1. PROJECT DESCRIPTION

The City of Austin, hereinafter referred to as the City, and the Neighborhood Housing
and Community Development (NHCD) department seeks proposals in response to this Request
for Proposals (RFP) from consultants and research firms experienced and qualified in housing
market data collection and analysis to conduct a comprehensive housing market study.

The study should identify data on current housing uses and trends in Austin, including
projections of future demographic and housing growth. Findings will be presented to the Austin
City Council and the citizens of Austin. Results of the comprehensive housing market study will
determine a long-term strategy for meeting Austin’s housing needs, including the conditions,
challenges, and opportunities in the City’s housing market. The Consultant will provide housing
policy recommendations and appropriate strategies to move forward the goals of the Austin City
Council and the Citizens of Austin.

The Comprehensive Housing Market Study, called for by numerous stakeholders and
citizen groups, is essential to understanding the current housing market and trends. It is one of the
2006 recommendations of the African American Quality of Life Coalition and the Affordable
Housing Incentives Task Force.

2. BACKGROUND

The City of Austin is located in the Texas Hill Country along the IH-35 corridor and
within Travis County. According to the 2000 census, the city has a total area of 258.4 square
miles (669 km²); approximately 251.5 square miles (651 km²) of Austin is land and 6.9 square
miles (18 km²) (2.67%) is water. The City is part of the Austin-Round Rock Metropolitan
Statistical Area, formerly the Austin-San Marcos MSA, which extends into Bastrop, Caldwell,
Hays, Travis, and Williamson counties. There are an estimated 1,513,565 persons residing in the
Austin-Round Rock MSA. The City is 236 miles from the Mexican border and located within 200
miles of San Antonio, Houston, and Dallas.
While current 2006 population estimates place the number of Travis County residents at 921,006, approximately 78 percent -- 717,100 residents -- live in Austin. Since the 1990s the City has experienced considerable population change as a result of in-migration from abroad and nationally. Over the decade the City’s metropolitan area population grew by 47.7 percent, and since 2000 by 21.1 percent. Today, the City is the fourth largest in the state, and the sixteenth most populous city in the nation. The 2006 City population is 48.6 percent white, 35.9 percent Hispanic, 8.3 percent African American and 5.5 percent Asian and 1.7 percent Other.

In 2000 the City was ranked as the "Best Place for Business" by Forbes in 2000 and the second fastest growing city in the United States, according to the American City Business Journal (April 1995). Austin ranks 5th among the most educated cities in the U.S. – 45.1 percent of the population has a college degree or higher. From a regional perspective, Austin is one of the countries top technology cities – home to Dell Computer Corporation, IBM, Samsung, Freescale and Advanced Micro Devices. Austin’s economy has served to not only attract and retain a highly intelligent workforce but has stimulated its housing market. For the third quarter of 2007, 21 new multifamily projects with almost 2,100 units were submitted for review. This is in addition to plans for 3,217 units that are approved and ready to start construction.

Despite its overall success, Austin’s housing market is currently in a state of transition. The number of Austinites who commute to work daily and live outside of the city’s boundaries continues to grow as housing prices have steadily increased. The City has experienced an unprecedented increase in the median residential sales price -- currently $181,700 which is the second highest in the state. Between November 2006 and October 2007 the median sales price increased by 7 percent. Few accessible or affordably priced homes are within 30 minutes of Austin’s Central Business District (CBD). One of the most important trends in Austin’s multifamily market is the redevelopment of older properties or the large-scale replacement of affordable and moderately priced units with higher-priced, market-rate units. High construction costs and land prices make it difficult to redevelop older affordable properties at reasonable rates.
These trends affect not only low-to-moderate income groups who find it increasingly difficult to find affordable housing within Austin’s city limits, but for mid-income groups at 120 percent of median family income (MFI) – firefighters, nurses, teachers, administrators, and others.

The Comprehensive Housing Market Study will collect baseline data for the continued review and study of these and other prevailing housing trends.

3. SCOPE OF WORK

3.1. Title of Program
Comprehensive Housing Market Analysis for the City of Austin

3.2. Objective
The City seeks the services of a firm with expertise in forecasting housing demands and costs to perform analyses of the real estate housing market citywide, for individual Multiple Listing Service urban submarkets (university area, central business district, north, south, east, west, south-central, southwest, southeast, northeast), and by census tract. The firm will also present their findings before the City Council and in meetings with groups of stakeholders. The City recognizes that this scope is ambitious and that sources for quality, current data, especially for submarkets and for the housing needs of a diverse ethnic and socioeconomic city, are not strong. Submissions that also discuss the best ways to address the key areas of interest are welcome.

3.3. Time Frame
The time frame of the project is four (4) months. The start-up period is July 2008 with a final report due in October 2008. Public presentations before Council and interested parties are required before and after that date. For more details on the estimated time schedule, please see RFP Item #8.

3.4 Two Different Components
The City of Austin is considering two different study components, or reports. Report 1 is comprised of the data findings described herein. Report 2 is a separate item that will extend the initial research universe into a five (5)-county area outside of the City of Austin limits and be subject to approval and financing by a taskforce of stakeholders. The City currently does not have funding for this five (5)-county report and the evaluation and timetable of such a report would be coordinated at a later date by a taskforce of stakeholders. The Consultant chosen for Report 1 will be considered for completion of Report 2.
4. ELEMENTS OF THE REPORT

Submitted proposals must address all parts of the RFP as described:

4.1. Executive Summary should provide a general overview of the study’s observations, strategies, and recommendations.

4.2. 2008 Housing Profiles provide a comparative overview of current socioeconomic and physical characteristics in tabular and GIS forms for the City and each urban submarket and include the following:

4.2.a.ii. Population & Household, such as but not limited to population density, mobility/migration patterns (in- and out-migration, intra-urban), household demographic characteristics (i.e., age levels, type of household [two-parent household with children, female- and male head of household with children, single with no children], changes in household size, special needs populations, race/ethnicity), and socioeconomic aspects (educational levels, employment status, housing tenure, household income by income range, housing demand by income range, and median and mean household/family income and poverty).

4.2.b.ii. Economic Conditions, such as but not limited to industry composition, primary employers, resident employment, fastest growing occupations and pay rates, and employment rates by industry sector, income levels and percent of people earning at or above the minimum wage, employment base and percent continuously employed during the previous year, and unemployment trends.

4.2.c.iii. Housing Stock, including a longitudinal analysis that encompasses past performance, provides general characteristics of Austin’s housing stock. Analyze current housing characteristics such as age of housing, types of housing supply (single-family, duplex, multifamily, etc.), dwelling type (one-bedroom, two-bedroom, three-bedroom, etc.), and housing condition.

4.2.d. Housing Market

4.2.d.a. Rental Demand & Supply. Analyze general characteristics, such as rental housing supply and demand, area absorption rates (occupancy and vacancy rates), under construction inventory, demolitions and redevelopments, median housing rents, permits, number of affordable housing units compared to market-rate units, and growth trends.

4.2.d.b. Sales Supply & Demand. Analyze general characteristics such as current sales, housing supply and demand, area absorption rates (occupancy and
vacancy rates), amount of development/construction in the area, trends in median housing values, sales activity by property type and value, permits, growth trends, and demand.

4.2.d.c. **Market Conditions.** Analyze regulatory issues (permitting and zoning), residential tax base, unit density, foreclosures and mortgage resets, supply of underdeveloped residential land; demolitions, rehabilitation, and condo conversions; property maintenance; and development and replacement costs.

4.3 **Trend Analysis.** Analyze demographic growth projections and absorption rates from 1998 thru 2028 citywide and for each submarket. Review projections in terms of annual population growth and demand for housing, tenure or land-use patterns, tax base, development density, affordable housing, and assessed value per square foot. Include land and construction cost increases over the past 10 years with future projections and actual cost per unit by housing type.

4.4 **Housing Gap Analysis.** Calculate trends citywide and for each submarket by identifying the net gain and decline of housing with an emphasis on households earning between 0 and 150 percent of 2008 area median family income (MFI), using traditional median income breaks (0-30% of MFI, 31-50%, 51-80%, 81-120%, 121-150%). Consider projected population densities, migration patterns, homeownership rates, relationship with transportation planning and policies to incent higher density development, such as Transit-Oriented Developments, Vertical Mixed Use, and Downtown redevelopment. Estimate the demand from new and existing households. Identify distribution of current and planned affordable housing and identify areas with a lack of or a concentration of affordable housing, both subsidized and privately owned.

4.5 **Assumptions and Data Sources.** Provide an explanation of the study’s methodology and data sources

4.6 COA does not have a Comprehensive Housing Market Study currently.

4.7 The evaluation of reports and the final market study will be coordinated by an internal department taskforce.

5. **OTHER CONSIDERATIONS**

5.1 **HUD Consolidated Plan Requirements.** Housing data and analyses must also be provided to meet the statutory requirements of the U.S. Department of Housing and Urban Development (HUD)’s Consolidated Plan process (see HUD’s Consolidated Plan Guidelines for Local Jurisdictions, 24 CFR Part 91). These requirements include consultation with other public
and private agencies that provide assisted housing, health services, and social and fair housing services (including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, homeless persons). Public and private agencies that provide assisted housing, health services, and social services for the chronically homeless must also be consulted, along with local health and child welfare agencies related to lead-based paint hazards. The Housing Authority of Austin and the Housing Authority of Travis County must be consulted regarding public housing needs and planned programs and activities.

These requirements include a housing gap analyses for the homeless (current housing needs and the current supply) and for other special needs populations (disabled, elderly, behavioral needs, and people living with HIV/AIDS); priority housing needs for both renters and owners and non-homeless special needs populations at diverse income levels (0-30% of MFI, 31-50%, and 51-80%); number of units that are overcrowded, and where households pay more than 30 percent of their income for housing (cost burdened).

According to the Consolidated Plan Regulations, the analysis must include the following. Please see 24 CFR Part 91 for more detail:

- The number of vacant or abandoned buildings and whether units are suitable for rehabilitation
- Concentrations of racial/ethnic minorities and low-income households
- Condition of public housing in City of Austin
- Description of the number of units currently assisted by local, state, or federally funded programs and potential loss of these units.
- Estimate of housing needs includes needs of public housing residents and families on the public housing and Section 8 tenant-based waiting list.
- Inventory of homeless facilities, including the characteristics and needs of low-income individuals and families with children who are currently housed but threatened with homelessness.
- A description of the nature and extent of homeless by racial and ethnic group
- Description of special needs facilities and services that assist persons who are not homeless, but who require supportive housing and programs for ensuring that person returning from mental and physical health institutions receive appropriate supportive housing.

Section 0500
Identify barriers to affordable housing, including an explanation of the cost of housing or the incentives to develop affordable housing in the City are affected by public policies.

An estimate of the number of housing units occupied by low- or moderate-income households that contain lead-based paint.

5.2. **In-Person Interviews.** It is required that the Proposer conduct ten (10) interviews with local development and real estate professionals and community stakeholders in order to understand the nuances of the Austin housing market.

6. **CONDITIONS**

6.1 All data become the property of the City of Austin in perpetuity and may not be used for any other set of studies without approval of the City of Austin.

6.2 The data collected and analysis will be provided in written and electronic formats in order to create an on-going source for research and analysis on housing market trends for low- to moderate-income residents.

6.3 Uses of data should be documented and include a wide number of sources from local, regional, state, and national data sources.

6.4 The Proposer is encouraged to present and link the data as much as possible to the physical environment of the City through the use of Geographic Information Systems (GIS) data.

7.0 **PROPERTY OF THE CITY OF AUSTIN**

7.1 All proposals received will become the property of the City will not be returned. The City reserves the right to reject any or all proposals as its sole discretion.

7.2 Please refer all questions to Purchasing.

8. **PROPOSED WORK SCHEDULE**

The City is proposing the following timeline for the completion of the project:

8.1 **Proposal Submission and Selection of Firm**

8.1.1 RFP is released.

8.1.2 Pre-submittal meeting to answer all questions and concerns regarding the requirements of this proposal. The meeting will
8.1.3 Due date to receive proposals from consultants.

8.1.4 City selects short list and sets up interviews with most highly qualified consultants to interview.

8.1.5 City conducts interviews

8.1.6 Contract Awarded.

8.2 Work Commences

8.2.1 Start Work.

8.2.2 Consultant provides the 1st draft (hardcopy and pdf form) of the Housing Market Study.

8.2.3 Focus Groups are held to discuss the 1st draft of the Housing Market Study.

8.2.4 The consultant provides the City a final copy (hardcopy and pdf form) of the Housing Market Study.

8.3 The Proposer must be able to work closely with staff and local committees, lead stakeholder workshops, and attend public meetings. It is anticipated that the consultant will attend approximately six (6) public meetings or workshops.

8.4 The Proposer may propose negotiating elements of the schedule during contract negotiating. However, it is the intent of the City to set the duration of the contract for nine (9) months.
8.5 The Proposer may propose altering or changing the Elements of the Study described herein. If the Proposer wishes to propose an alternate outline, please do so in the proposal with explanations as to why the changes are necessary.

9. ACCEPTANCE OF WORK
9.1 The Proposer is required to present a project plan to the City based on the scope of work.
9.2 The Proposer shall submit monthly, or as otherwise agreed upon by the City and the Proposer, progress reports to the City and the NHCD Planning Department or designee as appointed by the City or NHCD. The reports shall describe significant achievements and problems, which have a potential effect on schedule or costs. The reports should be sufficiently detailed to assure that directions being pursued are consistent with those established by the City.
9.3 The Proposer is also to provide one (1) draft report and one (1) final report to the designated Neighborhood Housing and Community Development contact.
9.4 The Proposer is also to provide two rounds of presentations: the presentation of preliminary results and of the final results before the City and NHCD staff, community stakeholders, and management upon completion of the work.
9.5 All travel costs and per diems incurred by the Proposer should be included in the proposal; and broken down in different fee scopes.

10. DELIVERABLES
10.1 A comprehensive project plan, outlining work to perform, data sources identified time frames, and other considerations.
10.2 Monthly progress reports.
10.3 Completion of a 1st draft.
10.4 Presentation of preliminary findings in at least two (2) public meetings: one briefing before the Austin City Council and another forum before the general public to take place at Neighborhood Housing and Community Development, 1000 East 11th Street, Austin, Texas 78702, or at a site pre-determined by the City and NHCD and at a date to be determined.
10.5 Completion of final draft.
10.6 Presentation of final findings of the housing market study in at least three (3) public meetings, including recommendations, before 1) Austin City Council, 2) the Community
Development Commission of the Neighborhood Housing and Community Development Department, and 3) community stakeholders.

11. DOCUMENTATION
11.1 The Proposer is required to provide copies of all proposals, deliverables, and other documentation in electronic form as part of the contract.

12. WORKSPACE, COMMUNICATION & EQUIPMENT REQUIREMENTS
12.1 There shall be no expectation that the City will provide administrative services to on-site Proposer personnel. No computer may be attached to the City of Austin/NHCD network without express permission of City and NHCD.

13. PROJECT MILESTONES
13.1 Payment will be made in accordance with this Milestone Deliveries and Payments Schedule unless otherwise negotiated and payment will be made within thirty (30) days. “Final Acceptance” shall mean the acceptance and sign-off by the City of Austin’s Contract Manager that the services provided substantially meet or exceed all of the requirements specified in the RFP and resulting contract.

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<tr>
<th>Milestone</th>
<th>Payment Level</th>
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<tr>
<td>1 City acceptance of project plan.</td>
<td>20% of the total contract amount</td>
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<tr>
<td>2 City acceptance of 1st draft of comprehensive housing market study draft</td>
<td>30% of the total contract amount</td>
</tr>
<tr>
<td>3 City acceptance of final draft of comprehensive housing market study.</td>
<td>30% of the total contract amount</td>
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<tr>
<td>4 Completion of all public meetings before Council and stakeholders.</td>
<td>20% of the total contract amount</td>
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