



# MEMORANDUM

Agenda Item #: 14  
Meeting Date: 1/28/14

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**THRU:** ANTON DAHLERBRUCH, CITY MANAGER *AD*

**FROM:** ALLAN RIGG, PLANNING AND PUBLIC WORKS DIRECTOR *AR*

**SUBJECT:** RESOLUTION R14-02 ADOPTING THE 2013-2021 HOUSING ELEMENT AND APPROVING A NEGATIVE DECLARATION PURSUANT TO CEQA

**DATE:** JANUARY 28, 2014

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## Background

State law requires every city in California to update its Housing Element for the “5<sup>th</sup> Cycle” planning period. For jurisdictions within the Southern California Association of Governments (SCAG) region, the 5<sup>th</sup> planning period runs from October 2013 through October 2021.

The Housing Element is a mandated component of each city’s General Plan. The law governing Housing Elements is far more detailed than for other elements of the General Plan, and is also unusual in that cities are required to submit Housing Elements to the California Department of Housing and Community Development (HCD) for review in draft form prior to adoption as well as after adoption. The legislature has granted HCD the authority to promulgate detailed guidelines for the preparation of Housing Elements, and also to issue opinions regarding whether local Housing Elements substantially comply with the requirements of state law. A finding of substantial compliance is often referred to as “certification” of the Housing Element.

The Housing Element must include an analysis of housing needs, available resources, governmental and non-governmental constraints, and City policies and programs related to the maintenance, improvement and development of housing for all segments of the community. Two components of the Housing Element normally receive the most attention: 1) the Regional Housing Needs Assessment (RHNA); and 2) City zoning regulations regarding housing for persons with special needs.

## **RHNA**

Chapter III of the Draft Housing Element includes a summary of potential sites for residential development and demonstrates that there are adequate sites with appropriate zoning that could accommodate the level of development identified in the RHNA. However, HCD has indicated that small parcel sizes can pose a constraint to redevelopment of these properties. In order to address this concern and encourage redevelopment of smaller parcels, Chapter V of the Draft Housing Element includes Program 3 (p. V-2) to create an incentive for consolidation of small lots by allowing a 5% density increase for projects that combine smaller parcels into a building site of at least one acre.

## **Special Needs Housing**

An important component of the Housing Element is demonstrating that the City's zoning regulations do not pose unreasonable constraints on housing for persons with disabilities or other special needs. These types of housing include group homes, community care facilities, emergency shelters, transitional housing and supportive housing. State law also requires cities to establish procedures to allow "reasonable accommodation" for persons with disabilities in the administration of planning and building regulations. State and federal statutes and case law regarding these types of housing are very complex and continue to evolve, therefore the following discussion is only intended to provide an overview of how HCD reviews this issue in the context of Housing Elements.

Chapter IV of the Draft Housing Element (beginning on p. IV-3) includes a discussion of these state requirements regarding special needs, and Chapter V includes Program 11 (p. V-5) to revise the Municipal Code in conformance with these requirements. Code amendments will require subsequent public notice and review at public hearings of the Planning Commission and City Council.

## **HCD Review**

State law requires that draft Housing Element amendments be submitted to the California Department of Housing and Community Development (HCD) for review at least 60 days prior to adoption. The proposed Housing Element amendment was submitted to HCD on November 21, 2013. In December City staff had informal discussions with HCD staff regarding the Housing Element and in response to HCD's questions several revisions were made to the element, as summarized in an attachment to this report. HCD's formal review letter was received on January 17, 2014 and indicates that the Housing Element meets the statutory requirements of law, meaning it is approved pending some elements identified in the Housing Element.

### **Planning Commission Review**

The Planning Commission reviewed the draft Housing Element along with the City Council at a joint study session on November 19, 2013. On January 21, 2014, the Palos Verdes Estates Planning Commission held a duly noticed public hearing to consider the Housing Element Amendment, the Initial Study/Negative Declaration, the staff report, public testimony, and other information in the record, and adopted a resolution recommending that the City Council adopt the Housing Element Amendment. Please note that there was no public testimony.

The Planning Commission will need to review and approve several Code modifications as mentioned in the Special Needs Housing section of this report. There is no deadline for these modifications, but the City is at risk for challenges to the Housing Element by third-party groups until these modifications are made.

### **Notification**

Public notice for this public hearing was provided by publishing a notice in the Peninsula News on December 26, 2013 and by posting the agenda in the typical locations per City policy. The 2013 Draft Housing Element was also posted on the City's website on December 23, 2013.

### **CEQA Review**

An Initial Study/Negative Declaration ("IS/ND") was posted on December 26, 2013 for the Housing Element update (Attachment D). The IS/ND concludes that adoption of the Housing Element would not have a significant effect on the environment. The 30-day public review period for the IS/ND will close on January 27<sup>th</sup>. At the time this report was prepared no comments had been received.

### **Fiscal Analysis**

Each update of the City's Housing Element costs at least \$30,000 for an outside consultant plus approximately \$10,000 in staff time. If the Housing Element is certified by the City Council prior to February 12, 2014, the next update will be in eight years instead of four years.

### **Alternatives Available to the City Council**

1. Receive the staff presentation, open the public hearing, receive public input, close the public hearing, and adopt Resolution R14-02 adopting the 2013-2021 Housing Element of the General Plan and approving a negative declaration pursuant to CEQA.
2. Receive the staff presentation, open the public hearing, close the public hearing, receive public input, and adopt Resolution R14-02 adopting the 2013-2021 Housing Element of

the General Plan and approving a negative declaration pursuant to CEQA, with modifications.

3. Receive the staff presentation, open the public hearing, receive public input, close the public hearing, and direct staff to return with modifications to the 2013-2021 Housing Element of the General Plan.

### **Staff Recommendation**

Staff recommends the City Council receive the staff presentation, open the public hearing, receive public input, close the public hearing, and adopt Resolution R14-02 adopting the 2013-2021 Housing Element of the General Plan and approving a negative declaration pursuant to CEQA.

### **Attachments**

- A. Resolution R14-02, Including Exhibit A the 2013-2021 Housing Element Amendment Published January 2014
- B. Letter dated January 17, 2014 from HCD
- C. Staff Report to Planning Commission
- D. Summary of proposed Housing Element revisions in response to HCD questions
- E. Initial Study/Negative Declaration
- F. Status of Housing Element Compliance for Cities in Los Angeles County