TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: June 27, 2006  
RE: A Resolution Authorizing Professional Service Agreements With AEM Consulting and Robert Shaw & Associates In An Amount Not To Exceed $37,500 Each To Prepare Environmental Reviews In Accordance With The National Environmental Protection Act For Affordable Housing Development Projects Financed By The City’s HOME Funds

SUMMARY
Staff recommends adoption of a resolution authorizing the execution of professional service agreements with two environmental consultants who will prepare environmental reviews under the National Environmental Protection Act (“NEPA”) for affordable housing development projects financed by the City’s HOME Investment Partnership Program (“HOME”) funds. The two consultants, AEM Consulting and Robert Shaw & Associates, were selected from the responses to a Request for Qualifications (“RFQ”) issued in November 2005. The two consultants will be under contracts for up to three years, and are expected to prepare one to two NEPA environmental reviews per year each following the annual funding award of the Notice of Funding Availability for Affordable Rental and Ownership Housing (“NOFA”).

The total funding required for these agreements is $75,000, which will be funded from the HOME Program administration funds. Each consultant will receive up to $37,500 during the contract term.

Currently, NEPA reviews are prepared by various consultants who are hired by developers for individual projects. The City, in turn, reimburses the developer as part of their project costs. It has not been efficient to ask developers to find consultants each time. In addition, there has been inconsistency in the quality of products completed by those consultants. The two consultants recommended in this report, AEM Consulting and Robert Shaw & Associates, are specialized in preparation of NEPA environmental reviews for HUD funded housing projects in the Bay Area. The professional service agreements with the two experienced consultants will help the City streamline the existing NEPA review process, and assure the quality of NEPA documentation that will be submitted to the Department of Housing and Urban Development (the “HUD”).

FISCAL IMPACT
Each consultant will be contracted for $37,500. The funds for the two contracts, in the amount of $75,000, are available in the HUD-HOME Fund (2109), HCD Administration Organization (88919), HOME Administration Project (H91012).
BACKGROUND

On November 1, 2005, the Community and Economic Development Agency ("CEDA") issued an RFQ, soliciting qualifications for environmental consultants who can prepare environmental review documents required under the NEPA and California Environmental Quality Act ("CEQA") (if a joint review is necessary), for affordable housing projects financed by the City's HOME funds. Staff received four applications by the deadline of November 30, 2005. The submittals were reviewed by CEDA staff, and the four applicants were invited for interviews on April 4, 2006. Scores were finalized based on the submittals and interviews. AEM Consulting scored the highest (83.2 points), followed by Robert Shaw and Associates (72.9 points), ESA (71.4 points) and Circle Point (57.7 points). Staff recommends that the two top ranked candidates, AEM Consulting and Robert Shaw and Associates, be selected as environmental consultants to prepare NEPA environmental reviews for HOME funded projects. A complete ranking matrix is attached. (Attachment A)

KEY ISSUES AND IMPACTS

The City receives approximately $4.6 million of HOME funds annually from HUD. The HOME funds are designated for housing activities targeted for low-income households, and the City allocates the HOME funds for affordable housing development projects through its annual NOFA. The City is required to comply with the environmental review procedures under NEPA for activities financed by the Federal loans and grants. For HOME funded projects, NEPA reviews must be completed prior to HOME loan closing. In addition, the developers are prohibited from taking certain actions, including site acquisition, physical site work and execution of construction contracts, until NEPA approvals are received from HUD.

Preparation of NEPA Environmental Assessment requires expertise not only in the area of general environmental studies, but also in the regulations specific to NEPA. The City has been asking developers to hire consultants who can prepare Environmental Assessments for individual projects. The costs are reimbursable from the City/Agency loan proceeds. CEDA staff has been responsible for reviewing and certifying documentation prepared by the consultants, publishing notices and submitting complete documentation to HUD. This process has been problematic for the following two reasons. First, the process has been inefficient in terms of costs and time, when asking developers to go out and get bids each time for individual projects. Second, the quality and format of Environmental Assessments have not been consistent. Depending on the consultants, CEDA staff has had to put in extra time reviewing the products in order to ensure that certain standards for NEPA documentation submitted to HUD are met.

In order to streamline the process and provide consistency in the quality of Environmental Assessments, staff recommends entering into contracts with the two environmental consultants who have strong backgrounds in the preparation of NEPA environmental documentation, as required by HUD for affordable housing projects. With such contracts, there will no longer be a need to go through a lengthy procurement process to choose a consultant each time, thus
reducing the time and effort spent by developers. In addition, the quality of products will be
assured by using the two most qualified consultants.

Selection Process

The four responses received from AEM Consulting, Circle Point, ESA and Robert Shaw and
Associates were evaluated for the following criteria:

1. Overall experience and qualification as an environmental consultant
2. Recent experiences specific to the preparation of NEPA Environmental Assessments for
affordable housing projects
3. Approach and understanding of the work required for HUD funded housing projects
4. Knowledge in NEPA regulations/procedures
5. Quality of sample Environmental Assessment

The final scoring of the four applicants is shown in Attachment A. The applicants were scored
for total possible points out of 100 for their submittals, presentation and responses to interview
questions. Five additional points were awarded to ESA for being an Oakland based firm. Based
on the scoring, two top ranked consultants, AEM Consulting and Robert Shaw and Associates,
were selected as candidates to pursue professional service contracts with the City. These two
consultants were chosen for their strong background in preparation of NEPA documents for
HUD. The two other consultants, ESA and Circle Point, have strong background in overall
environmental work, especially in CEQA, but lack expertise in NEPA documentation for
affordable housing projects. Because the City seeks consultants who will be efficient and
knowledgeable in NEPA documentation for HUD review, staff recommends the two consultants
who specialize in affordable housing projects.

PROGRAM DESCRIPTION

Following the annual award of NOFA funds, each consultant will be assigned one to two projects
that are to receive HOME funds, and prepare NEPA Environmental Assessments. In case a
project requires CEQA environmental review (initial study, Environmental Impact Report), a
joint CEQA/NEPA review may be required.

The maximum amount of the two contracts is $75,000, which will be funded from the HOME
program administration funds set aside for administrative costs associated with the HOME
program. Each consultant will receive up to $37,500 in a three-year contract term. If the
contract amount has not been expended at the end of three years, the contract may be extended
for up to three additional years with the City Administrator’s approval. Staff will enter into
individual agreements with each consultant on a per-project basis. Typical project cost is
estimated to be in the range of $4,000 to $10,000 depending on the complexity of the
environmental review required for individual projects (for example, a project with historic
preservation issues may require additional study/analysis).
Projects will be scattered throughout the City and will vary in sizes and types. Past HOME funded projects include family rental housing, senior rental housing, mixed-use projects and townhome-style ownership housing. The number of units has been in the range of 10-170.

**NEPA Review Process**

Consultants will prepare Environmental Assessments in accordance with the regulations in the HUD 24 CFR Part 58 “Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities”, and incorporate the following steps.

A. **Determine existing conditions and describe the character, features and resources of the project area and its surroundings; identify the trends that are likely to continue in the absence of the project.**

B. **Identify all potential environmental impacts, whether beneficial or adverse, and the conditions that would change as a result of the project.**

C. **Identify, analyze and evaluate all impacts to determine the significance of their effects on the human environment and whether the project will require further compliance under related laws and authorities.**

D. **Examine and recommend feasible ways in which the project or external factors relating to the project could be modified in order to eliminate or minimize adverse environmental impacts.**

E. **Examine alternatives to the project itself, if appropriate, including the alternative of no action.**

F. **Complete all environmental review requirements necessary for the project’s compliance with applicable authorities.**

G. **Based on the steps A through F, make a finding of either (1) A Finding of No Significant Impact ("FONSI"), or (2) A finding of significant impact.**

Consultants will work collaboratively with CEDA staff and project developers to complete reviews. Following completion of Environmental Assessments, CEDA staff will publish a Finding Of No Significant Impact (“FONSI”) and a Notice of Intent to Request Release of Funds (“RROF”). Consultants may be requested to assist CEDA staff in responding to public inquiries, if there are any. CEDA staff will send complete environmental documentation to HUD following the 14 day noticing period.

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SUSTAINABLE OPPORTUNITIES
These professional service agreements will support sustainable opportunities in the following ways:

Economic: The consultants will be assisting development of affordable housing projects through their services on environmental reviews and, therefore, contributing to the expansion of affordable housing inventory in the City.

Environmental: The consultants will assess environmental impacts, adverse environmental effects and appropriate alternatives of proposed affordable housing projects as part of NEPA reviews. The purpose of NEPA is to inform the public and officials of potential environmental impacts, so that proper actions can be made to protect, restore and enhance the environment if there will be any adverse environmental impacts. NEPA review will address issues such as historic preservation, air quality, noise abatement/control and toxic/hazardous materials/contamination. The review will assess not only the impacts the project may have on the environment, but also the effects the existing environment may have on future residents.

Social Equity: NEPA regulations require reviews on environmental justice. The consultants will address disproportionately high and adverse health or environmental effects on minority and low income populations, if the project may have any health or adverse environmental effects. In addition, the contracts will assist development of HOME funded housing units that will be targeted for low-income families and seniors, thereby promoting greater social equity.

DISABILITY AND SENIOR CITIZEN ACCESS
The contracts will assist development of HOME funded affordable housing units. All housing development projects receiving federal funds are required to construct and set aside units to be occupied by persons with disabilities (Federal Section 504 regulation). This means that at least five percent of newly constructed units will be available to persons with physical disabilities and two percent of units to persons with auditory or visual disabilities. The State’s Title 24 and the Americans with Disabilities Act require consideration of persons with disabilities in design and construction of housing.

RECOMMENDATION(S) AND RATIONALE
Staff recommends that the City Council adopt the resolution which authorizes the execution of professional service agreements with AEM Consulting and Robert Shaw & Associates, in an amount not to exceed $37,500 each, to prepare NEPA Environmental Assessments for affordable housing development projects financed by the City’s HOME funds. The proposed agreements will streamline the NEPA review process and assure the quality of Environmental Assessment

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documentation. Without these contracts, project developers must find a consultant each time a NEPA review is required, increasing the time and efforts spent by the developers. In addition, the quality of Environmental Assessments will not be consistent.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that the City Council approve the resolution authorizing professional service agreements with AEM Consulting and Robert Shaw & Associates, in an amount not to exceed $37,500 each, to prepare NEPA environmental reviews for affordable housing development projects financed by the City's HOME funds.

Respectfully submitted,

DANIEL VANDERPRIEM
Director of Redevelopment,
Economic Development and Housing

Reviewed by: Sean Rogan, Deputy Director,
Housing and Community Development

Prepared by:
Eri Kameyama
Housing Development Coordinator
Housing Development Unit

APPROVED AND FORWARDED TO THE COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:

OFFICE OF THE CITY ADMINISTRATOR

Attachment: Attachment A: Total Scores
## ATTACHMENT A:
**Environmental Consultants RFQ**
**TOTAL SCORES**

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OAKLAND CITY COUNCIL

RESOLUTION No. C.M.S.

Introduced by Councilmember

A RESOLUTION AUTHORIZING PROFESSIONAL SERVICE AGREEMENTS WITH AEM CONSULTING AND ROBERT SHAW & ASSOCIATES IN AN AMOUNT NOT TO EXCEED $37,500 EACH TO PREPARE ENVIRONMENTAL REVIEWS IN ACCORDANCE WITH THE NATIONAL ENVIRONMENTAL PROTECTION ACT FOR AFFORDABLE HOUSING DEVELOPMENT PROJECTS FINANCED BY THE CITY’S HOME FUNDS

WHEREAS, the City is a recipient of the HOME Investment Partnership Program ("HOME") administered by the Department of Housing and Urban Development; and

WHEREAS, the City is required to comply with the environmental review procedures under the National Environmental Protection Act ("NEPA") for activities financed by the Federal loans and grants, including HOME funds; and

WHEREAS, the City published a Request for Qualifications for environmental consultants interested in preparing NEPA environmental reviews for affordable housing projects financed by the City’s HOME funds; and

WHEREAS, the City received four submittals and conducted interviews with the four applicants; and

WHEREAS, after review of submittals and interview responses, the City selected AEM Consulting and Robert Shaw & Associates to prepare NEPA environmental reviews for HOME funded affordable housing projects; and

WHEREAS, funds in the amount of $75,000 are available from the HOME Program administration funds; and

WHEREAS, the City finds that these contracts are for services of a professional nature, that the services under these contracts will be temporary, and that these contracts will not result in the loss of employment or salary by any person having permanent status in the competitive service; now therefore be it
RESOLVED: That contract funds in the amount of $75,000 shall be allocated from the HUD-HOME Fund (2109), HCD Administration Organization (88919), HOME Administration Project (H91012); and be it

FURTHER RESOLVED: That the City Administrator or his or her designee is hereby authorized to negotiate and enter into professional service agreements for NEPA environmental reviews on affordable housing projects with AEM Consulting and Robert Shaw & Associates in an amount not to exceed $37,500 each for an aggregate amount of $75,000; and be it

FURTHER RESOLVED: That the agreements will be for the term of three years; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee is authorized to extend the contract term up to three years as he or she deems necessary and appropriate, provided that no additional funds will be allocated without prior City Council approval; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee as agent of the City to execute all documents that may be necessary with respect to these contracts and services consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That all documents shall be reviewed and approved by the City Attorney for form and legality prior to execution.

IN COUNCIL, OAKLAND, CALIFORNIA, __________________________, 2006

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: __________________________
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California