



## Legislation Text

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**File #:** 21-0226, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Carrie Tai, AICP, Community Development Director  
Talyn Mirzakhanian, Planning Manager

**SUBJECT:**

Consideration of a Resolution Awarding a Professional Services Agreement to Dudek for Preparation an Update of the City's General Plan Housing Element and Supporting Environmental Documentation with a Not-to-Exceed Amount of \$333,652.50 (Partially Offset by a \$150,000 Local Early Action Planning (LEAP) Grant) (Community Development Director Tai).

**ADOPT RESOLUTION NO. 21-0061**

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**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 21-0061 approving an agreement for preparation of the 2021-2029 Update to the City's General Plan Housing Element and supporting environmental documentation, in accordance with the California Environmental Quality Act ("CEQA") requirements, with a not-to-exceed amount of \$333,652.50.

**FISCAL IMPLICATIONS:**

The total project cost will be partially offset by a Local Early Action Planning (LEAP) \$150,000 grant from the State of California Department of Housing and Community Development (HCD). The remainder of the cost will be expended utilizing funds accrued in the City's General Plan Maintenance Fund, which exists for the purpose of updating the General Plan, and has sufficient funding available to complete the scope of work in an amount not to exceed \$333,652.50.

**BACKGROUND:**

All jurisdictions in the Southern California Association of Governments (SCAG) region are required to update their General Plan Housing Element for the 2021-2029 planning period (the 6th cycle) by October 2021, albeit with a 120-day grace period. The Housing Element is one of the State-mandated Elements of a General Plan, and it is required to be updated every eight years and certified by the State Department of Housing and Community Development (HCD). The Housing Element describes the City's needs, goals, policies, objectives, and programs regarding the preservation, improvement, and development of housing within the City. The Element analyzes community housing needs in terms of affordability, availability, adequacy, and accessibility, and describes the City's strategy and programs to address those needs.

Prior to each eight-year planning period, the SCAG prescribes to each municipality in their jurisdictional region the number of additional housing units necessary at different income levels in order for each municipality to accommodate their fair share of anticipated population growth during that planning period. This allocation is known as the Regional Housing Needs Assessment (RHNA) allocation. The income levels for all jurisdictions within Los Angeles County, as specified in the RHNA allocation, are based upon the Area Median Income (AMI) of a 4-person household and determined annually by the U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD). The RHNA allocation is derived from the Statewide allocation; given the current status of the housing crisis in the State, the Statewide allocation is fairly high this cycle. SCAG released the final allocations on March 4, 2021. The RHNA allocation for Manhattan Beach is 774 units and is broken down by household income level as follows:

Very-Low Income (50% of Area Median Income)	322 units
Low Income (80% of Area Median Income)	165 units
Moderate Income (100% of Area Median Income)	155 units
Above-Moderate Income (120% of Area Median Income)	132 units

Through the Housing Element update process, the City must demonstrate that Citywide zoning and General Plan designations could accommodate the number of housing units allocated to each income level category. The City applied for and was awarded \$150,000 grant from the State to aid in the Housing Element update effort. The City Council appropriated these funds to the budget in March 2021. To accomplish the update by HCD's deadline, the City issued a Request for Proposals (RFP) No. 1256-21 soliciting proposals from qualified professionals for the preparation of the 6th cycle update to the City's Housing Element and the supporting environmental documentation in accordance with the California Environmental Quality Act "CEQA" (Public Resources Code 21000 et seq., and State CEQA Guidelines, California Code of Regulations, Section 15000 et seq.).

Through the RFP process, staff sought a consultant with prior experience working with the California Department of Housing and Community Development (HCD), obtaining certification for a Housing Element in a coastal community, developing creative solutions in furtherance of housing options within a built-out community, and in preparing legally-defensible CEQA documentation. Additionally, given that the Housing Element Update should be developed through a consensus building process that is fully responsive to comments and concerns of the public and affected/interested agencies, staff sought a consultant who would implement a branded public outreach effort to engage a variety of community stakeholders and effectively communicate ideas in various forums and platforms.

## **DISCUSSION:**

The City received a total of three consultant responses to the RFP, specifically from Dudek, EcoTierra Consulting Inc., and Environmental Science Associates (ESA). All three proposals were reviewed for criteria outlined in the RFP. Dudek was selected to complete the full breadth of work, including preparation of the update to the Housing Element and associated environmental documentation, for the reasons provided below.

In their proposal, the Dudek team demonstrated a thorough understanding of recent and complex State housing law and the implications of said laws on the City's Housing Element update. Dudek demonstrated recent experience working with a variety of municipalities on their respective Housing Element updates, as well as familiarity with how HCD is interpreting new housing legislation. Dudek has a sizable in-house team of technical specialists, including planning and environmental staff, and demonstrated extensive experience and expertise in both implementing community engagement programs and overall project management.

As mentioned above, Dudek's team includes experienced environmental specialists. The team has prepared and processed more than 2,800 CEQA and National Environmental Policy Act (NEPA) documents for a variety of large and small development, restoration, and conservation projects throughout the state, none of which have ever been successfully overturned in court. Dudek's proposal included environmental review options for the City to select from. The \$333,652.50 cost estimate includes preparation of a Program Environmental Impact Report (EIR). This approach is the most conservative from a budgeting standpoint, as the Program EIR would be the most labor-intensive option, given the document's scope. However, if determined possible by the Initial Study that a Mitigated Negative Declaration (MND) is the appropriate environmental document for this effort, the total project cost will decrease by approximately \$102,000. Comparatively, the other two proposals identified preparation of an MND only.

EcoTierra Consulting Inc. proposed a budget of \$170,420 to complete the Housing Element Update and environmental documentation portions of the project. However, their proposal included a single option for environmental review, preparation of a MND rather than a Program EIR, which automatically drives the cost down. More pivotal to staff's scoring of EcoTierra's proposal was that a single individual, rather than a full team of technical specialists, was identified for the preparation of the Housing Element component of the effort. Furthermore, the experience demonstrated by the Dudek team of specialists for the Housing Element update component of the work outweighed that of experience of the EcoTierra staff.

The proposal from ESA, with a cost estimate of \$85,000, included only the preparation of the supporting environmental documentation, as ESA does not currently have the capacity among their planning staff to complete the work associated with the Housing Element update.

Although Dudek's proposed cost estimate was highest of the three proposals, their experience, availability of staff and resources, and ability to fulfill each role included in the RFP represents a financially and administratively efficient approach that would best serve the City's needs and ensure completion and certification of the City's Housing Element update by the State-mandated deadline. For the reasons provided herein, staff recommends the City enter into a contract for professional services with Dudek for the preparation of the Housing Element update and associated environmental documentation.

#### **PUBLIC OUTREACH:**

While public outreach was not required for awarding the contract, the planning activities supported by this award will include community engagement, public review, and public noticing Citywide, including to the public, stakeholders, community groups and/or other governmental agencies. Future public outreach will include, but is not limited to, community meetings, social media outreach, printed noticing and advertising, and public meetings and hearings.

**ENVIRONMENTAL REVIEW:**

The awarding of this contract has been determined to be exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the common sense exemption (formerly the “general rule”) that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question can have a significant effect on the environment, the activity is not subject to CEQA, as is the case with the awarding of this contract for the preparation of the City’s 2021-2029 Housing Element Update. The Housing Element Update itself is subject to CEQA, and environmental review is included in the consultant’s scope of work.

**LEGAL REVIEW:**

The City Attorney has approved the agreement as to form.

**ATTACHMENTS:**

1. Resolution No. 21-0061
2. Agreement - Dudek