

**Citizens  
Budget Task  
Force  
Recommendations**

# Affordable Housing Subcommittee

## Citizen Budget Task Force

### *Recommendations to the City Council*

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#### May 20, 2008 Worksession:

1. **Employer Sponsored Analysis of Current and Expected Housing Demand/Supply and Proposals for Public/Private Partnerships**

**Council response:** Council wanted to wait and see if the City & County survey efforts that are currently in progress yielded a sufficient amount of information before commissioning additional survey efforts. If employers other than City/County were to organize their own survey efforts, the City would support those efforts in concept (but not with funding) and would be happy to share information with employers. The employer survey is nearly complete and should be released soon.

2. **Post-Completion Review of Burlingame Phase 1**

**Council response:** Council agreed to this recommendation and commissioned two such independent investigative audits: (1) a Performance Audit with the firm of Alvarez & Marsel whose scope of services was agreed to by the Subcommittee members, and (2) a Financial Review of the staff reconciliation of Burlingame costs by the City's external auditors, McMahan and Associates.

3. **Reconsider Burlingame 2 and 3 Assumptions and to have an objective third party industry expert consultant estimate the costs for Burlingame Phases 2&3**

**Council response:** Council agreed that the Construction Experts Group (CEG) the City Manager had convened would serve this purpose, and that they would consider construction methods, partnership possibilities, density changes in terms of sizing of the units and the number of units to be built, and more economical finishes to units. This group continues to meet.

4. **Create a specialized Task Force to develop potential optional financial incentive programs to allow existing AH residents to downsize, sell, bridge to free-market, etc. Explore providing loan support programs for bridging to free market ownership for AH and free-market renters.**

**Council response:** Council has tabled this recommendation for now, but previously expressed support for this kind of analysis to be undertaken. This is part of a series of long term recommendations to be considered by the Housing Authority citizen board, and they have agreed to convene a group of locals to work on these issues.

5. **Establish Independent Compliance Advisory Board to advise housing executives on compliance matters, and monitor compliance complaints.**

6. **Establish Outsourced 24 hour Help Line for Compliance.**

7. **Outsource Eligibility Testing to Specialized Firm.**

8. **Legal Review of All Contracts for Maximizing City Rights.**

**Council response:** Council referred recommendations #5,6, 7 and 8 to the Aspen Pitkin County Housing Authority Board for their review and recommendations.

9. **Establish Public Policy Review Committee whose Purpose is to advise on major Capital spending prior to legal commitments.**

**Council response:** This recommendation has been tabled by the Task Force for the time being.

10. **Update City Procurement/RFP system.**

**Council response:** Council agreed to this recommendation. Recommendations are expected from the auditors on this subject.

# Affordable Housing Subcommittee

## Citizen Budget Task Force

### *Recommendations to the City Council*

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#### **June 30, 2008 Worksession:**

##### **1) Development Related:**

- a) study and incorporate BG development options by CEG as to: construction methods, public/private partnerships that lessen public subsidies, density increases in terms of both sizing of units and number of units, more economical finishes that utilizes the City's buying power or allows for owner purchased upgrades
- b) preparation of a detailed plan and a comprehensive budget for BG 2/3 using recommendations from CEG

##### **2) Financial and Management Control Systems:**

- a) financial and management systems review of BG Ranch to include validating the dollars in the city's reconciliation spreadsheet, testing a sample of payments to contractor, review of internal controls surrounding multi-year capital projects, and make recommendations for improvements in the processes used to prepare construction budgets and forecasts
- b) performance audit of processes and procedures used for overall construction management administration
- c) direct Staff to recommend for immediate implementation the recommendations from those audits
- d) review of BG Phase 2/3 budget by independent industry professional prior to contract for value engineering options
- e) City Manager to provide a plan and a timeline for implementation of all recommendations, Council to approve that plan and get regular updates on progress and report to Community at least quarterly
- f) assessment of projects needs, resources, skill sets to ensure staffing capability and experience for necessary oversight of all future AH projects
- g) Council to direct staff to develop and implement a routine, semiannual reporting procedure for Council and the public on progress on large capital projects against the initial budget including revenues
- h) implement process to ensure accuracy of voter information and reasonableness of financial projections
- i) engage independent consultant for risk assessment and systems assessment of above prior to execution of BG 2/3 contracts
- j) Analyze the bonding capacity proposals of the Director of Finance regarding: (1) Housing Fund's ability to absorb any proposed subsidy for any AH project, (2) capacity of the City to service any debt for BG 2/3, BMC West and any other proposed AH project, and (3) Council to make final recommendations with full awareness of, and publicity to voters of, relationship to reasonably anticipated future funding needs and capacity for BG and other projects as well as other major capital improvements.
- k) Council establish a written policy and guidelines for AH subsidies for current and future AH projects. This policy to acknowledge a connection between subsidy levels and financial capacity of a AH project and possible overall impact on City's financial condition.

**Council response:** Council agreed to these recommendations pending the completion of the independent auditor's recommendations (Alvarez and Marsel) before fully committing to the details. They are in agreement with the principles that drive the purpose of those audits and anticipate accepting the audit recommendations.