

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

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July 12, 2024

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

Dear Suja Lowenthal:

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

Thank you for submitting the City of Hermosa Beach's (City) housing element update that was adopted on August 8, 2023. Modifications to the adopted element were received for review on February 7, 2024, May 13, 2024 and July 12, 2024 as authorized by Resolution 23-7396. The modifications were made available to the public for seven days prior to review. In addition, the California Department of Housing and Community Development (HCD) received Ordinance 23-1471 and draft zoning text amendments (Amendments). Pursuant to Government Code section 65585, HCD is reporting the results of its review. In addition, HCD considered comments from Tony Higgins, Jon David and Ed Hart pursuant to Government Code section 65585, subdivision (c).

The adopted element, including all modifications, meets the statutory requirements of State Housing Element Law (Gov. Code, § 65580 et seq) that were described in HCD's April 5, 2024 review. However, as noted in the prior review, the housing element cannot be found in substantial compliance until the City has completed necessary rezones (Program 9 - Adequate Sites to Accommodate Housing Needs)) that meet statutory requirements as described below.

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

However, as part of this review, HCD received the Amendments that are intended to implement Program 9 (Adequate Sites to Accommodate Housing Needs). HCD understands this zoning will not take effect until HCD's finding of substantial

compliance. HCD further understands the City has approved these Amendments at a first reading. After a cursory review, the Amendments intended to implement Program 9 comply with statutory requirements pursuant to Government Code section 65583, subdivision (c)(1). Once a second reading is completed, the City should submit the Amendments and other pertinent approval documentation. HCD will review the documentation and issue correspondence identifying the updated status of the City's housing element compliance.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- Program 3 (Density Bonus and Other Incentives)
- Program 4 (Affordable Housing Development Outreach and Assistance)
- Program 5 (Facilitate Use of Sites that Allow High Density Development)
- Program 6 (Accessory Dwelling Units)
- Program 7 (Land Value Recapture)
- Program 9 (Adequate Sites to Accommodate Housing Needs)
- Program 10 (Housing for Persons with Special Needs)
- Program 11 (Streamline Housing Permit Processing)
- Program 12 (Remove Governmental Constraints)
- Program 13 (Affirmatively Further Fair Housing)
- Program 14 (Neighborhood Improvement)

The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

In addition, as part of Program 7 (Land Value Recapture), the City should monitor the effectiveness of the Program in facilitating development, including development affordable to lower and moderate-income households and impacts on financial feasibility of development. The City should monitor effectiveness at least every other year and make adjustments as appropriate to achieve the goals and objectives of the housing element, including addressing governmental constraints.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting

requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

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

HCD appreciates the effort the City's housing element team provided throughout the housing element review. HCD looks forward to receiving and reviewing final documentation of the necessary zoning. If HCD can provide assistance in implementing the housing element, please contact Hilda Boyadjian, of our staff, at [Hilda.Boyadjian@hcd.ca.gov](mailto:Hilda.Boyadjian@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manage