

April 16, 2003

**Honorable Mayor and Members of the
Hermosa Beach City Council**

**Regular Meeting of
April 22, 2003**

SUBJECT: PROPOSED GENERAL PLAN UPDATE

Recommendation:

That the City Council direct staff as deemed appropriate.

Background:

On March 3, 2003, the City Council reviewed the status of the General Plan in joint meeting with the Planning Commission, and expressed interest in a General Plan update for the Land Use, Circulation and Urban Design Elements, subject to the availability of funding. Staff indicated that the General Plan Land Use and Circulation Elements were last updated almost 10 years ago and that the other elements are also obsolete. Most General Plans are considered to be effective for five years, due to significant changes in land use, housing and circulation that occur during this time period. The Council subsequently directed staff to examine various methods and funding sources to update the General Plan.

State law prescribes that each community prepare, adopt and maintain a General Plan for the City's long-term development. The General Plan contains seven mandatory elements including land use, circulation, housing, noise, safety, conservation and open space and may contain other elements as deemed necessary by the local jurisdiction. Many General Plans also incorporate urban design principles to ensure that each public or private project reflects the aesthetic concerns of the City. The goals, policies and objectives of the General Plan must be considered in the project development review and approval process in the City.

Analysis:

Project Options:

Staff has examined the various options for updating the General Plan ranging from simply retyping and reformatting the existing document (prepared incrementally over several years in different word processing programs) to proceeding with a comprehensive update utilizing a planning consultant.

Options One –Retype & Reformatting Existing General Plan

Simply reformatting the General Plan will cost approximately \$5,000 including retyping several hundred pages of text and tables and recreating maps, data bases and graphics and publishing the document. The reformatted document will still contain obsolete land use and circulation information and out-of-date goals, policies and objectives , but the information will be contained in a more presentable document.

Option Two – Comprehensive General Plan Update

A comprehensive General Plan Update utilizing a planning firm can cost up to \$400,000 depending on the extent of the work. The City can significantly reduce the costs by focusing on key elements such as land use and circulation. If an urban design element is prepared design work must be factored into the scope of work and overall costs.

The steps involved in preparing a General Plan Update involve:

1. Review the City's General Plan status.
2. Establish a scope of work and budget for the update and environmental documents.
3. Prepare and issuing an RFP reflecting the project scope of work.
4. Select a proposal and consultant team.
5. Establish a citizen participation program and/or citizen committee for input and review.
6. Data collection and technical studies per element(s) and related public comment.
7. Data analysis and public comment.
8. Preparation of a draft plan and draft EIR.
9. Draft plan and draft EIR circulation and comments.
10. Planning Commission draft plan and draft EIR hearing
11. Final plan and final EIR preparation.
12. Final plan approval and EIR certification.

The Planning Commission has also expressed interest in involving the public at the earliest stages of the process to participate in drafting the RFP in order to provide direction and to reduce time and eliminate unnecessary work on the document.

Funding Options:

There are three potential sources of funds for the project; Use of General Fund revenue; Raising revenue from increases in building permits to cover the cost; Use of CDBG funds to incrementally cover costs or sale of CDBG funds to cover costs.

Funding Option One -- Increase of building permit fees.

General building permit fees can be increased 20% to cover the cost of the project. Using building permit revenue to update the General Plan is permissible since all projects must conform to the General Plan. The advantage of this option is that building activity is relatively high and the City can set aside a percentage of increased revenue over four to five years to fully cover the cost. The disadvantage is that building permit fees have already been increased this year. In addition it will take four to five years to accrue the funds necessary to cover the costs and work on the General Plan cannot commence until the project funds have been accumulated.

Funding Option Two: --Utilize a percentage of CDBG funding on an annual basis.

Section 570.205 of Community Development Block Grant Regulations permit CDBG funding to be used for "comprehensive plan preparation". The advantage of this option is that federal funding can be used to supplement general funds for the project. The disadvantage is that only 10% of the City's CDBG allocation can be used each year which contributes only \$11,600 per year to cover the cost. Alternately, the City can sell the total annual CDBG allocation at the rate of \$.65 on the dollar to a city interest in supplementing its CDBG programs. Approximately

\$75,470 per year can be obtained in this manner and these funds can be allocated to fully cover the cost over a three to four years period without restrictions on the percentage of funds utilized.

Funding Option Three -- Utilize General Fund Revenue

The City can allocate funds from the General Fund to fully or partially cover the cost of the project. The advantage of this is that the City can quickly commence with the project. The disadvantage is the project cost is large and the budget already has all funding committed for projects and programming for the next fiscal year.

In summary, staff believes that simply reformatting the current General Plan is a waste of time and resources and that if the City Council wants to pursue a General Plan Update, it should make a commitment to fully fund the project utilizing one of the funding methods described above and obtain a qualified consultant to prepare it through the RFP process.

Sol Blumenfeld, Director
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GPCityCouncil