



**STAFF REPORT**  
**9/9/2020**

**TO:** Honorable Mayor and City Council Members

**FROM:** Luis Lopez, Development Services Director

**SUBJECT:** Professional Services Agreement with MSA Consulting Group, Inc. for City-Initiated Rezoning of property for the Coachella 5<sup>th</sup> Cycle Housing Element in the amount of \$53,310.

---

**STAFF RECOMMENDATION:**

Staff recommends that the City Council authorize a Professional Service Agreement with MSA Consulting Group, Inc. for the 5<sup>th</sup> Cycle Housing Element mandatory rezoning efforts at a contract price not to exceed \$53,310.

**BACKGROUND:**

On May 13, 2020 staff agreed to a Professional Services Agreement Letter with Arivitas Partners, LLC to complete mandatory rezoning of several parcels, pursuant to the City's Vacant Land Inventory of the Coachella Certified 2013-2021 Housing Element. Because staff had been made aware of grant funding opportunities to pay for these services, it was decided to continue the matter and obtain additional bids from local planning consultants to do this work. Staff sent a request for proposals to other local firms, but only two proposals were received.

**DISCUSSION/ANALYSIS:**

Over the next 12 months, the City's current Housing Element planning period will come to an end. There were numerous policy tasks that were left unfinished due to the staffing shortfalls, and the intensive development activity the City has experienced over the past several years. One of the major required tasks is to complete mandatory re-zoning of vacant land to comply with the 5<sup>th</sup> Cycle Housing Element RHNA allocation as part of the City's vacant land inventory program, which shows vacant parcels that are candidates for very high density residential zoning. Failure to complete this task in a timely manner during the current planning period will subject the City to significant penalties. For example, the City would be required to "carry over" the remaining 2,542 RHNA unit capacity into the 6<sup>th</sup> Cycle Housing Element Update (currently our RHNA is approximately 7,800 dwelling units and this would result in a total remaining RHNA of 10,350 new units for the next Housing Element Update).

Additionally, since 2017 any land programmed for mandatory rezoning intended to satisfy low and moderate income housing categories must have minimal barriers of entry and be "permit

ready”. This has resulted in the exclusion of large vacant lots for this purpose, because it is unrealistic that a non-profit residential builder would buy up large-scale multifamily projects (i.e., 20 acre or more) without major public subsidies. Therefore, the current rezoning program to rezone four large-acreage parcels for the needed 2,542 remaining RHNA will allow a “clean slate” prior to the completion of the next Housing Element, and will reduce consultant costs accordingly, to the upcoming Housing Element Update.

The zoning districts must be designated with very high density residential zoning, and the district must be ready for “plan check and development” without any further discretionary reviews by the City. As such, this requires that proper zoning be in place, and that all CEQA environmental clearances are included for a builder to process administrative reviews and plan check/permitting for future development.

#### Review of Proposals:

Staff compared two proposals submitted by Arivitas Strategies, LLC (“Arivitas”) dated July 7, 2020 and MSA Consulting Group, Inc. (“MSA”) dated July 6, 2020 respectively, and found that MSA’s budget was \$23,310 higher than Arivitas’ proposal for similar tasks. However, the ability to complete the tasks in-house and independently from city staff oversight in a “fast track” mode is needed, especially since the Planning Division’s work load has not slowed down this year and the deadlines are fast approaching. Arivitas is a sole proprietor business owned by Mr. Kevin Maevers (previously contracted as Arivitas Partners, LLC) that has been used by the City in the past, but that would likely subcontract some portions of this work in order to fast track the process. And, there was no specific management team identified in the Arivitas proposal. MSA provided a detailed statement of qualifications, budget, and key staff that would facilitate the planning and environmental documentation work (see both attached proposals and SOQ). For these above-stated reasons, staff is recommending that MSA be engaged for this work.

The term of this agreement will be from September 10, 2020 through March 11, 2021. The consultant will bill the City on a time and material basis with an hourly rate of \$125 per hour and \$105 per hour, with a total contract amount not to exceed \$53,310 unless approved in writing by both parties (any contract amendment to augment compensation is subject to City Council approval).

#### Grant Funding:

The entire scope of work included in the proposed Agreement with MSA Consulting Group, Inc. qualifies for grant funding under California HCD’s Local Early Action Planning (LEAP) Grants program, which is a non-competitive funding program. Staff would like to start incurring expenses immediately and the contract amount will have adequate grant funding, using the standard HCD Agreement. Accordingly, the attached consultant agreement is contingent upon grant funding being in place to pay for at least 75% of the award, even though the City has been assured that 100% of this work qualifies under the grant.

**ALTERNATIVES:**

- 1) Approve the standard Professional Services Agreement for \$53,310 with MSA Consulting Group, Inc.
- 2) Approve the standard Professional Services Agreement with modified terms.
- 3) Approve the standard Professional Services Agreement with Arivitas Strategies, LLC based on the scope presented on May 13, 2020
- 4) Continue this item and provide staff with direction.

**FISCAL IMPACT:**

The terms of this agreement would require the City to pay up to 25% of the contract cost, or \$13,327.50, and 75% of the contract work must qualify for grant funding. Staff anticipated no fiscal impact in that the project will qualify for full funding through the LEAP Grant. City Council appropriates the amount of the grant funded portion of the agreement in the general fund (101) and grants fund (152) and approves a corresponding transfer from the City's grants fund (152) to the general fund (101).

**RECOMMENDED ALTERNATIVES:**

Staff recommends Alternative #1 or #2 above.

Attachments: Standard Agreement Letter  
Proposal and SOQ by MSA  
Proposal by Arivitas