

**CITY OF
HERMOSA BEACH**

**HOUSING ELEMENT
POLICY PLAN
2021-2029**

Draft

June 2021

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I. INTRODUCTION

A. Purpose of the Housing Element

The Housing Element describes the City's needs, goals, policies, programs and objectives regarding the preservation, improvement, and development of housing in Hermosa Beach. The Element reflects community housing needs in terms of affordability, availability, adequacy, and accessibility. The Element describes the City's strategies for addressing housing needs over the 2021-2029 period and identifies specific programs to address those needs.

The Housing Element is the City's official municipal response to the State Legislature's declaration that adequate housing for all economic segments of the community is a matter of statewide importance that must be addressed by all levels of government. The 2021 Housing Element update provides Hermosa Beach with the opportunity to plan for the existing and future housing needs in the community, and identifies strategies and programs to address those needs.

B. Scope and Content of the Housing Element

The California Legislature has recognized the role of local general plans and particularly the Housing Element in implementing statewide housing goals to provide decent and adequate housing for all persons. The California Department of Housing and Community Development (HCD) also has adopted detailed guidelines regarding the scope and content of housing elements, including the following major components:

- An analysis of demographic and housing characteristics and trends (Technical Report, Chapter I);
- An evaluation of resources, including land, financial, and administrative resources, available to address the City's housing goals (Technical Report, Chapter II);
- A review of potential constraints, both governmental and non-governmental, to meeting housing needs (Technical Report, Chapter III);
- The Housing Policy Plan addressing the City's identified housing needs, including housing issues, policies, programs and quantified objectives (Chapter II of this document);
- An evaluation of the appropriateness and effectiveness of previous policies and programs in achieving the City's objectives, and the progress in implementing Housing Element programs (Technical Report, Appendix A);
- A parcel-specific inventory of vacant and underutilized suitable sites for additional housing (Technical Report, Appendix B); and
- A description of the public participation process during the preparation and adoption of the Housing Element (Technical Report, Appendix C).

C. Public Participation

Public participation is an important component of the planning process, and this update to the Housing Element has provided residents and other interested parties numerous opportunities to be involved in the preparation of the element. Public meetings to discuss housing needs and policy options were conducted by the Planning Commission and City Council, and notices of all meetings were published in advance of each meeting. The draft Housing Element was made available for review at City Hall and posted on the City's website and was also circulated to housing organizations representing the interests of lower-income persons and those with special housing needs. 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 review by the Planning Commission and adoption by the City Council.

Appendix C provides additional information regarding opportunities for public involvement in the preparation of this Housing Element update, as well as a list of persons and organizations who were invited to participate.

D. Consistency with Other Elements of the General Plan

The Housing Element must be consistent with other elements of the General Plan, which was last updated in 2017. Housing Element policies and programs are closely correlated with the development policies contained in the Land Use Element, which establishes the location, type, and intensity of land uses throughout the city. The Land Use Element determines the number and type of housing units that can be constructed in the various land use districts. Areas designated for commercial and industrial uses create employment opportunities, which in turn, create demand for housing. The Circulation Element establishes the location and scale of streets, highways and other transportation routes that provide access to residential neighborhoods. Because of the requirement for consistency among the various General Plan elements, the 2021 Housing Element update included a review of other General Plan elements to ensure that consistency is maintained.

Government Code Section 65302 also specifically requires that the Safety and Conservation Elements be reviewed concurrent with each Housing Element update.

SB 1087 of 2005 requires cities to provide a copy of their Housing Elements to local water and sewer providers, and also requires that these agencies provide priority hookups for developments that include lower-income housing. These agencies have been invited to participate in the Housing Element update process and the Housing Element will be provided to these agencies immediately upon adoption.

II. HOUSING POLICY PLAN

The purpose of this Housing Policy Plan is to identify policies and programs that will help the City in addressing its housing needs during the 2021-2029 planning period. This section includes the following components:

- Section A identifies the housing issues facing Hermosa Beach and establishes guiding policies for addressing those issues;
- Section B describe specific program actions the City will take consistent with established policies;
- Section C establishes quantified objectives for the construction of new housing, rehabilitation of existing housing in need of repair, and the conservation of existing affordable housing.

A. Housing Element Issues and Policies

This section establishes the City's housing policy framework. Section 65583(c) of the *California Government Code* requires that actions and policies included in the Housing Element address five key issue areas:

- The manner in which the City will assist in the conservation of existing housing resources, particularly affordable housing;
- The City's strategy in assisting in the development of new housing opportunities;
- How the City intends to provide adequate sites to achieve a variety and diversity of housing types;
- How the City proposes to remove governmental constraints that may impact the preservation and development of housing; and,
- How the City may help to promote equal housing opportunities.

Issue Area 1 - Conservation of Existing Affordable Housing

The City's proximity to the Pacific Ocean and its desirability as a place to live and visit contributes to the high land and housing costs relative to the surrounding region. The City, nevertheless, has been successful in maintaining its more affordable housing through the adoption of ordinances and special land use regulations. The City works proactively to preserve and maintain the existing housing resources in the City, including affordable housing.

This commitment is underscored by the policies listed below.

- Policy 1.1** *The City will continue to encourage the maintenance and improvement of the existing housing stock within the local neighborhoods.*

- Policy 1.2** *The City will assist in the preservation and enhancement of the housing supply available to senior citizens.*
- Policy 1.3** *The City will work to minimize the conversion of existing lower-cost rental housing in multiple-family developments to condominiums.*
- Policy 1.4** *The City will investigate potential sources of funding and other incentives that will assist in the preservation and renovation of older housing units.*
- Policy 1.5** *The City will continue to implement its current code enforcement procedures as a means to ensure the conservation and maintenance of existing housing resources in the City.*

Issue Area 2 - New Affordable Housing Development

The City's ability to directly fund the construction of affordable housing is constrained due to budget limitations. In addition, the construction of affordable public housing within the coastal zone would not represent an efficient expenditure of public money, given the high land and development costs. As a result, the City continues to be an active participant in the development of more affordable housing through land use regulations and other incentives. The City of Hermosa Beach will continue to assist in the development of new housing for all income groups through the following policies.

- Policy 2.1** *The City will continue to promote the development of a variety of housing types and styles to meet the existing and projected housing needs of all segments of the community.*
- Policy 2.2** *The City will continue to encourage the development of safe, sound, and decent housing to meet the needs of varying income groups.*
- Policy 2.3** *The City will continue to implement the land use policy contained in the City's General Plan, which provides for a wide range of housing types at varying development intensities.*
- Policy 2.4** *The City will continue to support and promote home ownership in the community.*
- Policy 2.5** *The City will continue to cooperate with other government agencies, citizen groups, and the private sector, in order to assist in meeting the existing and future demand for housing.*
- Policy 2.6** *The City will encourage the addition of ADU and JADU units as a strategy to provide new housing units for low- and moderate-income households.*

Issue Area 3 - Provision of Adequate Sites for New Housing

The majority of the city was developed during the early 1900s. More intensive development has continued up to the present time. There are few vacant parcels of land remaining in the city, and the majority of the residential construction that has occurred involved the “recycling” of older structures. Nevertheless, the City of Hermosa Beach will continue to explore potential sites for residential development as a means to achieve a variety and diversity of housing types.

- Policy 3.1** *The City will evaluate new development proposals in light of the community's environmental resources, the capacity of public infrastructure to accommodate the projected demand, and the presence of environmental constraints.*
- Policy 3.2** *The City will continue to evaluate the General Plan and zoning to ensure residential development standards are adequate to serve future development.*
- Policy 3.3** *The City will continue to review current zoning practices for consistency with the General Plan as a way to facilitate new mixed-use development within or near the commercial districts.*

Issue Area 4 - Removal of Governmental Constraints to Housing

In previous years, the City has been successful in the conservation of housing, especially affordable housing, through the implementation of land use ordinances and regulations. A key component of the City's housing policy is to assist in the development of more affordable housing with the use of incentives and other measures. The City of Hermosa Beach will remain committed to the removal of governmental constraints through the following policies.

- Policy 4.1** *The City will continue to abide by the provisions of the Permit Streamlining Act as a means to facilitate the timely review of residential development proposals.*
- Policy 4.2** *The City will work with prospective developers and property owners to assist in their understanding of the review and development requirements applicable to residential development in the city.*
- Policy 4.3** *The City will continue its efforts to educate the community regarding the development standards contained in the City of Hermosa Beach Zoning Ordinance, including the ability to provide ADU and JADU units on residential properties.*
- Policy 4.4** *The City will continue to evaluate its Zoning Ordinance and General Plan and remove governmental constraints related to development standards. These may include, but not be limited to, parking requirements, allowing affordable housing on commercial sites, new standards for mixed-use development, lot consolidation incentives, and senior housing requirements.*

Issue Area 5 - Equal Housing Opportunity

Federal and State laws prohibit housing discrimination based on an individual's race, ethnicity, religion or other characteristics. Enforcement of fair-housing laws generally occurs through the courts, though persons being discriminated against often lack the resources to obtain the necessary legal protections. As a result, alternative means to obtain assistance must be made available. Towards this end, the City will continue to cooperate with other public agencies and non-profit organizations providing assistance in ensuring equal housing opportunities for all.

- Policy 5.1** *The City will continue to provide information and referral services to regional agencies that counsel people on fair housing and landlord-tenant issues.*
- Policy 5.2** *The City will continue to cooperate with the County Housing Authority related to the provision of rental assistance to lower-income households.*
- Policy 5.3** *The City will continue to cooperate with other cities and agencies in the area in investigating resources available to provide housing for the area's homeless population.*
- Policy 5.4** *The City will support the expansion of shelter programs with adjacent cities and local private interests for the temporary accommodation of the homeless population.*

Issue Area 6 – Sustainable Housing Development

The City works to promote sustainability and energy conservation in a number of ways. *Plan Hermosa*, the City's General Plan, establishes a blueprint for sustainability and a low-carbon future, and provides a framework within which City regulations, programs, and projects work in unison to ensure that land use, transportation, and other aspects of City operations support sustainable development and energy conservation goals. Specifically for the residential sector of the community, the issue of energy conservation can be addressed at several levels: community-wide land use and transportation planning, building technology in both new construction and rehabilitation or remodeling of existing structures, and through lifestyle options such as walking and cycling. This is further supported by water conservation and sustainable neighborhood design.

- Policy 6.1** *The City will support sustainable residential development through land use planning, building technology and lifestyle options.*

B. Housing Programs

The programs listed below describe the actions the City intends to take to address the policy issues discussed above. The City's main challenge in accommodating new residential development is its lack of vacant land. As a result, the vast majority of new housing development must occur through the "recycling" of older structures and redevelopment of underutilized parcels. The lack of financial resources, coupled with high

land and development costs, will continue to be a constraint to the development of new affordable housing. As a result, the focus of these programs is on strategies to assist the private market in the development of affordable housing.

Issue Area 1 - Conservation of Existing Affordable Housing

1. Code Enforcement

Program Description: Chapter 8.28 of the Municipal Code provides for the abatement of safety and nuisance conditions relating to private property. To implement this requirement, the Code Enforcement Program emphasizes the following:

- The City actively pursues Municipal Code violations on a complaint basis, with particular emphasis being placed on those areas clearly exposed to public view;
- All necessary steps are taken to ensure that violations are corrected in an expeditious and voluntary manner;
- Where appropriate, property owners are informed of available assistance programs for lower-income persons who may not be able to afford needed improvements or corrections; and
- The City utilizes misdemeanor criminal prosecution only when attempts to gain voluntary compliance have failed.

The Code Enforcement Program implements 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 rights-of-way.

Timing: This program is in place and will continue through the planning period.

Funding: General Fund.

2. Conservation of Existing Affordable Housing

Program Description: This program provides 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 a more permanent home. The City's MHP Zoning District requires Planning Commission approval in order to add or delete spaces in the park, which helps to preserve affordability by discouraging conversion from single- to double-wide spaces. In 2013 the Mobile Home Park received over \$111,000 of City funds and \$1.2 million through the State's Mobilehome Park Resident Owner Program (MPROP) and the Marineland Community Association, Inc.,

the resident association, purchased the park, ensuring the long-term security of this important affordable housing resource.

In addition to mobile homes, existing apartments provide an important source of housing at lower cost than ownership housing. To reduce the potential impact of condominium conversions on low- and moderate-income residents of converted condominiums, Chapter 17.22 of the Municipal Code establishes requirements including first right of refusal and relocation assistance for tenants. To ensure that the amount of relocation assistance remains sufficient, the City will review and update relocation reimbursement requirements periodically.

Timing: This program is ongoing.

Funding: General Fund.

Issue Area 2 - New Affordable Housing Development

3. Density Bonus and Other Incentives

Program Description: State law requires cities to grant a density bonus and other incentives for qualifying affordable or senior housing developments. Section 17.42.100 of the Zoning Ordinance establishes standards and procedures for implementing State Density Bonus Law.

In addition to State requirements, the City has adopted additional incentives that allow increased density when small parcels are combined to create a larger residential building site.

State density bonus law has been amended from time to time to encourage the development of affordable and senior housing. To help incentivize affordable housing development, the City will review its density bonus regulations (Municipal Code Sec. 17.42.100) and process an amendment to comport with current State law. In addition, the City will inform developers and contractors of this incentive program through brochures at the public counter and information posted on the City's website.

Timing:

- Process an amendment to the City's Density Bonus regulations in 2021
- Continue to make information available on the density bonus program through brochures and the City website throughout the planning period

Funding: City General Fund.

4. Affordable Housing Development Outreach and Assistance

Program Description: This program includes investigation of potential funding sources and administrative support to assist private and non-profit organizations in the development and/or provision of affordable housing. The City will investigate the feasibility of expanding CDBG funding and Section 8 rental vouchers to qualifying households. The Section 8

program is one of the major sources of housing assistance for very-low- and extremely-low-income 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.

The City will also provide incentives such as priority processing, fee waivers and deferrals, and modified development standards to projects with low- or moderate-income units, and will assist in preparing and processing grant applications for affordable housing projects to support the development of such units. Project sponsors will be encouraged to include units for extremely-low-income households where feasible. As part of the 2021 Housing Element update the City consulted with a variety of housing organizations to identify potential actions the City could take to facilitate the development of affordable housing, including to extremely-low-, very-low- and low-income households.

Timing: Make information available to affordable housing organizations throughout the planning period regarding residential development opportunities.

Funding: This program will be financed through the City's General Fund and grant funds.

5. Facilitate Efficient Use of Sites that Allow High-Density Residential Development

Program Description: This program will facilitate affordable housing development on sites that allow high-density residential development including reducing constraints posed by small lot sizes.

a. The City will continue to facilitate lot consolidation by:

- Assisting affordable housing developers in identifying opportunities for lot consolidation using the City's GIS system and property database;
- Continuing to expedite processing for lot consolidations processed concurrently with planning entitlements;
- Continuing to provide a graduated density bonus for lower-income housing on small lots consolidated into a single building site according to the following formula (Zoning Ordinance Sec. 17.42.170):

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

- Publicizing the program on the City's website, at the Planning counter, and by notice to affordable housing providers.

b. The City will continue to facilitate affordable housing development by:

- Facilitating pre-application meetings;
- Implementing incentives under the Density Bonus law;
- Reducing property development standards (e.g. reduced setbacks, reduced parking standards) for small developments below the threshold of Density Bonus law when affordable units targeted to the elderly or persons with disabilities are provided;
- Allowing deferral or waiver of City fees necessary to make the project cost-effective;
- Facilitating permit processing so that developers can take advantage of funding opportunities;
- Expediting permit processing through concurrent review through the planning and building processes;
- Promoting programs on the City's website and at the Planning Counter and biennially notify affordable housing developers of the City's housing incentives.

Timing: Implementation of these incentives and procedures throughout the planning period.

Funding: General Fund.

6. Accessory Dwelling Units (new)

Program Description: 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. The City will review new legislation each year and update ADU regulations as necessary to ensure conformance with current State law.

Timing:

- Monitor legislation and update City ADU regulations as necessary to maintain consistency with State law
- Make information available to interested homeowners throughout the planning period.

Funding: General Fund and grant funds, if available.

7. Land Value Recapture (new)

Program Description: When land is rezoned to allow higher-intensity uses, the value of that property typically increases. *Land value recapture* refers to a policy requiring that a portion of the increased value be dedicated to a public benefit, such as affordable housing.

In connection with the rezoning process required under Program 9, the City will conduct a feasibility study to determine whether a land value recapture program should be established for the properties to be rezoned, and if so, what specific requirements are appropriate.

Timing: 2021-2025

Funding: General Fund and grant funds, if available.

8. Housing Trust Funds (new)

Program Description: Housing trust funds are a dedicated source of financial assistance for affordable housing and can be funded through a variety of mechanisms, such as governmental grants, loans, charitable contributions, development fees, and land value recapture requirements (see also Program 7).

The City will investigate opportunities to either establish a new housing trust fund or participate in existing trust fund programs in order to expand the availability of financial assistance for affordable housing.

Timing: 2021-2025

Funding: General Fund or grant funds, if available.

Issue Area 3 - Provision of Adequate Sites for New Housing

9. Adequate Sites to Accommodate Housing Needs (new)

Program Description: State law requires cities to ensure that their land use plans and development regulations identify adequate sites with appropriate zoning to accommodate housing needs assigned through the Regional Housing Needs Assessment (RHNA) process. The City's RHNA allocation is described in Section I.H of the Housing Element Technical Report, and an analysis of the City's potential sites for additional housing is presented in Appendix B of the Technical Report. The sites analysis concluded that amendments to current land use and zoning designations are necessary in order to fully accommodate the RHNA, and potential sites to be considered for rezoning have been identified. This program describes the actions the City will take to ensure that adequate sites are designated consistent with Government Code Sec. 65583(c)(1)(A) and 65583.2.

- No later than October 2022 the City will conduct a detailed evaluation of the sites identified in Table B-4 of the Housing Element Technical Report and select the most appropriate parcels for rezoning to accommodate 100 percent of the shortfall of

sites necessary to accommodate the city's remaining housing need for very-low- and low-income households.

- During FY 2023 and 2024 the City will process General Plan and zoning amendments, including the required CEQA analysis, for the selected sites. The rezoned sites shall include the following components pursuant to:
 - ✓ Permit owner-occupied and rental multi-family uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households.
 - ✓ Permit the development of at least 16 units per site.
 - ✓ Permit a minimum of 20 dwelling units per acre.
 - ✓ Ensure that either: a) at least 50 percent of the shortfall of low- and very-low-income regional housing need can be accommodated on sites designated for exclusively residential uses; or b) if accommodating more than 50 percent of the low- and very-low-income regional housing need on sites designated for mixed uses, all sites designated for mixed uses must allow 100 percent residential use and require that residential uses occupy at least 50 percent of the floor area in a mixed-use project.
- The City will report on the status of this program each year as part of the Annual Progress Report.

Timing:

- Selection of sites to be rezoned by October 2022
- Rezoning of adequate sites by 2024

Funding: General Fund; grant funds (if available).

Issue Area 4 - Removal of Governmental Constraints to Housing

10. Housing for Persons with Special Needs

Program Description: The Zoning Ordinance encourages the provision of housing for persons with special needs, including regulations and procedures related to group homes, emergency shelters, transitional/supportive housing and persons with disabilities. Recent changes to State law (AB 2162 of 2018) 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.

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 navigation centers meeting specified standards must be allowed by-right in areas zoned for mixed use and in nonresidential zones permitting multi-family uses.

Amendments to the Zoning Code regarding supportive housing and low barrier navigation centers will be processed in 2021 in compliance with current State law.

In addition to these regulatory actions, in 2018 the City adopted a *Five-Year Homelessness Plan*¹ describing many other steps the City is taking to address the problems of homelessness.

Timing: Zoning Code amendments in 2021.

Funding: General Fund and grants

11. Streamline Housing Permit Processing

Program Description: As part of the comprehensive Zoning Ordinance update the City will evaluate methods to simplify the housing development review process such as eliminating the conditional use permit requirement for multi-family, condominium and mixed-use developments.

Timing: Zoning Ordinance update in 2022/23.

Funding: General Fund and grants.

Issue Area 5 - Equal Housing Opportunity

12. Affirmatively Furthering Fair Housing

Program Description: The City provides assistance to local fair housing organizations to address complaints regarding housing discrimination within the City and to provide counseling in landlord/tenant disputes. This program includes a referral service in City Hall where materials (e.g., handouts, booklets, pamphlets) are provided to the public. This information is also available to interested parties at the library and on the City's website.

Timing: This program is ongoing and will continue through the planning period.

Funding: General Fund.

Issue Area 6 – Sustainable Housing Development

13. Sustainable Housing Development

Program Description: In 2017 the City adopted a comprehensive update to the General Plan (*PLAN Hermosa*). One of the primary themes of the new General Plan is community sustainability. Chapter 4: Sustainability + Conservation establishes state-of-the-art policies to improve sustainability and energy conservation in residential development. Those

¹ <https://www.hermosabeach.gov/home/showdocument?id=11049>

policies will continue to guide City decision-making in land use decisions and the development review process.

Funding: General Fund.

Timing: Throughout the planning period.

C. Quantified Objectives

Error! Reference source not found. describes the City's quantified objectives for new construction, rehabilitation and conservation during the planning period.

**Table II-1
Quantified Objectives 2021-2029**

	Income Category					Totals
	Extremely Low	Very Low	Low	Moderate	Above Moderate	
New construction	116	116	127	106	93	558
Rehabilitation	10					10
Conservation (1)	60					60

1. Mobile homes