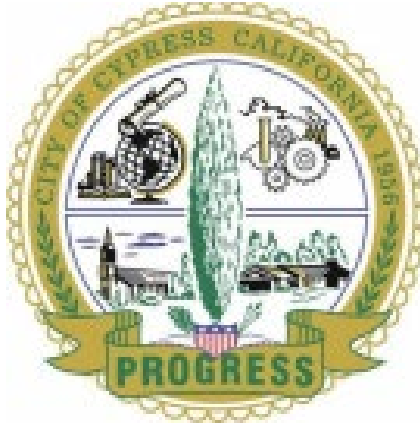


CITY OF CYPRESS  
COMMUNITY DEVELOPMENT DEPARTMENT  
REQUEST FOR PROPOSALS



TO PREPARE AN INCLUSIONARY  
HOUSING FEASIBILITY STUDY AND FEE  
MODIFICATION STUDY

DEADLINE FOR RESPONSES

**4:00 P.M. THURSDAY MARCH 30, 2023**

Issued 3/8/2023

Inquiries regarding this RFP should be directed to:  
Alicia Velasco, Planning Director  
[avelasco@cypressca.org](mailto:avelasco@cypressca.org)

## **SECTION I. PROJECT OVERVIEW**

The City is seeking proposals from qualified firms to prepare background analyses for two new affordable housing programs: 1) inclusionary housing and; 2) fee modifications to incentivize affordable housing.

The selected firm will prepare an economic feasibility analysis and program recommendations to guide the development of a new inclusionary housing ordinance. The feasibility study is intended to ensure that the inclusionary housing ordinance is developed with parameters that do not constrain the production of market rate housing. Program recommendations will be based upon the feasibility study findings and should include recommendations for program components such as inclusionary requirement percentage, alternative methods of compliance, and in-lieu fees.

The selected firm will also prepare a study analyzing the potential benefits and impacts of fee modifications to incentivize affordable housing development. The study should consider project eligibility, various fees, their effectiveness in encouraging affordable housing development, and the financial impact to the City. Fee waivers, fee reductions, and fee deferrals should all be considered. The result of the study will be a menu of recommendations and options for the Council to consider in implementing a fee modification ordinance.

## **SECTION II. PROJECT BACKGROUND**

Located in northwest Orange County, the City of Cypress is a suburban community with a population of just under 50,000 residents. The Community Development Department is responsible for implementing the City's housing programs. With the adoption of the City's 2021-2029 Housing Element, the City is seeking to implement new strategies for affordable housing production. The Housing Element may be accessed at the following webpage:

<https://www.cypressca.org/departments/community-development/information-on-notable-projects/housing-element-update>

The City currently has no inclusionary housing requirements nor fee modification policies in place. The goal of both programs is to maximize affordable housing development, particularly on parcels that are subject to the City's Housing Element rezoning effort. It is anticipated that new inclusionary requirements would apply to both rental and for-sale housing developments.

The selected firm should have experience in affordable housing development, market-rate economics, and inclusionary housing programs. The selected firm should also be well versed in State requirements, relevant case law, and Department of Housing and Community Development (HCD) guidance related to affordable housing development and inclusionary housing programs. Experience engaging with relevant stakeholders, including elected officials and housing developers, is also necessary.

## **SECTION III. SCOPE OF WORK**

### **Task 1. Inclusionary Housing Economic Feasibility Study**

#### **Task 1.1 Economic Feasibility Study**

It is anticipated that the economic feasibility study will include the following components. Firms are encouraged to include in their proposals other components deemed necessary for a holistic analysis.

- Existing conditions analysis, including development costs for market rate and affordable housing, and market demand and availability of market rate and affordable housing.
- Comparative analysis of inclusionary programs adopted by other similar cities in the region with findings and best practices.
- Development of a methodology for modeling potential impacts on market rate development and availability of affordable housing. Methodology should be summarized in a memorandum for City staff review prior to commencement of the analysis.
- Based on the approved methodology, prepare an economic feasibility study which considers various program components and their impact on market rate development. Program components considered should include, but are not limited to: percent of inclusionary units required; applicability requirements; and alternative methods of compliance.
- Analysis of potential in-lieu fee amounts, their impact on developers, and sufficiency to produce additional affordable housing.

#### **Task 1.2 Recommendations for Inclusionary Housing Program**

Based upon the results of the feasibility study and stakeholder feedback, the selected firm will develop a set of recommendations which include program components including but not limited to the following:

- The type and size of projects that are subject to the requirement
- The percent of inclusionary units required and the income categories to be served
- Alternative methods of compliance, such as off-site construction, in-lieu fees (and recommended fee amounts based on analysis), and land dedication
- Potential incentives the City could consider offering, which could include special incentives for housing for special needs groups (i.e., extremely low income, seniors). This may also include fee modifications as a result of the fee modification study outlined in Task 2.
- Drafting of the inclusionary ordinance is not a part of this RFP.

### **Task 2. Fee Modification Study**

The fee modification study should analyze fee modification strategies that could be utilized to encourage the development of affordable housing. The study should consider fee waivers, reductions, and deferrals, and should be limited in scope to fees set by the City. The study may include, but is not limited to, the following components:

- A comparative analysis of fee modification policies and ordinances adopted in

other California jurisdictions, particularly jurisdictions similar to Cypress.

- Evaluation of how various strategies would apply to hypothetical projects (or utilizing past projects as examples), their benefits to project implementation, and financial impact to the City.
- Evaluation of level of staff administration necessary to implement various strategies.

The study should conclude with a menu of fee modification options for the Council to consider as part of a fee modification ordinance. Drafting of the ordinance is not included in this RFP.

### **Task 3. Stakeholder Engagement and Public Hearings**

The consultant should propose a community outreach program that engages a broad array of community interests. The outreach program may include focus group meetings with stakeholders such as market rate and affordable housing developers and broader community workshops. The project will culminate in a City Council workshop where the findings and recommendations of both studies are presented to the public and the City Council for consideration.

### **Task 4. Program Administration**

#### **Task 4.1. Project Management and Kick-off Meeting**

Consultant team and City staff will hold a kick-off meeting to finalize the scope of work, confirm the project timeline, clarify roles, and review any data needs. The consultant should identify project tracking tools and methods utilized to keep the project moving on time and within the set budget.

#### **Task 4.2. Project Team Meetings**

Consultant team should anticipate meetings with City staff throughout the project. It is assumed that the majority of project team meetings can be held virtually.

## **SECTION IV. PROPOSAL SUBMISSION REQUIREMENTS**

The Proposal shall contain the following elements:

1. A cover letter providing general background of the firm and the firm's experience providing similar services to public agencies. Include the title and signature of the firm's contact person for the Proposal. The signatory shall be a person with official authority to bind the company.
2. A narrative presenting your firm's approach for addressing the tasks described in Section III. Provide a detailed breakdown of tasks, project timeline, and deliverables. Additional and/or supplemental tasks may be recommended that are not included in Section III, if they will enhance the project outcome, based on the expertise of the firm.

3. A brief narrative that indicates the management structure of the firm, tenure of management, and ownership of the firm.
4. A list of most-similar projects the firm has completed for other public agency clients. Include the firm's specific role in the project and key personnel that worked on each project. Provide the name of the agency, contact name, contact email, and contact phone number for reference purposes.
5. The resumes of professional personnel who will be working on the Project and their specific responsibilities. The Consultant's project manager, who will be responsible for planning, coordinating, and conducting the majority of the work, must be identified and committed to the project. The City must approve changes to key personnel committed to work on the project subsequent to award of contract.
6. A list of proposed subconsultants, if any, including their qualifications pertinent to this project.
7. Lump proposed hourly compensation rates for project personnel, based on anticipated tasks as outlined in the firm's approach to Project implementation.
8. The selected firm will be required to enter into a Contract Services Agreement with the City (Attachment A). All Proposals must include a statement that the firm has reviewed the Agreement and finds the terms acceptable. If your firm has concerns with the Contract Services Agreement, please note the specific concerns in your proposal.

## **SECTION V. SELECTION CRITERIA**

Proposals will be considered only from firms normally engaged in providing the types of products and services specified herein. Proposals will be evaluated based on the firm's proven ability to successfully perform all requirements of the Project, including, but not limited to, the following factors:

Past Performance Record. Experience in work of similar complexity and scale. Experience in projects completed for public agencies.

Technical Competence. Ability to provide an appropriate level of staffing and proven expertise in the area of work required.

Effective and clear written and oral communication skills.

Approach to Work. Proposed approach for accomplishing the tasks outlined in the scope of work.

## **SECTION VI. SUBMISSION DEADLINE AND GENERAL INFORMATION**

Consultant shall submit one electronic copy of the Proposal in pdf format no later than

4:00 PM, on Thursday, March 30, 2023. Hard copies are not required. Proposals should be submitted via email to:

Alicia Velasco, Planning Director  
[avelasco@cypressca.org](mailto:avelasco@cypressca.org)

Additional Information:

- The City reserves the right to request additional information from any and all consultants
- The City reserves the right to accept or reject any Proposal in part or in its entirety
- The selected firm shall provide insurance policies in accordance with the requirements of the City's Contract Services Agreement
- All costs incurred in the preparation of the Proposal, in the submission of additional information and/or in any other aspect of the Proposal prior to the award of a written contract will be borne by the proposing company. All SOQs/proposals submitted to the City in response to this Request for Proposal shall become property of the City

## **SECTION VII. REQUEST FOR ADDITIONAL INFORMATION**

For answers to questions regarding this RFP, interested parties may contact:

Alicia Velasco, Planning Director  
Community Development Department  
[avelasco@cypressca.org](mailto:avelasco@cypressca.org)  
(714) 229-6720

## **SECTION VIII. ATTACHMENT**

A. Standard City Contract Services Agreement