



SANDY SPRINGS

CITY CLERK'S OFFICE

TO: Andrea Surratt, City Manager
FROM: Kristin Smith, Assistant City Manager
DATE: November 5, 2020 Submission for the December 15, 2020 Meeting
ITEM: Request for Mayor and City Council Consideration of a Resolution to Approve a Contract Award to Conduct a Strategic Housing Action Plan and to Authorize the City Manager to Execute the Contract

Recommendation:

Staff recommends approval of the Resolution to Award a Contract to HR&A Advisors to conduct a Strategic Housing Action Plan.

Background:

At the Council Retreat for the City of Sandy Springs (“City”) held January 24, 2020, Council prioritized conducting a Housing Needs Assessment for the City. To further that priority, the City issued its request for proposals (“RFP”) on March 13, 2020 to solicit responses from qualified consulting firms to develop a comprehensive housing needs assessment (“Assessment”). On May 19, 2020, Council approved a Contract Award for RFP #20-061 to HR&A Advisors (“Consultant”) to conduct the Assessment for the purpose of providing a better understanding of the existing housing market and needs of current and future Sandy Springs residents. The Assessment has been completed and published on the City’s website.

At the November 3, 2020 Work Session presentation of the Assessment’s findings, Council determined that the next step should be to explore housing policies and strategies by extending the project into a second phase where the Consultant will create a Strategic Housing Action Plan (“Plan”). The final Plan will identify resources available to support implementation of the recommended strategies and an action plan to guide the implementation of recommended policies and tools.

Discussion:

The Consultant proposes a seven-month process (“Project”) with a 5-part scope of work to create the Plan.

- Task 1 – Housing Plan Kickoff: Review existing plans and data and establish the guiding goals, priorities, and approach for the Housing Plan.
- Task 2 – Stakeholder Engagement: Engage with City stakeholders throughout the duration of the project, including the public, community representatives, City staff and leadership, and other key

stakeholders.

- Task 3 – Setting Housing Goals and Priorities: Building on the trends identified in the Housing Needs Assessment and the first round of stakeholder engagement, conduct a comprehensive analysis of housing goals and priorities.
- Task 4 – Sandy Springs-Specific Recommendations: Develop housing tools and implementation strategies catered specifically to Sandy Spring’s unique needs and community priorities.
- Task 5 – Iterative Housing Plan Drafting: Iteratively develop the Sandy Springs Strategic Housing Plan with the City and identified stakeholders.

The Project will be co-led by staff members Caroline Davis, Economic Development Specialist, and Catherine Mercier-Baggett, Sustainability Manager, both of whom oversaw the initial phase of the Assessment.

Financial Impact:

The total cost for the Strategic Housing Action Plan is \$132,500, including up to \$7,500 in reimbursable travel expenditures.

Alternatives:

Mayor and City Council could opt not to proceed with the Strategic Housing Action Plan at this time.

Attachments:

1. Contract_HR&A Strategic Housing Plan
2. Resolution_Housing Strategy



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925 15th Street NW, 3rd Floor, Washington, DC 20005-2305

T: 202.903.0725 | F: 202.857.3976 | www.hraadvisors.com

November 18, 2020

Kristin Byars Smith
Assistant City Manager
City of Sandy Springs
1 Galambos Way
Sandy Springs, GA 30328

Dear Mrs. Byars Smith,

HR&A is pleased to present this proposal to develop a Housing Plan for the City of Sandy Springs. Following the completion of the Housing Needs Assessment, which uncovered key data and trends on housing in the City, addressing these needs requires thoughtful analysis and engagement to determine the tools which best fit the Sandy Springs context. We propose to assist the City in expanding both policy makers' and the public's knowledge base on current housing issues and creating solutions to identified barriers to expand both rental and ownership opportunity to existing and future Sandy Springs residents.

HR&A is well positioned to craft a Strategic Housing Plan that addresses the homeowner, renter, and employer housing needs as described in the Housing Needs Assessment. Based on the supply gaps and housing challenges identified in the first phase of work, HR&A will evaluate a wide range of tools, strategies, and policies that the City may implement to achieve its near-, medium-, and long-term housing goals. Drawing upon our knowledge of the local housing market as well as stakeholder input, HR&A will identify a set of priority goals and actions to be the focus of more detailed feasibility analysis and implementation guidance. Our approach includes rigorous data analysis, an iterative process of drafting the Plan and its included strategies, and a robust stakeholder engagement process throughout the entire course of the project. We are confident that this approach will yield well-informed, appropriate, and actionable results for the City and its residents.

To support the City of Sandy Springs, HR&A proposes to conduct a 6-part scope of work resulting in the Strategic Housing Plan:

1. **Task 1 – Housing Plan Kickoff.** Review existing plans and data and establish the guiding goals, priorities, and approach for the Housing Plan;
2. **Task 2 – Stakeholder Engagement.** Engage with City stakeholders throughout the duration of the project;
3. **Task 3 – Setting Housing Goals and Priorities.** Building on the trends identified in the Housing Needs Assessment and the first round of stakeholder engagement, conduct a comprehensive analysis of housing goals and priorities;
4. **Task 4 – Sandy Springs-Specific Recommendations.** Develop housing tools and implementation strategies catered specifically to Sandy Spring's unique needs and community priorities;
5. **Task 5 – Iterative Housing Plan Drafting.** Iteratively develop the Sandy Springs Strategic Housing Plan with the City and identified stakeholders.

SCOPE OF SERVICES

The following scope of services is designed to be completed in seven months.

TASK 1: HOUSING PLAN KICKOFF AND ONGOING PROJECT MANAGEMENT (Month 1)

1.1 Housing Plan Kickoff

HR&A will conduct a kick-off meeting with the City of Sandy Springs staff to confirm goals and priorities, key audiences that the plan will address, timeline, and other directive elements. Based on City input, HR&A will create a preliminary list of stakeholders to be engaged, some of whom were involved in the first phase of work. Additionally, we will work with the City to develop an approach to stakeholder engagement.

1.2 Regular Project Management Meetings

Additionally, throughout the engagement, HR&A will conduct regular project status meetings every two to three weeks by phone or video conference to track project progress. We will remain flexible to adapt analysis and scope as local conditions evolve.

Task 1 Deliverables: Project Schedule, Preliminary Stakeholder List, Progress Reports throughout

TASK 2: STAKEHOLDER ENGAGEMENT (Months 1-6)

Beginning with the Housing Plan Kickoff in Task 1.1, HR&A will engage with members of the City staff, leadership, community representatives, and other key stakeholders as identified in coordination with the City. Input from these stakeholders throughout the process will be important to establishing the direction of the Strategic Housing Plan and gaining buy-in from leadership and implementation partners. HR&A will present and seek input regarding the following:

Task 2.1 Public Engagement

An inclusive approach to public engagement is essential to ensure that the plan reflects the priorities of a diverse set of stakeholders and requires input and participation from a diverse set of community voices, especially those who often experience barriers to participation. Based on discussion during the kickoff meeting with City staff, HR&A will produce a Public Engagement Plan to guide interactions with the broader Sandy Springs community throughout the plan. The Public Engagement Plan will include a schedule and identify the responsibilities of the City and HR&A, and will be subject to change as we learn more from the community and identify gaps in our engagement. Public engagement will focus on informing the public about Sandy Spring's housing needs and soliciting input about community priorities, with a particular emphasis on establishing a shared understanding of housing terms, concepts, opportunities, and challenges in the City. HR&A will work with "grasstops" community leaders, housing advocates, non-profit organizations, and other community members to coordinate the involvement of a diverse group of community members, especially stakeholders who may not typically participate in public engagement processes. Given the circumstances surrounding the COVID-19 pandemic, HR&A will utilize a variety of online engagement tools including video conferencing, webinars, surveys, and interactive digital platforms. HR&A will also work with community leaders, the City, and translators as appropriate to reach stakeholders who may have limited Internet access or English language proficiency.

We anticipate two rounds of community engagement throughout the plan:

- A series of engagement in month two during Task 4 to introduce housing concepts and findings from the Housing Needs Assessment to the broader public. This round of engagement will focus on soliciting feedback on what the City's housing goals and priorities should be and establishing a common understanding of the challenges in the local housing market.
- Engagement during Task 4 will focus on soliciting feedback on potential housing tools and approaches to implementation.

Note on facilitating public meetings during COVID-19: No matter the venue, our team always seeks to ensure that our stakeholder engagement is informative, intelligible, and educational, by demystifying technical terms, creating simple and clear communication materials, and leveraging the team's expertise in making complex public initiatives easily digestible.

Since shifting entirely to remote work in March 2020, HR&A has conducted over 32 virtual stakeholder engagement meetings across 15+ projects with public, private, and nonprofit clients using OfficeSuite HD Meeting, Zoom, and other online tools. Sessions have included city roundtables, closed stakeholder meetings, public meetings, and focus groups. Most sessions have ranged from 5-20 participants but the largest have included more than 80 participants.

Depending on the health and safety considerations associated with COVID-19, we will work with the City to determine the mix of virtual and in-person engagement. HR&A is currently in a phase of COVID-19 response where business travel is not expected and subject to the approval of the firm.

Task 2.2 Stakeholder Interviews and Focus Groups

HR&A will conduct interviews and focus groups with key stakeholders including some of those involved in the first phase of work. Through the interview process, HR&A will better understand how priority housing goals and recommended actions align with the interests of developers, real estate agents, City planning staff, employers, and others as appropriate. HR&A expects to conduct approximately 12 to 15 such interviews or focus groups with different sets of stakeholders. This will occur during Task 4 which sets housing goals and priorities.

Task 2.3 City Council

As appropriate, HR&A will work with staff to provide updates or presentations to City Council and stakeholders in City leadership. Given Councilmembers' active engagement with housing issues, we propose presentations at three council meetings or work sessions throughout the project in order to provide status updates and give Councilmembers an opportunity to provide feedback on the plans and its direction. We anticipate there may be additional briefings to the Mayor and individual councilmembers in addition to the Council meetings, and will work closely with staff to prepare for, and potentially join, these meetings as appropriate.

Task 2 Deliverable: Public Engagement Plan

TASK 3: SETTING GOALS AND PRIORITIES (Months 2-3)

3.1 Confirm Housing Issues and Goals

Confirming housing goals at the onset of plan development will be crucial to aligning potential strategies with local and regional priorities. HR&A will work with the City to confirm housing issues and goals consistent with the Housing Needs Assessment. Potential housing goals may include but are not limited to: expanding entry-level homeownership opportunities, especially for young families; protecting vulnerable households from displacement; reducing barriers to multifamily development; creating workforce housing; fostering mixed-income communities; and expanding opportunities for affordable housing.

HR&A will use information about current housing programs, policies, and needs in Sandy Springs to identify barriers to housing development and to meeting critical housing needs in the City.

Task 3.2 Regulatory Barriers

Building upon the discussion of the 2017 building code amendment's impact on multifamily development (as described in the Housing Needs Assessment), HR&A will conduct a broader and more in-depth evaluation of the impacts that City policies and programs have on the feasibility of housing development. We will deepen the analysis that HR&A has already conducted on the building code amendment and will review funding for housing programs, real estate taxes, zoning, land use, and the development review process to understand the supply factors impacting housing affordability in Sandy Springs.

Task 3.3 Financial Barriers

Building upon the Housing Needs Assessment, HR&A will conduct a more robust assessment of the financial feasibility associated with the development of different types of housing across subareas within the City. Understanding the financial gap will help to determine the feasibility and structure of potential solutions to increase production. These types of housing may include subsidized housing, homeownership, and workforce housing. As part of this task, HR&A will develop a framework for understanding the factors that contribute to the cost of developing housing for three different housing product types, to be determined in consultation with City staff. The framework will elucidate which income levels and housing types the market can serve and how City policies can support current and future residents.

Task 3 Deliverable: Presentation summarizing regulatory and financial barriers to housing development.

TASK 4: SANDY SPRINGS-SPECIFIC RECOMMENDATIONS (Months 4-5)

4.1 Identify Housing Tools

Based on the stated housing goals and identified housing needs, HR&A will create a matrix summarizing the common housing tools which Sandy Springs may implement. The matrix will include the tradeoffs and goals associated with each tool and we will analyze the potential impact of tools through three lenses focused on market conditions, legality of implementation, and capacity to implement. These tools will also be rated on their alignment with the goals and priorities set in Task 4.

The tools will primarily be in two areas: 1) land use and development regulation, and 2) public subsidy. Land use and development regulation tools, such as encouraging the creation of Accessory Dwelling Units or inclusionary zoning change the framework for development without a fiscal cost to the City. Public subsidy tools, such as down payment assistance for first time homebuyers or gap financing to support affordable housing development, do incur fiscal costs and are often deployed through a housing trust fund. HR&A will focus on evaluating how each tool could be implemented, the collaboration and partnerships necessary to implement them, the cost to serve Sandy Springs' residents, and the impact the tools will have on the housing goals determined in Task 4. HR&A will also identify local municipalities that have previously used financial and regulatory tools and evaluate the success of these strategies and their potential for success for Sandy Springs, including associated costs, challenges, and long-term impacts.

4.2 Strategy Development

Building on the matrix of housing tools, HR&A will work with the City to refine the preliminary list to focus on a set of three to five priority tools in which there is consensus that the tools are actionable and solve needs in the City's housing market. For each of these tools, we will perform deeper analysis on feasibility and implementation. Each strategy will contain a set of related initiatives that stakeholders could undertake in the near-, intermediate-, and long-term.

4.3 Implementation Roadmap and Metrics

Following the strategy development of these tools, HR&A will develop a set of metrics and milestones for each strategy to guide implementation. The use of these metrics and milestones will enable stakeholders to evaluate strategy effectiveness and identify refinements to improve effectiveness over time.

Task 4 Deliverable: Matrix of potential housing tools; Presentation summarizing housing goals, strategies, and priority tools

TASK 5: ITERATIVE STRATEGIC HOUSING PLAN DEVELOPMENT (Months 5-7)

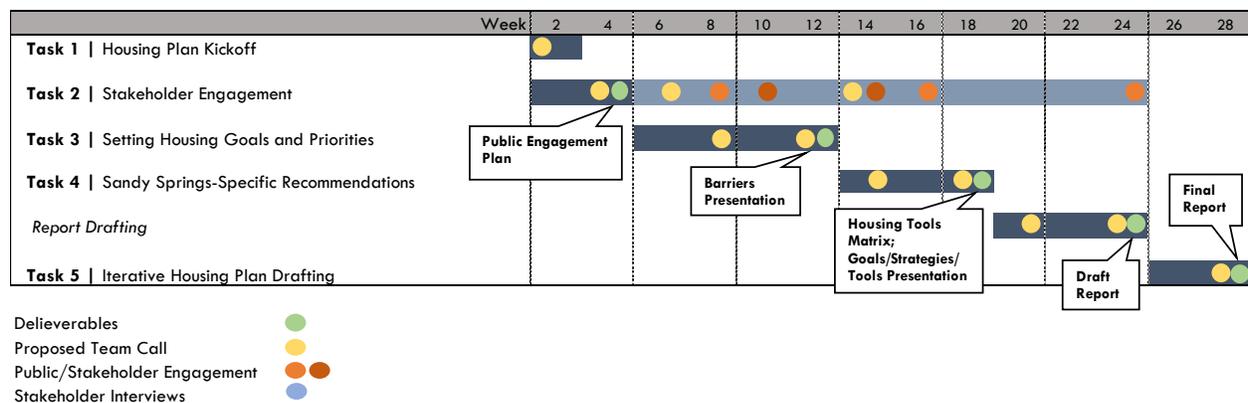
As a final deliverable HR&A will produce a Strategic Housing Plan that clearly defines Sandy Springs' vision and goals for housing. Iterative drafting of the Strategic Housing Plan, with opportunities for input from City staff, leadership, and key stakeholders, will build a sense of ownership and support for the plan from those who will be responsible for implementing it. The final Plan will identify resources available to support implementation of the recommended strategies and an action plan to guide the implementation of recommended policies and tools.

HR&A will draft the document, as well as an executive summary and other materials to communicate the plan priorities to the public, including advocates, developers, and the community at-large. HR&A will work with a graphic designer to draft visually compelling documents.

Task 5 Deliverable: Draft, revised, and final Sandy Springs Strategic Housing Plan, Executive Summary, and Presentation; additional informational materials as needed

PROJECT TIMELINE

The work plan is anticipated to occur over a twenty-eight-week period after the initial project kick-off meeting in Week 1. All internal meetings will occur every two to four weeks beginning in Week 4 and either have accompanying deliverables presented during each meeting or organize upcoming public or stakeholder engagement. Planning for public and stakeholder engagement will begin immediately with a draft public engagement plan presented in Week 4. HR&A will conduct the first public engagement sessions in Week 8 and begin tasks related to priority and goal setting with City staff and stakeholders during this period. These efforts will result in a presentation summarizing initial impressions of housing priorities and goals and financial and regulatory barriers in Week 12. HR&A will continue stakeholder outreach beginning in Week 14 to confirm initial program recommendations and conduct a second round of public engagement sessions in Week 16. Program recommendations will be presented along with a housing tools matrix in Week 18. HR&A will begin drafting the plan's report in Week 20 and deliver a draft plan report to the City in Week 24. HR&A will finalize the plan report over the next four weeks and deliver a completed final report by Week 28.



FEE

The fee for the proposed tasks is \$125,000.

Travel expenses will be billed at-cost in addition to the fee and are estimated at \$2,500 per trip, including expenses such as airfare and hotel for two to three HR&A staff per trip, with a maximum of \$7,500 for the project, anticipating up to three trips.

Thank you for the opportunity to submit this proposal. We look forward to continued partnership with the City of Sandy Springs as we continue to find solutions to housing needs. Please reach out to me at pkash@hraadvisors.com or (202) 903-0722.

Sincerely,

A handwritten signature in blue ink that reads "Phillip Kash". The signature is written in a cursive style with a large initial "P".

Phillip Kash
Partner
HR&A Advisors, Inc.

EXHIBIT B
COST PROPOSAL

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Phillip Kash
Partner
HR&A Advisors, Inc.