



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 24-189

May 14, 2024

Introduced: 4/17/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

REF220020 - GENERAL PLAN HOUSING ELEMENT 6TH CYCLE UPDATE

Adopt a resolution to:

- a. Approve Amendment No. 1 to Professional Services Agreement No. A-16047 with Harris and Associates, Inc., to include additional services associated with completion of the General Plan Housing Element 6th Cycle Update environmental review, adding \$625,734 to the existing agreement for a new total not to exceed amount of \$1,593,254, and extending the term date by two years to a new end date of September 30, 2027; and
- b. Authorize the Housing and Community Development Department (HCD) Director, or their designee, to execute up to three (3) future amendments to the Agreement, each extending the term by one year, where the total amendments do not significantly alter the scope of work, do not exceed ten percent (10% or \$159,325) of the amended contract amount, and do not exceed the maximum aggregate amount of \$1,752,579, subject to review by County Counsel.

RECOMMENDATION

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Approve Amendment No. 1 to Professional Services Agreement No. A-16047 with Harris and Associates, Inc., to include additional services associated with completion of the General Plan Housing Element 6th Cycle Update environmental review, adding \$625,734 to the existing agreement for a new total not to exceed amount of \$1,593,254, and extending the term date by two years to a new end date of September 30, 2027; and
- b. Authorize the Housing and Community Development Department (HCD) Director, or their designee, to execute up to three (3) future amendments to the Agreement, each extending the term by one year, where the total amendments do not significantly alter the scope of work, do not exceed ten percent (10% or \$159,325) of the amended contract amount, and do not exceed the maximum aggregate amount of \$1,752,579, subject to review by County Counsel.

SUMMARY

This Amendment to the Professional Services Agreement (PSA) with Harris and Associates, Inc., will expand the Scope of Work previously approved by the Board of Supervisors on September 27, 2022, to include an environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15206(b)(1) which identifies the General Plan Housing Element 6th Cycle Update (HEU6) as a project of statewide, regional, or areawide significance for which a Programmatic Environmental Impact Report (PEIR) will be prepared. The previously approved budget had contemplated environmental review for the HEU6 as limited to preparation of a notice of statutory exemption.

The budget in the PSA for environmental review was \$10,255 to prepare a notice of statutory exemption for the HEU6. Upon consultation with County Counsel and to avail future zoning changes of streamlining with an Addendum or other streamlining environmental review document, staff supports preparation of a PEIR. County Counsel recommends that a PEIR would be the most legally defensible CEQA document.

Staff recommends that the Board of Supervisors approve an amendment to increase the Harris contract by \$625,734 and extend the contract term date to September 30, 2027.

DISCUSSION

The PSA was approved to provide professional services for updates to the County of Monterey's (County) General Plan Housing Element and Safety Element, as well as the preparation of a new Environmental Justice (EJ) Element for a term of October 1, 2022, to September 30, 2025. A summary of tasks completed, thus far, includes completion of the Community Engagement Plan for the General Plan Updates, the Public Engagement Plan for the EJ Element, recruitment, establishment, and meetings of a Safety Advisory Committee and an Environmental Justice Community Advisory Committee, development and execution of five industry stakeholders focus group meetings, three community meetings, and two Community Surveys, one each for the Housing Element and the EJ/Safety Elements. Chapter drafts for the Housing Element are in progress in varying stages of review with the Final Draft Housing Element 6th Cycle Update anticipated for public review distribution by spring 2024.

California Government Code section 65584(a)(2) states:

“It is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote and facilitate the development of housing to accommodate the entire regional housing need, and reasonable actions should be taken by local and regional governments to ensure that further housing production meets, at a minimum, the regional housing need established for planning purposes.”

Pursuant to this statute, the County has a mandate to remove governmental barriers to housing production. Preparation of the PEIR is a reasonable action within a suite of actions to simplify the process for development of housing through the planning period 2023-2031. Opportunity sites within the HEU6 will be analyzed in the PEIR for potential environmental impacts under CEQA. Once certified by the Board of Supervisors, the PEIR will set a foundation upon which necessary re-zoning may be analyzed for potential environmental impacts. Proactive documentation of environmental analysis in the PEIR will reduce future cost, time, and effort for developers with a housing project proposal at an opportunity site as long as a project proponent can demonstrate the project's ability to fall within the parameters of what is contemplated in the PEIR. Along with programs in the HEU6 to remove governmental barriers that can incentivize housing production, the PEIR is a tool to facilitate the process for developers.

Environmental analysis in the PEIR will contemplate the potential effects of the HEU6 on County resources at a programmatic level, including technical studies for Air Quality, Biological Resources, and Cultural and Tribal Cultural Resources; technical memorandum each for Greenhouse Gas Emissions and Noise; Transportation Impact assessments and documentation for Planning Level

Safety, Multimodal facilities, Transit, and Vehicle Miles Traveled (VMT).

Future opportunity site-specific environmental review “shall be limited to effects on the environment which are peculiar to the parcel or to the project and which were not addressed as significant effects in the prior environmental impact report, or which substantial new information shows will be more significant than described in the prior environmental impact report.” (Public Resources Code (PRC) section 21083.3(b)). Environmental review subsequent to the PEIR would be tasked with identifying site-specific mitigation measures that could reduce potential environmental impacts to less than significant or significant with mitigation.

The PSA with Harris and Associates, Inc. provides professional services for the update to the General Plan Elements of Housing and Safety, and preparation of a new Environmental Justice Element, including environmental review for all three elements. The remaining budget amount as of March 31, 2024, is \$340,584 which includes \$10,255 to prepare a CEQA notice of exemption for the HEU6 and \$38,695 to prepare an Initial Study/Mitigated Negative Declaration (IS/MND) for the Safety and EJ Elements, for a total \$48,950 to prepare CEQA analysis on the three elements. This amendment includes an increase of \$625,734 to the contract for preparation of a Programmatic Environmental Impact Report in accordance with CEQA, instead of a CEQA notice of statutory exemption. The PSA assumes no site reconnaissance for analysis of transportation, biology, or cultural resources. The amendment amount is inclusive of a 20% contingency fee should there be a need for an unanticipated additional task. Request for using Contingency funds and for any additional task, including site visits, requires prior written authorization from the HCD Director, or their designee. The term end date for the agreement is September 30, 2025. This amendment also includes a three year extension, but staff anticipates that the effort will be completed before that time.

ENVIRONMENTAL REVIEW

Actions herein are not a “project” as defined in Public Resources Code sections 21065 and 21068. The actions would not have a substantial, or potentially substantial, adverse change in the environment.

OTHER AGENCY INVOLVEMENT

The Offices of the County Counsel and Auditor-Controller have reviewed and approved the amendment to the PSA as to form and legality, and fiscal provisions, respectively.

FINANCING

The costs incurred on this project through March 31, 2024, is a total of \$626,937. The amount of the requested increase, \$625,734, is included as an augmentation for HCD in the FY2024-25 Recommended Budget in Appropriation Unit HCD002, Unit 8543.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES

This project supports the Board of Supervisors’ Strategic Initiatives with revision of the Housing Element for the 6th Cycle Update which will contribute to strengthening a diversified and healthy economy by removing barriers to potential housing development and promoting jobs/housing balance. The Housing Element 6th Cycle Update would include strategies to ease the discretionary review process of potential housing development for the effective and efficient management of resources. The Safety Element Update and preparation of a new Environmental Justice Element will include policies

that improve the health and quality of life for Monterey County residents, especially those community members who experience a greater burden of health risks and have inadequate means to rehabilitate from disasters exacerbated by the effects of climate change. Infrastructure needs will be analyzed in the Safety Element Update for areas of less than two points of egress and existing development within known hazard areas.

- X Economic Development
- X Administration
- X Health & Human Services
- X Infrastructure
- X Public Safety

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Reviewed by: Melanie Beretti, AICP, Acting Chief of Planning
Approved by: Craig Spencer, Director of Housing and Community Development CS

The following attachments are on file with the Clerk of the Board:

- Attachment 1 - Draft Resolution
- Attachment 2 - PSA with Harris and Associates, Inc.
- Attachment 3 - Amendment No. 1 to PSA with Harris and Associates, Inc.
- Attachment 4 - Board Order Agreement No. A-16047