

STAFF REPORT

City Council Business Item

DATE: December 2, 2024

TO: Honorable Mayor Trent and Council Members

FROM: Shari Meads, Community Development Director

THROUGH: Amy Nilsen, City Manager

SUBJECT: **Approve a \$65,000 Supplemental Budget Request and Authorize the City Manager to Execute One or More Professional Services Agreements for On-Call Planning Services**

STAFF RECOMMENDATION:

The Community Development Department recommends that the City Council approve a \$65,000 Supplemental Budget Request and authorize the City Manager to execute one or more professional services agreements for on-call planning services for the City of Fortuna.

EXECUTIVE SUMMARY:

The City of Fortuna, like all other California jurisdictions, is required to comply with many state-unfunded housing, hazard mitigation, and climate-related mandates. This, among other requirements, includes preparing and implementing a Housing Element that analyzes housing needs and provides strategies to address them and a General Plan, which is essentially the City's Constitution. A Housing Element must be certified by the California Department of Housing and Community Development (HCD) to avoid significant penalties. Fortuna's General Plan and HCD-certified Housing Element include numerous goals, policies, and programs that commit the City to specific actions and achieve certain milestones by specified timelines.

While the City has made some progress toward implementing the General Plan and Housing Element, it is delinquent on many measures. HCD has engaged the City in an audit process to verify implementation statuses. If a City is deemed noncompliant, its Housing Element can be decertified. If a City's Housing Element is decertified, significant monthly monetary penalties can be assessed, and grant funds and opportunities can be lost. In addition, developers can exploit the "builder's remedy law," essentially bypassing all City zoning requirements and development standards so long as a project includes residential units with 20% or more set aside for lower income residents.

The City has not intentionally been remiss in Housing Element implementation; it has been due to a lack of resources. The Community Development Department is consistently busy with land use entitlements, building plan review, grants administration, customer support, and other significant long-range planning projects like the Mill District Specific Plan (MDSP), Regional Climate Action Plan, Hazard Mitigation Plan, and more. The City is fortunate that a lot of development is being planned, entitled, and constructed.

The City's Planner II is currently on an indefinite leave which has created an untenable staffing situation. It is not feasible for the Community Development Director to stand up all Community Development Department functions including working toward Housing Element compliance without additional support. To that end, three extremely qualified firms have been interviewed for the possibility of providing on-call professional planning services required at this time. The City Manager participated in two of the interviews, with the Community Development Director independently interviewing one firm. Each of the three interviewed firms has local presence and proven experience.

The City Manager and Community Development Director interviewed SHN Consulting Engineers & Geologists, Inc. and obtained a copy of their 2024 Fee Schedule. SHN is a highly respected local firm that has performed planning and engineering work for the City, including providing on-call planning services.

The City Manager and Community Development Director interviewed Planwest Partners, Inc. who also provided a scope and 2024 Fee Schedule. Planwest Partners has the most recent experience working with the City of Fortuna on planning-related projects including the MDSP. Planwest Partners was identified as possessing the most competitive rates.

The Community Development Director independently (due to a scheduling conflict for the City Manager) interviewed Placeworks, Inc. Placeworks, Inc. was instrumental in getting the City of Fortuna Housing Element adopted and State certified. Additionally, the Community Development Director, prior to assuming her current role, worked very closely with Placeworks, Inc. staff on a comprehensive General Plan update and Greenhouse Gas Reduction Strategy for the City of Santa Rosa.

Staff is requesting that the City Council delegate authority to the City Manager to execute professional agreement(s) for on-call planning services with one or more of these firms depending upon who can mobilize in the timeliest and most effective manner. In no case will the total contracted services exceed the Supplemental Budget Request (SBR) without further Council action. Staff is also considering flying a recruitment for a limited term, non-benefitted Planner position. This option, while considerably more cost effective, would require a longer, less-nimble timeframe and may not be successful given the regional shortage of available and qualified planners.

The Community Development Director will assign projects to the selected firm(s)/individual, who will assume the role of project manager and be responsible for completing projects according to a negotiated timeline; including shepherding assigned projects through Planning Commission and City Council review as necessary. Some of the types of projects/planning applications that may be assigned include but are not limited to:

- Subdivisions, Lot-Line Adjustments and SB9 projects, including coordinating with appropriate outside agencies and environmental review
- Annexations
- Design review
- Conditional Use Permits
- Development agreements

- Annual reporting
- Zoning Code and General Plan updates
- Housing Element implementation
- Long-range planning
- Planning application post-approval reviews
- Environmental document review and preparation
- GIS Services
- Counter support/coverage

FINANCIAL IMPACT:

Whenever possible, the City will direct bill project applicants for services. The funds requested in this SBR will be utilized for services that cannot be charged to an applicant. At no time will a project be assigned if there is no approved budget. The \$65,000 will need to be allocated from General Fund reserves. After the SBR the remaining unreserved General Fund balance will be approximately \$950,000.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to approve a Supplemental Budget Request in the amount of \$65,000 and authorize the City Manager to execute one or more Professional Services Agreements for on-call Planning Services. Voice vote.

ATTACHMENTS:

- Supplemental Budget Request