

May 1, 2007

Honorable Mayor and Members of the
Hermosa Beach City Council

Regular Meeting
May 8, 2007

SUBJECT: AGREEMENT FOR CONSULTING SERVICES - TO PREPARE THE HOUSING ELEMENT
UPDATE TO THE GENERAL PLAN

Recommendation:

That the City Council select the firm of Conexus to prepare the Housing Element Update and direct the City Manager to execute the agreement for services.

Background:

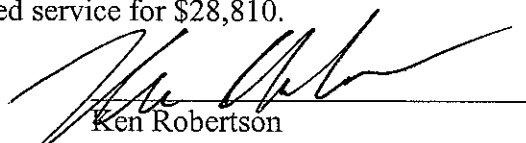
Pursuant to State mandate, each local jurisdiction must update the Housing Element of the General Plan approximately every five years. As part of this update, the City must plan for its fair share of housing replacement and growth based upon projections provided by the State through a process called the Regional Housing Needs Assessment (RHNA). The RHNA process administered by the Southern California Association of Governments is near completion and the City of Hermosa Beach is tentatively being allocated 562 units of total construction need for the years between 2005 and 2014.

The Housing Element Update must incorporate goals, policies and programs to implement the housing allocation prescribed under RHNA. The Housing Element Update is intended to coordinate local housing development with infrastructure needs and anticipated growth in the State over the next 7 years. The draft document must be submitted to the State for review by July 2008. The City last updated the Housing Element in 2002, and the Housing Element was certified by the State Department of Housing and Community Development.

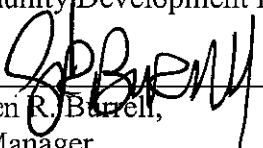
Analysis:

On January 23, 2007 a Request for Proposal was issued to 27 consulting firms. One response was received from Conexus. Conexus has significant experience preparing Housing Elements and Updates for various cities in California. The scope of work is outlined in the RFP and generally involves collecting data on housing needs and conditions, preparing an inventory of resources and constraints in meeting these needs, reviewing the City's current Housing Element and other relevant General Plan Elements, programs to meet RHNA allocations, obtaining Planning Commission and City Council direction on the draft Update, conducting public hearings and workshops for public input and submittal of the draft document to the State.

Conexus has proposed to provide the requested service for \$28,810.


Ken Robertson
Senior Planner


Sol Blumenfeld, Director
Community Development Department


Stephen R. Burrell,
City Manager

Attachments

1. RFP
2. Proposal



City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, California 90254-3884

January 23, 2007

«Company»

«Address»

«City»

RE: Request for Proposals and Statements of Qualifications for the City of Hermosa Beach
General Plan Housing Element Update

The City of Hermosa Beach is requesting written proposals and statements of qualifications for professional planning services from qualified consultants and firms to prepare an update of its General Plan Housing Element. The City anticipates receiving its final RHNA allocation numbers by spring, 2007, and the Housing Element needs to be completed by the end of 2007 for submittal to the State Department of Housing and Community Development, Housing Division, (hereafter referred to as HCD) in 2008. The previously approved Housing Element was last revised and certified by the State in 2002. Copies of the City's current Housing Element can be obtained from the Community Development Department. The objectives of the project include:

- Timely submission of a Housing Element Update to HCD, and certification by HCD.
- Conformance with all requirements of the California Government Code Article 10.6 (Housing Element Law)
- Consistency with the City's General Plan's Subdivision Ordinance and Zone Code.

Background

The City of Hermosa Beach is located in the South Bay sub-region of Los Angeles County and is 1.3 square miles in size. It is bounded by the City of Manhattan Beach to the north, the City of Redondo Beach to the east and south, and the Pacific Ocean to the west. The City has approximately 9,600 dwelling units and a population of 18,200.

Scope of Services

Under the overall project management of the Community Development Director, the selected consultant shall provide the following services:

1. Preparation and mailing of public hearing and workshop notices.
2. Publication of ad in the newspaper and notification of agencies and surrounding cities.
3. Preparation of staff reports and exhibits for the Planning Commission, City Council and workshops.
4. Preparation of preliminary drafts and final draft Updated Housing Element.
5. Preparation of addendum and revisions to draft documents both in response to the City input and comments from HCD, including the tracking of said revisions.

6. Preparation and mailing of environmental documents (Initial Study, Negative Declaration or Mitigated Negative Declaration, Responses to draft Initial Study comments, Notices of Declaration/Fish and Game Exemption).
7. Attendance and participation at City staff meetings, Planning Commission, City Council and ad hoc committee meetings, public hearings, and workshops.
8. Preparation of miscellaneous letters, memos or other documents as required by City staff.
9. Coordination with City staff and HCD staff as necessary.

Deliverables

All documents, notices, labels and maps mentioned above in the "Scope of Services" section. In addition, all written documents (notices, reports, housing element update, etc.) shall be prepared and completed in Microsoft Word format and/or Excel format for land use or housing data. Regular updates of the documents shall be provided to City staff as drafts are revised and finalized. Furthermore, the consultant shall provide a project schedule that shows the anticipated time frame for completing each task. The City anticipates a nine to twelve month schedule, with the Housing Element Update submitted to HCD in a timely manner.

Proposal and Statement of Qualifications

The proposal shall include the following information:

1. Name, address, telephone number, facsimile number, and e-mail address of the firm.
2. List of cities where the consultant has prepared a Housing Element or Housing Element Update indicating which have been certified by the State. Provide the names and telephone numbers of contacts at each City.
3. The names and telephone numbers of the consultant's project team, including the name of the project manager, and the sub-consultants to be retained by the consultant. Submit the resumes of all personnel (including sub-consultants) to be involved with the project and their specific experiences relative to the preparation of housing elements and environmental documents. The consultant shall also submit an organization chart that shows the reporting relationships of all involved personnel.
4. Consultant's understanding of the project and a description of how the consultant will approach the project.
5. Consultant's knowledge of Government Code Article 10.6 (Housing Element Law), specifically those sections referring to Housing Element updates and revisions. Explain how you would apply this statute to the City of Hermosa Beach, taking into consideration the specific goals, policies and standards of this community.
6. Scope of Services to be provided with a breakdown of tasks and timing to complete the project and a detailed description of the methods of information gathering and analysis to be used in preparing the Housing Element to meet the City's objectives. Also, indicate which members of the project team will be responsible for the various task(s) and attendance at meetings. The submittal should also provide a detailed description of any requested material needed from the City.
7. Consultant's estimated fee for the project, with a not-to-exceed amount. The cost estimates shall reflect detailed projected man hours per the Scope of Services to be provided, including the cost for attendance at meetings, mileage, and projected reproduction costs. This should be

8. accompanied by a list of the hourly rates for each member of the project team, including clerical, and expected subcontractor rates. Cost estimates shall also include contingencies.
9. Proposed work program to complete the project.
10. A statement that consultant agrees to execute the enclosed City-Consultant agreement and to provide proof of insurance as required.

Selection Criteria

The following factors will be evaluated by the City during the selection process:

- The degree to which the proposal achieves the objectives for the project.
- The qualifications and experience of the lead consultant and subcontractors.
- The consultant's ability to successfully carry out the project.
- The consultants understanding of City and South Bay area housing issues.
- Cost
- Compliance with California Government Code Housing Element Law (and other applicable laws).
- Completeness relative to submittal requirements.

Selection Process

All complete proposals received prior to the submission deadline will be reviewed for consideration and interview. A final recommendation for the selection of consultant and contract award will be made to the City Council.

Submittal

An original and two (2) copies of your proposal (facsimile copies of the proposals will not be accepted) should be submitted to:

City of Hermosa Beach
Community Development Department
1315 Valley Drive
Hermosa Beach, CA90254-3885
Attention: Director

Submittals must be received by: **5:30 P.M. on Monday, February 22, 2007**

Should you need further information, please contact Ken Robertson, Senior Planner, at (310) 318-0242 or via email at krobertson@hermosabch.org.

Sincerely,

Sol Blumenfeld

Sol Blumenfeld, Director
Community Development Department

<p>Anderson Development Company PO Box 83746 Los Angeles CA 90083 Michael Anderson</p>	<p>Behnisch, Benisch & Partner 1517 Park Row Venice CA 90291 Christof Jantzen</p>
<p>Brown/Meshul, Inc. 11835 W. Olympic Blvd. Los Angeles CA 90064-5001 Mark Brown</p>	<p>Civic Solutions, Inc. 31726 Rancho Viejo Road San Juan Capistrano CA 92675 Elizabeth Crowe</p>
<p>Cotton Bridges Associates 800 East Colorado Blvd Pasadena CA 91101-2103 Laura Stetson</p>	<p>Craig Lawson & Co., LLC 8758 Venice Blvd Los Angeles CA 90034 Craig Lawson</p>
<p>D&J Municipal Services, Inc. 21680 Gateway Center Drive Diamond Bar CA 91765 Daniel Alcayaga</p>	<p>EIP Associates 12301 Wilshire Blvd Los Angeles CA 90025 Terri Vitar</p>
<p>Garcia, McCoy & Lee Consulting Group 500 North Brand Blvd Glendale CA 91203 Jonathan Lonner</p>	<p>Gruen Associates 6330 San Vicente Blvd Los Angeles CA 91748 Elaine Carbrey</p>
<p>Huart Planning & Design Consultants PO Box 2325 Avalon CA 90704-2325 Eric Huart</p>	<p>ICF International, Inc. 28202 Cabot Road Laguna Niguel CA 92677 Scott Broten</p>
<p>Karen Warner Associates 882 N. Holliston Avenue Pasadena CA 91104 Karen Warner</p>	<p>Kendall Planning & Design 2502 California Avenue Santa Monica CA 90403 Alison Kendall</p>

OJMR Architects 501 S. Fairfax Avenue Los Angeles CA 90036 Jay Reynolds	Rios Clementi Hale Studios 6824 Melrose Avenue Los Angeles CA 90038 Mark Rios
Sapphos Environmental, Inc. 133 Martin Alley Pasadena CA 91105 Dev Vrat	Shawna Brekke-Read, City Planner 3909 Atlas Avenue Oakland CA 94619 Shawna Brekke-Read
Shubin & Donaldson Architects, Inc. 3834 Willat Avenue Culver City CA 90232 Russell Shubin	Syzygy Planning & Design 19134 San Jose Avenue City of Industry CA 91748 Dino Juloya
The Keith Companies, Inc. 22690 Cactus Avenue CA 92553-9024 Keith Butler	The Planning Center 1580 Metro Drive Costa Mesa CA 92626 Pamela Fahy
Urban Planning & Design 422 Gerona Avenue San Gabriel CA 91775 Colleen Doan	URS Corporation 911 Wilshire Blvd Los Angeles CA 90017 Frank Wein
Veronica Tam and Associates 46 Alta Street Arcadia CA 91006 Veronica Tam	Weston, Benshoof, Rochefort, Rubalcava, and MacCuish LLP 333 South Hope Street Los Angeles CA 90071 Linda Bernhardt
Willdan 13191 Crossroads Parkway North Industry CA 91746-3497 Al Warot	

**Proposal to Provide Consulting Services
for the
City of Hermosa Beach
Housing Element Update**

Submitted to: City of Hermosa Beach
Community Development Department
1315 Valley Drive
Hermosa Beach, CA 90254-3885
Attn: Sol Blumenfeld, Director

Submitted by: CONEXUS
13142 Rosalind Drive
North Tustin, CA 92705
Contact: John Douglas, AICP
Phone: 714-628-0464
Conexus.JHD@ca.rr.com

February 26, 2007

RECEIVED

FEB 26 2007

COMMUNITY DEV. DEPT.

RECEIVED

FEB 26 2007

COMMUNITY DEV. DEPT.

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2. Summary of Recent Housing Element Legislation
3. Common Housing Element Questions and Answers

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**A. Project
Understanding and
Approach**

Among the 187 cities and 6 counties in the SCAG region, there is a considerable variety of circumstances, from fast growing fringe areas such as northern Los Angeles County and the Inland Empire, to stable, built-out areas with no room to grow. Hermosa Beach lies at the latter extreme of this spectrum – the city's population grew by less than 900 persons from 2000 to 2006, but the housing stock actually decreased by 2 units during that period¹. This apparent inconsistency was due to a slight increase in the average household size from 1.95 to 2.04 persons per unit. There is virtually no vacant land in the city other than parks and school fields.

SCAG recently released its Draft Regional Housing Needs Assessment, which provides new housing needs for each jurisdiction in the region. Despite its lack of vacant land, Hermosa Beach received a preliminary need of 562 units, presumably based on an assumption of residential demolitions and construction of new replacement units at higher density, or conversion of non-residential uses to residential or mixed use. How jurisdictions accommodate their "fair share" housing needs is one of the most important components of the Housing Element process, and is often the key to obtaining "certification" from the state Department of Housing and Community Development (HCD).

We expect this to be the most significant issue to be resolved with the Housing Element update. The critical factor is the City's inventory of sites for new housing, and whether this inventory can accommodate the RHNA need, particularly for the very-low and low-income categories. The state has established a "default density" for metropolitan jurisdictions of at least 30 dwelling units per acre to facilitate the production of lower-cost housing. Since the Hermosa Beach Zoning Code allows up to 33 units per acre in the R-3 and R-P districts, the City should be able to demonstrate compliance with this standard. The question then will be whether there are sufficient

¹ Source: California Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, 2001-2006

sites with this zoning to accommodate the 240 VL/L units included in the RHNA. An analysis of the City's land inventory will be conducted as part of the update, and if sufficient capacity cannot be identified, then policy options will be considered. Such options could include up-zoning to R-3/R-P, rezoning from non-residential to residential or mixed use, or creation of an overlay zone. Under new state law², if the Housing Element does not demonstrate adequate sites to accommodate the RHNA for VL and Low income categories, a jurisdiction must adopt a program that provides sufficient sites and allows multi-family development on such sites "by right". A brief summary of other recent changes to Housing Element law is provided in Appendix 2.

Mr. Douglas has worked extensively with management and staff at state HCD over the past 25 years in resolving Housing Element issues to help cities and counties obtain certification. Appendix 3 contains several common questions regarding new Housing Element law along with answers and explanations developed through several recent conversations with HCD staff.

HCD References

Linda Wheaton, Deputy Director (916) 327-2642
Melinda Coy (916) 445-5307

² AB 2348 of 2004 (Govt. Code Sec. 65583.2[h])

B. Experience and Qualifications

CONEXUS is an urban and environmental planning consulting firm founded and co-owned by Marie E. Gilliam, AICP and John H. Douglas, AICP. Marie and John formed the firm in 2004 after working together for many years in both the public and private sectors. Marie and John each bring more than 30 years of diverse planning experience to the firm, which has afforded them a broad and in-depth knowledge in the areas of land use planning and analysis, environmental planning and CEQA documentation, housing policy and implementation, demographic and market analysis, development feasibility analysis, entitlement processing, economic development, public participation and conflict resolution.

**John Douglas, AICP
Principal**

John Douglas, AICP is partner and co-founder of CONEXUS. His areas of practice include land use and environmental planning, housing policy, economic development, conflict resolution and public participation. He has 32 years experience in the planning field, including 15 years in local public agency management. John was formerly Chief of Advance Planning for the County of Orange and Principal Planner/Environmental Coordinator for the City of Newport Beach. Prior to forming CONEXUS, John was Director of Planning for Civic Solutions, Inc. and Senior Consultant with The Planning Center where he supervised Housing Element preparation from 1998 to 2001. He has extensive experience working with governmental agencies and the public on land use, housing and environmental issues. John is also an experienced meeting facilitator and has worked with numerous committees and groups to develop consensus on complex and controversial issues involving land use, environmental planning, and affordable housing. He is a lecturer in the Graduate Program in Urban and Regional Planning at the University of California, Irvine and a state-certified mediator.

Mr. Douglas will serve as Project Manager and primary author of all Housing Element and CEQA documents.

**John Cuykendall
Senior Associate**

John Cuykendall is Senior Associate with CONEXUS. Mr. Cuykendall has over 13 years professional

planning experience in both the public and private sectors. His responsibilities have included managing highly complex projects, including management and preparation of housing elements, CEQA documents, grant writing, general plan studies, specific plans, zoning ordinances, and discretionary case processing. John's background in local government has provided him with a broad understanding of the practical aspects of land use planning, policy development and implementation. Prior to joining CONEXUS, John was Senior Project Manager with Civic Solutions, Inc. and Project Manager for the County of Santa Barbara's Planning and Development Department. Mr. Cuykendall was the project manager responsible for the 2003 update to the Santa Barbara County Housing Element. A strategic plan was developed to address housing need, particularly for the local workforce, and is now being implemented in the Action Phase.

Mr. Cuykendall will assist in data collection, analysis, and preparation of portions of the Housing Element update.

Victoria Basolo, Ph.D.
Senior Advisor

Victoria Basolo, Ph.D is Associate Professor of Urban and Regional Planning at the University of California, Irvine and Senior Advisor to CONEXUS. Dr. Basolo's research includes individual and collective decision making about housing and economic/community development. She is particularly interested in the formulation and implementation of housing and economic/community development policies within the context of intergovernmental relations. She has also worked as a public agency staff planner for city and county housing and redevelopment agencies. She holds a Master of Urban and Regional Planning from Cal Poly Pomona and a Ph.D. in City and Regional Planning from the University of North Carolina, Chapel Hill.

**Representative Housing
Element Experience**

Mr. Douglas has managed or participated in approximately 20 Housing Element projects since 1981 as both planning department staff and as a consultant. From 1977 to 1981 he worked as a real estate market analyst for Great Western Savings,

and conducted housing development feasibility studies throughout California. Notable examples of his accomplishments are described below.

- ☞ **Santa Barbara County Housing Element and Action Phase** – Mr. Cuykendall was Project Manager for the Santa Barbara County Housing Element update, and Mr. Douglas is currently assisting the County with its Housing Element Action Phase. Responsibilities include facilitating public workshops and hearings, serving as Environmental Coordinator to oversee the EIR process to evaluate proposed implementation policies and affordable housing candidate sites, and advising County staff on Housing Element requirements. The element has received conditional certification. (Contact: David Matson, Project Manager 805-568-2068)
- ☞ **City of Upland Housing Element Update** – Mr. Douglas was Project Manager and principal author of the City of Upland's 2000 Housing Element update. As part of this effort he facilitated a series of workshops with a Technical Advisory Committee to develop policy recommendations and implementation programs. The element was certified by HCD. (Contact: Sylvia Scharf, Planning Manager 909-931-4140)
- ☞ **Nevada County Housing Element Update** – Mr. Douglas assisted Nevada County in preparing its 2003 Housing Element and serve as advisor to County staff for the update. The element was certified by HCD. (Contact: Mark Tomich, Planning Director 714-966-9220)
- ☞ **Orange County Housing Element Update** – Mr. Douglas managed the 2000 Housing Element update and served as lead facilitator for a series of meetings with an advisory committee comprised of major landowners, builders, housing advocates, environmentalists and business groups. The element received certification by the state Department of Housing and Community Development. He subsequently was retained by the County to develop affordable housing implementation guidelines for infill locations. The element was certified by HCD. (Contact: Ron Tippetts, Project Manager 714-834-5394)

- ☞ **Riverside County Integrated Project** – The RCIP is a nationally-recognized model for comprehensive planning that involves an integrated approach to land use, habitat conservation and transportation planning. Riverside County is the second largest county in California with a land area similar to the state of New Jersey. Mr. Douglas served as a senior advisor to the General Plan team and project manager for the Housing Element effort. As part of this project he facilitated over 20 workshops with a Technical Advisory Committee, stakeholders and the general public, and was principal author of the element. The element was certified by HCD. (Contact: Jerry Jolliffe, Administrative Manager 909-955-3161)

In addition to these projects, Mr. Douglas supervised the preparation of Housing Elements for the following jurisdictions.

- City of Chula Vista
- City of Dana Point
- City of Fontana
- City of Fountain Valley
- City of Industry
- City of La Quinta
- City of Lake Elsinore
- City of Palm Springs
- City of Perris
- City of Santa Ana
- City of Stanton
- City of Tustin
- City of Westminster
- County of San Bernardino

C. Scope of Work

The following section outlines the specific tasks to be accomplished.

**Task 1
Project Initiation**

Following authorization to proceed, the first step will be to meet with City staff to review the work program and make any necessary refinements. Data needs and the respective responsibilities of City staff and the consultant team will be clarified. It is assumed that the City will provide us with an electronic data file of the current Housing Element and related documents upon commencement of the project.

Products

- ♦ 1 kick-off meeting with City staff (on-site)
- ♦ Refined work program (as appropriate)

**Task 2
Public Participation
Program**

State Housing Element law³ requires a proactive effort to involve interested persons and groups in the preparation of Housing Elements. We believe that including the public and decision-makers in the development of housing policies and programs from the beginning will enhance the likelihood that the final product will receive broad support, and thereby maximize the chances of successful implementation. Although the Housing Element was adopted only a few years ago, several noteworthy changes to state law have occurred since that time (see Appendix 2), which could affect the City's policies and programs.

This scope of work assumes that a public notification list will be prepared in consultation with City staff, and that notices will be mailed at the outset of the process and prior to each public workshop or hearing. The following public participation activities are anticipated. As part of Task 1, these activities will be confirmed or refined with City staff. If desired, additional workshops or meetings can be included on a time-and-materials basis.

³ Cal.Govt. Code Sec. 65583(C)(6)

*Housing Element
Interest List and Notice*

CONEXUS will prepare a 1-page informational notice of the pending Housing Element update to be mailed to the City's interest list. The notice will describe the anticipated process, schedule and opportunities for public involvement. The mailing list will be prepared by CONEXUS based on the City's existing public notice list. A copy of this notice and distribution list will be included in an Appendix to the Housing Element describing public participation activities.

Products

- ♦ Preparation of the Housing Element Interest List
- ♦ Preparation and mailing of 1 Housing Element update notice

*Introductory Joint
Planning Commission/
City Council
Study Session*

CONEXUS will conduct an introductory study session with the Planning Commission, City Council and staff to review the existing Housing Element, current legal requirements, and anticipated issues in the update process. A powerpoint slide presentation will be prepared to illustrate key points, and may be posted on the City's website for public information.

Products

- ♦ Participation in 1 Joint Planning Commission/City Council study session, including slide presentation
- ♦ Preparation and distribution of public notice and newspaper notice

*Planning Commission
and City Council
Hearings*

Upon completion of the Preliminary Draft Housing Element, public hearings will be held by the Planning Commission and City Council. Following Council approval, the draft element will be submitted to State HCD for review as required by state law. If substantive changes to the draft element are required in response to HCD comments, additional public hearings may be necessary prior to final adoption of the Housing Element. CONEXUS will prepare draft public notices, newspaper notices, staff reports, resolutions and ordinances for City review.

Products

- ♦ 1 Planning Commission public hearing (prior to HCD submittal)
- ♦ 2 City Council public hearings (1 prior to HCD submittal and 1 adoption hearing following HCD review)
- ♦ Draft staff reports, resolutions and ordinances (1 electronic file for each)
- ♦ Preparation and distribution of required public notices and newspaper notices

(If requested by the City, the Project Manager will attend additional hearings on a time-and-materials basis.)

Task 3
Technical Data
Collection and Analysis

The data collection and analysis effort will include all of the items required by California Government Code Section 65583(a) and Department of Housing and Community Development guidelines, and includes:

- ☞ Analysis of population and employment trends and existing and projected housing needs for all income levels.
- ☞ Analysis of household characteristics including level of payment compared to ability to pay, and housing characteristics, including overcrowding and housing stock conditions.
- ☞ Analysis of special housing needs.
- ☞ Land inventory/site analysis and an evaluation of the relationship of zoning and public facilities to serve these sites.
- ☞ Analysis of governmental and non-governmental constraints.
- ☞ Analysis of opportunities for energy conservation.
- ☞ Analysis of "at-risk" assisted housing developments.
- ☞ Evaluation of the appropriateness and

effectiveness of the City's current housing policies and programs, and progress in implementation.

On the basis of the foregoing analysis, Conexus will update the relevant portions of the Housing Element as appropriate. The findings from this analysis will play a major role in framing policy issues. Based on our discussions with City staff and review of SCAG's Draft RHNA, we anticipate a key issue to be the affordability of in-fill and replacement housing. Over 40% of the City's RHNA allocation of 562 new housing units is assigned to the Very Low and Low income categories, which is extremely challenging, especially in coastal communities.

It is assumed that City staff will provide the information needed to prepare the analysis of progress in implementing the current Housing Element. This information would include building permits/occupancy permits by type (i.e., single-family, condo, multi-family, mixed use projects, second units), demolitions, units rehabilitated or preserved, relevant General Plan or code amendments, etc. Upon commencement of the project, CONEXUS will provide the City with a list of data needs and a template to use in compiling this information.

Products

- ♦ Data and analysis for inclusion in the Draft Housing Element

Task 4 Draft Housing Element Preparation

A preliminary draft Housing Element will be prepared incorporating the technical data and analysis from the previous task, as well as updated goals, policies, quantified objectives, and implementation programs describing the City's housing strategy for the 2008 – 2014 planning period. Policies and programs will be based on the review of the City's progress in implementing the current element and where appropriate, refinements will be recommended. The preliminary draft element will be submitted to the City for review, and revisions will be made based on City comments. It is assumed that all City

comments will be consolidated into one package, and one round of revisions is budgeted. A Public Review Draft Housing Element will then be prepared incorporating City comments.

A consistency evaluation of any new or revised Housing Element policies will be conducted to identify any areas where the draft element would conflict with other portions of the General Plan, the Zoning Ordinance or Subdivision Code. (It is assumed that the current Housing Element is consistent with these codes and other elements of the General Plan, and the consistency evaluation will be limited to policy changes contained in the new Housing Element.) A consistency matrix will be prepared summarizing the results of the consistency analysis.

Following review by HCD (see Task 6), a proposed final Housing Element will be prepared for adoption by the City Council.

Products

- ♦ Preliminary Draft Housing Element (1 hard copy + electronic file)
- ♦ Draft Housing Element (1 hard copy + electronic file)
- ♦ Consistency evaluation matrix
- ♦ Final Housing Element (1 hard copy + electronic file)

Task 5 CEQA Documentation

CONEXUS will prepare an Initial Study for the Draft Housing Element in compliance with the California Environmental Quality Act. A Preliminary IS/ND will be submitted to City staff for review, and a Public Review Draft IS/ND will be prepared incorporating staff comments. One round of review and revisions is budgeted. It is assumed that the Initial Study will support the preparation of a Negative Declaration. If the Initial Study finds that significant impacts could occur, an EIR would be required and a revision to this scope and budget will be negotiated.

CONEXUS will distribute the Public Review IS/ND for public comment, and after the close of the comment period we will prepare draft responses

to comments for City review. Final responses to comments and revisions to the IS/ND (if necessary) will then be prepared incorporating staff comments.

The budget assumes that CONEXUS will handle distribution and filing of the IS/ND and Notice of Determination with the appropriate agencies and interested parties and the City will be responsible for any filing fees.

(Note: Recent changes in state law may limit the City's ability to conduct CEQA review of "by right" multi-family housing approvals on sites that are rezoned to accommodate the VL/L needs identified in the RHNA. As a result, "project-level" CEQA review may be required for Housing Element implementation actions. This proposal assumes CEQA review of the Housing Element only – if subsequent CEQA documentation is required for implementation actions, it can be provided as an additional product with a supplemental budget.)

Products

- ♦ Preliminary Draft Initial Study/Negative Declaration (1 copy + electronic file)
- ♦ Public Review Draft Initial Study/Negative Declaration (25 copies + electronic file)
- ♦ Notice of Availability of the IS/ND
- ♦ Preliminary Responses to Comments (1 copy + electronic file)
- ♦ Final Responses to Comments (1 copy)
- ♦ Final Adopted IS/ND (1 copy + electronic file)

Task 6 Coordination With State HCD

After the draft Housing Element is approved by the City Council it will be submitted to the California Department of Housing and Community Development (HCD) for review. HCD's comments will be analyzed, and CONEXUS will work with the City to revise the element, if necessary, to address the state's concerns. Our experience preparing Housing Elements in many other jurisdictions over the past 25 years has provided us with a good working relationship with HCD's senior staff and a thorough understanding of what is required in

order to receive Housing Element certification. Appendix 3 contains insights gleaned from Mr. Douglas's recent conversations with HCD staff regarding their interpretation of recent changes to state Housing Element law. The budget assumes a total of 20 hours for this task. If HCD comments are extensive and require a higher level of effort, the additional work will be done on a time-and-materials basis.

Products

- ♦ 1 on-site meeting to review HCD comments with City staff
- ♦ 2 conference calls with HCD
- ♦ Housing Element revisions

Task 7 Project Management

The CONEXUS Project Manager will maintain regular contact with City staff to ensure a smooth working relationship and successful completion of the project. It is assumed that most coordination will occur via telephone and e-mail. Two on-site meetings are budgeted as described in Tasks 1 and 6.

Products

- ♦ Regular informal progress reports with City staff via telephone and/or e-mail
- ♦ One on-site kickoff meeting with City staff (Task 1)
- ♦ One on-site meeting to review HCD comments (Task 6)

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D. Schedule

The following schedule is anticipated for the Housing Element update. Under state law, the next Housing Element revision must be adopted no later than June 30, 2008.

April 2007	Commence work
April-July 2007	Data collection and analysis
June 2007	Final RHNA adopted by SCAG
July-October 2007	Prepare Preliminary Draft Housing Element
September 2007	Planning Commission/City Council study session
October 2007	Submit Preliminary Draft Element to staff for review
October-November 2007	Staff review and revisions
November 2007	Planning Commission hearing
December 2007	City Council hearing - authorization to submit Draft Housing Element to HCD
December 2007	Publish IS/ND for 30-day public review
December 2007	Submit Draft Element to HCD (60-day review)
February 2008	HCD comments due
February-April 2008	Prepare revisions per HCD comments
May 2008	City Council review/adoption of Housing Element
May 2008	Submit adopted element to HCD

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E. Proposed Budget

Task	Description	JD	JC	WP	Total Hours	TOTAL COST
1	Project Initiation	8	4		12	\$1,320
2	Public Participation					
	-Interest list & notice	1	4		5	\$480
	-PC/CC Study Session presentation	8			8	\$960
	-PC and Council Public Hearings (3)	24			24	\$2,880
	-Staff reports/resolutions/public notices	24			24	\$2,880
3	Data Collection and Analysis	10	40		50	\$4,800
4	Housing Element Preparation	32	32	12	76	\$7,320
	-Consistency Evaluation	4	4		8	\$840
5	CEQA Documentation	2	16		18	\$1,680
6	Coordination with State HCD	20			20	\$2,400
7	Project Management	20			20	\$2,400
Total Labor		153	100	12	265	\$27,960
Hourly Rate		120	90	50		
Reimbursable Expenses		(See table below)				\$850
GRAND TOTAL BUDGET						\$28,810

JD = John Douglas, Project Manager

JC = John Cuykendall, Sr. Associate

WP = Word Processing

Estimated Reimbursable Expenses	
Travel/mileage	\$250
Printing/graphics	\$500
Postage/deliveries	\$100
Total	\$850

NOTE: This budget is an estimate based on the assumptions outlined in the scope of work and is subject to refinement in consultation with City staff.
Reimbursable expenses are estimated based on the anticipated level of effort, and the City will only be billed for actual costs incurred.

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APPENDIX 1

RESUMES

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John H. Douglas, AICP
Principal

Qualifications Mr. Douglas has over 32 years experience in the planning field, including 15 years of management-level positions in city and county planning agencies. John manages the firm's practice in general plans, housing elements, CEQA/NEPA documents, demographic analysis, public outreach programs and conflict resolution. Prior to forming CONEXUS, he was Director of Planning for Civic Solutions, Inc. (2001-2004) and senior consultant with The Planning Center where he supervised Housing Element projects from 1998-2001. From 1991-1998 John served as Principal Planner for the City of Newport Beach where his duties included advance planning, economic development, annexations, CDBG administration, managing the entitlement and CEQA review process, and coordination with the California Coastal Commission on permitting issues. From 1981-1991 he was employed at the Orange County Environmental Management Agency where he supervised staff in the areas of advance planning, demographic forecasting, housing, CEQA compliance and entitlement processing. From 1977-1981 he was a housing market analyst for a private consulting firm. His planning experience began in 1974 with the City of Fresno.

Highlights of Experience John's extensive background in local government has given him a broad understanding of the practical aspects of planning. He has managed numerous General Plan projects, Housing Elements, zoning code amendments, EIRs, and entitlement processes for both private and public projects. His special area of expertise is public outreach, meeting facilitation and consensus building strategies, and he holds a certificate in Conflict Management from the University of California, Irvine. He is a state-certified mediator and has considerable experience in working with groups and committees to find common ground on complex and controversial issues. He is a lecturer in the graduate program in Urban and Regional Planning at the University of California, Irvine and a frequent speaker at professional conferences on techniques for effective public participation and conflict management.

Education

- B.A., University of California, Los Angeles, Geography
- Graduate Studies, San Diego State University, City Planning
- Certificate in Alternative Dispute Resolution, UCI

Professional Affiliations

- Lecturer, Graduate Program in Urban & Regional Planning, UCI
- American Institute of Certified Planners
- Charter Member, American Planning Association
- Southern California Mediation Association

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John T. Cuykendall
Senior Associate

Qualifications John Cuykendall is a Senior Associate with CONEXUS. Mr. Cuykendall has over 13 years professional planning experience in both the public and private sectors. He has extensive experience managing highly complex and complicated projects, including management and preparation of CEQA documents, grant writing, general plan studies, specific plans, zoning ordinances, discretionary case processing, and land use planning and housing policy development. Prior to joining CONEXUS, Mr. Cuykendall was Senior Project Manager with Civic Solutions, Inc. and Project Manager for the County of Santa Barbara's Planning and Development Department.

Highlights of Experience

- ♦ **City of Orange, East Orange EIR**

As project manager for the City of Orange, responsible for managing the preparation of an environmental impact report for a 7,000-acre, 4,100-unit residential development project located in the City of Orange Sphere of Influence. Responsibilities included overseeing processing of tentative tract maps associated with the project. Required close coordination with applicant, City staff, and over 20 separate consultants working on the project as well as community representatives.

- ♦ **Orcutt Community Plan, County of Santa Barbara, CA**

Mr. Cuykendall was the project manager responsible for amending and implementing the Orcutt Community Plan for the unincorporated area of Orcutt located south of the City of Santa Maria. As the project manager responsible for preparing policy amendments to the Orcutt Community Plan, key water, wastewater, and transportation policies were added and amended to address impacts of future development. Responsibilities included preparing new innovative water policies that were adopted to address both groundwater and state water resources.

- ♦ **Project Manager, 2003 Housing Element Update, Santa Barbara County**

Established close working relationships with local and state agencies, including SBCAG, State HCD, UCSB, cities, and other County departments. Managed preparation of CEQA documents. Developed a strategic plan for addressing the housing need, particularly for affordable workforce housing. Prepared demographic trend analysis and needs assessment, budgets and work programs, supervised and trained staff, prepared policies, ordinances and resolutions, prepared presentations for decision-making bodies and public interest groups, and managed consultant contracts.

Education

University of California at Santa Barbara
BA, Mathematics/Economics, 1991.

San Francisco State University, San Francisco CA
Wildland Studies Program, Resource Management emphasis, 1993

University of California at Santa Barbara, Santa Barbara CA
40+ post bachelor / graduate course units (urban planning emphasis), 1993

University of California at Los Angeles, Los Angeles CA
Extension program, seminars/workshops in Financing and Benefit Assessment Districts, Development Impact Fees, Subdivision Map Act and CEQA, 1994-2002

National Development Council, New York, NY
Housing and Economic Development Finance
Multi-Family Housing Development Finance, February 2002

**Professional
Affiliations**

- ♦ American Planning Association
- ♦ Co-Vice Director of Programs, Orange County APA Chapter (2004)
- ♦ Co-Chair Awards Program, Orange County APA Chapter (2004)
- ♦ Member, Housing Advisory Committee – Workforce Housing Sub-Committee, Santa Barbara County (2004)

APPENDIX 2

SUMMARY OF RECENT HOUSING ELEMENT LEGISLATION

AB 2511 (Jones)

Makes additional changes to anti-NIMBY law and other affordable housing statutes.

http://www.leginfo.ca.gov/pub/bill/asm/ab_2501-2550/ab_2511_bill_20060930_chaptered.pdf

AB 2634 (Lieber)

Requires the analysis of population and projected housing needs for all income levels to include **extremely low income** households (30% or less of countywide median) as identified by the COG as part of the low income needs number

http://www.leginfo.ca.gov/pub/bill/asm/ab_2601-2650/ab_2634_bill_20060930_chaptered.pdf

AB 1233 (Jones)

Requires that **any portion of a local government's share of regional housing need that is not accommodated in the land inventory during one planning period must be carried forward** to the next round of fair-share housing allocations. A city or county would be **required to zone land to provide for the fair-share that gets carried forward within the first year of the new planning period.**

http://www.leginfo.ca.gov/pub/bill/asm/ab_1201-1250/ab_1233_bill_20051006_chaptered.pdf

SB 575 (Torlakson)

Strengthens anti-NIMBY law relating to affordable housing projects and **prevents cities and counties from rejecting or conditionally approving a project unless the jurisdiction has met its fair-share housing needs for the planning period.**

http://www.leginfo.ca.gov/pub/bill/sen/sb_0551-0600/sb_575_bill_20051006_chaptered.pdf

AB 2158 (Lowenthal)

Makes changes in the methodology for allocating the RHNA and in the rules for transferring RHNA between cities and counties. This bill includes the **"2158 Factors" that may be used to support requests for reduction in a jurisdiction's RHNA.** A COG may request the use of population and household forecast assumptions used in the regional transportation plan. SCAG is the first COG to use this new provision in State Law. (65584.02)

http://www.leginfo.ca.gov/pub/03-04/bill/asm/ab_2151-2200/ab_2158_bill_20040922_chaptered.pdf

AB 2348 (Mullin)

Amends State housing element law to clarify the land inventory requirements related to RHNA fair share goals and to provide greater residential development certainty.

Includes an **assumed density of at least 30 du/ac for lower-income housing** for most jurisdictions in the SCAG region. The bill also requires that when the land inventory does not demonstrate an adequate supply of land for housing at all income levels, sufficient land must be rezoned to accommodate 100% of the shortfall and **multi-family housing must be permitted "by right."**

http://www.leginfo.ca.gov/pub/03-04/bill/asm/ab_2301-2350/ab_2348_bill_20040923_chaptered.pdf

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APPENDIX 3

Housing Element Questions & Answers

1. If a jurisdiction rezones land for multi-family use to meet the RHNA requirement prior to the Housing Element due date (July 2008), must it allow "by right" development?

A: "By right" development is not required if the jurisdiction provides sufficient land (such as through rezoning) prior to adoption of the new Housing Element. The key factor is whether the rezoning is required as a follow-up action program in response to an insufficient land inventory compared to the RHNA.

2. How are SROs treated for purposes of the RHNA, land inventory and units produced? College dorms? Farmworker housing?

A: HCD uses the U.S. Census Bureau definition of "housing unit" for purposes of the RHNA and Housing Elements. The Census Bureau defines "Housing unit" as *"A house, an apartment, a mobile home or trailer, a group of rooms, or a single room occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have direct access from outside the building or through a common hall."* Accordingly, SROs may qualify as housing units if they are occupied as separate living quarters (e.g., private bathrooms and kitchen facilities). Dorm units with shared bathrooms and cafeterias are not considered housing units.

3. If some or all of a jurisdiction's vacant land is encumbered by a legally binding development agreement that extends through the entire planning period, can that justify a land inventory that does not meet the RHNA? Is there a different set of rules for new cities that "inherited" development agreements from the County.

A: Development agreements do not justify any waiver or reduction in jurisdictions' responsibilities to ensure a sufficient land inventory. If potential housing sites are encumbered by development agreements that impede the production of lower-income housing, jurisdictions must find other ways to make sufficient sites available for all income levels (e.g., second units, rezoning of commercial sites, redevelopment, etc.).

4. How much land inventory "credit" may be taken for potential 2nd units?

A: If a jurisdiction claims that a portion of its land inventory will be met by second units, HCD will first look to the Housing Element's analysis of the previous planning period to see how many second units were produced. If the jurisdiction claims that second unit production will be greater in the new planning period, the Housing Element must provide an analysis demonstrating why the increase is anticipated. Such an analysis would include such things as by-right permit processing, incentives, and market demand.

5. In the Q & A (#40) and also the 6/9/05 memo on AB 2348, it states that in suburban and metropolitan jurisdictions zoning must allow at least 20 units per acre, but Appendix 1 of the 6/9/05 memo lists most jurisdictions in Orange County as having a minimum 30 du/ac. Can you please clarify whether the required density is 20 or 30 du/ac for the larger cities in Orange County?

A: Jurisdictions should use the same methodology in the site analysis/land inventory as they do in an action program to provide additional sites, if necessary. In metropolitan jurisdictions, the "default density" for lower-income housing is at least 30 du/ac. If zoning allows at least 30 du/ac, then HCD will not question the validity of this assumption for purposes of calculating the land inventory. However, jurisdictions may use a density lower than 30 du/ac in the sites inventory if the Housing Element includes an analysis demonstrating that lower-income units are feasible at that density. The analysis would include examples of recent affordable projects that were successfully completed at the lower density. If an action program to provide additional sites is required due to an insufficient land inventory, then the density standards in the program should use the same methodology as the land inventory. 20 du/ac is the statutory minimum density that will be accepted in a rezoning program for lower-income units, however, and the program must allow development "by right". While density is an important component of the land inventory, other steps are also required in the analysis, including availability of infrastructure, site constraints (e.g., environmental conditions), and any other factors that could present an obstacle to development during the planning period.

6. If zoning allows at least 30+ du/ac, will that support an assumption that the land qualifies as meeting the VL/Low land inventory even if there is no required affordability component, and the units are expected to be market rate? (e.g., "luxury" mid-rise or hi-rise apartments)

A: HCD will accept the 30 du/ac minimum default density for the land inventory and an affordability component is not required. However, if the affordability level of a 30+ du/ac project has been determined (such as for projects already built or with a site-specific approval) then the land

inventory should use the actual (or estimated) affordability categories rather than assume that all of the units will be lower-income.

7. Can density bonus law be included in the evaluation of land inventory and the "default" density provisions of AB 2348? (e.g., if the default density for lower income housing is 30 du/ac, would base zoning at 22-25 du/ac be sufficient under the assumption that a density bonus to 30+ du/ac would be approved for affordable projects?)

A: No, an assumed density bonus cannot be used to achieve the default density. The base zoning density must be used for the land inventory analysis.

8. If a jurisdiction has insufficient vacant residential land to accommodate its RHNA, what limitations would HCD place on affordable housing or mixed-use overlay zones to meet the shortfall? The Q & A (#40) states that at least 50% of the lower income need must be accommodated on sites zoned exclusively for residential use. Are there any other limitations HCD would impose on overlay or mixed-use zones?

A: If a program is required to provide additional sites due to a shortfall in the land inventory, HCD would consider several factors in evaluating the appropriateness of the program. Such factors could include incentives or other measures the program includes to facilitate affordable development on the sites; monitoring provisions included to inform the jurisdiction as to whether the program is working as intended; corrective measures built into the program to allow adjustments if the expected results are not achieved, etc.

Note: This paper reflects the opinions of CONEXUS, and is not an official publication of the California Department of Housing and Community Development. While it is based on the personal conversations of the author with HCD staff in February 2007, any errors or omissions are solely the responsibility of the author and not HCD. It should not be considered to be legal advice. Specific concerns regarding the legal adequacy of your Housing Element should be referred to your City Attorney or County Counsel.

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