



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

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

SUBJECT: On-Call Planning Support Services

DATE: April 25, 2022

City Administrator Approval

Date: May 12, 2022

RECOMMENDATION

Staff Recommends That The City Council Adopt A 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 Two Million Dollars (\$2,000,000) For On-Call Planning Permit Support Services On An As-Needed Basis, For A Period Of Three Years, Waiving The City's Local/Small Local Business (L/SLBE) Program Requirements; And**
- 2. Appropriating Two Million Dollars (\$2,000,000) 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 City of Oakland's Planning and Building Department (PBD) is preparing contracts to address outstanding demand in planning permit review, performing technical reviews of planning entitlement applications (including but not limited to design review, zoning variance, conditional use permits, and tentative & tract maps); and administration and review of the California Environmental Quality Act (CEQA). The intent is to have a contract in place with a qualified firm to provide competent, reliable, and skilled on-call staff 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.

BACKGROUND / LEGISLATIVE HISTORY

The Planning Bureau processes permits related to planning for contractors, business and property owners, architects, engineers, and realtors. Planning reviews development plan

CED Committee
May 24, 2022

submittals for project approval, performing technical reviews of Planning entitlement applications (including but not limited to design review, variance, conditional use permits, and tentative & tract maps) under the Oakland Municipal Code; and performs administration and review of the California Environmental Quality Act (CEQA). Currently, the Planning Bureau has no on-call staff to assist with these types of applications. The Planning Bureau staff put out a Request for Proposals (RFP) for the On-Call Planning Support Services contract and received one (1) proposal from Interwest Consulting Group.

ANALYSIS AND POLICY ALTERNATIVES

Adopting the attached resolution will enable the City to execute a contract with Interwest Consulting Group to provide supplemental and temporary planning permit intake and processing services of permit applications to maintain acceptable turnaround times during high-volume periods. Contracting with Interwest Consulting Group will also help address the current permitting backlog (which is described in the section that follows), by providing the flexibility to distribute work as needed when there are more development cases under city Planning review than staff capacity to process. PBD is prioritizing the hiring and training of regular Planning staff. However, the hiring process has been challenging and many vacant Planning positions are still to be filled.

The On-Call agreements will provide personnel that will supplement the work of the city's existing Planning staff. In addition, the On-Call agreements will serve as temporary backstops during the extensive training periods for new staff. Therefore, given the ongoing need to ensure maintenance of effort during the period 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 agreements has been determined at three years.

Permitting Backlog and Impact of On-Call Agreements

The existing backlog in applications is resulting in significant delays in reviewing and approving all kinds of new development, including housing. Due to the existing staff shortage, it may take as long as 8-12 months for the Planning Bureau to review and approve a zoning entitlement application, and up to 1-3 years for a Major Project application. With this contract in place, PBD will be able to re-establish and maintain acceptable and predictable application processing times during high-volume application periods and improve applicants' overall experience working with the City.

On-Call Agreements will allow the City to distribute work as needed whenever there is a backlog of applications. The On-Call 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 on submittal materials; coordination of information requests from the 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 On-Call 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 will draft findings for approval or denial, including any required resolutions or ordinances. 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).

On-Call Contractors will be given batches of applications per week to process. The work of the On-Call Contractors will reduce the current backlog of development applications and allow PBD's planning staff to concentrate on processing more complex applications, conduct virtual meetings with applicants, and complete application intake for projects that require discretionary planning review and respond to applicant and customer queries. PBD staff meet weekly to view data relating to permit processing, highlight trends, and to brainstorm modifications to existing processes that can improve the accuracy and efficiency of permit processing.

Analysis of the RFP Process

The RFP for this contract was advertised widely among planning firms and local Chambers of Commerce. In addition to legal notices, the RFP was advertised in major online planning publications. Marketing emails were sent out to over 140 addresses many of which were local firms. At least seven firms attended the pre-proposal meeting. However, staff received only one proposal from Interwest Consulting Group based in Fremont, CA. PBD had worked with this consultant previously to help with a backlog in Building applications and inspections. The contract allowed the Building Bureau to address the backlog in inspections, while also continuing to hire and train full-time staff.

Department of Workplace and Employment Standards (DWES) Review Memorandum

DWES has determined that Interwest Consulting Group is not a certified Local/Small Local Business Enterprise (L/SLBE) and does not meet either the LBE or SLBE requirement. Given that no other proposals have been submitted and given the urgency to address the temporary backlog in development applications that include housing, PBD is asking City Council for a waiver from this requirement.

Waiver of RFP/Q Competitive Selection Requirements

Oakland Municipal Code (OMC) Section 2.04.051 requires a request for proposal (RFP) or request for qualifications (RFQ) 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 Consulting Services because this consultant has demonstrated experience assisting PBD staff conduct inspections, process applications, and reduce permitting backlog thus mitigating impacts to residents, business owners and City revenues.

Citywide Priorities

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

A. Housing, Economic, and Cultural Security:

The City of Oakland (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 Consultant support is urgently needed to reduce permit processing times for the approval of much-needed housing.

B. Responsive, Trustworthy Government:

The existing backlog in applications is resulting in significant delays in reviewing and approving all kinds of development, including housing. Due to the existing staff shortage, it may take as long as 8-12 months for the Planning Bureau to review and approve a zoning entitlement application, and up to 1-3 years for a Major Project application. With this contract in place, PBD will be able to re-establish and maintain acceptable and predictable application processing times during high-volume application periods and improve applicants' overall experience working with the City.

FISCAL IMPACT

Funding for the On-Call Permit Support Services will be appropriated from Development Services Fund (2415) fund balance for up to two million dollars (\$2,000,000). These contracts will be fully paid for by the requesting applicants through planning permit fees. As a result, approval of this resolution will allow the City Administrator, or designee, to appropriate these applicant funds as they are received. Approval of this resolution will not have a negative impact on the City's budget. The total On-Call Permit Support Services agreements for the consulting firms will be for an amount not to exceed two million dollars (\$2,000,000).

PUBLIC OUTREACH / INTEREST

The public was properly notified regarding the Request for Proposals (RFP) for the contracts. A Notice and Memorandum was provided to Service Employees International Union (SEIU) and IFPTE, Local 21 by the Department of Workplace and Employment Standards regarding the proposed on-call 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.

COORDINATION

This report and resolution were reviewed by the City Attorney's Office and the Budget Bureau. The Department of Workplace and Employment Standards (DWES) sent written notice of the RFP to representatives of the Service Employees International Union (SEIU), Local 1021, and International Federation of professional and Technical Engineers (IFPTE), Local 21 on April 5, 2022, in accordance with the City's labor agreements with those organizations.

SUSTAINABLE OPPORTUNITIES

Economic: Expedited On Call plan check services will result in quicker issuance of planning permits, including affordable housing, and subsequently, faster production of housing and other development types. New construction creates jobs during construction and new buildings result in new residences and/or businesses in Oakland. In the event of a declared emergency, the added capacity to make damage assessments and provide plan check services will mitigate the economic impact on the residents of the city.

Environmental: These services contracts would provide assistance on projects throughout Oakland that would adhere to City environmental standards. In the event of a declared emergency, the added capacity will allow staff to identify potential environmental hazards in a timely manner.

Race & Equity: Generally, these service contracts would provide assistance on projects throughout Oakland that would ensure that the City's resources are distributed equitably to its residents. Faster approvals for housing and especially affordable housing will benefit lower-income Black, Indigenous, and People of Color (BIPOC) communities most vulnerable to the rising costs of housing in Oakland.

Oakland Equity Indicators Report demonstrates that the housing affordability crisis is adversely affecting and displacing lower-income BIPOC communities disproportionately and at a much higher rate than other ethnic groups.¹ As a result, there has been a steady decline of African American residents in Oakland. According to a report by PolicyLink, between 2010 and 2020 Oakland lost 34,000 African American residents – the most of any ethnic group – followed by Native American residents with 18 percent decline in population. The main reason cited for this decline was the housing cost burden.² These realities, in addition to the history of exclusionary zoning and the discriminatory practice of “redlining,” affect BIPOC communities to this day.

Existing Conditions and Barriers Report identifies financial, permitting, and regulatory barriers that impact BIPOC communities disproportionately.³ Although the report focuses on Accessory Dwelling Units (ADUs), the challenges to create other types of residential projects are very similar. Specifically, the report states the permitting process is the most common cause of delays in the project delivery that often lead to increases in project costs.⁴ These barriers are more difficult to overcome for historically disadvantaged groups who do not have access to resources necessary to endure a long and expensive permitting process. Faster permit review that will be achieved by this contract will help BIPOC communities twofold: by reducing the permitting barrier for BIPOC developers, and by creating more affordable housing faster as a result of reduced permitting timelines.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

¹ Oakland Equity Indicators Report. Pp. 91-103: <https://cao-94612.s3.amazonaws.com/documents/2018-Equity-Indicators-Full-Report.pdf>

² Oakland's Displacement Crisis: As Told by the Numbers. Policy Link: <https://www.policylink.org/sites/default/files/PolicyLink%20Oakland's%20Displacement%20Crisis%20by%20the%20numbers.pdf>

³ Oakland ADU Initiative. Existing Conditions and Barriers Report. Pp.13-24: <https://cao-94612.s3.amazonaws.com/documents/Oakland-ADU-Research-Report-Jan-2020-Rev-June-2020.pdf>

⁴ Ibid, p.5

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 a Resolution:

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Appropriating Two Million Dollars (\$2,000,000) From The Development Services Fund Balance (Fund 2415) To Finance The Contract Awarded To Interwest Consulting Group To Provide On-Call Planning Permit Support Services on As Needed Basis; And

Making Appropriate California Environmental Quality Act (CEQA) Findings.

For questions regarding this report, please contact Ed Manasse, Deputy Director of Planning, at 510-238-7733.

Respectfully submitted,



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