



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: William A. Gilchrist
Director, Planning &
Building Department

SUBJECT: Contract For On-Call Planning Permit
Support Services

DATE: April 29, 2024

City Administrator Approval


Jestin Johnson (May 16, 2024 18:14 PDT)

Date: May 16, 2024

RECOMMENDATION

Staff Recommends That The City Council Adopt The Following Resolution:

- 1. Authorizing The City Administrator To Negotiate, Award And Execute A Professional Services Agreement With Interwest Consulting Group In An Amount Not To Exceed Three Million Dollars (\$3,000,000) For On-Call Planning Permit Support Services On An As-Needed Basis, For A Period Of Three Years, With An Option For The City Administrator To Enter Into Two Additional One-Year Contract Extensions Without Returning To City Council, While Waiving The City's Request For Proposal Requirements Under Oakland Municipal Code ("OMC") Section 2.04.051(B); And**
- 2. Appropriating Three Million Dollars (\$3,000,000) From The Development Services Fund (Fund 2415) Balance To Finance The Contract Awarded To Interwest Consulting Group To Provide On-Call Planning Permit Support Services On An As-Needed Basis; And**
- 3. Making Appropriate California Environmental Quality Act (CEQA) Findings.**

EXECUTIVE SUMMARY

The proposed Resolution would allow the City of Oakland (City) Planning and Building Department (PBD) to enter into a contract with Interwest Consulting Group (Interwest) to address, on an as-needed basis, planning permit review, performing technical reviews of planning entitlement applications (including but not limited to design review, zoning variances, conditional use permits, and tentative & tract maps); and administration and review of projects to comply with the California Environmental Quality Act (CEQA). Interwest was the only proposal from the competitive bidding process in 2022, they have learned the City processes, and they have performed well under the existing contract. The intent is to continue to have a contract in place

CED Committee
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with a qualified firm to continue providing competent, reliable, and skilled On-Call Planning Permit Support Services in a rapid, efficient manner on an as-needed basis. Funding for the work will be fully paid for by the requesting applicants' permit fees. This request for the RFP waiver is submitted in order to: provide uninterrupted service for the volume of critical projects currently under review (including those under state-mandated deadlines); to include the assessors' review service; and in light of Interwest having been the only respondent to the original solicitation.

BACKGROUND / LEGISLATIVE HISTORY

The Planning Bureau (Planning) processes land use entitlement applications for contractors, business and property owners, architects, engineers, and realtors. Planning reviews development plan submittals for project approval, performing technical reviews of Planning entitlement applications (including but not limited to design review permits, variances, conditional use permits, and tentative & tract maps) under the Oakland Municipal Code; and performs administration and review of projects to comply with CEQA.

On April 5, 2022, Planning staff issued a Request for Proposals (RFP) for an On-Call Planning Permit Support Services contract to assist with review of these types of applications. Only Interwest, a firm in Hayward, responded. The City entered into an 18-month contract with a possibility of a six-month extension with Interwest. The six-month extension was exercised and the current contract expires August 1, 2024. Planning is now seeking to enter into a new contract with Interwest to provide similar consulting services for three (3) years, with an option for the City Administrator to enter into two (2) additional one (1)-year contract extensions.

ANALYSIS AND POLICY ALTERNATIVES

Planning must complete permit review and processing duties within a timely manner under several recently enacted State and Federal laws related to the processing of housing, telecommunications, and other projects. Adopting the proposed resolution will enable the City Administrator to execute a contract with Interwest to continue to provide supplemental and as-needed planning permit intake and processing services of permit applications in order to maintain acceptable turnaround times during high-volume periods as well as continue on specific projects that Interwest is in the midst of processing. Contracting with Interwest will also provide the flexibility to distribute work as needed whenever there are more development cases under Planning review than staff capacity to process.

PBD is prioritizing the filling of vacant Planner positions. Since the beginning of Fiscal Year 2022-2023 (when the first Interwest On-Call Planning Permit Support Services contract was executed) through April 15, 2024, the Planning Bureau's Zoning and Development Planning Divisions have hired four (4) new Planners to increase staff permit-processing capacity. Despite best efforts, the hiring process has been challenging. There are a total of 23 Planner positions within the Development Planning and Zoning Divisions of the Planning Bureau, which are responsible for permit application review, and seven (7) of these positions are still to be filled – specifically, four (4) Planner IIs and three (3) Planner IIIs.

PBD's existing On-Call Planning Permit Support Services contract with Interwest provides as-needed staffing support able to supplement the work of the City's existing Planning staff.

Currently, the On Call contract covers the equivalent of 1 full-time equivalent (FTE) in the Planning Bureau's Development Planning Division and 3 FTEs in the Bureau's Zoning Division as we continue to work to fill the seven (7) existing Planner position vacancies in these two Bureau Divisions. In addition, On-Call Planning Permit Support Services can serve as temporary backstops during the extensive training periods for new staff. Therefore, given the ongoing need to ensure efficiency during periods when new staff are on-boarded and trained on the City's Codes and permitting procedures as well during periods of increased permit volume, the contract period for the proposed On-Call Planning Permit Support Services has been determined at up to five (5) years.

Application Processing Times and Impact of On-Call Planning Permit Support Services

While receipt of planning applications peaked in 2022, Planning continues to receive a high volume of applications for new development, including for new housing units. The existing On-Call Planning Permit Support Services contract with Interwest has reduced the permitting backlog reported in 2022 when the contract was executed. However, due to ongoing staff shortages (30% of the budgeted Planner positions in the Bureau's Development Planning and Zoning Divisions are currently vacant), it continues to take as long as 10-13 months for Planning to complete processing of a zoning entitlement application (both administrative cases and cases that are heard at Planning Commission), and three or more years for a Major Project application.¹

Under conditions where the Planning Bureau is fully staffed in all budgeted positions, the Bureau's aim is to complete the processing of zoning entitlement cases reviewed administratively in four (4) to six (6) months and those that must be heard at Planning Commission in six (6) to eight (8) months. In addition, the Bureau aims to complete Planned Unit Development reviews within 36 months, Conditional Use Permits for Major Projects within 24 months, and Final Development Plans within 12 months. With the new On-Call Planning Permit Support Services contract in place and providing as-needed staffing support similar to current contract levels (capacity approximately equal to 4 of the 10 existing Planner position vacancies), and the city continuing to work to hire permanent staff to fill vacant positions, the Planning Bureau aims to meet these permit processing targets 75% of the time.

A recruitment for new Planner IIs and IIIs ended in February 2024 and unfortunately yielded zero (0) new external hires for Planning (and only one internal promotion). Several offers were made to qualified external candidates, but none of them accepted. With this new On-Call Planning Permit Support Services contract in place, PBD will be better able to reduce permit backlogs, maintain predictable application processing times during high-volume application periods and insufficient regular staff capacity, and improve applicants' overall experience working with the City.

On-Call Planning Permit Support Services will also allow the City to distribute work as-needed into the future whenever there is a backlog of applications. The Contractor will provide services associated with the review and processing of land-use entitlement applications filed by project sponsors. Efforts within this task could include but would not be limited to: review and comment

¹ The types of Major Projects reviewed by the Development Planning Division include projects with over 100,000 square feet of non-residential space (citywide), over 125 new residential units outside of Downtown Oakland, and over 325 new residential units in Downtown.

on submittal materials; coordination of information requests from project sponsors; preparation of draft design review memos; review of project sponsor-prepared documents; and participation in meetings with project sponsors and Planning staff. Additionally, the Contractor will coordinate with City Staff in the preparation of public notices; prepare initial draft staff report(s) as required for an administrative case decision or any required project public hearings; and assist in coordination with various City Departments, including Department of Transportation, Fire Department and Public Works in the preparation of draft decision letters, staff reports and associated conditions of approval. The Contractor may also augment Planning staff on an as-needed attendance basis at project-related public meetings and/or hearings (e.g., Landmarks Preservation Advisory Board, Design Review Committee, Residential Appeals Committee, Planning Commission and/or City Council).

Finally, Interwest will support new Planner I-IV job recruitment by reviewing applicants' written responses to supplementary questions, which may be included in the application. This will allow the Planning Bureau to maintain continuous staff recruitments for vacant positions, facilitating the ability to hire permanent staff.

Waiver of RFP/Q Requirements

Oakland Municipal Code (OMC) Section 2.04.051 requires a request for proposal / request for qualifications (RFP/Q) process for professional services contracts in excess of fifty-thousand dollars (\$50,000). OMC Section 2.04.051(B) authorizes the City Council to waive the City's RFP/Q requirements for contracts in any amount upon a finding and determination that it is in the best interests of the City.

Staff recommends that the Council waive the City's RFP/Q requirements for the contract with Interwest because the waiver is in the best interests of the City given the constraints noted previously in this report and the critical need to provide uninterrupted service for projects currently under review. Interwest has successfully assisted PBD staff to process applications and reduce the permitting backlog, thus mitigating impacts to residents, business owners and City revenues. Another consultant would also not have the familiarity with the City's General Plan and Planning Code, land use and CEQA processing rules, and specific, ongoing projects that Interwest has already acquired over the current period they have been assisting the City in permit processing. In addition, last time the City Administration conducted an RFP/Q process for the consultant services, Interwest was the only consultant who expressed interest. Given the above, it serves the City's and public's best interests to continue working with Interwest for On-Call Planning Permit Support Services.

Citywide Priorities

The following two Citywide priorities will be advanced by the recommended policy action:

A. Housing, Economic, and Cultural Security:

The City is experiencing a shortage of housing and specifically affordable housing. At the same time, the combination of existing high volume of planning applications and insufficient regular staff capacity to process the resulting workload in a timely manner results in a backlog of development applications, including applications for housing and affordable housing. The requested On-Call Planning Permit Support Services is needed to maintain appropriate permit processing times for the approval of much-needed housing.

This capacity shall also allow the City to be more supportive of economic opportunities for job-generating projects and increased commercial activity in the City.

B. Responsive, Trustworthy Government:

While receipt of planning applications peaked in 2022, Planning continues to receive a high volume of applications for new development, including housing. The existing On-Call Planning Permit Support Services contract with Interwest has reduced the permitting backlog reported in 2022 when the contract was executed. With this contract in place and providing as-needed staffing support similar to existing contract levels and the city continuing to work to hire permanent staff to fill vacant positions, the Planning Bureau aims to meet the permit processing targets stated earlier in this report 75% of the time, as well as keep permit backlogs to a minimum and improve applicants' overall experience working with the City.

FISCAL IMPACT

Funding for the On-Call Planning Permit Support Services will be appropriated from the Development Services Fund (2415) fund balance for up to three million dollars (\$3,000,000). The contract work will be fully paid for by the requesting applicants through the planning permit fees. As a result, approval of this resolution will allow the City Administrator to appropriate these application funds as they are received. Therefore, approval of this proposed resolution will not have a negative impact on the City's budget. The City Administration has confirmed with the Budget Bureau that the appropriation to ensure that the proposed appropriation from Fund 2415 is permitted and that there will be an adequate fund balance.

PUBLIC OUTREACH / INTEREST

The public was properly notified regarding the On-Call Planning Permit Support Services Request for Proposals, which was issued on April 5, 2022. A Notice and Memorandum was provided to Service Employees International Union (SEIU) and International Federation of Professional and Technical Engineers (IFPTE), Local 21 by the Department of Workplace and Employment Standards (DWES) regarding the proposed On-Call Planning Permit Support Services RFP on April 5, 2022. An email campaign was organized to reach out to local firms, including minority-owned firms, individuals, and Chambers of Commerce inviting consultants to submit proposals for this RFP.

While there was no additional public outreach conducted for the proposed continuation of contracted On-Call Planning Permit Support Services with Interwest, PBD staff reached out to the SEIU and IFPTE Local 21 Unions to discuss this contract through the Human Resources Management Department, who did not receive any concerns.

COORDINATION

This report and resolution were reviewed by the City Attorney's Office and the Budget Bureau. The DWES sent written notice of the 2022 On-Call Planning Permit Support Services RFP to representatives of the SEIU, Local 1021, and IFPTE, Local 21 on April 5, 2022, in accordance

with the City's labor agreements with those organizations. The coordination conducted for the 2022 On-Call Planning Permit Support Services RFP is equivalent to the outreach that would have been needed for a new RFP process. While there was no additional public outreach conducted for the proposed continuation of contracted On-Call Planning Permit Support Services with Interwest, PBD staff reached out to the SEIU and IFPTE Local 21 Unions to discuss this contract.

SUSTAINABLE OPPORTUNITIES

Economic: On-Call Planning Permit Support Services will result in quicker issuance of planning permits, including affordable housing, and subsequently, faster production of housing and other employment, retail, or service development types. New construction creates jobs during construction and new buildings result in new residences and/or businesses in Oakland.

Environmental: On-Call Planning Permit Support Services will provide assistance on development projects throughout Oakland that adhere to City environmental standards.

Race & Equity: The *Oakland Equity Indicators Report* (2018) demonstrates that the housing affordability crisis is adversely affecting and displacing lower-income Black, Indigenous, and People of Color (BIPOC) communities disproportionately and at a much higher rate than other ethnic groups.² On-Call Planning Permit Support Services will provide assistance on housing projects throughout Oakland to ensure that the City's resources are distributed equitably to its residents. Faster approvals for housing and especially affordable housing will benefit lower-income BIPOC communities most vulnerable to the rising costs of housing in Oakland.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This action is exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) (common sense exemption and 15306 (information collection)).

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt The Following Resolution:

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² Oakland Equity Indicators Report. Pp. 91-103: <https://cao-94612.s3.amazonaws.com/documents/2018-Equity-Indicators-Full-Report.pdf>

2. Appropriating Three Million Dollars (\$3,000,000) From The Development Services Fund (Fund 2415) Balance To Finance The Contract Awarded To Interwest Consulting Group To Provide On-Call Planning Permit Support Services On As-Needed Basis; And
3. Making Appropriate California Environmental Quality Act (CEQA) Findings.

For questions regarding this report, please contact Audrey Lieberworth, Planner III, at 510-238-6317.

Respectfully submitted,



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