



County of Monterey

Item No.40

Board Report

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

Legistar File Number: A 26-106

April 28, 2026

Introduced: 4/3/2026

Current Status: Housing & Community
Development - Consent

Version: 1

Matter Type: BoS Agreement

- a. Approve Amendment No. 10 to Standard Agreement A-14097 with LeSar Development Consultants to continue to provide the technical assistance required to complete the update to the County's Inclusionary Housing Ordinance, extend the term six months to December 31, 2026, increase the Agreement amount of \$304,600 by \$35,000 for a new not-to-exceed amount of \$339,600, and update the Scope of Work; and
- b. Authorize the County Purchasing Agent or their designee to execute Amendment No. 10 and one future amendment that does not significantly alter the scope of work or increase the approved Agreement amount, subject to review by County Counsel.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve Amendment No. 10 to Standard Agreement A-14097 with LeSar Development Consultants to extend the term of the agreement for six months to December 31, 2026 and increase the Agreement amount of \$304,600 by \$35,000 for a new not-to-exceed amount of \$339,600; and
- b. Authorize the County Purchasing Agent or their designee to execute Amendment No. 10 and one future amendment that does not significantly alter the scope of work or increase the approved Agreement amount, subject to review and approval as to form by the Office of the County Counsel and as to fiscal provisions by the Auditor-Controller's Office.

SUMMARY:

The County of Monterey ("County") began the process of updating its Inclusionary Housing Ordinance ("Ordinance") in 2018. LeSar Development Consultants ("LeSar") was retained to provide the technical assistance and economic expertise to accomplish the Ordinance update. The original scope of the contract included exploring changes to the Inclusionary Housing program and potentially adding a non-residential housing impact fee.

This amendment would allow LeSar development to provide studies supporting updating housing impact fees that may be paid in-lieu of providing affordable housing without changing the Ordinance. Studies would ensure that the fees are justified, current and geographically appropriate. This effort would no longer consider a non-residential impact fee. HCD recommends this direction to resolve the in-lieu fee costs in the near term. Future updates to the Ordinance in connection with a more comprehensive affordable housing program strategy will be pursued separately.

DISCUSSION:

Request for Proposals #10650 was issued in January 2018 to identify organizations with the appropriate mix of policy development, legal analysis, and economic modeling related to affordable housing. One proposal was received from LeSar in partnership with Keyser Marston Associates, Inc., and Goldfarb Lipman Attorneys.

In late 2018 the County entered into Agreement A-14097 with LeSar to coordinate updating the Inclusionary Housing Ordinance in the amount of \$195,100. The Agreement has been amended seven times to extend the term of the Agreement to allow for scope expansion and to provide additional time for public comment.

In September 2022, Amendment No. 4 was approved to expand the scope of work by adding the task Phase 5.4.2.1, Preparation of a Non-Residential Linkage Fee Analysis and Recommendations based on the Keyser Marston Associates, Inc., report dated October 22, 2021, *Proposed Scope of Services to Prepare Revenue Estimate and Preliminary Cost Estimate: Nexus Study and Optional Services to Support Adoption of a New Non-Residential Affordable Housing Fee Program* (Commercial Linkage Fee). Amendment No. 4 also increased the Agreement amount by \$64,500 for a new Agreement amount of \$259,600. At its March 22, 2024 meeting, the Board Subcommittee on Health, Housing, and Human Services indicated that they were not supportive of adding a new development fee at that time.

This amendment is proposed to simplify the task to just updating the housing in-lieu fee. Other potential revisions to the Inclusionary Housing Program will be explored separately.

OTHER AGENCY INVOLVEMENT:

Amendment No. 10 has been reviewed and approved by the Office of the County Counsel and the Auditor-Controller's Office, as to legal form and fiscal provisions, respectively.

FINANCING:

There is no impact on the General Fund if the Board of Supervisors approves this Amendment No. 10 to Standard Agreement A-14097. The additional \$35,000 required for this Amendment brings the total amount of the Agreement to \$339,600 and is included in the FY2025-26 budget for the Inclusionary Housing Fund, Fund 009, Unit 8544, Appropriation Unit HCD003. The current Inclusionary Housing Ordinance specifically allows for the use of in-lieu fee income to be used for administrative costs.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

Completion of the Inclusionary Ordinance In-Lieu Fee Schedule will allow the program to assess and collect fees that reflect the current cost of affordable housing construction in the County.

- Well Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Other: Administration

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Reviewed by: Darby Marshall, Housing Programs Manager, 755-5391

Approved by: Craig W. Spencer, Director of Housing and Community Development

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

Attachment 1 - Draft Amendment No. 10

Attachment 2 - Executed Standard Agreement

Attachment 3 - Amendments Nos. 1-9