



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Department of Housing  
Housing & Community Development



**Date:** October 12, 2012  
**Board Meeting Date:** October 23, 2012  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Duane Bay, Director

**Subject:** Project agreement with Baird + Driskell Community Planning and funding agreement with the City/County Association of Governments

**RECOMMENDATION:**

Adopt a Resolution waiving the Request for Proposals process and authorizing the Director of the Department of Housing to execute agreements with Baird + Driskell Community Planning to conduct Phase 6 of the 21 Elements Project for the term of November 1, 2012 through June 30, 2015 in the amount of \$400,000; and with the City/County Association of Governments for FY 2012-13 for receipt of up to \$125,000 in reimbursement of project costs.

**BACKGROUND:**

Since 2006, the Department of Housing (DOH) and City/County Association of Governments (C/CAG) have co-sponsored a multi-year project called the 21 Elements Project ("Project") through which all jurisdictions in San Mateo County cooperate to update the Housing Elements of their respective General Plans. The project has completed four of six planned phases, which are as follows:

1. SubRHNA — Sub-Regional Housing Needs Allocation process (2006 – 2008)
2. Housing Element Update Kit — providing technical assistance and shared resources to assist jurisdictions with Housing Element preparation (2007 – 2009)
3. Housing Element Implementation — assisting with implementation of Action Plans in Housing Elements, for example new emergency shelter regulations (2009 – 2011)
4. Preparation for Next Housing Element Cycle — negotiating a streamlined pre-qualification process with State HCD and participating in the Sustainable Communities Strategy development process (2011 – 2013)

5. SubRHNA — Sub-Regional Housing Needs Allocation, next cycle (2012 – 2013)
6. Streamlined Housing Element Updates — assisting with next cycle of Housing Element updates (2013 – 2014)

Phase 5 of the project is currently in progress. Staffing for Phases 1 and 5 was provided DOH and C/CAG in-house staff. DOH engaged Baird + Driskell Community Planning (BDGP), on the basis of its highly specialized expertise in this field, as lead consultants for Phases 2, 3 and 4.

Among the key benefits the Project has provided to participating jurisdictions are:

(a) State HCD committed a single senior reviewer to all jurisdictions, which increased efficiency and consistency of review; (b) collections of jurisdictions with similar regulatory issues, for example how to count accessory dwelling units, were able to negotiate common guidelines with State HCD; (c) mandated report content that was redundant across jurisdictions could be generated *en masse* in semi-custom “kit” form in order to save jurisdictions staff time; (d) the project created an efficient parallel information channel through which stakeholder organizations (for example County Health Department) could provide input into local housing elements, which in turn helped jurisdictions fulfill State requirements for community stakeholder participation.

An evaluation conducted at the end of Phase 3 determined that jurisdictions valued the assistance. Further evidence of satisfaction is the 100% sign-up as well as cost-sharing negotiated for Phase 6, as discussed below.

During Phase 4, two long-standing technical objectives of the Project were accomplished. The project gained State approval for using a “common element” format that would give all twenty-one jurisdictions the option to use common “drop-in” sections for those portions of their Housing Elements (approximately 80%) that are essentially identical or are merely compilations of data from generic sources such as US Census or routine carry-forwards from the previous housing element. The project also negotiated a process through which State HCD would grant provisional approval of those common sections and of other highly-standardized “checklist” items. Together these features would allow jurisdictions to focus on those sections that are very jurisdiction-specific.

The final task of Phase 4 was to package this streamlined approach in a way that all jurisdictions could benefit yet each jurisdiction could opt-in at a level appropriate to its budget and circumstances. This framework would be the basis for cost-sharing for Phase 6, which would proceed under the agreement with BDGP contemplated herein (“BDGP Agreement”).

## **DISCUSSION:**

Within the framework described above, jurisdictions have subscribed for Phase 6 services as follows: all 21 have subscribed to a Basic Package of locally-customized common information, 15 have also subscribed to a Pre-Qualification Package that would merit provisional advance approval by State HCD, and 3 have subscribed to a

Full Package. A detailed scope of work is included as an attachment to the BDCP Agreement.

Design of the scope of work has been complicated by a recent announcement by State HCD that it will issue new procedures that will streamline housing element review. The new procedures constitute a positive development for cities and counties statewide, as they will incorporate some of the streamlining features that State HCD had provisionally agreed to pilot with the Project. Nonetheless, the new guidelines have not been issued yet, and local work must start this fall under the proposed Agreement in order to meet production deadlines for the next housing element update cycle. Fortunately, almost all of the work specified in the scope of the Basic Package will need to be done regardless of proposed changes by State HCD.

Once State HCD issues its new streamlining procedures, each jurisdiction will re-scope its local Housing Element update process. The Project anticipates having to make adjustments to the Agreement's scope of work through a change order to accommodate State HCD's procedures, and that some jurisdictions may adjust their opt-in level either up or down. The final scope of work will depend on the extent of these changes, but will end up costing between \$300,000 and \$400,000. Under current pricing assumptions, jurisdictions will contribute \$1,000 for the Base Package, an additional \$4,000 if they subscribed for the Pre-Qualification Package, and an additional \$15,000 if they subscribed for the Full Packages, for an aggregate total of \$126,000. C/CAG will take responsibility for collecting these contributions from jurisdictions, and will cover the balance of the cost of the BDCP Agreement.

DOH is responsible for project management and contract administration for the Project, and may charge 50% of related direct staff time to its annual contract with C/CAG. On September 13, C/CAG approved funding reimbursement to DOH for the Project for FY2012-13 in the amount of \$125,000, and that agreement is also submitted for approval ("C/CAG Funding Agreement"). The proposed BDCP Agreement assumes that C/CAG will continue a similar level of commitment for two more fiscal years; however, the County can terminate the BDCP Agreement without obligation or penalty if funding from C/CAG or other sources cannot be secured for future years to cover costs.

The proposed BDCP Agreement would cover Phase 6, the final phase of the Project. BDCP is uniquely qualified for this assignment, having developed and tested the pilot version of the housing element update kit during Phase 2, and having successfully negotiated streamlined procedures with State HCD during Phase 4. Because of this highly specialized expertise, and because BDCP's work to date will result in a substantial cost savings over bringing any other agency up to speed on the project, DOH is requesting a waiver of the Request For Proposals (RFP) process.

The Contractor's insurance has been reviewed and meets the insurance requirements. The Resolution and Agreements have been reviewed and approved by County Counsel as to form.

Approval of this action contributes to the Shared Vision 2025 outcome of a Collaborative Community by facilitating cost-savings and quality-improvement in performance of State mandated planning activities for the County and cities, and by removing governmental impediments to production of housing of types and in places that increase opportunity and quality of life for residents countywide.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Projected</b>
Participating jurisdictions that report satisfaction with value received from the 21 Elements Project	19 of 21	21 of 21

**FISCAL IMPACT:**

There is no Net County Cost. The total County obligation under this Agreement is \$400,000, which will be fully offset by funding received through annual contracts with C/CAG, and will be included in the DoH Budgets for FY 2012-13, FY 2013-14 and FY 2014-15.