



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**July 16, 2024**

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**TOPIC:** Regional Assessment of Fair Housing and Memorandum of Understanding with Surrounding Jurisdictions

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**AGENDA TITLE**

Agreement with MDG Associates, Inc. for the Preparation of the Fiscal Year 2025-29 Regional Assessment of Fair Housing and Memorandum of Understanding with Surrounding Jurisdictions

**RECOMMENDED ACTION**

1. Authorize the City Manager to execute an Agreement with MDG Associates, Inc. to prepare the Fiscal Year 2025-29 Regional Assessment of Fair Housing (AFH), whereby the City will act as the lead for the Regional AFH, in an amount not to exceed \$159,882 for a one-year term beginning August 1, 2024 and expiring July 30, 2025 (Agreement No. A-2024-XXX).
2. Authorize the City Manager to execute a Memorandum of Understanding and Payment Agreement with all of the surrounding jurisdictions in Orange County to jointly engage MDG Associates, Inc. to provide a Regional AFH, and authorize the City Attorney to reasonably revise or amend the Memorandum of Understanding as needed in order to collect payment, substantially in the form attached hereto, with all of the surrounding jurisdictions participating in the Regional AFH (Agreement No. A-2024-XXX).

**GOVERNMENT CODE §84308 APPLIES:** Yes

**DISCUSSION**

The Fair Housing Act of 1968 requires jurisdictions that receive federal funds from the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant, Emergency Solutions Grant, and/or the HOME Investment Partnerships program to prepare an Assessment of Fair Housing to address the impediments to fair housing choice that are within their ability to control or influence. In Orange County, all federal grantees of these sources of funding from HUD, including the City of Santa Ana (City), have decided on a collaborative, regional approach to complete a Regional Assessment of Fair Housing. This assessment will determine current impediments to fair housing choice in the private and affordable housing sectors and identify appropriate strategies or remedies to address these impediments for each participating jurisdiction over the next five years from 2025 to 2029.

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This regional approach to the Assessment of Fair Housing has been undertaken previously and included the City. In 2015, the City of Newport Beach took the lead, followed by the City of Anaheim in 2020, to procure and lead an agreement with a qualified consultant to complete a Regional Assessment of Fair Housing. Both the City of Newport Beach and City of Anaheim, respectively, executed an agreement with a consultant as the lead and issued payment on behalf of all of the surrounding jurisdictions in Orange County in return for a proportional reimbursement. For the five-year period for Fiscal Years (FY) 2025-29, the City has agreed to assume this leadership role in procuring this agreement and issuing payment.

## Procurement Process

Staff collaborated with all of the surrounding jurisdictions in Orange County to draft a Request for Proposals and select a qualified consultant to complete the Regional Assessment of Fair Housing. Following an inclusive regional review process, on March 11, 2024, staff issued a Request for Proposals (RFP No. 24-036A) for the preparation of the FY 2025-29 Regional Assessment of Fair Housing. Four firms submitted proposals, with the following total costs:

- 1) Veronica Tam and Associates, Inc.: \$290,960
- 2) MDG Associates, Inc: \$159,822
- 3) GROW America (formerly the National Development Council): \$99,210
- 4) Willdan Engineering: \$50,260

Representatives from five surrounding jurisdictions reviewed and scored the proposals. Each of the four firms underwent a comprehensive evaluation, assessing their experience, methodology, public engagement strategies, and total cost. While all four firms were qualified, MDG Associates, Inc. stood out due to their exemplary experience. As a result, the regional committee and City staff recommend entering into an Agreement with MDG Associates, Inc. to prepare the FY 2025-29 Regional Assessment of Fair Housing in an amount not to exceed \$159,882 for a one-year term beginning August 1, 2024 and expiring July 30, 2025 (Exhibit 1).

With approval by City Council, this Regional Assessment of Fair Housing will be completed for the City and all of the surrounding jurisdictions in Orange County paid for proportionally through a Memorandum of Understanding and Payment Agreement (MOU) (Exhibit 2). The City's proportionate share of the cost of this MOU will be \$16,456.65. The contributions for each jurisdiction were determined by population size, directly linked to the federal funds allocated to each jurisdiction by HUD. If a jurisdiction decides not to execute the MOU following their prior commitment, that jurisdiction will not be included in the Regional Assessment of Fair Housing (AFH) and the portion of payment required by all participating jurisdictions will be increased, including the City.

Since there are 33 other jurisdictions, with their respective attorneys and financial officers, who will be reviewing the MOU before making payment, staff is also requesting authorization for the City Attorney to reasonably revise the template MOU as needed.

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Authorizing the City Attorney to revise the MOU, as needed, will assist in collecting payments, substantially in the form attached hereto, with all of the surrounding jurisdictions participating in the Regional Assessment. An example of what would not constitute a revision “substantially in the form attached hereto” includes the following nonnegotiable item: a “Payor” that does not agree to pay their proportional allocation of costs based on population estimates provided in Exhibit B. This means negotiable items for the City Attorney may include, but not be limited to, a Payor that requires payment to be made to the City in installments, a Payor that declines to accept one or more of the Standard Provisions in the MOU, or some other unanticipated issue or concern that one or more attorneys or staff from the surrounding jurisdiction(s) could require of the City when they are requested to sign the MOU in return for making payment. The spirit and intent of the MOU is to serve as an invoice with certain terms and conditions for payment.

## Key Terms in Agreement with MDG Associates, Inc.

MDG Associates, Inc. (MDG) will communicate regularly with all jurisdictions participating in the development of the Regional AFH. Throughout the process, MDG will facilitate monthly check-in meetings with all participating jurisdictions and provide bi-weekly summary reports. To ensure consistent feedback and input, MDG will develop the Regional AFH in an iterative process and provide sections and components to the participating jurisdictions for feedback throughout the duration of the project.

MDG will undertake nine primary tasks to develop the Regional AFH:

1. Project Kick Off and Coordination
2. Data Collection
3. Data Assessment
4. Regulatory Review
5. Outreach and Input Process
6. Community Forums and Public Meetings
7. Draft Regional Assessment of Fair Housing
8. Final Regional Assessment of Fair Housing
9. (Optional) Presentation at Participating Jurisdictions’ Council Meeting(s).

Following the completion of their research and analysis, MDG will also draft a comprehensive five-year plan detailing recommended action items tailored to address the identified fair housing impediments across jurisdictions. These recommendations will be categorized into three tiers: individual jurisdiction actions, sub-regional actions, and regional actions. Individual actions pertain to initiatives within each jurisdiction's purview, while sub-regional and regional actions will require intercity cooperation or involvement at the County, State, and/or Federal level.

MDG’s work will begin in August 2024 and be completed by July 2025. To meet HUD requirements, each jurisdiction must secure approval of the Regional AFH from their respective governing bodies. Subsequently, the approved Regional AFH must be submitted to HUD by each jurisdiction to ensure compliance.

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Key Terms in Memorandum of Understanding

The Memorandum of Understanding and Payment Agreement (MOU) includes the following key terms:

- Term: August 1, 2024 to July 30, 2025
- Each surrounding jurisdiction agrees to their 2024 population estimate and proportional payment to the City as a percentage of the total cost of \$159,822 for the services to be provided by MDG Associates, Inc. (For example, the County of Orange will pay \$23,840.82 and the City of Anaheim will pay \$18,011.41 to the City.)
- The City will make payment to MDG Associates, Inc. in six installments based upon their Scope of Work up to a total amount of \$159,822.

If the Agreement with MDG Associates, Inc. and the MOU are not approved by City Council, the City will need to inform the surrounding jurisdictions that the City is not able to participate in this regional partnership and their respective staff will need to identify an alternative plan. The deadline for each jurisdiction to submit their Assessment of Fair Housing to HUD is before June 30, 2025 and the development of a complete Assessment takes up to a year.

**FISCAL IMPACT**

While the City is serving as the lead jurisdiction for contracting purposes, there are 33 surrounding jurisdictions sharing in the cost of preparing the Regional Assessment of Fair Housing. Each of the participating jurisdictions has confirmed that they will execute the Memorandum of Understanding (MOU) agreeing to pay their identified share of the total cost. The City's proportionate share of the total cost will be \$16,456.65. If a jurisdiction decides not to execute the MOU following their prior commitment, that jurisdiction will not be included in the Regional Assessment of Fair Housing and the portion of payment required by all participating jurisdictions will be increased, including the City's portion up to the total amount of the Agreement.

Funds were available in the CDA-Service Enhancements Contract Services account (01118017-62300) in FY 2023-24. Therefore, a proposed carryover of unspent funds will be presented to City Council in September for approval of carryovers to FY 2024-25.

**EXHIBIT(S)**

1. Agreement with MDG Associates, Inc.
2. Memorandum of Understanding - Template

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Alvaro Nuñez, Acting City Manager