



# Administrative Report

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H.12., File # 22-4814

Meeting Date: 10/4/2022

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**To: MAYOR AND CITY COUNCIL**

**From: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR**

## **TITLE**

APPROVE A SECOND AMENDMENT TO THE AGREEMENT WITH VERONICA TAM AND ASSOCIATES, INC. FOR SERVICES RELATED TO THE 6<sup>TH</sup> CYCLE HOUSING ELEMENT UPDATE AND PREPARATION OF AN INCLUSIONARY HOUSING ORDINANCE FOR AN ADDITIONAL AMOUNT OF \$1,500 FOR A NEW NOT TO EXCEED AMOUNT OF \$173,890 AND TO EXTEND THE TERM THROUGH MARCH 31, 2023

## **EXECUTIVE SUMMARY**

Veronica Tam and Associates, Inc. (VTA) is assisting with the City's 6<sup>th</sup> Cycle Housing Element Update and preparation of the Inclusionary Housing Ordinance. A second amendment to the Agreement is required to cover costs for additional work due to revisions to the Draft Housing Element required by the California Department of Housing and Community Development (HCD). Work on required revisions to the Draft Housing Element has delayed progress on drafting of the Inclusionary Housing Ordinance. This Amendment will extend the term of the agreement through March 31, 2023 to allow for completion of the ordinance.

## **BACKGROUND**

On October 20, 2020, the City Council approved a contract with VTA to begin work on the 6<sup>th</sup> Cycle Housing Element update and Inclusionary Housing Ordinance. VTA has substantial experience in assisting municipalities in preparing Housing Element Updates and in preparing Inclusionary Housing Ordinances. Subconsultants for the contract include Environmental Science Associates (ESA), to prepare the CEQA analysis for the Housing Element, and Keyser Marston Associates (KMA), to conduct the financial evaluation for the Inclusionary Housing Ordinance. Both firms have extensive experience in their respective fields, and the City has utilized ESA to conduct CEQA processes in the past.

VTA completed initial work on the Housing Element, which was adopted by City Council on October 5, 2021, and then submitted it to the California Department of Housing and Community Development (HCD) for certification. HCD issued comments on January 5, 2022. Council provided direction to respond. Staff worked with VTA to prepare a revised Housing Element, which was adopted by City Council on February 8, 2022.

On April 12, 2022, HCD provided an additional comment letter, requiring more revisions to the Housing Element. The timeline for completing the Housing Element work extended beyond the initial term of the contract. On June 7, 2022, the City Council approved the first contract amendment to

increase the amount by \$10,440 and extend the term through December 31, 2022.

The additional revisions to the Housing Element were completed, and it was approved by City Council on July 5, 2022. On September 1, 2022, HCD issued a letter certifying the Housing Element. Final invoicing for all services related to the Housing Element revisions resulted in an overage of \$1,500 from the amount approved in the first amendment.

Now that work on the Housing Element is complete, focus will shift to completion of the Inclusionary Housing Ordinance.

The second amendment will cover the full cost of the Housing Element services and extend the time needed to complete the Inclusionary Housing Ordinance.

### **COORDINATION**

Preparation of the contract amendment was coordinated with the City Attorney's Office.

### **FISCAL IMPACT**

Funding for the original contract amount of \$161,950 was provided by the SB2 Grant Award for completion of the Housing Element Update (\$106,700) and from the General Plan Maintenance Fund for the Inclusionary Housing Ordinance work (\$55,250).

The additional \$10,440 approved in the first amendment was funded by the General Plan Maintenance Fund.

Funding for the additional \$1,500 in the second amendment will also be paid from the General Plan Maintenance Fund.

### **APPROVED BY:**

*Mike Witzansky, City Manager*

### **ATTACHMENTS**

- Agmt - Second Amendment Veronica Tam & Associates, Inc.
- Agmt - First Amendment Veronica Tam & Associates, Inc., June 7, 2022
- Agmt - Original Contract Veronica Tam & Associates, Inc., October 20, 2020