



# CITY OF POMONA COUNCIL REPORT

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March 6, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Mark Lazzaretto, Development Services Director

**Subject: Adoption of a Resolution Establishing a Process to Expedite Development Applications and Approval of On-Call Planning and Environmental Consulting Services Master Agreements to Support Current Planning, Special Projects, and Environmental Review as Follows: Planning Services – MIG, Lilley Planning Group, and Civic Solutions; and Environmental Services – Applied Planning, Inc, Rincon Consultants, FirstCarbon Solutions, PlaceWorks, Dudek, and MIG**

## OVERVIEW

**Recommendation** –That the City Council:

1. Adopt the attached resolution establishing a voluntary process to expedite development applications; and
2. Authorize the City Manager or her designee to execute Master Agreements with planning and environmental consultants to support upcoming development projects and temporarily fill-in existing vacancies for day-to-day work in the Planning Division.

**Fiscal Impact** – For assistance with day-to-day work of the Development Services Division, staff anticipates that between \$30,000 and \$50,000 will be spent during the remainder of the fiscal year. There are sufficient funds in the current fiscal year budget to cover these costs in the Controllable Contract Services line item (101-1712-52285-00000). For project-specific work on the expediting of planning work or environmental reviews, the costs will be borne by project applicants.

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### **EXECUTIVE SUMMARY**

Since the recovery of the economy, the City has received an increase in applications for development projects. Due to budgetary constraints however, staffing numbers have not increased to pre-recession levels. As a result, development projects do not get processed in a timely manner. To alleviate this delay, staff proposes that developers be allowed to pay the cost of an outside planning consultant to assist City staff to prepare the project for approval or a public hearing. Additionally, staff would like to create a list of pre-qualified on-call consultants to perform environmental analysis and provide day-to-day staffing services when necessary.

Public Works Engineering Department has used the process of having Master Agreements with several on-call consultants to conduct project-specific work on a contract/engagement letter basis for several years. By bringing development projects forward more quickly, long term revenue can be created for the City resulting from increased property taxes.

### **DISCUSSION**

#### ***Project Expediting***

Like Pomona, many cities in California are experiencing situations where development applications are not processed as quickly as possible because of post-recession staff levels. The number of authorized positions in the Planning Division is approximately one-half of what it was prior to the recession. As the economy has recovered, more and more developers are interested in investing in quality projects in the City, causing development activity to increase to levels above what occurred prior to the recession. In addition to routine single-family homes or commercial tenant improvement projects, there are currently over 90 development projects being processed in the Planning Division.

A significant amount of work is required to be performed by the City prior to each application being determined to be “complete”. From that point the City has one year to bring the application before the approving body, such as the Planning Commission. As a result of the reduced staffing level, the backlog of current planning cases has increased to between four to six months before a project is ready to be processed. From the point a project is determined to be complete, it is typically three to four months before the project is ready for Planning Commission consideration. These delays frustrate developers, suppress investment and revenue in the City, and, in short, are not sustainable for the Development Services Department.

To help bring these delayed projects forward, staff is recommending that the City Council authorize a program that would allow developers to pay the cost of an outside planning consultant to review and make the project application ready for public hearing or approval. The developer would be required to pay all of the City’s current fees, plus the actual cost of the planning services performed by the third party consultant. Use of an outside consultant would allow projects to move forward in weeks instead of months. The outside consultant would be paid for by the applicant, but managed and hired by the City.

Staff frequently receives feedback from developers during and after entitlement process. Almost without exception, developers indicate that the time it takes to get through the Planning Division

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is longer than they would like and longer than what they expected. However, when asked if they would pay additional fees to have their projects expedited, most are very supportive of offering this as an option. For large scale projects, in addition to monthly carrying costs of mortgage, insurance, and taxes, many projects have monthly retainers with design professionals, proving that “time is money”.

In order to move this expediting option forward, staff would recommend having a few firms vetted and ready on an “on-call” basis so that when a developer requests this service, a consultant can quickly be selected and the project can move forward without delay.

### ***CEQA Consultants***

On larger projects that require studies or environmental reviews under the California Environmental Quality Act (CEQA), the current purchasing code (Section 2-977(e) (1)) allows staff to select an outside consultant without going through the City’s normal bidding process. This exemption from the purchasing code is allowed because of the time constraints that development projects are typically under, and due to the fact that the services are paid by the developer and not the City. Staff typically requests informal bids from three or four firms before selecting a consultant for these projects. The developer is then required to pay those actual costs, plus a 15% administrative overhead charge in advance of starting the environmental review.

When an outside CEQA consultant is required, staff has relied on the exemption in PCC section 2-977(e). Two or three consultants are sent a description of the proposed project and asked to respond with bids to perform the CEQA work. Staff selects a consultant from this informal bid process, adds the 15% administrative fee to the bid, and then requests a check from the developer in order to begin the project. From time to time, staff will receive input from developers on CEQA consultants that they have used in the past with success, or on CEQA consultants that they would prefer not to use.

In order to streamline and formalize this process, staff is recommending that the City have a few consultants on a formal list pursuant to PCC section 2-977(c), as reference through PCC section 2-977(c)(1). Staff would then select two or three consultants from the pre-approved list and request proposals as projects are received. Staff is recommending contracts be executed with Applied Planning, Inc, Rincon Consultants, FirstCarbon Solutions, PlaceWorks, Dudek, and MIG to formalize the relationship with these consultants and expedite the process whereby these consultants can begin work on the project. The consultants will be rotated to ensure that the entire consultant list is able to receive projects from the City, provided that their bid prices are reasonable given the project. Though the lowest bidder is most often selected, it should be noted that the lowest bid is not required to be selected because the services are professional services and the costs are borne by the developer.

### ***Temporary Day-to-Day Assistance***

Finally, there are currently two vacancies in the Planning Division due to employees being hired for promotions at other cities. A recruitment process is underway to fill the vacancies and both spots are expected to be filled in the next few months. In order to quickly provide temporary

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support for planning projects and assistance at the public counter, staff has executed a short-term agreement with Civic Solutions Inc.

For assistance with future staffing needs and for the proposed expediting process, staff is recommending that an approved list be established with the following consultant firms: MIG, Lilley Planning Group, and Civic Solutions. There are sufficient funds in the current fiscal year Planning Division budget in the controllable contract services line item to cover the cost of outside consultants through the end of the fiscal year.

### ***RFP and Consultant Selection***

As discussed above, in order to allow and expedite the use of outside consultants for contract planning services and for environmental reviews, staff is recommending that the City Council establish a pre-qualified list of contractors pursuant to PCC section 2-977(c). Staff sent out an RFP (RFP#2016.15) requesting proposals for consultants to be placed on the pre-qualified list. Proposals were received from thirteen firms. The proposals were evaluated by staff based on whether they would be qualified to provide contract planning services, environmental review services, or both.

The RFP review resulted in a total of eight firms to be recommended for placement on the on-call list. For expediting services paid for by an applicant and day-to-day planning assistance, staff is recommending Master Agreements be executed with MIG, Lilley Planning Group, and Civic Solutions. For assistance with CEQA projects, staff is recommending Master Agreements be executed with Applied Planning, Inc, Rincon Consultants, FirstCarbon Solutions, PlaceWorks, Dudek, and MIG.

All of the consulting firms recommended have extensive experience and have numerous project references. Upon approval by the City Council, staff will execute standard Master Agreements with the eight proposed firms.

Attachments: Resolution  
RFP Evaluation Summary