

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND VERONICA TAM & ASSOCIATES, INC.**

THIS AGREEMENT FOR CONSULTING SERVICES (this "Agreement") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Veronica Tam & Associates, a California S corporation ("Consultant" or "Contractor").

The parties hereby agree as follows:

1. Description of Project or Scope of Services. The project description or scope of services to be provided by Consultant, and any corresponding responsibilities of City, or services required to be performed by City are set forth in Exhibit "A."
2. Term and Time of Completion. Consultant shall commence and complete the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
3. Compensation. City agrees to pay Consultant for work performed in accordance with Exhibit "C".

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GENERAL PROVISIONS

1. Independent Contractor. Consultant acknowledges, represents and warrants that Consultant is not a regular or temporary employee, officer, agent, joint venturer or partner of the City, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Consultant shall have no rights to any benefits which accrue to City employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the City shall not withhold state or federal income taxes, the reporting of which shall be Consultant's sole responsibility.
2. Brokers. Consultant acknowledges, represents and warrants that Consultant has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.
3. Services. The project or services set forth in Exhibit "A" shall be performed to the full satisfaction and approval of the City. In the event that the project or services set forth in Exhibit "A" are itemized by price in Exhibit "C", the City in its sole discretion may, upon notice to Consultant, delete certain items or services set forth in Exhibit "A", in which case there shall be a corresponding reduction in the amount of compensation paid to Consultant. City shall furnish Consultant to the extent available, with any City standards, details, specifications and regulations applicable to the Project and necessary for the performance of

Consultant's services hereunder. Notwithstanding the foregoing, any and all additional data necessary for design shall be the responsibility of Consultant.

4. Changes and Extra Work. All changes and/or extra work under this Agreement shall be provided for by a subsequent written amendment executed by City and Consultant.
5. Additional Assistance. If this Agreement requires Consultant to prepare plans and specifications, Consultant shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Consultant shall issue any necessary addenda to the plans and specifications as requested. In the event Consultant is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of this Agreement.
6. Professional Ability. Consultant acknowledges, represents and warrants that Consultant is skilled and able to competently provide the services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant shall perform in accordance with generally accepted professional practices and standards of Consultant's profession.
7. Business License. Consultant shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.
8. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Consultant of the project or services hereunder, immediately upon written notice to Consultant. In the event of any such termination, Consultant shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; and (2) necessary materials or services of others ordered by Consultant for this Agreement, prior to Consultant's receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, and further provided that Consultant is not able to cancel such orders. Compensation for Consultant in such event shall be determined by the City in accordance with the percentage of the project or services completed by Consultant; and all of Consultant's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to the City. In conjunction with any termination of this Agreement, the City may, at its own expense, make

copies or extract information from any notes, sketches, computations, drawings, and specifications or other data, whether complete or not.

9. Termination in the Event of Default. Should Consultant fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Agreement, the City may immediately terminate this Agreement by giving written notice of such termination, stating the reasons for such termination. Consultant shall be compensated as provided immediately above, provided, however, there shall be deducted from such amount the amount of damages if any, sustained by the City by virtue of Consultant's breach of this Agreement.
10. Conflict of Interest. Consultant acknowledges, represents and warrants that Consultant shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Consultant further acknowledges, represents and warrants that Consultant has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement. Consultant acknowledges that in the event that Consultant shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Agreement, all consideration received under this Agreement shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Agreement for one (1) year.
11. Indemnity. To the maximum extent permitted by law, Consultant hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of Consultant's performance or work hereunder (including any of its officers, agents, employees, Subcontractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.
 - a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against Consultant because the acceptance by City, or the

deposit with City, of any insurance policy or certificate required pursuant to this Agreement.

- b. Waiver of Right of Subrogation. Consultant, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.
12. Insurance. Consultant shall comply with the requirements set forth in Exhibit "D." Insurance requirements that are waived by the City's Risk Manager do not require amendments or revisions to this Agreement.
13. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
14. Compliance with Laws. Consultant shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Agreement, including without limitation all environmental laws, employment laws, and non-discrimination laws.
15. Limitations upon Subcontracting and Assignment. Consultant acknowledges that the services which Consultant shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Consultant shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion. In the event that the City, in writing, approves any assignment or subletting of this Agreement or the retention of subcontractors by Consultant, Consultant shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Consultant and subcontractor. Any attempt by Consultant to assign any or all of its rights under this Agreement without first obtaining the City's prior written consent shall constitute a material default under this Agreement.

The sale, assignment, transfer or other disposition, on a cumulative basis, of twenty-five percent (25%) or more of the ownership interest in Consultant or twenty-five percent (25%) or more the voting control of Consultant (whether Consultant is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute an assignment for purposes of this Agreement. Further, the involvement of Consultant or its assets in any transaction or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Agreement or Consultant's assets occurs, which reduces Consultant's assets or net worth by twenty-five percent (25%) or more shall also constitute an assignment for purposes of this Agreement.

16. Subcontractors. Consultant shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Consultant

shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.

17. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Consultant and City may be used to assist in the interpretation of the exhibits to this Agreement.
18. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
19. Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail. In the event of a conflict between the terms and conditions of any two or more exhibits or attachments hereto, those prepared by the City shall prevail over those prepared by Consultant.
20. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Consultant hereunder shall be non-exclusive, and City reserves the right to employ other contractors in connection with the project.
21. Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit "A" which does not pertain to the project description, proposal, or scope of services (as applicable) to be provided by Consultant, or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Agreement.
22. Time of Essence. Time is of the essence of this Agreement.
23. Confidentiality. To the extent permissible under law, Consultant shall keep confidential its obligations hereunder and the information acquired during the performance of the project or services hereunder.
24. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties."
25. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.

26. Attorneys' Fees. In the event either party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.
27. Claims. Any claim by Consultant against City hereunder shall be subject to Government Code §§ 800 *et seq.* The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after accrual of the cause of action.
28. Interpretation. Consultant acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.
29. Warranty. In the event that any product shall be provided to the City as part of this Agreement, Consultant warrants as follows: Consultant possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets all specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of thirty (30) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Consultant, at Consultant's expense, including shipping. Consultant shall not be liable under this warranty for an amount greater than the amount set forth in Exhibit "C" hereto.
30. Severance. Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed, and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
31. Authority. City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of City. The party signing on behalf of Consultant warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Consultant, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of Consultant.
32. Waiver. The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 20th day of October, 2020.

CITY OF REDONDO BEACH

VERONICA TAM & ASSOCIATES, INC.
A CALIFORNIA S CORPORATION

William C. Brand, Mayor

By: _____
Name: _____
Title: _____

ATTEST:

APPROVED:

Eleanor Manzano, City Clerk

Risk Manager

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

EXHIBIT "A"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

Consultant shall perform the following duties:

TASK 1 – PROJECT ADMINISTRATION AND COORDINATION

Veronica Tam & Associates (VTA) shall work with City staff and coordinate with the General Plan consultant as necessary to achieve Housing Element adoption on time (by October 15, 2021 or within the 120-day grace period, which will likely be utilized). Regular progress updates with City staff shall occur. These meetings shall be conducted via audio/video conferencing.

TASK 2 – HOUSING ELEMENT ASSESSMENT

Task 2.1 – Evaluation of the 2013-2021 Housing Element

As an initial task to the Housing Element update, VTA shall review and evaluate the City's progress in implementing the programs in the City 2017 Midterm Review of the 2013-2021 Housing Element and recommend changes in programs and objectives needed. The City's 2019 Housing Element Annual Progress Report (APR) is a good starting point for this evaluation.

Task 2.2 – Needs Analysis

The Housing Needs Assessment shall contain the following topics to satisfy Government Code Section 65583(a) requirements:

- Demographics, income, and employment trends;
- Household characteristics;
- Housing stock characteristics;
- At-risk housing analysis; analysis of special housing needs; and
- Affirmatively furthering fair housing analysis.

Most recently, HCD released a Technical Memo for AB 686 (Affirmatively Furthering Fair Housing). VTA shall consult this memo and HCD staff to ensure this new requirement is adequately addressed in the Housing Element update.

Task 2.3 – Sites Inventory and Analysis

The 6th Cycle RHNA is significant for the entire region. The City's draft RHNA is 2,483 units, doubled the City's 5th cycle RHNA. This Housing Element update would require significant efforts to identify additional sites with sufficient capacity for the increased RHNA, taking into considerations the adequate sites requirements under new Housing Element laws (SB 166, AB 1397, etc.). Specifically, HCD recommends a 20 percent buffer to accommodate the No Net Loss requirements.

VTA shall begin with the City's 2017 Housing Element Midterm Review sites inventory and remove parcels that are no longer available for development due to recent development/improvements or change in circumstance. VTA shall then identify additional sites to meet the RHNA. Identification of adequate sites for the RHNA require coordination with the General Plan consultant. The proposed Land Use Policy for the General Plan update may need to be adjusted in order to provide adequate sites for the RHNA.

Task 2.4 – Housing Constraints and Opportunities

VTA shall identify potential governmental and non-governmental constraints to housing production, including environmental and infrastructural constraints. This analysis must contain a review of factors that may potentially constrain the development, improvement, and preservation of housing in Redondo Beach. Factors to be reviewed include market, governmental, environmental, and infrastructural constraints. With the anticipated need to designate additional capacity for residential uses, the impacts of Measure DD would have to be analyzed as a potential constraint.

New Housing Element laws require the assessment of non-governmental constraints, including NIMBYism, lending practices, shortage of labor, and other economic factors.

In addition to the sites inventory, VTA shall also discuss other resources such as funding available and partnership opportunities, as well as opportunities for energy conservation.

Task 2.5 – Housing Implementation Plan

Based upon the analyses and research conducted in the previous tasks, VTA shall update the Housing Element. For each program included in the Housing Element, VTA shall establish the timeframe for implementation, specific objectives, funding sources, and responsible agencies. The programs shall satisfy requirements of Government Code Sections 65583(b) and (c). Several new programs are mandated:

- Program to incentivize Accessory Dwelling Units
- Program to address impediments to fair housing

TASK 3 – COMMUNITY PARTICIPATION (4 MEETINGS)

During the development of the Housing Element, the City is required to conduct outreach for community participation. The Housing Element shall summarize outreach activities and public participation efforts conducted as part of the General Plan Update that are relevant to the Housing Element. In addition, the budget and scope include the following:

- GPAC (1 Meeting) – To discuss with GPAC members regarding the Land Use Alternative and the need for adequate capacity for the RHNA
- Planning Commission and City Council (3 Meetings)
 - Housing Element Kickoff (2 Meetings) - To discuss the Housing Element update, new requirements, and potential challenges for the Redondo Beach Housing Element before the Planning Commission and City Council. Agencies and organizations serving low and moderate income residents and special needs groups, developers, and community stakeholders will be invited to these meetings.
 - Review of Draft Housing Element (1 Meeting) – To review the Draft Housing Element with the Planning Commission prior to submittal to HCD for review

Agencies and organizations serving low and moderate income residents and special needs groups, developers, and community stakeholders will be invited to these public meetings.

TASK 4 – REVIEW AND APPROVAL OF HOUSING ELEMENT AMENDMENT

Task 4.1 – Staff Review of Draft Housing Element

With the analyses conducted in the previous tasks, VTA shall comprehensively update the City's 2017 Midterm Review Housing Element for the 2021-2029 cycle. A Screendraft Housing Element shall be prepared for staff review.

Task 4.2 – Public Review Draft Housing Element

VTA shall revise the Screendraft Housing Element, responding to staff comments to formulate the Public Review Draft. VTA recommends presenting this Draft Housing Element to the Planning Commission prior to submitting for HCD review (see Task 3). VTA shall revise the Public Review Draft Housing Element to reflect any changes desired by the Planning Commission and respond to public comments.

Task 4.3 – HCD Submittal and Review

HCD review of the Draft Housing Element is mandatory. During the review, VTA shall work to address all HCD comments. VTA shall communicate with HCD and facilitate review of the revisions via revised pages. All revisions made to the Draft Housing Element shall be shown as tracked changes. The goal is to secure a Finding of Substantial Compliance on the Draft Element before proceeding to adoption. This way, final certification would be contingent upon adopting the Housing Element as revised and reviewed by HCD, and the City would avoid adopting a Housing Element that does not completely meet HCD requirements and needing to repeat the review and adoption process again.

Task 4.4 – Adoption Public Hearings (2)

Upon completion of HCD review, VTA shall conduct two public hearings one before the Planning Commission and one before the City Council for the adoption of the Housing Element.

Task 4.5 – Final Housing Element and State Certification

After the City Council adoption hearing, VTA shall package a Final Adopted Housing Element, along with the signed resolution, and send to HCD for its final 90-day review. VTA shall follow through with assisting the City in achieving State certification of the Housing Element.

TASK 5 – CEQA CLEARANCE

The Housing Element shall proceed before the General Plan Update. However, all redesignation of sites shall occur as part of the General Plan Update. Therefore, it is assumed the Housing Element shall be able to obtain CEQA clearance via a Negative Declaration or Mitigated Negative Declaration.

VTA will subcontract the CEQA services through ESA. ESA shall provide the following CEQA services for a not to exceed amount of \$18,290:

Scope of Work ESA – CEQA Clearance

ESA anticipates that an Initial Study/(M)ND shall be adequate to provide for CEQA clearance of the Project. While not expected, should it be determined that the Project's potential environmental effects could be significant and cannot be reduced to less than significant levels, and thus potentially require the preparation of an EIR, ESA shall immediately notify the Veronica Tam & Associates and the City (Project Team).

In accordance with CEQA requirements, ESA shall complete the environmental review process for the Project through preparation of an IS/(M)ND with the City of Redondo

Beach as the Lead Agency. The following tasks are required for the timely completion of the environmental review process:

Task 5.1 – Collect Data/Prepare Project Description

ESA shall attend a kickoff meeting with City staff and the Project Team prior to commencing work on the environmental document. Subjects for review and discussion at the meeting shall include, but not be limited to:

- finalize project description details;
- identify any prior environmental documentation that may be relevant to the Housing Element Update;
- identify project databases, sources of information, and key contacts; and
- identify key issues known to be of concern to agencies, interest groups, and the public.

It is assumed that the City shall provide any site-specific studies prepared to date, exhibits, project description details, and materials for development of the environmental document at the kick-off meeting. If additional data is required, ESA shall submit a memo detailing data needs to the City with recommendations on how best to fill them.

ESA shall prepare a draft (M)ND Project Description, with input from the Team, for City review, which shall include: a project location map; a description of the regional and local setting; the housing element history; planning context; population and housing characteristics and trends; and opportunity sites, if any. ESA assumes the necessary amendments shall be included as part of the City's General Plan Update that is currently underway. The Project Description shall be used as the basis for preparing the City's Initial Study Checklist, which is described below. Upon receipt of the City's consolidated comments, ESA shall make necessary changes to the Project Description and submit for the City's final review and approval.

Deliverables:

- Data Needs Memorandum, if needed (electronic submittal)
- Draft and Final Project Description to City for review and approval (electronic submittal)

Task 5.2 – Prepare Initial Study/(M)ND Package

The documentation necessary for completion of the Initial Study/(M)ND shall consist of the City's Initial Study Checklist form accompanied by an Explanation of Checklist Determinations and the Project Description cited above. The Initial Study Checklist is comprised of a number of technical questions under 19 issue areas, each of which must be addressed with supporting data, evidence, and logic based analysis. The Explanation of Checklist Determinations shall substantiate why each of the environmental issues included within the Initial Study Checklist shall not result in significant and unavoidable impacts to the environment. Given the nature of the Housing Element Update, it is anticipated that most issue areas would result in less than significant or no impacts as the Housing Element Update shall lay the groundwork for the City to provide the housing necessary to comply with the RHNA allocation, thereby increasing the housing stock as required. While ESA does not anticipate the need for extensive analysis of environmental issues in light of the nature of the Project, sufficient analysis based on information received in Task 1 shall be provided to satisfy the requirements of CEQA. The following CEQA issue areas would be discussed in the IS/(M)ND:

Aesthetics: ESA shall discuss the visual character of the City and the potential visual and aesthetics impacts to surrounding land uses as a result of implementation of the Housing Element Update.

Agricultural and Forestry Resources: There are currently no agriculture or forest resources in the City. Thus, it is anticipated that this analysis of this environmental topic would not result in impacts.

Air Quality: The air quality impact analysis shall include a general discussion of potential temporary, short-term (i.e., construction) air pollutant effects. ESA shall discuss short-term emissions attributable to development anticipated under the housing element and quantitatively assess the proposed project. Projected construction emissions shall be discussed based on construction data (e.g., assumed duration of construction, amount of land to be disturbed/graded, typical types of equipment to be used) for the proposed housing sites. Longterm (i.e., operational) air pollutant emissions, including stationary, area, and mobile source emissions shall be assessed. Regional mobile source emissions shall be estimated based on trip generation data from the transportation analysis. With respect to GHG emissions associated with future development under the housing element, ESA shall evaluate consistency with applicable strategies to reduce GHG emissions.

Biological Resources: The City of Redondo Beach is primarily developed. Given that development would likely occur in already urban areas, it is unlikely that there would be significant impacts associated with this topic. Nevertheless, the IS/MND shall consider the Housing Element Update's impact on biological resources, including direct and indirect impacts that could arise and identify appropriate mitigation, if necessary.

Cultural Resources: ESA shall identify and evaluate the potential impacts to cultural resources associated with the Housing Element Update and identify appropriate mitigation measures, if necessary. ESA shall rely in part on information provided in any previous studies done within the City of Redondo Beach to evaluate the cultural context. In addition, ESA shall conduct a cultural resources investigation to assess potential impacts to cultural resources associated with opportunity sites, if such are identified. A desktop geoarchaeological review to assess subsurface sensitivity for archaeological resources shall be conducted. Historic architectural resources shall be identified through a record search and any other available information. The results of the archaeological records search, geoarchaeological review, and historic database review shall be summarized in the IS/(M)ND. ESA shall further request a Sacred Lands File search from the Native American Heritage Commission (NAHC) to determine if any Native American traditional/cultural sites are located within the City. In consultation with the City, ESA shall prepare SB 18 and AB 52 letters in anticipation of a General Plan amendment and the preparation of a CEQA document, respectively. ESA assumes no cultural resources survey shall be conducted. ESA also assumes the City shall not require tribal assistance beyond the preparation of the letters.

Energy: ESA shall consider the increase in energy resources associated with the implementation of the Housing Element Update. This analysis shall consider the potential for any significant direct, indirect, and cumulative energy impacts, and associated mitigation measures. The section shall be closely coordinated with the

Project Description and GHG analysis to ensure the project and associated environmental effects are consistently characterized.

Geology and Soils: ESA shall conduct analyses of the potential impacts associated with geology and soils based on available public information, information in the General Plan, and any information provided by the City. In addition, with regard to paleontological resources, which are analyzed under the geology and soils topic, ESA shall conduct background research on the project area. ESA shall also discuss the potential impacts to paleontological resources and provide any necessary mitigation.

Greenhouse Gas Emissions: As discussed above under the Air Quality topic, ESA shall evaluate potential GHG impacts associated with the implementation of the Housing Element Update including the potential for any significant direct, indirect, and cumulative impacts. The section shall be closely coordinated with the Project Description and Air Quality analysis to ensure the Housing Element Update and associated environmental effects are consistently characterized.

Hazards and Hazardous Materials: ESA shall evaluate the potential for hazards and hazardous materials impacts associated with the implementation of the Housing Element Update, and identify mitigation measures, if necessary. ESA shall rely in part on information provided in any previous studies done within the City of Redondo Beach as well as other available information to evaluate the potential for hazards and hazardous materials.

Hydrology and Water Quality: ESA shall evaluate whether the implementation of the Housing Element Update would result in any direct or indirect physical changes to the environment as it relates to hydrology and water quality and whether the Housing Element Update would change programs or policies related to hydrology or water quality.

Land Use and Planning: The analysis of land use impacts shall evaluate the Housing Element Update's consistency with existing land use plans and zoning. This section shall discuss the existing land use and planning setting and the potential for environmental impacts associated with the Housing Element Update and identify mitigation measures, where appropriate. Any amendment needed to implement the Housing Element Update shall be evaluated through the General Plan Update process.

Mineral Resources: ESA shall describe that the Housing Element Update would not result in direct or indirect physical changes to the environment that would affect mineral resources.

Noise: ESA shall prepare a noise analysis that shall describe the noise impacts resulting from construction and on-site noise levels associated with existing and future traffic on local roadways. ESA shall rely on long-term noise data in the General Plan to the extent possible. The impacts of the project's noise and vibration levels shall be determined relative to the City's applicable noise level criteria in its Noise Control Ordinance and General Plan Noise Element.

Population and Housing: The Housing Element Update shall include programs to increase housing development within the City of Redondo Beach and, as a result, it is anticipated that this Update would increase population. ESA shall evaluate the potential

for the Housing Element Update to directly or indirectly induce population, housing, and employment growth within the City. The evaluation shall identify the existing population, housing, and employment conditions with reliance on the General Plan, other City sources, Census 2010 data, and associated projections for population, housing, and employment, including those provided by SCAG and evaluate the Housing Element Update's effects relative to projected population, housing, and employment to determine any conflicts related to growth, particularly those that would translate to significant physical impacts on the environment.

Public Services/Recreation: The Housing Element Update would include proposed programs that would increase population growth and demand for public services, including fire protection, police protection, schools, parks/recreation, and other public facilities such as libraries, in the City of Redondo Beach. ESA shall evaluate whether implementation of the of the Housing Element Update would result in any direct or indirect physical changes to the environment that would affect public services.

Transportation and Circulation: The Housing Element Update has the potential to increase population growth and the use of transportation services. While CEQA section 15064.3 requires an evaluation of Vehicle Miles Traveled (VMT), this analysis is required for development projects and transportation projects, and the adoption of the Housing Element Update would not be considered as either a development or transportation project. Thus, the evaluation shall consider consistency with applicable programs, plans, ordinances, or policies addressing the circulation system and whether the Housing Element Update would result in an increase in hazards or impacts to emergency access.

Tribal Cultural Resources: While AB 52 is the responsibility of the lead CEQA agency, ESA shall assist the City in preparing AB 52 letters. ESA assumes that the City shall conduct consultation with tribal representatives who have requested notification of projects within the City pursuant to California Public Resources Code Section 21080.3.1 (Assembly Bill 52). ESA shall document the results of the City's consultation in the Tribal Cultural Resources discussions. ESA is available to assist with consultation if so requested by the City under a separate scope and cost.

Utilities and Service Systems: The Housing Element Update would include proposed programs that would increase population growth and demand for utilities and services systems, including water, wastewater, stormwater drainage, electric power, natural gas, telecommunication systems, and solid waste, in the City of Redondo Beach. ESA shall evaluate whether implementation of the of the Housing Element Update would result in any direct or indirect physical changes to the environment as it related to utilities and service systems.

Wildfire: The City of Redondo Beach is not located within a California Department of Forestry and Fire Protection (CAL FIRE-defined Fire Hazard Severity Zone) Very High Fire Hazard Severity Zone. ESA shall evaluate whether the implementation of the Housing Element Update would result in any direct or indirect physical changes to the environment as it relates to wildfire.

Upon completion of the Initial Study/(M)ND, ESA shall submit the document to the City for review. ESA shall incorporate revisions to the document based on the single set of consolidated City comments. Upon incorporation of City revisions, ESA shall prepare a proof-check of the Initial Study/(M)ND package for City review. Upon finalization of the

Initial Study/(M)ND package, ESA shall provide a public review Draft (M)ND for City use. The City or ESA shall prepare and circulate the Notice of Intent to Adopt an (M)ND to Responsible Agencies, trustee agencies, other interested parties and the County Clerk as mandated by CEQA. In addition, ESA assumes the City shall arrange for publication of the notice in a newspaper of general circulation pursuant to CEQA Guidelines Section 15072(b)(1). It is assumed that posting of the NOC would be provided at City Hall and/or on the City Website, and would be posted by the City. This scope of work assumes ESA shall be responsible for the distribution of the IS/MND to the State Clearinghouse, agencies, interested organizations, and selected public libraries. This notice shall start the 30-day review period for the proposed (M)ND.

Deliverables:

- Draft Initial Study/(M)ND for City review (1 electronic copy)
- Proof-Check Draft Initial Study /(M)ND for City Review (1 electronic copy)
- Public Review Draft MND (1 electronic copy)

Task 5.3 – Prepare Final Initial Study/(M)ND

Upon completion of the public review period mandated by CEQA, ESA shall respond to comments on the IS/(M)ND and shall revise the document if necessary. The Responses to Comments shall be included in the Final MND, or as a standalone document. Public reaction to the IS/(M)ND cannot be predicted with accuracy and could range from a small number of largely positive comments to a substantial number of technical and/or strongly negative comments. In light of the fact that the City shall have involved the public during the preparation of the Housing Element Update, it is assumed that comments on the environmental document shall be light. If the Housing Element Update is approved and the IS/(M)ND is adopted, ESA shall prepare a Notice of Determination (NOD) consistent with Appendix D of the State CEQA Guidelines or in a format typically used by the City. Upon approval, ESA shall file the notice with the County Clerk within 5 working days. It is assumed that the City will provide any necessary filing fees. Filing of the NOD starts a 30-day statute of limitations for CEQA challenges on the Housing Element Update. ESA shall attend up to two (2) public hearings regarding the IS/(M)ND during the process.

Deliverables:

- Draft - Final MND for City review (1 electronic copy)
- Proof-Check – Final MND for City Review (1 electronic copy)
- Final MND (1 electronic copy)
- Notice of Determination

Cost – CEQA Clearance

Summary of Proposed Fees for IS/(M)ND

Task	Task Description	Fees	
		ND	MND
1	Collect Data/Prepare Project Description	\$3,010	\$3,010
2	Prepare Initial Study/MND Package	\$9,050	\$11,270
3	Prepare Final MND	\$2,780	\$3,010
	Subtotal ESA Labor	\$14,840	17,290
	Subtotal Direct Expenses	\$1,000	\$1,000
	TOTAL COST ESTIMATE	\$15,840	\$18,290

TASK 6 – INCLUSIONARY HOUSING ORDINANCE

Task 6.1 – Financial Feasibility Study

VTA will subcontract the Inclusionary Housing duties to Keyser Marston Associates (KMA). KMA shall conduct a feasibility study to test various parameters for the program, such as:

Ownership versus rental units

- Housing unit type
- Project size threshold
- Percent of requirement
- Income distribution of required affordable units

The KMA study shall also include a summary of recently adopted inclusionary housing programs in the State and compare the various parameters used in these programs. The cost for the KMA analysis shall be \$39,200 and cover the following scope:

Scope of Work KMA – Inclusionary Housing Financial Feasibility Study

The purpose of the KMA analysis shall be to evaluate the financial feasibility of imposing inclusionary housing requirements on the following types of new residential development within Redondo Beach:

1. Single family homes;
2. Condominiums; and
3. Apartment projects.

For analysis purposes, KMA shall create prototype developments for each of the three identified housing types. These prototypes shall be developed in consultation with the City staff, and they shall be representative of project types currently being developed in Redondo Beach.

The foundation of the Financial Evaluation shall be a market analysis, affordability gap analyses, and the use of KMA's proprietary pro forma models. KMA shall also review the City's anticipated Regional Housing Needs Assessment (RHNA) targets to gain an

understanding of the existing unmet need for affordable housing at varying income levels. The RHNA information and the results of financial feasibility testing will inform the recommendations regarding the percentage of affordable housing and the depth of affordability to be included in an inclusionary housing program.

The Financial Evaluation shall include be used to assist in recommending the following inclusionary housing program characteristics:

1. The threshold project size that will trigger the inclusionary requirements;
2. The percentage of affordable units that will be required to be provided;
3. The income and affordability restrictions that will be imposed;
4. The comparability standards that will be imposed on inclusionary units;
5. The treatment of inclusionary requirements that result in fractional units;
6. The supportable in-lieu fee payment amounts given the affordability gaps associated with the prototype residential types being evaluated;
7. Off-site alternatives to developing the inclusionary units on site within a market-rate project; and
8. Identification of project types that may be exempt from the inclusionary housing requirements.

In addition, KMA shall conduct a comparative analysis of the salient characteristics of other inclusionary housing policies and undertake a survey of the programs adopted throughout California. The purpose of the comparative analysis is to identify characteristics of inclusionary housing programs that are typically imposed. The results shall be used by KMA to identify the best practices being employed. This information shall provide context for the inclusionary housing program parameters to be recommended to the City.

DELIVERABLE PRODUCTS

FINANCIAL EVALUATION

As part of the Financial Evaluation, KMA proposes to deliver the following work products to the City:

1. The major assumptions to be applied in the pro forma analyses shall be identified.
2. A draft report shall be prepared that shall be supported by tables, data and other materials relevant to the analysis.

INCLUSIONARY POLICY RECOMMENDATIONS

KMA proposes to set forth policy recommendations that shall be based on the results of the Financial Evaluation, and the following other sources of information:

1. The City's zoning documents, including the anticipated RHNA targets;
2. The City's affordable housing planning documents;
3. Community input;
4. The best practices identified in the survey of existing inclusionary housing programs; and

5. Ongoing discussions with City staff.

The policy recommendations memorandum shall be organized as follows:

1. The findings of the Financial Evaluation shall be summarized.
2. The components of the recommended policies shall be identified. The following policy recommendations for ownership and rental housing development shall be included:
 - a. The financially feasible income targeting to be imposed;
 - b. The percentage of housing units that should be set aside as inclusionary housing units;
 - c. The alternatives to on-site inclusionary housing development that should be allowed by right and those that should require approval by the City Council;
 - d. The role that the California Government Code Section 65915 – 65918 density bonus should play in establishing income and affordability requirements for the City's inclusionary housing program; and
 - e. The implementation and administrative tools that should be created by the City after an inclusionary housing program is adopted.
3. The recommendations implementation package shall be described.
4. Case studies shall be presented that compare the inclusionary housing options that could potentially be applied to hypothetical projects.

PROPOSED TIMING/BUDGET

KMA proposes to complete the draft Financial Evaluation report and Policy Recommendations memorandum within eight weeks of receiving authorization from the City to proceed and the necessary background data from the City. In the following table KMA has provided an estimated fee for each task included in this proposal.

Task	Budget
Inclusionary Housing: Financial Analysis Report	\$27,400
Policy Recommendations Memorandum	\$9,000
Meetings/Presentations	\$2,800
Total	\$39,200

The fee for the individual tasks may vary from these estimates, but the total budget shall not be altered unless the work scope is expanded beyond the parameters identified in

this proposal. The preceding budget includes up to 10 hours of in-person/virtual meeting time with City staff, Planning Commission and City Council.

It is important to note that if the scope of services changes materially, and/or the in-person/virtual meeting time requested by the City exceeds 10 hours, the budget will need to be adjusted accordingly. If once the project has started, KMA believes that the budget could be exceeded, KMA will contact the City immediately for further direction.

Task 6.2 – Public Meetings (5)

VTA has included up to five meetings to discuss the inclusionary housing program with the Planning Commission and City Council:

- Introductory meeting – inclusionary housing program basics, including process and parameters for consideration, and relationship with the Housing Element and RHNA
- Parameters setting – discussions to establish basic parameters for KMA to test feasibility
- Recommendation – KMA to report on findings of study and recommend parameters for City ordinance
- Public hearings (2) – for adoption of ordinance

Task 6.3 – Ordinance Preparation

Based on Council direction (after completion of KMA study), VTA shall draft the Inclusionary Housing Ordinance for the City. Two rounds of revision are anticipated to address staff comments. The budget and scope do not include legal review the Draft Ordinance.

It is assumed that the City may claim exemption status under CEQA for the Inclusionary Housing Ordinance. Therefore, the scope and budget do not include CEQA documentation for the Ordinance.

EXHIBIT "B"

SCHEDULE FOR COMPLETION

Term. This Agreement shall commence on October 20, 2020 and shall continue until June 30, 2022, unless otherwise terminated as herein provided.

EXHIBIT "C"

COMPENSATION

Provided Consultant is not in default under this Agreement, Consultant shall be compensated as provided below.

1. Amount. The total cost for services contained herein shall not exceed \$161,950, and shall include the following:
 - a. Housing Element Preparation - \$88,410
 - b. CEQA for Housing Element - ESA - \$18,290
 - c. Inclusionary Housing Ordinance - \$55,250
 - KMA - \$39,200
 - VTA - \$16,050

	Task	Tam \$ 170	Planners \$ 110	Plnrs/ GIS \$ 100	Other	VTA Total
Task 1:	Project Administration and Coordination					
	Project Administration and Coordination	40	20			\$ 9,000
Task 2:	Housing Element Assessment					
Task 2.1:	Evaluation of the 2013-2021 Housing Element	4	16			\$ 2,440
Task 2.2:	Needs Analysis	16	60	8		\$ 10,120
Task 2.3:	Sites Inventory and Analysis	40	60	20		\$ 15,400
Task 2.4:	Housing Constraints and Opportunities	24	60	4		\$ 11,080
Task 2.5:	Implementation Program	8	12			\$ 2,680
Task 3:	Community Participation (4 Meetings)					
	GPAC (1 Meeting)	8	12			\$ 2,680
	Planning Commission and City Council (3 Meetings)	24	24	6	\$ 500	\$ 7,820
Task 4:	Review and Approval of HE Amendment					
Task 4.1:	Staff Review Draft Housing Element	16	40	8		\$ 7,920
Task 4.2:	Public Review Draft Housing Element	8	20			\$ 3,560
Task 4.3:	HCD Submittal and Review	40	40	8		\$ 12,000
Task 4.4:	Adoption Public Hearings (2 meetings)	12	8		\$ 100	\$ 3,020
Task 4.5:	Final Housing Element and State Certification		4	2	\$ 50	\$ 690
	Total Housing Element	240	376	56	\$ 650	\$ 88,410
Task 5:	CEQA Clearance					
	ESA - ND/MND					\$ 18,290
Task 6:	Inclusionary Housing Ordinance					
Task 6.1:	KMA - Financial Feasibility Study					\$ 39,200
Task 6.2:	Public Meetings (5)	40	20		\$ 250	\$ 9,250
Task 6.3:	Ordinance Preparation	40				\$ 6,800
	Total Inclusionary Housing Ordinance					\$ 55,250

2. Method of Payment. Consultant shall provide monthly invoices to City for approval and payment. Invoices must be adequately detailed, based on accurate records, and in a form reasonably satisfactory to City. Consultant may be required to provide back-up material upon request.

3. Schedule for Payment. City agrees to pay Consultant within thirty (30) days of receipt of monthly invoices; provided, however, that payments by City shall not exceed \$161,950 and services are performed to the full satisfaction of the City.

Consultant

Veronica Tam and Associates, Inc.
107 S. Fair Oaks Avenue, Suite 212
Pasadena, CA 91105

City

Community Development Director
415 Diamond Street
Redondo Beach, CA 90277

All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by registered or certified mail. Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party.

EXHIBIT “D”

INSURANCE REQUIREMENTS FOR CONSULTANTS

Without limiting Consultant’s indemnification obligations under this Agreement, Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

Workers’ Compensation insurance as required by the State of California.

Employer’s Liability Insurance.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply separately to this project.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Employer’s Liability: \$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (2) the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Endorsement:

General Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of work performed by or on behalf of the Consultant. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance, or as a separate owner's policy.

Automobile Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.

For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, elected and appointed officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

Each insurance policy shall be in effect prior to awarding the contract and each insurance policy or a successor policy shall be in effect for the duration of the project. The maintenance of proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract on the Consultant's part.

Acceptability of Insurers

Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII and which are authorized to transact insurance business in the State of California by the Department of Insurance.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on the City authorized forms provided with the contract specifications. Standard ISO forms which shall be subject to City approval and amended to conform to the City's requirements may be acceptable in lieu of City authorized forms. All certificates and endorsements shall be received and approved by the City before the contract is awarded. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Subcontractors

Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Risk Management

Consultant acknowledges that insurance underwriting standards and practices are subject to change, and the City reserves the right to make changes to these provisions in the reasonable discretion of its Risk Manager.