

TOWN COUNCIL STAFF REPORT

Subject: Receive update on The Parcel and authorize a consulting agreement with Michael Baker International, Inc. for The Parcel CEQA analysis

Meeting Date: October 7, 2020

Written by: Grady Dutton, The Parcel Program Manager
Sandra Moberly, Community and Economic Development Director

RECOMMENDATION:

Staff recommends Town Council consider this report and brief summary presentation and provide comments as appropriate. Staff further recommends Town Council authorize the professional services agreement with Michael Baker International, Inc., subject to the Town Attorney's approval and finalization of the agreement, for preparation of CEQA analysis as described in Exhibit A of the agreement.

BACKGROUND:

The Parcel Update: Staff has been providing updates on The Parcel project ("the project") to Town Council on a regular basis. At the September 16 Town Council meeting, staff provided an update that included a presentation by Pacific West Communities (Pacific) describing their progress to date, including site planning, phasing, scheduling, and funding concepts for phase one of the project. This staff report builds upon that presentation and provides a summary of the project to date, including background information and additional details on current planning efforts and critical aspects of the development process.

Agreement with Michal Baker International, Inc. (MBI): In January 2020 the Town released an RFQ for the selection of As-Needed Environmental Consulting firms experienced in the preparation of California Environmental Quality Act (CEQA)-related documents. The intent was to create a "short list" of preferred pre-qualified environmental consulting firms. The RFQ stated, "The Town is preparing to release a Request for Proposals for preparation of an EIR for an affordable housing development project on a 25-acre Town-owned site known as "The Parcel." The Town received a total of 14 Statements of Qualifications (SOQs) in response to the RFQ. The review and selection process began in early March, with 4 staff members from Planning and Engineering reviewing the SOQs independently and then completing individual scoring charts. Staff held an initial online meeting to discuss the results on March 27, 2020, at which all four staff members agreed that Michael Baker International stood out as the top respondent. In a subsequent discussion among the CEQA Consultant selection team, staff agreed that Michael Baker International (MBI) was the most qualified to act as CEQA consultant for the Parcel project and that staff would contact MBI immediately to get them involved and request a formal scope of work and project proposal. This decision was based on several factors including MBI's top ranking in the 2020 CEQA consultant selection process, their longstanding relationship with the Town (they have been the Town's primary CEQA consultant for over 10 years) and their breadth of experience in Mammoth Lakes, including several previous studies on the Parcel itself.

Michael Baker International has been found to be capable of performing the proposed work and the proposal meets the requirements of the Town. The proposal includes a cost of \$97,549. Staff is requesting the Council authorize the Agreement which will allow the environmental documentation to progress on schedule.

ANALYSIS:

Following is a comprehensive summary of activities related to The Parcel:

1. Program Management
 - a. Regular Meetings: Continuing bi-weekly. There are also typically several communications in various forms that occur between the regularly scheduled updates.
 1. Attendance: Attendees are adjusted as necessary to meet the needs of the bi-weekly agenda. Attendees include Town staff on a regular basis, Town consultants as necessary, Pacific staff, and others may be included as necessary: Consultants, other agency partners, utilities, etc.
 2. Typical topics covered: Agenda has certain regular items and others are added as needed. Examples include planning, design, environmental, funding, and schedule.
 - ii. Follow up: Town staff and Pacific each manage tasks as needed. Town staff is maintaining a clear tracking system for tracking items and progress.
 - b. Schedules: Draft planning, environmental and overall schedules are being prepared. A draft schedule through the approval of Phase 1 is attached. Pacific is preparing an overall schedule that will assist in setting expectations for the proposed agreement.
 - c. Town Council Updates: Town staff provides updates to the Town Council monthly. Staff also provides verbal updates as part of Department Head Reports as new information becomes available.
2. Infill Infrastructure Grant Application and Award:
 - a. The team is continuing discussions related to the best use of grant funds. Pacific described some initial concepts during their presentation on September 16.
 - b. Standard Agreement: We are awaiting a final agreement from HCD.
 - c. Authorization to Execute: On September 16, staff received Town Council authorization for the Town Manager to execute the agreement once we receive the agreement and have completed our review.
3. Data Collection: Technical Studies: Pacific will be reimbursing the Town for technical studies required in support of the planning and environmental process.
 - a. Tree Survey: Complete: The tree survey was completed in August. Over 3,000 trees were mapped, including a number of "heritage" trees.
 - b. Cultural resources report: Almost Complete. The cultural resources report has been drafted and the consultant is waiting for a response from the California Historical

Resources Information System which is currently experiencing long turn around times due to COVID-19.

- c. Biological resources report: The biological report is complete. It identified no significant concerns.
 - d. Wetlands delineation update: Complete.
4. Entitlement Process: The entitlement process includes preparation and adoption of a new master plan to replace the Shady Rest Master Plan. The new master plan will serve as the zoning for the project site and will include development standards, infrastructure requirements, implementation measures and other project-specific regulatory guidance. The intent of the master plan is to regulate the development on The Parcel from Phase 1 through buildout. Pacific is preparing a draft master plan for review by Town staff, which is expected to be submitted in late October. The attached schedule includes milestones and meeting dates required for master plan adoption.
5. Environmental Disclosure: As stated previously, Community and Economic Development staff have identified Michael Baker, Inc. (MBI) as the best consultant team to work with the Town to complete the environmental disclosure process. The proposed agreement will allow the environmental documentation to progress on schedule.

During the Conceptual Land Use Planning Process staff made statements indicating that an Environmental Impact Report (EIR) would likely be prepared for this project. Upon completing an evaluation of the project and the General Plan EIR, staff determined that this project could be processed under CEQA Section 15183.3 which allows for projects found to be consistent with a General Plan EIR to require no further CEQA documentation. The scope of work from Michael Baker International (Attachment 1) reflects this course of action. Additionally, staff has conferred with CEQA experts from Best Best Krieger (BBK) who concur that this process is acceptable and defensible in this case. Staff has requested a summary of CEQA Section 15183.3 from BBK for Town Council review and it is included as Attachment 2.

6. Developer pre-development activities:
- a. Draft Developer Agreement Preparation and Negotiations
 - i. Initial Discussions began in our first meeting and notes have been added over time.
 - ii. Draft/Sample Agreement: A draft (MOU style) term sheet was presented to Town Council on August 5, 2020.
 - iii. Final Agreement: Staff received a draft agreement September 22. It is under review.
 - iv. In advance of execution of the agreement, Pacific has been moving forward with a number of other pre-development activities as shown in their September presentation.
 - v. Discussion of overall number of units:
 - 1. The preferred plan accepted by Town Council in December of 2019 included a guiding principal to “provide long-term community

housing by addressing a substantial portion of Mammoth Lakes' current housing need" and noted a range of overall units of 400-450 total units.

2. During the preliminary planning and public outreach process, there was some discussion about maximizing the density on The Parcel. The Town has a significant opportunity to provide affordable housing on The Parcel site and will likely not have another opportunity of this scale. There was a significant amount of discussion about the look, feel and livability of the future neighborhoods.
 3. Pacific has suggested, and staff agrees and recommends, that the planning and environmental documentation process consider a greater density than that shown in the preferred plan. It is recommended that the master plan show a range of 470 to 580 units. This is by no means a commitment by the Town to allow that many units nor is it a commitment by Pacific to deliver that number. At this point in the process it is simply a way to ensure the overall program is appropriately analyzed.
7. Near-Term Next Steps
- a. October 7: Town Council Update and consideration of MBI Agreement.
 - b. October: Finalize environmental disclosure process and continue with site planning, review standard HCD / Infill Infrastructure Grant agreement.
 - c. October: Initial Master Plan review and discussion
 - d. October 13, at 5:30 PM, Community Conversation on status of Planning efforts highlighting consistency with accepted Preferred Conceptual Land Use Plan. Staff will widely publicize this meeting including sending email communications to our email list from Plan the Parcel.
 - e. November: Execute IIG Agreement.
 - f. November 10 (Tentative): Joint Town Council/PEDC Workshop
 - g. November: Draft Agreement (Town Council)
 - h. December 9 (Tentative): Public hearing with the Planning and Economic Development Commission to consider The Parcel Master Plan, CEQA analysis, and related entitlements.
8. Funding and Resources: It is well understood by Town staff and Pacific that taking advantage of every opportunity to leverage and effectively utilize available private, local, State and Federal funding opportunities is essential. Funding availability will greatly influence a variety of aspects of the project, including scale, schedule and in some cases, design. The intent of the master plan is to provide clear regulatory guidance while also allowing for adequate flexibility to respond to funding opportunities as they arise.

Maintaining momentum for The Parcel will require, among other things, strong community and Town Council support, clear direction, a commitment of staff and, when necessary, financial resources.

- a. Land Acquisition: Town Council approved the acquisition of The Parcel after compiling \$6.5 million. This has paved the way for all progress that has followed, after decades of relative inactivity.
- b. Budget Line Items: Town Council approved a number of budget line items required to dedicate staff to The Parcel Team and to engage the consultants that worked with staff to implement the Public Outreach effort and to prepare the Preferred Conceptual Plan.
- c. Staff resources: Staff is preparing a summary of staff resource commitment to date and working toward a projection of needs for the future. A portion of staff time related to typical project review will be reimbursed by Pacific. Other activities related to overall Parcel development will be the Town's responsibility. It is critical that a significant level of commitment of resources be maintained.
- d. Town funding designations: In late 2019, Town Council took actions to provide funding for The Parcel moving forward:
 - i. Resources earmarked: On November 20, 2019, Town Council approved a total of \$1 million in funding: \$300,000 for the environmental analysis and \$700,000 for initial project support.
 - ii. Excess TOT Revenues: On November 20, Town Council approved earmarking additional funding from transient occupancy tax (TOT) revenues in the amount of up to \$8,250,000 from FY19-20 and FY20-21 to support the first phase development. Unfortunately, with the events of 2020 requiring a reconsideration of budget issues, this commitment has been (appropriately) postponed.
 - iii. Proposed TOT increase: In early 2020, Town Council approved an effort to set an item for the November 3, 2020 general election to increase the TOT collection rate by 1% in support of future housing efforts. With the events of 2020 changing the community's priorities, this has also been (appropriately) postponed.
 - iv. Future: The discussion of long-term funding for affordable housing should be revisited as soon as is practicable.
- e. Mono County Behavioral Health (MCBH): MCBH has received approximately \$2 million funding to provide supportive housing units, along with funds for continuing management of the units. Pacific has engaged MCBH to determine possibilities for incorporating the supportive housing units into The Parcel.
- f. Infill Infrastructure Grant: The Town, working with Pacific and others, successfully applied for and received over \$20 million in IIG funds.
- g. LEAP Grant: An application for HCD Local Early Action Planning (LEAP) Grant funds of up to \$65,000 was submitted by staff on July 1, 2020. LEAP provides one-time, over-the-counter grant funding complemented with technical assistance to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production.

- i. Present a summary of available documentation on planning and other issues, which have been presented at previous Town Council meetings.
 - ii. Present a summary of anticipated schedule moving forward.
 - iii. Provide a comparison of the current draft master plan and the accepted Preferred Plan using the guiding principles included in the Preferred Plan, including a description of any necessary changes or revisions
 - iv. .
 - v. Provide an update on the environmental documentation for The Parcel.
 - vi. Respond to questions about progress since the December 2019 Preferred Plan acceptance.
13. Design Features
 - a. Planning: Several minor adjustments have been made since preferred plan acceptance, such as street alignments, park area configurations and identification of possible day care space.
 - b. Architectural: Pacific is preparing a significant level of detail related to the architectural aspects of Phase 1. Design guidelines will regulate the architecture of future phases.
14. Construction
 - a. Pacific is considering various construction approaches. These have not been discussed in detail with Town staff at this time.
 - b. Local contractor engagement: Town staff provided a project overview in the September Mammoth Lakes Contractors Association (MLCA) meeting. The MLCA committed to distributing that presentation to their membership. Part of that discussion was a request from the Town that the MLCA work with the Town to identify interest and experience of local contractors. In addition, Town staff offered to work to answer questions and direct MLCA members to training related to public projects.
15. Long Term Property Management
 - a. Pacific West has a number of highly qualified firms they have worked with to provide long term property management.
 - b. Mammoth Lakes Housing: Town staff will continue to communicate with MLH staff regarding how MLH can provide benefits to The Parcel long term.

SUMMARY RECOMMENDATIONS:

1. Staff recommends Town Council Authorize the professional services agreement with Michael Baker International, Inc., subject to the Town Attorney's approval and finalization of the agreement, for preparation of CEQA analysis as described in Exhibit A of the agreement.

2. Staff recommends Town Council provide specific comments and direction related to the following staff recommendations paraphrased from the information presented above:
 - a. Density Range for analysis purposes: Staff recommends the environmental disclosure process consider a master plan that includes a density range for environmental disclosure process purposes of 470 to 580 units. This analysis does not commit Town Council to authorizing construction of this amount. It also does not commit Pacific to construct this number of units. This is for analysis and disclosure purposes to support Town Council should future conditions indicate that up to 580 units may be feasible and supported by the community.
 - b. Childcare facility space: Staff recommends the Town work with Pacific to provide space for a childcare facility in phase one. Details on how this is to be accomplished will be worked out in the future as planning and design progress.
 - c. MCBH supportive units: Staff recommends the Town facilitate and encourage an agreement between Pacific and MCBH to provide 10 to 12 supportive housing units dispersed throughout phase one.
 - d. Public Outreach: Staff recommends the ongoing public outreach effort focus on the preliminary master plan as submitted by Pacific as compared to the accepted Preferred Plan, including how the current preliminary master plan meets the guiding principles of the Preferred Plan. The Preferred Plan should continue to serve as the overall community vision, and any additional public outreach moving forward should focus on the master plan and its consistency with this vision.

FINANCIAL CONSIDERATIONS:

The total project cost associated with the scope of work for MBI is \$97,549. The Town will be reimbursed for this cost upon completion of the agreement with our development partner, The Pacific Companies.

LEGAL CONSIDERATIONS:

The Town Attorney has reviewed the attached consulting agreement with MBI and will work with staff and the consultant to finalize the agreement.

ATTACHMENTS

Attachment 1:	Draft Consulting Agreement: Michael Baker International, Inc.
Exhibit A:	Scope of Services
Exhibit B:	Schedule of Services
Exhibit C:	Compensation
Attachment 2:	BBK Summary of CEQA Section 15183.3
Attachment 3:	Preliminary planning and development schedule, Phase 1
Attachment 4:	Initial staff review of guiding principals