



City of Culver City

Mike Balkman
Council Chambers
9770 Culver Blvd.
Culver City, CA 90232
(310) 253-5851

Staff Report

File #: 22-392, Version: 1

Item #: A-1.

CC - (1) Direction on Housing Element Adoption and Rezoning Timing per Assembly Bill (AB) 1398 Mandate; (2) Approval of an Amendment to the Existing Professional Services Agreement with Raimi + Associates, Modifying the Scope of Services for the General Plan Update (GPU); and (3) FOUR-FIFTHS VOTE REQUIREMENT: Approval of a Related Budget Amendment Allocating \$136,510 from General Fund Unassigned Fund Balance to the Project.

Meeting Date: October 25, 2021

Contact Person/Dept: Ashley Hefner Hoang/CDD

Phone Number: (310) 253-5744

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 (10/20/2021), Notify Me - General Plan Update (10/19/2021)

Department Approval: Sol Blumenfeld, Community Development Director (10/12/2021)

RECOMMENDATION

Staff recommends the City Council (1) provide direction on Housing Element adoption and rezoning timing per AB 1398 mandate; (2) approve an amendment to the existing professional services agreement with Raimi + Associates, modifying the scope of services for the GPU; and (3) approve a related budget amendment allocating \$136,510 from General Fund **Unassigned Fund Balance** to the project (**four-fifths vote requirement**).

BACKGROUND

Over the last several months, additional work on the GPU project was suggested and requested by various bodies, including the City Council, Planning Commission, General Plan Advisory Committee (GPAC) Members, City staff, and the community. Also, certain tasks have taken a significant amount of effort beyond what was originally scoped. This report outlines the history of the GPU contract and

budget and proposes added scope and costs in response to the various requests and levels of work. The contract with Raimi + Associates, the GPU consultant, was executed on June 25, 2019. Since then, five amendments have been made to the contract. Budget increases associated with these amendments are shown on page 5 of Attachment 1, Budget Memo.

The first amendment was for assistance with a survey requested by the City Council related to the reimagining public safety efforts. Amendments two through four were related to the California Department of Housing and Community Development (HCD) grants awarded to the project, on which Council received a report at its August 9, 2021 meeting. The fifth amendment was processed in August for a few urgent tasks (5.6, 8.8, and 10.6), as summarized in the September 27, 2021, City Council report. The original agreement and amendments are included as Attachment 2, Amended Agreement.

On September 27, 2021, the City Council considered this sixth budget amendment, and directed that public engagement events be modified to include the following assumptions: (1) in-person versus virtual attendance; (2) the 0.45 floor area ratio (FAR) would remain in single-family residential areas; and (3) sites within the Culver Crest hillside areas, where accessory dwelling units are currently prohibited per the Zoning Code, be removed from the Housing Element sites inventory and Preferred Land Use Map Incremental Infill designation.

On September 16 and 28, 2021, Governor Newsom signed a package of housing bills that affects the GPU's Housing and Land Use Elements. Assembly Bill (AB) 1398 impacts the Housing Element process, and Senate Bills (SB) 9 and 478 impact development standards. Only bills affecting the GPU requiring City Council consideration at this time are included.

DISCUSSION

AB 1398 - Housing Element and Rezoning Timelines

Governor Newsom signed AB 1398 on September 28, which will affect Housing Element rezoning deadlines for all California jurisdictions, including those within the Southern California Association of Governments (SCAG) region. Sixth cycle Housing Elements within the SCAG region are due to HCD by October 15, 2021. Before AB 1398, jurisdictions that did not adopt a Housing Element within 120 days of this date (February 11, 2022) were required to develop a Housing Element every four years instead of eight. AB 1398 has removed the requirement for a four-year Housing Element regardless of when a jurisdiction adopts a Housing Element.

With the enactment of AB 1398, jurisdictions that adopt a compliant Housing Element before February 12, 2022, will still have three years after adoption to complete necessary rezoning (by February 24, 2024). However, jurisdictions that do not have an adopted Housing Element found to be in substantial compliance by HCD by February 11, 2022, must complete all necessary rezoning to implement their Housing Element within one year of the Housing Element due date (by October 15, 2022). Jurisdictions that do not comply, may trigger additional Housing Element review by HCD and potential removal of compliance status or litigation under AB 72.¹ Jurisdictions that adopt more than one year after October 15, 2022 cannot receive Housing Element compliance status from HCD until the rezoning is complete. HCD is currently developing guidelines for AB 1398, and SCAG is monitoring to facilitate discussions regarding Housing Element compliance with HCD.

Before AB 1398, the City Council was polled regarding December 20 and January 24 meeting dates. However, HCD has 60 days to issue a finding, so the City Council would have to adopt the Housing Element before December 12, 2021 to make the February 12, 2022, grace period deadline, assuming HCD would make a finding of significant compliance. Based on the community's input to date, including some requests to slow the process down, and the tight timeline, it may be infeasible and impractical to schedule a special meeting to conduct the adoption hearing before December 12. There has been concern expressed by some community members that the process for examining housing options has been rushed, and quickly conducting hearings on the Housing Element during the holiday period may add to those concerns.

Should City Council decide to move up the adoption hearing and attempt to meet the deadline to avoid the one-year rezone requirement, the following may be considered:

- The November 30, 2021 meeting can be a joint Planning Commission/City Council session, where the Planning Commission can recommend, and City Council can then adopt the Housing Element.
- A special meeting could be scheduled, but a date would have to be selected next week (week of 11/1), as a 21-day public hearing notice would have to go out for publication shortly thereafter. The Housing Element consultant is only available Thursday, December 2, and Friday, December 10, given other prior commitments.

The rezoning process for all impacted property in the City is a time consuming process with requirements for public input and numerous public hearings by Planning Commission and City Council. The City would have to complete the rezone essentially at the same time as the scheduled GPU adoption date, instead of after the GPU adoption as previously planned, which could further complicate and delay the approval process for the GPU. The anticipated GPU adoption is September 2022, and the one-year rezone deadline is October 15, 2022. HCD shared with the consultants that if a city is making diligent efforts towards rezoning with clear and acceptable timelines, they may work with agencies and not decertify Housing Elements; however, the decision to do so is at HCD's discretion, and there are no guarantees the City would not be penalized.

City Council direction is needed to:

- 1. Determine if quickly scheduling a joint meeting on November 30 or a special Council meeting on December 2 or 10 is desirable, or whether the City Council wishes to continue with the current schedule for December 20 or January 24 to allow time for more public input; and**
- 2. If the direction is to continue with the current schedule, then direction is needed on moving forward with retaining consultant services now to do the rezoning task concurrently with the GPU to comply with the State-mandated one-year rezone requirement.**

Preparation of the rezoning maps and implementation of the related zone changes was always an anticipated City cost but the State mandate that it must be done concurrently rather than later is the result of the new one-year rezone requirement. The existing consultant scope of work assumes

rezoning efforts will take place after GPU adoption. Existing Task 10.2 “Zoning Code Assessment Memo + Summary Matrix” includes a code audit memo and matrix to summarize potential regulatory mechanisms to implement the GPU including revisions to the existing Zoning Code, but it does not include the actual rezoning efforts. The GPU consultant provided a ballpark estimate of \$200,000-\$300,000 for a “bare-bones” scope, where City staff would be responsible for all administrative tasks. Should City Council direct, staff can coordinate with the consultants on a strategy, scope, and budget and return to the City Council at a future date for consideration. Funding for this work will require General Fund Reserves.

Current Sixth Amendment

The scope and budget was updated to assume in-person meetings per City Council direction. Certain engagement events like the draft policy open house are still scoped as virtual due to the event format and prior planning in progress. Should the City Council approve the tasks outlined in Attachment 1, it would constitute the sixth amendment to the agreement. The following summarizes the tasks for City Council's consideration, with detailed descriptions in Attachment 1:

Amend Task 2.7: GPAC Meetings would be amended to add three additional meetings: two for Raimi + Associates and one for Nelson\Nygaard. Some GPAC Members have expressed a desire to hold additional meetings, and the City Council agreed to such request after GPAC Vice Chair Mand's public comment at the August 9, 2021, City Council meeting. All meetings are currently assumed to be in person. The cost would be an additional \$17,984.

Remove Task 2.16: Volunteer Communications Network would be removed as City staff has been conducting this work and would continue coordinating with the network without the support of Raimi + Associates. The remaining resources would be reallocated to offset costs for added GPAC meetings. Removing this task would reallocate \$12,800.

New Task 2.17: Neighborhood and Corridor Engagement would be added to include neighborhood and corridor meetings lead by Perkins & Will at Planning Commission and City Council's request to have further engagement discussions around land use. This task was also brought up as a suggestion by some GPAC Members. The cost would be an additional \$37,282.

Optional New Task 2.18: Workshop with Architects/Designers would be added to allow Perkins & Will to facilitate one in-person design charrette workshop with architects/designers to discuss objective design guidelines that address existing scale and context in the potential implementation of Incremental Infill in existing single-family neighborhoods. The cost would be an additional \$10,279.

Amend Task 5.4: Alternatives for Areas of Change has required a significantly higher level of effort than was anticipated in the original scope of work. This additional work has been the result of the development of alternatives, especially added and lengthy public meetings and the iterative feedback and revision process, mostly tied to single-family areas and to address issues of added density and building design in Blair Hills, which had been a concern raised during the GPU and Single Family Home Design Guideline Council discussions. This would require additional consultant time to explore, analyze, and prepare land use alternatives. The cost would be an additional \$18,952, and the added cost for review of the ADU requirements related to Blair Hills would be determined through

this process.

Amend Task 5.6: Select Preferred Direction would allow for the continued coordination of Perkins & Will with City staff to evaluate and prepare additional land use changes anticipated to result from outreach meetings with residents and stakeholders under Task 2.17. This amendment is different from what was approved as a part of the fifth amendment, which was added efforts for Nelson Nygaard. The cost would be an additional \$20,497.

Amend Task 5.7: Specific analysis of Preferred Direction would be added to allow Nelson\Nygaard to conduct a single-occupancy vehicle trip reduction estimation associated with active transportation and emerging mobility investments for the Preferred Direction at the request of City staff. The cost would be an additional \$16,326.

Amend Task 7.6: Public Draft Plan, Housing Element has required a significantly higher level of effort than was anticipated in the original scope of work. This amendment allows for Veronica Tam & Associates' continued coordination with City Staff to accommodate additional Housing Element changes and implementation of the Housing Element Guiding Principles. The cost would be an additional \$7,725.

Amend Task 9.2: City Council, Planning Commission, + Other Updates, and Study Sessions have required a significantly higher level of effort than was anticipated in the original scope of work. This amendment allows for Raimi + Associates to attend up to four additional meetings. All meetings are now assumed to be in person. The cost would be an additional \$23,431.

New Task 10.5: Incremental Infill Standards/Guidelines would be added to allow Perkins & Will to develop guidelines and visualizations at the request of the Planning Commission and City Council. Perkins & Will will develop objective design guidelines that address existing scale and context in the potential implementation of 'Incremental Infill' in existing Single-Family Neighborhoods and has been expanded to incorporate implications of SB 9 with consideration of additional development avenues on R1 sites. SB 9 and 478 address development standards, which required a review of assumptions made in the Incremental Infill designation. Before SB 9, the R1 (single-family residential) zone, in conjunction with the accessory dwelling unit (ADU) ordinance, allowed up to three units. In this context, the concept for the Incremental Infill designation was developed to:

1. Provide flexibility as to how the allowable floor area can be distributed between the units and how the units can be arranged on the site.
2. Allow a fourth unit, provided that this unit was designated as affordable. The total allowable FAR would not change from the base three-unit scenario.

Under Government Code Section 65852.21, SB 9 provides added permissions for R1:

1. Up to two principal units can be approved ministerially or "by-right" without discretionary review or hearing on all R1 lots as long as the project meets specific requirements. Up to two ADUs would also be allowed in addition to the two principal units, provided a lot split is not pursued.
2. R1 sites can be subdivided into two lots, each of which would allow up to two units. The law States that ADUs are not mandated to be allowed in addition to the two units on each new lot.

The passage of SB 9 effectively allows up to four units on most lots, either through two primary units

plus two ADUs or two pairs of primary units on a newly subdivided lot. As four units are now permitted under State law on all R1 lots, subject to meeting objective standards and guidelines without any affordability requirements, the City can no longer require an affordability level on the fourth unit but can instead provide incentives. In addition, the passage of SB 478 now prohibits agencies from imposing an FAR standard of less than 1.0 on a project with three to seven units in multifamily zones. It also prohibits agencies from denying a housing project on an existing legal parcel because the proposed lot area does not meet the agency's requirements for minimum lot size in multifamily zones.

Considering these mandates and the City Council's direction to retain the 0.45 FAR, new Task 10.5 "Incremental Infill Standards/Guidelines" was expanded to incorporate implications of SB 9 in the R1 zone, including the lot split option required under SB 9, guaranteed FAR, and the relationship with the ADU Ordinance. As R1 will be studied per SB 9 for incremental infill, SB 478 would not apply. Perkins & Will will prepare visualizations, diagrams, and other informational material and facilitate up to two meetings with Planning Commission and one with City Council. The cost would be an additional \$95,405.

Amend Task 11.2: Status/Management Meetings have required a significantly higher level of effort than was anticipated in the original scope of work. This amendment allows for the continued coordination of Raimi + Associates and Nelson\Nygaard with City staff. This will also allow for the continued update of the project work plan. The cost would be an additional \$21,573.

Amend Mileage and Travel: A portion of the remaining mileage and travel expenses for Raimi + Associates would be reallocated to offset costs for additional meetings and coordination. The savings would be \$8,000.

New Tactical Urbanism Support: A new expense would be added to allow Self Help Graphics & Art (SHG) to contribute to the tactical urbanism project. SHG fosters the creation and advancement of new artworks by Chicana/o and Latinx artists through experimental and innovative printmaking techniques and other visual art forms. Since 1973, SHG have been at the intersection of arts and social justice, providing a home that fosters the creativity and development of local artists. They will function as teaching artists with Culver City Unified School District (CCUSD) high school art students to develop and install their art projects (stories and street/stencil art), including supplies and materials. SHG will provide student instruction/workshops in partnership with CCUSD art teachers. They will also provide installation services for students' art projects at locations to be determined in consultation with MOVE Culver City. There will be additional, smaller line items for teachers' honoraria and student gift cards (a form of honoraria considered appropriate for students). The cost would be an additional \$27,000.

FISCAL ANALYSIS

All tasks for consideration in this amendment total \$275,654, including optional Task 2.18 and \$265,375 without Task 2.18, as summarized in Attachment 1. Contingency funds were used at different times since the project started in September 2019 through City Council and administrative approvals. After the fifth amendment, \$112,504 of the Contingency Budget remains, partially covering the sixth amendment cost. The \$27,000 for SHG would be covered by the Cultural Affairs Division from the Cultural Trust Fund 413 assuming fiscal year carryover through the Temporary Art account

(41322400.619800 PZ676). The City Council would need to allocate \$136,150, including optional Task 2.18, and \$125,871 without Task 2.18, from General Fund Unassigned Fund Balance to cover the remaining cost if approved. The total GPU contract as of the fifth amendment is \$2,442,348. As of the August 2021 invoice, about 42% of the budget remains. Should the City Council approve this sixth amendment, the total contract would increase by \$163,150 for \$2,605,498, including optional Task 2.18, and by \$152,871 for a total of \$2,595,219 without the Task 2.18, with no Contingency Budget remaining.

	With Optional Task	Without Optional Task
Total Added Services	\$275,654	\$265,375
Contingency Remaining	\$112,504	\$112,504
<i>Remaining costs covered by:</i>		
Cultural Arts Division	\$27,000	\$27,000
General Fund Reserves	\$136,510	\$125,871
Existing Agreement	\$2,442,348	\$2,442,348
Total Added Agreement Cost	\$163,510	\$152,871
Total Contract Cost	\$2,605,498	\$2,595,219

ATTACHMENTS

1. 2021-10-25_Add Services Budget Detail
2. 2021-10-25_Amended Agreement

NOTES

1. AB 72 grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted Housing Element or Housing Element law. This includes failure to implement program actions included in the Housing Element. HCD may revoke Housing Element compliance if the local government's actions do not comply with State law. In addition, HCD may notify the California Office of the Attorney General that the local jurisdiction is in violation of State law for non-compliance with Housing Element law, the Housing Accountability Act, "no net loss law, density bonus law or anti-discrimination law." HCD Website: <https://www.hcd.ca.gov/community-development/accountability-enforcement.shtml>

MOTION

That the City Council:

1. Provide direction on Housing Element adoption and rezoning timing per AB 1398 mandate;
2. Approve an amendment to the existing professional services agreement with Raimi + Associates, modifying the scope of services for the GPU;

3. Approve a related budget amendment allocating \$136,510 from General Fund Unassigned Fund Balance to the project **(four-fifths vote requirement)**;
5. Authorize the City Attorney to review/prepare the necessary documents; and
6. Authorize the City Manager to execute such documents on behalf of the City.