

DRAFT: Memorandum of Understanding - Terner Housing Policy Dashboard and Arcata

Summary

This MOU requires no monetary commitment between City of Arcata Community Development Department (Arcata) and Terner Housing Innovation Labs, Inc., (Terner Labs). This agreement describes a collaborative effort to build a shared research and policy simulation tool using Arcata land use and policy data.

By partnering with Terner Housing Innovation Labs, Arcata staff will gain access to a real-world housing policy scenario modeling platform which overlays a real estate proforma atop parcel-level land use and regulatory data. This allows Terner staff and Arcata staff to simulate how specific housing policies or market inputs – such as changes in building limits, development costs, density bonuses, or market conditions – might impact development decisions and affect housing production across the jurisdiction. Because this is a new product, feedback from city staff will be critical as we iterate to improve the accuracy of the model. Terner Labs and Arcata will work collaboratively to identify additional sources to reach per-jurisdiction onboard fee of \$50,000 which could provide ongoing data updates and simulation consulting support beyond initial 6 month construction and subsequent 6 month evaluation period.

Deliverables from Terner Housing Innovation Labs

Access during evaluation phase

Six month access to the web-based, responsive Terner Housing Policy Dashboard for parcels within Arcata, allowing staff to adjust various market and policy inputs in order to simulate the impact of changing economic and policy conditions on housing production.

Analysis

In addition to access to the Dashboard, cities will receive a credit toward consulting time from Terner Labs staff to assist cities with running simulations, analyzing results and updating data. Terner Labs staff can provide valuable insight to staff who wish to harness the Dashboard's fullest potential by setting up efficient policy simulations at scale, deliberating on optimal study design, running large-batch simulations, testing and validating policy proposals from city staff, and general training and troubleshooting. As part of the limited-term agreement, consultation hours will be limited to 80 hours during the 6 month evaluation term, unless an extension or expansion is agreed upon. If the development phase runs behind schedule, consultation hours may be provided as a monthly credit totaling 80 hours, but limited to 15 hours per month.

Updates

Up to 6 months of collaborative onboarding, policy structure customization (subject to limitations) and data updates, and up to 6 months of basic training and simulation consultation from Terner Labs staff. The option to enter into a 3 year agreement and access additional simulation support from Terner Labs staff will be dependent on funding and may require a subsequent contract or MOU.

Timeline and Process

From the beginning of the data collection process, the anticipated delivery of the Dashboard and availability of simulation consulting services to begin within 6 months. The anticipated start of onboarding service is February 1, 2023. Our anticipated timeline for Dashboard construction is contingent on reasonable responsiveness from Arcata staff in the required land use policy data, and should policy or data interpretation questions arise.

Expectations from Arcata

In order to deliver a working Dashboard of sufficient accuracy, Arcata staff are expected to provide an extract of city parcel data and to assist with locating, accessing and interpreting a variety of related data, such as zoning maps, fee schedules, and so forth. We expect about 5 -20 hours of staff time to be needed at the onset to pull together initial data delivery, depending significantly on ease of locating and providing existing data sets and/or corresponding documentation. We then expect about 2-3 hours per week for 4-6 weeks during the initial 6-month onboarding process. If Arcata staff are unable to provide prompt feedback to certain questions, the onboarding timeline may be delayed and the subsequent evaluation period truncated.

As part of the expected Arcata support, staff must also be reasonably available to provide consultation on policy design, which including but not limited to, e.g., understanding development fee schedules and exemptions, density bonus or other development incentive programs, alterations to zoning or building codes based on various planning layers, entitlement processes, or other city policies that may impact housing construction costs or patterns. When some data are not readily available and simplified assumptions must be made for various economic or policy factors, Arcata staff will review and assist in the determination of baseline assumptions when warranted. See *Exhibit A* for a base list of the data required of cities in order to build the city a Dashboard. Assistance from city staff will likely be necessary to ensure Turner Labs has access to, understands, and can sufficiently standardize the variables where applicable.

All other data used in the Dashboard's methodology including economic factors will be obtained by Turner Labs independently. However, additional data available to the city such as construction costs, entitlement timelines, and so forth would be very helpful and could further improve the tool.

Duration of agreement, limited ongoing support, options for expanded contract

Due to the onboarding fee waiver, we are offering limited-term access to the Dashboard for 6 months following delivery of completed product.

The option to expand to the full, multi-year expanded Dashboard may be available to Arcata if the per-jurisdiction onboarding fee of \$50,000 is either paid or offset from another funding source and/or ongoing philanthropic fundraising targets are met.

Exhibit A: Variable List

Data	Type	Source	Level of granularity
Universe of parcels	Mapping/Geometry	City	Parcel
Zoning designation	Zoning code/Land use	City	Parcel or shapefile of sub area
Maximum FAR	Zoning code/Land use	City	Parcel or shapefile of sub area
Maximum density (dwellings per acre)	Zoning code/Land use	City	Parcel or shapefile of sub area
Maximum height	Zoning code/Land use	City	Parcel or shapefile of sub area
Maximum dwelling units per building	Zoning code/Land use	City	Parcel or shapefile of sub area
Setback requirements	Zoning code/Land use	City	Parcel or shapefile of sub area
Minimum parking requirement	Zoning code/Land use	City	Parcel or shapefile of sub area
Affordability thresholds for any bonus program (i.e. LI vs VLI)	City policy details & Zoning code/Land use	City	City
Any density or other program geographies	City policy details	City	Parcel or shapefile of sub area
Any density program details	City policy details	City	City
Inclusionary zoning program details (or equivalent linkage fee information)	City policy details	City	City
Per sqft permit fees	City policy details	City	City
Per dwelling fees	City policy details	City	City
Per dwelling building permit fees	City policy details	City	City
Per construction dollar fee	City policy details	City	City
Lump sum development fees	City policy details	City	City
Average dwelling size	Summary stat/Custom analysis	City/or custom analysis from assessor files	City