



City of Culver City

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Staff Report

File #: 21-581, **Version:** 1

Item #: C-3

CC - (1) Approval of an Amendment to the Existing Professional Services Agreement with Raimi + Associates, Modifying the Scope of Services and Budget for the General Plan Update (GPU); and (2) FOUR-FIFTHS VOTE REQUIREMENT: Approval of Related Budget Amendment Allocating Local Early Action Planning (LEAP) Funding to the Project.

Meeting Date: February 8, 2021

Contact Person/Dept: Ashley Hefner/CDD

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Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☒ **Date:** N/A

Public Notification: (E-Mail) Meetings and Agendas - City Council (02/04/2021), Notify Me - General Plan Update (02/04/2021)

Department Approval: Sol Blumenfeld, Community Development Director (01/27/2021)

RECOMMENDATION

Staff recommends the City Council (1) approve an amendment to the existing professional services agreement with Raimi + Associates, modifying the scope of services for the General Plan Update (GPU); and (2) approval of a related budget amendment allocating Local Early Action Planning (LEAP) funding to the project (**four-fifths vote requirement**).

BACKGROUND

The City and General Plan Update (GPU) consultant, Raimi + Associates, executed an agreement to provide GPU Services on June 25, 2019 which has been amended twice.

First Amendment

On August 25, 2020, the first amendment was approved adding *Task 13, Support for the Chief's Advisory Panel*, with a budget increase of \$27,479. This task consisted of developing, distributing, and analyzing the public safety and policing survey results as part of the City Manager's Office public safety review process.

Second Amendment

On September 14, 2020, City Council approved the second amendment changing the scope and adding grant proceeds totaling \$82,500 received through Senate Bill 2 (SB 2). The grant funds were added to cover Housing Element tasks and other Scope of Services amendments included more General Plan and Technical Advisory Committees (GPAC and TAC) meetings, existing conditions videos and surveys, an online storybank, a volunteer communications network, and economic recovery strategy and resiliency recommendations. The modifications to the scope did not increase the overall budget or affect the General Fund but some new tasks were also added at the time using \$20,540 from the contingency budget.

Third Amendment

The State has indicated that increasing the availability of affordable homes statewide is critical to improving all Californians' quality of life and ending homelessness. The 2019-20 Budget Act provided \$250 million for local agencies to do their part in developing housing solutions by prioritizing planning activities that accelerate housing production to meet identified housing needs of every community. With this allocation, the California Department of Housing and Community Development (HCD) established the Local Early Action Planning (LEAP) Grant Program with \$119 million for cities and counties. LEAP supplies one-time grant funding to cities and counties to update their planning documents and implement process improvements that will accelerate housing production and local governments to prepare for meeting RHNA requirements, much like the SB 2 grants.

On June 22, 2020, the City Council adopted Resolution No. 2020-R056 authorizing the City Manager to apply for the HCD LEAP Grant to support new and expanded housing production along the Sepulveda Boulevard commercial corridor from the city's northerly boundary to Washington Boulevard in the south. This one-mile area has been a backwater to commercial reinvestment. The economic realities wrought by the pandemic suggest that the City rethink traditional area planning and study the opportunity for creating a new neighborhood of housing, shops, and services connected by transit. As a transit-rich, transit priority area in the City's Transportation Study Criteria and Guidelines, the Sepulveda Corridor is projected to support expanded residential and commercial development. This area is also expected to grow as a result of LA Metro plans to create a high-quality transit corridor called the Sepulveda Transit Corridor Project.

On October 20, 2020, HCD awarded \$150,000 in LEAP grant funds to the City for projects that assist in the preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance with the implementation of the Sixth Cycle of the Regional Housing Needs Assessment (RHNA).

Staff recommends the City Council approve a third amendment to the Raimi + Associates Agreement, modifying the scope of services for the GPU to include this additional grant funded work.

DISCUSSION

The third amendment to the GPU agreement would add *Task 14, LEAP Grant Housing Production Studies*. The subtasks are summarized below, and full descriptions are included in Attachment 1.

Task 14.1: Develop Retail Demand Model. Beginning with Culver City's public "Safer at Home" order issued March 16, 2020, all nonessential businesses within the city were closed. Such closures have significantly impacted the city's retail operations and revenues. To demonstrate the present and potential future impacts of COVID-19 on retail in Culver City, HR&A Advisors (*economics subconsultant on the Consultant team*) will develop a retail demand model that estimates Culver City's retail performance over the next five years by accounting for COVID-19 impacts in the market and changes in consumer behavior influencing brick and mortar retail.

Task 14.2: Property Assessment. HR&A will assess commercially-zoned properties along Sepulveda Boulevard within the city to be considered for new residential and mixed-use development. Building upon the Socioeconomic and Market Analysis Existing Conditions Report prepared as part of the GPU project, HR&A will catalog and analyze properties for their suitability for residential use. HR&A will develop site opportunity evaluation criteria and a ranking of site suitability for mixed-use or residential development. Site opportunity evaluation criteria will take into account site and context appropriateness for various development prototypes.

Task 14.3: Concept Design Studies. Perkins+Will (P+W) (*urban design subconsultant on the Consultant team*) will develop conceptual site design studies for four sites along Sepulveda Boulevard to test and illustrate mixed-use and residential development. Site designs can include prototypical development types that would apply to multiple corridor sites or designs specific to large opportunity sites. Design studies will explore height, density, open space, parking, and circulation and provide order of magnitude quantities for analysis. Design studies will also evaluate the retention of commercial and retail components in conjunction with mixed use.

Task 14.4: Pro Forma Analysis of Development Feasibility. To help inform market-aligned land use policies, the Consultant team and City staff will prepare pro forma residual land value analyses for up to four development prototypes. The City will test a concise set of development program sensitivities to establish a common ground and set of tradeoffs to achieve a set of financially feasible near-term development scenarios that achieve the City's desires. The financial feasibility analysis will help identify the market appropriate scale and type of development, and any required development incentives needed to catalyze activity. The City will then identify barriers and challenges to new development in the study area and propose recommendations for addressing them from a planning and policy perspective.

Task 14. 5: Incentives and Standards to Increase Housing Production. The Consultant team will develop an approach to incentives and development standards to encourage compatible and affordable mixed-use and housing development.

Task 14.6: General Plan Integration. After completing the technical analysis in Tasks 14.1-5, the Consultant team will incorporate key findings into the General Plan, including policies and implementation actions as additions to the General Plan Land Use and Implementation Elements.

FISCAL ANALYSIS

The allocation of LEAP grant funding to the project requires a budget amendment, which requires a four-fifths vote. As the LEAP grant funds would cover the budget increase, the budget modifications would not impact the General Fund. A new Other Contractual Services expenditure account

(41450400.619800) and a new LEAP Program revenue account (41450400.340350) were created to manage the grant fund reimbursements. \$142,500.000 of the funds will be added to the Raimi + Associates agreement for a revised contract total of \$2,334,510.00 and the remaining \$7,500.00 will be used to reimburse the City for administrative costs.

ATTACHMENTS

1. 2021-02-08_ATT_Proposed Added Task and Budget Increase

MOTION

That the City Council:

1. Approve an amendment to the existing professional services agreement with Raimi + Associates, modifying the scope of services for the General Plan Update (GPU); and
2. Approve a related budget amendment allocating LEAP funding to the project (**four-fifths vote requirement**); and
3. Authorize the City Attorney to review/prepare the necessary documents; and
4. Authorize the City Manager to execute such documents on behalf of the City.