

CITY OF HERMOSA BEACH

HOUSING ELEMENT TECHNICAL REPORT 2021-2029

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I. HOUSING NEEDS ASSESSMENT

This chapter examines general population and household characteristics and trends, such as age, race and ethnicity, employment, household composition and size, household income, and special needs. Characteristics of the existing housing stock (e.g., number of units and type, tenure, age and condition, costs) are also addressed. Finally, the City's projected housing growth needs based on the 2021-2029 Regional Housing Needs Assessment (RHNA) are examined.

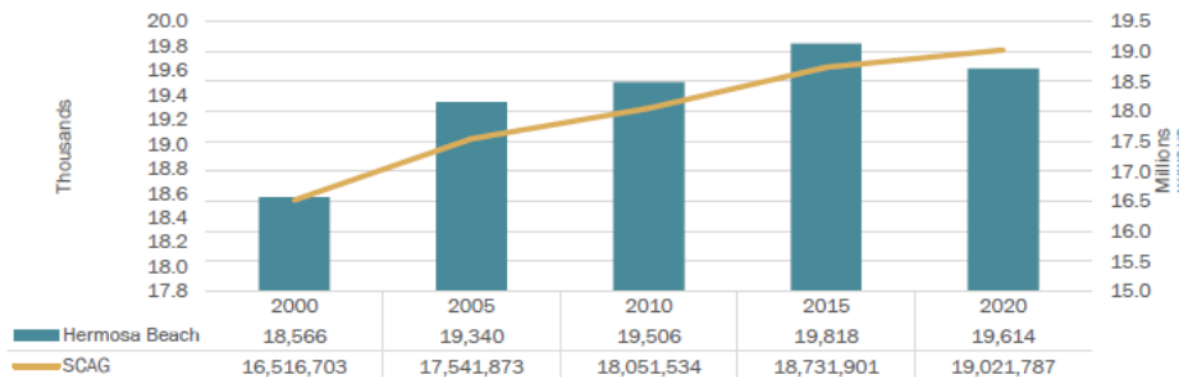
The Housing Needs Assessment utilizes the most recent available data from the U.S. Census, the California Department of Finance (DOF), the California Employment Development Department (EDD), the Southern California Association of Governments (SCAG) and other relevant sources. Supplemental data were obtained through field surveys and from the California Department of Finance.

A. Population Characteristics

1. Population Growth Trends

Located 17 miles southwest of Los Angeles at the southern end of Santa Monica Bay, the 1.3-square-mile City of Hermosa Beach was incorporated in 1907. The city grew very slowly during the 1990s, having grown less than 2% from 1990 to 2000. Most of the growth that has recently occurred has consisted of density increases on existing parcels, through demolition and replacement of existing homes. Hermosa Beach had a 2020 population of 19,614 according to the California Department of Finance. From 2000 to 2020 Hermosa Beach had an annual growth rate of 0.3% compared to 0.7% for the SCAG region. (see Figure I-1). As an essentially built-out city, there continue to be few opportunities for growth, except through redevelopment/infill on existing parcels.

**Figure I-1
Population Growth 2000-2020 – Hermosa Beach vs. SCAG Region**



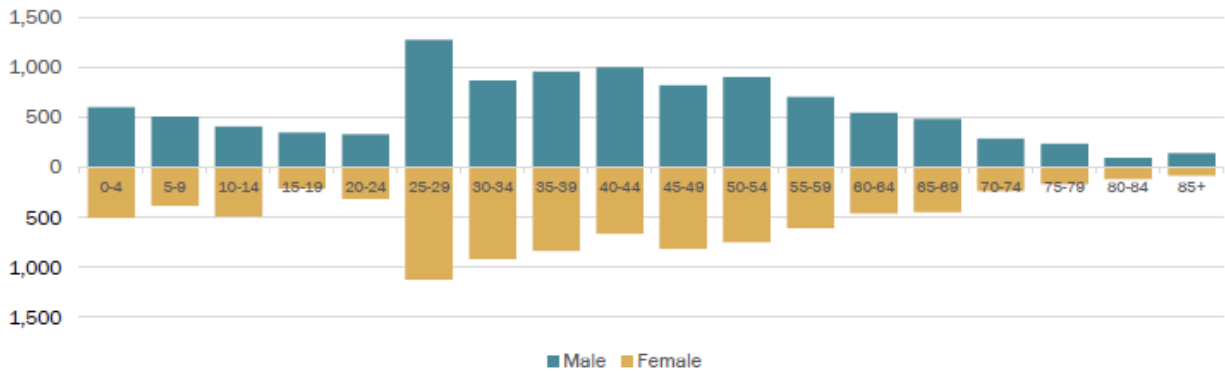
CA DOF E-5 Population and Housing Unit Estimates

2. Age Characteristics

Housing needs are influenced by the age characteristics of the population. Different age groups have different housing needs based on lifestyles, family types, income levels, and

housing preference. Figure I-2 shows the age distribution of Hermosa Beach residents by gender. The population of Hermosa Beach is 53.7% male and 46.3% female. The share of the population of Hermosa Beach which is under 18 years of age is 17.2%, which is lower than the regional share of 23.4%. Hermosa Beach's seniors (65 and above) make up 11.7% of the population, which is lower than the regional share of 13%.

**Figure I-2
Population by Age and Gender – Hermosa Beach**



American Community Survey 2014-2018 5-year estimates

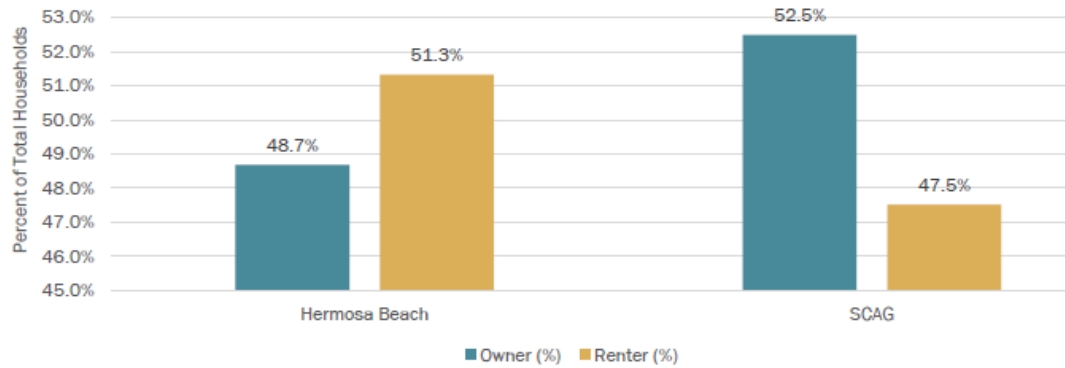
B. Household Characteristics

1. Household Tenure and Size

Household characteristics are important indicators of the type and size of housing needed in a city. The Census defines a “household” as all persons occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing a single unit. Persons in group quarters such as dormitories, retirement or convalescent homes, or other group living situations are included in population totals, but are not considered households.

Housing tenure (owner vs. renter) is an important indicator of the housing market. An adequate supply of housing units available both for rent and for sale is desirable in order to accommodate a range of households with varying incomes, family sizes and composition, and lifestyles. Figure I-3 provides recent Census estimates of the number of owner-occupied and renter-occupied units in the city as compared to the SCAG region as a whole. This table reveals a higher proportion of renters in the city, which is not unusual for beach communities.

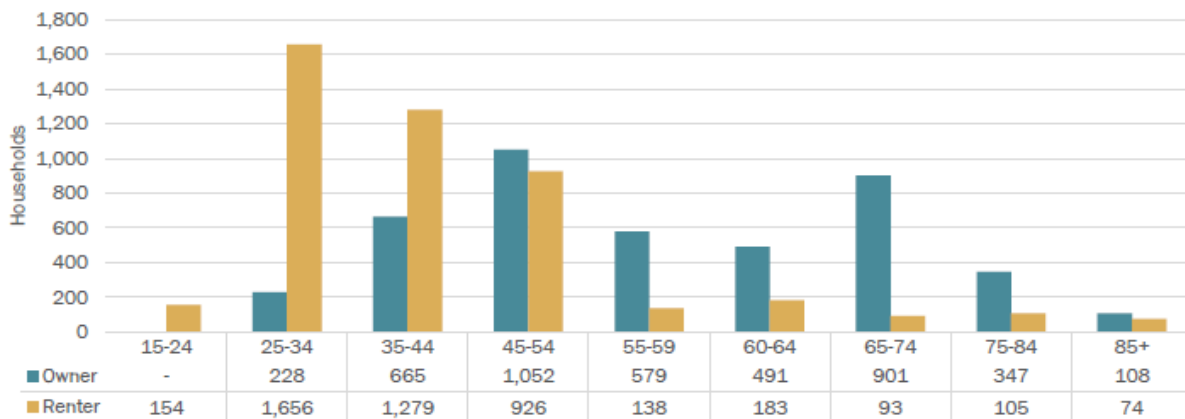
**Figure I-3
Housing Tenure – Hermosa Beach vs. SCAG Region**



American Community Survey 2014-2018 5-year estimates.

Figure I-4 shows that tenure varies by age group, with younger residents more likely to rent as compared to those in the 45+ age groups who are more often homeowners.

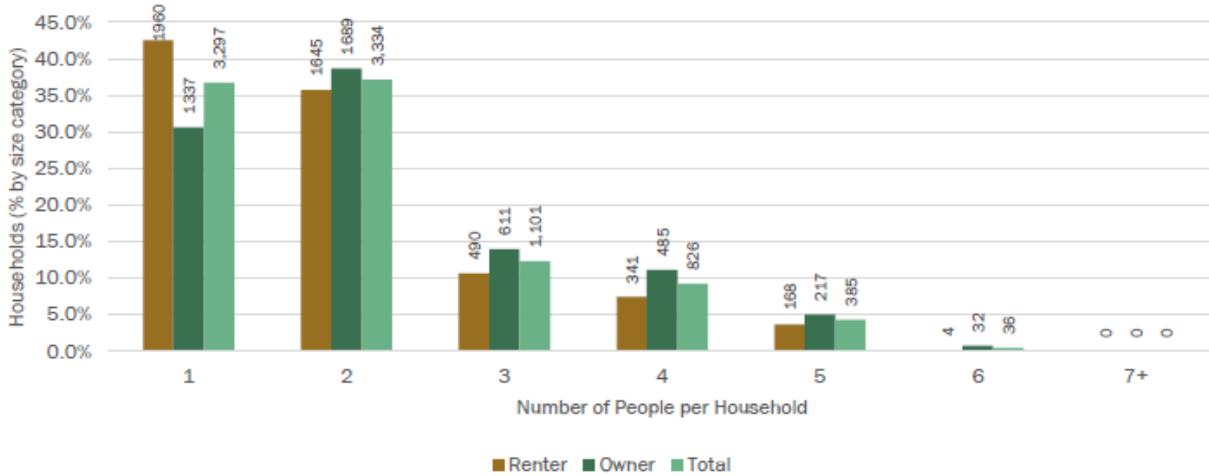
**Figure I-4
Housing Tenure by Age – Hermosa Beach**



American Community Survey 2014-2018 5-year estimates.

Figure I-5 illustrates the range of household sizes in Hermosa Beach for owners, renters, and overall. The most commonly occurring household size is of two people (37.1%) and the second-most commonly occurring household is of one person (36.7%). Hermosa Beach has a higher share of single-person households than the SCAG region overall (36.7% vs. 23.4%) and very few large households with more than 5 persons.

**Figure I-5
Household Size by Tenure – Hermosa Beach**

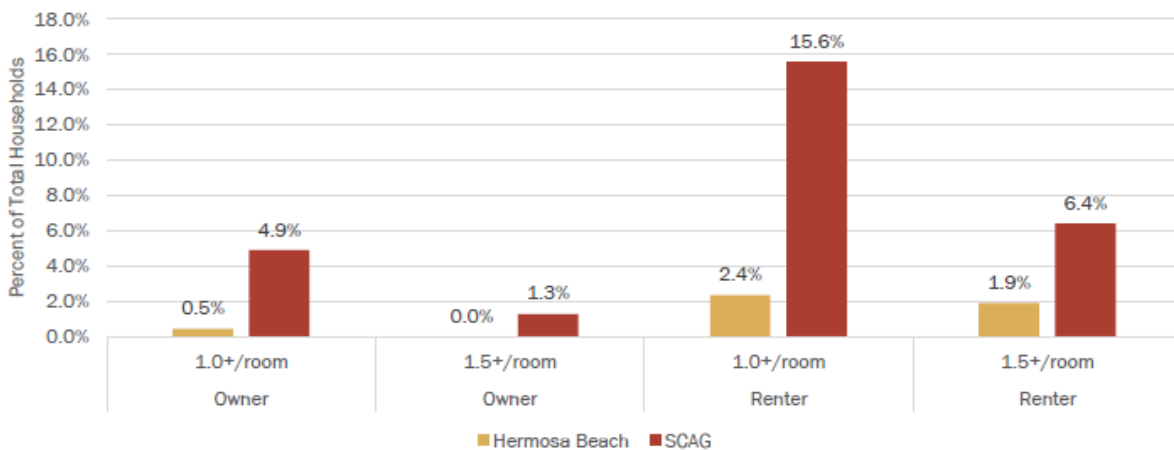


American Community Survey 2014-2018 5-year estimates.

2. Overcrowding

Overcrowding is often closely related to household income and the cost of housing. The U.S. Census Bureau considers a household to be overcrowded when there is more than one person per room, excluding bathrooms and kitchens, with severe overcrowding when there are more than 1.5 residents per room. Overcrowded households are usually a reflection of the lack of affordable housing (see Section D.4 starting on page I-13 below for a detailed definition of “affordable” housing). Figure I-6 summarizes recent overcrowding data for Hermosa Beach and the SCAG region as a whole.

**Figure I-6
Overcrowding by Tenure – Hermosa Beach vs. SCAG Region**



American Community Survey 2014-2018 5-year estimates.

Based on U.S. Census standards, Hermosa Beach residents live in less crowded housing conditions than the region as a whole. In Hermosa Beach, 20 owner-occupied and 109 renter-occupied households had more than 1.0 occupants per room, which meets the ACS definition for overcrowding. No owner-occupied households and 88 renter-occupied households had more than 1.5 occupants per room, which meets the ACS definition for severe overcrowding.

3. Income and Overpayment

Extremely-low-income households are defined as those with incomes of 30% or less of areawide median income (AMI). Table I-1 shows the number of extremely-low-income households in Hermosa Beach by race and tenure.

**Table I-1
Extremely-Low-Income Households by Race and Tenure
Hermosa Beach**

	Total Households	Households below 30% HAMFI	Share below 30% HAMFI
White, non-Hispanic	7,844	509	6.5%
Black, non-Hispanic	110	0	0.0%
Asian and other, non-Hispanic	679	30	4.4%
Hispanic	569	24	4.2%
TOTAL	9,202	563	6.1%
Renter-occupied	4,850	385	7.9%
Owner-occupied	4,350	174	4.0%
TOTAL	9,200	559	6.1%

HUD CHAS, 2012-2016. HAMFI refers to Housing Urban Development Area Median Family Income.

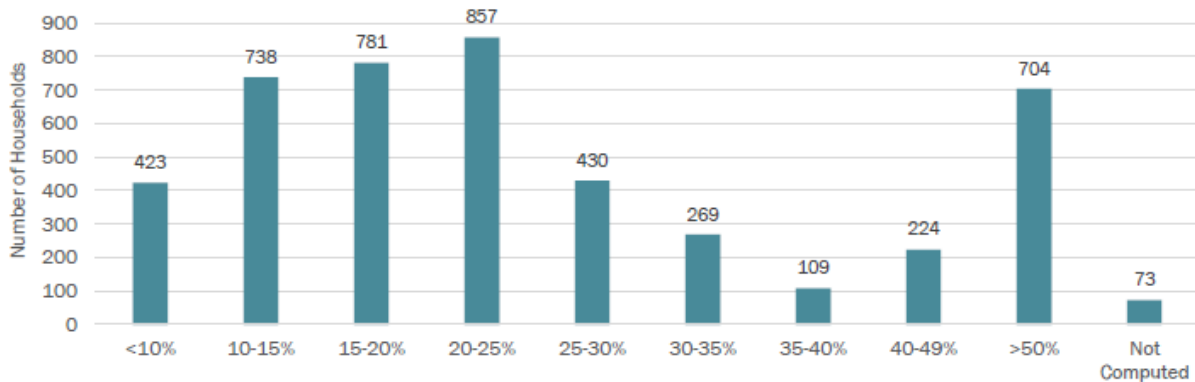
According to State housing policy, overpaying (or “cost burden”) occurs when housing costs exceed 30% of gross household income. Table I-2 displays recent HUD estimates for overpayment by income category and tenure for Hermosa Beach residents. As shown in this table, extremely-low-income and very-low-income households experienced the highest rates of overpayment.

**Table I-2
Cost Burden by Income Category and Tenure
Hermosa Beach**

Income by Cost Burden (Renters only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income less-than or= 30% HAMFI	265	265	310
Household Income >30% to less-than or= 50% HAMFI	140	140	140
Household Income >50% to less-than or= 80% HAMFI	375	235	430
Household Income >80% to less-than or= 100% HAMFI	190	65	280
Household Income >100% HAMFI	335		3,445
Total	1,305	705	4,610
Income by Cost Burden (Owners only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income less-than or= 30% HAMFI	165	140	225
Household Income >30% to less-than or= 50% HAMFI	124	120	235
Household Income >50% to less-than or= 80% HAMFI	135	70	230
Household Income >80% to less-than or= 100% HAMFI	175	100	370
Household Income >100% HAMFI	580	125	3,310
Total	1,179	555	4,370

Across Hermosa Beach's 4,608 renter households, 1,306 (28.3%) spend 30% or more of gross income on housing compared to 55.3% in the SCAG region. Additionally, 704 renter households in Hermosa Beach (15.3%) spend 50% or more of gross income on housing cost, compared to 28.9% in the SCAG region (Figure I-7).

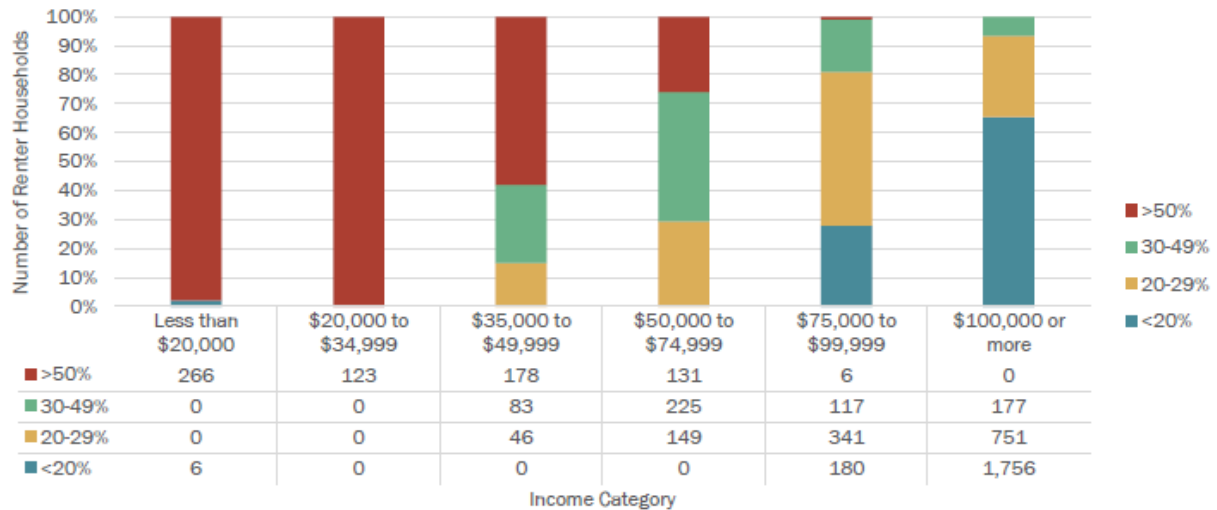
**Figure I-7
Rent as Percentage of Income – Hermosa Beach**



While the previous table breaks down cost burden by area-relative income, Figure I-8 shows percentage of income spent on rent by income category. As one might expect, the general trend is that lower-income households spend a higher share of income on

housing (often more than 50%) while high-income households are more likely to spend under 20% of income on housing.

Figure I-8
Rent as Percentage of Income by Income Category – Hermosa Beach



American Community Survey 2014-2018 5-year estimates.

Figure I-9 shows the percentage of income spent on mortgage costs for Hermosa Beach homeowners by income category. As one might expect, the general trend is that lower-income households spend a higher share of income on housing costs, while high-income households may spend a lower share of income on housing.

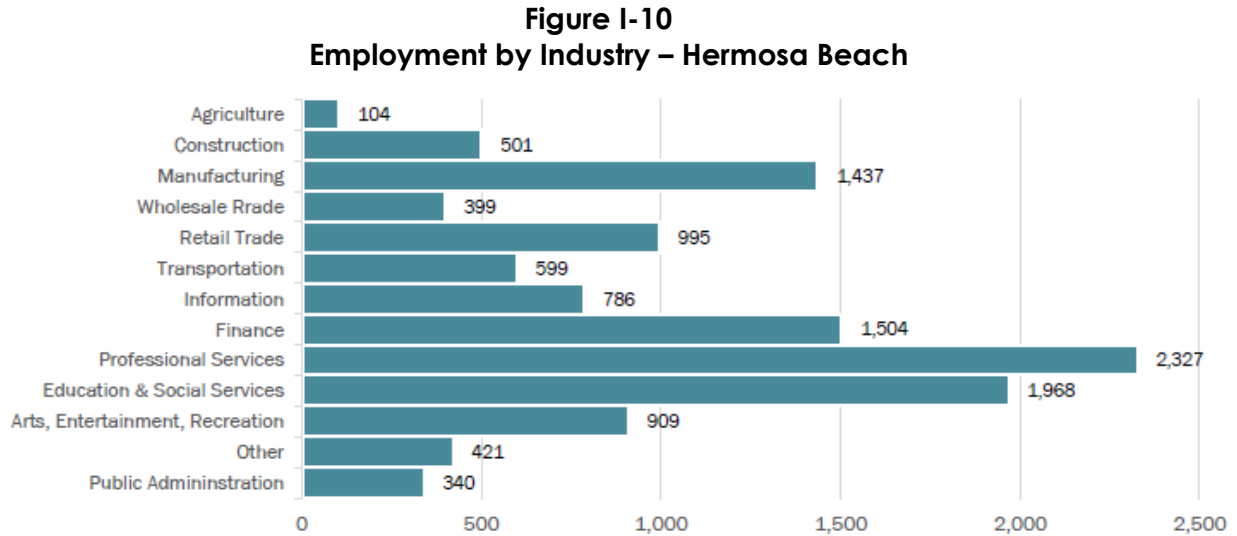
Figure I-9
Mortgage Cost as Percentage of Income by Income Category – Hermosa Beach



C. Employment

Employment is an important factor affecting housing needs within a community. The jobs available in each employment sector and the wages for these jobs affect the type and size of housing residents can afford.

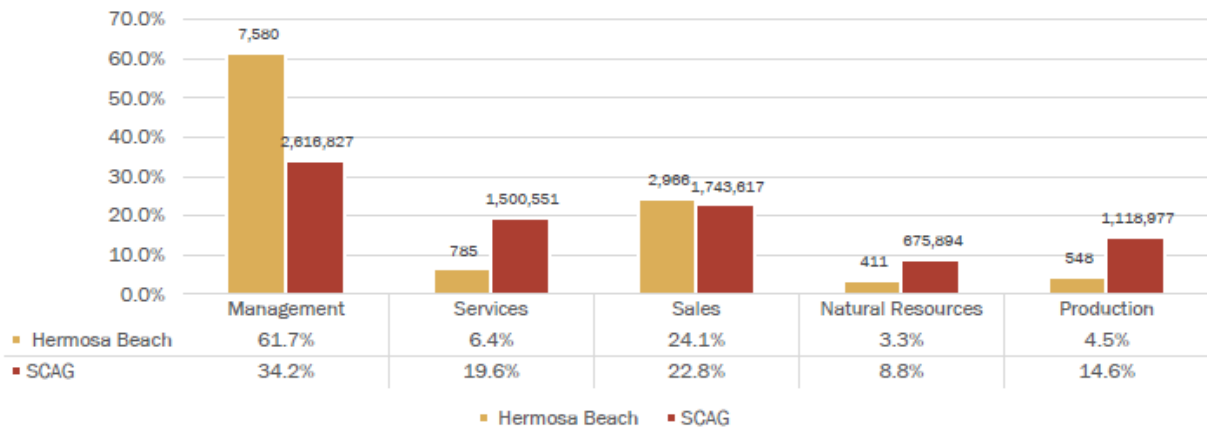
Hermosa Beach has 12,290 workers living within its borders who work across 13 major industrial sectors. Figure I-10 shows that the most prevalent industry is Professional Services with 2,327 employees (18.9% of total) and the second most prevalent industry is Education & Social Services with 1,968 employees (16% of total).



American Community Survey 2014-2018 5-year estimates using groupings of 2-digit NAICS codes.

In addition to understanding the industries in which the residents of Hermosa Beach work, Figure I-11 shows the types of jobs they hold. The most prevalent occupational category in Hermosa Beach is Management, in which 7,580 (61.7% of total) employees work. The second-most prevalent type of work is in Sales, which employs 2,966 (24.1% of total) in Hermosa Beach.

**Figure I-11
Employment by Occupation – Hermosa Beach**



American Community Survey 2014-2018 5-year estimates using groupings of SOC codes.

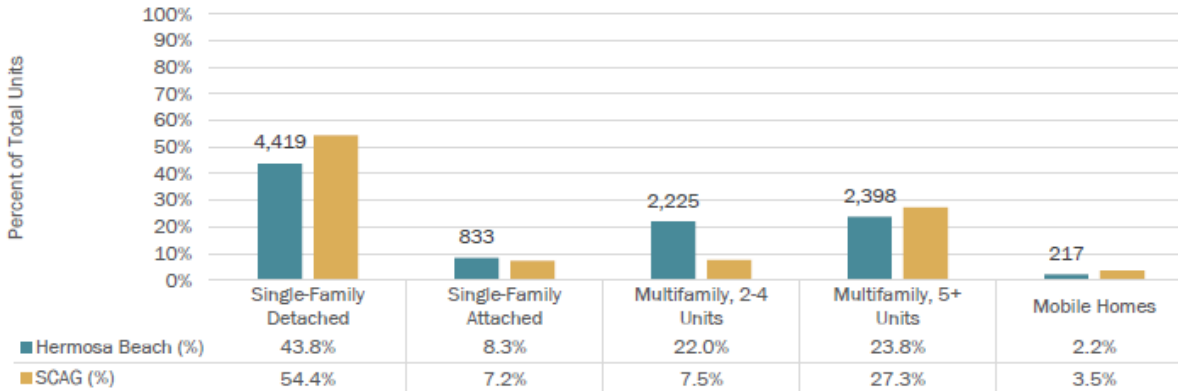
D. Housing Stock Characteristics

This section presents an evaluation of the characteristics of the community's housing stock and helps in identifying and prioritizing needs. A housing unit is defined by the Census Bureau as a house, apartment, mobile home, or group of rooms, occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters.

1. Housing Type and Growth Trends

Figure I-12 shows detailed information on the housing stock in Hermosa Beach. The most prevalent housing type in Hermosa Beach is single-family detached with 43.8% of all units in the city. The share of all single-family units in Hermosa Beach is 52%, which is lower than the 61.7% share in the SCAG region. Out of the total housing units in Hermosa Beach, there are 9,565 occupied-units, which equates to a 5.2% total vacancy rate. The average household size (as expressed by the population to housing unit ratio) is 2.049.

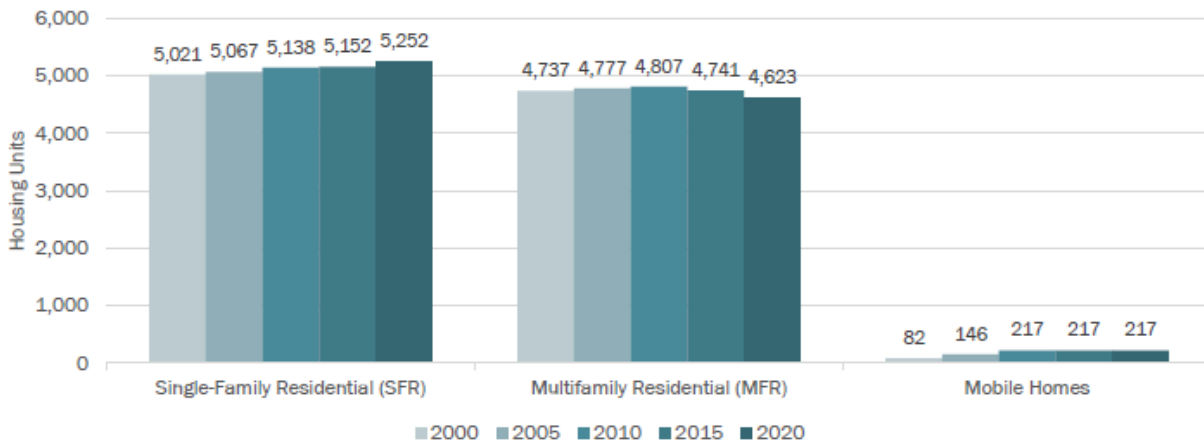
**Figure I-12
Housing by Type – Hermosa Beach vs. SCAG Region**



CA DOF E-5 Population and Housing Unit Estimates

Over the past two decades there has been more construction of single-family residential units than multi-family residential units in Hermosa Beach. During the period 2000 to 2020, single-family units increased by 231 while the number of multi-family units decreased by 114. Mobile and manufactured homes increased by 135 during this period.

**Figure I-13
Housing Growth Trends by Type – Hermosa Beach**



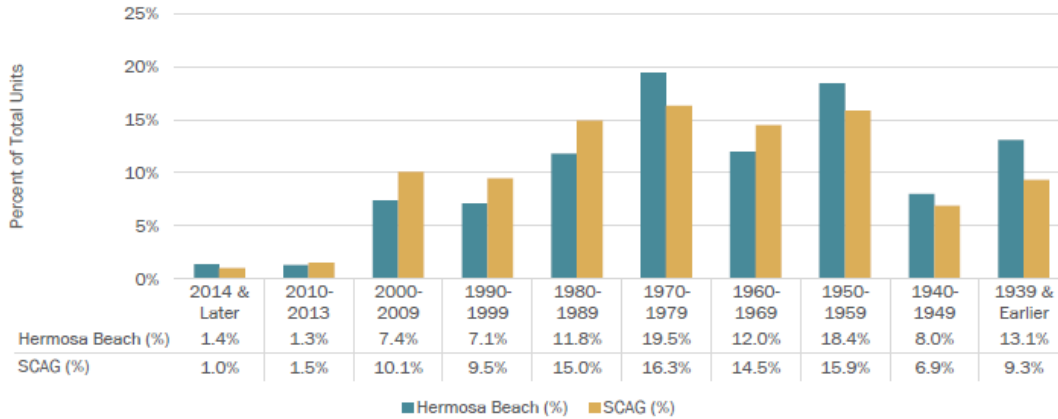
CA DOF E-5 Population and Housing Unit Estimates

2. Housing Age and Conditions

Housing age is often an important indicator of housing condition. Housing units built prior to 1978 before stringent limits on the amount of lead in paint were imposed may have interior or exterior building components coated with lead-based paint. Housing units built before 1970 are the most likely to need rehabilitation and to have lead-based paint in deteriorated condition. Lead-based paint becomes hazardous to children under age six and to pregnant women when it peels off walls or is pulverized by windows and doors opening and closing.

Figure I-14 shows the age distribution of the housing stock in Hermosa Beach compared to the SCAG region as a whole as reported in recent Census data.

**Figure I-14
Housing Units by Year Built – Hermosa Beach vs. SCAG Region**

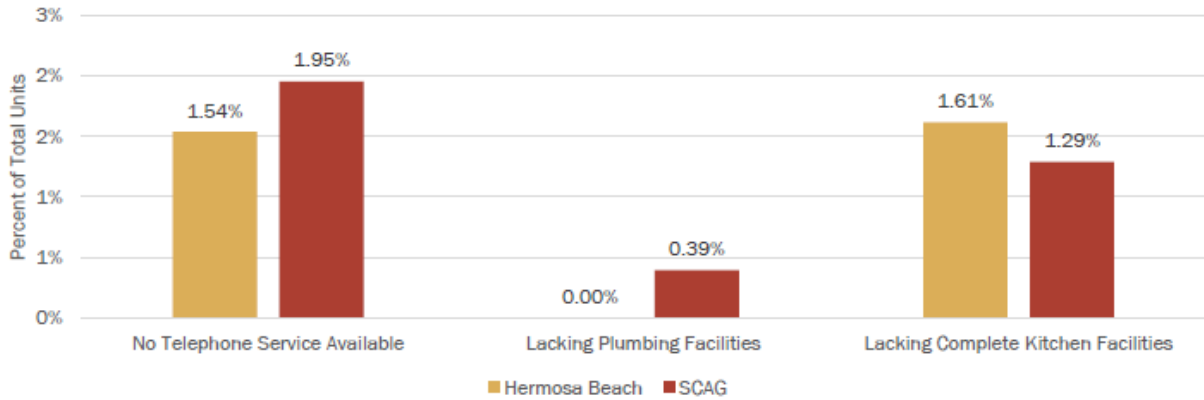


American Community Survey 2014-2018 5-year estimates.

This chart shows that more than half of the housing units in Hermosa Beach were constructed prior to 1970. These findings suggest that there may be a need for maintenance and rehabilitation, including remediation of lead-based paint, for a large percentage of the city’s housing stock. However, due to the city’s relatively high household incomes, market forces would be expected to encourage more private maintenance, rehabilitation, and lead paint remediation, as compared to lower-income communities.

Figure I-15 shows recent Census data regarding conditions that may indicate substandard housing conditions. In Hermosa Beach and the region as a whole, the lack of telephone service, plumbing facilities and complete kitchen facilities are rare, and could be indicative of surveys being conducted while remodeling is being done rather than permanent conditions. With regard to telephone service, the availability of cell phones has made landline telephones unnecessary; therefore, this may not be a reliable indicator of substandard housing conditions. Based upon a windshield survey by Building Inspectors and Code Enforcement Officers, it is estimated that approximately 10 properties in the city are in need of rehabilitation or replacement.

Figure I-15
Substandard Housing Units – Hermosa Beach vs. SCAG Region

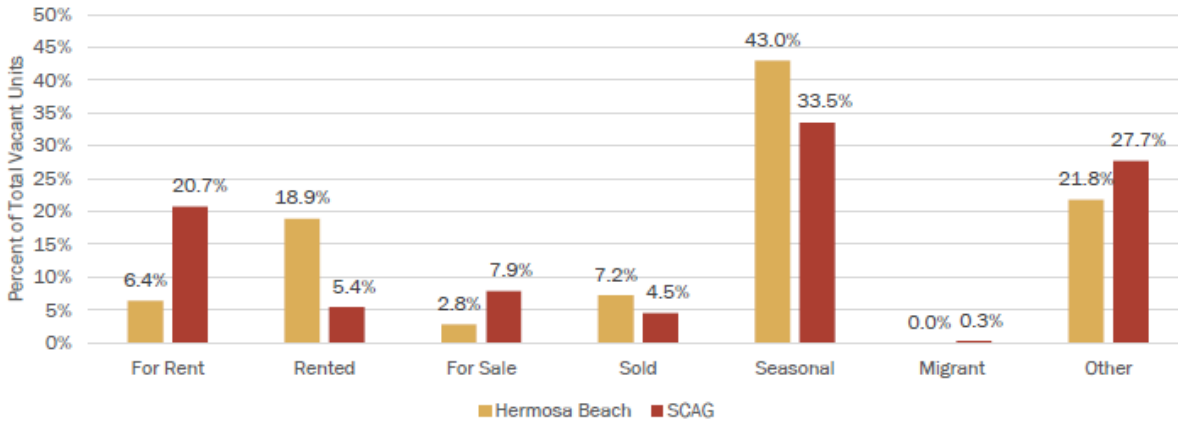


American Community Survey 2014-2018 5-year estimates.

3. Vacancy

Housing vacancy characteristics for Hermosa Beach and the SCAG region as reported by recent Census data are shown in Figure I-16. The largest category of vacant units in both the city and the region as a whole was those held for seasonal use.

Figure I-16
Vacant Units by Type – Hermosa Beach vs. SCAG Region



American Community Survey 2014-2018 5-year estimates.

4. Housing Cost

a. Housing Affordability Criteria

State law establishes five income categories for purposes of housing programs based on the area (i.e., county) median income ("AMI"):

- Extremely-Low (30% or less of AMI),
- Very-Low (31-50% of AMI),
- Low (51-80% of AMI),
- Moderate (81-120% of AMI), and
- Above Moderate (over 120% of AMI).

Housing affordability is based on the relationship between household income and housing expenses. According to HUD and the California Department of Housing and Community Development, housing is considered "affordable" if the monthly payment is no more than 30% of a household's gross income. In some areas, these income limits may be increased to adjust for high housing costs.

Table I-3 shows 2020 affordable rent levels and estimated affordable purchase prices for housing in Los Angeles County by income category. Based on State-adopted standards for 4-person households, the maximum affordable monthly rent for extremely-low-income households is \$845, while the maximum affordable rent for very-low-income households is \$1,407. The maximum affordable rent for low-income households is \$2,252, while the maximum for moderate-income households is \$2,319.

Maximum purchase prices are more difficult to determine due to variations in mortgage interest rates and qualifying procedures, down payments, special tax assessments, homeowner association fees, property insurance rates, etc. With this caveat, the maximum home purchase prices by income category shown in Table I-3 have been estimated based on typical conditions.

**Table I-3
Income Categories and Affordable Housing Costs –
Los Angeles County**

	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$33,800	\$845	*
Very Low (31-50%)	\$56,300	\$1,407	*
Low (51-80%)	\$90,100	\$2,252	*
Moderate (81-120%)	\$92,750	\$2,319	\$375,000
Above moderate (120%+)	Over \$92,750	Over \$2,319	Over \$375,000

Assumptions:

-Based on a family of 4 and 2020 income limits

-30% of gross income for rent or principal, interest, taxes and insurance plus utility allowance

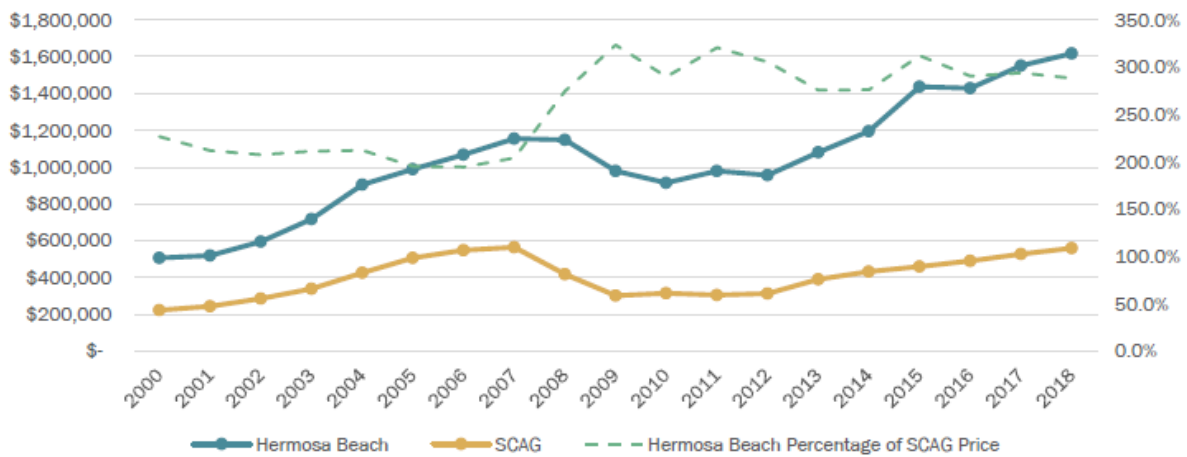
-10% down payment, 3.75% interest, 1.25% taxes & insurance, \$300 HOA dues

Source: Cal. HCD; JHD Planning LLC

b. For-Sale Housing

Housing sales price statistics reported by Core Logic/DataQuick (Figure I-17) show that between 2000 and 2018, median home sales prices in Hermosa Beach increased 219% while prices in the SCAG region increased 151%. As of 2018, the median home sales price in Hermosa Beach was \$1,617,500 compared to about \$600,000 for the SCAG region as a whole. Based on the estimated affordable purchase prices shown in Table I-3, it is unlikely that any market rate homes would be affordable to lower- or moderate-income residents. These data illustrate the fact that in beach communities, very large public subsidies are generally required to reduce sales prices to a level that is affordable to low- and moderate-income buyers.

**Figure I-17
Median Existing Home Prices – Hermosa Beach vs. SCAG Region**



SCAG Local Profiles, Core Logic/Data Quick. SCAG median home sales price calculated as household-weighted average of county medians.

c. Rental Housing

Based on a recent rental survey, typical rents for 2-bedroom units are more than \$2,300 per month. As would be expected in a desirable beach community in Southern California, when market rents are compared to the amounts households can afford to pay (Table I-3, page I-13), it is clear that very-low- and extremely-low-income households have a very difficult time finding housing without overpaying. At a rent of \$2,300 per month, the gap between market rent and affordable rent at the very-low-income level is at least \$900 per month, while the gap at the extremely-low-income level is approximately \$1,500 per month.

E. Special Needs

Certain groups have greater difficulty in finding decent, affordable housing due to special circumstances that may be related to one's employment and income, family characteristics, disability, or other conditions. As a result, some Hermosa Beach residents may experience a higher prevalence of overpayment, overcrowding, or other housing problems.

State Housing Element law defines “special needs” groups to include persons with disabilities, the elderly, large households, female-headed households with children, homeless people, and farm workers. This section contains a discussion of the characteristics and housing needs facing each of these groups.

1. Persons with Disabilities

Federal laws define a person with a disability as “any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment.” In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, and intellectual disability that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.

The U.S. Census Bureau classifies disabilities into the following categories:

- Hearing difficulty: Deaf or having serious difficulty hearing
- Vision difficulty: Blind or having serious difficulty seeing, even when wearing glasses
- Cognitive difficulty: Because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions
- Ambulatory difficulty: Having serious difficulty walking or climbing stairs
- Self-care difficulty: Having difficulty bathing or dressing
- Independent living difficulty: Because of a physical, mental, or emotional problem, having difficulty doing errands alone such as visiting a doctor's office or shopping

The Housing Element must analyze potential and actual constraints upon the development, maintenance, and improvement of housing for persons of disabilities and include programs for the removal of such constraints or provide reasonable accommodation for housing designed for persons with disabilities.

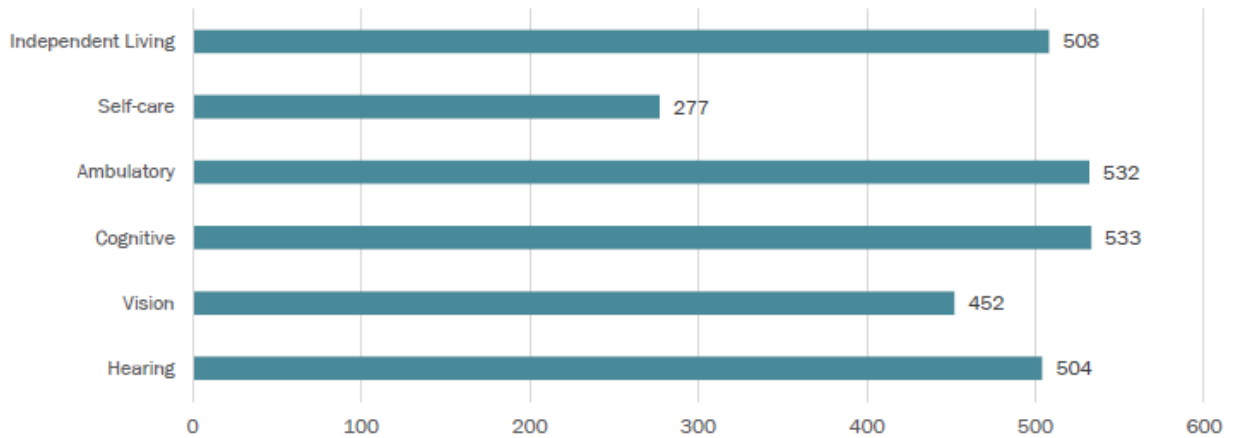
Disability status does not necessarily indicate a need for special need/supportive housing, and data on the total number of disabled persons needing supportive housing in the City is not available. Using the national standard of one to three percent of the disabled population needing supportive housing, it can be estimated that the City has approximately 196 to 588 disabled individuals in need of supportive housing.

Individuals with disabilities can often have difficulties participating in the labor force or finding employment, whether because of an inability to leave one's home, an inability to meet the physical requirements of the job, discrimination on the part of prospective employers, or other factors.

Figure I-18 shows recent Census data regarding the types of disabilities experienced by Hermosa Beach residents while disability data for seniors in Hermosa Beach compared to the SCAG region are shown in Figure I-19. The most common types of disabilities for those in Hermosa Beach were cognitive and ambulatory. Compared to the entire SCAG region, Hermosa Beach seniors were less likely to have a disability in all categories except for

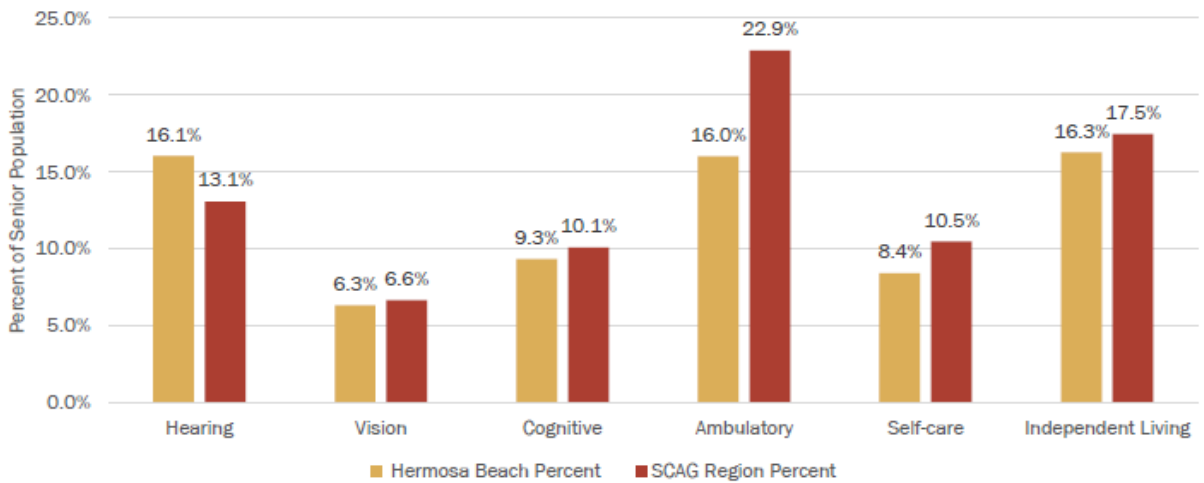
hearing impairment. Housing opportunities for those with disabilities can be maximized through housing assistance programs and providing universal design features such as widened doorways, ramps, lowered countertops, single-level units and ground floor units. The Housing Plan includes several programs to directly address the housing needs of persons with disabilities including Program 2. Conservation of Existing Affordable Housing, 3. Density Bonus and Other Incentives, 4. Affordable Housing Development Outreach and Assistance, 6. Accessory Dwelling Units, 9. Adequate Sites to Accommodate Housing Needs, 10. Housing for Persons with Special Needs and 12. Affirmatively Furthering Fair Housing.

**Figure I-18
Disabilities by Type – Hermosa Beach**



American Community Survey 2014-2018 5-year estimates.

**Figure I-19
Disabilities by Type for Seniors (65+) – Hermosa Beach**



American Community Survey 2014-2018 5-year estimates.

Understanding the employment status of people with disabilities may also be an important component in evaluating specialized housing needs. In Hermosa Beach, 68.2% of the population with a disability is employed, compared to 84.9% of the non-disabled population (Table I-4).

**Table I-4
Disability by Employment Status –
Hermosa Beach**

	With a Disability	Percent of Total	No Disability	Percent of Total
Employed	374	68%	11,331	85%
Unemployed	25	5%	371	3%
Not in Labor Force	149	27%	1,637	12%
TOTAL	548		13,339	

American Community Survey 2014-2018 5-year estimates.

Developmental Disabilities

As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 22;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency; and
- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not record developmental disabilities as a separate category of disability. According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. Many developmentally disabled persons can live and work independently

within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) currently provides community-based services to persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Westside Regional Center (WRC) located in Culver City (<http://www.westsiderc.org/>) provides services for people with developmental disabilities in Hermosa Beach. The WRC is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. Recent DDS data (Table I-5) reported 206 persons in Hermosa Beach with developmental disabilities.

**Table I-5
Developmental Disabilities –
Hermosa Beach**

Hermosa Beach	
By Residence: Home of Parent/Family/Guardian	72
Independent/Supported Living	0
Community Care Facility	0
Intermediate Care Facility	0
Foster/Family Home	5
Other	0
By Age: 0 - 17 Years	77
18+ Years	52
TOTAL	206

CA DDS consumer count by CA ZIP, age group and residence type for the end of June 2019. Data available in 161/197 SCAG jurisdictions.

There is no charge for diagnosis and assessment for eligibility. Once eligibility is determined, most services are free regardless of age or income. There is a requirement for parents to share the cost of 24-hour out-of-home placements for children under age 18. This share depends on the parents' ability to pay. There may also be a co-payment requirement for other selected services.

Regional centers are required by law to provide services in the most cost-effective way possible. They must use all other resources, including generic resources, before using any regional center funds. A generic resource is a service provided by an agency that has a legal responsibility to provide services to the general public and receives public funds for providing those services. Some generic agencies may include the local school district,

county social services department, Medi-Cal, Social Security Administration, Department of Rehabilitation and others. Other resources may include natural supports. This is help that disabled persons may get from family, friends or others at little or no cost.

Special housing needs for persons with disabilities fall into two general categories: physical design to address mobility impairments and in-home social, educational, and medical support to address developmental and mental impairments. According to California Department of Social Services records, 2 State-licensed community care facilities operate in Hermosa Beach. These facilities have a total capacity of 194 persons. There are four types of facilities within Hermosa Beach:

- Adult Day Care: Serves seniors and developmentally disabled adults who are able to live at home but require a certain level of care during the day. Some adult day care facilities provide health care services, while others provide non-medical care in the form of personal hygiene and meals (one in Hermosa Beach with capacity to serve 52 persons).

Residential Care Facilities for the Elderly: Provide care and supervision for persons aged 60 and above and assistance with activities of daily living, such as bathing and grooming. They may also provide incidental medical services under special care plans (one in Hermosa Beach with capacity to serve 142 persons).The Housing Plan includes several programs to directly address the housing needs of persons with disabilities, including developmental disabilities, including Program 2. Conservation of Existing Affordable Housing, 3. Density Bonus and Other Incentives, 4. Affordable Housing Development Outreach and Assistance, 6. Accessory Dwelling Units, 9. Adequate Sites to Accommodate Housing Needs, 10. Housing for Persons with Special Needs and 12. Affirmatively Furthering Fair Housing.

2. Elderly

Seniors or the elderly (persons aged 65 and older) are persons with special needs. Special needs for the elderly stem from three different sources: (1) relatively low fixed incomes; (2) high health care costs; and (3) physical disabilities. A low fixed income makes it difficult for many of the elderly to obtain adequate housing. This is further compounded by rising health care costs, which are a product of health problems associated with aging. If an elderly person is disabled, health care costs may be even higher, and housing may be more difficult to find due to accessibility issues. Other special needs relevant to this demographic group include transportation and home modification such as wheelchair ramps, enlarged doorways, modified bathrooms and kitchens.

Federal housing data define a household type as 'elderly family' if it consists of two persons with either or both age 62 or over. Figure I-20 shows recent HUD income estimates for elderly Hermosa Beach owners and renters. Of Hermosa Beach's 1,759 senior households, 10.5% earn less than 30% of the surrounding area income, (compared to 24.2% in the SCAG region), 19.8% earn less than 50% of the surrounding area income (compared to 30.9% in the SCAG region). The housing needs of this group can be addressed through smaller units, accessory dwelling units on lots with existing homes, shared living arrangements, congregate or assisted living and housing assistance programs. The Housing Plan includes several programs to directly address the housing needs of the elderly including Program 2. Conservation of Existing Affordable Housing, 3. Density Bonus and Other Incentives, 4.

Affordable Housing Development Outreach and Assistance, 6. Accessory Dwelling Units, 9. Adequate Sites to Accommodate Housing Needs, 10. Housing for Persons with Special Needs and 12. Affirmatively Furthering Fair Housing.

**Figure I-20
Elderly Households by Income and Tenure – Hermosa Beach**

	Owner	Renter	Total	Percent of Total Elderly Households:	
Income category, relative to surrounding area:	< 30% HAMFI	99	85	184	10.5%
	30-50% HAMFI	110	55	165	9.4%
	50-80% HAMFI	260	100	360	20.5%
	80-100% HAMFI	80	0	80	4.5%
	> 100% HAMFI	830	140	970	55.1%
TOTAL	1,379	380	1,759		

HUD CHAS, 2012-2016. HAMFI refers to Housing Urban Development Area Median Family Income.

According to the California Department of Social Services, as of May 2023 there is one residential elderly care facility with a capacity to serve 142 residents within the City. In addition, the Hermosa Five-O Senior Activity Center located at 710 Pier Avenue provides services to the elderly population. The Center is open to all South Bay Residents who are over the age of 50. The Center programs a variety of activities to help residents live a balanced life; physically, emotionally and mentally. The City also operates the bus passes and dial-a-taxi program, Access, and the WAVE, providing transportation and discounts for seniors.

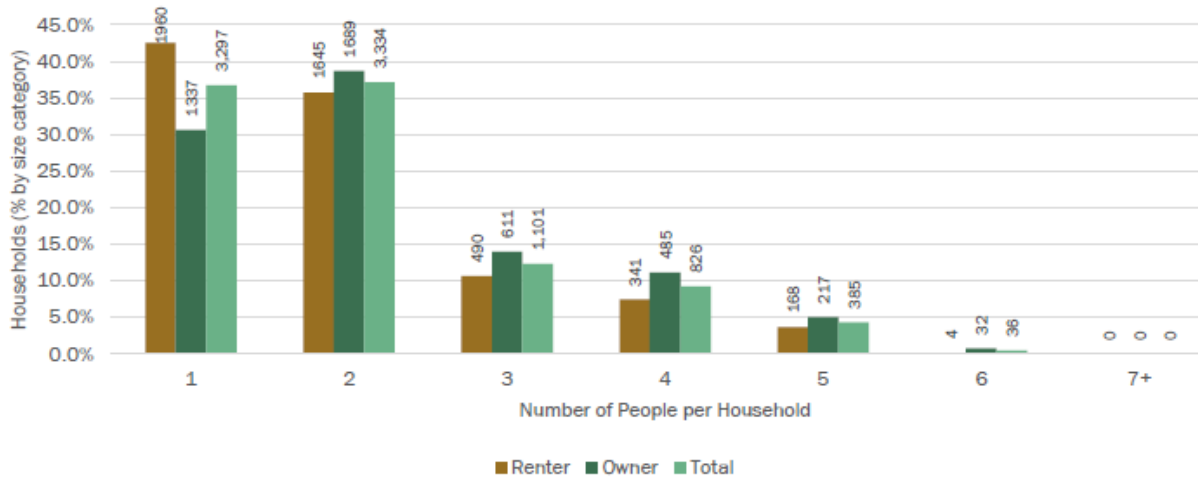
3. Large Households

Large households are defined as those with five or more members. These households are usually families with two or more children or multi-generational families. It can also include multiple families living in one housing unit. Large households are a special needs group because the availability of adequately sized, affordable housing units is limited. To save for necessities such as food, clothing, and medical care, lower- and moderate-income large households may reside in smaller units, resulting in overcrowding.

Household size is an indicator of need for large units. Large households are defined as those with five or more members. Figure I-21 illustrates the range of household sizes in Hermosa Beach for owners, renters, and overall. The most commonly occurring household size is of two people (37.1%) while the second-most commonly occurring household is of one person (36.7%). Hermosa Beach has a higher share of single-person households than the SCAG region overall (36.7% vs. 23.4%) and a lower share of 7+ person households than the SCAG region overall (0% vs. 3.1%). This chart suggests that the need for large units with four or more bedrooms is expected to be much less than for smaller units. The Housing Plan includes several programs to directly address the housing needs of large families including Program 2. Conservation of Existing Affordable Housing, 3. Density Bonus and Other

Incentives, 4. Affordable Housing Development Outreach and Assistance, 9. Adequate Sites to Accommodate Housing Needs, 10. Housing for Persons with Special Needs and 12. Affirmatively Furthering Fair Housing.

**Figure I-21
Household Size by Tenure – Hermosa Beach**



American Community Survey 2014-2018 5-year estimates.

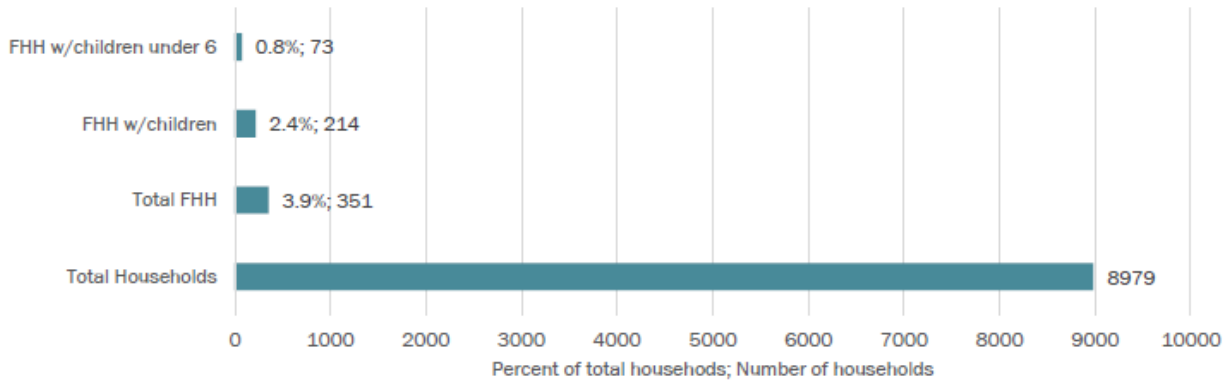
According to 2016-2020 ACS estimates, of the 8,596 occupied housing units in Hermosa Beach, only 210 have five or more bedrooms (2.4%). All of these housing units are owner-occupied units. There are no renter-occupied units with five or more bedrooms in the City. Large households in Hermosa Beach can also benefit from general programs and services for lower-and moderate-income persons, including Housing Choice Vouchers, and various community and social services provided by non-profit organizations in the region.

4. Female-Headed Households

Female-headed households, especially single parent households, typically have lower incomes and a greater need for affordable housing. In addition, these households can have needs for items such as accessible day care and health care, as well as other supportive services. The relatively low incomes earned by female-headed households, combined with the increased need for supportive services, severely limit the housing options available to them.

Of Hermosa Beach's 8,979 total households, 3.9% are female-headed (compared to 14.3% in the SCAG region), 2.4% are female-headed and with children (compared to 6.6% in the SCAG region), and 0.8% are female-headed and with children under 6 (compared to 1.0% in the SCAG region).

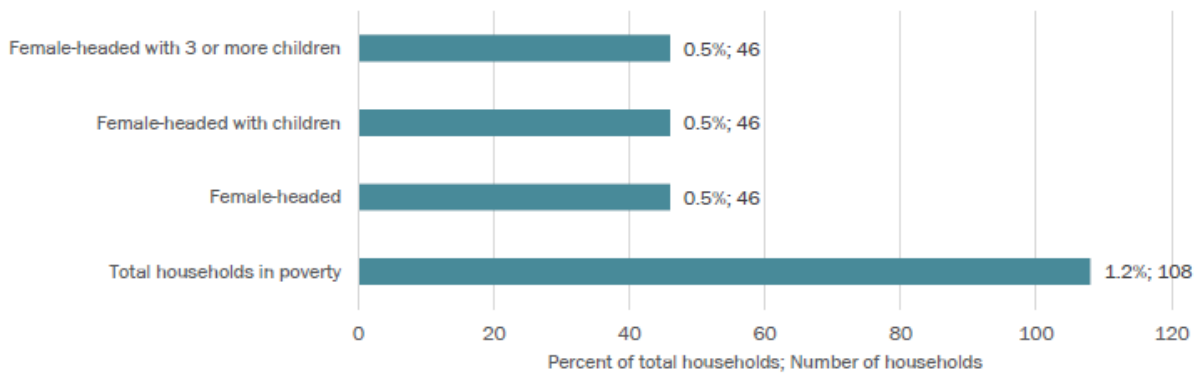
**Figure I-22
Female Headed Households – Hermosa Beach**



American Community Survey 2014-2018 5-year estimates.

As shown in Figure I-23, recent Census data estimated that 108 households in Hermosa Beach were at poverty level (1.2 percent of all Hermosa Beach households) compared to 7.9 percent of households in the SCAG region. Of those, nearly half were female-headed households. The Housing Plan includes several programs to directly address the housing needs of female headed households including Program 2. Conservation of Existing Affordable Housing, 3. Density Bonus and Other Incentives, 4. Affordable Housing Development Outreach and Assistance, 6. Accessory Dwelling Units, 9. Adequate Sites to Accommodate Housing Needs, 10. Housing for Persons with Special Needs and 12. Affirmatively Furthering Fair Housing.

**Figure I-23
Female Headed Households by Poverty Status – Hermosa Beach**



American Community Survey 2014-2018 5-year estimates.

Assistance for female-headed households includes childcare services are also provided in licensed private Family Child Care Homes within the City. There are two school age day care centers in Hermosa Beach with a capacity to serve 280 children and three licensed day care centers with a capacity to serve 108 children. There is also one family day care home in the City(capacity to serve 14).

Female heads of households in Hermosa Beach can also benefit from general programs and services for lower-and moderate-income households, including the Housing Choice Voucher program, and various community and social services provided by non-profit organizations in the region.

5. Farm Workers

Farm worker households are considered as a special needs group due to their transient nature and the lower incomes typically earned by these households. Migrant workers, and their places of residence, are generally located in close proximity to agricultural areas providing employment. Although agriculture is a large industry in Los Angeles County, no major agricultural activities are located in Hermosa Beach. As shown in Table I-6, recent Census estimates reported 88 Hermosa Beach residents working in farming, fishing and forestry occupations but none of those were full-time jobs. The Housing Plan includes several programs to directly address the housing needs of lower income persons that may include farmworkers including Program 2. Conservation of Existing Affordable Housing, 3. Density Bonus and Other Incentives, 4. Affordable Housing Development Outreach and Assistance, 6. Accessory Dwelling Units, 9. Adequate Sites to Accommodate Housing Needs, 10. Housing for Persons with Special Needs and 12. Affirmatively Furthering Fair Housing.

**Table I-6
Agricultural Employment –
Hermosa Beach**

Hermosa Beach	Percent of total Hermosa Beach workers:	SCAG Total	
88	0.72%	57,741	Total jobs: Farming, fishing, and forestry occupations
0	0.00%	31,521	Full-time, year-round jobs: Farming, fishing, and forestry occupations

6. Homeless Persons

The U.S. Department of Housing and Urban Development (HUD) defines the term “homeless” as the state of a person who lacks a fixed, regular, and adequate night-time residence, or a person who has a primary night time residency that is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides a temporary residence for individuals intended to be institutionalized; or
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.¹

¹ Stewart B. McKinney Act, 42 U.S.C. §11301, et seq. (1994)

Although there are myriad causes of homelessness, among the most common are:

- Substance abuse and alcohol
- Domestic violence
- Mental illness

Homeless individuals and families have differing housing needs. Both groups are in crisis and need food, clothing and shelter. Long-term transitional shelters, however, have different emphases for individuals and families. An individual would do well in transitional housing such as cooperative or single-room occupancy facilities. Families require more housing amenities to accommodate their size and diverse age-related needs; thus, lower income reentry housing such as single or multi-family units are more appropriate. Both groups require supportive housing and social services. The needs of homeless families are more complicated than those of homeless individuals. Childcare, pediatric care, and education are additional to basic health, mental health, employment, and other supportive social and housing needs.

Hermosa Beach is located within the Los Angeles Homeless Services Authority's (LAHSA) Service Planning Area (SPA) 8 – South Bay (see Figure I-24). The 2020 homeless count found 28 unsheltered homeless persons in Hermosa Beach² and 4,560 homeless persons within SPA 8 as a whole. The 2020 homeless count was slightly higher than prior years, which reported between 17 and 23 homeless persons in Hermosa Beach during 2015 to 2019. Of the unsheltered homeless enumerated in 2020, more than two-thirds were reported as living in cars, vans, or other vehicles.

Shelter and service needs of the homeless population are significantly different depending on the population subgroup. Los Angeles County's Continuum of Care approach to homelessness is a coordinated and systematic local approach to meet the needs of homeless individuals and families within these subgroups, including:

- Chronic Homeless Persons;
- Episodic Homeless Persons; and
- Persons at Risk of Becoming Homeless

For many years Hermosa Beach has been actively engaged in efforts to address the problems of homelessness. In 2015, the City Council adopted an initial Homeless Strategy and Action Plan, establishing and committing to a list of preliminary steps toward addressing homeless issues locally and as part of a broader effort to meet growing demands at the regional level. Since that time, Hermosa Beach has taken significant steps to implement the Action Plan, including:

- Leadership in hosting a beach cities deployment site and organizing local volunteers for the annual Greater Los Angeles Homeless Count, conducted each January in partnership with the Los Angeles Homeless Services Authority (LAHSA);

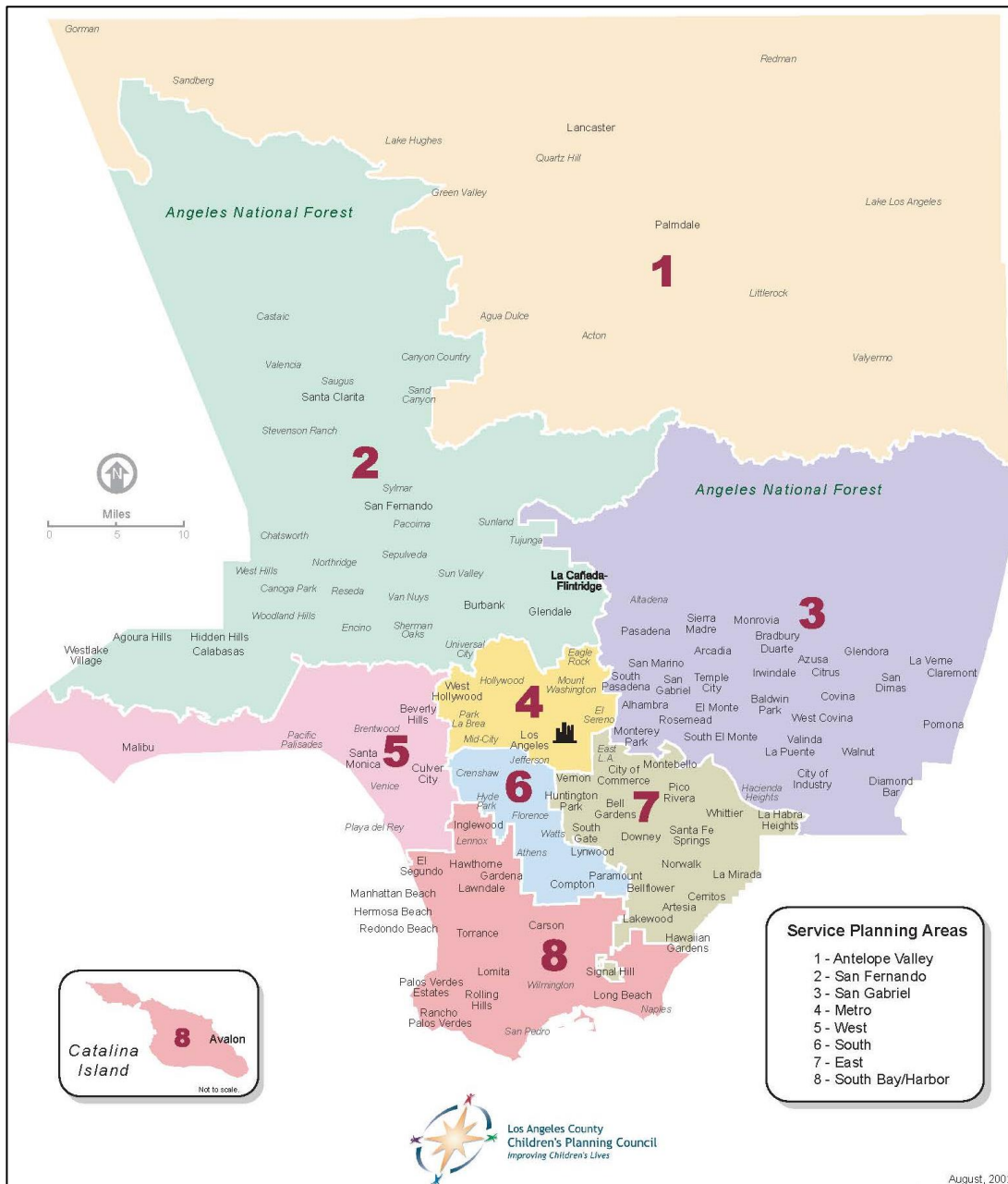
² <https://www.lahsa.org/data?id=45-2020-homeless-count-by-community-city>

- Participation of the Hermosa Beach Police Department in collaborative outreach and response with Manhattan Beach PD, Redondo Beach PD, and a mental health clinician assigned by the Los Angeles County Department of Mental Health (DMH);
- Collaboration with other South Bay cities in deployment of dedicated outreach teams from PATH (People Assisting The Homeless) under the leadership of the South Bay Cities Council of Governments (SBCCOG);
- Participation in Los Angeles County's efforts to develop a set of regional strategies for combating homelessness, which were ultimately adopted by the Los Angeles County Board of Supervisors;
- Collaboration with the South Bay Cities Council of Governments (SBCCOG) and South Bay Coalition to End Homelessness (SBCEH) on policy initiatives to identify additional resources for our region;
- Participation in South Bay Cities Council of Governments (SBCCOG) bi-monthly Homeless Services Task Force meetings to learn about County and regional homelessness programs, services, policy updates, and opportunities; and
- Building a relationship with Harbor Interfaith Services, the lead agency for the Service Planning Area 8 Coordinated Entry System (CES), to access services and support for people who are homeless or are at risk of homelessness in Hermosa Beach.

In 2018 the City Council adopted a Five-Year Homelessness Plan³ incorporating these and other actions designed to address the problems of homelessness in Hermosa Beach. Additional information regarding the City's efforts to address the problems of homelessness is provided in Chapter II, and Program 10 in the Housing Policy Plan describes actions the City intends to take during the 2021-2029 planning period related to homelessness.

³ <https://www.hermosabeach.gov/home/showdocument?id=11049>

**Figure I-24
Los Angeles County Homeless Service Planning Areas**



F. Assisted Housing at Risk of Conversion

As part of the Housing Element update, State law requires jurisdictions to identify assisted units that are at risk of conversion to market rate housing during the 10-year period 2021-2031. According to the Southern California Association of Governments and the California Housing Partnership Corporation, there are no units at risk in Hermosa Beach.

G. Low- and Moderate-Income Housing in the Coastal Zone

The majority of Hermosa Beach west of Valley Drive is within the Coastal Zone. *California Government Code* § 65590 et seq. prohibits conversion or demolition of existing residential dwelling units occupied by low- or moderate-income persons or families unless provision has been made for the replacement in the same city or county of those dwelling units with units for persons and families of low- or moderate-income (excludes structures with less than 3 units, or less than 10 units for projects with more than one structure, among other exclusions).

Section 65590(d) further requires new housing development in the coastal zone to provide housing units for persons and families of low or moderate income, or if not feasible, to provide such units at another location within the same city or county, within the coastal zone or within three miles thereof. Due to the exemptions noted above, no documented affordable units have been constructed in the Coastal Zone.

No deed-restricted affordable units have been demolished or converted within the Coastal Zone since 1982. The Coastal Land Use Plan (LUP) addresses three primary issue areas: access, planning for new development, and the preservation of marine-related resources. The LUP contains policies that may impede the construction of new housing development within the designated coastal zone of the City. These include policies related to the preservation of beach access, adequate parking and controlling the types and densities of residential development within the coastal zone. Coastal policies and standards controlling mass, height and bulk discourage “mansionization.” Policies do not prevent residential units above ground floor commercial as allowed in the C-1 zoning district.

H. Future Housing Needs

1. Overview of the Regional Housing Needs Assessment

The Regional Housing Needs Assessment (RHNA) is a key tool for local governments to plan for anticipated growth. The RHNA quantifies the anticipated need for housing within each jurisdiction for the 2021 to 2029 period, also referred to as the “6th cycle” in reference to the six RHNA cycles that have occurred since the comprehensive revision of State Housing Element law in 1980. Communities then determine how they will address this need through the process of updating the Housing Elements of their General Plans.

The current RHNA was adopted by the Southern California Association of Governments (SCAG) in March 2021. The need for housing is determined by the forecasted growth in households in a community as well as existing needs such as overpayment and overcrowding. The housing need for new households is adjusted to maintain a desirable

level of vacancy to promote housing choice and mobility. An adjustment is also made to account for units expected to be lost due to demolition, natural disaster, or conversion to non-housing uses. Total housing need is then distributed among four income categories on the basis of the county's income distribution, with adjustments to avoid an over-concentration of lower-income households in any community. Additional detail regarding SCAG's methodology used to prepare the RHNA can be reviewed on SCAG's website at <https://scag.ca.gov/rhna>.

2. Hermosa Beach 2021-2029 Housing Needs

The share of regional housing need for the City of Hermosa Beach as determined by SCAG for the 2021-2029 planning period is 558 units, distributed by income category as shown in Table I-7. Pursuant to *Government Code* §65583(a)(1) it is assumed that the need for extremely-low-income households is half of the very-low-income need. A discussion of how the City will accommodate this housing need is provided in the Land Resources section of Chapter II.

**Table I-7
Regional Housing Needs 2021-2029 –
Hermosa Beach**

Very Low	Low	Moderate	Above Moderate	Total
232*	127	106	93	558
41.6%	22.8%	19.0%	16.7%	100%

Source: SCAG 2021

*116 of these are allocated to the extremely-low-income category

II. RESOURCES AND OPPORTUNITIES

A. Land Resources

Section 65583(a)(3) of the *Government Code* requires Housing Elements to contain an “inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.” A detailed analysis of vacant land and potential redevelopment opportunities has been prepared and is described in Appendix B. The results of this analysis are summarized in [the table](#) below. [The City’s](#) land inventory based on current zoning is insufficient to accommodate the RHNA allocation for this planning period; therefore, amendments to General Plan and zoning designations are necessary pursuant to State requirements (see Program 9 in the Housing Policy Plan).

Table II-1
Land Inventory Summary vs. RHNA

	Income Category				Total
	VL	Low	Mod	Above	
RHNA (2021-2029)	232	127	106	93	558
Accessory dwelling units	11	28	4	21	64
Remaining RHNA	221	99	102	72	494
Sites Inventory (Table B-4)		353	171	80	604
% Buffer Above Remaining RHNA		10%	68%	11%	22%

[Source: Hermosa Beach Community Development Dept., 2023](#)

A discussion of public facilities and infrastructure needed to serve future development is contained in Section III.B, Non-Governmental Constraints. There are currently no known service limitations that would preclude the level of development allocated in the RHNA, although developers will be required to pay fees or construct public improvements prior to or concurrent with development.

B. Financial and Administrative Resources

1. State and Federal Resources

Community Development Block Grant Program (CDBG) - Federal funding for housing programs is available from the Department of Housing and Urban Development (HUD). During the previous planning period the City received approximately \$68,000 per year, however the latest grant for FY20-21 was about \$63,000 and future years are unknown. In recent years, the City has used CDBG funds for ADA compliance retrofits for sidewalk handicap ramps, which is expected to continue during the planning period. In FY 20-21 a one-time grant program for eligible businesses with low- and moderate-income employees to assist with recovery from pandemic used \$37,479 CDBG CARES ACT funds and \$72,571 unspent funds from prior years’ allocations.

The City does not currently participate in other HUD programs such as HOME, Emergency Shelter Grant (ESG) or Housing Opportunities for Persons with AIDS (HOPWA).

Section 8 Rental Assistance – The Section 8 Housing Choice Voucher Program (HCVP) assists very-low-income senior citizens, families and the disabled with the cost of rental housing. Generally, a tenant pays 30% of his or her adjusted income towards the rent and the Section 8 program pays the balance directly to the landlord. Unfortunately, the need for rental assistance is greater than available resources.

2. Local Resources

As a very small jurisdiction, Hermosa Beach has extremely limited resources for housing assistance. The only locally-generated source of housing revenue is the Condominium Conversion fund, which is an "infrastructure fee toward the physical and service structure of the community from which the development benefits" (Municipal Code Section 17.22.270).

C. Sustainable Housing Development

The City of Hermosa Beach is working to be a leader in sustainability. The three elements of sustainability, environment, and economy are related to the objectives of this housing element in several ways. Strong, sustainable communities connect housing, transportation, jobs and equity. They reduce transportation costs for families, maximize resource efficiency, improve housing affordability, save energy, and increase access to housing and employment opportunities. This nurtures healthier, more inclusive communities and housing opportunities. Hermosa Beach can use sustainable communities strategies and techniques to invest in healthy, safe and inclusive neighborhoods.

Strategies to increase sustainability are multidisciplinary and are integrated throughout all elements of the City's new General Plan, which was adopted in 2017. The General Plan focuses on sustainability and a low-carbon future.

1. AB 32 and SB 375

In 2006, the Legislature passed AB 32—The Global Warming Solutions Act of 2006,—which requires the State of California to reduce "greenhouse gas" (GHG) emissions to 1990 levels no later than 2020. Passenger vehicles account for 31 percent of the state's total emissions. In 1990 greenhouse gas emissions from automobiles and light trucks were 108 million metric tons, but by 2004 these emissions had increased to 135 million metric tons. SB 375 asserts that "Without improved land use and transportation policy, California will not be able to achieve the goals of AB 32."

SB 375, passed in 2008, builds on the existing regional transportation planning process (which is overseen by local officials with land use responsibilities) to connect the reduction of GHG emissions from cars and light trucks to land use and transportation policy.

SB 375 has three goals: (1) to use the regional transportation planning process to help achieve AB 32 goals; (2) to use the California Environmental Quality Act (CEQA) streamlining as an incentive to encourage residential projects that help achieve AB 32 goals to reduce GHG emissions; and (3) to coordinate the regional housing needs allocation process with the regional transportation planning process. SB 375 requires consistency between the Regional Transportation Plan (RTP) and the Regional Housing

Needs Assessment (RHNA), which is accomplished through using an “integrated” growth forecast for use in both of these policy documents.

2. Energy Conservation Opportunities

Given the built-out nature of Hermosa Beach, attention should be focused on redevelopment, rehabilitation and retrofits. As residential energy costs rise, the subsequent increasing utility costs also reduce housing affordability. Although the City is fully developed, new infill development, rehabilitation and retrofits provide opportunities to enhance community sustainability and directly affect energy use within its jurisdiction.

State of California Energy Efficiency Standards for Residential and Nonresidential Buildings were established in 1978 in response to a legislative mandate to reduce California's energy consumption. The standards are codified in Title 24 of the California Code of Regulations and are updated periodically to allow consideration and possible incorporation of new energy efficiency technologies and methods. The most recent update to State Building Energy Efficiency Standards were adopted in 2019. Building Energy Efficiency Standards have saved Californians billions of dollars in reduced electricity bills. They conserve nonrenewable resources, such as natural gas, and ensure renewable resources are extended as far as possible so power plants do not need to be built.⁴

Title 24 sets forth mandatory energy standards and requires the adoption of an “energy budget” for all new residential buildings and additions to residential buildings. Separate requirements are adopted for “low-rise” residential construction (i.e., no more than 3 stories) and non-residential buildings, which includes hotels, motels, and multi-family residential buildings with four or more habitable stories. The standards specify energy saving design for lighting, walls, ceilings and floor installations, as well as heating and cooling equipment and systems, gas cooling devices, conservation standards and the use of non-depleting energy sources, such as solar energy or wind power. The home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations through the plan check and building inspection processes.

In addition to state-mandated Title 24 requirements, Hermosa Beach is participating in a coalition to collaboratively tackle the issue of energy conservation.⁵ The South Bay Environmental Services Center (SBESC⁶) is educating residents, business owners and public agencies and hosting or making available information about the energy conservation programs, retrofits and incentives available in the community and how to incorporate more energy-saving practices into everyday life. Established through funding from the California Public Utilities Commission, the SBESC includes the 15 cities that comprise the South Bay Cities Council of Governments (SBCCOG), and is associated with Southern California Edison and Southern California Gas Company.

⁴ California Energy Commission (<https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards>)

⁵ http://www.imakenews.com/priorityfocus/e_article001104271.cfm?x=bcHNgMg,b7M8B89t

⁶ www.sbesc.com

The City of Hermosa Beach has adopted solar energy and wind energy ordinances to facilitate their use, and has reduced building permit fees for solar energy systems and waived the planning fee for wind energy systems.

The City has adopted a water conservation ordinance and a water efficient landscape ordinance that is significantly more restrictive than required by state law in that demonstration of drought-tolerant landscaping is required for all new landscaping in connection with all projects regardless of size or tenancy.

Issue Area No. 6 and Program 9 in the Housing Plan describe the City's policies and objectives for identifying these and other opportunities for more sustainable development as part of the General Plan update.

III. CONSTRAINTS

A. Governmental Constraints

1. Transparency with Development Regulations

To increase transparency and certainty in the development application process as required by law, the City provides a range of information online for ease of access, some of which is as follows:

General Plan, Zoning, and Local Coastal Plan:

<https://www.hermosabeach.gov/our-government/community-development/programs-projects-plans>

Applications, Forms, Handouts, and Fee Schedule:

<https://www.hermosabeach.gov/our-government/community-development/applications-forms-handouts>

Current Development Projects:

<https://www.hermosabeach.gov/our-community/quick-links/city-projects/development-projects>

2. Land Use Plans and Regulations

a. General Plan

Each city and county in California must prepare a comprehensive, long-term General Plan to guide its future. The Land Use Element of the General Plan establishes the basic land uses and density of development within the various areas of the city. Under State law, the General Plan elements must be internally consistent and the City's development regulations must be consistent with the General Plan. Thus, the land use plan must provide suitable locations and densities to implement the policies of the Housing Element.

The Hermosa Beach General Plan – or *PLAN Hermosa* - was comprehensively updated in 2017. Land Use + Design Element of the General Plan includes four residential land use designations with allowable densities ranging from 2 to 33 units per acre, as shown in Table III-1.

**Table III-1
Residential Land Use Categories –
Hermosa Beach General Plan**

Designation	Definition	Allowable Density (du/acre)
Low Density	Single-family residential (attached or detached)	2.0 – 13.0
Medium Density	Single-family residential and small-scale multi-family residential (duplex, triplex, condominium)	13.1 – 25.0
High Density	Medium (8-20 unit buildings) and large-scale (20+ unit buildings) multi-family residential	25.1 – 33.0
Mobile Home	Mobile home parks, where lots are owned, rented or leased to accommodate mobile homes for human habitation	2.0 – 13.0

As noted previously in Section II.A, amendments to General Plan and zoning designations are necessary to ensure adequate sites to accommodate the RHNA pursuant to State law (see Program 9 in the Housing Policy Plan). With those amendments, the General Plan will not pose a constraint to implementation of Housing Element policies and objectives.

b. Zoning Regulations

The City regulates the type, location, density, and scale of residential development through the Municipal Code. Zoning regulations serve to implement the General Plan and are designed to protect and promote the health, safety, and general welfare of residents. The Municipal Code also helps to preserve the character and integrity of existing neighborhoods. The Municipal Code sets forth residential development standards for each zone district.

In 2017 the City adopted a new General Plan and is currently in the process of updating zoning regulations to ensure consistency with the General Plan. The Zoning Ordinance update is expected to be completed in [2023](#). The following discussion describes current regulations, some of which will be revised as part of the new Zoning Ordinance.

There are currently five residential zones in Hermosa Beach:

- R-1 Single Family Residential (R-1A: Two Dwelling Units per Lot)
- R-2 Two-Family Residential (R-2B: Limited Multiple Family Residential)
- R-3 Multiple-Family Residential
- R-P Residential Professional
- MHP Mobile Home Park

In addition to these zones, residential uses are also permitted above ground floor commercial within the C-1 “Limited Business and Residential Zone” (see Table III-2). A summary of the development standards for these zones is provided in [the table below](#). Residential Development Standards by Zone

Development Standard	R-P	R-1	R-1A	R-2	R-2B	R-3	C-1
Minimum Lot Area (sq.ft.) per DU	1,320	4,000	3,350	1,750	1,750	1,320	1,320
Equivalent Density	33	10.9	13	24.9	24.9	33	33
Minimum Front Yard (ft.)	n/a	10% of lot depth	10% of lot depth	10% of lot depth	10% of lot depth	Per zoning map	0
Minimum Side Yard (ft.)	10% of lot width	10% of lot width	10% of lot width	10% of lot width	10% of lot width	10% of lot width	5'
Minimum Rear Yard (ft.)	5	5 (3 if alley)	5 (3 if alley)	5 (3 if alley)	5 (3 if alley)	5 if alley	5'
Maximum Building Height (ft.)	30	25	25	30	30	30	30

Source: Hermosa Beach Zoning Ordinance, <http://www.hermosabch.org/departments/cityclerk/code/zoning.html>

Minimum lot area per unit ranges from 1,320 square feet in the R-P, R-3 and C-1 zones to 4,000 square feet in the R-1 zone. The R-P zone provides for mixed-use commercial/residential development with varying densities depending on lot area and dimensions. Density bonuses would permit more units than allowed by the underlying zone pursuant to State law and the implementing ordinance adopted by the City in 2004. The densities within mobile home parks are regulated by Title 25 of the California Administrative Code, subject to a use permit.

A summary of the uses permitted in the City's residential zoning districts is provided in Table III-2. Although a range of residential densities are allowed by-right in residential zones, a discretionary precise development plan (PDP) is required when more than one unit is developed per lot to ensure site design is compatible with the Code and adjacent development. In 2013 the Zoning Code was amended to clarify that the PDP is a site design tool, rather than providing a means of evaluating whether the *type of use* should be allowed on a particular site.

The City also has adopted nine specific plan areas (SPAs), in many cases to accommodate specific commercial or residential development projects. Residential use is either not allowed in these specific plan areas or the specific plan area was adopted to specifically accommodate a development project which has been constructed. SPA-7



and SPA-8 provide a significant number of parcels for commercial development fronting Pacific Coast Highway. As part of this Housing Element update, the City proposes to add residential and mixed use as permitted uses in the C-2, C-3, SPA-7, SPA-8, SPA-11, and M-1 zones for RHNA sites. A residential density of 25.1-33.0 units per acre, consistent with the R-3 zone's allowable density, will be available to RHNA sites in C-2, C-3 SPA-7, SPA-8, and SPA-11 zones. A density of 34-50 units per acre will be available to RHNA sites in the M-1 zone.

**Table III-2
Permitted Residential Development by Zone**

Housing Type Permitted	R-1	R-1A	R-2	R-2B	R-3	MHP	R-P	C-1	C-3
SF Detached	P	P	P	P	P		P	4	
Single-Family Attached		P*	P*	P*	P*		P*	4	
Multi-Family			P*		P*		P*	C	
Mobile Home	P	P	P	P	P	P	P		
Second Units	P ³	C ¹	C ¹	C ¹	C ¹		C ¹		
Emergency Shelters									P
Transitional, Supportive, Group Housing	6	6	6	6	6	6	6	6	
Single-Room Occupancy					P				
Care Facility (6 or fewer)	P	P	P	P	P		P		
Care Facility (7+)	C ²	C ²	C ²	C ²			C ²		
Assisted Living ⁵									

Source: Hermosa Beach Zoning Ordinance

P = Permitted

P* = Permitted subject to approval of a precise development plan to evaluate site design (excluding development of small second unit in R-1 zone)

C = Conditional Use Permit

1 Senior units only

2 Accessory to a single-family detached dwelling; for child care purpose

3 Administrative Permit subject to limitation on size

4 Residential uses are allowed above ground floor commercial uses

5 A specific plan area was created to accommodate a senior assisted living center.

6. Permitted as a residential use subject to the same standards as other residential uses of the same type in the same zone.

Zoning for Lower-Income Housing

Lower-income housing can be accommodated in all zones permitting residential use in Hermosa Beach. These may include accessory dwelling units in all residential zones, multi-family apartments in the R-3 zone, and residential or commercial/residential mixed-use developments within the C-1 and R-P Zones. Under State law, the “default density” presumed to be adequate to facilitate lower-income housing is 20 units/acre in Hermosa Beach. As noted in [before](#), the R-2, R-2B, R-3, R-P and C-1 zones all permit development at greater than 20 units/acre and therefore are considered suitable for lower-income housing under state law.⁷ Review of development trends confirms that actual densities in these zones are typically greater than 20 units per acre.

⁷ Assembly Bill 2348 of 2004



Hermosa Beach is one of the most densely developed and populated cities in Los Angeles County and is essentially built-out. About 75% of the city is residentially zoned, with about 35% of this area zoned for high-density R-2 and R-3 development. Approximately 11% of the city has commercial zoning, and just 1% is industrially zoned. The balance of the city is zoned for open space, most of which is the beach area. As part of this Housing Element update, the City proposes to add residential and mixed use as permitted uses to RHNA sites in the C-2, C-3, SPA-7, SPA-8, and SPA-11,

with a residential density of 25.1-33.0 units per acre, consistent with the R-3 zone's allowable density. Residential and mixed use will also be added as permitted uses to RHNA sites in the M-1 zone with a residential density of 25.1-33 units per acre.

Special Needs Housing

Under State law, persons with special needs include those in residential care facilities, persons with disabilities, farm workers, persons needing emergency shelter, transitional or supportive housing, and low-cost single-room-occupancy units. The City's regulations regarding these housing types are discussed below.

- **Housing for Persons with Disabilities**

State requirements. *Health and Safety Code* §§1267.8, 1566.3, and 1568.08 require local governments to treat licensed group homes and residential care facilities with six or fewer residents no differently than other single-family residential uses. "Six or fewer persons" does not include the operator, the operator's family, or persons employed as staff. Local agencies must allow these licensed care facilities in any area zoned for residential use, and may not require licensed residential care facilities for six or fewer persons to obtain conditional use permits or variances that are not required of other family dwellings. The Zoning Ordinance includes definitions and standards in conformance with State law. Group homes and residential care facilities for up to six persons are a permitted use in any residential zone.

Large residential care facilities are conditionally permitted in most residential zones (Table III-2). In consideration of the City's small lots and densely-populated residential neighborhoods, the conditional use permit requirement is reasonable to ensure that the operational characteristics of such facilities do not generate conflicts with surrounding residential uses. As part of the comprehensive Zoning Ordinance update, the City will revise the CUP review process for large care facilities to an Administrative Permit in all residential zones, with a lower fee, and

establish findings for approval that are objective and provide certainty in outcomes (Housing Program 10).

Reasonable Accommodation. The City's Building Code requires that new residential construction comply with Title 24 accessibility standards. These standards include requirements for a minimum percentage of fully accessible units in new multi-family developments. In addition, Section 17.42.120 of the Zoning Ordinance establishes procedures for the review of requests for reasonable accommodation pursuant to State law.

The reviewing authority shall approve the request for a reasonable accommodation if, based upon all of the evidence presented, the following findings can be made:

1. The housing, which is the subject of the request for reasonable accommodation, will be occupied by an individual with disabilities protected under Fair Housing Laws;
2. The requested accommodation is reasonable and necessary to make housing available to an individual with disabilities protected under the Fair Housing Laws;
3. The requested accommodation will not impose an undue financial or administrative burden on the city, as defined in the Fair Housing Laws and interpretive case law; and
4. The requested accommodation will not require a fundamental alteration in the nature of the city's zoning or building laws, policies and/or procedures, as defined in the Fair Housing Laws and interpretive case law. The city may consider, but is not limited to, the following factors in determining whether the requested accommodation would require a fundamental alteration in the nature of the city's zoning or building program:
 - a. Whether the requested accommodation would fundamentally alter the character of the neighborhood; **and**
 - b.** Whether granting the requested accommodation would substantially undermine any express purpose of either the city's general plan or an applicable specific plan.

These regulations are consistent with fair housing law and do not pose a constraint on persons with disabilities. The City approved two Reasonable Accommodation applications in recent years. In October 2023, the City amended the Zoning Ordinance to remove the public hearing requirement for the approval of Reasonable Accommodation requests. This change to the Reasonable Accommodation procedures is aimed at facilitating housing for persons with disabilities. However, the finding relating to neighborhood character remains. The Housing Element includes an action to address this finding as a constraint to housing for persons with disabilities.

Definition of "Family". The Zoning Ordinance defines "Family" as "two or more persons living together in a dwelling unit, sharing common cooking facilities,

and possessing the character of a relatively permanent single bona fide housekeeping unit in a domestic bond of social, economic and psychological commitment to each other, as distinguished from a group occupying a boarding house, club, dormitory, fraternity, hotel, lodging house, motel, rehabilitation center, rest home or sorority." This definition is consistent with State law.

Maximum concentration requirements. There are no concentration or separation requirements for residential care facilities or group homes in the Zoning Ordinance.

Site planning requirements. There are no special site planning requirements (other than parking, height, and setbacks) for residential care facilities or group homes in the Zoning Ordinance.

Parking requirements. Off-street parking requirements for residential care facilities and group homes are the same as for single-family dwellings, which is two spaces plus one guest space. This requirement does not pose an unreasonable constraint to such facilities.

- **Farm Worker Housing**

The City's Zoning Ordinance does not identify farm worker housing separately as a permitted use. However, as discussed in Chapter II, no agricultural activities are found within Hermosa Beach or in the surrounding communities. Therefore there is no demand for farm worker housing in Hermosa Beach.

- **Emergency Shelters, Transitional/Supportive Housing and Low Barrier Navigation Centers**

Emergency shelters are facilities that provide a safe alternative to acute homelessness either in a shelter facility, or through the use of motel vouchers. Emergency shelter is short-term, usually for 30 days or less. Senate Bill 2 of 2007 requires that unless adequate shelter facilities are available to meet a jurisdiction's needs, emergency shelters must be allowed by-right (i.e., without discretionary review such as a conditional use permit) in at least one zoning district, but may include specific development standards.

AB 2339 (2022) requires that the zone(s) designated for by-right shelters to be zones that also permit residential uses. The Hermosa Beach Municipal Code allows emergency shelters by-right in the C-3, SPA-7 and SPA-8 zones, with a ten-bed limit per shelter and a 300-foot separation from another shelter. The City will redesignate the R-3 zone (Multi-Family Residential) for emergency shelters by right. While the ten-bed limit may appear to be a constraint to development of emergency shelters, the lack of funding for such facilities may preclude the development of larger facilities. Both State and Federal policy directions have moved from providing emergency/transitory housing to rapid rehousing to permanent supportive housing. Nevertheless, this Housing Element includes a program to review and revise the bed limit based on consultation with service providers.

The City has an unsheltered homeless of 28 persons according to the 2020 Point-in-Time Count. At appropriately 200 square feet per person (AB 2339 guidance), a building space of 5,600 square feet would be needed. Given the costs of new construction and the small size of the City's unsheltered homeless population, adaptive reuse of existing buildings may be a more feasible option than new construction. The R-3 zone contains 1,034 parcels totaling 88 acres. While there are virtually no vacant parcels in the City, including the R-3 zone, opportunities exist for adaptive reuse of single-family homes, duplexes, or small apartments as shelters. As of fall 2023, the City had 297 R-3 parcels developed with single-family homes. The home sizes range from 298 square feet to just over 7,000 square feet. The smaller homes R-3 lots are feasible for redevelopment given the obvious underutilization of the land or adaptive reuse into small shelters.

AB 139 also requires that the City establishes parking standard for emergency shelters based on staffing level only.

Transitional housing is longer-term housing, typically up to two years. Transitional housing generally requires that residents participate in a structured program to work toward established goals so that they can move on to permanent housing. Residents are often provided with an array of supportive services to assist them in meeting goals. Under SB 2 transitional and supportive housing is deemed to be a residential use subject only to the same requirements and standards that apply to other residential uses of the same type in the same zone. Current City definitions for transitional and supportive housing are in compliance with this requirement. In 2018 AB 2162 amended State law to require that supportive housing be a use by-right in zones where multi-family and mixed uses are permitted, including non-residential zones permitting multi-family uses, if the proposed housing development meets specified criteria. Program 10 in the Housing Policy Plan includes a commitment to process an amendment to the Municipal Code in compliance with this requirement.

In 2019 the State Legislature adopted AB 101 establishing requirements related to local regulation of *low barrier navigation centers*, which are defined as "Housing first, low-barrier, service-enriched shelters focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing." *Low barrier* means best practices to reduce barriers to entry, and may include, but is not limited to:

- (1) The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth
- (2) Accommodation of residents' pets
- (3) The storage of possessions
- (4) Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms

Low barrier navigation centers meeting specified standards must be allowed by-right in areas zoned for mixed use and in nonresidential zones permitting

multi-family uses. Program 7 in the Housing Policy Plan includes a commitment to process an amendment to the Zoning Code in compliance with this requirement.

- **Single Room Occupancy**

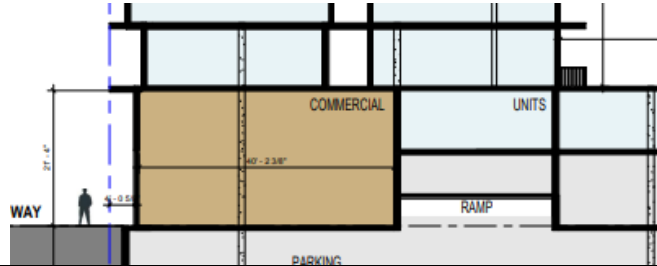
Single-room-occupancy (SRO) facilities are small studio-type units that rent in the low-, very-low- or extremely-low-income category. SROs with up to six units are permitted administratively within the R-3 district while SROs with seven or more units are conditionally permitted in the R-3, C-3, SPA-7 and SPA-8 districts. There is no density limit for SRO developments and the allowable unit size is 150 to 400 square feet. An affordability covenant is required for all SRO units except the manager's unit.

c. **Off-Street Parking Requirements**

The City's parking requirements for residential zones vary by residential type and housing product (Table III-3). Two off-street parking spaces plus one guest space are required for single-family, duplex or two-family dwellings. Multiple dwellings (three or more units) are also required to have two off-street spaces, plus one guest space for each two dwelling units. Mobile homes are required to have two spaces per unit. The City adopted a reduced parking standard for Specific Plan Area No. 6 in conjunction with approval of a senior assisted living facility, and shared and reduced parking may be approved by the Planning Commission on a case-by-case basis. Pursuant to State Density Bonus Law reduced parking standards apply to affordable housing developments.

Under the current parking requirements, two off-street parking spaces plus one guest space are required for single-family, duplex or two-family dwellings. Multiple dwellings (three or more units) are also required to have two off-street spaces, plus one guest space for each two dwelling units. These parking requirements do not support a variety of housing types, limit design options, result in residential street frontages dominated by parking and garages, and can preclude achievement of maximum allowed density, especially on the City's smaller residential lots. As part of the comprehensive Zoning Ordinance update currently underway the City will revise the parking requirements to facilitate a variety of housing types, such as smaller units, and mixed use development that can take advantage of shared parking.

**Table III-3
Residential Parking Requirements**



Type of Unit	Minimum Parking Space Required
Single family residence	2 spaces plus 1 guest space
Mobile home park	2 spaces
Duplex or two-family dwelling	2 spaces plus 1 guest space
Multiple dwellings (3+ units)	2 spaces plus 1 guest space for each 2 dwelling units
Detached servant's quarters or guest houses	1 space
Multi-family lower-income and senior restricted housing, multi-family housing restricted to disabled persons, and single-room-occupancy facilities	Reduced standards, refer to Hermosa Beach Zoning Ordinance, Chapter 17.44
Accessory dwelling units	Per State law (see Sec. 17.21.040)

Source: Hermosa Beach Zoning Ordinance, Chapter 17.44

d. Cumulative Impacts of Development Standards

Future multi-family residential development is likely to take place as mixed use developments along the City's commercial corridors. The City's existing mixed use standards available to the C-1 zone only requires a minimum of 30-foot average depth of space. There is no requirement for a full-ground floor commercial space. In many cases, the ground floor will also be utilized for parking entry, circulation, common areas, lobbies, etc. Residential units can also be located on the ground floor.

Therefore, mixed use development can accommodate two floors above ground floor while maintaining the height limit. Multi-floors of residential then exist behind or above that height. The graphic of a mixed-use building that had a very tall commercial space (>21 feet tall) that has units behind and beyond, as well as above. Because the commercial spaces are most effective at the corner, the corner ends up being double height while the other frontages of the building can be two-level uses.

Overall, the City's flexibility with commercial component in a mixed use building, proposed revisions to the parking standards, will allow developments to achieve the maximum allowable density.

e. Accessory Dwelling Units

Accessory dwelling units (ADUs) provide an important source of affordable housing for seniors, young adults, care-givers and other low- and moderate-income segments of the population. In recent years, the State Legislature has adopted extensive changes to ADU law in order to encourage housing production. Among the most significant changes is the requirement for cities to allow one ADU plus one “junior ADU” on single-family residential lots by-right subject to limited development standards. Program 6 in the Housing Policy Plan includes a commitment to monitor legislation annually and update City ADU regulations as necessary to maintain consistency with State law.

f. Density Bonus

Under State law cities and counties must provide a density increase above the otherwise maximum allowable residential density under the Municipal Code and the Land Use Element of the General Plan and other incentives when builders agree to construct housing developments with units affordable to low- or moderate-income households or housing developments restricted to seniors. Section 17.42.100 of the Zoning Ordinance establishes standards and procedures for implementing State Density Bonus Law.

In order to further encourage affordable housing development, in 2013 the City adopted enhanced density bonus standards (Sec. 17.42.170) to incentivize consolidation of small lots into larger building sites according to the following formula.

Combined Parcel Size	Allowable Base Density*
Less than 0.50 acre	33 units/acre
0.50 acre to 0.99 acre	34.7 units/acre (5% increase)
1.00 acre or more	36.3 units/acre (10% increase)

*Excluding density bonus

AB 2345 of 2019 amended State law to revise density bonus incentives that are available for affordable housing developments. Program 3 in the Housing Policy Plan includes a commitment to update City density bonus regulations to reflect these changes to State law.

g. Mobile Homes/Manufactured Housing

There is often an economy of scale in manufacturing homes in a factory rather than on site, thereby reducing cost. State law precludes local governments from prohibiting the installation of mobile or manufactured homes on permanent foundations on single-family lots. It also declares a mobile home park to be a permitted land use on any land planned and zoned for residential use, and prohibits requiring the average density in a new mobile home park to be less than that permitted by the Municipal Code.

Mobile and manufactured homes are permitted in each of the residential zones, thereby facilitating the construction of this type of housing.



One mobile home park is located in Hermosa Beach (Marine Land Mobile Home Park), which is owned by a private, non-profit corporation. In addition, the adjacent "State RV Park" is occupied by very-low-income households and persons in transition to permanent residency.

The City committed to retaining the Marine Land Mobile Home Park by designating it within the General Plan and Zoning Code as a Mobile Home Park (MHP) Zone and in 2008 the City Council allocated over \$111,000 from the Condominium Conversion Fund to assist residents with their acquisition of the Marine Land Mobile Home Park. In 2008 the project was awarded \$1,200,000 subject to conditions under the State's Mobilehome Park Resident Owner Program (see Program 2 in the Housing Policy Plan).

h. Condominium Conversions

In order to reduce the impacts of condominium conversions on residents of rental housing and to maintain a supply of rental housing for low- and moderate-income persons, the City's Municipal Code provides for a tenant assistance plan that includes the following:

- a. An option to first purchase units, including tenant purchase discounts. For those who choose not to purchase a unit, the subdivider must provide a method by which tenants will be assisted in finding comparable replacement rental housing within the area of the conversion, including professional relocation assistance.
- b. A statement of the method by which the subdivider will comply with the requirements of Section 66427.1 of the State Subdivision Map Act. Such method must provide that no tenant shall be required to move from his or her apartment due to the proposed conversion until the expiration of the two-month period for exercise of his or her right of first refusal.
- c. Reimbursement for moving costs incurred, not to exceed \$500.
- d. Extension of tenancy to complete a school term, if necessary.

Because of these requirements, the potential impact of condominium conversions is not a significant constraint on the preservation of affordable rental housing. However, the reimbursement amounts for moving and for rent differentials should be reviewed to ensure costs have not outpaced reimbursements. This review is incorporated into Program 2 in the Housing Policy Plan. More importantly, condominium conversion has not been a trend in California for more than a decade and is not likely to become a significant trend again due to the viability of the rental housing market and the costs of conversion.

i. Short-Term Rentals

Short-term rentals of less than 30 days are prohibited in all residential zones citywide.

j. Nonconforming Uses and Buildings

The Zoning Code allows residential uses to be rebuilt in the case of destruction or damage beyond the owner's control provided the nonconformity is not increased. Nonconforming buildings may expand 100 percent in floor area (existing prior to October 26, 1989, up to 3,000 square feet per unit or 5,000 square feet of total floor area for the building site). Nonconforming portions of a building with a nonconforming residential use may be partially modified or altered to the extent necessary to comply with the Uniform Building Code. Specific rules pertaining to nonconforming parking apply. Building sites with three or more dwelling units cannot be expanded in floor area unless two parking spaces per unit plus one guest space for every two units are provided.



The Zoning Code also allows the Planning Commission to validate as legal nonconforming residential units that can be shown to have been used for residential occupancy more or less continuously since January 1, 1959 when City records and actual property use conflict. In 2013 the City evaluated whether to relax provisions governing validation of residential units that contribute to the supply of affordable rental housing when the use is demonstrated to have existed for a shorter period of time (to be

determined as part of the city's consideration) than is currently required under the code, provided the units are improved so as to not be substandard and parking adequate for the occupancy can be provided and determined to maintain the existing regulations due to density, parking and issues that would be associated with administration of such a program.

k. Building Codes

State law establishes building standards and prohibits the imposition of standards that are not necessitated by local geographic, climatic or topographic conditions and requires that local governments making changes or modifications in building standards must report such changes to the Department of Housing and Community Development and file an expressed finding that the change is needed. The City's Building Codes incorporate State Codes. These are necessary to protect the public's health, safety and welfare.

The City's building standards include some amendments to the State Building Code that exceed state standards; however, these amendments are all relatively inexpensive, and most of the revisions are related to fire alarms, smoke detectors, sprinkler systems, drainage,

increased demolition diversion, and increased energy efficiency. These modifications were determined to not substantially increase project costs.

I. Coastal Zone

The City of Hermosa Beach includes nearly two miles of shoreline and varies in width between one-half mile and approximately one mile inland. Approximately 43% of the total land area in Hermosa Beach is located within the Coastal Zone, as defined by the Coastal Act. The Coastal Zone in Hermosa Beach spans the entire length of the City from north to south, and extends from the mean high tide line inland to Ardmore Avenue with two exclusions: The area from Hermosa Avenue to Valley Drive between Longfellow Avenue and 31st Place; and the area east of Park Avenue or Loma Drive between 25th Street and 16th Street.

While a substantial portion of the City is in the Coastal zone, the character of land uses within the Coastal zone areas of the City is widely varied. The commercial area concentrated around the pier and shoreline includes lodging, restaurants (early morning and late night), snack shops, retail, recreation, and services that serve visitors and residents alike. As distance increases from this concentrated area, development begins to include mixed use and small-scale residential. Many areas of the Coastal zone in the City are primarily residential (single- and multi- family) but interspersed with local commercial uses.

The City's General Plan, PLANHermosa, adopted in 2017, recognizes this and assigns different land use designations within the Coastal zone that reflect the purpose of these areas. Recreational Commercial (RC) is designated for the primarily visitor-serving area near the Pier; Downtown (DT) is designated the retail and service core that includes mixed use and residential uses. The City proposes sites within the DT area on the Sites Inventory to further the development of housing in the coastal zone in a manner that is consistent with existing development patterns. This is similar to the manner in which the City already allows mixed-use development in the C1 zones. Meanwhile, the City is not proposing sites in the Recreational Commercial, as the City's Coastal Land Use Plan recognizes this as a primarily visitor serving area.

The City of Hermosa Beach is currently working with the California Coastal Commission (CCC) to obtain approval of the City's Local Coastal Program (LCP) and Land Use Plan (LUP). On October 25, 2021, the City submitted the Mobility Element amendment for review and approval to the CCC, which is the City's first step for an updated LCP. The City implements State laws such as SB 330 and SB 9 to ensure housing development opportunities are available within the Coastal Zone. The City received comments from the CCC in 2022 and will be addressing their comments along with any subsequent need to update the Coastal Land Use Plan to accommodate the RHNA.

Affordable housing projects in the Coastal Zone are processed pursuant to State Law. The City is also in the process of updating the comprehensive Zoning Ordinance, which will address permitting requirements for multifamily developments.

Subsequent to the adoption of the Housing Element, the City will review any Coastal Land Use Plan policies that must be updated and submit to the California Coastal Commission for certification. The timeline will be more apparent once the amendments have been submitted.

3. Development Processing Procedures

a. Residential Permit Processing

State Requirements. State Planning and Zoning Law establishes permit processing requirements for residential development. Within the framework of State requirements, the City has structured its development review process in order to minimize the time required to obtain permits while ensuring that projects comply with applicable regulations.

Developer Assistance. Hermosa Beach has prepared permit processing guidelines to assist builders in applying for development permits for residential developments and subdivisions. The guides are comprehensive in nature, and address the steps to be followed. Early consultation with City staff is encouraged to identify issues as soon as possible and reduce processing time. This consultation (at no cost to applicants) allows applicants to become acquainted with the application materials and fees required by each department and agency. Preliminary site and architectural plans are also reviewed for consistency with City standards. This conference allows the applicant to assess the feasibility of the project and make adjustments during the preliminary planning stages to minimize costs and permit processing time.

Permit Approval Procedures and Timing. Simultaneous processing of required entitlements (e.g., subdivisions and planned development permits) is also provided as a means of expediting the review process. Most projects under the purview of the Planning Commission are acted upon within six weeks of filing; a subsequent process requiring Planning Commission actions to be reported to the City Council and the appeal period typically requires about 30 days. Therefore, the process is typically completed within three months from application filing.

- Single-Family Detached Units – Applications are reviewed by the Planning Division for zoning clearance, and subsequently by the Building Division. Processing time is typically three to four weeks.
- Condominiums – A conditional use permit, precise development permit (PDP) design review, and tentative subdivision map must be approved by the Planning Commission; this process is usually completed within three months from the date a complete application is received. Once Planning Commission approval is obtained, the building permit application can be simultaneously reviewed by the planning and building divisions.
- Multi-Family Projects – A precise development plan (PDP) design review is conducted by the Planning Commission. If a conditional use permit is also required, it is reviewed by the Planning Commission concurrently. Such review is usually completed within three months from the date a complete application is received. Once Planning Commission approval is obtained, the building permit application can be simultaneously reviewed by the planning and building divisions. A structural plan check is performed by an outside contractor.
- Mixed-Use Projects – A precise development plan (PDP) design review is conducted by the Planning Commission. If a conditional use permit is required by the Zoning Code, concurrent Planning Commission review is

usually completed within three months from the date a complete application is received.

- Building Plan Check - Plan check for the processing of residential building permits is generally four to six weeks, depending on the City's workload. Building codes are applied to new construction, and projects are monitored and inspected under the building permit process.

In 2021 the City initiated a comprehensive Zoning Ordinance update. One of the major objectives of the update is to simplify the development review process. Specifically, the City is proposing to revamp the PDP requirements. Program 11 in the Housing Policy Plan includes a commitment to this revision. Also, in the pending Subdivision Ordinance update, the City will be addressing the CUP requirement for condominium projects.

The City proposes to revise the PDP process by project size. The scope of PDP review will be limited on physical characteristics as they apply to the design of the sites plan, structures, landscaping, and other physical features of the proposed project, including:

1. Building proportions, massing, and architectural details.
2. Site design, orientation, location, and architectural design of buildings relative to existing structures on or adjacent to the property, topography, and other physical features of the natural and built environment;
3. Size, location, design, development, and arrangement of on-site parking and other paved areas;
4. Height, materials, and design of fences, walls, and screen plantings;
5. Location and type of landscaping including selection and size of plant materials, and design of hardscape; and
6. Size, location, design, color, lighting, and materials of all signs.

Applicability and Review Authority

	<u>Single-family Residential</u>	<u>Projects with 2-4 dwelling units;</u>	<u>Projects with 5 or more dwelling units</u>	<u>Exceptions</u>
<u>Application Type</u>	<u>Ministerial</u>	<u>PDP</u>	<u>PDP</u>	<u>Housing projects with affordable units, senior units, or density bonus units will be processed with a staff level PDP</u>
<u>Reviewing Body</u>	<u>Staff</u>	<u>Planning Commission</u>	<u>Planning Commission</u>	

The review authority must make all of the following findings to approve or conditionally approve a Precise Development Plan application:

- A. The design, layout, and other physical features of the project complies with all other applicable provisions of this Title and all other titles of the Hermosa Beach Municipal Code;
- B. The design, layout, and other physical features of the project is consistent with the General Plan, and any applicable specific plan or design guidelines; and

C. The design, layout, and other physical features of the project complies with any design or development standards applicable to the zone, unless waived or modified pursuant to the provisions of this Title.

The City will be developing objective standards for the PDP review as part of the comprehensive Zoning Ordinance update.

b. Environmental Review

Environmental review is required for all discretionary development projects under the California Environmental Quality Act (CEQA). Most projects in Hermosa Beach are either Categorically Exempt or require only an Initial Study and Negative Declaration. Developments that have the potential of creating significant impacts that cannot be mitigated require the preparation of an Environmental Impact Report. The Negative Declaration process typically requires about three to four weeks. Categorically Exempt developments such as ADUs require a minimal amount of time. Although environmental review adds to the time and cost of development, it is mandated by State law.

4. Development Fees and Improvement Requirements

State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged. Various fees and assessments are charged by the City and other public agencies to cover the costs of processing permit applications and providing services and facilities such as schools, parks and infrastructure. Most of these fees are assessed through a pro-rata share system, based on the magnitude of the project's impact or on the extent of the benefit that will be derived.

Table III-4 shows fees associated with new development within Hermosa Beach. As can be seen from the table, Park and Recreation and Building Permit fees represent the largest development fees, although since many projects replace units, credits can be obtained. For a typical 2,000-square-foot single-family dwelling (excluding any demolition or entitlement cost), current (2021) permit fees are estimated at approximately \$30,000 per unit or \$15,000 if the new unit replaced a 1,500-square-foot house. Fees for a 2,000-square-foot condominium unit (part of a typical two-unit project) that replaced a 1,500-square-foot dwelling would be about \$30,000, or \$45,000 if no replacement is involved. Nearly all multi-family projects are small condominium projects, which allow owners to maximize investment on small lots.

The City periodically evaluates the actual cost of processing the development permits when revising its fee schedule. The last review was 2020.

In addition to City fees, development fees levied by the school districts and special districts include the following as of 2021:

- School Fees: \$4.79 per square foot
- L.A. County Sewer Connection Fee: \$4,610 (single-family home)

Aside from parkland fees, no other impact fees have been adopted.

**Table III-4
City of Hermosa Beach Planning & Building Fees**

Planning Fees/Building Fees	Fee Amount
Conditional Use Permit (CUP)	\$5,900
CUP for Condominium (cost/2 units)	\$6,127
CUP for Condominium (per unit over 2 units)	\$227
CUP/Parking Plan/PDP (amendment)	\$5,197
Negative Declaration/Initial Study	\$4,125 / At cost
Extension (tentative map, final map, CUP)	\$1,196
Final Map	\$851
General Plan Amendment Map/Text	\$4,673 / \$6,290 / At Cost
Zone Change	\$4,917
Parking Plan	\$5,444
Precise Development Plan	\$6,127
Subdivision – Tentative Map	\$5,677
Variance	\$4,547
Parks and Recreation Fees (condos excluded)**	\$9,148/unit
Parks and Recreation Fees, in lieu (condos only)**	\$14,096/unit
Building Permit	\$1,621.44 for first \$100,000 plus \$9.28 for each additional \$1,000
Sewer Use Fee**	Same as County Sewer Fee

Source: City Of Hermosa Beach. 2024

*Averages for 3-bedroom, 2 bath single-family home.

**Credits available if existing square footage is demolished or dwelling units are replaced.

Does not include possible cost for an environmental impact report or related consultant fees.

The City requires developers to provide on-site and off-site improvements necessary to serve their projects. Such improvements may include water, sewer and other utility extensions, street improvements and traffic control devices that are reasonably related to the project. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities and school sites, consistent with the Subdivision Map Act.

The City's Capital Improvement Program (CIP) contains a schedule of public improvements, including street improvements and other public works projects, to facilitate continued development according to the City's General Plan. The CIP helps to ensure that construction of public improvements is coordinated with private development.

Although development fees and improvement requirements increase the cost of housing, cities have little choice in establishing such requirements due to the limitations on property taxes and other revenue sources needed to fund public improvements.

B. Non-Governmental Constraints

1. Environmental Constraints

Environmental constraints include physical features such as steep slopes, geological hazards, floodplains, or sensitive biological habitat. In many cases, development in these areas is constrained by State and Federal laws (e.g., FEMA floodplain regulations, the Clean Water Act, Endangered Species Act, Coastal Act, State Fish and Game Code and the Alquist-Priolo Act). The City's Coastal Land Use Plan and General Plan have been designed to protect sensitive areas from development and to protect public safety, as required by State and Federal law. Environmentally sensitive areas are generally zoned and protected as parklands. However, a significant portion of the city is within the Coastal Zone wherein impacts to coastal resources are always of concern. In addition, portions of the city are located on moderately steep hillsides and some areas are subject to liquefaction. While policies constrain residential development to some extent, they are necessary to support other public policies.

2. Infrastructure Constraints

With about 20,000 people living within its 1.3 square miles and virtually no vacant land, the City's growth is limited to redevelopment and replacement of existing structures. This section discusses potential infrastructure constraints on such development.

Water and Wastewater. Water and wastewater systems are generally able to serve existing demands. Most new development will continue to be replacement of existing structures, and water and sewer capacities are projected to be sufficient to accommodate this replacement during the planning period. However, significant deficiencies in the sewer system exist and rehabilitation is necessary, and new development may require offsite improvements. The City Council approved Sewer System Master and Management Plans identifying the cost to repair the 80-year-old system at \$9 million over 10 years, which is incorporated in the annual City budget.

The City also has adopted a Storm Drain Master Plan, with annual storm drain improvements included in the annual City budget. Water infrastructure is replaced and developer improvements are in accordance with the schedules and requirements of the service providers.

Streets and Parking. One of the primary infrastructure issues associated with the current level of development is the limited capacity of on-street parking. As a dense beach city inundated by tourists throughout the summer months, there can sometimes be a shortage of adequate parking in many areas. The City addresses this constraint incrementally by ensuring that all new developments, both residential and commercial, provide adequate off-street parking so they do not need to rely on on-street parking.

Streets in Hermosa Beach are subject to high levels of traffic, which are further impacted by new development. The great majority of the traffic, especially during the summer months, consists of through-traffic over which the City has no control. Because of the city's location in relation to the regional freeway system, access to the surrounding region is limited to the arterial roadways. The many thousands of visitors to the local beaches also affect parking and other services.

Drainage. Urban storm water run-off is a challenging issue because Hermosa Beach is an oceanfront community with over 90% impermeable ground surface. In addition to best management practices (BMPs) implemented through its regional storm water discharge permit, the City also requires infiltration basins, when appropriate, with new developments. The City has adopted rules to allow and encourage pervious surfaces and also adopted Cal-Green building standards in 2019 exceeding State requirements by requiring increased permeability or infiltration in connection with new development. The City has installed an award-winning infiltration project in the downtown area, which should serve as a model for other areas. Additionally, the City adopted Low Impact Development Requirements for New Development and Redevelopment Projects (Municipal Code Sec. 8.44.095).

Dry utilities. Dry utilities such as electricity, telephone and cable are provided by private companies and are currently available in the areas where future residential development is planned. When new development is proposed the applicant coordinates with utility companies to arrange for the extension of service. There are no known service limitations that would restrict planned development during the planning period.

3. Land Costs

Land represents one of the most significant components of the cost of new housing. Land values fluctuate with market conditions, and the downturn in the housing market following the 2008 mortgage crisis had a negative effect on property values. In recent years real estate values have increased significantly.

Per-unit land cost is directly affected by density – higher density allows the land cost to be spread across more units, reducing the total price. Most new residential development in the city consists of one to two units per lot, and recent trends indicate redevelopment projects have been maximizing density. However, no land was available for sale during the writing of this Housing Element.

4. Construction Costs

Residential construction costs are estimated by the Community Development Department at \$500 per square foot and higher, usually due to the type of construction and amenities desired by developers. Construction cost is affected by the price of materials, labor, development standards, and general market conditions. The City has no influence over materials and labor costs, and the building codes and development standards in Hermosa Beach are not substantially different from other cities in the South Bay area. Since most development consists of private redevelopment where impact fees and major infrastructure or offsite improvements are typically not required, it is likely that costs are lower than in many cities. The City's building code amendments do not add substantial cost.

5. Cost and Availability of Financing

Hermosa Beach is similar to most other California communities with regard to private sector home financing programs. Although the mortgage crisis that began in 2008 affected the availability of real estate loans, interest rates are at historic low levels. For buyers with good credit, the current low interest rates significantly reduce the cost of housing.

Under State law, it is illegal for real estate lending institutions to discriminate against entire neighborhoods in lending practices because of the physical or economic conditions in the area ("redlining"). In monitoring new construction sales, resales of existing homes, and permits for remodeling, it does not appear that redlining is practiced in any area of the city.

6. Timing and Density

Due to very high land cost and limited available sites, development projects typically maximize the allowable density. Furthermore, to accommodate the City's 6th cycle RHNA, much of the new housing is anticipated in the high density residential and commercial districts where mixed use and residential uses are permitted at a density range of 25.1 to 33.0 units per acre.

The timeline of development projects from project approval to building permit application can vary from project to project depending on multiple factors unrelated to City requirements, and may be impacted by the availability of financing, contractors, labor, and materials. In reviewing the most recent residential development projects during the last four years, the average time between project approval and building permit application is about 118 days, with a median of 93 days.

Appendix A

Evaluation of the 2014-2021 Housing Element

Section 65588(a) of the *Government Code* requires that jurisdictions evaluate the effectiveness of the existing Housing Element, the appropriateness of goals, objectives and policies, and the progress in implementing programs for the previous planning period. The Housing Element update included a review the housing goals, policies, and programs of the prior Housing Element, and evaluated the degree to which those programs have been implemented during the previous planning period. The Housing Element update also included an assessment of the appropriateness of goals, objectives and policies. The findings from this evaluation have been instrumental in determining the City's Housing Implementation Program for the 2021-2029 planning period.

Table A-1 summarizes the programs contained in the previous Housing Element along with the source of funding, program objectives, accomplishments, and implications for future policies and actions.

Table A-2 presents the City's progress in meeting the quantified objectives from the previous Housing Element.

The City has limited funding to address housing needs. However over the past cycle, the City accomplished the following for special needs populations:

- Approved two reasonable accommodation requests to address the housing needs of persons with disabilities. The City also recently removed the public hearing requirement for Reasonable Accommodation requests.
- Promoted the ADU development in the community, which benefits elderly and lower income households. ADU activities increased significantly in 2021 and 2022.
- Preserved the affordability of Marine Land Mobile Home Park by facilitating the conversion of the park into resident ownership.
- Provided rental assistance to at-risk homeless through the PLHA funds administered by LACDA.
- Began discussions with St. Cross Church regarding its intent to develop affordable housing on site.

The 2013-2021 Hermosa Beach Housing Element did not include specific goals, policy, or action to address the housing needs of households with special needs. The only action included in the previous Housing Element was related to zoning code amendments, which the City was able to accomplish. The 6th cycle Housing Element includes additional commitments to address special housing needs. These include:

- Program 4: Affordable Housing Development Outreach and Assistance – Conduct affirmative fair marketing to agencies and organizations that serve low and moderate income households and special needs populations.

- Program 10: Housing for Persons with Special Needs – Amend Zoning Ordinance to facilitate a range of housing options for person with special needs and amend strategies for live/work housing and 15-minute neighborhoods.
- Program 12: Remove Governmental Constraints – Amend Zoning Ordinance to revise parking standards, such as for senior units.
- Program 13: Affirmatively Furthering Fair Housing – Facilitate public education and outreach on fair housing and promote home sharing opportunities.
- Program 14: Neighborhood Improvement - Offer a tax rebate and certain exemptions (sewer, lighting assessment, utility user tax) for income qualified elderly or disabled residents.

**Table A-1
Housing Element Program Effectiveness Evaluation
City of Hermosa Beach
2014-2021**

Name of Program	Objective	Status of Program Implementation	<u>Continued Appropriateness</u>
Program 1 Density Bonus.	Continue to make information available on the density bonus program through brochures and the City website throughout the planning period.	<p>The City continued to implement this program. No requests for density bonus were submitted. <u>Most new units in Hermosa Beach are typically small 1-4 replacement units.</u></p> <p><u>For the 6th cycle 2021-2029, larger sites identified for housing are along the City's commercial corridors, including small parcels under the same ownership that could be consolidated. The City has a lot consolidation program that provides increased density for consolidated lots.</u></p>	<u>Ongoing and included in the Housing Element.</u>
Program 2 Housing Sites Database.	The City will ensure that adequate sites are available to accommodate its new housing need for the 2014-2021 planning period, and continue to maintain its comprehensive land use database as means to identify suitable sites for new residential development. This database provides zoning and other information for every parcel in the City, and includes information regarding underdeveloped and undeveloped parcels.	<p>The City continued to maintain a database of adequate sites to accommodate housing needs. This program should be revised to reflect the 6th cycle sites inventory.</p> <p><u>The City receives occasional inquiries from developers for some older, underutilized commercial sites. To be more proactive and encourage new residential development along the corridors, the program should provide a dedicated webpage with opportunity sites information and contacts to make the information more accessible to interested developers for 2021-2029 6th Cycle.</u></p>	<u>Ongoing and revised to add dedicated webpage with opportunity sites information and contacts in July 2023.</u>

Name of Program	Objective	Status of Program Implementation	Continued Appropriateness
<p>Program 3 Mobile Home Conservation.</p>	<p>Provide for the ongoing maintenance and conservation of the Marine Land Mobile Home Park located at 531 Pier Avenue. The 60-space park provides housing for extremely-low-, very-low- and low-income households. The Hermosa Court Recreational Vehicle Park with 19 pads at 725 10th Street also provides transitional housing space for those persons or households in transition from an RV to apartment or home. The Mobile Home Park has obtained state funding to convert to a resident owned park.</p>	<p>Conversion of the Marine Land Mobile Home Park to resident ownership was completed in 2013. This program should be continued.</p> <p><u>Income limits are verified for new buyers according to extremely-low, very-low and low-income restrictions and reviewed and approved for conformance by the Homeowners Board prior to purchase to maintain these affordable for-sale units.</u></p>	<p><u>Completed. Review of this program indicates affordable housing is preserved through covenants and Homeowner board review.</u></p>
<p>Program 4 Code Enforcement.</p>	<p>The Code Enforcement Program is responsible for enforcing those sections of the Municipal Code related to property maintenance, including zoning, property maintenance, illegal units, trash container regulations, construction without permits, and sign regulations. The Code Enforcement Officer assists and makes recommendations to other City departments, such as conducting inspections of business licenses, home occupation offenses, and obstructions in public right-of-way</p>	<p><u>The Code Enforcement program was implemented. This program is effective and should be continued with a change in description. This description was provided before the program was implemented.</u></p> <p><u>The Program description should be revised to reflect actual activities and should specifically include housing stock preservation through nuisance maintenance cases and neighborhood preservation through response to neighbor complaints, in addition to response to residents asking about Fair Housing.</u></p>	<p><u>Ongoing and revised to include Code Enforcement housing preservation and neighborhood preservation activities.</u></p>

Name of Program	Objective	Status of Program Implementation	Continued Appropriateness
<p>Program 5 Affordable Housing Development Outreach and Assistance.</p>	<p>Investigate the feasibility of expanding CDBG funding and Section 8 rental vouchers to qualifying households. If the City is successful in obtaining increased CDBG funding and/or expanding Section 8 rental vouchers for residents, this information will be posted in the Community Center, on the City’s website, in handouts provided in the information kiosk in the City Hall lobby, and in the local library. Brochures will also be provided to local service clubs including the local “Meals on Wheels” program, local dial-a-ride service, the local recreation center, and emergency shelters in the area.</p>	<p><u>The City continued to provide information in support of CDBG and Section 8 programs. No developers have expressed interest in pursuing affordable housing development.</u></p> <p><u>Hermosa Beach receives CDBG fund distribution through Los Angeles County Community Development Authority (LACDA) since it is a small city with a population of 19,614. During the 2013-2021 5th Cycle period the City has designated its \$60,000-\$63,000 annual funding for residential neighborhood sidewalks replacement. The City intends to continue use of CDBG funds for this neighborhood preservation purpose.</u></p> <p><u>This program should be continued and expanded to add Section 8 information to the City’s website with information for property owners to encourage participation and information for residents seeking properties available through Section 8 housing vouchers.</u></p> <p><u>It should be noted that new Permanent Local Housing Allocation (PLHA) funds, also distributed through LACDA, have been designated for Rental Assistance programs to help LA County residents, including Hermosa Beach residents, stay in their homes and avoid becoming at-risk of homelessness.</u></p>	<p><u>Ongoing, revised and expanded information on City’s website by July 2023.</u></p>
<p>Program 6 Fair Housing.</p>	<p>Provide assistance to local fair housing organizations to address complaints regarding housing discrimination within the City and provide counseling in landlord/tenant disputes.</p>	<p><u>The City continued to promote fair housing. This program should be continued, revised and expanded to address Affirmatively Furthering Fair Housing (AFFH) policies and the City’s AFFH analysis.</u></p> <p><u>The City should include Fair Housing information on its website, including the LA County LACDA and non-profit Housing Rights Center.</u></p> <p><u>Easy Fair Housing information and access will assist residents and allow City Staff, not just Code Enforcement, to answer these inquiries.</u></p>	<p><u>Ongoing, revised and expanded information on City’s website by July 2023.</u></p>

Name of Program	Objective	Status of Program Implementation	Continued Appropriateness
Program 7 Zoning for Special Needs and Affordable Housing.	Continue to monitor changes in state law regarding regulations related to persons with special needs and affordable housing.	<u>The City continued to monitor state law regarding special needs and affordable housing. New state laws will be addressed for special needs and affordable housing as part of the Comprehensive Zoning Code update underway, expected to be considered for approval in July 2023.</u>	<u>Ongoing and revised. State laws incorporated for Special Needs and Affordable Housing included with Housing Element rezoning and Comprehensive Zoning Code update expected to be approved by City Council in July 2023.</u>
Program 8 Facilitate Efficient Use of Sites that Allow High-Density Residential Development.	Facilitate affordable housing development on sites that allow high-density residential development including reducing constraints posed by small lot sizes.	<p><u>The City continued to encourage affordable housing development; however, no applications have been submitted.</u></p> <p><u>This program is expanded through allowance of residential in commercial zones for mixed-use and 100% residential with affordable housing as part of the 6th cycle rezoning program and Comprehensive Zoning Code update underway and expected to be considered for approval in July 2023.</u></p>	<u>Ongoing, revised and expanded with introduction of mixed-use and 100% residential with affordable housing through Housing Element rezoning and Comprehensive Zoning Code update expected to be approved by City Council in July 2023.</u>
Program 9 Sustainable Housing Development	In 2013 the City embarked on a comprehensive update to the General Plan. One of the primary themes of the new General Plan will be community sustainability. As part of the General Plan update, state-of-the-art options to improve sustainability and energy conservation will be reviewed, and those that are appropriate for Hermosa Beach will be pursued. New initiatives related to residential development will be incorporated into the Housing Element, as appropriate.	<p>In 2017 the General Plan update was adopted. This program should be continued.</p> <p><u>This program description should be revised to include the General Plan Amendments underway, including the Housing Element, Safety Element, and Comprehensive Zoning Code update underway including necessary rezonings to meet the City’s RHNA allocation and expected to be considered in July 2023. Sustainability is prioritized throughout the 2017 General Plan and will be continued in the General Plan Amendments.</u></p> <p><u>The City also implements the State’s Green Building Code. EV charger and solar panel permits also are expedited for processing.</u></p>	<p><u>General Plan adoption in 2017.</u></p> <p><u>General Plan Amendments underway with prioritized sustainability throughout, including the Housing Element, Safety Element, and Comprehensive Zoning Code update underway including necessary rezonings to meet the City’s RHNA allocation and expected to be considered for approval in July 2023.</u></p>

**Table A-2
Progress in Achieving Quantified Objectives
City of Hermosa Beach
2014-2021**

Program Category	Quantified Objective	Progress
New Construction¹		
Extremely Low	1	-
Very Low	-	-
Low	1	-
Moderate	-	15
Above Moderate	-	10
Total	2	25
Rehabilitation²		
Extremely Low	10	10
Very Low		
Low		
Moderate		
Above Moderate	-	
Total	10	
Conservation³		
Extremely Low	60	60
Very Low		
Low		
Moderate		
Above Moderate	-	-
Total	60	60

1 Quantified objective and progress for new construction reflect units built 2014-2021

2 Private repairs

3 Mobile Home Park and RV Park units

Appendix B Residential Land Inventory

1. Regional Housing Need Allocation (RHNA)

State law requires each city to include in its Housing Element an inventory of vacant parcels having the potential for residential development, or “underutilized” parcels with potential for additional development or redevelopment. The purpose of this inventory is to evaluate whether there is sufficient capacity, based on the General Plan, zoning and development standards to accommodate the City’s assigned share of regional growth needs as identified in the 2021-2029 Regional Housing Needs Assessment (RHNA). This analysis represents an assessment of the City’s realistic development potential. Actual development will depend on the intentions of each property owner, market conditions and other factors. The methodology and assumptions for the residential land inventory are provided below.

The City has been allocated a need of 558 units during the 2021-2029 projection period, which are distributed among the following income categories:

Very-low income	232 units
Low income	127 units
Moderate income	106 units
Above-moderate income	93 units

Projected ADUs

Pursuant to State law, the City may credit potential ADUs to the RHNA requirements by using the trends in ADU construction to estimate new production. Hermosa Beach had a slow start with ADU construction with the changes in State law. However construction of ADUs significantly increased over the last two years. The City’s five-year ADU records are:

2018 – 1 unit

2019 – 1 unit

2020 - 1 unit

2021 – 16 units

2022 – 14 units

2023 – 13 units

Based on this data, the City has an average of 6.6 ADUs annually over the past five years. However, given the sharp rise in ADU activities in the last **three** years at the beginning of this RHNA cycle, the City anticipates an average of eight ADUs annually for 64 units over eight years. This projection assumes some tapering off of interest in later years.

SCAG conducted a regional analysis of existing ADU rents in April and June 2020. The analysis broke down Los Angeles County into two survey areas. The City of Hermosa Beach is located within in the LA County I study area. The analysis resulted in affordability assumptions for jurisdictions in this study area, that allocated 15 percent to extremely low income, 2 percent to very low income, 43 percent to low income households, 6 percent to moderate income, and 34 percent to above moderate income households.

Based on the ADU rent survey conducted by SCAG, of the 64 ADUs projected to be built, 10 units will be for extremely low income households, one unit for very low income households, 28 for low income households, four for moderate income households and 21 units for above moderate income households.

Remaining RHNA

Accounting for the projected ADUs, the City has a remaining RHNA of 494 units. The City must identify adequate sites with appropriate density and development standards to accommodate this remaining RHNA.

**Table B-1
RHNA Status**

	<u>RHNA</u>	<u>ADU Projection</u>	<u>Remaining RHNA</u>
<u>Extremely Low (<30%)</u>	<u>116</u>	<u>10</u>	<u>106</u>
<u>Very Low (31-50%)</u>	<u>116</u>	<u>1</u>	<u>115</u>
<u>Low (51-80%)</u>	<u>127</u>	<u>28</u>	<u>99</u>
<u>Moderate (81-120%)</u>	<u>106</u>	<u>4</u>	<u>102</u>
<u>Above moderate (120%+)</u>	<u>93</u>	<u>21</u>	<u>72</u>
<u>Total</u>	<u>558</u>	<u>64</u>	<u>494</u>

Note: While RHNA does not separately identify an allocation for extremely low income households, State law required jurisdictions to estimate the projected housing needs of this income group. The acceptable methodology is to assume 50% of the very low income RHNA as extremely low income.

2. Availability of Sites

For potential new units in a city's land inventory, State law establishes affordability assumptions based on density. The "default" density for small metropolitan jurisdictions, including Hermosa Beach, is 20 units per acre⁸. This means that if the General Plan and zoning allow development at 20 units per acre or greater, these sites are deemed appropriate to accommodate housing for lower-income households.

In Hermosa Beach, the following residential zoning districts allow multi-family development at densities greater than 20 units/acre:

<u>District</u>	<u>Allowable Density</u>
R-2	24.9 units/acre
R-2B	24.9 units/acre
R-3	33 units/acre
R-P	33 units/acre

⁸ Government Code §65583.2(c)(3)(B)

Also the C-1 commercial district allows mixed-use development at a density of 33 units/acre. The allowable densities in all of these districts are significantly greater than the state default density of 20 units/acre; therefore, they are considered suitable for accommodating the City's lower-income housing need.

However, the City has few vacant or underutilized sites in these districts to accommodate new housing. As a strategy to meeting the City's RHNA obligations, the City proposes to allow residential and mixed use development in the C-2, C-3, SPA-7, SPA-8, SPA-11, and M-1 zones. A residential density of 25.1-33.0 units per acre will be permitted.

3. Redevelopment Trends in South Bay

Throughout the South Bay region, redevelopment of existing underutilized commercial properties into residential and mixed use projects has become a significant trend. The impacts of COVID (such as accelerated trends of online shopping and remote working) have resulted in increased redevelopment of commercial properties into residential/mixed use projects. Table B-2 below provides a sample of recycling underutilized commercial properties in the South Bay region. These uses being redeveloped in the South Bay region are similar to the existing uses of sites with redevelopment potential in Hermosa Beach (selection Criteria: d).

Table B-2
Redevelopment Trends in South Bay

<u>Community</u>	<u>Location/Project</u>	<u>Prior Uses</u>	<u>Redevelopment</u>
<u>Redondo Beach</u>	<u>South Bay Galleria</u>	<u>Shopping mall</u>	<u>Infilling existing parking areas with 650 residential units</u>
<u>Redondo Beach</u>	<u>Alcast Foundry</u>	<u>RV parking and truck storage</u>	<u>Consolidation of six parcels for development of 36 townhomes</u>
<u>Rolling Hills Estates</u>	<u>927 Deep Valley Drive</u>	<u>Medical office</u>	<u>Demolition of existing office building to construct 75 units</u>
<u>Rolling Hills Estates</u>	<u>Peninsula Pointe</u>	<u>Office</u>	<u>Conversion of an office building into an 80-unit residential care facility</u>
<u>El Segundo</u>	<u>Pacific Coast Commons</u>	<u>Excess parking for Fairfield Inn and Suites and Aloft Hotel</u>	<u>263 units and 11252 square feet of retail</u>
<u>Hermosa Beach</u>	<u>2700 Manhattan Ave</u>	<u>Restaurant and two units</u>	<u>Commercial space and three residential units</u>
<u>Manhattan Beach</u>	<u>Verandas</u>	<u>Verandas Beach House – an event venue</u>	<u>79 housing units</u>
<u>Manhattan Beach</u>	<u>1701-1707 Artesia</u>	<u>Closed antique shop and single-family home</u>	<u>14 housing units</u>
<u>Torrance</u>	<u>18045 Western Avenue</u>	<u>Truck storage and auto-related uses</u>	<u>Mixed use project with 32 housing units</u>
<u>Torrance</u>	<u>18080-18090 Prairie Ave</u>	<u>Single-family home, store, and church</u>	<u>24 townhomes</u>
<u>Lomita</u>	<u>2457 Lomita Blvd.</u>	<u>Equipment rental yard</u>	<u>220 studio, one-bedroom, and two-bedroom apartments</u>

Prior to the rezoning in October 2023, limited opportunities existed in Hermosa Beach for multi-family and mixed use development. Therefore, the City was not able to use built projects to demonstrate the characteristics of sites with redevelopment potential. However, as the City was going through the public outreach process for the rezoning, multiple property owners/developers have expressed interest in redeveloping their properties. The characteristics of these properties can be used as proxies for selecting other sites with near-term redevelopment potential. Specifically, characteristics of sites with existing are presented in Table B-3.

Table B-3
Characteristics of Sites with Development Interests

<u>Parcel</u>	<u>Existing Use</u>	<u>Developer/ Property Owner Interest</u>	<u>FAR</u>	<u>ILR</u>	<u>Year Built</u>	<u>Height</u>
<u>4186-026-804</u> <u>4186-026-806</u> <u>4186-026-801</u> <u>4186-026-805</u> <u>4186-026-800</u>	<u>Utility switching station/commercial parking</u>	<u>Adaptive reuse of existing buildings to incorporate residential units</u>	<u>1.0</u>	<u>NA</u>	<u>NA</u>	<u>2</u>
<u>4185-017-015</u> <u>4185-017-014</u>	<u>Multi-tenant commercial and commercial parking</u>	<u>Infilling site to incorporate residential units</u>	<u>1.0</u>	<u>0.34</u>	<u>1964</u>	<u>1</u>
<u>4183-016-028</u> <u>4183-016-029</u> <u>4183-016-040</u> <u>4183-016-033</u> <u>4182-019-001</u> <u>4182-019-002</u> <u>4182-019-003</u> <u>4183-016-011</u> <u>4183-016-012</u> <u>4183-016-035</u> <u>4183-016-036</u> <u>4183-016-037</u> <u>4183-016-038</u> <u>4183-016-039</u> <u>4183-023-022</u>	<u>Religious facility, existing residential units, and parking</u>	<u>Infilling site to incorporate additional residential units</u>	<u>0.5</u>	<u>0.56</u>	<u>1923-1968</u>	<u>Average 1</u>
<u>4183-018-013</u> <u>4183-018-015</u>	<u>Multi-tenant commercial</u>	<u>Complete redevelopment into residential uses</u>	<u>0.6</u>	<u>0.57</u>	<u>1957-1963</u>	<u>1 and 2</u>
<u>4183-018-003</u>	<u>Multi-tenant commercial</u>	<u>Incorporating residential units into existing use</u>	<u>0.6</u>	<u>0.38</u>	<u>1955</u>	<u>1</u>
<u>4183-018-002</u>	<u>Personal services</u>	<u>Incorporating residential units into existing use</u>	<u>0.5</u>	<u>0.42</u>	<u>1945</u>	<u>2</u>
<u>4186-012-014</u>	<u>Abandoned auto repair</u>	<u>Complete redevelopment into residential uses</u>	<u>0.4</u>	<u>0.28</u>	<u>1945</u>	<u>1</u>

<u>Parcel</u>	<u>Existing Use</u>	<u>Developer/ Property Owner Interest</u>	<u>FAR</u>	<u>ILR</u>	<u>Year Built</u>	<u>Height</u>
<u>4186-031-001</u> <u>4186-031-002</u> <u>4186-031-003</u> <u>4186-031-036</u>	<u>Auto-related use</u>	<u>Complete redevelopment into residential uses</u>	<u>1.03</u>	<u>0.15</u>	<u>1955</u>	<u>Mostly parking</u>
<u>4185-002-007</u> <u>4185-002-014</u>	<u>Retail</u>	<u>Complete redevelopment into residential uses</u>	<u>0.14</u>	<u>0.29</u>	<u>1952</u>	<u>1 and 2</u>
<u>Range</u>			<u>0.14 – 1.03</u>	<u>0.15-0.57</u>	<u>1923-1968</u>	<u>1-2</u>
<u>Average</u>			<u>0.64</u>	<u>0.37</u>		

4. Identification of Parcels

The City has been in discussions with several property owners who have expressed interest in redeveloping their properties for residential or mixed use development. In addition, the City has identified sites that are underutilized and possess characteristics that are consistent with sites where owners have expressed interest in redevelopment or with sites that have been redeveloped or proposed for redevelopment in the South Bay region. These properties are described in detail in Table B-5 (Sites Identified for Rezoning).

Sites are included in the inventory if they meet a, b, OR c:

- a. Owner or developer interest
- b. Vacant land
- c. Vacated building or high vacancy

For sites not meeting any of the factors above, they are included in the inventory if they meet at least **three** of the following **five** factors:

- d. Uses are consistent with uses that are being redeveloped in the region, as shown in Table B-2. These uses include: retail, office, auto-related uses, parking lots, etc. Regionally, these uses are being redeveloped as, or infilled to incorporate residential uses.
- e. Existing FAR: Minimal structures or improvements on site, such as parking lots, typically have low floor area ratios. However, among the properties with developer/property owner interest for redevelopment, the existing site average FAR can be as high as 1.03, with an average FAR of 0.64. This analysis uses a threshold of 0.70 (see Table B-3).
- f. Low improvement to land ratio (ILR): Among properties with developer/owner interest for redevelopment, the site average ILRs range from 0.15 to 0.57, with an average of 0.37. The threshold used in this analysis is 0.40.
- g. Age of structures: Because the City has not seen any commercial development during the last few decades, there are few post-1990

commercial properties in the City. Hermosa Beach sites inventory parcels with property owner and developer interests show a wide range of age. The majority of sites identified for the RHNA were built between 1940 and 1980, only seven parcels have structures built in the 1980s. In fact, five parcels were built in 1981.

This analysis uses a threshold year of 1990 for several reasons:

1. Buildings constructed prior to 1990 are typically not compliant with accessibility/ADA requirements. An important fact is that virtually no properties have gone through substantial improvements that would trigger a building permit and therefore reassessment post 1990. This means the majority of these properties are at least 40-50 years of age with outdated systems and infrastructure. Any major renovation would require the buildings be brought up to code, which may be cost prohibitive and physically not feasible.

2. Buildings constructed prior to 1990 may contain asbestos and buildings constructed prior to 1980 may contain lead-based paint. Abatement of these toxic substances can be costly and may defer significant property renovations.

3. For commercial uses, especially retail, 20 years of age is considered outdated as retail is volatile and often reflects market trends.

4. In the nearby City of Manhattan Beach, properties with structures as young as 10 years old (e.g. the Residence Inn site) have developer interest for redevelopment. Similarly in the City of Redondo Beach, the North Kingsdale site where the developer actively acquired commercial properties for consolidation and redevelopment, existing buildings were all constructed during the 1980s and 1990s. Another site in Redondo Beach with developer interest in the Vons site, which was constructed in 1993.

h. Height: Most parcels are developed with single-story structures or used as surface parking. The City's height limits are 30-35 feet (depending on zones), which can accommodate a three-story building. Many commercial and residential buildings in the City along Pacific Coast Highway are three-story buildings. In the City's SPA-11 and M1, however, the height limit was restricted to two stories. This restriction has been removed as part of the October 2023 Zoning Ordinance update. Therefore, the majority of the parcels in the sites inventory can significantly intensify with redevelopment. Among properties with expressed developer/ property owner interests, many contain two-story structures. These include 555 Pier, 411 Pier, 700 PCH, and 1706 PCH. The majority of the properties contain surface parking and a combination of single-story and two-story structures. In most cases, the two-story structures occupy only a very small footprint of the site. Therefore, the existing height being mostly single-story is used as a factor for potential redevelopment.

Table B-5 provides values for existing FAR, improvement to land value ratio (ILR), age of structure, and height of structures. For parcels that belong to the same grouping, these values are averaged for the group.

Only one site – Site #7 – with a capacity for four moderate income units, does not meet at least three factors. It is included in the sites inventory because it is located in a stretch of the commercial corridor that is experiencing transition and the existing use (office) can be converted or redeveloped to incorporate a mixed use development. However, this site is not critical to the City's ability in meeting its RHNA. While it is included in the sites inventory and has been rezoned, it is excluded in the summary of capacity for meeting the RHNA.

2. Sites Inventory

Table B-4 summarizes the City's inventory of sites compared to the RHNA, while potential vacant and underutilized sites for residential development are listed in Tables B-2 and B-3, respectively. The City's current inventory of sites does not have adequate capacity to fully accommodate the RHNA allocation for the planning period. Therefore, as required by State law⁹ Program 9 in the Housing Policy Plan includes a commitment to process zoning amendments for sufficient sites to accommodate the shortfall. Sites to be rezoned are identified in Table B-5. Figure B-1 illustrates the location of these parcels identified for rezoning.

Table B-4
Land Inventory Summary vs. RHNA

	Income Category				Total
	VL	Low	Mod	Above	
<u>RHNA (2021-2029)</u>	<u>232</u>	<u>127</u>	<u>106</u>	<u>93</u>	<u>558</u>
Accessory dwelling units	<u>11</u>	<u>28</u>	<u>4</u>	<u>21</u>	<u>64</u>
<u>Remaining RHNA</u>	<u>221</u>	<u>99</u>	<u>102</u>	<u>72</u>	<u>494</u>
<u>Sites Inventory (Table B-5)</u>	<u>353</u>		<u>171</u>	<u>80</u>	<u>604</u>
<u>% Buffer Above Remaining RHNA</u>	<u>10%</u>		<u>68%</u>	<u>11%</u>	<u>22%</u>

Source: Hermosa Beach Community Development Dept., 2023

Small Parcels vs. Small Sites

Parcels are identified by the site/area number. Many parcels are contiguous and owned by the same owners. These parcels are grouped into sites. No small sites (less than 0.5 acre) are used to meet the City's lower income RHNA. Only contiguous parcels that are owned by no more than two property owners and can consolidate into a site larger than 0.5 acre (and more than 16 units based on minimum density) are used to fulfill lower income RHNA obligations. These parcels are considered a site because they are generally in the same condition and developed with similar intensity and uses. Combining these parcels will allow for improved site planning given the site shape and access.

Discussions with developers in the region indicate consolidation of parcels involving two to three property owners are typical given the urbanized character and historical subdivision

⁹ Government Code Sec. 65583.2(h)

patterns in Southern California. Contiguous parcels with multiple owners are grouped but not used for lower income RHNA. These parcels can be developed individually; lot consolidation is not necessary to develop market-rate housing. These parcels are grouped because they can form regularly shaped lots that can offer potential for improved site planning and access. For example, Site 28 is comprised of six parcels owned by two property owners, with one owning just one parcel. But even this parcel (0.46 acre) is adequate to accommodate a small to medium size townhome project. It does not require consolidating to achieve the allowable number of units or be feasible for a market rate project.

The City received expressions of interest from property owners in being involved in the City's Housing Element. One particular area is in the City's Upper Pier area, a two-block stretch of the downtown. Sites 3 through 9 are located in this area. All include contiguous parcels between 0.7 acre and 0.23 acre.

- Site 3 includes 1 parcel
- Site 4 includes 12 parcels
- Site 5 includes 2 parcels
- Site 6 includes 2 parcels
- Site 7 includes 1 parcel
- Site 8 includes 3 parcels

These sites are located in the SPA-11 zoning area, which is intended to maintain a downtown scale and feel. Through the City's Economic Development efforts, the property owners identified this area as being ripe for redevelopment into a mixed-use area. This contemplates retaining ground floor storefronts, but adding residential units to commercial properties to form mixed use developments. The Sites Inventory took this into consideration when identifying this area as contributing towards the Moderate and Above-Moderate RHNA. These properties are developable individually or as part of a lot consolidation. Furthermore, many property owners in this area have collaborative relationships given their common experiences with operating property downtown. This increases the potential for lot consolidation as compared to many other areas.

Realistic Capacity

Hermosa Beach is completely developed; there are no recent examples of large-scale housing or mixed-use development in the city. There is virtually no vacant multi-family land remaining. Until 2023, mixed-use development is only allowed in the C-1 zone. Given the limited opportunities, no development application for any type of development was filed between 2019 and 2023. In October 2023, the City amended the Zoning Code to allow housing and mixed-use development in portions of C-2, C-3, SPA-7, SPA-8, SPA-11, M-1 and PF zones via an Overlay to implement the Housing Element RHNA sites. The rezoning covers an area that is larger than the RHNA sites to avoid spot zoning. Development interests expressed on these RHNA sites are all for housing and mixed use only. Based on the lack of 100% nonresidential development over the past three to four years, the City expects the new opportunities offered by the rezoning will begin to convert commercial uses into

housing/mixed use development, such as in the neighboring Redondo Beach, Torrance, and Lawndale. The densities are allowed on rezoned sites (maximum density at 33 and 50 units/acre) would create a substantial financial incentive for redevelopment. Due to extremely high land values, developers are likely to maximize yields on these properties. Also, the trend of redevelopment in the South Bay area is robust, introducing residential uses into existing commercial corridors. However, as a conservative strategy, other than the City-owned properties, capacity at all identified parcels are estimated based on minimum density of 25.1 units per acre for RH or 22 units per acre for the new R2A.

Infrastructure (including sufficient water, sewer, and dry utilities) for affordable housing development is not a constraint.

City-owned Sites

City-owned sites are expected to be long-term leases for housing rental properties. If any City-owned site is sold, it will be in compliance of the Surplus Lands Act. The City is in an early stage of analyzing of the City-owned property for potential redevelopment. Upon City Council approval, a Request For Proposals (RFP) would be issued for a development partner for a public-private partnership to creatively redevelop city-owned properties to better meet the City's needs and achieve affordable multi-family and senior housing. It is anticipated that the City would develop the public-private partnership RFP in 2024, complete design work, environmental review, and associated approvals in 2024/2025, with construction to begin in the 2026/2027 period.

Existing Uses as Impediments to Redevelopment

The properties included in the sites inventory are mostly independently owned. There are no major anchor stores included in the sites inventory. Therefore, redevelopment of properties in the sites inventory typically would not involve corporate strategic planning. Typically, commercial properties have leases that are at least one year but many are medium length between three and five years. Therefore, leases are not likely to constitute a major impediment to redevelopment during the eight-year planning period. Only larger tenants may have longer lease terms (five to ten years). However, no major tenants are included in the sites inventory.

Ten of the 28 sites identified have expressed interest for redevelopment, indicating existing uses on these sites are not likely to impede redevelopment. In addition, three sites (Sites 12, 13, and 23) have high vacancies in recent years. The Overlay created as part of this Housing Element update is presenting the property owners a financially viable alternative that was not available to them before.

Furthermore, several sites with expressed interest for redevelopment are contemplating adaptive reuse and infilling parking space or open areas on site with residential uses. These development concepts can replace the nonviable uses on site without displacing the existing uses. Throughout California, many commercial and shopping centers are being reimaged utilizing such strategies. Therefore, existing uses are not expected to impede the introduction of residential units on site. A nearby example is South Bay Galleria in Redondo Beach. The shopping center has already been approved for reconfiguration of existing buildings and uses to add residential units on site. Therefore, existing uses on these

sites are not expected to impede the incorporation of housing on these sites. Site 13 can be reimagined with infill housing on site.

All the sites included in the inventory are developed with existing uses that are experiencing redevelopment in region. These include retail, office, auto-related, parking, and warehousing/storage uses. A self-storage facility in Carson is being marketed for sale with the potential for housing. This can be similar to Site 26 in this Housing Element.

St. Cross Sites

The St. Cross church site consists of 15 parcels comprising approximately 2.2 acres developed with a church sanctuary and administrative offices, education building, 18 residential units, and surface parking lots. The church seeks to add housing units on site. The church has rented units to homeless veterans, refugees, and formerly to a women's shelter, and accommodated workforce housing. St. Cross Church wrote a letter of support for Housing Element. The Housing Element evaluated existing uses on proposed properties for the Sites Inventory. The church expressed interest in furthering the existing mission of providing affordable housing to members of the community in need.

The feasibility of development is supported by the owner of St. Cross, who has expressed the desire to add to the existing housing uses on the property. The City has evaluated the property and determined that existing uses will not impede the development of housing, and that existing uses have already set the stage for additional similar uses.

The St. Cross church site is located in an established residential neighborhood with single- and multi-family homes. The neighborhood includes properties occupied by long-tenured residents and properties recently acquired for redevelopment. Due to its potential for ocean views, the neighborhood is highly desirable from a real estate standpoint. The trend in the neighborhood has been demolition of smaller homes for large single-family homes, often on R-2-zoned lots.

The inclusion of the St. Cross church in the City's Housing Element, and rezoning to accommodate the Housing Element Regional Housing Needs Assessment (RHNA) Allocation, raised substantial neighborhood concerns. The City received a multitude of comments during the Housing Element adoption process, and altered the plan for the St. Cross site, lowering the RHNA densities from 33 dwelling units per acre (du/ac) to 25 du/ac, with a minimum of 22 dwelling units per acre. The 22 du/ac supports the Sites Inventory indication that the St. Cross site, can be developed with 44 units.

The 15 parcels comprising the St. Cross church site form Site 1 and 2, separated by a portion of an alley and a one-block length of 19th Street that provides access to both the church site and other properties. The St. Cross church site is developed with a church sanctuary and administrative offices, education building, 18 residential units (with about 7,000 sq. ft. of 2-story construction), and surface parking lots. Assuming that the church sanctuary and administration building is retained, there is approximately 93,500 square feet (2.1 acres) of land area (based on an aerial map measurement).

Site 1 amounts to approximately 9,500 square feet and Site 2 (deducting the church sanctuary and administrative offices) amounts to approximately 84,000 square feet of land

area. The rest of the site is underdeveloped, consisting of a substantial parking lot and small residential structures.

Site 1



been official development plans submitted, residential development to 22 dwelling units per acre is achievable by the following methods (in no particular order):

- Building additional residential units on the underdeveloped areas, such as parking lots or redundant driveways
- Second-story additions or expansions to existing residential structures to accommodate more units
- Lot consolidation / reconfiguration of separate parcels to accommodate construction of attached residential uses
- Conversion of portions of existing structures, like the education building, to include residential uses
- Use of density bonus provisions to accommodate additional units or waivers and concessions of development standards

There have been many townhome developments of similar density per acre in the region developed on parking lots or portions of underutilized sites. There are examples of residential developments that can be accommodated on the available land area using the above-mentioned methodology. Some include the following:

- 1) Example: A 3-story, 32-unit project (all two- or three-bedroom units, ranging from 1,000 square feet to 1,680 square feet) was recently approved in the City of Long Beach on a site of 44,153 square feet (1.01 acre). *(This is a slightly larger scale development than the scale found in the St. Cross church site)*
- 2) Example: A 2-story, 24-unit residential townhome project (all two-bedroom units) was approved in January 2021 in the City of Torrance on a site of about 43,560 square feet (1 acre), on the former site of a church. *(This is comparable scale to the housing on the St. Cross church site).*
- 3) Example: A 3-story 48-unit market-rate residential development (all three- and four-bedroom units, ranging from 1,724 to 2,252 square feet) is under construction in the City of Torrance on a site of 2.5 acres on a former church parking lot. The project retained the church sanctuary. *(This is a larger scale development than the scale found in the St. Cross church site)*
- 4) Example: A 2-story 86-unit senior living facility was approved on a 2.65-acre former parking lot in the City of Long Beach. *(This is a larger site than the St. Cross church site, but has smaller units for seniors which is more consistent with the St. Cross church site scale).*
- 5) Example: A 3-story, 22-unit townhome development (studios to 4 bedrooms) was approved in the City of Gardena a 0.72-acre lot, using a density bonus that added 4 units. *(This is a smaller site than the St. Cross church site, but would be scalable).*

4. Availability of Infrastructure

Water

Hermosa Beach is located in the California Water Service Company's (Cal Water) Hermosa-Redondo District. The PLAN Hermosa EIR evaluated the potential impacts of development on water supply and concluded that there was sufficient capacity to serve this increase in demand. The PLAN Hermosa EIR also concluded that existing water treatment infrastructure was sufficient to accommodate development anticipated under the PLAN Hermosa. Improvements under the proposed projects could require replacement with larger diameter pipes if needed. Potential environmental impacts that could result from pipeline improvements would be project specific and are generally limited to upgrades within the project frontage.

New or expanded local water distribution facilities would require permitting and review in accordance with CEQA, which would ensure environmental impacts are disclosed and addressed in the environmental analysis. The Housing Element program changes would generate approximately 600 additional residents compared to what was evaluated in the PLAN Hermosa, but 1,000 fewer jobs and workers and therefore is similar to the amount of development assumed in the PLAN Hermosa EIR. Moreover, new construction implemented under the Project would be required to implement water conservation components of the Building Code to reduce potable water demand. Therefore, no further impact to these services and facilities are anticipated. Therefore, sufficient water is available to serve the RHNA anticipated units.

Sewer

The City of Hermosa Beach provides wastewater collection services in the City. The effluent collected by sewer lines is discharged into the Sanitation Districts of Los Angeles County (LACSD) trunk lines. The LACSD trunk lines flow to the Joint Water Pollution Control Plant (JWPCP), located in Carson. The JWPCP is one of the largest wastewater plants in the world and is the largest of the LACSD wastewater treatment plants. The PLAN Hermosa EIR evaluated the potential impacts of new development on sewer capacity and concluded that there was sufficient capacity to serve this increase in demand.

The Housing Element program changes could generate approximately 600 additional residents compared to what was evaluated in the PLAN Hermosa, but 1,000 fewer jobs and workers. Therefore, it is similar to the amount of development assumed in the PLAN Hermosa EIR and no further impact to these services and facilities are anticipated as sufficient sewer service is available to serve the RHNA anticipated units.

**Table B-5
Sites Inventory**

Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners
										Very Low	Low	Mod	Above Mod	Total			
10	552 11th Place	4187-020-907	PF Public Facilities	M-1 Light Manufacturing	PF Public Facility	34	50	1.00	Self-Storage	-	25	25	-	50	FAR: 0.0 ILR: 0 Year Built: NA Height: 1 This city-owned property currently has a month-to-month lease for a public storage facility. It is surrounded on two sides by medium density housing. City is currently working with a real estate development analysis firm to determine potential public-private-partnership for housing development, including affordable housing. Proposed General Plan and Public Facility zoning is 34-50 units per acre, for a total yield of 50 units. Potential RFP in 2025 and construction in 2026. Factors for Selection: a, d, e, f, q, h	Y	City of HB
11	710 Pier Avenue	4187-024-902	PF Public Facilities	O-S Open Space	PF Public Facility	34	50	1.00	Community Center	30	20	-	-	50	FAR: 0.0 ILR: 0 Year Built: NA Height: Mostly unoccupied land with only 16% of site with a 2-story building This city-owned community center property is currently under study by a real estate development analysis firm to determine potential public-private-partnership for senior affordable housing development of up to 50 units. This site is ideal for senior housing due to smaller units, reduced parking needs, services offered at community center, available onsite parking and proximity to PCH bus transportation and grocery/drug stores directly across Pier Avenue.	Y	City of HB

Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners
										Very Low	Low	Mod	Above Mod	Total			
														Proposed General Plan and Public Facility zoning will be changed to 34-50 units per acre, for a total yield of 50 units. Potential RFP in 2024 and construction in 2026 or 2027. The Community Center building is two stories and designated historic, and occupies 0.75 acre of the site. The rest of the site is developed with surface parking, lawn area, and tennis courts that could be reconfigured or redeveloped to accommodate potential residential development. The Sites Inventory list this as one (1) acre, but there are actually 3.75 acres of space that is not currently occupied by any building. Factors for Selection: a, d, e, f, g, h			
28	911 1st Street	4186-026-047	CC Community	SPA-7 Specific Plan		25.1	33	0.46	Commercial Parking	-	-	-	12	12	FAR: 0.0 ILR: 0 Year Built: NA Height: 0 Currently zoned commercial, this vacant former parking lot site is surrounded on three sides by low-to-medium density residential. The owner is interested in developing 12 for-sale units, likely at the moderate and above-moderate income levels. Factors for Selection: a, d, e, f, g, h	Y	1ST STREET PARTNERS LLC C/O LUIGI SCHIAPPA DEVELOPMENT
28	102 PCH	4186-026-804	CC Community	SPA-7 Specific Plan		25.1	33	0.4	Utility Switching Station	-	-	5	5	10	FAR: 1.0 ILR: NA Year Built: NA Height: 2	Y	GTE CALIF INC SBE 201-19- 874B PAR 5 6PTS
28	102 PCH	4186-026-806	CC Community	SPA-7 Specific Plan		25.1	33	0.2	Utility Switching Station	-	-	5	-	5	Built in 1975, this telephone/ internet utility structure and supporting parking lots once served hundreds of employees and included	Y	
28	102 PCH	4186-026-801	CC Community	SPA-7 Specific Plan		25.1	33	0.1	Utility Switching Station	-	-	3	-	3			
28	102 PCH	4186-026-805	CC Community	SPA-7 Specific Plan		25.1	33	0.09	Utility Switching Station	-	-	3	-	3			

Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners
										Very Low	Low	Mod	Above Mod	Total			
28	1st Street and PCH	4186-026-800	CC Community	SPA-7 Specific Plan		25.1	33	0.5	Commercial Parking	-	-	6	7	13	<p>a credit union, cafeteria, executive offices, technician desks and large number of phone operator desks. The building currently houses telephone/internet equipment in approximately 20% of the building with only a handful of employees. The owner has recently approached the City to discuss adaptive reuse of this Art Deco building, with equipment consolidation and introduction of housing uses. At least two affordable housing developers have expressed interest in working with the property owner to convert a portion of the building into residential units.</p> <p>Of 1.49 acres, about 0.62 acre (27,000 sq. ft.) is a surface parking lot. An existing building with a footprint of about 0.85 acres (37,000 sq. ft.) A 20,000 square-foot portion of the building is 2 stories tall and currently vacant. There is potential for conversion to residential use. This building is 80% vacant and only has telecommunications switching equipment inside.</p> <p>Factors for Selection: a, d, e, f, g</p>		
19	1103 Aviation Boulevard	4185-017-015	GC Gateway	C-3 General and Highway Commercial		25.1	33	1.3	Multi-tenant Commercial	24	8	-	-	32	<p>FAR: 1.0 ILR: 0.34 Year Built: 1964 Height: 0 and 1</p> <p>Older 1975 commercial site with multiple tenant retail. Developer inquired about adding residential uses to commercial property. Low density residential is adjacent to the rear of the property.</p>	Y	KENNARD, BARBARA S TR BARBARA S KENNARD TRUST AND HOROWITZ, RALPH TR HOROWITZ TRUST
19	1209 Aviation Boulevard	4185-017-014	GC Gateway	C-3 General and Highway Commercial		25.1	33	0.5	Commercial Parking	6	5	-	-	11	<p>These parcels are currently functioning as an integral site.</p> <p>Factors for Selection: a, d, f, g, h</p>	Y	SELECTIVE API ONE LLC

Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners
										Very Low	Low	Mod	Above Mod	Total			
19	1062 AVIATION	4186-001-008	CC Community	C-3 General and Highway Commercial		25.1	33	0.12	Retail - Nursery	-	-	3	-	3	FAR: 0.7 ILR: 0.11 Year Built: 1964 Height: 1	-	MARIE SOLYMOSI
19	1062 AVIATION	4186-001-007	CC Community	C-3 General and Highway Commercial		25.1	33	0.11	Retail - Nursery	-	-	2	-	2	Factors for Selection: d, e, f, g, h	-	MARIE SOLYMOSI
2	1732 Monterey Boulevard	4183-016-028	MD Medium Density/ No Change	R-2 Two Family Residential	R-2A Medium Density Residential (22)	22	25	0.07	1 Unit	-	1	-	-	1	FAR: 0.5 ILR: 0.56 Year Built: 1923-1968 Height: Average 1 (5 0-story, 4 1-story, 6 2-story)	Y	RECTOR, WARDENS AND VESTRYMEMBERS ST CROSS PARISH HERMOSA BEACH
2	1736 Monterey Boulevard	4183-016-029	MD Medium Density/ No Change	R-2 Two Family Residential	R-2A Medium Density Residential (22)	22	25	0.07	1 Unit	-	1	-	-	1			
2	1818 Monterey Boulevard	4183-016-040	MD Medium Density/ No Change	R-2 Two Family Residential	R-2A Medium Density Residential (22)	22	25	1.2	Religious Institution	27	-	-	-	27	The St. Cross church site consists of 15 parcels, developed with a church sanctuary and administrative offices, education building (24,000 sq. ft. footprint), 18 residential units (with about 7,000 sq. ft. of 2-story construction), and surface parking lots. The surface parking areas and underdeveloped properties on the site create potential for additional residential units.		
2	302 19th Street	4183-016-033	MD Medium Density/ No Change	R-2 Two Family Residential	R-2A Medium Density Residential (22)	22	25	0.07	5 Units and Wireless Comm. Site	-	-	-	-	-			
1	1900 Monterey Boulevard	4182-019-001	MD Medium Density/ No Change	R-1 Single-Family Residential	R-2A Medium Density Residential (22)	22	25	0.08	3 Units	-	-	-	-	-			
1	1908 Monterey Boulevard	4182-019-002	LD Low Density/ MD Medium Density	R-1 Single-Family Residential	R-2A Medium Density Residential (22)	22	25	0.06	Private Parking Lot	1	1	-	-	2	These parcels are currently functioning as one campus.		
1	1914 Monterey Boulevard	4182-019-003	LD Low Density/ MD Medium Density	R-1 Single-Family Residential	R-2A Medium Density Residential (22)	22	25	0.06	2 units	-	-	-	-	-	Leaders at St. Cross Church reached out the City to explore ways to add additional units to their property portfolio, which includes 15 lots with historic church, 18 existing units and parking lots. The church seeks to add housing units for the dual purpose of providing affordable housing to the community and market rate units to help offset costs for affordable units. The church has rented units to homeless veterans, refugees, and formerly to a women's shelter. It is recommended to explore options to help add affordable units, including consideration of SROs or a Planned Unit Development (PUD). St. Cross Church wrote a letter of		
2	1718 Loma Drive	4183-016-011	MD Medium Density/ MD Medium Density	R-2 Two Family Residential	R-2A Medium Density Residential (22)	22	25	0.06	2 Units	-	-	-	-	-			
2	1722 Loma Drive	4183-016-012	MD Medium Density/ MD Medium Density	R-2 Two Family Residential	R-2A Medium Density Residential (22)	22	25	0.06	1 Unit	-	1	-	-	1			
2	1730 Loma Drive	4183-016-035	LD Low Density/ Density	R-1 Single-Family Residential	R-2A Medium Density Residential (22)	22	25	0.1	1 Unit	1	1	-	-	2			

Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners
										Very Low	Low	Mod	Above Mod	Total			
2	1734 Loma Drive	4183-016-036	MD Medium Density LD Low Density/ MD Medium Density	R-1 Single-Family Residential	R-2A Medium Density Residential (22)	22	25	0.1	2 Units	-	1	-	-	1	support for Housing Element recommending RHD zoning. Factors for Selection: a, d, e, g, h		
2	Loma Drive and 19th Street	4183-016-037	LD Low Density/ MD Medium Density	R-1 Single-Family Residential	R-2A Medium Density Residential (22)	22	25	0.09	Private Parking Lot	1	1	-	-	2			
2	Loma Drive and 19th Street	4183-016-038	LD Low Density/ MD Medium Density	R-1 Single-Family Residential	R-2A Medium Density Residential (22)	22	25	0.1	Private Parking Lot	1	2	-	-	3			
2	1854 Loma Drive	4183-016-039	LD Low Density/ MD Medium Density	R-1 Single-Family Residential	R-2A Medium Density Residential (22)	22	25	0.1	Private Parking Lot	1	2	-	-	3			
2	1902 Loma Drive	4183-023-022	LD Low Density/ MD Medium Density	R-1 Single-Family Residential	R-2A Medium Density Residential (22)	22	25	0.1	Private Parking Lot	1	2	-	-	3			
5	565 Pier Avenue	4183-018-013	CC Community	SPA-11 Specific Plan		25.1	33	0.24	Multi-tenant Commercial	-	-	3	3	6	FAR: 0.6 ILR: 0.57 Year Built: 1957-1963 Height: Mostly 1 This 32,000 sq. ft. site is developed with about 16,000 sq. ft. of building footprint. A 7,600 sq. ft. portion (0.037 acre) of the building is currently two stories. Property owner communicated to staff regarding interest in redevelopment. Factors for Selection: a, d, e, g, h	Y	555 PIER AVENUE LLC C/O RIVIERA CENTER MGMT CO
5	555 Pier Avenue	4183-018-015	CC Community	SPA-11 Specific Plan		25.1	33	0.49	Multi-tenant Commercial	-	-	6	6	12			
4	517 Pier Avenue	4183-018-018	CC Community	SPA-11 Specific Plan		25.1	33	0.07	Offices	-	-	-	1	1	FAR: 0.6 ILR: 0.57 Year Built: 1957-1963 Height: 1	-	WRAY, RICHARD AND DOLORES TRS

Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners
										Very Low	Low	Mod	Above Mod	Total			
																	WRAY FAMILY TRUST
4	513 Pier Avenue	4183-018-017	CC Community	SPA-11 Specific Plan		25.1	33	0.07	Offices	-	-	-	1	1	Factors for Selection: d, e, g, h FAR: 0.7 ILR: 0.37 Year Built: 1939-1957 Height: Mostly 1 (8 1-story and 1 2-story) These parcels are all being accessed from Oak Street behind the buildings with no individual driveways. Shared access is conducive to consolidation. Factors for Selection: d, e, f, g, h	-	BAKER AND BURTON
4	509 Pier Avenue	4183-018-016	CC Community	SPA-11 Specific Plan		25.1	33	0.07	Multi-tenant Commercial	-	-	-	1	1		-	WWS PIER LLC
4	507 Pier Avenue	4183-018-007	CC Community	SPA-11 Specific Plan		25.1	33	0.07	Multi-tenant Commercial	-	-	-	1	1		-	
4	445 Pier Avenue	4183-018-006	CC Community	SPA-11 Specific Plan		25.1	33	0.07	Multi-tenant Commercial	-	-	-	1	1		-	REFOUA LLC
4	433 Pier Avenue	4183-018-005	CC Community	SPA-11 Specific Plan		25.1	33	0.07	Restaurant	-	-	-	1	1		-	
4	425 Pier Avenue	4183-018-004	CC Community	SPA-11 Specific Plan		25.1	33	0.07	Multi-tenant Commercial	-	-	-	1	1		-	CAPALDI, DINO AND LEA TRS D AND L CAPALDI TRUST
4	405 Pier Avenue	4183-018-001	CC Community	SPA-11 Specific Plan		25.1	33	0.07	Personal Services	-	-	-	1	1		-	DANESHMAND, MEHDI K AND ROSA TRS DANESHMAND FAMILY TRUST
4	337 Pier Avenue	4183-018-026	CC Community	SPA-11 Specific Plan		25.1	33	0.08	Restaurant	-	-	2	-	2		-	SACKLEY, STUART H TR SACKLEY FAMILY TRUST
4	321 Pier Avenue	4183-017-025	CC Community	SPA-11 Specific Plan		25.1	33	0.17	Personal Service ground floor and residential on second floor	-	-	4	-	4		-	HB 321 PIER AVE LLC
4	419 Pier Avenue	4183-018-003	CC Community	SPA-11 Specific Plan		25.1	33	0.05	Multi-tenant Commercial	-	-	-	1	1		-	Y

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										Very Low	Low	Mod	Above Mod	Total			
															Factors for Selection: a, d, e, f, g, h		
4	411 Pier Avenue	4183-018-002	CC Community	SPA-11 Specific Plan		25.1	33	0.07	Personal Services	=	=	=	1	1	FAR: 0.5 ILR: 0.42 Year Built: 1945 Height: 1 Owner interested in adding small residential units on 2nd and 3rd floors. Factors for Selection: a, d, e, f, g, h	Y	AESTHETIC HORIZONS INC C/O JONATHAN DAVID
7	338 Pier Avenue	4187-011-054	CC Community	SPA-11 Specific Plan		25.1	33	0.17	Office	=	=	4	=	4	FAR: 3.84 ILR: 1.65 Year Built: 2010 Height: 2 While this parcel appears newer, it is located between blocks of parcels that exhibit potential for conversion into mixed use development. Office buildings also often have higher FAR and ILR. However, with increased remoting working, this site can present opportunity for redevelopment. This is included only as a RHNA buffer site and is not needed to accommodate the City's moderate income RHNA. Factors for Selection: b, d	=	BLAKE HOLDINGS LLC C/O DAVID MCGOVERN
8	400 Pier Avenue	4187-019-037	CC Community	SPA-11 Specific Plan		25.1	33	0.21	Offices	=	=	5	=	5	FAR: 1.0 ILR: 0.60 Year Built: 1915-2010 Height: Primarily 1 (2 1-story and 1 2-story)	=	BLAKE HOLDINGS LLC C/O DAVID MCGOVERN
8	420 Pier Avenue	4187-019-003	CC Community	SPA-11 Specific Plan		25.1	33	0.11	Restaurant	=	=	2	=	2	Potential for office conversion.	=	PIER PROPERTIES LLC
8	422 Pier Avenue	4187-019-022	CC Community	SPA-11 Specific Plan		25.1	33	0.23	Multi-tenant Commercial	=	=	5	=	5	Factors for Selection: d, e, f, g, h	=	
9	506 Pier Avenue	4187-020-020	CC Community	SPA-11 Specific Plan		25.1	33	0.1	Offices	=	=	1	=	1	FAR: 1.0 ILR: 0.27	=	SAILFISH HOLDINGS LLC
9	514 Pier Avenue	4187-020-032	CC Community	SPA-11 Specific Plan		25.1	33	0.1	Private Parking Lot	=	=	1	=	1	Age of Structure: 1925-1966	=	REDDY, DAMODER P

Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners
										Very Low	Low	Mod	Above Mod	Total			
9	526 Pier Avenue	4187-020-017	CC Community	SPA-11 Specific Plan		25.1	33	0.08	Retail Business	-	-	2	-	2	Height: Average 1 (1 0-story, 1 1-story, 1 2-story) Potential for office conversion. Factors for Selection: d, f, g, h	-	AND SOUMITRA TRS PATI FAMILY TRUST
3	301 Pier Avenue	4183-017-001	CC Community	SPA-11 Specific Plan		25.1	33	0.19	Retail Business	-	-	5	-	5	FAR: 0.6 ILR: 0.87 Year Built: 1959 Height: 1 Factors for Selection: d, e, g, h	-	SANDY FEET LLC C/O DONALD ENGLISH
6	308 Pier Avenue	4187-011-012	CC Community	SPA-11 Specific Plan		25.1	33	0.09	Retail Business	-	-	2	-	2	FAR: 0.7 ILR: 1.0 Age of Structure: 1923-1944 Height: 1 Common ownership; currently functioning as one site. Factors for Selection: d, e, g, h	-	VISION HERMOSA 10 LLC
18	1214 Owosso Avenue	4185-015-021	CC Community	C-3 General and Highway Commercial		25.1	33	0.1	1 Unit	-	-	3	-	3	FAR: 0.1 ILR: 0.16 Year Built: 1923 Height: 1 Common ownership; currently functioning as one site. Factors for Selection: d, e, f, g, h	-	CASNER, CRAIG
18	1055 Aviation Boulevard	4185-015-024	CC Community	C-3 General and Highway Commercial		25.1	33	0.05	Vacant Land	-	-	1	-	1	FAR: 1.4 ILR: 0.97 Year Built: 1946 Height: 2 2-story warehouse building with self-storage use in residential adjacent neighborhood. This is expected to be developed due to zoning changes now allowing residential development. Warehouse building existed in	-	HUNT, PRISCILLA TR PRISCILLA HUNT TRUST C/O HUNT ENTERPRISES INC
26	530 6th Street	4188-018-028	CI Light Industrial	M-1 Light Manufacturing		25.1	33	0.33	Self-Storage	-	4	4	-	8	FAR: 0.1 ILR: 0.16 Year Built: 1923 Height: 1 Common ownership; currently functioning as one site. Factors for Selection: d, e, f, g, h	-	CASNER, CRAIG
26	6th and Cypress (530 6th St.)	4188-018-027	CI Light Industrial	M-1 Light Manufacturing		25.1	33	0.12	Self-Storage	-	1	2	-	3	FAR: 1.4 ILR: 0.97 Year Built: 1946 Height: 2 2-story warehouse building with self-storage use in residential adjacent neighborhood. This is expected to be developed due to zoning changes now allowing residential development. Warehouse building existed in	-	HUNT, PRISCILLA TR PRISCILLA HUNT TRUST C/O HUNT ENTERPRISES INC
26	Valley Drive (530 6th St.)	4188-018-031	CI Light Industrial	M-1 Light Manufacturing		25.1	33	0.17	Self-Storage	-	2	2	-	4	FAR: 0.1 ILR: 0.16 Year Built: 1923 Height: 1 Common ownership; currently functioning as one site. Factors for Selection: d, e, f, g, h	-	CASNER, CRAIG
26	Valley Drive (530 6th St.)	4188-018-008	CI Light Industrial	M-1 Light Manufacturing		25.1	33	0.05	Self-Storage	-	-	1	-	1	FAR: 0.1 ILR: 0.16 Year Built: 1923 Height: 1 Common ownership; currently functioning as one site. Factors for Selection: d, e, f, g, h	-	CASNER, CRAIG

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										Very Low	Low	Mod	Above Mod	Total			
															<p>the 1950s when the freight line ran through town.</p> <p>The four parcels are under common ownership that function as a cohesive site with shared access. The property is located in the M1 zone where residential has never been permitted. Rezoning to allow residential uses in M1 will increase redevelopment potential. This rezoning is not comparable to past Housing Element programs, since there were no rezoning programs nor were non-residential sites contemplated at that point. As demonstrated in Table B-2 Redevelopment Trends in the South Bay, there are examples of storage facilities (RV parking, truck storage, equipment rental yard, etc) being converted to housing developments. There is currently also a self-storage site in Carson, within the South Bay, marketed for housing.</p> <p>Factors for Selection: d, f, g</p>		
27	2nd Street and Pacific Coast Hwy	4186-025-029	CC Community	SPA-7 Specific Plan		25.1	33	0.08	Auto Repair	-	-	2	-	2	FAR: 0.4 ILR: 0.16 Year Built: 1905-1925	-	GRAND PROPERTY GROUP LLC
27	204 Pacific Coast Hwy	4186-025-028	CC Community	SPA-7 Specific Plan		25.1	33	0.15	Auto Repair	-	-	4	-	4	Height: <1 (2 0-story, 2 1-story)		
27	210 Pacific Coast Hwy	4186-025-027	CC Community	SPA-7 Specific Plan		25.1	33	0.08	Auto Repair	-	-	2	-	2	Common ownership; currently functioning as one site.		
27	2nd Street and Pacific Coast Hwy	4186-025-002	CC Community	SPA-7 Specific Plan		25.1	33	0.05	Auto Repair	-	-	1	-	1	Factors for Selection: d, e, f, g, h		
25	747 5th Street	4188-030-002	SC Service	SPA-7 Specific Plan		25.1	33	1	Auto Repair	20	5	-	-	25	FAR: 0.4 ILR: 0.29 Year Built: 1923-1978	-	SMILE LLC AND MARDIKIAN, GEORGE
25	715 5th Street	4188-030-001	SC Service	SPA-7 Specific Plan		25.1	33	0.37	Auto Repair/Fitness Center	-	-	-	9	9	Height: 1 Factors for Selection: d, e, f, g, h	-	FISHER, ANDREW AND ELIZABETH

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										Very Low	Low	Mod	Above Mod	Total			
																AND FISHER, ANDREW W	
22	635 Pacific Coast Hwy	4187-032-027	SC Service	SPA-7 Specific Plan		25.1	33	1	Lumber Yard	20	5	-	-	25	FAR: 0.2 ILR: 0.04 Year Built: 1988 Height: <1 (5 0-story, 1 1-story) Site 24 is part of Site 22 owned by the same party. Currently, the two sites function as an integral site. Factors for Selection: d, e, f, g, h	-	LEARNED, MICHAEL CO TR LEARNED TRUST
24	709 6th Street	4187-033-022	SC Service	SPA-7 Specific Plan		25.1	33	0.06	Parking Lot/Lumber Yard	1	1	-	-	2			
24	721 6th Street	4187-033-021	SC Service	SPA-7 Specific Plan		25.1	33	0.06	Parking Lot/Lumber Yard	1	1	-	-	2			
24	723 6th Street	4187-033-020	SC Service	SPA-7 Specific Plan		25.1	33	0.06	Parking Lot/Lumber Yard	1	1	-	-	2			
24	Pacific Coast Hwy and 6th Street	4187-033-019	SC Service	SPA-7 Specific Plan		25.1	33	0.06	Parking Lot/Lumber Yard	1	1	-	-	2			
24	725 6th Street	4187-033-018	SC Service	SPA-7 Specific Plan		25.1	33	0.06	Parking Lot/Lumber Yard	1	1	-	-	2			
23	600 Pacific Coast Highway	4186-013-019	SC Service	SPA-7 Specific Plan		25.1	33	0.36	Auto Repair	6	3	-	-	9	FAR: 0.5 ILR: 0.32 Year Built: 1923-1978 Height: Average 1 (1 0-story, 1 1-story, 1 2-story) Site 23 is 0.86 acre, consisting of three parcels with two owners, currently functioning as a cohesive site with shared access, operating as interrelated auto businesses. If consolidated, the site would benefit from the City's current lot consolidation allowances. Most of the site is automobile-related uses developed with only surface automobile storage/parking or single-story automobile-related buildings. There is a two-story building with two small office suites above. (At least one office was vacant as of summer 2023). The two-story portion of the building is approximately 1,400 square feet. Factors for Selection: d, e, f, g, h	-	SMILE LLC
23	612 Pacific Coast Highway	4186-013-018	SC Service	SPA-7 Specific Plan		25.1	33	0.14	Fitness Studio	2	2	-	-	4			
23	620 Pacific Coast Highway	4186-013-064	SC Service	SPA-7 Specific Plan		25.1	33	0.36	Car Rental Agency	6	3	-	-	9		-	NOOR ESTATE LLC

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										Very Low	Low	Mod	Above Mod	Total			
13	1100 Pacific Coast Highway	4185-011-039	GC Gateway	C-3 General and Highway Commercial		25.1	33	0.55	Retail Market	10	4	-	-	14	FAR: 0.7 ILR: 0.65 Year Built: 1977 Height: Average 1 (1 0-story, 1 2-story)		
13	1100 Pacific Coast Highway	4185-011-061	GC Gateway	C-3 General and Highway Commercial		25.1	33	2.27	Parking Lot/Pad Shops	30	6	5	16	57	This is a 2.8-acre shopping center with one owner and operating as a cohesive site and would need to be consolidated for shared access if redeveloped. About 0.9 acres are occupied by buildings, with the rest (almost two acres) being surface parking lot and undeveloped land. The site is developed with about 40,000 square feet of building area. All buildings are single story with the exception of one 7,500 square foot portion which is two-story. This two-story portion has been partially vacant for over a year. This indicates that there are no significant second-story encumbrances on the development of the site for mixed use or residential purposes. The 2.8 acre center comprises two parcels. One parcel is 0.55 acre, is coterminous with the footprint of one building and is entirely nestled (landlocked) in the 2.27 acre parcel. As such, the entire site already functions as one cohesive site with driveway access points and internal circulation. Factors for Selection: d, e, g, h		BACON, STEPHEN F CO TR ROGER E BACON DECD TRUST
12	1601 Pacific Coast Highway	4185-011-061	GC Gateway	C-2 Commercial SPA-8		25.1	33	1.92	Personal Services with office space	24	8	8	8	48	FAR: 3.7 ILR: 1.80 Year Built: 1988 Height: 0 Given the high vacancy and the reliance on one anchor (gym), there is a likelihood that residential may be a viable conversion. The building also has similar massing as other	-	1601 PCH LP C/O SHAOUL LEVY

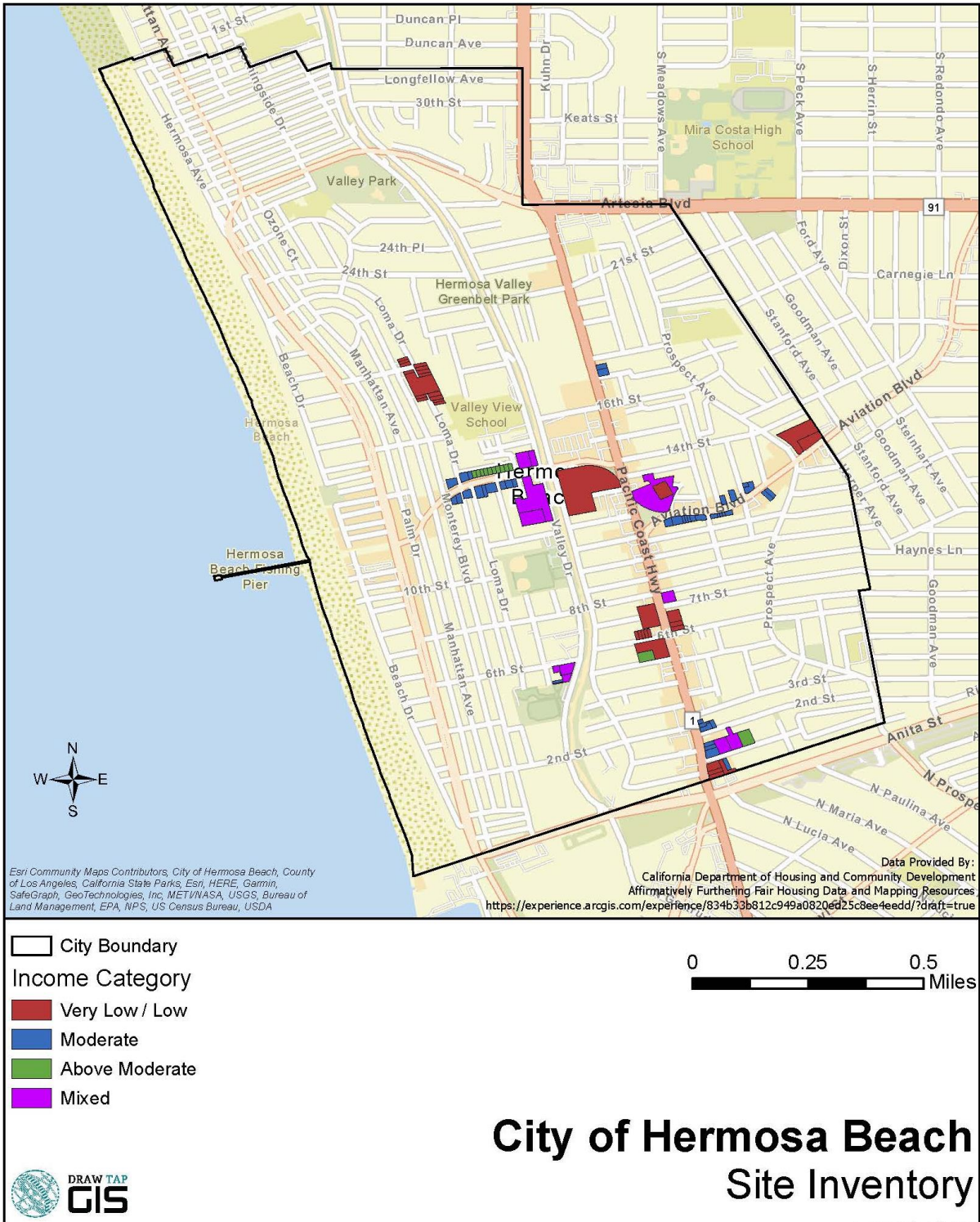
Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners
										Very Low	Low	Mod	Above Mod	Total			
														nearby multi-family residential buildings (like the adjacent one). This property has the potential to redevelop through use of internal conversion into residential. Factors for Selection: b, d, g, h			
14	900 AVIATION	4186-003-024	CC Community	C-3 General and Highway Commercial		25.1	33	0.15	Retail	-	-	3	-	3	FAR: 0.8 ILR: 0.39 Year Built: 1940-1981 Height: <1 (6 0-story, 5 1-story, 1 2-story) These sites are under common ownership and is about 0.7 acres (30,000 sq ft). About 7,200 square feet of building footprint is two stories Factors for Selection: d, f, g, h	-	EDDIE TALBOT TRUST
14	916 AVIATION	4186-003-030	CC Community	C-3 General and Highway Commercial		25.1	33	0.21	Retail	-	-	5	-	5			
14	950 AVIATION	4186-003-019	CC Community	C-3 General and Highway Commercial		25.1	33	0.05	Parking Lot	-	-	1	-	1			
14	950 AVIATION	4186-003-018	CC Community	C-3 General and Highway Commercial		25.1	33	0.05	Parking Lot	-	-	1	-	1			
14	950 AVIATION	4186-003-017	CC Community	C-3 General and Highway Commercial		25.1	33	0.05	Parking Lot	-	-	1	-	1			
14	950 AVIATION	4186-003-027	CC Community	C-3 General and Highway Commercial		25.1	33	0.08	Parking Lot	-	-	2	-	2			
14	950 AVIATION	4186-003-028	CC Community	C-3 General and Highway Commercial		25.1	33	0.14	Multi-tenant Commercial	-	-	3	-	3			
15	1000 AVIATION	4186-002-020	CC Community	C-3 General and Highway Commercial		25.1	33	0.07	Multi-tenant Commercial	-	-	1	-	1			
15	1014/1016 AVIATION	4186-002-013	CC Community	C-3 General and Highway Commercial		25.1	33	0.03	Multi-tenant Commercial	-	-	1	-	1			
15	1016 AVIATION	4186-002-012	CC Community	C-3 General and Highway Commercial		25.1	33	0.03	Parking Lot	-	-	1	-	1			
15	1036 AVIATION	4186-002-011	CC Community	C-3 General and Highway Commercial		25.1	33	0.03	Parking Lot	-	-	1	-	1			

Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners	
										Very Low	Low	Mod	Above Mod	Total				
15	1036 AVIATION	4186-002-021	CC Community	C-3 General and Highway Commercial		25.1	33	0.09	Multi-tenant Commercial	-	-	2	-	2				
16	1021 AVIATION	4185-014-015	CC Community	C-3 General and Highway Commercial		25.1	33	0.11	Multi-family	-	-	2	-	2	FAR: 0.4 ILR: 0.57 Year Built: 1947-1962 Height: 1	-	HBAVIATION LLC	
16	1029 AVIATION	4185-014-015	CC Community	C-3 General and Highway Commercial		25.1	33	0.11	Multi-family	-	-	2	-	2				
16	1035 AVIATION	4185-014-001	CC Community	C-3 General and Highway Commercial		25.1	33	0.17	Multi-tenant Commercial	-	-	4	-	4				Factors for Selection: d, e, g, h
29	824 1ST STREET	4186-031-102	CC Community	SPA-7 Specific Plan		25.1	33	0.13	Abandoned Office Condos	-	-	3	-	3	FAR: 0.9 ILR: 0.18 Year Built: 1979 Height: 1	-	KOCHDVPMT LLC	
21	700 Pacific Coast Highway	4186-012-014	SC Service	C-3 General and Highway Commercial		25.1	33	0.33	Abandoned Auto Repair	-	-	4	4	8	FAR: 0.4 ILR: 0.28 Year Built: 1945 Height: 1	Y	LOWENSTEIN, J OSEPH R AND GAIL TRS LOWENSTEIN TRUST	
30	8 N PACIFIC COAST HWY	4186-031-001	CC Community	SPA-7 Specific Plan		25.1	33	0.14	Auto Related	2	2	0	0	4	FAR: 1.03 ILR: 0.15 Year Built: 1955 Height: <1 (3 0-story, 1 1-story)	Y	900 North PCH LLC c/o Peter Nolan	
30	No Address	4186-031-002	CC Community	SPA-7 Specific Plan		25.1	33	0.14	Auto Related	1	2	0	0	3				
30	18 N PACIFIC COAST HWY	4186-031-003	CC Community	SPA-7 Specific Plan		25.1	33	0.25	Auto Related	3	3	0	0	6				Owner submitted a letter of interest for redevelopment.
30	26 N PACIFIC COAST HWY	4186-031-036	CC Community	SPA-7 Specific Plan		25.1	33	0.21	Auto Related	2	3	0	0	5				Factors for Selection: a, d, f, g, h
31	1734 PACIFIC COAST HWY	4185-002-007	CC Community	SPA-8 Specific Plan		25.1	33	0.13	Retail	0	0	3	0	3	FAR: 0.14 ILR: 0.29 Year Built: 1952 Height: 1	Y	Egerer, Joseph J and Egerer, Thomas C	
31	1706 PACIFIC COAST HWY	4185-002-014	CC Community	SPA-8 Specific Plan		25.1	33	0.17	Retail	0	0	4	0	4				

Site/ Area No.	Address	APN	Existing/ Proposed GP	Existing Zoning	Proposed Zoning	Min. Den.	Max. Den.	Parcel Size (acres)	Existing Use	Capacity Based on Minimum Density					Factors for Selection	Owner/ Developer Interest	Owners
										Very Low	Low	Mod	Above Mod	Total			
															Only occupied by a 1-story single-family home. Owner submitted a letter of interest for redevelopment. Factors for Selection: a, c, d, e, f, g, h		
Total										224	129	171	80	604			

Notes:
 *Income level assigned to lower for parcels at least 0.5 ac. and smaller parcels that can be consolidated, or moderate for other small parcels less than 0.5 ac.
 Site 7 is excluded as a site to meet the RHNA as it only meet two of the five criteria for underutilization.

Figure B-1
Sites Inventory



Appendix C Public Participation Summary

This Appendix describes opportunities for public involvement along with an explanation of how public comments were incorporated into the Housing Element. In addition, prior to the adoption hearings all interested parties were given the opportunity to review the recommended revisions.

1. **Public Participation for the Development of the 6th Cycle Housing Element**

Public participation is an important component of the planning process, and this update to the Housing Element has provided residents and other interested stakeholders, particularly lower-income households and persons with special needs, numerous opportunities for review and comment.

Outreach Process

Early in the process a dedicated Housing Element update website¹¹ was created and an online survey was posted to solicit comments about housing needs in the city.

Public notices of all Housing Element meetings and public hearings were published in advance of each meeting, as well as posting on the City's website and direct mail to the Housing Element interest list (Table C-1). The draft Housing Element was made available for review at City Hall, posted on the City's website, as well as at the Public Library. Notice of availability of the draft Housing Element was also provided to housing advocates, mobile home residents, and non-profit organizations representing the interests of lower-income persons and special needs groups. Table C-1 on the following page lists persons and organizations that were notified of public meetings for this Housing Element update. In addition, public hearings are televised on the local cable channel.

During the Housing Element update process City Staff conducted interviews with key members of the community listed below to help determine community priorities, housing needs, and goals for housing in Hermosa Beach.

- Hermosa Beach City School District
- Manhattan Beach Unified School District
- Employers (Vons, Lazy Acres Grocery, Beach House Hotel)
- Commercial property owners (Aviation Blvd. 8/3/21)
- Churches (Our Lady of Guadalupe Catholic Church, St. Cross Episcopal Church, Hope Chapel)
- Affordable Housing Developers (City Ventures, Lance Libriano)

¹¹ <https://www.hermosabeach.gov/our-government/city-departments/community-development/plans-programs/housing-element-update>

- St. Cross Episcopal Church indicated interest in building additional affordable and market-rate units at their properties, and wrote a letter of support for the Housing Element.

In addition to public meetings, the City has an email list with over 3,500 parties [expanded from 1,800 parties since the beginning of the Housing Element process] who have requested to be included on items associated with the Housing Element. For every Housing Element event (meeting, posting, revision), the City announces the posting of the Housing Element to that list via email. The City schedules workshops during times outside of business hours due to staffing and to accommodate those with work hours. We also offer hybrid attendance options. The City partners with community agencies for outreach at community events on weekends and at public locations. The City also continues to offer hybrid meetings.

After receiving comments on the draft Housing Element from the State Housing and Community Development Department, a proposed final Housing Element was prepared and made available for public review prior to adoption by the City Council.

For City Council and Commissions meetings, the public has the following options for attendance and participation:

- 1) In-Person (viewing live and participation)
- 2) In-Person with Assistive Listening Device
- 3) Phone – Toll Free - (listening live and participation)
- 4) Videoconference (viewing live and participation)
- 5) Video over City website (viewing live)
- 6) Video over internet (viewing live or later)
- 7) Cable television (viewing live or later)

The City offers these methods of participation to ensure a variety of methods to the community, including those without internet or ability to operate complex technology.

For community workshops and meetings, the City offers to the degree possible hybrid attendance depending on the setting. Usually, this includes a minimum of two (2) methods of attendance consisting of in-person and one other method.

The following is a list of opportunities for public involvement in the preparation of this Housing Element update.

Planning Commission meeting	December 15, 2020
Housing Needs Workshop and Study Session	February 3, 2021
Planning Commission Meeting	June 30, 2021
City Council Meeting	July 27, 2021
Planning Commission <u>P</u> ublic <u>H</u> earing	November 16, 2021
City Council <u>P</u> ublic <u>H</u> earing	December 21, 2021
<u>Planning Commission Meeting</u>	<u>December 5, 2022</u>
<u>Planning Commission Study Session</u>	<u>March 9, 2023</u>
<u>Planning Commission Study Session</u>	<u>March 23, 2023</u>
<u>Presentation at Mayor's cleanup event</u>	<u>April 10, 2023</u>
<u>Planning Commission Public Hearing</u>	<u>June 20, 2023</u>
<u>City Council Study Session</u>	<u>July 11, 2023</u>
<u>City Council Public Meeting</u>	<u>July 25, 2023</u>
<u>City Council Public Hearing</u>	<u>August 8, 2023</u>

The May 2023 Revised Housing Element was posted on the City's website on May 3, 2024 for ten days.

Public Comments Received

During and after the June 20, 2023 Planning Commission public hearing to consider the revised Housing Element, the City received a significant volume of comments concerning the City's Sites Inventory to accommodate the RHNA. Residents were concerned about the magnitude of the proposed rezoning at the St. Cross Episcopal church site (Sites 1 and 2). At the July 11, 2023, City Council meeting, the volume of comments increased, with community members recommending alternative strategies for meeting the RHNA, such as adding new sites to the Sites Inventory in place of an affordable housing site at St. Cross. However, there were also comments from the public supporting the rezoning of St. Cross to allow for additional affordable units. Representatives from St. Cross were also present to support their dedication to providing affordable housing in the community and the willingness to work with the neighbors.

The City Council responded by encouraging the community members to submit additional sites for consideration and staff to conduct additional research on the any submitted sites and strategies proposed by community members. At its August 8, 2023 meeting, the City Council conducted a public hearing to consider the revised Housing Element, deliberated on the Sites Inventory, and adopted the revised Housing Element with direction to staff to make adjustments to the sites inventory, including:

- Retaining the St. Cross site, creating a new zoning district to accommodate medium-high density residential at 22-25 dwelling units per acre. This action was directly in response to public comments regarding increasing density at this site. The City Council created a new medium-high density zoning category that represents a moderation from the proposed rezoning to high density, but still allows additional affordable housing to be added to the site.
- Adding two new sites to the inventory (Sites 30 (8-26 Pacific Coast Highway) and 31 (1706/1734 Pacific Coast Highway) where property owners have expressed interest in development of housing, including affordable housing. These sites will be

including in zoning amendments that allow for high density residential uses at 25.1-33 dwelling units per acre.

2. Public Comments Received by HCD on the Adopted Housing Element

HCD transmitted to City staff public comments pertaining to the St. Cross site and the Land Value Recapture program. The City appreciates the opportunity to provide clarifying information and thematic responses to the comments.

List of Public Comments received by HCD:

Date	Sender	Topic
8/2/2023	Tony Higgins	St. Cross site – existing uses vs. RHNA
8/7/2023	Tony Higgins	St. Cross site – existing uses vs. RHNA
8/9/2023	Tony Higgins	St. Cross site – existing uses vs. RHNA
8/10/2023	Tony Higgins	St. Cross site – existing uses vs. RHNA
8/10/2023	Tony Higgins	St. Cross site – existing uses vs. RHNA
10/17/2023	RezHB	St. Cross site – existing uses vs. RHNA
10/19/2023	Jon David	Land Value Recapture – barrier to development
10/23/2023	Jon David	Inquiry on submitting comments
10/23/2023	Jon David	Land Value Recapture – barrier to development
12/19/2023	Jonathan Wicks	Land Value Recapture – should apply to single-family units
12/19/2023	Laura Pena, et al.	<ul style="list-style-type: none"> • Land Value Recapture – barrier to development • Parking constraints
1/8/2024	Jon David	Land Value Recapture – barrier to development
5/11/2024	Tony Higgins	St. Cross site – existing uses vs. RHNA

Responses to Comments

a) St. Cross site (Sites 1 and 2) – existing uses

The St. Cross church site consists of 15 parcels comprising approximately 2.2 acres developed with a church sanctuary and administrative offices, education building, 18 residential units, and surface parking lots. The church seeks to add housing units for the dual purpose of providing affordable housing to the community and market rate units to help offset costs for affordable units. The church has rented units to homeless veterans, refugees, and formerly to a women's shelter, and accommodated workforce housing. St. Cross Church wrote a letter of support for Housing Element.

The St. Cross church site is located in an established residential neighborhood with single- and multi-family homes. The neighborhood includes properties occupied by long-tenured residents and properties recently acquired for redevelopment. Due to its potential for ocean views, the neighborhood is highly desirable from a real estate standpoint. The trend in the neighborhood has been demolition of smaller homes for large single-family homes, often on R-2-zoned lots.

Clarification of Comments

The inclusion of the St. Cross church in the City's Housing Element, with potential rezoning to accommodate the RHNA, raised substantial neighborhood concerns. The City received a multitude of comments during the adoption process, and altered the plan for the St. Cross site, lowering the RHNA densities from 33 dwelling units per acre to 25 dwelling units per acre, with a minimum of 22 dwelling units per acre.

The Housing Element evaluated existing uses on proposed properties for the Sites Inventory. As indicated in the Sites Inventory, the existing uses on the St. Cross site already include affordable housing uses made available to homeless veterans, refugees, and women in need. Furthermore, the site is underdeveloped, consisting of a substantial parking lot and small structures. While there has not been an official development plan submitted, residential development to 22 dwelling units per acre is achievable on the underdeveloped areas, second-story additions to existing structures, or conversion of portions of existing structures for residential use. The feasibility of development is further supported by the owner of St. Cross, who has expressed the desire to add to the existing housing uses on the property. In summary, the City has evaluated the property and determined that existing uses will not impede the development of housing, and in fact that existing uses have already set the stage for additional similar uses.

Some commenters mention that Sites 1 and 2 are not contiguous. However, the 15 parcels have functioned as one cohesive campus for many decades under common ownership. Functionally, this enables the property to take advantage of joint parking, driveway, and open space facilities, while benefiting from maintenance and operation under one owner. There also are instruments available to ensure in perpetuity that the sites function as part of one cohesive operation, to be discussed when there is an official development proposal. Additionally, Sites 1 and 2 are separated only by a 30-foot-wide segment of City street, which provides access to the parcels comprising Sites 1 and 2. There is no foreseeable change in the use of the City street. The City received an additional comment on the St. Cross site in May of 2024. The comment reiterated the same concerns that have been addressed in the analysis above.

b) Land Value Recapture

During the development of the Housing Element programs from 2021 through 2023, staff conducted numerous meetings with the community, City Council, and Planning Commission to discuss ways to develop and implement the Housing Element. Specifically, the City discussed strategies to advance the inclusion and construction of affordable housing. Eighty-three percent (83%) of the City's RHNA is in the affordable income category, as follows:

6th Cycle RHNA by Income Category—Hermosa Beach

Income Level	Very Low	Low	Moderate	Above Moderate	Total
Units	232	127	106	93	558
Percentage	41.6%	22.8%	19%	16.6%	100%

Prior to 2023, the City had no program in place to require affordable housing. There are currently no affordable units in the City.

The City adopted the Housing Element on December 21, 2021, including the Land Value Recapture Program as Program 7. This Program was introduced early in the Housing Element discussions and has been a part of the Housing Element update since inception. The Program was carried through to the revised adopted Housing Element on August 8, 2023. The Housing Element indicates that the City will perform a feasibility analysis on the Land Value Recapture Program.

The premise of the Land Value Recapture Program is that properties that benefit from zoning actions to allow for residential development increase in value. In the South Bay region where Hermosa Beach is located, there is a decreasing desire to redevelop commercial properties and instead an increased desire to redevelop properties into mixed use or all residential. This desire correlates to property values.

The Program levies a fee onto any residential development on properties that benefited from a zoning action that expanded their development ability. However, the property is exempt from the fee if the proposed residential development includes 15% very-low-, 15% low-, or 25% moderate-income units.

Incentivized Affordable Housing. The City's Land Value Recapture Program is intended to incentivize the construction of affordable housing as part of redevelopment. The City's intent is not to derive revenue from the Program. Rather, the intent is a result of actual affordable housing that is available for housing. However, should the City collect funds from the program, it would be solely usable to assist in the creation of affordable housing in the future. The City could also contribute to the South Bay Regional Housing Trust Fund.

Economic Feasibility. The City worked with a real estate advisory company to evaluate the economic feasibility of Land Value Recapture. The analysis included sample business proformas indicating that the City's proposed Land Value Recapture fee did not render development infeasible (i.e., that an acceptable return on investment would be possible), and even further that in some cases, construction affordable units and taking advantage of density bonus provisions amplified the return on investment. The City's analysis is included herein.

Clarification of Comments

HCD received a series of comments on Land Value Recapture. Five of six communications were sent by the owners of one downtown commercial property who have long expressed

a desire to redevelop their property. The comment letters repeatedly raised points that Land Value Recapture was a barrier to development by creating economic disincentive. These commenters insisted that their property was eligible for only one dwelling unit; however, the City's density regulations allow up to 33 dwelling units per acre, which would allow up to three units on many lots downtown. Including one affordable unit as part of the three units would exempt a downtown property from any fee.

In response to public comments about fairness to smaller lots, the City Council created a two-tier Land Value Recapture fee; one for smaller lots (identified as having four or fewer units using minimum density in the Housing Element Sites Inventory) and one for larger lots (identified as having five or more units using minimum density in the Housing Element Sites Inventory). This accounts for the eligibility of larger parcels that could take advantage of State density bonus provisions.

The comments mention financial disincentives from vacancies during redevelopment. Any property owner choosing to redevelop a property would incur vacancies and "down time" during demolition, substantial remodel or addition, and general construction. These are business decisions that are part of every construction project and not related to Land Value Recapture.

The comments mention that the City's changes do not eliminate other barriers to development, such as parking constraints and development review processes. The City's zoning changes did revise the parking regulations from a flat parking ratio per dwelling unit to tiered ratios that are more commensurate with unit size. Furthermore, the City reviewed development review processes to ensure that affordable housing projects were afforded a streamlined review, thereby incentivizing affordable housing.

Lastly, a comment from a former Planning Commissioner advocated for extending Land Value Recapture to single-family homes. Single-family homes are provided additional options to develop more units, such as accessory dwelling units and units under Senate Bill 9. There is currently not an opportunity to levy an affordable housing fee on single-family homes.

**Table C-1
Housing Element Notification List**

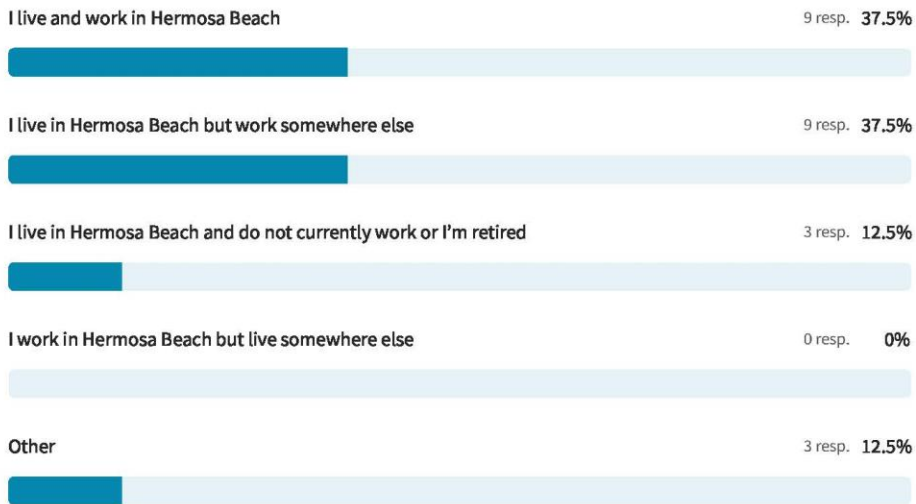
Hermosa Beach Historical Society	LA County Department of Military and Veterans
Hermosa Beach Education Foundation	South Bay Center for Counseling
Beach Cities Health District	Salvation Army Stillman Sawyer Family Services
Hermosa Beach Chamber of Commerce	The Arc of South Bay
Senior Center	Disability Community Resource Center
Hermosa Beach City School District	Harbor Regional Center
Legal Aid Foundation of Los Angeles	Wellness Community South Bay Cities
Marineland Mobilehome Park	LA county Department of Children & Family Services
PATH People Assisting the Homeless	Social Vocational Services, Inc.
Hermosa Beach Church of Christ	1736 Family Crisis Center
First Church of Christ, Scientist	Shelter Partnership
Hope Chapel	Abundant Housing
St. Cross Episcopal Church	City Ventures Residences
Our Lady of Guadalupe Catholic Church	South Bay Cities Council of Governments
Temple Shalom of the South Bay	Manhattan Beach Unified School District
Hermosa Friends Foundation	Redondo Beach Unified School District
Sandpipers	City of Redondo Beach Community Development
Hermosa Beach Kiwanis Club	City of Torrance Community Development
Hermosa Beach Rotary Club	City of Manhattan Beach Community Development
South Bay Association of Realtors	Wishtoyo Chumash Foundation
South Bay Workforce Investment Board	Gabrielino/Tongva Indians of CA
Jewish Community Center	Native American Heritage Commission
Catholic Charities of Los Angeles	Beach Cities Transit
Los Angeles Homeless Services Authority	LA Metropolitan Transit Authority

Housing Element Survey

25 responses

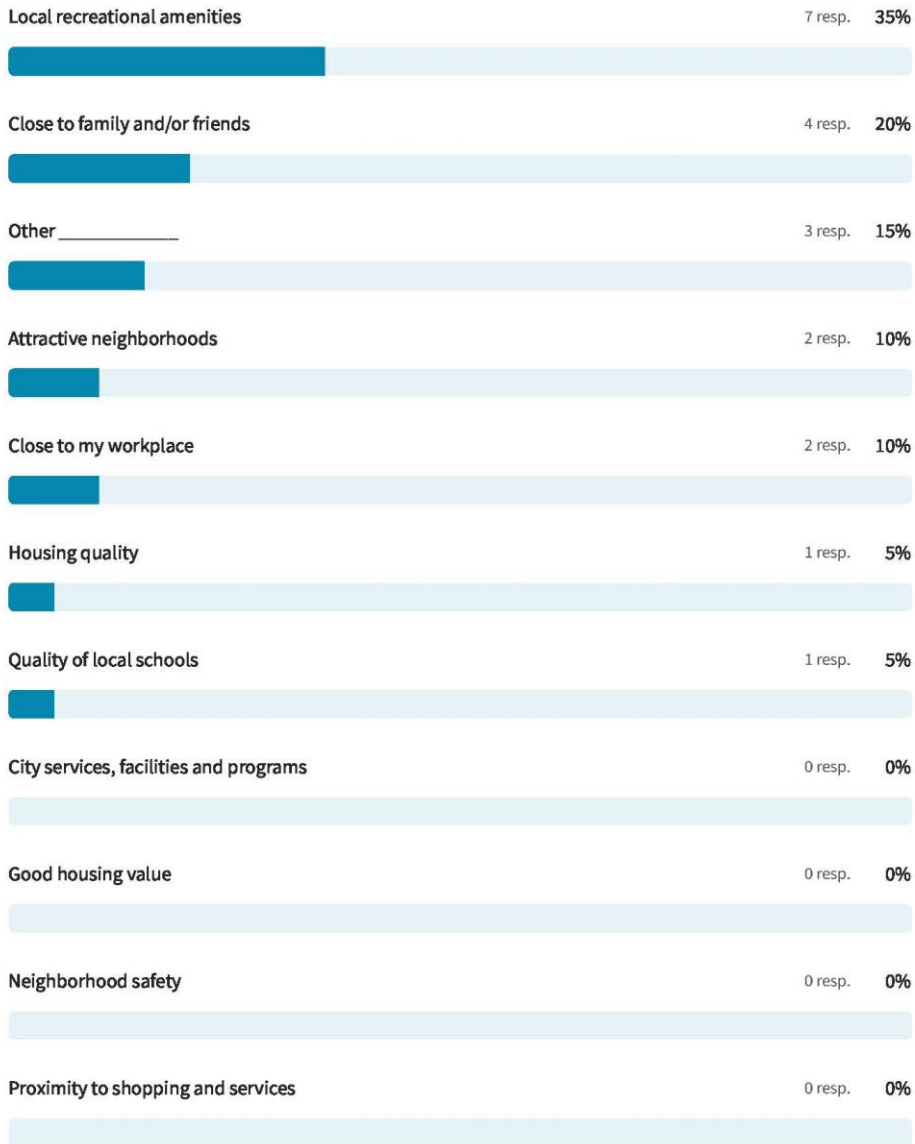
Do you currently live and/or work in Hermosa Beach?

24 out of 25 answered



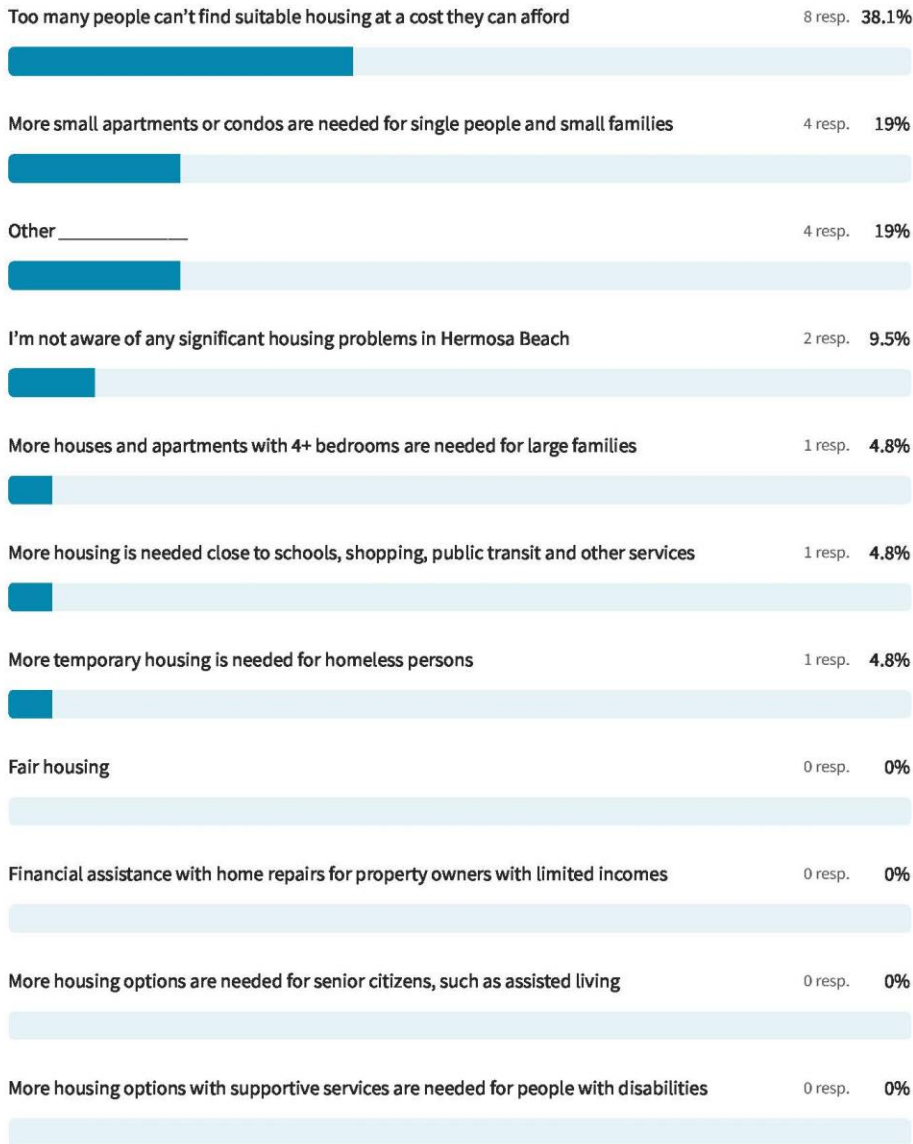
If you live in Hermosa Beach, what were the main reasons you chose to live here?

20 out of 25 answered



What do you consider to be the most pressing housing problems in Hermosa Beach?

21 out of 25 answered



Risk of eviction for renters	0 resp.	0%
		
Risk of foreclosure for homeowners	0 resp.	0%
		

Frequently Asked Questions

Hermosa Beach 2021-2029 Housing Element Update

1. What is a Housing Element?

State law¹ requires each city to adopt a comprehensive, long-term General Plan for its physical development. General Plans include several “elements” that address various topics. The Hermosa Beach General Plan² or *PLAN Hermosa* – is organized into the following 8 elements:

- **Community Governance**
The Community Governance Element sets forth the City’s legal authority to adopt and implement the goals, policies, and actions of PLAN Hermosa. Additionally, this element describes the associated leadership, decision-making process, development requirements, and regional coordination necessary to achieve the goals, policies, and actions.
- **Land Use + Design**
Land Use and Design are the cornerstone of PLAN Hermosa and the City’s fundamental guide to the evolution of the urban form and land use patterns in Hermosa Beach. The Land Use and Design Element goals, policies, and actions provide a blueprint for the physical development of the community by identifying the general location, distribution, and intensity of various residential, commercial, industrial and institutional uses in Hermosa Beach.
- **Mobility**
The Mobility Element is intended to facilitate mobility of people and goods throughout Hermosa Beach by a variety of modes, with balanced emphasis on automobiles, bicycles, pedestrians, and alternative fuel vehicles.
- **Sustainability + Conservation**
The Sustainability and Conservation Element addresses the use and preservation of natural resources to improve the environmental quality of Hermosa Beach.
- **Parks + Open Space**
The Parks and Open Space Element includes goals, policies, and actions that provide for coastal access and the provision of community facilities, parks, and recreation opportunities.
- **Public Safety**
The Public Safety Element establishes goals, policies, and actions that protect the community from risk associated with natural hazards. The element places specific focus on hazards that could be made more severe with anticipated impacts of climate change.

¹ California Government Code Sec. 65300 *et seq.*

² <https://www.hermosabeach.gov/our-government/community-development/plan-hermosa>



Hermosa Beach 2021 Housing Element FAQ

- **Infrastructure**
The Infrastructure Element provides goals, policies, and actions to maintain and improve infrastructure systems, including the water supply system, sewer system, storm drain system, roads, and telecommunications and utilities.
- **Housing**
The Housing Element establishes goals, policies, and actions to maintain and improve the existing housing stock and expand housing opportunities for families of all economic levels and persons with special needs such as disabilities.

PLAN Hermosa was adopted in 2017 and has a “time horizon” of 25 years. However, State law requires that the Housing Element be updated every 8 years. Housing Element planning periods are sometimes referred to as “cycles”. The City’s current Housing Element covers the planning period extending from 2013 to 2021, which is referred to as the “5th Housing Element cycle” in reference to the five required updates that have occurred since the comprehensive revision to State Housing Element law in 1980. Every city in the Southern California Association of Governments (“SCAG”) region³ is required to prepare a Housing Element update for the 6th planning cycle, which spans the 2021-2029 period, regardless of when the other elements of the General Plan were adopted.

State law⁴ establishes detailed requirements for Housing Elements, which are summarized in California Government Code Section 65583:

The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobile homes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.

2. What are the most important issues that must be addressed in the Housing Element?

The major issues that must be addressed in the Housing Element are: 1) how City policies, plans and regulations help to meet the region’s housing needs for people at all income levels; and 2) how City land use regulations accommodate the special housing needs of persons with disabilities or other difficulties.

- **Accommodating Regional Housing Needs.** Every community is dependent on a variety of low- and moderate-income workers in jobs such as child and elder care, medical support, business and personal services, retail trade, construction and maintenance. While Federal and State programs provide funding assistance for affordable housing, city plans and regulations determine the type and location of new housing that can be built. Therefore, a sufficient supply of affordable housing is dependent on both housing subsidies and city development regulations.

³ The SCAG region includes Los Angeles, Orange, Riverside, San Bernardino, Ventura and Imperial counties.

⁴ California Government Code Sec. 65580 *et seq.*



Hermosa Beach 2021 Housing Element FAQ

Under State law⁵ all cities are required to plan for additional housing to accommodate population growth and existing housing problems such as overcrowding and high housing cost. State law recognizes that most housing is built by private developers, not cities. However, cities are required to adopt policies, plans, and development regulations to encourage a variety of housing types that are affordable for persons at all income levels, including multi-family rental housing and accessory dwelling units (“ADUs”). The Regional Housing Needs Assessment (“RHNA”) is the method by which each jurisdiction’s share of new housing needs is determined (see #4 below).

- **Housing for Persons with Special Needs.** Under State law⁶ cities must also ensure that their plans and regulations encourage the provision of housing for persons with special needs including:
 - ✓ Reasonable accommodation for persons with disabilities
 - ✓ Transitional housing
 - ✓ Supportive housing
 - ✓ Residential care facilities
 - ✓ Emergency shelters and “navigation centers”
 - ✓ Large (5+) families

3. What is “affordable” housing?

By definition, housing is usually considered “affordable” when total housing cost, including utilities, is no more than 30% of a household’s gross income. State law describes five income categories, which are based on county median income as shown in Table 1.

Table 1. Household Income Categories

Income Category	% of county median income
Extremely low	Up to 30%
Very low	31-50%
Low	51-80%
Moderate	81-120%
Above moderate	Over 120%

Source: California Government Code Sec. 65584(f)

Affordable housing costs for all jurisdictions in Los Angeles County that correspond to these income categories are shown in the following table. Affordability figures are adjusted each year and are based on family size. Table 2 provides figures for a 4-person family in 2021.

⁵ California Government Code Sec. 65583

⁶ California Government Code Sec. 65583(a)(5)



Hermosa Beach 2021 Housing Element FAQ

Table 2. Income Categories and Affordable Housing Costs – Los Angeles County

Income Category	Maximum Income	Affordable Rent	Affordable Price (est.)
Extremely low	\$35,450	\$886	*
Very low	\$59,100	\$1,478	*
Low	\$94,600	\$2,365	*
Moderate	\$96,000	\$2,400	\$375,000
Above moderate	> \$96,000	> \$2,400	> \$375,000

Assumptions:

- Based on a family of 4 and 2021 State income limits
 - 30% of gross income for rent or principal, interest, taxes & insurance plus utility allowance
 - 10% down payment, 3.75% interest, 1.25% taxes & insurance, \$350 HOA dues
 - * For-sale affordable housing is typically at the moderate-income level
- Source: Cal. HCD; JHD Planning LLC

4. What is the RHNA why is it important?

Each California city is required to plan for new housing to accommodate a share of regional needs. The Regional Housing Needs Assessment (“RHNA”) is the process established in State law⁷ by which each city's housing needs are assigned.

Prior to each Housing Element planning cycle the region's total housing need is determined by the California Department of Housing and Community Development (“HCD”) based upon economic and demographic trends, existing housing problems such as overcrowding and overpayment, and additional housing needed to ensure reasonable vacancy rates and replace units lost due to demolition or natural disasters. The total housing need for the region is then distributed to cities and counties by SCAG based upon criteria established in State law.⁸

In 2019 HCD determined that the total new housing need for the entire SCAG region in the 6th Housing Element cycle is 1,341,834 units. SCAG then prepared a RHNA plan that fully allocates the total RHNA to jurisdictions in the SCAG region.⁹ Table 3 shows the RHNA allocations for Hermosa Beach, Los Angeles County, and the entire SCAG region. SCAG adopted the final RHNA plan in March 2021.

Table 3. 6th Cycle RHNA – Hermosa Beach, Los Angeles County and SCAG Region

	Hermosa Beach	Los Angeles County	SCAG Region
RHNA allocation 2021-2029 (housing units)	558	812,060	1,341,827

Source: SCAG, 3/4/2021

The RHNA distributes each jurisdiction's total housing need by the income categories shown in Tables 1 and 2 above (the extremely-low and very-low categories are combined for RHNA purposes). The 6th cycle RHNA allocation for Hermosa Beach by income category is shown in Table 4.

⁷ California Government Code Sec. 65584 et seq.

⁸ California Government Code Sec. 65584(d)

⁹ <https://scag.ca.gov/housing>



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Table 4. 6th RHNA by Income Category – Hermosa Beach

Very Low	Low	Moderate	Above Moderate	Total
232	127	106	93	558

Source: SCAG, 3/4/2021

5. Is the RHNA a construction quota or mandate?

The RHNA allocation identifies the amount of additional housing a jurisdiction would require in order to have enough housing at all price levels to fully meet the needs of its existing population plus its assigned share of projected growth over the next 8 years while avoiding problems like overcrowding and overpayment. The RHNA is a planning requirement that determines housing need, *not a construction quota or mandate*. Jurisdictions are not required to build housing or issue permits to achieve their RHNA allocations, but some provisions of State law establish specific requirements when housing production falls short of RHNA allocations. One such requirement is streamlined review and approval of housing development applications that meet specific standards.¹⁰ Other than requirements for streamlined permit processing, there are currently no legal or financial penalties imposed on cities that do not achieve their RHNA allocations.

6. What must cities do to comply with the RHNA?

Each Housing Element update must analyze the city’s capacity for additional housing based on an evaluation of land use patterns, development regulations, development constraints (such as infrastructure availability and environmental conditions) and real estate market factors. The analysis must be prepared at a parcel-specific level of detail and identify properties (or “sites”) where additional housing could be built consistent with current regulations. This evaluation is referred to as the “sites analysis” and State law requires the analysis to demonstrate that the city has adequate capacity to fully accommodate its RHNA allocation in each income category. If the sites analysis does not demonstrate that adequate capacity exists to fully accommodate the RHNA, the Housing Element must describe what steps will be taken to increase capacity commensurate with the RHNA - typically through amendments to land use and zoning regulations that could facilitate additional housing development. Such amendments typically include increasing the allowable density in residential zones or allowing housing to be built in other areas where residential uses are not currently allowed.

7. Hermosa Beach is fully developed. Why is the RHNA allocation so high?

SCAG’s total RHNA allocation for the 6th cycle is 1,341,827 units compared to 412,137 units in the 5th cycle. There are two main reasons why the region-wide 6th RHNA allocation is so much higher than the 5th cycle.

First, the 5th RHNA allocation was established in 2012 while the severe economic effects of the “Great Recession” were still adversely affecting growth and the foreclosure crisis led to high vacancy rates. As a result, the 5th RHNA was uncharacteristically low. For

¹⁰ California Government Code Sec. 65913.4 (SB 35 of 2017)



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comparison, SCAG’s 4th cycle (2006-2013) RHNA allocation was approximately 700,000 units.

Second, for the 6th cycle the State made a major modification to the process for determining RHNA allocations due to the “housing crisis.” In prior RHNA cycles, total housing need was based mainly on projected population growth. However, for the 6th RHNA cycle the State added *existing need* to the total RHNA calculation. Existing need includes households that are currently overcrowded (defined as more than one person per room) or are overpaying for housing (defined as more than 30% of gross income). The total 6th cycle RHNA allocation for the SCAG region is comprised of the sum of existing need and projected need, as follows:

Existing need:	577,422 units
Projected need:	<u>764,405 units</u>
Total need:	1,341,827 units

As seen from this breakdown, if existing need were not included (as in prior RHNA cycles) the total housing need for the SCAG region would be similar to the 4th cycle.

With regard to jurisdictional RHNA allocations, the methodology adopted by SCAG for the 6th cycle places greater emphasis on the proximity of jobs and transportation rather than vacant developable land. As a result, the urbanized areas of Los Angeles and Orange counties are assigned a higher proportion of the region’s housing need as compared to prior cycles even though they generally have much less vacant land than inland areas.

8. How can Hermosa Beach accommodate its RHNA allocation and remain in compliance with State housing law?

The RHNA is a planning target and cities are not required to achieve their RHNA allocations but must demonstrate that their land use plans and regulations allow housing development commensurate with the RHNA. Capacity for additional housing can be provided either through new housing or mixed-use development or through accessory dwelling units (“ADUs”), also referred to as second units or granny flats.

The City’s current capacity for additional housing based on existing land use plans and regulations is not sufficient to fully accommodate the RHNA allocation. Because there is very little vacant land in Hermosa Beach that is suitable for housing development, the most significant opportunities for new housing are in areas currently zoned for commercial uses. Under State law, areas that are zoned to allow residential or mixed-use development at a density of at least 20 units/acre in small cities are considered appropriate to facilitate production of affordable housing. ADUs will also provide a portion of future housing need, particularly in the low- and moderate-income categories.

As part of the Housing Element update, the City will evaluate potential areas where additional housing development may be appropriate and identify changes to land use plans and zoning that could accommodate the amount of new housing assigned to Hermosa Beach in the RHNA.



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9. Housing development is very expensive in the urban areas of Southern California. What happens if cities don't achieve their assigned affordable housing needs?

Housing development is very expensive, particularly in coastal areas, and housing that is affordable to low- and moderate-income families typically requires large subsidies. While State housing law is based on the premise that every city has an obligation to use its governmental powers to encourage housing development at all income levels, it is recognized that available financial resources are not sufficient to produce all of the affordable housing needed. Therefore, if a city has adopted appropriate plans and regulations to encourage housing development commensurate with its RHNA allocation, it will not be penalized if actual production does not achieve assigned needs.

10. What is “certification” of the Housing Element and why is it important?

The State Legislature has delegated authority to the California Department of Housing and Community Development (“HCD”) to review Housing Elements and issue findings regarding the elements’ compliance with the law.¹¹ When HCD issues a finding that the Housing Element is in substantial compliance with State law it is referred to as “certification” of the Housing Element. In 2013 HCD determined that the current Hermosa Beach Housing Element was in full compliance with State law. The City is now preparing a Housing Element update for the 2021-2029 period.

Housing Element certification is important for two main reasons:

- **Local control.** The General Plan provides the foundation for the City’s land use plans and zoning regulations, and the Housing Element is part of the General Plan. If the City were challenged in court on a planning or zoning matter and the Housing Element were found by the court to be out of compliance, the court could order changes to City land use plans or regulations and assume control over some City land use decisions. HCD certification establishes a “rebuttable presumption of validity”¹² that the Housing Element is in compliance with State law, which would support the City’s legal defense. Recent laws also allow for courts to impose fines if a jurisdiction fails to adopt a compliant Housing Element.¹³
- **Eligibility for grant funds.** Some State grant funds are contingent upon Housing Element certification.

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¹¹ California Government Code Sec. 65585
¹² California Government Code Sec. 65589.3.
¹³ AB 101 of 2019

