



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** JUNE 6, 2017

**DEPARTMENT:** COMMUNITY DEVELOPMENT

**FROM:** MEGAN HUNTER, DIRECTOR

**TITLE:** PROFESSIONAL SERVICES AGREEMENT WITH ECONOMIC & PLANNING SYSTEMS, INC, ADDENDUM NO. 1

**RECOMMENDED MOTION:**

A motion to approve a Resolution authorizing the City Manager to execute a First Addendum to the agreement for professional services (Agreement) with Economic & Planning Systems, Inc. (EPS) to prepare Housing Target Market Analyses (HTMA) for the Downtown, Chinatown and Alisal neighborhoods.

**RECOMMENDATION:**

It is recommended that the City Council approve a Resolution authorizing the City Manager to execute a First Addendum to the Agreement with EPS to amend the original HTMA scope, budget and schedule as set forth in Exhibits “A” and “B”.

**BACKGROUND:**

On June 14, 2016, the City Council approved Resolution No. 20980 authorizing the City Manager to execute a professional services agreement with EPS to prepare Housing Target Market Analyses (HTMA) for the Downtown, Chinatown and Alisal neighborhoods.

One of the key implementation recommendations of the Downtown Vibrancy Plan (2015) is to stimulate development activity by creating catalyst sites through the re-zoning of public surface parking lots to allow for desired uses such as residential or mixed-use development, and to focus on aligning the land use approval process to facilitate private investments in downtown development. This includes amending City land use designations and regulations to allow for and incentivize the recommended type(s) of housing development.

A better understanding of the housing target market, product demand, and absorption rates will allow the City and its partners and stakeholders to prioritize housing development efforts in these target areas. The HTMA will serve as an important tool to ensure that local planning and practice is in alignment with emerging markets. The HTMA outcomes will assist the city, private

developers, and the community to focus and diversify their approach to community development, target funding to increase impact, and focus efforts where the data supports housing development.

#### DISCUSSION:

The recommendation to re-zone surface parking lots to allow for desired uses such as residential or mixed-use development would result in an increase in parking demand and the loss of parking supply. Understanding that a well-managed parking supply is necessary for economic vitality, and identifying the need to determine the optimal parking needed to support the desire to increase residential development in the Downtown in addition to the existing commercial and retail activities, the City Council authorized the execution of a professional services agreement with Kimley-Horn to prepare a Parking District Management Plan (September 20, 2016 by Resolution No. 21058). The first phase of Kimley-Horn's scope of work is to analyze the Downtown HTMA development scenarios impacts on parking and to provide strategies for balancing downtown parking supply and demand.

Since it is important that the Downtown HTMA and Parking Analysis memorandum are consistent in defining the challenges, opportunities, and financing mechanisms for the provision of parking associated with the HTMA development scenarios, EPS was asked to comment on the modeling and analysis prepared by Kimley-Horn. This task was not included in the original scope of work, and delayed the completion of the Downtown HTMA. Exhibits "A" and "B" to the Addendum detail the additional tasks and budget associated with the requested parking analysis coordination.

As a next step, staff will present a Downtown Vibrancy Plan implementation update at the July 11, 2017 City Council meeting. The update will include the findings and recommendations of the Downtown HTMA, the parking analysis and recommendations, and the Main Street Streetscape Master Plan.

#### CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

### STRATEGIC PLAN INITIATIVE:

The preparation of the HTMA is key to the implementation of several EDE policies and actions items related to promoting economic development and vibrancy in the Downtown. The EDE, as a strategy document and Downtown Vibrancy Plan implementation, align closely with the City Council's goals (2016-2019) of Economic Diversity and Prosperity, Safe, Livable Community, Effective, Sustainable Government, Well Planned City and Excellent Infrastructure, and Quality of Life. The HTMA specifically promotes the goals of Economic Diversity and Prosperity and Quality of Life.

### FISCAL AND SUSTAINABILITY IMPACT:

It is requested that unencumbered Community Development Plan and Project Implementation Division General Fund monies budgeted for Other Outside Services (63.6010) be re-appropriated to CIP Project 9246 Downtown Vibrancy Plan Zone Changes to pay the requested budget augmentation amount of Eleven Thousand Eight Hundred and Forty Six (\$11,846) Dollars. With this augmentation, the total not to exceed contract amount will increase from One Hundred Twenty-Nine Thousand Five Hundred (\$129,500) Dollars to One Hundred Forty-One Thousand Three Hundred Forty-Six (\$141,346) Dollars.

### ATTACHMENTS:

1. Resolution authorizing execution of First Addendum to PSA with EPS
  - a. Exhibit "A" First Addendum to PSA with EPS