



**COUNTY OF NEVADA  
COMMUNITY DEVELOPMENT AGENCY  
PLANNING DEPARTMENT**  
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Community Development Agency Director

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Planning Director

**NEVADA COUNTY BOARD OF SUPERVISORS  
Board Agenda Memorandum**

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**MEETING DATE:** January 24, 2023

**TO:** Board of Supervisors

**FROM:** **Brian Foss, Planning Director**

**SUBJECT:** Resolutions approving the execution of Grant Award Agreements with the City of Grass Valley, the City of Nevada City, and the Truckee Sanitary District pertaining to Regional Early Action Planning Grant Funds (REAP) and Authorizing the Auditor-Controller to Encumber the funds for each jurisdiction.

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**RECOMMENDATION:**

Staff recommends that the Board of Supervisors adopt the resolution to execute one agreement with each of the following jurisdictions: City of Grass Valley, City of Nevada City, and Truckee Sanitary District to prepare a Regional Infrastructure Planning Study for their jurisdiction.

**FUNDING:** The County of Nevada has been awarded \$462,699 from a Regional Early Action Planning (REAP) Grant. There are sufficient funds in the Fiscal Year 2022/2023 Planning Department budget. There is no impact on the General Fund.

**ATTACHMENTS:**

1. Draft Resolution: Grant Award Agreements with the City of Grass Valley, City of Nevada City and Truckee Sanitary District

Exhibit A: City of Grass Valley, City of Nevada City, Truckee Sanitary District Grant Award Agreements

Exhibit B: Proposals received in response to Request for Proposals: Regional Infrastructure Planning Study

## **BACKGROUND:**

At the regular meeting of January 11, 2022, the Nevada County Board of Supervisors adopted Resolution No. 22-049, authorizing the Planning Department to accept a Regional Early Action Planning Grant (REAP) Grant program award in the amount of \$462,699. The principal goal of the REAP Grant Program is to make one-time grant funding available to regional governments and regional entities for planning activities that will accelerate housing production and facilitate compliance in implementing the sixth cycle of the Regional Housing Needs Allocation (RHNA). The Planning Department's grant application outlined five projects focused on implementing two specific Board of Supervisors 2021 Legislative Objectives: Housing and Economic Development. Of the five projects included, Project 5 (\$177,699) outlined a project which would work with the County's regional jurisdictions to analyze potential infrastructure constraints, such as undersized sewer lines to develop a plan and program for assisting those jurisdictions with infrastructure upgrades that would support the development of housing within their sphere, spurring economic development in the region.

## **PROJECT 5 IMPLEMENTATION – REGIONAL INFRASTRUCTURE PLANNING PROJECT:**

One of the significant goals of the County General Plan is to coordinate with the cities/town in land use planning and development within their spheres (General Plan Goal 1.8). The General Plan further encourages growth within Community Regions as these areas typically have available infrastructure, services and amenities to support larger residential populations. The rural regions of the County are less suitable for compact higher density development due to the lack of available infrastructure, primarily regional public sewer and water.

The Nevada County Purchasing Agent on behalf of the Planning Department released a Request for Proposals (RFP) on September 23, 2022, for the Regional Infrastructure Planning Study Project, which would implement Project 5 of the REAP Grant program. The RFP was sent to the Cities of Grass Valley and Nevada City and the Town of Truckee along with other Municipal Public Agencies with services located within spheres of incorporated Cities / Town and within the boundaries of Nevada County. As was approved as part of the REAP Grant, the RFP outlined that \$155,000 was available to fund consultant preparation of the Needs Study and included that the goal of the proposed Study would be to remove potential pinch points in sewer and water infrastructure which has historically limited housing development potential within sphere areas or legacy neighborhoods still utilizing septic systems. Once funds are allocated, the awarded jurisdictions will collaborate with Nevada County to issue an RFP through their respective jurisdictions to qualified consultants to prepare the study.

As part of the RFP, an amendment was issued on November 18, 2022, which increased the available funding to jurisdictions for the preparation of the Needs Study to \$280,000. The additional funding became available from Project 4 of the awarded REAP Grant program, which had \$130,000 allocated to it. The project was to prepare an Accessory Dwelling Unit (ADU) Development Mitigation Fee Study. An RFP for this project was released on July 15, 2022, and no responses to this Request for Proposals was received. Therefore, the Nevada County Planning Department in discussions with the State of California, Department of Housing and Community Development, was able to reallocate this additional funding to Project 5 and thus increasing the available funding to \$280,000.

As a result of the RFP, the Planning Department received three complete proposals from the City of Grass Valley with a partnership with the Nevada Irrigation District in the amount of \$115,000, the City of Nevada City in the amount of \$60,000, and from the Truckee Sanitary District in the amount of \$30,000. As proposed, all three of the received proposals would allow each jurisdiction to perform an analysis of its infrastructure with the goal of promoting future housing development. A panel of County staff from the Department of Public Works and the Planning Department reviewed all the proposals independently and recommended that they all be funded based on their comprehensive responses to the RFP.

#### **City of Grass Valley with Nevada Irrigation District (\$115,000)**

The City of Grass Valley along with the Nevada Irrigation District would like to conduct a water infrastructure analysis of Nevada Irrigation District's water system to determine deficiencies and constraints in the system that lead to significant costs for housing. The Infrastructure Needs Study would be conducted by a qualified outside engineering firm and will identify water facility alternatives to determine the most cost-effective ways to provide adequate water for new housing. As part of the proposed project, the City would focus its efforts on two locations including the recently annexed area along the east and west sides of State Route 49 to the western boundary of Empire Mine State Park. In addition, the City would also like to review the existing water infrastructure along McCourtney Road and Old Auburn Road within the areas which were recently annexed. Both project areas are constrained with respect to water facilities. Specifically, for the Southern Sphere of Influence & Annexation Project inadequate water facilities exist. Issues include the location of the main line south and east of the Southern Sphere Project Site. The City may be able to better serve the area with its existing water lines or can develop a plan with NID, whichever is more cost-effective. The Infrastructure Needs Study will help determine the most cost-effective upgrade and then allow the City to leverage the study to pursue infrastructure grants to upgrade water infrastructure to help reduce the costs of housing. As proposed, the City anticipates that it would be able to yield the development of approximately 464 dwelling units within these two locations.

#### **City of Nevada City (\$60,000)**

The City of Nevada City would like to develop a hydraulic model for a water and sewer infrastructure study to be prepared by a qualified outside engineering firm. The study

would help the City to model the existing and aging water and sewer infrastructure that will be used to determine the capacity and limits of the existing system. As the City continues to upgrade and replace its aging pipelines, the City will be able to upsize pipes to accommodate future capacity at a relatively low-cost difference, given that the city is already incurring costs to replace these lines. To accommodate housing at various income levels, the City would be able to use the model to identify infrastructure improvement projects that may be eligible for State and Federal funding assistance. As proposed, the City anticipates being able to focus its efforts on six locations including Providence Mine Road, Hurst Ranch along Little Deer Creek, HEW Building, Manzanita Diggins along the east side of Coyote Street, and areas along Gold Flat Road and Gracie Road. As proposed, the City anticipates that it would be able to yield the development of approximately 170 to 622 dwelling units within these six locations.

### **Truckee Sanitary District (\$30,000)**

The Truckee Sanitary District would like to seek the services of a professional opinion research firm to conduct a comprehensive survey of all properties within the District's service area and sphere of influence to assess the level of interest and degree of investment property owners would have in to convert from their existing on-site septic systems to public sewer. Additionally, the survey would assess the level of interest these property owners would have in expanding housing if connected to the public sewer system. This information will help to prioritize the Districts' effort on the extension of the sewer to these areas, assess the need for the District to seek grant funding and/or initiate assessments, and understand the potential increase in housing opportunities that extending sewer might have on the availability of housing within the District's service area. As proposed, the District anticipates being able to survey approximately 2,050 parcels within Nevada County which are located within the District's service area. In addition, the District also proposes to survey approximately 300 parcels which are located within Placer County, however, pursuant to the submitted proposal, the District would fund this portion of the proposed study.

### **SUMMARY:**

The REAP Grant Program is part of the broader Local Government Planning Support Grants Program to address the state's housing crisis. One of the significant goals of the County General Plan is to coordinate with the cities/town in land use planning and development within their spheres (General Plan Goal 1.8). The General Plan further encourages growth within Community Regions as these areas typically have available infrastructure, services and amenities to support larger residential populations. The rural regions of the County are less suitable for compact higher density development due to the lack of available infrastructure, primarily regional public sewer and water. The goal of the proposed studies is to remove potential pinch points in sewer and water infrastructure which has historically limited housing development potential within sphere areas or legacy neighborhoods still utilizing septic systems. By utilizing REAP Grant funding the County would be able to assist neighboring jurisdictions with infrastructure upgrades that

would support the development of housing within their sphere, spurring economic development in the region.

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**RECOMMENDATION:**

Staff recommends that the Board of Supervisors adopt the resolution to execute one agreement with each of the following jurisdictions: City of Grass Valley, City of Nevada City, and Truckee Sanitary District to prepare a Regional Infrastructure Planning Study for their jurisdiction.

**Item Initiated by:** Matt Kelley, Senior Planner

**Approved by:** Brian Foss, Planning Director