



Memorandum

To: CITY COUNCIL

From: Mayor Sam Liccardo

**Subject: PRIVATE DEVELOPMENT
WORKFORCE STANDARDS**

Date: June 25, 2019

Approved:

RECOMMENDATION

1. Accept staff recommendation.
2. Move forward with a unique services agreement for a consultant to perform any analysis of financial feasibility of housing development over the next four months, where that study is needed by the City Council for potential determination of fee relief of residential construction.
 - a. The City shall select the consultant from among any qualified experts contained within the list of consultants submitted by Ben Field on June 20, 2019, consisting of Economic and Planning Systems, Strategic Economics, AECOM, Grounded Solutions, and Economic Roundtable.
 - b. The selected consultant must indicate that a study can be prepared in accordance with the criteria established under the negotiated settlement approved by City Council on April 3, 2018.
 - c. The selected consultant must prepare the study in time to enable a Council determination of infeasibility for housing projects in the development pipeline, such that shovel-ready housing projects needing financing to begin construction in this calendar year can do so, along with other housing projects. Specifically, the Council shall consider the financial feasibility of high-rise residential construction on August 6th.
 - d. The Council finds that procurement of such a consultant constitutes a "unique service" for purposes of Municipal Code Section 4.12.235, insofar as "unusual or unique situation exists that make the application of the requirements for competitive procurement of a services agreement contrary to the public interest." Specifically, the City has a compelling public interest in enabling housing production needed to mitigate the current housing crisis, and thousands of apartments in the development pipeline await a Council determination of infeasibility before fee relief can be provided that might enable financing and construction to move forward. The City shall ensure a competitive process for services conducted beyond the immediate period, as described in paragraph 3, *infra*.
3. For feasibility analyses performed beyond that four-month duration, staff shall conduct an RFP and selection process that materially comports with both City policy and the agreement endorsed by the City Council on April 3, 2018.