

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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April 5, 2024

Suja Lowenthal, City Manager  
City of Hermosa Beach  
1315 Valley Drive  
Hermosa Beach, CA 90254

Dear Suja Lowenthal:

**RE: City of Hermosa Beach's 6th Cycle (2021-2029) Adopted Housing Element**

Thank you for submitting the City of Hermosa Beach's (City) housing element update that was adopted on August 8, 2023. Modifications to the adopted element were received for review on February 7, 2024 as authorized by Resolution 23-7396. The modifications were made available to the public for seven days prior to review. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Tony Higgins, Jon David, Laura Pena, Margaret Akerblom and Jonathan Wicks pursuant to Government Code section 65585, subdivision (c).

The modifications to the adopted element address many statutory requirements; however, additional revisions are necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq.), as follows:

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

*Promote AFFH opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

Fair Housing Enforcement and Outreach: While the element briefly describes various fair housing laws, it must still discuss how the City complies with fair housing laws. This discussion should also address any findings, lawsuits, enforcement actions, settlements, or judgments related to fair housing or civil rights.

Disproportionate Housing Needs and Displacement: The element includes some general discussion of persons experiencing homelessness including patterns of needs or areas of the City with higher needs. However, the element should also discuss access to opportunities for these areas of higher need, including transportation and services and add or modify programs, as appropriate.

Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element should re-assess and prioritize contributing factors to fair housing issues.

Programs: As noted above, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs.

In addition, as noted in the prior review, promoting housing mobility removes barriers to higher opportunity areas and strategically enhances access to housing choices and affordability to promote more inclusive neighborhoods, cities and regions. Among other factors, the City is wholly a highest resource, high median income, and a racially concentrated area of affluence in contrast to the rest of the region. As a result, the element should include significant and robust actions with numerical targets (not limited to the regional housing need allocation (RHNA)) to promote housing mobility and increasing housing choices and affordability throughout the City. Please see HCD's prior review for additional information.

- 2. An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

*Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services.... (Gov. Code, § 65583, subd. (c)(1).)*

Small Sites: The element now briefly mentions that only contiguous parcels that are owned by no more than two property owners and are larger than a half an acre are utilized toward the lower-income regional housing need allocation (RHNA). However, the element must still provide analysis of the potential for consolidation and remove sites utilized toward the lower-income RHNA. First, Site 24 does not allow at least 16 units and cannot be used toward the lower-income RHNA. Second, for Sites 23, 26 and 30, the element should evaluate circumstances likely leading to consolidation such as common ingress and egress, remnant parcels lacking access that must be consolidated or interest from property owners in consolidation. If continuing to utilize small sites toward the lower-income RHNA, given the lack of effectiveness of programs in the prior

planning period, the element must include robust actions to facilitate consolidation and promote housing affordable to lower-income households based on the outcomes of this analysis.

Suitability of Nonvacant Sites: The element must still demonstrate the potential for redevelopment on nonvacant sites, as follows:

- *Redevelopment Factors*: The element now utilizes an additional factor and supports the validity of some factors based on recent trends. However, trends do not appear to support some factors. Specifically, trends do not appear to support the age of structure and existing heights as factors or indicators of the potential for redevelopment. For example, only two of the ten sites with developer interest (Table B-3) have existing uses with solely two-story heights yet many identified sites have existing two-story heights. As a result, the element should either include additional analysis to demonstrate the potential for redevelopment on applicable sites or remove sites.
- *Extent Existing Uses Impede Additional Development*: The element generally was not revised to address this finding from the prior HCD review. The element must still evaluate the extent existing uses impede additional development such as evaluating existing leases or other contracts or conditions that would perpetuate the existing use or prevent additional residential development, lack of improvements and frequent turnover in uses.
- *Public Comments*: The element generally was not revised to address this finding from the prior HCD review. The element should address the public comments received for this review on identified sites, particularly the Saint Cross site.

In addition, for your information, the element relies on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households, which triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. While the resolution of adoption includes the appropriate findings, any changes to the analysis should be reflected in future re-adoption of the element.

Electronic Site Inventory: As noted in the prior review, pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory and submit an electronic version of the sites inventory. While the City has submitted an electronic version of the sites inventory, if changes occur, any future re-adopted

versions of the element must also submit the electronic version of the sites inventory.

Programs: As noted above, the element does not include a complete site analysis. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised, as follows:

- *Program 5 (Facilitate Efficient Use of Sites):* The Program should be revised based on the outcomes of a complete analysis. For example, the Program could commit to increasing graduated densities. In addition, the Program now commits to evaluate effectiveness but should also commit to when additional incentives and strategies will be established.
  - *Program 9 (Adequate Sites to Accommodate Housing Needs):* The Program now commits to some steps to facilitate development on City-owned sites but should also commit to a numerical target in line with assumptions in the inventory, to comply with the Surplus Land Act and alternative actions by a specified date (e.g., additional sites, rezoning) if the sites do not progress as anticipated.
3. *The Housing Element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

The element (p. A-1) notes the prior element did not include specific actions to address special housing needs, but the current element includes additional commitments. However, these commitments are very minimal. The element should be expanded with actions to address special housing needs including persons with disabilities, including developmental disabilities, female headed households, large households and persons experiencing homelessness. For additional information, please see HCD's *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks>.

4. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)*

Programs to address governmental constraints should be revised, as follows:

- *Program 12 (Remove Governmental Constraints):* While the Program now reduces parking requirements for smaller bedroom types (e.g., studio and

one bedroom), it should commit to further reduce parking requirements for studio apartments (e.g., one space per unit).

- *Program 7 (Land Value Recapture):* The Program commits to assess whether the requirement is a constraint but should also commit to address the constraint by a specified date.

5. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

The element's accessory dwelling unit (ADU) program (Program 6) should commit to additional incentives and strategies, frequent monitoring (every other year) of ADU production and affordability and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., six months) if ADU assumptions for the number of units and affordability are not met.

6. *Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(8).)*

The element now describes workshops, including public comments, but, as part of future interviews and focus groups, should consider expanding stakeholders and interested parties to better represent lower-income and special needs households. In addition, future efforts should consider different meeting times and locations to increase access to workshops.

The element will meet the statutory requirements of State Housing Element Law once it has been revised, re-adopted, if necessary, submitted, and reviewed by HCD to comply with the above requirements pursuant to Government Code section 65585.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that did not adopt a compliant housing element within one year from the statutory deadline cannot be found in compliance until rezones to make prior identified sites available or accommodate a shortfall of sites are completed pursuant to Government Code sections 65583, subdivision (c)(1)(A) and 65583.2, subdivision (c). As this year has passed and Program 9 (Adequate Sites to Accommodate Housing Needs) has not been completed, the housing element will remain out of compliance until the rezoning has been completed to meet all statutory requirements.

Further, as part of this review, HCD received Ordinance 23-1471, on April 4, 2024, that includes various zoning amendments including zoning intended to implement Program 9 (Adequate Sites to Accommodate Housing Needs). HCD understands this zoning will not take effect until HCD's finding of substantial compliance. Upon a cursory review,

zoning amendments intended to implement Program 9 do not appear to comply with by-right requirements pursuant to Government Code sections 65583.2, subdivisions (h) and (i). For example, requirements related to nondiscretionary review for developments with 20 percent affordability and residential only performance standards do not appear to be met. HCD will continue to review these zoning amendments as part of future submittals of the housing element.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the dedication and cooperation of the City's housing element team during the update and review of the housing element. HCD is committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need technical assistance, please contact Hilda Boyadjian, of our staff, at [Hilda.Boyadjian@hcd.ca.gov](mailto:Hilda.Boyadjian@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager