



Agenda Report

MEETING DATE: Tuesday, November 12, 2024

TO: City Council

FROM: INTERIM COMMUNITY DEVELOPMENT DIRECTOR MEEK
INTERIM ASSIST. COMMUNITY DEVELOPMENT DIRECTOR ORBACH

SUBJECT: RESOLUTION AWARDING CONTRACT TO RAIMI +
ASSOCIATES FOR THE 6TH CYCLE HOUSING ELEMENT
IMPLEMENTATION AND APPROPRIATE \$169,380 FROM THE
SPECIAL GRANTS FUND (0260)

RECOMMENDED ACTION:

Staff recommends the City Council adopt a Resolution awarding contract to Raimi + Associates, Inc. to complete a portion of the 6th Cycle (2023-2031) Housing Element Implementation, for a cost not to exceed \$169,380; and to appropriate \$169,380 from the Special Grants Fund (0260).

BACKGROUND:

On September 26, 2023, the City of Watsonville accepted a Regional Early Access Planning (REAP) 2.0 Grant from the Association of Monterey Bay Area Governments for the implementation of goals and policies in the City's 6th Cycle Housing Element and appropriated \$180,000 to the Special Grants Fund. The grant was subsequently reduced by approximately six percent due to state budget shortfalls to \$169,380.

On September 4, 2024, the Planning Department put out a Request for Proposals (RFP) for a City of Watsonville Housing Element Implementation consultant.

On September 17, 2024, the California Department of Housing and Community Development (HCD) provided the City with a findings letter stating that the Draft City of Watsonville 6th Cycle Housing Element was in substantial compliance with the requirements of Housing Element law.

On September 27, 2024, the RFP submittal period for the City of Watsonville Housing Element Implementation consultant ended. The City received seven submittals within the submittal period.

On October 1, 2024, the Planning Commission adopted Resolution No. 12-24 (PC) recommending the City Council repeal in its entirety the 2015-2023 Housing Element of the General Plan and adopt in full the 2023-2031 6th Cycle Housing Element as an amendment to the 2005 General Plan by an affirmative vote of a majority of the total membership of the Commission (4 members) in compliance with Government Code Section 65354.

On October 10, 2024, after completing the review of RFP submittals, City staff contacted the three top scoring consultant teams to schedule interviews during the week of October 14.

On October 15, 2024, the Watsonville City Council adopted Resolution No. 213-24 (CM), repealing in its entirety the 2015-2023 Housing Element and adopting in full the 2023-2031 6th Cycle Housing Element as an amendment to the 2005 General Plan.

On October 22, 2024, after interviewing the top three consultant teams, City staff selected Raimi + Associates as the Housing Element Implementation consultant.

DISCUSSION:

Raimi + Associates Proposal Overview

The 6th Cycle Housing Element programs must be implemented according to the timelines set forth in the Policy Plan in Chapter 2 of the Housing Element. The Raimi + Associates team includes seasoned technical specialists who will deliver zoning code updates that can be approved with confidence by the City Council within the timeframes established in the Policy Plan. They are also uniquely positioned to analyze and justify the four- and six-story building height limits in the Downtown Watsonville Specific Plan (DWSP) zoning districts in relation to Housing Element Program D.13 because they were the consultant team who prepared the DWSP.

The Raimi + Associates proposal is included as Attachment 1.

Budget

The \$169,380 budget for the Housing Element Implementation is divided between five proposed tasks. Staff requested that two optional tasks costing an additional \$17,397 be included in the proposed budget table. Those tasks include a potential Planning Commission and/or City Council study session if changes to the Downtown Watsonville Specific Plan building height limits are required and creation of a user-friendly accessory dwelling unit (ADU) handout. An additional \$22,178 is available as a buffer for contingencies.

Timeline

Raimi + Associates provided a timeline that begins in November 2024 and ends in June 2025. Preliminary work includes data gathering and creation of an issues matrix. Based on the data, an administrative draft of the zoning amendments will be created and

reviewed between January and March 2025. Environmental review of the zoning amendments will be conducted concurrently with creation of the administrative draft. A final draft of the zoning amendments will be ready for adoption by May 2025.

California Environmental Quality Act (CEQA)

The adoption of a zoning code update related to the 6th Cycle Housing Element Policy Plan programs is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(5) because the code update does not meet CEQA's definition of a "project," because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because the action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment and if a "project," is exempt under the "common sense" exception (14 Cal. Code Regs. § 15061(b)(3)) because it can be seen with certainty that there is no possibility that this action may have a significant effect on the environment.

STRATEGIC PLAN:

The purpose of the City of Watsonville's 2023-2025 Strategic Plan is to help the City prioritize its efforts, allocating both fiscal and human resources to achieve a shared vision and goal. The 2023-25 Strategic Plan identifies seven goals, concerning: (1) economic development, (2) infrastructure and environment, (3) housing, (4) fiscal health, (5) public safety (6) community engagement and well-being, and (7) efficient and well-performing government.

Approval of a contract with Raimi + Associates to implement 6th Cycle Housing Element Policy Plan programs is consistent with the City Council's 2023-2025 priorities related to housing, fiscal health, and community engagement and well-being, in that implementing the 6th Cycle Housing Element programs is needed to meet state-mandated deadlines, qualifies the City to receive housing and infrastructure-related grants, and supports the development of additional housing resources for residents. Implementation of the Housing Element programs will also help guide future land use decisions, which in turn will increase housing options, strengthen and diversify the City's economy, and help plan for future infrastructure improvements.

FINANCIAL IMPACT:

The total cost of the Raimi + Associates proposal is \$169,380. The Resolution calls for this to be the 'not to exceed' amount approved by the City Council.

The City of Watsonville received a \$169,380 Regional Early Action Planning (REAP) grant for RHNA/Housing Element planning and implementation. The City would appropriate \$169,380 from the Special Grants Fund (0260). The grant will be tracked in account 0260-339-7XXX-02024.

ALTERNATIVE ACTION:

The City Council may decide not to authorize the City Manager and Attorney's Office to execute a contract with Raimi + Associates at this time. However, this may cause delays that prevent the City from implementing the 6th Cycle Housing Element programs before the state-mandated deadlines and jeopardize the REAP 2.0 grant funding.

ATTACHMENTS AND/OR REFERENCES (If any):

1) Raimi + Associates Proposal