



## Legislation Text

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**File #:** 24-469, **Version:** 1

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*Report Prepared by: Leah Brown, Management Analyst, Development Services*

**SUBJECT:** Approval of a Services Agreement with Rincon Consultants, Inc., for Planning and Environmental Review Services Related to the Multi-Jurisdictional Housing Element not to Exceed \$109,909

### REPORT IN BRIEF

Considers approving a Services Agreement with Rincon Consultants, Inc. for planning and environmental review services related to the Multijurisdictional Housing Element that is not to exceed \$109,909.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Approving the Services Agreement with Rincon Consultants, Inc. not to exceed the cost of \$109,909; and,
- B. Authorizing the City Manager to execute the necessary documents; and,
- C. Authorizing the Finance Officer to make necessary budget adjustments.

### ALTERNATIVES

- 1. Approve the Services Agreement with Rincon Consultants, Inc.; or,
- 2. Deny the Services Agreement; or,
- 3. Modify the agreement with specific modification; or,
- 4. Defer to a further meeting.

### AUTHORITY

Charter of the City of Merced, Sections 200, 405, and 1105.

### CITY COUNCIL PRIORITIES

As provided for in the 2023-2024 Adopted Goals and Priorities, Housing & Homelessness.

### DISCUSSION

California Housing Element law requires every jurisdiction to prepare and adopt a Housing Element as part of its General Plan. State Housing Element requirements are framed in Government Code, Sections 65580 through 65589, Chapter 1143, Article 10.6. The law requires the State Department of Housing and Community Development (HCD) to administer the law by reviewing housing elements for compliance with state law and by reporting its written findings to the local jurisdiction. State

housing element law mandates that housing elements be updated every eight years. Additionally, a certified housing element is a key requirement to qualify for numerous state grants and funding.

The City of Merced last adopted and submitted a fifth cycle housing element in September 2016. The sixth cycle housing element that the City is currently working on covers the planning period of January 31, 2024, through January 31, 2032. The City is working with a team of local governments under the general administration of Merced County Association of Governments (MCAG) on a Merced County Multi-Jurisdictional Housing Element (MJHE). The MJHE is currently in a Draft Public Review Period until June 12, 2024. From there, the Draft will be modified to include and incorporate the comments and then submitted to HCD.

Legislative changes have increased the cost and complexity of the housing element since the fifth cycle. On December 5, 2002, City Council agreed to participate in a cost sharing agreement with the other member agencies. At that time, we were projecting the needs, but still learning the full scope of requirements. The cost for the City's portion of the MJHE was originally \$132,267. On May 1, 2023, Council adopted a resolution to increase the community outreach and engagement portion of the housing element for an additional cost of \$22,000. On August 7, 2023, Council adopted a resolution agreeing to a cost share to add in the SB244 Analysis for \$12,000.

The City is seeking to prepare for work beyond the scope of the agreement with MCAG, specific to the City of Merced's needs. The City anticipates more than one round of review by HCD, as has been typical for most agencies. The City Planning division currently has several vacancies that they are actively working to fill. City staff will need planning and environmental review assistance with the rezoning that will ultimately be required by HCD to meet the increased Regional Housing Needs Allocation (RHNA). Therefore, the City asked the consultant, Rincon, that is currently working on the MJHE to scope its needs and propose assistance specific to the City's unique situation.

A certified, compliant, Housing Element, adopted by the City Council is the goal for this project. With this consultant's professional experience and assistance, the City can achieve this goal.

## **IMPACT ON CITY RESOURCES**

Approximately \$1 million has been budgeted for in the 2023-2024 Planning Division Budget for General Plan preparation, the Housing Element, is a chapter of the General Plan. The \$109,909 proposed in this agreement would be covered within that budget line.

## **ATTACHMENTS**

1. MCAG Agreement and Resolutions
2. Services Agreement with Rincon Consultants, Inc.