

## MEMORANDUM

DATE: February 3, 2021  
TO: Members of the City Council and Planning Commission  
FROM: Ken Robertson, Community Development Director  
RE: Supplemental Information and Maps – Housing Element

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In response to inquiries from the City Council and Planning Commission, the following information is provided regarding the Housing Element discussion at the Study Session meeting tonight.

1. How many units were added in Hermosa Beach for this current RHNA cycle (to date)?

The current RHNA 2013-2021 cycle required 2 units.

In 2019, 29 units were produced, most of them replacement housing, plus 7 Accessory Dwelling Units (ADUs).

For 2020, the final number of unit count is underway, mostly replacement housing units, but will also include 26 new ADUs. Housing units permitted through end of 2020 will be in the Annual Progress Report that will be presented to the City Council in March.

2. Do we know of penalties for not building units to meet RHNA now, or in the future?

There are currently no penalties, but under SB 35 there is a requirement for streamlined processing of housing projects that meet strict criteria (e.g., affordability component, prevailing wage for construction workers) if the city does not achieve its RHNA allocation.

3. Can you provide a lot analysis of properties along PCH and along Aviation so we can take that into consideration for our discussion?

A citywide map outlines potential opportunity areas. We will discuss potential densities at the meeting.

4. Do you think we will be able to have a discussion about land value recapture as we think about rezoning areas for higher density housing?

Land value recapture is an affordability requirement that kicks in when properties are up-zoned for high-density residential, similar to an inclusionary policy. Many planning experts favor this policy. This will be touched on during meeting.

5. Can you clarify for me if an ADU/or JADU (Junior Accessory Dwelling Unit) qualifies as a unit under RHNA?

Yes they do. And unlike replacement housing units, ADU/JADU units are net added units. ADUs will be an important strategy to meet our housing goals.

6. Are ADUs individually assessed to determine if they qualify as low/very low/etc. units?

Yes - Potential future ADUs will be counted for RHNA credit as part of the inventory of sites housing capacity based on production and affordability assumptions as approved by HCD, and actual ADUs approved also count toward housing production statistics.

7. Do we have a preliminary idea yet of what are the City's potential infrastructure capacity shortcomings to accommodate the additional RHNA allocations? What is the status of planning for the necessary infrastructure analysis as part of our overall Housing Element development (for example, identification of scope in terms of infrastructure types or resources to be analyzed)?

The Housing Element is required to look at infrastructure capacity (mainly water and sewer) as a potential constraint, and if inadequate capacity is available to accommodate development equal to the RHNA, then cities must adopt a program describing how they will address the problem.

8. Could RHNA allocations drive mandatory infrastructure improvements to be made even before the allocations are actually met by construction? Or might the improvements be allowed occur as actual development unfolds, perhaps based on certain trigger thresholds?

Infrastructure improvements will occur with potential housing projects. Cities are not required to expand infrastructure on a speculative basis before development is proposed. Infrastructure improvements (and financing) can be phased with development.

The RHNA is an estimate of housing need, not a growth forecast, and the new RHNA is about 2x to 3x higher than SCAG's adopted RTP/SCS growth forecast for the 8-year RHNA period. Infrastructure plans are typically based on the growth forecast. For Hermosa Beach, SCAG's growth forecast is 110 units vs. the RHNA of 556 over the next 8 years. HB's growth forecast to 2045 is +400 households and +2800 employees. Those are the numbers I think Public Works would use for infrastructure planning purposes.

Attachment: Power Point Presentation Slides, including Opportunity Site Map