

Feasibility Review/Cost Analysis for Out-Sourcing vs. In-House Labor for Grant Administration Services for Community Redevelopment Projects

Estimated Annual City Costs	Year 1
1 Housing Grant Administrator	\$ 92,000
2 Community Development Coordinator (Grants)	\$ 130,000
2 Senior Program Specialist (Grants)	\$ 144,000
1 Underwriting Support (Part-Time)	\$ 21,000
1 SHIP Technical Support (Part-Time)	\$ 19,000
Benefits/Burden Costs - FICA	\$ 31,059
Benefits/Burden Costs - Retirement	\$ 46,680
Benefits/Burden Costs - Health Insurance	\$ 113,730
Benefits/Burden Costs - Life Insurance	\$ 1,388
Benefits/Burden Costs - Workers' Compensation Insurance	\$ 1,005
Benefits/Burden Costs - Workers' Compensation Claims	\$ 12,180
Benefits/Burden Costs - OPEB	\$ 52,445
Equipment & Supplies	\$ 7,000
Sub-Total	\$ 671,487

Estimated Annual Costs from the Proposed Contract	Year 1
Annual Estimated Contract Amount	\$ 287,863
Sub-Total	\$ 287,863

Estimated Net Increase by Utilizing In-House Labor	\$ 383,625
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Assumptions:

1. The estimated annual contract amount is based on the most recent historical amount of federal funds that the City received for the CDBG, SHIP, etc. programs and the negotiated percent of those revenues that the awarded Consultant would receive as Administrative Fees under the contract.
2. Grant funding levels fluctuate annually based on Federal and State allocations, which may result in the need to adjust staffing from year to year, whether that means hiring more staff or laying staff off.
3. City Personnel Costs in future years would increase to account for wage increases and increases in cost of benefits.
4. Due to the specialized training required for many of these positions and the limited workforce with expertise in federal and state housing program rules, starting salaries for these roles are estimated above in the midpoint range, however to attain staff we may likely need to increase this to trend higher than standard or midpoint base ranges.
5. Additionally, the City may still require consulting services from a HUD-approved external provider for policy updates and regulatory changes, which could result in additional costs beyond in-house staffing.
6. Even though we included \$7,000 for equipment and supplies, other costs above and beyond personnel would include office space for these personnel, a shared vehicle for site visits, etc. that are not included in the analysis above.