

REPORT TO REDEVELOPMENT AGENCY

DATE: AUGUST 8, 2007

TO: HONORABLE CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY

FROM: GREG RAMIREZ, EXECUTIVE DIRECTOR

BY: MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT

SUBJECT: APPROVAL OF A CONSULTING AGREEMENT WITH MDG ASSOCIATES, INC., FOR FIRST TIME HOMEBUYER PROGRAM IMPLEMENTATION SERVICES

The purpose of this item is to seek Redevelopment Agency approval to enter into a consulting agreement with MDG Associates, Inc., (MDG) for services to administer and implement the City's First Time Homebuyer Program (Program). Planning staff is requesting the approval of a one-year contract with MDG Associates, Inc., with work to be performed on a time-and-materials basis, for a not-to-exceed fee of \$20,000. This amount has been budgeted by the Planning and Community Development Department for the 2007-08 fiscal year, and is to be allocated from the Redevelopment Agency set-aside fund.

The Redevelopment Agency approved the First Time Homebuyer Program in 2004. During the past two years, MDG has implemented the program, including responding to inquiries regarding the program and processing applications from candidates. In addition, this past year, MDG identified ways to improve and modify the program to increase participation. The work to occur this year under the proposed contract would include continuing the program implementation (processing program applications, monitoring the program loan portfolio, and attending City Loan Committee meetings and Redevelopment Agency meetings, as needed), and making any changes to the program that are recommended to enhance program participation. City staff and the City Council Affordable Housing Subcommittee are currently re-examining the City's affordable housing programs, including the First-Time Homebuyer Program, and will continue to do so during fiscal year 2007-08. Any recommended changes to the program would be brought before the Redevelopment Agency for approval. Nonetheless, the Agency has budgeted \$500,000 for fiscal year 2007-08, and so the program will remain in effect. Should an application be submitted for a loan, and the candidate qualifies, then the City would move forward with the loan. Staff would note that the program assists the City in meeting its Regional Housing Needs Assessment quota by providing affordable housing.

A separate contract with MDG to administer the Single-Family Housing Rehabilitation Program in an amount not-to-exceed \$20,000 will also be considered by the Redevelopment Agency under separate action.

The proposed agreement has been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the Redevelopment Agency approve the attached Agreement with MDG Associates, Inc., on a time-and-materials basis for the not-to-exceed amount of \$20,000.

Attachment: Agreement (with Exhibits A and B)