



MEMORANDUM

TO: City Council

FROM: Brian Pedrotti, Community Development Director

BY: Andrew Perez, Planning Manager

SUBJECT: Update and Discussion of a Proposal for the Comprehensive General Plan Update

DATE: February 14, 2023

SUMMARY OF ACTION:

Preliminarily consider a consultant proposal for the comprehensive update of the General Plan, refine the scope of work and budget as necessary, and direct staff to return to the City Council with a consultant contract.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The Comprehensive General Plan Update is currently included in the budget with \$150,000 for FY 2022-23. Grant funding from Senate Bill 2, Local Early Action Planning (LEAP), and Regional Early Action Planning (REAP) programs, in the amounts of \$52,000, \$104,052, and \$65,000, respectively, have been earmarked to cover costs associated with the effort to develop objective design standards and amend the development code. Additionally, on February 23, 2021, Council provided direction to support the General Plan Update with SB 1090 Funds. Currently, \$869,248 in the City's SB 1090 funds are unallocated and may be used to complete the General Plan Update. This will be a multi-year effort which will require additional financial resources in subsequent years, as well as dedication of significant staff time. Implementation measures proposed as part of the General Plan Update, such as relevant code amendments and programs, may have future impacts to financial resources, if supported by Council. Further details regarding the total costs identified in the consultant proposal and other budget needs are provided in the report below.

RECOMMENDATION:

1) Direct staff to return to the City Council with a consultant services agreement with Mintier Harnish to initiate the comprehensive General Plan Update, and 2) Direct staff to solicit proposals for a Diversity, Equity, Inclusion, and Justice (DEIJ) expert to implement the City's DEIJ Policy and return to the City Council with a consultant contract for these services.

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BACKGROUND:

Over the last 20 years, various elements of the City's General Plan have been updated on an as-needed basis, such as the Housing Element and Circulation Element. However, the City has not completed a comprehensive update since 2001. The State of California Office of Planning & Research as well as State statute require that the general plan be updated "periodically." While there is no strict requirement for how often to update the general plan, the planning period is typically 15-20 years. Some cities and counties update their general plans as often as every 5 years, while others update in portions over time.

The existing General Plan includes the following elements and their adoption date in parentheses. Some elements are required by state law, while others are optional.

Existing City of Arroyo Grande General Plan Elements Required by State Law

- Land Use Element (2001)
- Circulation Element (2021)
- Noise Element (2001)
- Safety Element (2001)
- Housing Element (2020)
- Agriculture, Conservation Element and Open Space Element (2007) (Note: the City has combined Conservation and Open Space Elements into one element)

Existing City of Arroyo Grande Optional General Plan Elements that have been adopted by the City

- Parks and Recreation Element (2001)
- Economic Element (2012)

In addition to these adopted elements, the City has also adopted a Climate Action Plan (2013). The Climate Action Plan includes a number of policies and actions to help reduce greenhouse gas emissions. While not a required component of the General Plan, the Climate Action Plan is directly related to the Land Use and Circulation Elements (i.e. building of the 2001 General Plan), as these are the basis for many of the modeling assumptions with regard to land use patterns and vehicle miles traveled, both of which generate greenhouse gas emissions.

On February 23, 2021, the City Council directed staff to initiate a comprehensive update to the City's General Plan. During that meeting, staff was directed to return to the City Council with a discussion on the scope of work related to the comprehensive General Plan update.

On July 26, 2022, the City Council clarified the scope of work and directed staff to initiate a comprehensive update to the General Plan, including an update to all existing elements except for the Housing Element, a consistency review of the Housing Element, creation of an Environmental Justice Element, an update to the Climate Action Plan, the creation

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of objective design standards, an overlay district providing specific development standards for the East Grand Avenue corridor, zoning ordinance updates, and the inclusion of Healthy Communities strategies throughout (Attachment 2). The identified budget was \$500,000, and the City Council requested that consultants provide both a two-year schedule and a three-year schedule.

In November 2022, the City issued a Request for Proposals for the General Plan Update with the City Council's requested scope of work and budget. The project description included the following core components:

1. Development and implementation of a well-defined, inclusive, and robust public outreach strategy. The strategy shall adhere to policies that promote inclusive outreach to diverse communities contained in the City's Diversity, Equity, Inclusion, and Justice Policy;
2. Comprehensive update of existing General Plan Elements (except Housing Element);
3. Creation of an Environmental Justice Element;
4. An update to the Climate Action Plan;
5. Development of objective design standards and an overlay district for the East Grand Avenue corridor; and
6. Development Code update.

Following the July 26th City Council meeting, additional staff research and discussion with other cities and consultants revealed that the planned, updated scope of work could likely exceed the stated budget of \$500,000 by a significant amount. With this information, staff requested that proposals identify a base cost for the update, but also include a list of optional tasks that would complete the full scope of work directed by the City Council.

ANALYSIS OF ISSUES:

Staff received one consultant proposal prior to the RFP deadline of December 21, 2022, from Mintier Harnish, a Sacramento-based land use firm (Attachment 1). The analysis below is focused on this proposal.

Two-Year vs Three-Year Work Scope

In accordance with the direction from the City Council, staff included a request for a two-year work scope in addition to a three-year work scope. The consultant proposal identifies the two-year scope as particularly challenging, given the minimum 10-month time frame necessary for the CEQA analysis and preparation of an environmental impact report, leaving approximately 14 months for the rest of the General Plan update. The two-year work scope still includes an update to all of the General Plan Elements and creation of a new Environmental Justice Element. The two-year scope includes visioning exercises and workshops, but lacks some important items, such as an alternatives analysis and consistency revisions to the development code. The alternatives analysis identified here is intended to evaluate different land use scenarios in the General Plan Update, such as whether the City includes specific areas for annexation and is separate from the required

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Alternatives Analysis that is required by CEQA in the Environmental Impact Report. Staff feels that the General Plan alternatives analysis would be a beneficial exercise, especially if the City considers annexations or expansions to the Sphere of Influence.

The three-year work scope provides additional flexibility in the schedule, including a more robust public outreach plan, an alternatives analysis, and a limited development code update that focuses on ensuring that the code is consistent with the General Plan, as opposed to a full development code update that comprehensively evaluates different zonings, development forms, and standards. Specifically, the three-year option adds additional outreach including a newsletter, City Hall displays, “visioning” and environmental justice pop-up events and workshops, a Planning Commission Study Session, City Council Study Session, the previously described General Plan alternatives analysis evaluating different land use scenarios, a Safety Technical Advisory Committee Meeting, Small Business Workshop, and a technical development code update.

Both proposed work scopes include optional tasks for additional cost and in some cases, additional time. Examples of optional tasks include more public outreach events to inform the overall project and a Retail Market Analysis for the Economic Development Element update. The Climate Action Plan, development of objective design standards, and creation of an East Grand Avenue overlay district are proposed as optional tasks due to budgetary constraints, despite being part of Council’s requested scope. The East Grand Avenue overlay district is listed as part of a more comprehensive zoning code update, which is an optional task. In terms of time, some of these tasks can be completed within the three-year work scope, including the public outreach activities and economic development tasks. Some, however, can be started within the three-year period, but will exceed the timeframe. For instance, if the City Council chooses to include a Comprehensive Development Code Update, that task is anticipated to require an additional 18 months beyond the three-year scope.

Although staff feels that all of the optional tasks would be beneficial to the creation of a comprehensive General Plan Update, three tasks in particular are viewed as more critical depending on budget considerations; the Climate Action Plan update, Comprehensive Code Update and the Economic Development Tasks, which include a retail market analysis and market demand studies for non-retail uses. Updated policies and goals in the General Plan Update will be clearly intertwined with climate action goals, including potential emission reductions based on new land uses, circulation considerations, and environmental justice policies, and staff feels it is critical that the Climate Action Plan is updated for consistency. The economic development tasks would analyze recent/ongoing changes in the retail industry, including an inventory, vacancy levels, future growth projections, regional competition, and an evaluation of opportunity sites, which could inform additional efforts such as the East Grand Avenue Corridor Overlay District.

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Budget and Costs

The Request for Proposal stated that the City of Arroyo Grande has currently budgeted \$500,000 for the update effort, and indicated that the cost proposal should include all work products that can be provided with this budget for each timeline (two-year vs. three-year), as well as a listing of additional tasks that would potentially exceed the currently budgeted amount to complete the full scope of work.

The consultant proposal noted that although the City has a stated budget of \$500,000, both the two-year and three-year cost proposals exceed this amount because they believe these work scopes will better achieve the City’s stated expectations and will implement current best planning practices. The consultant notes that the cost could be reduced to the stated budget but would compromise the effectiveness of the Plan. The stated two-year work scope cost is \$735,389, while the three-year work scope cost is \$896,771. In addition, the optional tasks costs are as follows:

Additional Public Outreach Activities	\$ 31,680
Alternatives Report	40,580
Comprehensive Code Update	171,700
Economic Development Tasks	41,640
Climate Action Plan Update	144,434
Total	\$430,034

Additional staff research and discussion with other cities and consultants confirmed that the Update scope of work would likely exceed the stated budget of \$500,000 by a significant amount, consistent with the Mintier Harnish proposal. For instance, the City of Atascadero has initiated a General Plan Update that includes an estimated budget of \$1.2 million for a similar effort. Staff also received a letter from another consultant that estimated the work scope associated with the City’s Request for Proposal at approximately \$1.4 million.

Potential available budget sources for the General Plan Update costs are shown in Table 1 below:

Table 1 – Potential Budget Sources

Remaining unallocated SB 1090 Funds	\$869,248
Local Early Action Planning (LEAP)	\$65,000
Regional Early Action Planning (REAP)	\$104,000
SB2 funds	\$52,000
General Fund Budgeted FY 2022-23	\$150,000
TOTAL	\$1,240,248

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Based on this information, staff is recommending that the City Council initiate the General Plan Update with the three-year scope of work, which includes a more robust public outreach plan, a General Plan alternatives analysis, and a limited development code update. Staff also is recommending that the optional tasks of a Climate Action Plan update, Comprehensive Code Update (includes East Grande Avenue Corridor Overlay District) and Economic Development Tasks be included as top priorities. Total costs associated with staff’s recommendation are shown in Table 2 below.

Table 2 - Costs Associated with Staff Recommendation

Three-Year Scope of Work	\$896,771
Climate Action Plan	\$144,434
Comprehensive Development Code Update	\$171,700
Economic Development Tasks	\$41,640
Diversity, Equity, Inclusion, Justice consultant expertise (see below)	\$20,000
TOTAL	\$1,274,545

DEIJ

The consultant proposal provides an acknowledgement of the importance of dismantling inequities and identifying traditionally underrepresented or marginalized groups as part of the public outreach effort. This is reflected in the range of opportunities for engagement, including open house, community workshop, and pop-up events as well as online engagement tools. The proposal also includes translation services to provide more meaningful engagement for a broader sector of the community. This approach would provide a good beginning framework for the General Plan Update, particularly with the inclusion of the Environmental Justice Element. However, staff recommends that the importance of looking at the Update through the lens of the City’s DEIJ policy will necessitate a separate consultant with specific DEIJ expertise. Staff has estimated a budget of approximately \$15,000 – \$20,000 to provide expert support and peer review in the area of DEIJ. If directed by the City Council, staff will solicit proposals for this item and package it together with the overall General Plan Update contract for consideration by the City Council.

ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Direct staff to return to the City Council with 1) a consultant contract with Mintier Harnish to initiate the comprehensive General Plan Update, to include the three-year scope of work, the Climate Action Plan update, Comprehensive Development Code update, and Economic Development Tasks; and 2) provide direction to staff to solicit proposals for a separate DEIJ expert; and return to the City Council with a consultant contract for these services; or
2. Direct staff to return to the City Council with a consultant contract with Mintier Harnish to initiate the comprehensive General Plan Update, and direct staff to

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solicit proposals for a DEIJ expert and return to the City Council with a consultant contract for a different combination of work scope and tasks than those set forth in Recommendation 1; or

3. Direct staff to send out a new Request for Proposals with an updated budget consistent with recent information; or
4. Provide other direction to staff.

ADVANTAGES:

The last comprehensive update of the City's General Plan was completed in 2001. A comprehensive update will create a vision and establish goals, policies, and programs to guide the community's growth over the next generation in accordance with its priorities and values.

DISADVANTAGES:

A comprehensive update will require significant financial resources and staff time.

ENVIRONMENTAL REVIEW:

No environmental review is required for this update and discussion item. An Environmental Impact Report will likely be necessary to evaluate potential impacts of the comprehensive General Plan update in compliance with the California Environmental Quality Act, and CEQA will be considered separately at the time the City brings forward consultant contracts for City Council's consideration.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Proposal for Services from Mintier Harnish
2. Staff Report and Minutes from the July 26, 2022 City Council Meeting