



Folsom City Council Staff Report

MEETING DATE:	10/26/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Regional Early Action Planning Grant Contracts 1. Resolution No. 10716 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Opticos for the Multi-Family and Residential Mixed-Use Design, Density, and Market Feasibility Analysis 2. Resolution No. 10717 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Ascent Environmental, Inc. for Implementation of Housing Element Program H-2
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council:

1. Move to approve Resolution No. 10716 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Opticos for the Multi-Family and Residential Mixed-Use Design, Density, and Market Feasibility Analysis.
2. Move to approve Resolution No.10717 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Ascent Environmental, Inc. for Implementation of Housing Element Program H-2.

BACKGROUND / ISSUE

In the 2019-20 Budget Act, Governor Gavin Newsom allocated \$250 million for all regions, cities, and counties to do their part by prioritizing planning activities that accelerate housing production to meet identified needs of every community. With this allocation, the state Department of Housing and Community Development (HCD) established the Regional Early Action Planning Grant Program (REAP) with \$125 million distributed to regions. REAP provides one-time grant funding to regional governments and regional entities for planning activities that will accelerate housing production and facilitate compliance in implementing the sixth cycle of the Regional Housing Needs Allocation (RHNA).

The Sacramento Area Council of Governments (SACOG) received \$6,612,880 in REAP funds to address the greater Sacramento region’s unique housing priorities and planning needs. In March of last year, the SACOG board recommended approval of a framework for spending an initial 25 percent of the REAP funds using an early access option provided by the state. These early funds provided a formula allocation directly to local agencies for housing element updates or other planning projects related to housing. The City’s allocation from this initial portion of REAP funds was \$41,000 and was explicitly for use on our Housing Element update.

There were three additional REAP grant opportunities; two were non-competitive direct allocations for qualifying projects and the third was a competitive grant. Eligible activities were required to demonstrate housing-related planning activities and facilitate accelerated housing production. Zoning code updates and specific plans that include an Environmental Impact Report (EIR), as well as an evaluation of infrastructure needs and cost analyses, are strongly encouraged because these planning activities are identified as priorities in SACOG’s Green Means Go Program. Furthermore, for the competitive grant, the project was required to accelerate, increase, and/or intensify housing in the City’s Green Zones. The planning activity must support the entire Green Zone or many parcels within the Green Zone.

Based on the City’s Housing Element update and the comprehensive zoning code update, staff identified three distinct and qualifying grant projects to further the City’s housing program goals as follows:

Grant Project Description	Grant Amount
Grant #1 East Bidwell Drainage Study	\$100,000
Grant #2 Multi-Family and Residential Mixed-Use Design, Density and Market Feasibility Analysis	\$90,000
Grant #3 Housing Element Program H-2 Implementation: General Plan and Specific Plan Amendment and Environmental Analyses	\$575,000
Total Grant Funds Awarded	\$765,000

On March 9, 2021 City Council authorized staff to apply for these grants. Applications were completed and the City was successful in receiving all three grant awards totaling \$765,000.

On July 13, 2021, City Council approved Resolution No. 10668 - A Resolution Accepting Three Regional Early Action Planning Grant Awards to Further Housing Program Goals and Appropriation of Funds.

At this time, staff is requesting that City Council authorize the City Manager to execute two separate professional services agreements with Opticos for the Multi-Family and Residential Mixed-Use Design, Density and Market Feasibility Analysis (Grant #2) and Ascent Environmental, Inc. for Housing Element Program H-2 Implementation: General Plan and Specific Plan Amendment and Environmental Analyses (Grant #3) to carry out the work associated with two of the three grant awards. Once a consultant is selected by Public Works through the RFP process (which is currently open), a separate request will be presented to City Council regarding a professional services agreement for the East Bidwell Drainage Study (Grant #1).

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, professional services contracts of \$62,657 or greater shall be approved by the City Council. Furthermore, pursuant to Folsom Municipal Code 2.36.120 professional service contracts are not subject to competitive bidding.

ANALYSIS

In conjunction with the REAP Grants, SACOG established a bench of eight pre-qualified consultants to carry out the planning activities associated with the REAP grants which included the following firms:

1. AECOM
2. Ascent Environmental, Inc.
3. BAE Urban Economics, Inc.
4. Cascadia Partners, LLC
5. Economic and Planning Systems (EPS)
6. ECONorthwest
7. Estolano Advisers
8. Opticos Design

As part of this effort, SACOG hosted a virtual meet and greet event earlier this year to allow each local jurisdiction to share their individual grant proposals and to learn about the services, expertise, and relevant project work of each of the consultant teams. A benefit of the pre-qualified REAP consultant bench is that it streamlines the procurement process by allowing jurisdictions to select qualified consultants without going through the Request for Proposal/Request for Qualifications (RFP/RFQ) process. Based on City staff's participation in the meet and greet event, six of the firms on the bench (AECOM, Ascent Environmental, BAE Urban Economics, Cascadia Partners, ECONorthwest and Opticos Design) expressed interest in

working with the City and were qualified to perform the work associated with REAP Grants #2 and #3.

Grant #2 - Multi-Family and Residential Mixed-Use Design, Density and Market Feasibility Analysis

In reviewing SACOG's pre-qualified consultant bench for the Multi-Family and Residential Mixed-Use Design, Density and Market Feasibility Analysis project, several of the interested consulting firms (BAE Urban Economics, Cascadia Partners, and ECONorthwest) were capable of leading the density and market feasibility analysis; however, the Opticos Design team of urban designers, architects and strategists stood out given that outstanding design, along with economic feasibility, are key to the City's effort to increase densities in key areas of the City to encourage affordable housing development. Opticos is an architectural firm with a skill set that includes public sector planning and private sector architecture, along with zoning experience. In addition, Opticos' project experience includes identifying development barriers and proposing recommendations to apply to policy and zoning standards to overcome these barriers. Thus, for the reasons identified above, city staff requested that the Opticos Design team prepare a proposal for the work associated with Grant #2. City staff reviewed Opticos' proposal and based on their architectural, urban design and problem-solving background selected the firm. The proposed consultant agreement is for \$90,000.

The Opticos consultant team will partner with Lisa Wise Consulting (an economic firm) to provide both an evaluation of design, density and market feasibility of multi-family and residential mixed-use development in key areas of Folsom where the City is considering changing density and development standards to encourage more housing development. The goal is to provide the City Council and community with an understanding of the economics of residential development on smaller parcels (i.e., less than four acres) and how density and development standards affect design as well as how good design can mask density and address other common concerns. The results of this effort will lay the groundwork for General Plan and Specific Plan amendments associated with implementing Housing Element Program H-2 (Grant #3).

Grant #3 - Housing Element Program H-2 Implementation: General Plan and Specific Plan Amendment and Environmental Analyses

In reviewing SACOG's pre-qualified consultant bench for the Housing Element Program H-2 Implementation: General Plan and Specific Plan Amendment and Environmental Analyses project, there were two consulting firms (AECOM and Ascent Environmental) were qualified to perform the work. Both of these consulting firms, which have vast experience amending General Plans and Specific Plans and with extensive environmental document preparation, were asked to provide the City with proposals.

City staff carefully reviewed both of the proposals and found both to be thoughtful, reasonable and on point; however, the proposal from Ascent Environmental, Inc. was selected based on their expertise, understanding of the project, identification of potential issues, and inclusion of

optional CEQA approaches based on the outcomes of the technical analysis associated with the project. Furthermore, Ascent was one of the consultants instrumental in preparing the 2035 General Plan and is also very familiar with the City's Folsom Plan Area Specific Plan (FPASP), transit priority areas, and community design standards policies that will affect the General Plan and Specific Plan amendments. The proposed consultant agreement is for \$574,106.

With assistance from City staff, the consultant team will prepare amendments to the General Plan and the Folsom Plan Area Specific Plan (based on the results of the design, density, and market feasibility analysis performed pursuant to grant #2) and at a minimum will address the following tasks:

1. Amend the General Plan and zoning to increase the maximum density and floor area ratio (FAR) standards for the East Bidwell Corridor Mixed-Use Overlay, which currently allows for housing at 20–30 units per acre and an FAR of up to 1.5.
2. Establish a new transit development overlay designation that would allow for increased densities at the Glenn and Iron Point stations.
3. Amend the FPASP to increase opportunities for multi-family high density development and amend the existing Town Center District (TCD) overlay designation to allow for increased densities and FAR for parcels in the TCD overlay area.
4. Identify zoning code amendments necessary to increase residential densities, including implementation of a transit priority area overlay, necessary zoning map changes, and revisions to design and development standards.
5. Conduct technical analyses to support the environmental review process.
6. Prepare the appropriate environmental document to address the changes to the General Plan, FPASP, and zoning.

FINANCIAL IMPACT

The REAP Grants Program award total is \$765,000. None of the REAP grant awards require a financial match. All grant funds are required to be fully expended and reimbursed by August 30, 2023. Consultant services will be funded initially through the General Fund (Fund 010) and reimbursed by the REAP Grants Program funds in accordance with the reimbursement schedule over two fiscal year periods; Fiscal Year 2021-22 and Fiscal Year 2022-23.

ENVIRONMENTAL REVIEW

The execution of the Opticos contract to conduct design and feasibility analyses and the execution of the Ascent Environmental Inc. contract to implement Housing Element Program H-2 are not considered projects under the California Environment Quality Act (CEQA) in

accordance with CEQA Guidelines Section 15061(b)(3). As a result, these actions are exempt from environmental review. The General Plan Amendment and Folsom Plan Area Specific Plan Amendment will be required to include environmental review and thus prior to adoption of the General Plan Amendment and Folsom Plan Area Specific Plan Amendment, environmental review will be conducted, and the appropriate environmental document prepared. This will be presented to the City Council at the time of adoption.

ATTACHMENTS

1. Resolution No. 10716 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Opticos for the Multi-Family and Residential Mixed-Use Design, Density, and Market Feasibility Analysis
2. Resolution No. 10717 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Ascent Environmental, Inc. for Implementation of Housing Element Program H-2

Submitted,



Pam Johns, Community Development Director

ATTACHMENT 1

Resolution No. 10716 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Opticos for the Multi-Family and Residential Mixed-Use Design, Density, and Market Feasibility Analysis

RESOLUTION NO. 10716

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH OPTICOS FOR THE MULTI-FAMILY AND RESIDENTIAL MIXED-USE DESIGN, DENSITY, AND MARKET FEASIBILITY ANALYSIS

WHEREAS, the City of Folsom desires to hire a consultant team that can provide both an evaluation of design, density and market feasibility of multi-family and residential mixed-use development in key areas of Folsom where the City is considering changing density and development standards to encourage more housing development; and

WHEREAS, the City received a Sacramento Area Council of Governments (SACOG) non-competitive Regional Early Action Planning Grant Program (REAP) grant in the amount of \$90,000 to conduct a Multi-Family and Residential Mixed-Use Design, Density, and Market Feasibility Analysis; and

WHEREAS, SACOG established a bench of eight pre-qualified consultants, including Opticos, to carry out the planning activities associated with the REAP grant; and

WHEREAS, Opticos, by reasons of their experience, understanding of the project, and cost proposal was selected to perform the required professional consulting services; and

WHEREAS, consultant services will be funded initially through the General Fund (Fund 010) and reimbursed by the REAP Grant Program funds; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute a Professional Services Agreement with Opticos for the Multi-Family and Residential Mixed-Use Design, Density, and Market Feasibility Analysis in an amount not-to-exceed \$90,000.

PASSED AND ADOPTED this 26th day of October 2021, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

Resolution No. 10717 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Ascent Environmental, Inc. for Implementation of Housing Element Program H-2

RESOLUTION NO. 10717

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ASCENT ENVIRONMENTAL FOR IMPLEMENTATION OF HOUSING ELEMENT PROGRAM H-2

WHEREAS, the City of Folsom desires to implement Housing Element Program H-2 by increasing densities in the East Bidwell Mixed Use Overlay, SACOG Transit Priorities Areas, and the Folsom Plan Area Specific Plan Town Center; and

WHEREAS, the City received a Sacramento Area Council of Governments (SACOG) competitive Regional Early Action Planning Grant Program (REAP) grant in the amount of \$575,000 to implement Housing Element Program H-2; and

WHEREAS, SACOG established a bench of eight pre-qualified consultants, including Ascent Environmental, Inc., to carry out the planning activities associated with the REAP grant; and

WHEREAS, Ascent Environmental, Inc., by reasons of their experience, understanding of the project, and proposed CEQA approach was selected to perform the required professional consulting services; and

WHEREAS, consultant services will be funded initially through the General Fund (Fund 010) and reimbursed by the REAP Grant Program funds; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute a Professional Services Agreement with Ascent Environmental for Housing Element Program H-2 Implementation: General Plan and Specific Plan Amendment and Environmental Analyses in an amount not to exceed \$574,106.

PASSED AND ADOPTED this 26th day of October 2021, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK