

**City of Culver City, California
Agenda Item Report**

Meeting Date: 10/24/11		Item Number: <u>PH -1</u>	
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution Establishing Community Benefits for the Proposed Washington/Marcasel Residential and Retail Mixed Use Development.			
Contact Person/Dept.: Thomas Gorham Jose Mendivil		Phone Number: 310.253.5727 310.253.5757	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Meetings and Agendas – City Council (10/20/11); Residents, Property Owners and Business within 1,000 feet of proposed project boundary; West Culver Neighborhood Association; Attendees of September 1, 2011 Community Benefits Community Meeting.			
Department Approval: Sol Blumenfeld (10/11/11)		City Attorney Approval: Carol Schwab (10/19/11)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (10/19/11)		City Manager Approval: John M. Nachbar (10/20/11)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a Resolution establishing community benefits related to the proposed Washington/Marcasel Residential and Retail Mixed Use Development. <u>PROCEDURE:</u> 1. Mayor calls on staff for a brief staff report. 2. Mayor seeks a motion to open the public hearing. 3. Receive comment from public. 4. Mayor seeks a motion to close the public hearing after all testimony has been presented. 5. The City Council discusses the matter and arrives at its decision. <u>BACKGROUND:</u> On March 10, 2008, the City Council adopted a Resolution (Attachment 1) to establish a Community Benefit Incentive Program in connection with Section 17.400.065 of the Zoning Code – Mixed Use Development Standards. This Section of the Culver City Municipal Code (CCMC) allows mixed use development on certain commercially zoned property at a base residential density of 35 dwelling units per acre (du/a), but allows the density to increase to 50 du/a, and up to 65 du/a in a Transit Oriented Development District (TOD District), provided the project incorporates community benefits as established by the City Council.			

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A community benefit is defined as a project amenity that achieves a particular community goal and which helps mitigate impacts related to project development. The list of community benefits outlined in the Resolution includes, but is not limited to, the following:

- A. Streetscape Improvements as part of an Area Improvement Plan (AIP)
- B. Pocket Parks and Public Open Space (minimum 5,000 sq. ft.) in addition to park space otherwise required by the CCMC
- C. Metered On-Site Public Parking—in excess of code required project parking (Minimum 10 public parking spaces and applies only to project sites of 20,000 sq. ft. or greater).
- D. Utility Undergrounding as part of an Undergrounding District Plan.
- E. Other Community Benefits as approved by the City Council.

Bastion Development has submitted a preliminary application to develop a mixed use project at 11957 Washington Boulevard (at Marcasel Avenue) consisting of approximately 8,637 square feet of ground floor retail space and 30 residential units. The applicant proposes to increase the project density from the base 35 dwelling units per acre or 21 units to 50 dwelling units per acre or 30 units (an increase of 9 units). In order to qualify for the increased density, the project is required to provide a community benefit. In exchange for the increased density, the applicant's proposed community benefit is to provide median streetscape improvements, including maintenance cost for up to 35 years, for Phase V of the West Washington Area Improvement Plan (AIP). The AIP is comprised of streetscape improvements that include a centerline curbed, landscape median of drought tolerant and low maintenance trees and ground cover. Phase V is the block from Atlantic to Marcasel Avenues and is located in front the proposed development and will be funded entirely by this project.

On September 1, 2011, a community meeting was held to discuss the Community Benefit Incentive Program and obtain public input regarding the types of benefits for the proposed mixed use development. The meeting notice was mailed to more than 1,200 individuals. The meeting was attended by eight people, two of whom are Culver City residents (the remaining attendees are Los Angeles City residents). The project site is located in an area of Culver City that is only 450 feet wide and is otherwise surrounded by the City of Los Angeles. The majority of those noticed are City of Los Angeles residents, businesses, and occupants.

Staff explained the developer's proposal to install landscape medians as the community benefit. Those in attendance at the meeting, including the two Culver City residents, did not object to the proposed streetscape improvements community benefit related to the developer's proposed increase in density.

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DISCUSSION:

The City Council establishes the boundaries for a project's Community Benefit District (District). In this instance, the boundaries of the proposed District, if approved, will encompass the Washington Boulevard public right-of-way from Atlantic to Marcasel Avenues which includes a portion of Phase V of the AIP.

The method for establishing the developer's contribution for Community Benefits is based on the proportional share of the developer's profit from those units permitted beyond the base density. The Community Benefit Value is defined as the total cost of providing the required Community Benefit and calculated as follows: a.) 50% of the Additional Base Density Value; and b.) Additional Base Density Benefit Value is the Additional Number of Dwelling Units Allowed x Market Value Sales Price x .15 (Developer's Assumed Profit).

The Community Benefit is incorporated in the project design when on-site, and maintained for the life of the project unless part of a public improvement program, whereupon it is provided with an in lieu contribution;

- a.) In Lieu contribution- In full payment based upon Community Benefit Contribution.
- b.) On Site Community Benefits – Incorporated on development plans and in Conditions of Approval as part of the discretionary review process.
- c.) Developer Agreement to Provide Community Benefit – Required developer execution of affidavit. If developer fails to provide and maintain the required Community Benefit identified in the project resolution, the matter is referred to the City Attorney for enforcement.

The City's financial analysis concludes the Community Benefit Contribution is \$268,000*** based upon the formula in the approved Community Benefit Resolution. The proposed streetscape improvements are estimated to cost \$103,593.** The difference of \$164,407 will fund up to 35 years of maintenance costs estimated for the project improvements* whereupon AIP Phase V will be incorporated in future AIP's streetscape and median districts.

FISCAL ANALYSIS:

The selected community benefits continue the streetscape program initiated through the Redevelopment Agency's Area Improvement Plan (AIP) at little or no capital cost to the City. If streetscape improvements are selected, the capital costs will be absorbed by the related project. All related maintenance would be paid for directly

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by the developer/development in for up to 35 years. Maintenance beyond 35 years will need to be provided by the City or incorporated with the surrounding AIP maintenance districts.

ATTACHMENTS:

1. Resolution 2008-R015: Community Benefit Incentive Program
2. Phase 6 of the West Washington Area Improvement Plan and Proposed Benefit Area Boundary
3. Proposed Resolution

MOTION:

That the City Council:

Adopt a Resolution establishing the community benefit(s) related to the Washington/Marcasel Residential and Retail Mixed Use Development.

Notes:

*** \$268,000	Community Benefit Contribution
** <u>\$103,593</u>	Community Benefit Construction. Estimate for construction based on linear foot (based on Phase I and Phase II) 900.81 per foot X 115 = \$103,593.
* \$164,407	Net Community Benefit Contribution after Construction Allocated to Maintenance / \$4,600 per year = 35. Estimate for maintenance based on linear foot (" ") is \$40 per foot X 115 - \$4,600 per year.