



Legislation Text

File #: 2019-1679, **Version:** 1

To: Board of Supervisors

Department or Agency Name(s): Permit and Resource Management

Staff Name and Phone Number: Nathan Quarles, 565-1146

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Kincade Fire Amendment to Resiliency Permit Center Contract

Recommended Action:

Authorize the Director of the Permit and Resource Management Department (Permit Sonoma) to execute an amendment to the existing agreement with 4Leaf, Inc. to add scope for fire reconstruction permitting and inspection services for properties impacted by the Kincade Fire.

Executive Summary:

In response to the 2017 Complex Fires and at the direction of the Board of Supervisors Recovery Ad Hoc Housing Committee, Permit Sonoma established a Resiliency Permit Center which has been providing comprehensive permitting and inspection services for fire survivors and their representatives dealing with reconstruction of approximately 3,000 residential structures destroyed or damaged by the Sonoma Complex Fires. This work is being accomplished with the assistance of outside contract help from 4Leaf, Inc. a private company specializing in plan review and inspection services.

In October and November 2019, Sonoma County suffered the 2019 Kincade Fire, which burned approximately 78,000 acres generally east of Cloverdale, Healdsburg and Windsor. The Kincade Fire destroyed or damaged approximately 400 dwellings and accessory structures within these unincorporated areas.

This item would amend the existing agreement with 4Leaf to continue to serve those fire survivors of both the 2017 Complex Fires and the 2019 Kincade Fire. Services would begin immediately upon execution of the amended agreement. The total amount of the existing contract (*not to exceed* \$14 million) will not change notwithstanding the additional scope.

Discussion:

Given that an agreement currently exists to perform these services, Permit Sonoma is seeking authorization to continue with 4Leaf as the most expedient method in which to obtain effective, timely plan review and inspection services for the 2019 Kincade Fire survivors.

The scope of the current agreement is proposed to expand from 3,000 structures to 3,400 structures. However, the total monetary value of the agreement is not increasing. This is achievable as the original agreement was based on 100% rebuild of structures affected by the 2017 Complex Fire. While the pace of rebuilding for the Complex Fires is approximately at 50% to date, it is unlikely 100% will rebuild within the life

of the three year contract. This leaves financial capacity for the 400 structures damaged or destroyed by the Kincade Fire.

In addition to adding permitting scope for those properties impacted by the Kincade Fire (and ensuring the same level of permitting turn-around, public information, and other survivor support extended to Sonoma Complex Fire survivors under the existing Agreement), the amendment will provide for 4Leaf to present alongside county staff at three community meetings to make the reconstruction process as easy to understand as possible, with the topic of “what fire survivors need to know”.

Prior Board Actions:

01/08/2019: Board of Supervisors Agenda Item Number 21, Approval of award of contract to 4Leaf, Inc. (replacement of West Code Consultants, Inc.)

01/29/2018: Board of Supervisors approved Resolution Number 18-0033 delegating authority to PRMD Director to execute agreement with West Coast Code Consultants, Inc. for Resiliency Permit Center services.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses	3,500,000	7,000,000	3,500,000
Additional Appropriation Requested			
Total Expenditures	\$3,500,000	\$7,000,000	\$3,500,000
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	3,500,000	7,000,000	3,500,000
Use of Fund Balance			
Contingencies			
Total Sources	\$3,500,000	\$7,000,000	\$3,500,000

Narrative Explanation of Fiscal Impacts:

Before the 2017 Complex Fires, Permit Sonoma ran at full capacity including labor and resources such as office space and equipment. Staff projected submittal of at least 3,000 building permits over three years above its already record business level. The original contract requested \$20 million in contractual authority would provide services for the surge of customers needing to rebuild post-fire. The \$20 million figure was based on an estimated number of projects multiplied by an average permit fee: 2,000 dwellings at \$6,300 in average permit fees; 1,000 residential accessory structures at \$4,600 in average permit fees; and 1,000 garage/storage structures at \$3,000 in average permit fees. With the 2019 Kincade Fire, Permit Sonoma projects an addition 400 building permits.

To date permitting related to the 2017 Complex Fire is approximately 50% and we are approximately half way through the contract term. The rate of permitting has slowed and it is projected permitting will not reach 100% within the contract term. Less than 100% permitting creates a financial capacity to accommodate the permitting that is projected from the 2019 Kincade Fire. As such Permit Sonoma is not requesting additional money or contractual authority nor a time extension to the existing agreement.

The original budget appropriation was distributed over three fiscal years to coincide with the term of the agreement. The original contractual authorization requested mid-year budget appropriation of \$3 million due to the contract starting mid-fiscal year. Subsequent authorizations have been requested and approved through the annual budget process. A mid-year budget augmentation is not being requested with this contract amendment.

Approximately \$6 million was expended between February 2018 and January 2019 when the contract was shifted to 4Leaf, Inc. The 4Leaf, Inc. contract was for \$14 million with a two year term to be consistent with the remaining balance and remaining time of the original contractual authority. It is estimated that \$3.5 million has been expended or encumbered from January 2019 through June 30, 2019.

The fiscal impact over term of the agreement will be a net zero cost to the General Fund, as all costs will be covered through user fees.

Narrative Explanation of Staffing Impacts (If Required):

n/a

Attachments:

Attachment A: First Amendment

Attachment B: Existing 4Leaf, Inc. Contract

Related Items "On File" with the Clerk of the Board:

n/a