations, and any other material and data as requested by the City or the Agency. City/Agency staff and the consultant will decide on the number of copies and distribution of the technical appendix report.

Finally, it is expected that the consultant will be required to attend, in Sacramento, a minimum of fifteen meetings. There will be at least three to five initial meetings with City Planning and Agency staff to arrive at agreement on the final scope of services for the study and complete negotiations for the consultant's contract. It is expected that the time period for the completion of the consultant's the draft of the report will be four months,

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during which there may be at least three to four meetings per month with City and Agency staff. Finally, there will be meetings with the Planning Commission and the Sacramento Housing and Redevelopment Commission, and then the City Council.

ENVIRONMENTAL REVIEW

The proposed Central City Housing Strategy will be subject to the provisions of the California Environmental Quality Act (CEQA). Therefore, the total funds allocated for the development of the strategy includes the costs of preparation of environmental review documents. While a determination of the level of review (negative declaration to Environmental Impact Report (EIR)) cannot be made at this time, the costs for the required environmental documentation is, however, estimated to be \$50,000. It is likely that some of the background material to be gathered for development of the strategy could serve the environmental assessment process as well. Nonetheless, the environmental documentation will be prepared by a different consultant under contract separate from the strategy consultant.

CITY/AGENCY STAFF CONTACT

The selected consultant will work with Steve Peterson, Senior Planner, with the City of Sacramento Planning Department at (916) 449-5381, and James M. Carney, Program Manager with the Sacramento Housing and Redevelopment Agency at (916) 440-1328. Applicants should identify which consultant team member will have primary responsibility for working with City/Agency staff. City and Agency staff will provide to the selected consultant all necessary reports, documents, maps and data that is available to assist in the completion of the assignment.

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APPLICATION DEADLINE

5:00 p.m., Monday, April 30, 1990

Submit four copies of the application package to:

Joan Roberts, Agency Clerk
Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, California 95814

Applications received after the due date will not be accepted for consideration. Questions regarding the RFP should be directed to James M. Carney, Program Manager, Sacramento Housing and Redevelopment Agency at (916) 440-1328.

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CENTRAL CITY HOUSING STRATEGY

REQUEST FOR PROPOSALS SCHEDULE

Joint Workshop - City Planning Commission and Sacramento Housing and Redevelopment Agency	March 15, 1990
Sacramento Housing and Redevelopment Commission	March 19, 1990
City Council approval of RFP	March 27, 1990
Publish RFP in newspapers, journals and mail to consultants	March 28, 1990
RFP Application Deadline	April 30, 1990
Planning/Agency staff review of proposals	May 18, 1990
Selection Panel Interviews/review	May 28-31, 1990
Sacramento Housing and Redevelopment Commission and Planning Commission review of Selection Panel recommendation of consultant team	June 18, 1990
City Council approval of consultant team	June 26, 1990
Commencement of consultant contract	June 27, 1990
Completion of consultant's draft report	October 26, 1990

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APPLICATION FORMAT AND ENCLOSURES

1. Scope of Services - While detailed descriptions are needed, conciseness is valued. Please provide your approach and methodology in no more than two pages each (single-spaced, typed) for the six sections listed. A two page introduction/overview is also requested.
2. Workplan - provide an outline schedule of each scope of service section, the products to be produced indicating due dates, and person responsible for completing each task.
3. Experience - provide a list of similar projects/plans completed, and one sample product. Note which consultant team member was responsible for the project/plans. List recent public and private clients.
4. References - provide at least three names per consultant team member, including addresses and telephone numbers. Note the consultant's relationship to the reference.
5. Resumes - provide resumes that demonstrate relevant experience for each of the consultant team members, including sub-consultants, plus general information on the firms(s).
6. Budget - provide a project cost estimate and line item budget for each major task outlined in the scope of services. Specifically, provide a detailed cost estimate for the housing need analysis for the Region/County/City as outlined, in Section four of the Scope of Services.
7. Minority Business Enterprises/Women Business Enterprises - Identify consultant team members, including sub-consultants, who are minorities and/or women. Indicate if the consultant or sub-consultant ownership is over fifty percent minorities and/or women.