

Agenda Report

August 26, 2024

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: City Manager

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE FEDERAL HIGHWAY ADMINISTRATION FOR \$2M FOR THE RECONNECTING COMMUNITIES PLANNING GRANT FOR THE 710 MASTER PLAN AND SPECIFIC PLAN PROCESS, AND AMEND THE CITY MANAGER'S OFFICE FISCAL YEAR 2025 OPERATING BUDGET

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action herein is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(b)(3);
2. Authorize the City Manager or his designee to enter into an agreement with the Federal Highway Administration (FHWA) to receive grant funding for the Reconnecting Communities Planning grant in the amount of \$2,000,000 and execute any subsequent agreements regarding this grant award; and
3. Amend the City Manager's Office Fiscal Year 2025 Operating Budget by recognizing revenue and appropriating \$1,350,000 of the grant award in the General Fund Projects Fund (Fund 105), and also appropriating the grant match of \$2,000,000 in Fund 105 to administer the Reconnecting Pasadena Master Plan and Specific Plan process.

BACKGROUND:

In August of 2022, the SR-710 Northern Stub (710 Stub) area was relinquished to the City by the State of California Department of Transportation (Caltrans). In October of the same year, the Federal Bipartisan Infrastructure Law (BID) established the new Reconnecting Communities Pilot (RCP) discretionary grant program, funded with \$1 billion over the next 5 years. It is the first-ever Federal program dedicated to

reconnecting communities that were previously cut off from economic opportunities by transportation infrastructure. Funding supports planning grants and capital construction grants, to restore community connectivity.

In 2023, the City of Pasadena was awarded the maximum \$2 million planning grant under the RCP program, with a \$2 million local match requirement. This grant will fund the Reconnecting Pasadena 710 Master Plan and Specific Plan process as it works to develop plans to restitch the 710-relinquishment area back into the surrounding community. The master plan process will take approximately two years to complete, with an additional year for the specific plan process. The creation of a comprehensive master plan will ensure that all future development in the 710 Stub area meets the City's development expectations as well as its General Plan goals and policies. In February of 2023, the City Council awarded the contract to the Perkins Eastman firm to lead the master plan process. Perkins Eastman has 40 years of experience planning and creating various large-scale mixed-use plans or projects for urban environments. Their scope of work will result in a master plan for the area and focus on the below seven work products:

1. Community Engagement Strategy;
2. Restorative Justice Framework;
3. Data Collection and Existing Physical Conditions;
4. Economic Study and Market Demand Analysis;
5. Mobility and Circulation Analysis;
6. Land Use Options; and
7. Climate Resilient Infrastructure Development and Services Plan.

Since the RCP award, staff has worked with the FHWA Office of Acquisition and Grants Management to update and finalize the grant agreement. The agreement was sent to the City Attorney's Office for review of the Reconnecting Communities grant program's terms and conditions to ensure the City can meet and agrees to all grant agreement requirements.

COUNCIL POLICY CONSIDERATION:

The proposed grant agreement will further the City Council goals to improve, maintain and enhance public facilities and infrastructure and support and promote the quality of life and local economy and the General Plan Land Use Element and would be consistent with Guiding Principle 2: "Pasadena's historic resources will be preserved. Citywide, new development will be in harmony with and enhance Pasadena's unique character and sense of place. New construction that could affect the integrity of historic resources will be compatible with, and differentiated from, the existing resource," and Goal 8, regarding historic preservation: "Preservation and enhancement of Pasadena's cultural and historic buildings, landscapes, streets and districts as valued assets and important representations of its past and a source of community identity, and social, ecological, and economic vitality."

ENVIRONMENTAL ANALYSIS:

This project is exempt from CEQA review pursuant to State CEQA Guidelines Section 15061(b)(3). The contract award is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to the provisions of CEQA. Such is the case with the proposed request to authorize the City Manager to enter into an agreement for the Reconnecting Communities Pilot discretionary grant program for the preparation of a master plan.

FISCAL IMPACT:


Approval of the recommended action will result in a total grant award of \$2,000,000 over three years. Of this amount, \$1,350,000 is anticipated to be spent in the current fiscal year. The City Manager's Office FY 2025 Operating Budget will be amended by recognizing revenue and appropriating \$1,350,000 in the General Fund Projects Fund (Fund 105). The Department will budget future grant revenue and appropriations during the annual operating budget cycle. There is no impact to the General Fund (Fund 101).

In order to meet the grant's local match requirement, the department's FY25 Operating budget will further be amended by appropriating \$2,000,000 from the remaining \$5 million payment made to the City as part of the SR 710 Corridor relinquishment, currently available in the General Fund Projects Fund (Fund 105).


Respectfully submitted,


BREND A. HARVEY-WILLIAMS
Assistant City Manager

Prepared by:


Wendy Macias
Senior Project Manager

Respectfully submitted,


MATTHEW HAWKESWORTH
Acting Assistant City Manager

Approved by:


MIGUEL MÁRQUEZ
City Manager