

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

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April 12, 2022

Mike Witzansky, City Manager
City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277

Dear Mike Witzansky:

RE: Redondo Beach's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Redondo Beach's (City) housing element adopted February 8, 2022 and received for review on February 11, 2022. Draft revisions were received on April 5, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. HCD considered comments from Assemblymember Al Muratsuchi; Senator Ben Allen; Grace Peng; Leo Pustilnikov; Dawn Esser; Roger Light; Lori Zaremski, Ph.D.; Lezlie Campeggi; Craig Wayne; Alisa Beeli; Paul Moses; Mariam Butler; Peter Aziz; Dan Elder; and Concerned Citizens of Redondo Beach (121 signers) pursuant to Government Code section 65585, subdivision (c).

HCD commends the inclusion of an executive summary in the housing element. By providing additional history and context regarding policy decisions, the executive summary assists the public in its review of the housing element. The adopted housing element with draft revisions addresses many statutory requirements described in HCD's January 5, 2022 findings letter; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code), as follows:

1. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code § 65583, subd. (a)(3).)*

When a city is relying on nonvacant sites to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings

based on substantial evidence that the use is likely to be discontinued during the planning period. (Gov. Code § 65583.2, subd. (g)(2).)

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning... (Gov. Code, § 65583, subd. (c)(1).)

South Bay Marketplace – South of Galleria: Analysis of this newly proposed residential overlay of sites describes the potential of development of the parking lot area by retaining ground level parking for shared use and developing housing above the parking. This strategy would not require the existing uses to discontinue. However, the element does not describe the level of interest either of the two owners of the parcels has in developing the parking lot with residential uses. The element states the City will engage the Waterfront and Economic Development Department to communicate with the property owners. The City should revise the element to describe the result of outreach to the property owners to demonstrate the likelihood of development within the planning period.

FedEx Area: Analysis of this new proposed residential overlay of sites describes the FedEx office recently closed and the other tenant's lease may not be extended. Although the owner is interested in having the property identified as an opportunity site in the housing element, the element should clarify the owner's interest in redeveloping to residential uses within the planning period or include other information to demonstrate the existing uses will not impede additional development in the planning period.

Programs: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element must be revised, as follows:

- *Program 15 (Monitoring the Effect of Article 27 of the City Charter (Measure DD))*: Given the extensive, conflicting, and ongoing comments received from the community regarding sites identified in the housing element, Program 15 should be amended to include specific actions with timing should the electorate reject the 2022 ballot measure. For example, the Program could include a commitment to identify an alternative selection of sites by a specific date and place a new measure on the ballot for a specific election.
2. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development*

of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)

Program 16 (Fee Schedule): was added to the element to address the governmental constraint of fees for a typical multifamily development exceeding fees for a typical single-family development by over \$10,000 per unit. The program insufficiently addresses the constraint by only committing to revisit the fee schedule in 2023, not to amend it. Given the City's primary strategy to accommodate its Regional Housing Needs Allocation (RHNA) is through multifamily development, Program 16 should be revised to specifically commit to reducing fees for multifamily development to a level at or below the level of fees changed for single family development by a specific date.

3. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

Program 17 (Redondo Beach Unified School District (RBUSD) Coordination): was added to the element and commits to ongoing coordination with RBUSD regarding the residential overlays and student populations. The Program should be revised to commit to a specific date for initial outreach and commit to annual as well as ongoing coordination. The Program should also include an anticipated outcome, e.g., create equitable enrollment opportunities for students from lower-income households into all RBUSD schools and mitigate any additional hardship on existing Title 1 schools.

Program 18 (Fair Housing Program): While the element includes Programs 18 (Fair Housing Program) with various actions, these actions must include specific commitments, milestones and metrics (numerical outcomes) to target significant and meaningful affirmatively furthering fair housing (AFFH) outcomes. Further, the actions should explicitly AFFH such as targeting geographic areas or neighborhoods, areas of higher need and areas throughout the community. Without these components, whether the element is targeting meaningful outcomes is unclear. Also, the programs must have significant actions to improve housing mobility (not limited within the City) and new housing opportunities throughout the City (not limited to the RHNA and identified sites). Finally, many other programs could be revised to AFFH such as Programs 1 (Emergency Repairs), 4 (Housing Choice Vouchers), 6 (Affordable Housing Development), 8 (Sites Inventory and Monitoring) and 12 (Accessory Dwelling Units (ADUs)). Examples of actions within Program 18 (organized according to action areas) to be revised, include, but are not limited to:

- *"Insufficient and Inaccessible Outreach and Enforcement"*: These actions generally lack metrics and should include geographic targeting.

- *“Segregation and Integration”*: These actions generally lack metrics and should modify geographic targeting. For example, proactive code enforcement should have a numerical target for the planning period. Also, actions to promote affordable housing should not be limited to identified sites and should target housing opportunities throughout the City to promote housing mobility and choices.
- *“Disproportionate Housing Needs, Including Displacement Risks”*: These actions generally include geographic targeting. However, efforts to assist small businesses could be targeted or prioritized. Also, most actions lack metrics or numerical outcomes. For example, efforts to support affordable housing creation through SROs should have a numerical target for the planning period and to the extent possible, prioritize efforts throughout the City.
- *“Mobility and Access to Opportunity”*: These actions generally lack numerical targets. In addition, the element should expand actions to promote housing mobility (relative to the region) and new affordable housing opportunities throughout the City (not limited to the RHNA and identified sites).

The element will meet the statutory requirements of State Housing Element Law once it has been revised and re-adopted to comply with the above requirements.

Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. While the City has already provided an electronic sites inventory, as part of any re-adoption, the City must submit an updated electronic inventory pursuant to statutory requirements.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Additionally, HCD strongly recommends Redondo Beach adopt its summary response to public comments as a component of the housing element.

HCD acknowledges that although the City Council adopted a Preferred Land Use Plan in May 2021, the City is still in the process of updating its general plan, including the land use element. This update requires approval by the electorate. The City anticipates placing the issue on the ballot in November 2022 with multiple implementing program actions to be completed subsequent to voter approval. The housing element has been written to be consistent with the Preferred Land Use Plan.

Regarding Program 13 (Amendments to the Zoning Ordinance), HCD reminds the City that although the Zoning Ordinance may not be updated, and regardless of housing

element compliance status, the City has an obligation to apply current state law as opposed to an outdated zoning code, examples include:

- Density Bonus,
- Transitional and Supportive Housing,
- Emergency Shelters and Low Barrier Navigation Centers,
- Affordable Housing Streamlined Approval (SB 35),
- Employee Housing,
- Reasonable Accommodation,
- Definition of Family, and
- Unlicensed Group Homes.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City failed to adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), Program 8 (Residential Sites Inventory and Monitoring of No Net Loss) to rezone sufficient sites to accommodate a minimum of 1,234 units to accommodate the RHNA for lower-income households must be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

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.

HCD appreciates the housing element team's assistance and dedication during the housing element review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Robin Huntley, of our staff, at Robin.Huntley@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager