

TO: Andrew P. Powers, City Manager

FROM: Gary Rogers, Deputy City Manager

DATE: February 22, 2022

SUBJECT: Hillcrest Affordable Housing Contract

RECOMMENDATION:

1. Authorize City Manager to execute contract with RSG, Inc. of Irvine, California, for an amount not to exceed \$124,000 for consultant services related to the Hillcrest Affordable Housing Development Project.
2. Approve sole source acquisition of professional housing consultant services pursuant to Thousand Oaks Municipal Code Section 3-10.202.
3. Approve expenditure in an amount not to exceed \$124,000 from A/C #163-4640-644-59-27 (Housing Trust Fund – Consultants) (Project #ARPA21).

FINANCIAL IMPACT:

No Additional Funding Requested: Minimal staff time to prepare staff report and agreement is included in the Adopted FY 2021-22 General Fund Budget. \$3,374,550 is included in the Adopted FY 2021-22 Housing Trust Fund Budget to meet City Council's goals and priorities to "support production of long-term affordable housing."

BACKGROUND:

On August 31, 2021, City Council approved the sale and purchase agreement between the City of Thousand Oaks and Hillcrest Christian School, located at 384 N. Erbes Road. An offer was made and accepted, and escrow was opened. The City secured a clean property title report and Phase 1 environmental due diligence was completed. Escrow closed on November 10, 2021, and the City assumed title to the property. In late November 2021, the City's landscape team cleaned up the site: picking up trash, trimming bushes, mowing the lawn, clearing weeds, and removing the monument sign at the corner of Erbes Road and Hillcrest Drive.

The purchase of this site by the City provides an opportunity to collaborate with an affordable housing developer to construct much needed workforce/affordable housing in the community.

DISCUSSION/ANALYSIS:

The next implementation action associated with development of affordable housing at the Hillcrest site is the retention of a professional consultant to lead the following activities:

- Assess development alternatives, and conduct feasibility analysis.
- Preparation of affordable housing Request for Proposals (RFP) for the Hillcrest site.
- Presentation of proposed RFP to City Council for consideration and issuance.
- Detailed review, evaluation, and ranking of RFP responses.
- Assist City with developer selection, including presentation of RFP results and recommendation for consideration/approval to the Council
- Post selection technical assistance, on an as needed basis, through the negotiation process with the selected developer.

Affordable housing consulting is a specialized industry in California with few firms that are qualified in this field. A preliminary review of the consultant options revealed a dearth of qualified municipal consultants for the above identified tasks. Multiple municipal colleagues and consultants were contacted to determine the field of qualified consultants that could provide the full range of services listed above. Due to their extensive experience with affordable housing projects throughout the State of California, RSG is uniquely qualified to work on this project. They have a strong city perspective with experience guiding agencies with property disposition activities, navigating the Surplus Lands Act and other successor agency regulatory requirements. They are well versed in affordable housing, have prepared affordable housing RFPs for multiple cities and have successfully provided the support and guidance to perform the work needed to move a project from conception through to development. RSG was interviewed by representatives from the City Manager's Office, City Attorney's Office, and Finance Department and determined to be well qualified and experienced to perform the defined scope of services.

Supporting the production of long-term affordable housing was identified as a top City Council goal and this project will assist with meeting the urgent need to bring affordable housing units to market as soon as possible. With the unique bundle of

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specialized affordable housing consultant services needed, and the demonstrated experience of RSG to provide those services, City Council approval of sole source acquisition for consultant services pursuant to Municipal Code Section 3-10.202 is recommended.

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goal(s):

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

J. Implement high quality revitalization projects within Thousand Oaks Boulevard and Newbury Road Areas; Develop a pedestrian-oriented, viable, and self-sustaining "Downtown;" and, continue to support production of long-term affordable housing.

Attachments:

None

CMO:430-10\H:Common\City Council\Council Items\2021 Staff Reports\083121\02222 Hillcrest Affordable Housing Contract with RSG, Inc.