



DATE: June 23, 2020

CATEGORY: Consent

DEPT.: Community Development

TITLE: **Contract for Administration of Below-Market-Rate Program**

RECOMMENDATION

Authorize the City Manager to execute a contract for administration of the Below-Market-Rate Program with Alta Housing, formerly Palo Alto Housing Corporation (\$115,000), for July 1, 2020 through June 30, 2021 (subject to City Council approval of the Fiscal Year 2020-21 budget).

BACKGROUND

The City of Mountain View has partnered with Palo Alto Housing Corporation (PAHC) since 2013 to perform duties related to the implementation/administration of the City's Below-Market-Rate (BMR) Program. In May 2020, PAHC officially changed their organization's name to Alta Housing (Alta). Over the years, their BMR work has included outreach and marketing to maintain a list of eligible participants in the BMR Program, management of the application process, monitoring for compliance with BMR Program guidelines, recertification of existing tenants, asset management, and maintenance of records and reports. The City has contracted externally to increase overall administrative capacity, helping to facilitate placement of households in affordable housing opportunities more quickly and efficiently. The Housing and Neighborhood Services Division has continued to partner with Alta because they maintain a high level of service delivery.

ANALYSIS

BMR Program implementation is funded out of the Housing Fund from funds collected through BMR housing in-lieu fees. The proposed contract is for a total of \$115,000. This is an increase of \$10,000 from last fiscal year and is related to the increase in the BMR inventory required to be managed. As part of the BMR Phase I and Phase II updates, the City began requiring the provision of BMR units as part of the development, and the City is starting to see an increase of units in its BMR inventory. An additional 31 BMR

rental units will be brought online within the next year, representing a 50 percent increase in the number of units that Alta manages. As the BMR inventory has grown, the diversity of income levels that are met through this program has also increased, adding additional complexity to the rent and recertification processes.

During Fiscal Year 2020-21, Alta will continue to provide the following services:

- Conduct outreach and marketing to inform potential applicants of new affordable housing opportunities;
- Maintain a wait list of eligible residents; review and process applications for home-ownership and rental programs and coordinate with property managers;
- Conduct annual recertifications of existing BMR tenants; and
- Produce quarterly reports and maintain records.

In addition, Alta will also support City efforts to update BMR procedures to reflect recent Phase II updates to the BMR Program guidelines.

FISCAL IMPACT

The contract is funded out of the Housing Fund from funds collected through BMR housing in-lieu fees and will not have an impact on the City's General Fund or other funding sources. The Fiscal Year 2020-21 Budget includes a proposal for \$115,000 for implementation of BMR units.

ALTERNATIVES

1. Modify the amount of the contract and authorize the City Manager to execute the agreement as modified.
2. Do not authorize the City Manager to execute the agreement with Alta.
3. Provide other direction.

PUBLIC NOTICING

The Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website.

Prepared by:

Anna Salvador
Assistant Planner

Tim Wong
Housing and Neighborhood
Services Manager

Approved by:

Aarti Shrivastava
Assistant City Manager/
Community Development Director

Audrey Seymour Ramberg
Assistant City Manager/
Chief Operating Officer

AS-TW/6/CAM
802-06-23-20CR
200303

Attachment: 1. Exhibit A Scope of work 2020-2021 and Budget