

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

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August 1, 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 Ordinance Number ORD-24-1481 (Ordinance) that was adopted July 23, 2024 and received on July 30, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

HCD is pleased to find the City has completed actions to address the requirements that were described in HCD's July 12, 2024 review. The Ordinance was found to be substantially the same as the draft amendments HCD's July 12, 2024 review determined met statutory requirements. As a result, the adopted element now substantially complies with State Housing Element Law (Gov. Code, § 65580 et seq) as of the date of this letter.

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 Affordable Housing and Sustainable Communities program, 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 now meets housing element requirements for these and other funding sources.

HCD appreciates the efforts and cooperation provided throughout both the housing element update and ordinance adoption processes. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General plan annual progress reports required pursuant to Government Code section 65400. 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 Manager