



Office of the City Manager

CONSENT CALENDAR
October 29, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Timothy Burroughs, Director, Planning and Development Department

Subject: Contract No. 10874B Amendment: Street Level Advisors for Zoning and Development Fee Feasibility Analyses

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 10874B with Street Level Advisors, to analyze the impact of fees and other variables on development project feasibility, increasing the contract amount by \$150,000 to a new total not-to-exceed contract amount of \$225,400 and extending the contract period to December 31, 2022.

FISCAL IMPACTS OF RECOMMENDATION

Funding is available for the proposed contract increase from the Permit Service Center Fund, under the budget code 621-53-584-622-0000-000-472-612990.

CURRENT SITUATION AND ITS EFFECTS

The Planning Department has been asked to expedite work in two key areas, each with fixed time frames for City responses: Zoning and development feasibility in BART station areas, and possible revisions to City impact fees associated with housing development. The City is also concluding work on the Adeline Corridor Specific Plan and is in the process of responding to comments and requests for additional information. In each area, the City will require the expertise of an economist specializing in housing and development issues.

Assembly Bill 2923 directed BART to adopt zoning standards by July 1, 2020 for housing development on its properties—in Berkeley, the North Berkeley station area and the Ashby station area. The City will then have until July 1, 2022 to adopt its own zoning which conforms to the AB 2923 guidelines. More imminently, Berkeley may wish to adopt its conforming zoning in an expedited time frame in order to have the two stations considered for BART's upcoming 10-year work plan. Inclusion in BART's 10-year work plan ensures that BART's staff and other resources will be focused on the significant work needed to prepare sites like these for development.

Berkeley has placed a high priority on development of housing generally, and affordable housing specifically, in order to fill some of the City's unmet housing needs. The North

Berkeley and Ashby station areas represent some of the best opportunities the City will have to add significant numbers of new units at a range of affordability levels. In order to do so, zoning must be developed which hits the “sweet spot” of accruing the greatest benefits to the City, both on-site and through mitigation fees for affordable housing construction elsewhere, while remaining compatible with the existing neighborhood character and soliciting maximum input from all stakeholders, including current local residents and those displaced from the areas previously. Work performed by Street Level Advisors under its existing contract limits for the Adeline Corridor Area Plan project has already helped to create a range of desired development intensities, densities and levels of affordable housing.

As the City moves forward to develop AB2923-compliant zoning for the BART station areas, it will need the services of a firm which can analyze development feasibility under various zoning scenarios, while incorporating variables such as amount/levels of affordable housing, open space, station and right-of-way improvements and other desired features.

The second area of immediate work being sought regards consideration of revisions to Berkeley’s mitigation and impact fees which support affordable housing development. There are currently six open City Council referrals on the Planning Commission’s work plan which fall into the category of Nexus Studies and Fee Revisions, pertaining to inclusionary housing, the formula for the Affordable Housing Mitigation Fee (per unit versus by floor area, and ways to promote on-site units over payment of the AHMF), fees to be imposed when demolishing affordable housing, and implications for live/work spaces and tenancy-in-common conversions. In all of these potential changes, the City strives to reach policies which promote and develop the greatest number of affordable housing units without making future housing development economically infeasible. Street Level Advisors has the expertise to perform these analyses.

Work under this contract will help to advance the City’s Strategic Plan goals of creating affordable housing and being a global leader in addressing climate change.

BACKGROUND

Street Level Advisors was selected through a competitive RFP process (Spec. #18-11172) to conduct a Development Fee Feasibility Analysis for the City of Berkeley, and is currently under contract with a not-to-exceed amount of \$75,400 for such services. The current contract expires on December 31, 2019.

ENVIRONMENTAL SUSTAINABILITY

Development of infill and transit-adjacent housing is one of the most effective steps municipalities can take to help reduce greenhouse gas emissions.

RATIONALE FOR RECOMMENDATION

The City is highly satisfied with the work delivered by Street Level Advisors to date under its existing contract. The proposed amendment will provide the consultant with additional capacity to analyze zoning and housing development variables to deliver a range of options to best inform Planning Commission and City Council policy considerations.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

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Steven Buckley, Manager, Land Use Division, 510-981-7411

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 10874B AMENDMENT: STREET LEVEL ADVISORS FOR ZONING
AND DEVELOPMENT FEE FEASIBILITY ANALYSES

WHEREAS, the Planning Department issued a Request for Proposals (Spec. #18-11172) on September 25, 2017, seeking a vendor to conduct a Development Fee Feasibility Analysis; and

WHEREAS, based on written proposals received and staff panel interviews, Street Level Advisors was selected as the best qualified and most responsive firm to perform the work; and

WHEREAS, a contract was entered into on April 23, 2018 (Contract No. 10874) in the amount of \$40,000 for Street Level Advisors to provide these services; and

WHEREAS, a contract amendment was entered into on July 9, 2018 (Contract No. 10874A) to add an additional \$5,400 for the services, bringing the new contract total not-to-exceed amount to \$45,400; and

WHEREAS, a second contract amendment was entered into on May 23, 2019 (Contract No. 10874B) to add an additional \$30,000 for the services, bringing the new contract total not-to-exceed amount to \$75,400, as authorized by City Council Resolution No. 68,712-N.S.; and

WHEREAS, the work by Street Level Advisors on the Development Fee Feasibility Analysis to date has been highly satisfactory; and

WHEREAS, time-urgent work remains to assess the feasibility of development under different BART station area zoning scenarios, and under a variety of possible policy changes pertaining to mitigation and development fees, which require the continuing services of a qualified housing economics firm; and

WHEREAS, the cost of the contracted service is allocated in FY 2019 in budget code 833-8502-463.30-38;

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. 10874B with Street Level Advisors to continue its Development Fee Feasibility Analysis for an additional amount of \$150,000, to a new total contact not-to-exceed amount of \$225,400, for the period extending through December 31, 2022.

BE IT FURTHER RESOLVED that a record signature copy of said contract and any amendments will be on file in the Office of the City Clerk.