



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Tell and Members of the City Council

**THROUGH:** David N. Carmany, City Manager

**FROM:** Richard Thompson, Director of Community Development  
Michael P. Rocque, Assistant Planner

**DATE:** January 3, 2012

**SUBJECT:** Authorize the City Manager to Enter into a Contract to Complete the 2008 Housing Element Update and Prepare the 2013 Housing Element Update with J.H. Douglas & Associates in an Amount Not to Exceed \$31,636.

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**RECOMMENDATION:**

The Community Development department recommends that the City Council: a) authorize the City Manager to execute a contract with J.H. Douglas & Associates to complete the City's 2008 Housing Element Update and prepare the 2013 Update for an amount not to exceed \$31,636, and b) appropriate \$3,846 from unreserved General Fund moneys.

**FISCAL IMPLICATION:**

The total cost of the contract with J.H. Douglas & Associates is \$31,636. Funds totaling \$27,790 were originally budgeted and approved by City Council in fiscal year 2007-2008 for another firm to perform the Housing Element Update (Sandra Genis, Planning Resources). Planning Resources did not complete the work, nor were any payments made to the firm. The funds for the study were encumbered and carried forward and remain budgeted in fiscal year 2011-2012. As a result, in order to contract with J.H. Douglas & Associates a supplemental appropriation from unreserved General Funds of \$3,846 is necessary.

**BACKGROUND:**

California law requires that every city in California update its Housing Element at-least every five-years in accordance with the statutory schedule. The Housing Element is one of the seven mandated elements of the local general plan. State law requires that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The Department of Housing and Community Development (HCD) is required to review local Housing Elements for compliance with the statutory requirements and HCD provides its findings to the City for its review.

The City's current Housing Element was adopted on May 13, 2003 and was required to be updated by July 1, 2008. The current consultant (Sandra Genis), however, was unavailable and unreachable for periods (sometimes for more than 3 months at a time and on more than one occasion) and therefore the 2008 Housing Element Update was not completed. Accordingly, we are still in the process of completing the 2008 Housing Element and have been working with HCD to ensure that the update is completed by October 2012. Staff is requesting that the City obtain the services of John Douglas of J.H. and Associates, to assist us in completing the 2008 Element. In addition, we are asking that John Douglas also prepare and complete the 2013 Housing Element update. This two-phase approach will also be more cost and time productive as it will be completing both the 2008 and 2013 updates within nearly a two-year window. The 2013 Housing Element update will cover an eight year period from January 2014 through September 2021 in accordance with the statutory housing element update schedule. As for the City's previous consultant, Staff will be transmitting a letter of contract termination to Ms. Genis.

**DISCUSSION:**

***Consultant Selection***

On December 14, 2011 a Proposal was received from J.H. Douglas and Associates, which is provided as Attachment B to this report. Upon review by Planning Staff, we believe that the consultant has the vast experience necessary for the preparation of the housing element and the consultant's two-phase approach of completing both the 2008 and 2013 Housing Element Updates will be cost effective for the City. In addition, the consultant has committed to a quick timeframe for completion and has experience in preparing Housing Elements for beach cities such as the cities of Hermosa Beach and Malibu in addition to many others such as Culver City and Diamond Bar to name a few. Last, it should be noted that Section 2.36.130 of the City's municipal code exempts from the bidding requirement contracts for professional services such as this. Notwithstanding, for cities that are similar to Manhattan Beach it is typical for most consulting firms to charge anywhere from \$30,000 to \$60,000 to prepare Housing Elements. Most recently, the City of Hermosa Beach used J.H. Douglas and Associates to prepare their 2008 Housing Element and budgeted approximately \$30,000 to complete the project. During our last 2008 Housing Element update request for proposals we received two proposals ranging from \$28,000 to \$55,000.

The consultant's proposal is attached as Exhibit A, which highlights the scope of work to be performed, time schedule, qualification/references and proposed budget and the City's agreement is attached as Exhibit B.

***Public Participation and Schedule***

Public participation and several staff meetings throughout the Housing Element process are a key component of the update. The proposal suggests that at least one public workshop be conducted during the process, to explain the background, purpose, and provide public input and to discuss the preliminary policies. Also, there will be at least one public hearing each with the Planning Commission and City Council. Staff will ensure that all legal requirements for public involvement are met and that all interested parties will have their input considered for incorporation into the final Housing Element.

The following indicates is the tentative project schedule:

|                |  |
|----------------|--|
| January 2012   | Project initiation and kick off meeting  |
| March 2012     | Submit revised Draft 2008 Housing Element to HCD   |
| May 2012       | HCD Comments on Draft 2008 Housing Element (“Draft in Compliance” letter)                              |
| June-July 2012 | Planning Commission & City Council adoption hearings; submit adopted element to HCD (90-day review)    |
| September 2012 | Administrative 2013 Draft Housing Element to staff for review  |
| October 2012   | HCD final certification of 2008 Housing Element  |
| November 2012  | Release public review draft of 2013 Housing Element<br>Public workshop to review Draft Housing Element |
| December 2012  | Submit Draft Housing Element to HCD (60-day review)  |
| February 2013  | HCD comments on Draft Housing Element  |
| March 2013     | Prepare responses to HCD comments and submit revised Draft Housing Element to HCD                      |
| May 2013       | HCD comments on Revised Draft Housing Element (“Draft in compliance” letter)                           |
| June-July 2013 | Planning Commission & City Council adoption hearings; submit adopted element to HCD (90-day review)    |
| October 2013   | HCD final certification  |

**CONCLUSION:**

The Community Development department recommends that the City Council: a) authorize the City Manager to execute a contract with J.H. Douglas & Associates to complete the City’s 2008 Housing Element Update and prepare the 2013 Update for an amount not to exceed \$31,636, and b) appropriate \$3,846 from unreserved General Fund moneys.

Attachments: A. Professional Services Contract Agreement Housing Element Proposal

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## AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into on this 3rd day of January, 2012, by and between the City of Manhattan Beach, a municipal corporation ("CITY") and J.H. Douglas & Associates ("CONSULTANT").

### RECITALS

A. CITY desires to obtain services necessary to finish and complete the City's 2008 Housing Element update and subsequently prepare a comprehensive update of the City's Housing Element for the next planning period of 2014 through 2021, including the environmental review.

B. CONSULTANT represents that it is qualified and able to perform the Scope of Work.

NOW, THEREFORE, the parties agree as follows:

Section 1. CONSULTANT's Scope of Work. CONSULTANT shall perform the Scope of Work described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

Section 2. Term of Agreement. This Agreement shall commence on January 3, 2012 and shall terminate upon satisfactory completion of the Scope of Work, unless sooner terminated by the CITY.

Section 3. Time of Performance. CONSULTANT shall commence its services under this Agreement upon receipt of a written notice to proceed from CITY in the manner described in Exhibit A. CONSULTANT shall complete the services in conformance with the timeline set forth in Exhibit A.

Section 4. Compensation.

(a) CITY agrees to compensate CONSULTANT, and CONSULTANT agrees to accept in full satisfaction for the services required by this Agreement, the consideration set forth in Exhibit A ("Consideration"). Said Consideration shall constitute reimbursement of CONSULTANT's fee for the services as well as the actual cost of any equipment, materials, and supplies necessary to provide the services (including all labor, materials, delivery, tax, assembly, and installation, as applicable). In no event shall the CONSULTANT be paid more than \$ 31,636.00 during the term of this Agreement.

(b) Unless expressly provided for in Exhibit A, CONSULTANT shall not be entitled to reimbursement for any expenses. Any expenses incurred by CONSULTANT which are not expressly authorized by this Agreement will not be reimbursed by CITY.

Section 5. Method of Payment. CONSULTANT shall submit to CITY a detailed invoice, on a monthly basis or less frequently, for the services performed pursuant to this

Agreement. Within 45 days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice.

Section 6. Independent Contractor. The Parties agree, understand and acknowledge that CONSULTANT is not an employee of the CITY, but is solely an independent contractor. CONSULTANT expressly acknowledges and agrees that CITY has no obligation to pay or withhold state or federal taxes or to provide workers compensation or unemployment insurance or any other employee benefits for CONSULTANT or CONSULTANT'S employees and that any person employed by CONSULTANT shall not be in any way an employee of the CITY. As such, CONSULTANT shall have the sole legal responsibility to remit all federal and state income and social security taxes and to provide for his/her own workers compensation and unemployment insurance and that of his/her employees or subcontractors. Neither CITY nor any of its agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's employees. CONSULTANT shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

Section 7. Assignment. This Agreement shall not be assigned in whole or in part, by CONSULTANT without the prior written approval of CITY. Any attempt by CONSULTANT to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 8. Responsible Principal(s)

(a) CONSULTANT's responsible principal, John Douglas, shall be principally responsible for CONSULTANT's obligations under this Agreement and shall serve as principal liaison between CITY and CONSULTANT. Designation of another Responsible Principal by CONSULTANT shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be Richard Thompson, the Director of Community Development or his designee who shall administer the terms of the Agreement on behalf of CITY.

Section 9. Personnel. CONSULTANT represents that it has, or shall secure at its own expense, all personnel required to perform CONSULTANT's Scope of Work under this Agreement. All personnel engaged in the work shall be qualified to perform such Scope of Work.

Section 10. Permits and Licenses. CONSULTANT shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

Section 11. Interests of CONSULTANT. CONSULTANT affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONSULTANT.

Section 12. Insurance. [Check if Applicable]

(a) CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(1) A policy or policies of Comprehensive General Liability Insurance, with minimum limits of One Million Dollars (\$1,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CONSULTANT.

(2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONSULTANT in performing the Scope of Work required by this Agreement. In lieu of this requirement, the City's Risk Manager, at her/his discretion, may accept a policy of personal automobile liability Insurance with minimum limits as required by State law covering all vehicles used in connection with the performance of work under this Agreement. In such case, CONSULTANT shall accurately report or otherwise assure the accurate reporting of all use, including business/commercial use, and other circumstances involving such vehicles to the appropriate insurance agent or broker and insurance carrier(s) and shall assure that the required insurance endorsements are secured, if any. In the event any policy providing umbrella or excess liability insurance applies to any vehicle used in the performance of work under this Agreement, such insurance shall apply as a supplement to these limits and shall conform to the requirements of this Agreement.

(3) Workers' compensation insurance as required by the State of California.

(4) A policy or policies of Professional Liability Insurance (errors and omissions) with minimum limits of One Million Dollars (\$1,000,000) per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by CITY. Further, CONSULTANT agrees to maintain in full force and effect such insurance for one year after performance of work under this Agreement is completed.

(b) CONSULTANT shall require each of its sub-contactors (if any) to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) The City's Risk Manager may, in writing, amend and/or waive the insurance provisions set forth in paragraph (a) herein. In such case, CONSULTANT shall comply with the insurance provisions required by the City's Risk Manager.

(d) The policy or polices required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(e) CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONSULTANT's expense, the premium thereon.

(f) At all times during the term of this Agreement, CONSULTANT shall maintain on file with the City Clerk a certificate or certificates of insurance on the form approved by the City's Risk Manager, showing that the aforesaid policies are in effect in the required amounts. CONSULTANT shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general liability insurance and vehicle insurance shall

contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(g) The insurance provided by CONSULTANT shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(h) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Section 13. Indemnification. CONSULTANT agrees to indemnify, hold harmless and defend CITY, its officials, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorneys fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT or any person employed by CONSULTANT in the performance of this Agreement.

Section 14. Termination.

(a) CITY shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to CONSULTANT. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONSULTANT, CONSULTANT shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the services required by this Agreement. CONSULTANT shall have no other claim against CITY by reason of such termination, including any claim for compensation.

Section 15. City's Responsibility. CITY shall provide CONSULTANT with all pertinent data, documents, and other requested information as is available for the proper performance of CONSULTANT's Scope of Work.

Section 16. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONSULTANT and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 17. Changes in the Scope of Work. CITY shall have the right to order, in writing, changes in the scope of work or the services to be performed. Any changes in the scope of work requested by CONSULTANT must be made in writing and approved by both parties.



Section 18. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth below, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

If to CITY:

Richard Thompson, Director of Community Development  
1400 Highland Avenue  
Manhattan Beach, California 90266

If to CONSULTANT:

John Douglas, J.H. Douglas & Associates  
13142 Rosalind Drive  
Santa Ana, California 92705

Section 19. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 20. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONSULTANT, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CONSULTANT.

Section 21. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 22. City Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CONSULTANT.

Section 23. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 24. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED the \_\_\_\_ day of \_\_\_\_\_ 2011, at Manhattan Beach, California.

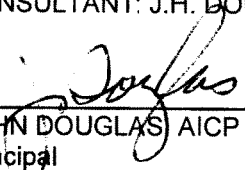
CITY OF MANHATTAN BEACH

\_\_\_\_\_  
DAVID N. CARMANY  
City Manager

ATTEST:

\_\_\_\_\_  
LIZA TAMURA  
City Clerk

CONSULTANT: J.H. DOUGLAS & ASSOCIATES

  
\_\_\_\_\_  
JOHN DOUGLAS AICP  
Principal

APPROVED AS TO FORM

\_\_\_\_\_  
ROXANNE M. DIAZ  
City Attorney

EXECUTED the \_\_\_\_ day of \_\_\_\_\_ 2011, at Manhattan Beach, California.

CITY OF MANHATTAN BEACH

\_\_\_\_\_  
DAVID N. CARMANY  
City Manager

ATTEST:

\_\_\_\_\_  
LIZA TAMURA  
City Clerk

CONSULTANT: J.H. DOUGLAS & ASSOCIATES

\_\_\_\_\_  
JOHN DOUGLAS, AICP  
Principal

APPROVED AS TO FORM

  
\_\_\_\_\_  
ROXANNE M. DIAZ  
City Attorney

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## **EXHIBIT A**

### **SCOPE OF WORK**

CONSULTANT'S proposal dated December 14, 2011, is attached to this Exhibit A ("Proposal"). CONSULTANT shall perform the tasks detailed in the Proposal.

CONSULTANT shall be paid on a time and material basis based upon the hourly rate set forth in the Proposal for the tasks listed therein. CONSULTANT shall be reimbursed only for those expenses set forth in the Proposal. In no event shall CONSULTANT'S compensation (including expenses) exceed \$31,636.

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# CITY OF MANHATTAN BEACH

## Proposal to Prepare the 2013-2021 Housing Element Update



Submitted to:

**Richard Thompson**  
Director of Community Development  
City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266



Submitted by:

**J.H. Douglas & Associates**

December 14, 2011

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J. H. Douglas & Associates  
Planning Consultants

December 14, 2011

Richard Thompson  
Community Development Director  
City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266

Dear Mr. Thompson,

I appreciate the opportunity to submit this proposal to assist you with the City's Housing Element. Based on my familiarity with your current circumstances and experience with many other coastal jurisdictions, I believe I can help you complete the 2008 Housing Element and prepare the required 2013 update in a very efficient and timely manner.

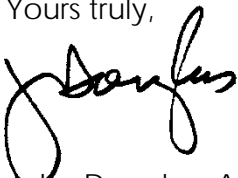
During the past decade Housing Elements have become a much more challenging process. A key issue is demonstrating adequate capacity for lower-income housing commensurate with the Regional Housing Needs Assessment. SCAG's new draft RHNA allocation for Manhattan Beach is 38 units with 16 of those in the very-low- and low-income categories. While this represents a significant reduction from the 895 total units allocated in the previous RHNA cycle, it is essential that the City obtain HCD certification of the 2008 Housing Element in order to avoid a RHNA carryover to the new period.

The attached proposal reflects a two-phase approach, with the first phase being completion and certification of the 2008 Housing Element. Once the 2008 element is finalized, we will immediately begin work on the 2013 Housing Element update in order to meet the deadline of October 2013.

It is my understanding that Michael Rocque is very familiar with the Housing Element, therefore the proposed budget assumes that Michael will work closely with me in compiling data as necessary to address HCD's concerns. This team approach will be very helpful in minimizing costs.

If you have any questions regarding this proposal please give me a call at 714-628-0464.

Yours truly,



John Douglas, AICP  
Principal

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## 1. *Project Understanding and Approach*

Under state law, all jurisdictions in the Southern California Association of Governments (SCAG) region must complete their next housing element update by October 2013. The new Housing Element will cover the period January 2014 through September 2021. SCAG's draft Regional Housing Needs Assessment (RHNA) allocation for Manhattan Beach is 38 units, with 16 of those in the very-low- and low-income categories. This allocation is subject to public review, appeals, and final approval by SCAG's Regional Council, anticipated in late 2012.

The new Draft RHNA is significantly lower than the 895 units allocated in the previous planning period. However, since Manhattan Beach has not yet completed the 2008 Housing Element update, it will be important to finalize that document and obtain HCD certification as the first priority in order to avoid a carryover of the unmet RHNA to the new period. Our experience preparing Housing Elements and working with HCD in many other coastal jurisdictions, including Hermosa Beach, Seal Beach, Malibu, Laguna Niguel, San Clemente, Oceanside, and the County of Orange has given us a thorough understanding of the special housing and land use issues facing beach communities.

How jurisdictions accommodate their "fair share" housing needs is one of the most important aspects of the Housing Element update, 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 in the Housing Element update. The critical factor whether the City's inventory of sites for new housing can accommodate the RHNA need, particularly for the very-low- and low-income categories. State law establishes a "default density" for most cities in Southern California (including Manhattan Beach) of at least 30 dwelling units per acre to

facilitate the production of lower-cost housing. When “underutilized” sites are identified to accommodate lower-income needs, the Housing Element must demonstrate that the potential sites have realistic opportunities for affordable housing development during the planning period. When rezoning is necessary as part of an “adequate sites program,” state law establishes restrictions limiting mixed-use and discretionary development review.

Our proposed scope of work reflects a two-phase approach, with the first phase being finalization of the 2008 Housing Element. Once the 2008 element is completed and certified, we will immediately begin work on the 2013 Housing Element update in order to meet the deadline of October 2013.

HCD certification of the Housing Element is important to maintain eligibility for grant funds, to ensure a legally-adequate General Plan, and to maintain local control of the land use planning process. Obtaining state certification of the Housing Element can be a daunting task, and our experience preparing Housing Elements for many other cities throughout California makes us particularly well qualified for this project.

## 2. *Scope of Work and Schedule*

The following section outlines the specific tasks, deliverables and schedule we propose for the Housing Element update. Other optional tasks can also be provided if desired.

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***Task 1***  
***2008 Housing***  
***Element***  
***Completion***

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The first priority will be completion of the 2008 Housing Element. The City's most recent draft element was submitted to HCD in September 2011 and HCD's review letter was issued on November 22. We will work with City staff to prepare revisions needed to adequately address HCD's concerns. Upon acceptance of the revised draft element, public hearings will be scheduled with the Planning Commission and City Council. We will assist staff in preparing staff reports and resolutions, and will attend and make presentations at the hearings. If desired, we can also assist the City in preparing CEQA documentation as an optional task.

### Products

- ♦ 1 on-site meeting with City staff
- ♦ Housing Element revisions and summary matrix
- ♦ Consultation with HCD staff
- ♦ Planning Commission and City Council adoption hearings (1 each)

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***Task 2***  
***2013 Housing***  
***Element***  
***Preparation***

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Task 2 entails the research, analysis, writing and production of the new 2013 Housing Element document for review by City staff, decision-makers, the public, and State HCD. The ultimate goal is the adoption of a Housing Element that achieves the City's policy objectives while also receiving HCD certification. The 2013 element will include a complete update of all sections in order to reflect the City's accomplishments since 2008, new demographic and housing data, any recent changes in policies and regulations, an updated RHNA analysis, and new or revised implementation programs.

***2.1 Administrative***  
***Draft Housing***  
***Element***

An Administrative Draft Housing Element will be prepared to reflect current conditions, goals, policies, quantified objectives, and implementation programs describing the City's housing strategy for the 2013-2021 planning period. Policies and programs will be updated based on lessons learned during the previous planning period and where appropriate, refinements will be recommended. This proposal assumes that the new Housing Element will be prepared in a format similar to the previous element.

The draft Housing Element will include all of the items required by state law, as described below. The budget assumes that staff comments will be incorporated into the complete Administrative Draft Element, with one subsequent review of the complete document.

**Evaluation of the Previous Housing Element.** This task involves the review and evaluation of the previous Housing Element, including appropriateness of goals and policies, the effectiveness of programs, and the City's progress in meeting quantified objectives. Since much of the information needed for this evaluation is contained in City records, the budget assumes that City staff will provide the required information regarding program accomplishments in the previous planning period.

**Needs Assessment.** A fundamental component of the Housing Element is an identification of the community's needs. Data sources to be utilized include the U.S. Census, state Department of Finance population and housing trends, state Employment Development Department job statistics and forecasts, the County's most recent available Point-in-Time homeless survey, and real estate market data. The Regional Housing Needs Assessment prepared by SCAG will identify growth needs for the new planning period. The needs assessment will include all of the items required by California *Government Code* §65583(a) and Department of Housing and Community Development "Building Blocks" guidelines. The budget assumes that City staff will assist in identifying the current inventory of assisted housing projects and their eligibility to convert to market rate. If it is determined that there are units "at risk", the required analysis will be conducted. The budget assumes that adequate information regarding the number of housing units in need of rehabilitation or replacement can be obtained from the observations and professional judgment of Code Enforcement, Planning and Building Department staff rather than a new field survey. HCD generally does not require a new field survey of housing conditions. However, if it is determined that field work is necessary, it can be completed as an optional task, or City staff can conduct the survey under our guidance.

**Resources and Opportunities.** The analysis of resources and opportunities will focus on the following topics.

- ♦ Land inventory/site analysis and an evaluation of the relationship of zoning and public facilities to serve these sites.
- ♦ Financial and administrative resources, including federal, state and local housing assistance programs.
- ♦ Analysis of opportunities for energy conservation.

It is expected that SCAG's Regional Council will adopt the new RHNA allocations by October 2012. The draft RHNA allocation for Manhattan Beach for the 2014-2021 planning period is 38 units, with 16 of those in the lower-income categories. Based on state law (AB 2348 of 2004), a "default density" of 30 units/acre is assumed to be necessary to facilitate lower-income housing development. It is assumed that City staff will assist us in identifying any changes to the inventory of parcels with the potential for housing development as well as specific site information needed to prepare the land inventory (e.g., parcel ID numbers, parcel size, General Plan/zoning



designations, entitlement status, and information regarding development interest and timing).

If appropriate, this section of the Housing Element will also examine the potential for satisfying a portion of the RHNA through committed assistance for the rehabilitation, conservation or conversion of existing affordable units under the "Alternate Sites" provisions of state law (*Government Code* §65583.1.c).

**Constraints.** The constraints analysis will include the following issues:

- ♦ **Governmental constraints**, including land use plans and regulations, zoning districts, development standards, improvement requirements, fees, and processing procedures will be analyzed. The budget assumes that City staff will assist in this process by identifying any changes to plans, regulations, procedures, standards, fees, and other potential governmental constraints that have occurred since the previous Housing Element was prepared.
- ♦ **Non-governmental constraints** will be evaluated, including land and construction cost, financing cost and availability, environmental conditions (e.g., flood hazards, geotechnical problems, sensitive biological habitat) and infrastructure (particularly water and wastewater treatment capacity). It is assumed that the City's Public Works/Engineering staff will provide the information needed to assess infrastructure capacity constraints.

**Housing Plan.** The analysis of needs, resources, opportunities and constraints, together with the evaluation of the previous Housing Element, will provide guidance in identifying areas where policies and programs should be refined to better accomplish the City's objectives or address changes in state law. We will work with staff and decision-makers to identify policy options and refine the goals, policies, and programs as necessary. The experience of City staff who are involved in program implementation will be especially valuable in this regard

#### Products

- ♦ Administrative Draft Housing Element document (3 hard copies + electronic file)

*(Note: If desired, additional copies of documents can be provided on a time-and-materials basis)*

## **2.2 Public Review Draft Housing Element**

A Public Review Draft Element will then be prepared incorporating staff comments. One round of review is assumed. If additional rounds of review are requested on the Draft Element at this stage, or if late comments must be incorporated after the Public Review Draft is completed, they will be provided on a time-and-materials basis. It is assumed that the Public Review Draft Element will be made available to the public and submitted to HCD for review.

### Products

- ♦ Public Review Draft Housing Element (3 hard copies + electronic file)

### ***2.3 Proposed Final Housing Element***

The ultimate goal of the Housing Element update process is to adopt and implement an element that meets City objectives while also receiving a finding of substantial compliance (“certification”) by HCD. Certification of the Housing Element is important for several reasons – to maintain eligibility for grant funds, to ensure a legally adequate General Plan, to maintain local control of the land use planning process, to avoid a RHNA carryover to the next planning period, and to avoid a 4-year update schedule under SB 375.

After receipt of HCD’s comments on the Public Review Draft Housing Element, we will work with staff to revise the element as necessary to address the state’s concerns. We will prepare a summary matrix following the points raised in HCD’s review letter along with a tracked version of the revised draft element so that all parties can easily see how the City has responded to HCD comments.

Based on our extensive experience preparing certified elements in other jurisdictions throughout California, we anticipate that HCD approval will be received in not more than two official submittals. Our strategy is to schedule a conference call with HCD’s reviewer midway through the 60-day review period to allow refinements prior to receiving HCD’s review letter. The budget assumes a total of up to 16 hours for responding to HCD comments and preparing the revised draft element. However, if HCD comments require significantly more time and effort than assumed in the budget, we will advise the City’s project manager and a mutually acceptable approach will be devised to successfully complete the required work.

### Products

- ♦ Review and analysis of HCD comments
- ♦ Meetings/conference calls to review HCD comments with City and HCD staff
- ♦ Matrix summarizing HCD comments and proposed changes to the Draft Housing Element (electronic file)
- ♦ Preparation of a Revised Draft Housing Element for consideration by decision-makers (3 hard copies + electronic file)

### ***2.4 Final Housing Element***

Following acceptance of the revised draft element by HCD, public hearings will be held by the Planning Commission and City Council for final adoption. We will make any additional revisions to the document to address Planning Commission comments prior to consideration by the City Council. Further refinements, if necessary, will be made to respond to City Council direction. The adopted

element will then be submitted to HCD for final certification.

#### Products

- ♦ Planning Commission: Proposed Final Housing Element document (electronic file)
- ♦ City Council: Final Housing Element document (electronic file)

*Note: While our goal is to help the City produce a Housing Element that receives certification by HCD, it is possible that unresolved policy differences between City decision-makers and HCD could hinder certification efforts.*

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### ***Task 3 Public Participation***

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State Housing Element law<sup>1</sup> requires a diligent effort to involve interested persons and organizations representing all economic segments of the community in the preparation of Housing Elements. The budget assumes that the public involvement process will include one public workshop plus one public hearing each with the Planning Commission and City Council. We will assist City staff in compiling a public notification list of interested parties and preparing public notices. We will also assist the City in preparing staff reports and will give a presentation at each meeting. Additional public information materials (e.g., flyers, FAQs, press releases) can be provided on a time-and-materials basis if desired.

Our objectives are to satisfy all legal requirements for public involvement, ensure that City decision-makers have the benefit of transparent and vigorous civic participation in the development of City housing policy, and that interested parties can see how their input has been incorporated into the final Housing Element. If additional meetings are desired, they can be added to the scope as optional tasks on a time-and-materials basis.

#### Products

- ♦ Assist staff in preparing a notification list and public notices
- ♦ Attend and give presentations at 3 public meetings and assist with preparation of staff reports

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### ***Task 4 CEQA Compliance***

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The appropriate type of environmental review for a Housing Element update is determined primarily by the policies and programs contained in the Housing Plan. While an Initial Study/Negative Declaration is the appropriate CEQA documentation for many Housing Element updates, programs committing the City to land use or zoning changes could raise potential impacts requiring preparation of an EIR. The decision regarding the appropriate CEQA documentation will be made by the City as Lead Agency. For budgeting purposes, it is assumed that an Initial Study/Negative Declaration will be appropriate and that

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<sup>1</sup> Cal. Govt. Code §65583(C)(6)

no analysis of changes to land use regulations will be required.

We will distribute the Public Review IS/ND to the State Clearinghouse, Responsible Agencies, and other interested parties in consultation with City staff. After the close of the comment period we will prepare draft responses to comments for City review. Final responses to comments, revisions to the IS/ND (if necessary), and/or a mitigation monitoring program (if necessary) will then be prepared incorporating staff comments for consideration by decision-makers.

We assume that no separate scoping meetings will be necessary for the CEQA document, and that consideration of the IS/ND will be handled as part of the Housing Element review and adoption hearings. The budget assumes that we will be responsible for printing, distribution and filing of the IS/ND and Notice of Determination with the appropriate agencies and the City will be responsible for any County or CDFG filing fees.

#### Products

- ♦ Preliminary Draft Initial Study/Negative Declaration (electronic file)
- ♦ Public Review Draft IS/ND (25 copies + electronic file)
- ♦ Notice of Availability/Notice of Intent to Adopt the IS/ND (filing with County Clerk)
- ♦ Preliminary Responses to Comments (electronic file)
- ♦ Final Responses to Comments (electronic file)
- ♦ Final Adopted IS/ND (electronic file)
- ♦ Notice of Determination (stamped copy + electronic file)

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***Task 5  
Project  
Management***

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Our approach to project management is to anticipate the City's needs and take personal responsibility for the final success of the project. We maintain regular contact with City staff, and make ourselves available in whatever capacity is desired by the City. While we expect that most communications will occur via telephone and e-mail, on-site working meetings with staff at critical stages of the project are assumed in the budget. We believe our gray hairs and "battle scars" have provided us with a deep appreciation for the political sensitivities of the planning process, which helps us anticipate problems and avoid unpleasant surprises. We take pride in the high level of service we provide, and invite the City to contact our previous clients for reference.

#### Products

- ♦ Regular coordination with City staff via telephone or e-mail
- ♦ On-site working meetings, as necessary

**Schedule**

The following proposed timeline identifies anticipated milestones for the major components of the Housing Element update. Obtaining state HCD approval generally requires a significant portion of the overall schedule, which is affected by the specific issues raised during the review process. Recent experience has shown that most jurisdictions require at least two rounds of HCD review prior to obtaining draft certification. Our typical approach has been to work informally with HCD staff during the 60-day review period to address concerns prior to issuance of their review letter. At the project outset we will review the schedule with City staff and make refinements as appropriate.

We believe the keys to schedule (and budget) control are 1) a clear understanding of issues, 2) close coordination between the consultant and City staff, and 3) an experienced consulting team. Mr. Douglas has managed numerous Housing Element projects and is committed to providing the City with excellent service.

|                |   |
|----------------|---|
| January 2012   | Project initiation and kickoff meeting  |
| March 2012     | Submit revised Draft 2008 Housing Element to HCD  |
| May 2012       | HCD comments on Draft 2008 Housing Element ("Draft In Compliance" letter)                                 |
| June-July 2012 | Planning Commission & City Council adoption hearings; submit adopted element to HCD (90-day review)       |
| October 2012   | HCD final certification of 2008 Housing Element   |
| September 2012 | Administrative Draft Housing Element to staff for review  |
| October 2012   | Staff review of Administrative Draft Housing Element & preparation of Public Review Draft Housing Element |
| November 2012  | Release Public Review Draft 2013 Housing Element<br>Public workshop to review Draft Housing Element       |
| December 2012  | Submit Draft Housing Element to HCD (60-day review)   |
| February 2013  | HCD comments on Draft Housing Element   |
| March 2013     | Prepare responses to HCD comments and submit Revised Draft Housing Element to HCD                         |
| May 2013       | HCD comments on Revised Draft Housing Element ("Draft In Compliance" letter)                              |
| June-July 2013 | Planning Commission & City Council adoption hearings; submit adopted element to HCD (90-day review)       |
| October 2013   | HCD final certification   |

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### 3. *Qualifications and References*

J.H. Douglas & Associates is an urban and environmental planning consulting firm formed in 1998. Founding principal **John Douglas, AICP** brings 35 years of diverse planning experience to the firm, which has given him a broad understanding of land use planning and analysis, environmental planning and CEQA documentation, housing policy and implementation, demographic and market analysis, entitlement processing, public participation and conflict resolution.

During the 2008 and 2009 Housing Element cycles our team assisted more than 25 jurisdictions throughout California with their updates. Mr. Douglas is also a certified mediator with a background in helping to find solutions to difficult land use and public policy issues. He holds a Certificate in Conflict Management and Alternative Dispute Resolution from the University of California, Irvine and is a lecturer in the Graduate Program in Urban and Regional Planning at UCI where he has taught seminars in housing and collaborative planning.

Two key principles guide our approach to all our planning projects. First, we are a small firm with only seasoned professionals. There are no junior planners-in-training here. Because we have worked as senior staff on “both sides of the counter,” we understand the needs of our clients and don’t spin our wheels. We have excellent communication skills and we do quality work the first time, without the need for extensive revisions.

Second, we approach each Housing Element update as a team effort – while we have special expertise in preparing Housing Elements, we also recognize that the City’s staff, officials and community stakeholders have a thorough understanding of local conditions, information sources, and priorities that are essential to a successful project. In the kickoff meeting we will exchange information about the City’s important issues and how the Housing Element can best meet the City’s objectives while also satisfying legal requirements

Obtaining state certification of the Housing Element can be a challenging task, and we are especially well-qualified to help cities in this regard. During the past three decades Mr. Douglas has worked with management and senior staff at state HCD as both a local government planner and consultant to resolve Housing Element issues and help cities and counties obtain certification. His long experience and relationships with HCD staff enable him to identify workable solutions to issues raised during the review process.

Since the passage of AB 2348 in 2004, the sites inventory analysis has been the single most difficult challenge to HCD certification. Housing Elements have become an exercise in land use



planning, and our broad experience with general plans, specific plans, zoning regulations and entitlement processing has been especially valuable in preparing a sites inventory that meets HCD requirements.

Local control of land use is of paramount importance to city elected officials, and the state's role in certifying housing elements can be very difficult for decision-makers to accept. Our knowledge of housing issues, clear presentation style, and background in consensus building strategies can help overcome these obstacles and achieve successful solutions.

Mr. Douglas will serve as Principal-in-Charge and Project Manager for the Housing Element update, will prepare all Housing Element documents, and will be responsible for cost, schedule and quality control. John will be the day-to-day contact with City staff and make presentations at public workshops, hearings, and meetings.

## Client References

*John, thank you so much for all of your efforts with regard to our Housing Element. I know how well you and Randy worked together to prepare the document and all of the issues you faced along the way. In the end, you put together a good document which will guide us with our efforts for the next 5 years. Your presentation to the City Council was exceptional. It was succinct, told a story, and hit on the major points.*

Bob Burrow, AICP  
Community Dev. Director  
City of Camarillo

We have an extraordinary depth of experience preparing Housing Elements in a wide variety of communities. We encourage City staff to contact these recent Housing Element clients for references.

### City of Culver City

Sol Blumenfeld, Community Development Director  
310-253-5700 [sol.blumenfeld@culvercity.org](mailto:sol.blumenfeld@culvercity.org)  
Susan Yun, Senior Planner  
310-253-5755 [susan.yun@culvercity.org](mailto:susan.yun@culvercity.org)

### City of Hermosa Beach

Ken Robertson, Community Development Director  
310-318-0242 [krobertson@hermosabch.org](mailto:krobertson@hermosabch.org)  
Pam Townsend, Senior Planner  
310-318-0242 [ptownsend@hermosabch.org](mailto:ptownsend@hermosabch.org)

### City of Malibu

Joyce Parker-Bozylinski, Planning Director  
310-456-2489 x265 [JParker-Bozylinski@malibucity.org](mailto:JParker-Bozylinski@malibucity.org)

### City of Diamond Bar

Greg Gubman, Planning Director  
909-839-7065 [GGubman@DiamondBarCA.gov](mailto:GGubman@DiamondBarCA.gov)



## RESUME

### John H. Douglas, AICP Principal

**Qualifications** Mr. Douglas has over 35 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 analysis, demographic analysis, public outreach programs and conflict resolution. John's previous consulting experience includes Principal of Conexus, Director of Planning for Civic Solutions, Inc. and senior consultant with The Planning Center. 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 areas of expertise are housing, CEQA compliance, and public policy consensus building strategies. He holds a certificate in Conflict Management from the University of California, Irvine and is a state-certified mediator with considerable experience working with groups and committees to find common ground on complex and controversial issues. He has taught courses on Housing Elements and Collaborative Planning in the graduate program in Urban and Regional Planning at the University of California, Irvine and has been a frequent speaker at professional conferences and universities.

**Education**

- ◆ B.A., University of California, Los Angeles, Geography, 1974
- ◆ Graduate Studies, San Diego State University, City Planning, 1976-78
- ◆ Certificate in Alternative Dispute Resolution, UCI, 2000

**Professional Affiliations**

- ◆ Lecturer, Graduate Program in Urban & Regional Planning, University of California, Irvine
- ◆ American Institute of Certified Planners
- ◆ Charter Member, American Planning Association

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## 4. Proposed Budget

Our proposed budget for the Housing Element update is provided below. Additional tasks can be provided on a time-and-materials basis. Reimbursable expenses are billed at actual cost with no surcharge. No mileage or travel expenses will be charged. Travel time to/from meetings is included in the budget for each meeting. We recommend that a 10% contingency fund be included in the contract, and that the contract specify that budget funds may be transferred between tasks, as determined appropriate by the City's Project Manager. Our current schedule of rates is provided in the proposed budget table below.

| Task                                       | Description                          | JD                | WP   | Total Hours | Cost            |
|--|--------------------------------------|-------------------|------|-------------|-----------------|
| 1.0  | 2008 Housing Element completion      |                   |      |             |                 |
|  | -HCD consultation & revisions*       | 40                |      | 40          | \$5,000         |
|  | -PC and CC meetings (2 meetings)     | 24                |      | 24          | \$3,000         |
| 2.0  | 2013 Housing Element Preparation     |                   |      |             |                 |
| 2.1  | -Admin. Draft Housing Element        | 60                | 8    | 68          | \$8,020         |
| 2.2  | -Public Review Draft Housing Element | 12                | 2    | 14          | \$1,630         |
| 2.3  | -Proposed Final Housing Element      | 16                |      |             | \$2,000         |
| 2.4  | -Final Housing Element               | 8                 | 4    |             | \$1,260         |
| 3.0  | Public Participation                 |                   |      |             |                 |
|  | -Community meeting                   | 10                |      | 10          | \$1,250         |
|  | -PC and CC meetings (2 meetings)     | 24                |      | 24          | \$3,000         |
| 4.0  | CEQA documentation                   | 16                |      | 16          | \$2,000         |
| 5.0  | Project Management                   | 8                 |      | 8           | \$1,000         |
| Total Labor                                |                                      | 218               | 14   | 232         | \$28,160        |
| Hourly Rate                                |                                      | \$125             | \$65 |             |                 |
| Reimbursable Expenses                      |                                      | (See table below) |      |             | \$600           |
| <b>Total - Labor + Expenses</b>            |                                      |                   |      |             | <b>\$28,760</b> |
| <b>Proposed Contingency Fund (10%)</b>     |                                      |                   |      |             | <b>\$2,876</b>  |
| <b>PROPOSED TOTAL BUDGET AUTHORIZATION</b> |                                      |                   |      |             | <b>\$31,636</b> |

JD = John Douglas, AICP, Project Manager

WP = Word Processing/graphics tech

| Estimated Reimbursable Expenses |              |
|---------------------------------|--------------|
| Travel/mileage                  | No charge    |
| Printing/graphics/supplies      | \$500        |
| Postage/deliveries              | \$100        |
| <b>Total</b>                    | <b>\$600</b> |

\*Any unused budget will be carried over to later tasks

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