

**RESOLUTION R10-17**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PALOS VERDES ESTATES APPROVING A NEGATIVE DECLARATION AND  
ADOPTING A GENERAL PLAN HOUSING ELEMENT UPDATE**

WHEREAS, state law (Article 10.6 of the Government Code) requires that the various elements of the General Plan be periodically reviewed and updated;

WHEREAS, the City's Planning Department staff, with the assistance of a consultant, has prepared an updated Housing Element for the City's General Plan, a copy of which is attached hereto as Exhibit A;

WHEREAS, in October 2008, the City initiated an update of the General Plan Housing Element pursuant to Government Code Section 65588(a).

WHEREAS, upon City Council approval on November 11, 2008, the draft Update was forwarded to the California Department of Housing and Community Development ("HCD"), pursuant to Government Code Section 65585(b). HCD reviewed and commented on the draft Update in a letter from its Deputy Director, dated January 16, 2009.

WHEREAS, on July 20, 2010, the Planning Commission held a duly noticed public hearing, heard all oral and written testimony and considered all relevant evidence and argument regarding the subject application, and recommended to the City Council adoption of a Negative Declaration regarding the revised Housing Element Update, a copy of which is attached hereto as Exhibit B, and also considered and recommended for adoption the updated Housing Element to the City Council.

WHEREAS, on September 14, 2010, the City Council conducted a duly noticed public hearing and heard all oral and written testimony and considered all relevant evidence and argument regarding the Negative Declaration and the General Plan Housing Element Update.

WHEREAS, proposed revisions in response to HCD's comments provide more information and/or clarification on topics that were previously introduced, are not substantial, and, pursuant Section 15162 of the state CEQA Guidelines, do not require subsequent environmental review.

WHEREAS, the Housing Element is consistent with the requirements of state law, consistent with the other elements of the General Plan, consistent with the certified Local Coastal Program, and appropriate for the City in the attainment of its housing goals.

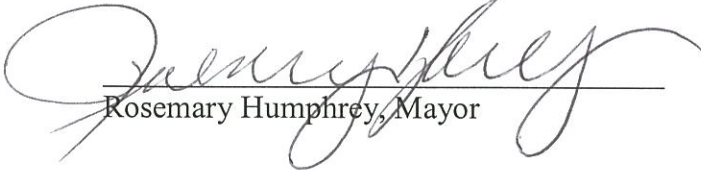
**NOW THEREFORE**, the City Council of the City of Palos Verdes Estates hereby resolves as follows:

SECTION 1. The City Council, exercising its independent judgment, hereby adopts the Negative Declaration prepared in connection with the Housing Element, dated November 26, 2008, attached hereto as Exhibit B. Based on the analysis contained in the staff report, the City

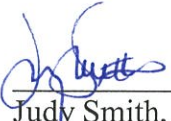
Council further finds that the revisions, as requested by HCD, are not substantial and do not require subsequent environmental review pursuant to Section of 15162 of the state CEQA Guidelines.

SECTION 2. The City Council hereby adopts the Housing Element attached hereto as Exhibit A as the Housing Element of the City of Palos Verdes Estates and directs staff to submit the Housing Element Update of the City's General Plan and the Negative Declaration to the Department of Housing and Community Development for further review.

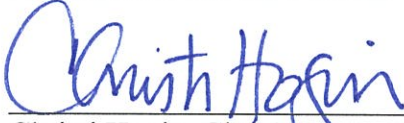
PASSED, APPROVED AND ADOPTED on this 14th day of September, 2010.

  
\_\_\_\_\_  
Rosemary Humphrey, Mayor

ATTEST:

  
\_\_\_\_\_  
Judy Smith, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Christi Hogin, City Attorney

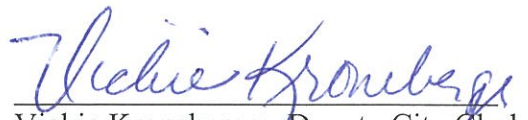
STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) SS:  
CITY OF PALOS VERDES ESTATES )

I, Vickie Kroneberger, Deputy City Clerk for the City of Palos Verdes Estates, California, do hereby certify that the foregoing Resolution **R10-17** was duly and regularly approved and adopted by the City Council of the City of Palos Verdes Estates at its regular meeting of the City Council on the 14th day of September, 2010, by the following vote:

AYES: COUNCILMEMBERS: Humphrey, Rea, Perkins, Bird and Goodhart

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

  
Vickie Kroneberger, Deputy City Clerk

R10-17  
EXHIBIT A

**HOUSING ELEMENT**  
**FOR THE**  
**CITY OF PALOS VERDES ESTATES**  
**GENERAL PLAN**  
**JUNE 2010**

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## INTRODUCTION

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The housing element is one of seven state mandated elements that must be included in a local general plan. When adopting requirements regarding the content of Housing Elements, it was the stated intent of the California State Legislature as expressed in Section 65581 of the Government Code:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

The state housing goal, as declared in Section 65580 (a) of the California Government Code is that:

...the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.

Thus, the purpose of a local housing element is to assure that state housing goals are achieved at the local level. At the same time, local conditions are to be considered and local autonomy is to be preserved. By State law a housing element must be periodically updated. This housing element is intended to address housing needs through 2014.

A housing element must contain an assessment of existing housing needs, an inventory of resources and constraints which would affect meeting those needs, and a statement of community goals, policies, and quantified objectives designed to help maintain, preserve, improve, and develop housing. The needs analysis must address special needs groups such as the elderly, handicapped, and large families.

The Housing Element review was noticed in the local newspaper and posted at City Hall prior to review with the Planning Commission and the City Council. The Commission and Council invited comments and the noticing included information regarding the ways in which the public may comment. Additionally, the element was made available for public review on September 26, 2008 and May 27, 2010. Public hearings were held on October 21, 2008, November 11, 2008, June 15, 2010, July 20, 2010, and September 14, 2010. The hearings were recorded and aired on cable television.

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## CITY PROFILE

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### BACKGROUND

The City of Palos Verdes Estates is located in the southwest portion of Los Angeles County on the Palos Verdes Peninsula. The peninsula is characterized by rugged terrain comprised of steep hillsides and canyons. Elevations within the City range from sea level to 1,134 feet above mean sea level. The topography of the area offers unique opportunities for scenic views of the ocean and coastal areas to the north and south. Shoreline bluff areas of the City are maintained in open space for public use.

In 1913, plans were made to develop 16,000 acres of the Palos Verdes Peninsula as a planned community known as the Palos Verdes Project. Development of the area in strict conformance with the project master plan was ensured through imposition of strict restrictions for each parcel of land. The first homes in the Palos Verdes Estates project were completed in 1924 in the area that was to become Palos Verdes Estates. The Palos Verdes Homes Association was established for the purpose of maintaining common areas and administering the master plan and protective restrictions. The City of Palos Verdes Estates was incorporated on December 20, 1939, and encompasses only a portion of the area subject to the authority of the Palos Verdes Homes Association..

The City grew slowly in the early years, but experienced rapid growth in the 1950's and 1960's. Growth slowed in the 1970's and population actually declined in the 1980's and 1990's as shown in Table 1. However, the California Department of finance estimates that population increased to 14,046 between 2000 and 2008, largely due to an increase in household size. This is still less than the City's population in 1980.

**TABLE 1**  
**POPULATION GROWTH**

	<b>Population</b>	<b>Change</b>	<b>Percent Change</b>
1940	987	---	---
1950	1963	976	98.89%
1960	9564	7,601	387.21%
1970	13641	4,077	42.63%
1980	14376	735	5.39%
1990	13512	-864	-6.01%
2000	13340	-172	-1.27%

Source: Federal Census

The City is now nearly built out, with fewer than seventy vacant residential lots existing in the City. As described in Section 4, topography and other factors constrain development of many of these lots.

## POPULATION

This section describes characteristics of the population residing in the City of Palos Verdes Estates on a full-time basis. It does not address characteristics of daytime, weekend, or seasonal occupants of the City.

The City has been divided into three habitable census tracts shown in Figure 1. Two additional tracts not illustrated, Tracts 6704.11 and 6704.12, contain only negligible portions of the City with no housing units. All dwelling units are located in the remaining three tracts as follows:

**TABLE 2  
CENSUS TRACTS**

<b>Tract</b>	<b>Area</b>	<b>Location</b>
6703.01	Northerly area: Golf Course, Valmonte, Malaga Cove	North of Via Monte Mar, Via del Monte, Granvia Altamira, and Via Sonoma
6703.21	Central area: Montemalaga, Margate	South of Tract 6203.01, north of Via Coronel
6703.22	Southerly area: Lunada Bay, Vista Grande	South of Via Coronel to City boundary

The City is located in what has been identified as the Palos Verdes Division for census analysis purposes. The Palos Verdes Division encompasses the cities of Avalon, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills, Rolling Hills Estates, a portion of Lomita, a small unincorporated area, and a small nonresidential portion of Torrance.

The decrease in population growth experienced in the 1980s and 1990s is attributable to two factors:

- Reduction in construction of new residential units as available land is built out; and
- Reduction in household size

The latter has significantly affected population growth in Palos Verdes Estates. Although the number of dwelling units increased 30.9 percent between 1970 and 2000, the decrease in household size over that period resulted in a net decrease in population.

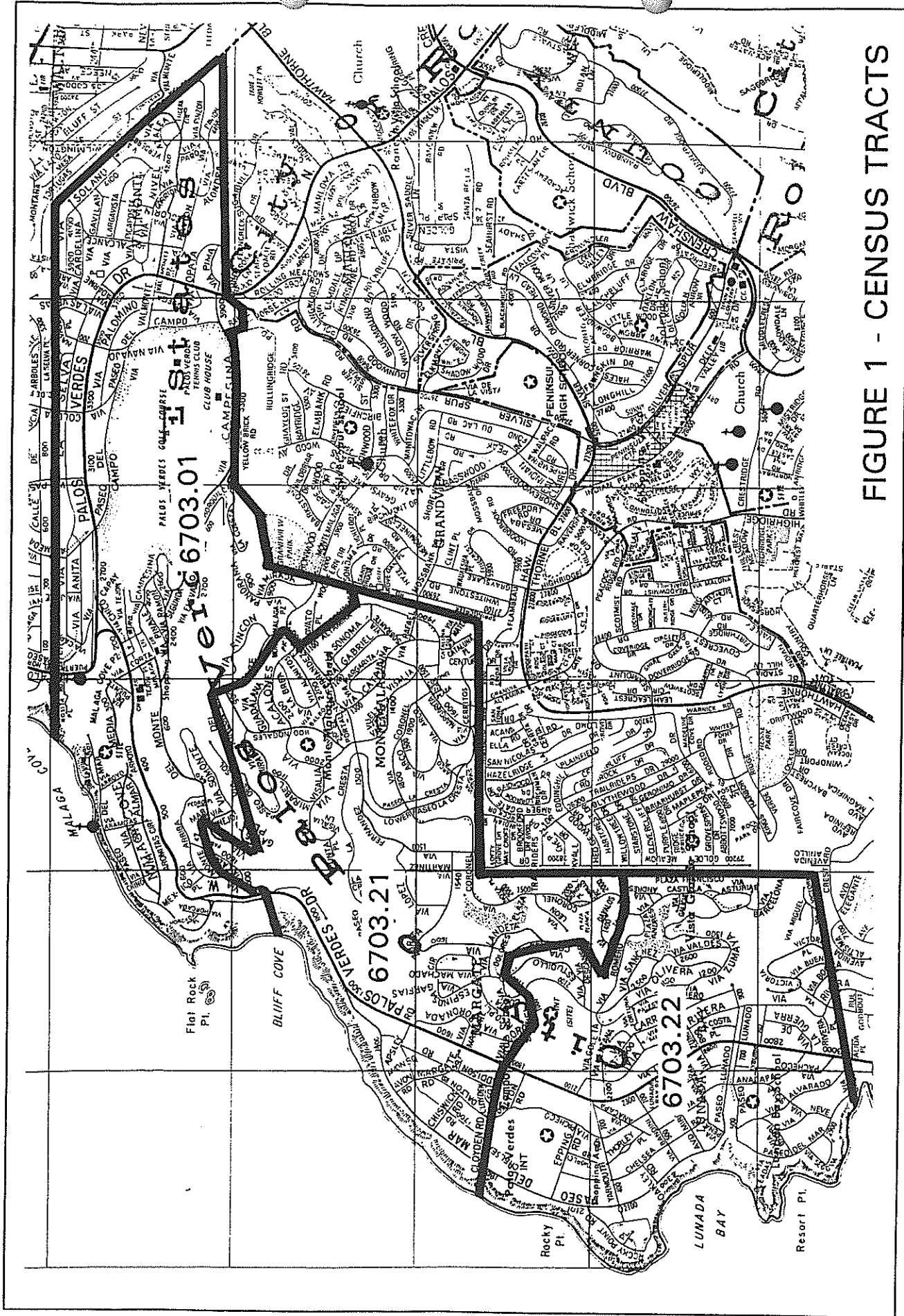


FIGURE 1 - CENSUS TRACTS

## Age

Over the years, the number and proportion of school age children in the City of Palos Verdes Estates has declined significantly, from 30.44 percent of the population in 1970 to only 17.71 percent of the population in 2000. There has been a slight increase in the number of pre-school and school age children since 1990, however, indicating the possible reversal of this trend.

TABLE 3  
AGE PROFILE - 1970 TO 2000

Age	1970		1980		1990		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
0-4	917	6.72%	696	4.84%	602	4.46%	726	5.44%
5-17	4153	30.44%	3394	23.61%	2249	16.64%	2362	17.71%
18-24	893	6.55%	1040	7.23%	906	6.71%	536	4.02%
25-54	5904	43.28%	6208	43.18%	5748	42.54%	5100	38.23%
55-64	1129	8.28%	1994	13.87%	2068	15.30%	1935	14.51%
65+	645	4.73%	1044	7.26%	1939	14.35%	2681	20.10%
Total	13641		14376		13512		13340	

Source: Federal Census

The number and proportion of individuals over 55 has continued to increase, from 12.01 percent of the population in 1970 to 34.61 percent of the population in 2000. This is consistent with an "empty nest" phenomena, whereby a family ages, with children growing up and leaving home while retirement age parents continue to reside in the family home. The significant decrease in household size would be consistent with this scenario.

## Ethnicity

The population of Palos Verdes Estates is predominantly non-minority white. This is typical of cities on the Palos Verdes Peninsula. The largest non-white minority in the subregion consists of persons of Asian descent. Torrance, which is adjacent to Palos Verdes Estates on the north and extends further inland, has a larger proportion of Latinos/Hispanics, though still predominantly non-minority white. As a greater contrast, the population of Los Angeles County as a whole is nearly half nonwhite, and is approximately two fifths Latino/Hispanic.

**TABLE 4  
RACE BY CITY-2000**

Race/Ethnicity		Palos Verdes Estates	Rancho Palos Verdes	Rolling Hills	Rolling Hills Estates	Torrance	Palos Verdes Subdivision	Los Angeles County
White alone	#	10357	27702	1480	5660	80997	62451	4622759
	%	77.64%	67.07%	79.10%	73.80%	58.72%	69.56%	48.56%
Black/African American	#	155	878	36	98	2710	2084	916907
	%	1.16%	2.13%	1.92%	1.28%	1.96%	2.32%	9.63%
American Indian & Alaska Native	#	34	66	0	33	504	249	68471
	%	0.25%	0.16%	0.00%	0.43%	0.37%	0.28%	0.72%
Asian	#	2317	10372	268	1556	39445	17072	1134263
	%	17.37%	25.11%	14.32%	20.29%	28.60%	19.01%	11.92%
Native Hawaiian & Other Pacific Islander	#	0	38	14	0	269	197	27221
	%	0.00%	0.09%	0.75%	0.00%	0.20%	0.22%	0.29%
Other race	#	111	426	45	47	6545	3734	2262925
	%	0.83%	1.03%	2.41%	0.61%	4.75%	4.16%	23.77%
Two or more races	#	366	1819	28	275	7463	3999	486792
	%	2.74%	4.40%	1.50%	3.59%	5.41%	4.45%	5.11%
Hispanic/Latino all races	#	385	2314	84	432	17761	10170	4243487
	%	2.89%	5.60%	4.49%	5.63%	12.88%	11.33%	44.58%
<b>Total population: Total</b>		<b>13340</b>	<b>41301</b>	<b>1871</b>	<b>7669</b>	<b>137933</b>	<b>89786</b>	<b>9519338</b>

Note: Persons of Hispanic origin are counted by both race and Hispanic origin inasmuch as ethnic Hispanics may be of various races. Therefore, adding Hispanics to the total of the various races would result in totals greater than 100 % due to double counting.

Source: 2000 Federal Census

## HOUSEHOLD CHARACTERISTICS

A household consists of the full-time occupants of a housing unit. A household may consist of one individual, a family or a number of unrelated individuals. Family households consist of two or more individuals related by blood, marriage, or adoption, and do not include one person households or households comprised of unrelated individuals.

## Household Size and Type

In 2000, the median household size in Palos Verdes Estates was 2.67 persons per household, a decrease from 2.73 persons per household in 1990. Further, household size in 1990 was 28 percent lower than that in 1970 (Table 5). This was a continuing trend through the 1970s and 1980s with a 14 percent drop in household size in the 1970s and a 9 percent drop in the 1980s.

**TABLE 5  
HOUSEHOLD SIZE**

	1970	1980	1990	2000
Population	13641	14376	13512	13340
Dwelling Units	3975	4876	5131	5202
Persons per Unit	3.43	2.95	2.63	2.56
Households	3912	4776	4946	4989
Persons per Household	3.49	3.01	2.73	2.67

Source: Federal Census data

Household size is slightly smaller in the northerly portion of the city:

**TABLE 6  
HOUSEHOLD SIZE BY CENSUS TRACT - 1990**

	6703.01	6703.21	6703.22	City
Household Size	2.49	2.75	2.84	2.67

Source: 2000 Federal Census Data

Household size for Palos Verdes Estates is typical of that for the area in general, although household size in Los Angeles County as a whole is somewhat larger than that for the Palos Verdes Peninsula.

**TABLE 7  
HOUSEHOLD SIZE FOR THE REGION**

Geography	Population	Households	Persons per Household
Palos Verdes Estates	13,340	4,989	2.67
Rancho Palos Verdes	41,301	15,353	2.69
Rolling Hills	1,871	639	2.93
Rolling Hills Estates	7,669	2,767	2.77
Torrance	137,933	54,540	2.53
Palos Verdes Division	89,786	33,869	2.65
Los Angeles County	9,519,338	3,136,279	3.04

Source: 2000 Federal Census

Households comprised of families, i.e. two or more individuals related by blood, marriage, or adoption predominate citywide, although the proportion of family households is somewhat higher in the southerly area of the City. The proportion of family households changed only slightly in the 1990s, experiencing a 3.4 percent drop. However, the percentage of households comprised of families with children dropped significantly in the 1980s, from nearly half of all households to less than one third. This is consistent with an aging population of "empty nesters".

**TABLE 8  
HOUSEHOLD TYPE**

Census Tract	Percent Family	Percent with children <18	Percent non-family
6703.01	76.63%	29.00%	23.37%
6703.21	85.47%	34.17%	14.53%
6703.22	87.02%	35.21%	12.98%
<b>City Total, 2000</b>	<b>82.42%</b>	<b>32.43%</b>	<b>17.58%</b>
City Total 1990	84.80%	30.32%	15.12%
City Total, 1980	88.21%	45.56%	11.79%

Source: Federal Census

### Housing Tenancy

In 2000, only 9.53 percent of all households were renter households. This is similar to other cities established as part of the master planned Palos Verdes Project, but is significantly lower than other nearby areas and Los Angeles County as a whole.

**TABLE 9  
TENANCY BY CITY**

	Owner occupied		Renter occupied		Total Occupied Units
	Units	Percent	Units	Percent	
<b>Palos Verdes Estates</b>	4517	90.47%	476	9.53%	4993
<b>Rancho Palos Verdes</b>	12469	81.86%	2764	18.14%	15233
<b>Rolling Hills</b>	607	94.11%	38	5.89%	645
<b>Rolling Hills Estates</b>	2548	91.42%	239	8.58%	2787
<b>Torrance</b>	30528	55.98%	24006	44.02%	54534
<b>Palos Verdes Division</b>	24885	73.47%	8984	26.53%	33869
<b>L.A. County</b>	1499694	47.86%	1634080	52.14%	3133774

Source: 2000 Federal Census

## Income

As shown in Table 10, households on the Palos Verdes Peninsula are significantly more affluent than those in Los Angeles County as a whole. Poverty on the Peninsula is minimal, compared to County rates. At the time of the Census, sixteen households reported receiving public assistance, and fifty five households reported receiving Supplemental Security Income.

**TABLE 10**  
**INCOME**

	Median Household Income	Persons in Poverty	% of pop
<b>Palos Verdes Estates</b>	\$123,534	287	2.16
<b>Rancho Palos Verdes</b>	\$95,503	1188	2.9
<b>Rolling Hills</b>	>\$200,000	24	1.28
<b>Rolling Hills Estates</b>	\$109,010	128	1.67
<b>Torrance</b>	\$56,489	8815	6.44
<b>Palos Verdes Division</b>	\$81,902	4286	4.8
<b>L.A. County</b>	\$42,189	1674599	17.91

SOURCE: 2000 FEDERAL CENSUS

Income did not vary significantly amongst census tracts within the City, with median household incomes of \$115,427 in Tract 6703.01, \$131,456 in Tract 6703.21, and \$128,365 in Tract 6703.22.

At the time of the Census, 287 persons in Palos Verdes Estates were determined to be living below the poverty level. Of these, eighty were individuals under the age of 18, representing 2.6 percent of all children; 31 individuals were 65 years of age or older, representing 1.1 percent of all seniors over the age of 65 in the City.

Poverty level is determined by the Bureau of the Census based on national averages and costs for certain necessities of life. Poverty level was defined as less than \$17,029 for a four person household at the time of the 2000 Census. This dollar figure does not reflect any nonmonetary assistance such as food stamps or rental vouchers.

Regional variations are not considered when determining poverty level. Therefore, the number of households in the City which were experiencing conditions of poverty at the time of the 2000 Federal Census may actually have been somewhat higher, although assistance through various programs may have alleviated this to some unknown amount.

The U.S. Bureau of the Census has established poverty thresholds as follows:

**TABLE 11  
POVERTY LEVEL-1999**

Household Size	Weighted Average Threshold	Number of Children under 18 years of age								
		None	One	Two	Three	Four	Five	Six	Seven	Eight or more
1 person	\$8,501									
Under 65	\$8,667									
65 and over	\$7,990									
2 people	\$10,869									
Under 65	\$11,214	\$11,156	\$11,483							
65 and over	\$10,075	\$10,070	\$11,440							
3 people	\$13,290	\$13,032	\$13,410	\$13,423						
4 people	\$17,029	\$17,184	\$17,465	\$16,895	\$16,954					
5 people	\$20,127	\$20,723	\$21,024	\$20,380	\$19,882	\$19,578				
6 people	\$22,727	\$23,835	\$23,930	\$23,436	\$22,964	\$22,261	\$21,845			
7 people	\$25,912	\$27,425	\$27,596	\$27,006	\$26,595	\$25,828	\$24,934	\$23,953		
8 people	\$28,967	\$30,673	\$30,944	\$30,387	\$29,899	\$29,206	\$28,327	\$27,412	\$27,180	
9+ people	\$34,417	\$36,897	\$37,076	\$36,583	\$36,169	\$35,489	\$34,554	\$33,708	\$33,499	\$32,208

The State of California has defined various income groups, based on the percent of median income earned per household. Extremely low income households make less than thirty percent of the median income. Very low income households make less than fifty percent of the median income. Low income households make fifty to eighty percent of the median income. Low, very low, and extremely low income groups are known as lower income groups. Moderate income households make up to 120 percent of the median income.

The United States Department of Housing and Urban Development has developed income ceilings for low and very low income household based on household size.

**TABLE 12**  
**HUD ADOPTED FISCAL YEAR 2008 INCOME LIMITS**  
**LOS ANGELES—LONG BEACH PMSA**

<b>FY 2008 Income Limit Category</b>	<b>Extremely Low Income</b>	<b>Low Income</b>	<b>Median Income</b>
<b>1 Person</b>	\$15,950	\$26,550	\$42,450
<b>2 Person</b>	\$18,200	\$30,300	\$48,500
<b>3 Person</b>	\$20,500	\$34,100	\$54,600
<b>4 Person</b>	\$22,750	\$37,900	\$60,650
<b>5 Person</b>	\$24,550	\$40,950	\$65,500
<b>6 Person</b>	\$26,400	\$43,950	\$70,350
<b>7 Person</b>	\$28,200	\$47,000	\$75,200
<b>8 Person</b>	\$30,050	\$50,050	\$80,050

<sup>1</sup>Based on \$58,900 adopted median family income, Fiscal Year 2008

Source: HUD

## HOUSING CHARACTERISTICS

### Housing Type

The vast majority of housing in Palos Verdes Estates and the surrounding area consists of single family detached homes. This contrasts greatly with Los Angeles County as a whole, where only about half of all housing consists of single family detached units.

**TABLE 13**  
**HOUSING TYPE**

	<b>Single Family Detached</b>	<b>Single Family Attached</b>	<b>2 to 4 units in structure</b>	<b>5 to 19 units in structure</b>	<b>20 or more units in structure</b>	<b>Mobile home</b>
<b>Palos Verdes Estates</b>	4,780	40	44	261	77	0
<b>Rancho Palos Verdes</b>	12,095	1,284	244	510	1,536	0
<b>Rolling Hills</b>	675	7	0	0	0	0
<b>Rolling Hills Estates</b>	2,259	564	41	7	0	4
<b>Torrance</b>	30,129	3,693	3,241	5,154	12,564	1,177
<b>Palos Verdes Division</b>	24,824	3,301	1,471	2,056	3,463	461
<b>L.A. County</b>	1,593,516	241,571	287,524	532,441	559,236	53,475

SOURCE: 2000 FEDERAL CENSUS

With the exception of two areas adjacent to the Malaga Cove and Lunada Bay commercial areas, single family homes prevail over most of the City. Although some multiple family housing is provided in two to four-plexes, most multi-family housing is in complexes of five or more units.

## HOUSING SIZE

Homes range from fairly small to quite large, with the majority of homes having three to four bedrooms.

**TABLE 14**  
**HOUSING SIZE**

	Census Tract 6703.01	Census Tract 6703.21	Census Tract 6703.22	City Total
<b>No bedroom</b>	0	0	0	0
<b>1 bedroom</b>	77	0	24	101
<b>2 bedrooms</b>	442	80	186	708
<b>3 bedrooms</b>	814	435	579	1828
<b>4 bedrooms</b>	614	526	663	1803
<b>5 or more bedrooms</b>	152	370	240	762

SOURCE: 2000 FEDERAL CENSUS

## HOUSING CONDITION

Housing in the City of Palos Verdes Estates is generally in quite good condition. A windshield survey revealed few units in obvious need of repair. One measure of substandard housing is lack of complete plumbing or kitchen facilities. The 2000 census indicated that 14 units in the city lacked complete plumbing facilities, while eight units lacked kitchen facilities. Nine homes did not have any source of heat and twenty two homes were heated only by wood fuel.

Over the years a number of guest cottages have been constructed in the City. Some of these may have been constructed without benefit of permit. When such occurs, conformance to accepted building standards cannot be guaranteed.

## HOUSING VACANCY

At the time of the 2000 Federal Census, the City of Palos Verdes Estates had 209 vacant dwelling units, comprising 4.02 percent of the total dwelling units within the city. This is very close to the estimate of 3.99 percent vacancy rate utilized by the California Department of Finance in its population estimate for 2008.

A vacancy rate of two percent is considered adequate to accommodate normal turnover for ownership housing, while a vacancy rate of five percent is considered necessary to accommodate rental turnover. The ownership and rental vacancy rates in the City are 1.02 and 6.1 percent, respectively. Thus, while ownership vacancy is extremely low, rental vacancies are more than adequate to accommodate demand for turnover.

Vacant units include those available for sale or rent, units held for weekend and seasonal use, and units which have been built but not yet occupied.

**TABLE 15**

## HOUSING VACANCY BY CENSUS TRACT

Census Tract	For rent	For sale	Rented or sold, not occupied	Seasonal, recreational, occasional use	Other	Total	
	Units	Units	Units	Units	Units	Units	%
6703.01	25	23	12	17	11	88	4.19%
6703.21	0	0	0	62	0	62	4.39%
6703.22	4	23	12	20	0	59	3.49%
<b>City Total</b>	29	46	24	99	11	209	4.02%

Source: 2000 U.S. Census

## HOUSING COST AND AFFORDABILITY

Housing costs and values are much higher in the Peninsula area than costs in Los Angeles County as a whole. AT the time of the 2000 Federal Census, the median value of owner occupied housing in the City was \$795,600. This is more than triple the median value for owner occupied housing countywide.

**TABLE 16  
VALUE OF OWNER OCCUPIED HOUSING BY CITY**

	Lower value quartile	Median value	Upper value quartile
Palos Verdes Estates	\$600,600	\$795,600	>\$1,000,001
Rancho Palos Verdes	\$427,500	\$560,500	\$704,900
Rolling Hills	>\$1,000,001	>\$1,000,001	>\$1,000,001
Rolling Hills Estates	\$469,100	\$637,800	\$834,300
Torrance	\$247,100	\$320,700	\$406,200
<b>Palos Verdes Division</b>	<b>\$400,400</b>	<b>\$574,000</b>	<b>\$768,500</b>
<b>L.A. County</b>	<b>\$155,400</b>	<b>\$209,300</b>	<b>\$328,400</b>

Source: 2000 Federal Census

Housing value does not vary significantly from census tract to census tract within the city, though Census Tract 6703.01, in the northerly area of the city reported slightly lower home values.

**TABLE 17**  
**VALUE OF OWNER OCCUPIED HOUSING BY CENSUS TRACT**

	Lower value quartile	Median value	Upper value quartile
<b>Census Tract 6703.01</b>	\$563,700	\$744,100	\$990,100
<b>Census Tract 6703.21</b>	\$652,200	\$896,600	>\$1,000,001
<b>Census Tract 6703.22</b>	\$612,000	\$762,600	>\$1,000,001
<b>Palos Verdes Estates</b>	\$600,600	\$795,600	>\$1,000,001

Source: 2000 Federal Census

Housing values in Zip Code Area 90274, which contains the City of Palos Verdes Estates as well as Rolling Hills and Rolling Hills Estates, are reflective of home values in the city of Palos Verdes Estates, recording a median of \$800,000 for all homes sold in the 90274 area in 2000 as compared to a median of \$795,600 recorded by the Census. Selling prices rose significantly between the years 2002 and 2005, but have since dropped slightly. This is reflective of regional trends. Even as home sales prices began to stabilize or drop, price per square foot continued to increase, reflecting sales of slightly smaller homes locally, though price per square foot remained well above the countywide rate.

**TABLE 18**  
**HOUSING SALES PRICE 2000-2007**

Year	Palos Verdes Peninsula			Los Angeles County		
	Median Home Price	Median Condo Price	Price/ Sq.ft.	Median Home Price	Median Condo Price	Price/ Sq.ft.
2000	\$800,000	\$235,000	\$323	\$205,000	\$154,000	\$153
2001	\$796,000	\$212,000	\$345	\$232,000	\$169,000	\$169
2002	\$865,000	\$262,000	\$360	\$274,000	\$203,000	\$196
2003	\$1,050,000	\$237,000	\$433	\$330,000	\$251,000	\$234
2004	\$1,210,000	\$375,000	\$488	\$412,000	\$325,000	\$297
2005	\$1,495,000	\$443,000	\$590	\$495,000	\$385,000	\$358
2006	\$1,480,000	\$422,000	\$611	\$541,000	\$412,000	\$397
2007	\$1,450,000	\$455,000	\$623	\$560,000	\$430,000	\$385

Source: Dataquick Information Systems

Currently advertised asking prices for home in Palos Verdes Estates range from \$599,000 for a two bedroom attached unit to \$12,990,000 for a seven bedroom 18,000 square foot home on a 1.45 acre lot.

**TABLE 19**  
**HOME ASKING PRICE**  
**April/May 2008**

<b>Asking price</b>	<b>Number of units</b>
<\$500,000	0
\$500,000-\$600,000	1
\$600,000-\$700,000	1
\$700,000-\$800,000	3
\$800,000-\$1 million	0
\$1- 1.2 million	2
\$1.2-1.4 million	11
\$1.4-1.6 million	7
\$1.6-1.8 million	9
\$1.8-2 million	3
\$2-2.5 million	15
\$2.5-3 million	3
\$3-4 million	7
\$4-5 million	3
>\$5million	7

Source: Realtor.com, Roost.com, Trulia.com

The median asking price for all homes advertised was about \$1.95 million, significantly higher than the median sales experienced in all of 2007, contrary to what one might expect in a market that is dropping on a regional basis. While the median at any point in time may vary according to the quality of the unit offered, the gap between price asked and price achieved the previous year may also be a reflection of seller optimism. The asking price may be somewhat higher than what the seller actually expects to obtain. The recorded sales price reflects what someone is actually willing to pay.

**Rental Rates**

Similar to housing sales prices, rents also are higher on the Palos Verdes Peninsula. The median rent in Palos Verdes Estates is nearly twice the median rent in Los Angeles County as a whole, though lower than other Peninsula cities.

**TABLE 20  
LOCAL RENTAL RATES- 2000 CENSUS**

	<b>Lower quartile</b>	<b>Median</b>	<b>Upper quartile</b>
<b>Palos Verdes Estates</b>	\$1,069	\$1,229	\$1,963
<b>Rancho Palos Verdes</b>	\$1,079	\$1,367	\$1,944
<b>Rolling Hills</b>	>\$2001	>\$2001	>\$2001
<b>Rolling Hills Estates</b>	\$1,759	>\$2001	>\$2001
<b>Torrance</b>	\$673	\$846	\$1,060
<b>Palos Verdes Division</b>	\$671	\$889	\$1,249
<b>L.A. County</b>	\$507	\$643	\$838

Source: 2000 Federal Census

Rents were highest in Census Tract 6703.21 in the mid portion of the city. This would reflect the presence of higher density housing, multi-family housing in the Malaga Cove area (Census Tract 6703.01) to the north and the Lunada Bay area (Census Tract 6703.22) to the south, whereas Census Tract 6703.21 consists almost completely of single family dwellings.

**TABLE 21  
RENT BY CENSUS TRACT**

	<b>Lower quartile</b>	<b>Median</b>	<b>Upper quartile</b>
<b>Census Tract 6703.01</b>	1,054	1,175	1,669
<b>Census Tract 6703.21</b>	1,146	>\$2001	>\$2001
<b>Census Tract 6703.22</b>	1,097	1,335	>\$2001
<b>Palos Verdes Estates</b>	1,069	1,229	1,963

Source: 2000 Federal Census

Although housing sales prices dropped somewhat in recent years, rents continue to rise. Rents in larger complexes in Los Angeles County have risen from \$1,003 at the time of the census to \$1,683, a sixty eight percent increase. Very few rentals are advertised in the City of Palos Verdes Estates. Available rentals include a two bedroom unit in Lunada Bay, renting for \$1,750 and another Lunada Bay two bedroom renting for \$1,950.

The regional increase in rental rates is reflected in the United States Department of Housing and Urban Development (HUD) Fair Market Rents for the Los Angeles-Long Beach Standard Metropolitan Statistical Area, which increased seventy percent between 2000 and 2008. The HUD-formulated Fair Market Rent (FMR) schedule is a guideline to maximum rents allowable for units HUD assisted units. HUD uses the Consumer Price Index and the Census Bureau housing survey data to calculate the FMRs for each metropolitan area.

**TABLE 22**  
**HUD FAIR MARKET RENTS**

FMR Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2000	\$505	\$605	\$766	\$1,033	\$1,233
FY 2001	\$516	\$618	\$782	\$1,055	\$1,260
FY 2002	\$543	\$650	\$823	\$1,110	\$1,325
FY 2003	\$638	\$764	\$967	\$1,305	\$1,558
FY 2004	\$674	\$807	\$1,021	\$1,378	\$1,646
FY 2005	\$746	\$900	\$1,124	\$1,510	\$1,816
FY 2006	\$789	\$952	\$1,189	\$1,597	\$1,921
FY 2007	\$843	\$1,016	\$1,269	\$1,704	\$2,051
FY 2008	\$863	\$1,041	\$1,300	\$1,746	\$2,101

Source: HUD

It can be seen that even the lowest quartile rents in Palos Verdes Estates, at \$1069, exceeded HUD FMRs at the time of the 2000 Census. There are no HUD assisted units in the City of Palos Verdes Estates.

### **HOUSING AFFORDABILITY**

A measure of housing affordability is percent of income expended for housing. This is of particular concern for lower income households, which would generally have less discretionary income than more affluent households. Households paying over thirty percent of income for housing are considered to be overpaying for housing. Those paying over fifty percent of income for housing are considered to be severely overpaying. Although few households in the City of Palos Verdes Estates are in lower income groups, a large proportion of those households spend more than thirty percent of household income on housing, and would thus be considered to be overpaying for housing.

**TABLE 23  
HOUSING EXPENDITURES AS PERCENTAGE OF INCOME — 2000**

Households by Income, & Affordability	Renters		Owners		Total Households
	Elderly 1&2 member households	Total Renters	Elderly 1&2 member households	Total Owners	
Household Income ≤30% MFI	20	38	20	70	108
% Cost Burden >30%	100	63.2	100	60	61.1
% Cost Burden >50%	100	63.2	100	60	61.1
Household Income >30% to ≤50% MFI	4	29	19	34	63
% Cost Burden >30%	100	100	100	100	100
% Cost Burden >50%	100	100	100	100	100
Household Income >50 to ≤80% MFI	10	45	109	183	228
% Cost Burden >30%	100	77.8	72.5	83.6	82.5
% Cost Burden >50%	100	77.8	45	59.6	63.2
Household Income >80% MFI	40	363	1,524	4,228	4,591
% Cost Burden >30%	25	24.2	19	28.9	28.6
% Cost Burden >50%	0	2.2	8.5	10.4	9.7
<b>Total Households</b>	74	475	1,672	4,515	4,990
% Cost Burden >30	59.5	37.1	24.4	32.2	32.6
% Cost Burden >50	45.9	20.2	13	13.8	14.4

Source: HUD CHAS data tables

Based on 2000 census data, 32.6 percent of households for which data is available were paying 30 percent or more for housing in 2000, of which over forty percent (14.4 percent of total households) were paying more than fifty percent of income for housing. Low income and elderly households had the greatest problem with overpaying for housing, with all elderly very low and extremely low income elderly paying at least half of their income for housing. Overpayment was less of a problem for lower income owners than for renters, possibly due to fixed costs for ownership housing. As would be expected, moderate to upper

income households experienced fewer problems with overpayment for housing than lower income groups, but a over a quarter of these households were also paying more than thirty percent of income for housing and over a tenth were paying more than fifty percent.

Overpayment for housing may be reflective of a number of conditions, including limited supply of low or moderately priced housing. Lack of supply is exacerbated by a poor match between affordable units and low income households. As shown in Table 29, not many units in the City of Palos Verdes Estates would be affordable to low income households and only a small portion of those are actually occupied by households in lower income groups.

**TABLE 24  
AFFORDABILITY MISMATCH**

Housing Units by Affordability	Rental Units	Owned/ For Sale Units
<b>Affordable to Income &lt;= 30%</b>		
# occupied units	25	N/A
%occupants <=30%	0	N/A
#vacant	0	N/A
<b>Affordable to Income &gt;30 to &lt;=50%</b>		
# occupied units	24	14
%occupants <=50%	41.7	28.6
#vacant	0	0
<b>Affordable to Income &gt;50 to &lt;=80%</b>		
# occupied units	4	35
%occupants <=80%	0	28.6
#vacant	0	0
<b>Affordable to Income &gt;80%</b>		
# occupied units	423	4,474
#vacant for rent	30	50

Source: HUD CHAS data tables

Overpayment for housing by very low and low income households is considered to be more serious than overpayment by more affluent income groups, due to the limited funds available to lower income households for all expenses. Overpayment for shelter may result in lack of availability of funds for such basics as medical care, transportation, or food. On the other hand, more affluent households may choose to expend a greater proportion of income on housing due to the greater discretionary income available.

Based on the median income of \$42,189 at the time of the Census and a thirty percent affordability ratio, an affordable rent for a median family household in Los Angeles County would have been a maximum of \$1,054. This is equal to the lower quartile rent for Census Tract 6703.01 (Malaga Cove) and just under the lower quartile citywide, indicating that at about a quarter of all rental housing in the City would be affordable to a County median household.

An ownership unit would generally be considered affordable if the purchase price were three to four times annual household income. Actual affordability would depend on prevailing mortgage rates, the size of the down payment, and other expenses to be met by the household. Optimistically assuming a four to one ratio, a County median household could afford to pay \$169,000 to purchase a home at the time of the Census, which is well below both the County and City median housing value reported at the time of the Census. A City median household would have been able to afford a home priced at \$494,000, less than even the lowest quartile value in the City. Thus fewer than 25 percent of all owner occupied homes, would have been considered affordable to a household making the City median income at the time of the Census.

This disparity between numbers of affordable units and local household income can be attributed to a number of factors. Many owners bought their homes many years ago for much lower prices. In fact, the 2000 Census reported that 1,134 homeowners in the City had no mortgage remaining at all, equating to just under one quarter of single family homes in the City.

Home purchasers may be willing to pay higher prices because the home is viewed as an investment and tax advantages may balance a portion of the costs. A buyer may have considerable equity from a previous home to apply toward the price of the new home. In addition, as noted above, homeowners may have an optimistic view of the value of their property.

Finally, ownership units have a differing market response than rental units. Rental units are more often on the market and constantly competing with other units for available tenants and tend to reflect current market conditions. By contrast, the typical owner has not paid the prevailing housing price due to long term ownership of the unit. Thus, while housing value may increase, actual costs are relatively fixed. At any given time, only a small portion of ownership units will be on the market. Thus, ownership units are not as immediately subject to housing affordability.

### **Foreclosures**

Another measure of housing affordability would be housing foreclosures. If homeowners cannot afford mortgage payments, they go into default. As of May 2008, twenty two homes in Palos Verdes Estates were at some point in the foreclosure process. Notices of default had been issued for eighteen homes, which is the beginning of the foreclosure process, and foreclosure sales had been scheduled by financial institutions for four homes, signifying completion of the foreclosure process. This represents less than a tenth of one percent of city housing stock.

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## HOUSING NEED

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In accordance with Section 65584.08 of the California Government Code, the Southern California Association of Governments (SCAG) is charged with allocating regional housing need amongst the cities and counties in the SCAG region. The overall need for the region is assigned by the California Department of Housing and Community Development. The distribution of regional housing need is to take into consideration market demand for housing, employment opportunities, the viability of suitable housing sites and public facilities, commuting patterns, and type and tenure of need.

SCAG's 2007 Regional Housing Needs Assessment (RHNA) indicates that total new housing production of 72 units would be needed in the City of Palos Verdes Estates for the period from January 1, 2006 through June 30, 2014. Under the 2007 RHNA, Palos Verdes Estates was determined to need 19 dwelling units affordable to very low income households, 12 units affordable to low income households, and 13 units affordable to moderate income households. The remaining 28 units would meet the needs of high income households.

The RHNA does not quantify need for extremely low income units. In accordance with Government Codes Section 65583(a)(1), this is assumed to be fifty percent of the very low income need, or 10 units.

**TABLE 25**  
**RHNA BY INCOME GROUP**

Income Group	Units Needed
Very Low Income	19
Low Income	12
Moderate Income	13
Upper Income	28
<b>TOTAL</b>	<b>72</b>

Source: SCAG RHNA, 2007

By contrast, the 2004 SCAG Regional Growth Forecast predicts an overall increase in 49 dwelling units in Palos Verdes Estates for the 2005 to 2015 period:

**TABLE 26  
GROWTH FORECAST**

<b>Year</b>	<b>Population</b>	<b>Households</b>	<b>Employment</b>
<b>2000</b>	13,398	4,996	1,275
<b>2005</b>	13,955	5,038	1,276
<b>2010</b>	13,997	5,060	1,282
<b>2015</b>	14,029	5,087	1,286
<b>2020</b>	14,058	5,115	1,290
<b>2025</b>	14,088	5,145	1,294
<b>2030</b>	14,116	5,177	1,298

Source: SCAG Regional Growth Forecast

The above employment figures include individuals with home businesses or telecommuting. The 2000 Federal Census reported that 973 residents of Palos Verdes Estates worked in their place of residence. These individuals include the self-employed as well as live-in domestic staff and would not contribute to employment-driven housing demand. Due to the small amount of commercial land in Palos Verdes Estates, the small increase in forecast employment would likely be an increase in individuals working from home.

The RHNA also addresses overpayment for housing. As discussed in the previous section, a household is considered to be overpaying for shelter if it expends over 30 percent of its income for housing. SCAG utilized tables prepared by the United States Department of Housing and Urban Development for use in preparation of Consolidated Plans required in connection with Community Development Block Grant. SCAG indicates that 170 renters and 1,429 homeowners in the City are overpaying for housing. Of these 135 were very low and extremely low income and 175 were low income (Table27).

**TABLE 27 - EXISTING OVERPAYMENT**

	<b>Number of Households</b>		
	<b>Renter</b>	<b>Owner</b>	<b>Total</b>
Extremely Low Income	25	45	70
Very Low Income	30	35	65
Low Income	25	150	175
Moderate and Upper Income	90	1199	1289
<b>TOTAL</b>	<b>170</b>	<b>1429</b>	<b>1599</b>

Source: SCAG based on HUD data

In addition to low income households, a number of groups with special housing needs have been identified under Section 65583 of the Government Code. These include the handicapped, elderly, large families, farmworkers, families with female heads of household, and the homeless. The City of Palos Verdes Estates is in an urban area with no farms or farmworkers, although some individuals may be employed in related occupations such as landscaping. Other special needs groups are discussed in the following sections.

**Disabled**

The 2000 U.S. Census reports that there are 1,476 individuals over the age of 5 in the City who have some type of disability. Senior citizens over the age of 65 comprised 530, or 36 percent, of disabled individuals citywide. According to HUD’s CHAS Data Book, at the time of the 2000 Census, 421 households in the City included persons with mobility or self care limitations.

Disabilities may require that modifications be made to the housing units. Some of these housing needs include, but are not limited to, wheelchair ramps, widened doorways, grab bars, and access ramps. Only structural changes would be subject to City permits, and would be processed as routine building permits.

Some individuals require housing which is close to health care facilities. Housing for live-in caregivers and enhanced communication with caregivers may also be an issue. No licensed group homes providing care and housing exclusively for persons with disabilities are known to exist in the City of Palos Verdes Estates, although State records indicate that one such facility for the elderly is licensed on Via Visalia. The City does not impose any limit as to concentration of group homes or distance between such facilities.

**TABLE 28  
HANDICAPPED PERSONS**

<b>Age</b>	<b>C.T. 6703.01</b>	<b>C.T. 6703.21</b>	<b>C.T. 6703.22</b>	<b>City Total</b>
5 to 15 years	39	12	25	76
16 to 20 years	14	4	22	40
21 to 64 years	389	112	329	830
65 to 74 years	61	48	35	144
75+ years	145	137	104	386
<b>Total</b>	<b>648</b>	<b>313</b>	<b>515</b>	<b>1476</b>

Source: 2000 Federal Census

The 2000 Census reports disabilities as to sensory disabilities, e.g., individuals who are blind, deaf, etc., those with physical disabilities, and those with mental disabilities, those unable to work due to disability, and those unable to leave their homes due to disabilities, as detailed below. Total disabilities may exceed the number of disabled individuals because some individuals may have more than one type of disability.

**TABLE 29  
DISABILITY BY TYPE**

	Census Tract 6703.01	Census Tract 6703.21	Census Tract 6703.22	City Total
<b>People 5 to 15</b>				
Sensory disability	7	0	5	12
Physical disability	7	0	5	12
Mental disability	39	12	20	71
Self-care disability	7	0	5	12
Total disabilities	60	12	35	107
<b>People 16 to 64</b>				
Sensory disability	20	5	53	78
Physical disability	45	11	55	111
Mental disability	51	8	21	80
Self-care disability	14	0	16	30
Homebound disability	45	26	47	118
Employment disability	327	77	248	652
Total disabilities	502	127	440	1069
<b>People 65 years and over</b>				
Sensory disability	61	46	63	170
Physical disability	119	117	90	326
Mental disability	65	48	22	135
Self-care disability	38	39	16	93
Homebound disability	98	66	49	213
Total disabilities	381	316	240	937
<b>Total disabilities</b>	<b>943</b>	<b>455</b>	<b>715</b>	<b>2113</b>

Source: 2000 Federal Census

HUD's CHAS Data Book reports that 10 households with individuals experiencing mobility of self-care limitations were extremely low income households, i.e. <30 percent of median income, 4 were low income households, i.e. 30 to <50 percent of median income, and 14 were low income households, i.e. 50 to <80 percent of median income. All of these reported having housing problems.

**Elderly**

In 2000, 2,681 people or 20.10 percent of the City of Palos Verdes Estates's population was over 65 years old. As shown previously, the City's elderly population has increased steadily over the last 30 years both in raw numbers and as a percent of the population.

Elderly residents may share many of the special housing needs of disabled persons.

**TABLE 30  
ELDERLY DISABLED**

	Population 65 to 74 years		Population 75+ years	
	Number	Percent	Number	Percent
With a disability	144	9.72%	386	32.30%
No disability	1337	90.28%	809	67.70%

Source: 2000 Census

Because of the relatively high percentage of seniors with disabilities, it would be expected that many of the same factors of concern to the disabled would apply to the elderly. Other factors would be easy access to service amenities and safety of local roads, as vision and reaction times are impaired. Access to transit is provided by the Metropolitan Transportation Authority and Palos Verdes Transit, which also offers dial-a-ride service.

In addition, many elderly persons are on fixed incomes. At the time of the Census, 1,706 households received Social Security income, though these households may have also had additional sources of income, such as pensions or investment income. Supplemental Security Income was received by 55 households. The 2000 Census reported eight seniors between 65 and 74 years of age with poverty level incomes and 23 seniors over seventy five years of age with poverty level incomes.

**Large Families**

A large family is defined as a household or family with five or more persons. Families are considered groups of persons related by blood, marriage or adoption. Households represent all persons living together as groups, regardless of whether or not they are related.

The 2000 Census reported that of the 4,989 households in the City, 423 or 8.5 percent contained 5 persons or more. Of these 423 large households, 412 (97.4 percent) were large families. The remaining 11 households were non-related people living together in five-person households. Only four households in the city were reported to consist of seven or more persons.

**TABLE 31  
HOUSEHOLD TYPE AND SIZE**

	Census Tract 6703.01		Census Tract 6703.21		Census Tract 6703.22		City Total
	Family	Other	Family	Other	Family	Other	
1-4 person household	1,411	469	1,008	30	1,270	16	3,689
5-person household	88	0	114	3	104	8	306
6-person household	39	0	31	0	43	0	113
7+ person household	0	0	0	0	4	0	4

Source: 2000 Census

At the time of the 2000 Census, there were 43 dwelling units that were over-crowded (1+ persons per room). These 43 units represent 0.9 percent of the City's occupied housing units. Eight units were extremely overcrowded (over 1.5 persons per room).

**TABLE 32  
OVERCROWDING**

	Census Tract 6703.01		Census Tract 6703.21		Census Tract 6703.22		Citywide		
	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter	TOTAL
0.50 or less occupants per room	1476	198	1175	48	1174	50	3825	296	4121
0.51 to 1.00 occupants per room	287	33	106	20	291	96	684	149	833
1.01 to 1.50 occupants per room	0	17	0	0	8	6	8	23	31
1.51 to 2.00 occupants per room	0	0	0	0	0	8	0	8	8
2.01 or more occupants per room	0	0	0	0	0	0	0	0	0

Source: 2000 Census

This special housing need is not necessarily tied to lack of large housing units. As shown in the previous section, at the time of the census, 762 dwellings in the City had five or more bedrooms. Thus, there were ample dwellings adequate to accommodate large families in the City, and overcrowding would result from a

poor match of housing to household. This match could result from economic necessity or choices based on other priorities, such as views. Typical lot areas would permit expansion of most smaller units.

Though relatively uncommon, overcrowding is a greater problem for renter households than owners. HUD indicates in the CHAS Data book that ten low income (50 to 80% median) renter households are overcrowded.

### **Female-headed Households**

Demographic, social, and economic conditions contribute to special housing demands for female-headed households. The 2000 Census recorded 196 female-headed households (3.9 percent of all households) within the City of Palos Verdes Estates. Of these, 96 households, or nearly one half, included related children under 18 years old. Five of the female headed households were below poverty level, all of whom had related children under eighteen years of age. Although poverty is not generally a problem for female headed households in the City, financial factors may still be of concern to female headed households. Other factors of particular interest to female-headed households may include security/low crime rate and, possibly, onsite child care facilities or facilities for live-in child care providers.

### **Homeless**

Data maintained by regional agencies conducting homeless counts, such as the Los Angeles Homeless Services Authority, do not indicate the presence of any homeless people in the City of Palos Verdes Estates. Most regional data predicts that the number of homeless people is growing, however. The following is a partial list of the make-up of the homeless population:

- a. Single adult transients passing through a community on the way to some other destination.
- b. Seasonal or migrant homeless individuals, mainly farmworkers and fishermen.
- c. Chronically homeless, single adults, including non-institutionalized, mentally disturbed individuals, alcohol and drug abusers, elderly individuals with insufficient incomes, and others who voluntarily, or are forced, due to financial circumstances, to "live on the streets."
- d. Minors who have either run away from home or have been "thrown out."
- e. Low-income families who are temporarily homeless due to financial circumstances or are in the process of searching for a home.
- f. Women (with or without children) who are escaping domestic violence. Men may also fall into this category.
- g. Persons displaced as a result of disaster with no short term means of providing shelter.

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## OPPORTUNITIES AND CONSTRAINTS

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### OPPORTUNITIES

The City of Palos Verdes Estates is nearly built out, and contains little vacant land. Only widely scattered vacant lots remain. All sites in commercial and multi-family residential areas of the city are occupied, and all remaining vacant land is designated R-1, Single Family Residential. A list of vacant lots is included in the appendix.

Within the Multi-Family District (R-M), all sites are built at or above the allowable density except for five lots which could accommodate up to thirteen additional dwelling units if existing development were demolished and replaced at the maximum density permitted without any density bonus or other incentive. The additional units in the R-M district could be provided as a matter of right, and adequate streets, sewer, and water infrastructure exists to serve these lots. No discretionary action would be required on the part of the City in order to construct the additional units. These lots are located on Via Campesina, Via Pinale, and Palos Verdes Drive West.

Although, in aggregate, nearly thirty acres of vacant property exists in the city, vacant land typically consists of almost exclusively a lone single-family (R-1) lots in an otherwise developed neighborhood, and there are few locations where even two vacant sites are contiguous. As might be expected, the remaining vacant sites are generally those which would be most difficult to develop, typically due to topography, with all vacant lots characterized by gentle to extremely steep slopes. The few lots which are large enough to present an opportunity for further subdivision are very steeply sloped, rendering it impractical to construct additional units. At the same time, some of the lots presenting the greatest development challenge also provide spectacular views, inducing potential residents to make the investment needed for massive grading or other modifications of the lot. Thus, none of these lots would be classed as entirely unbuildable. Infrastructure exists to serve these lots if developed for single family residential purposes, though three of the lots lack direct street access and would have to take access via a easements across adjacent lots. Due to terrain, no vacant lot is considered to be readily developable for more than one dwelling unit.

The only relatively large, undeveloped areas which are readily buildable or potentially redeveloped are in public or quasi-public use. This includes public open space, schools, and churches. Should such uses be abandoned, residential use of the sites should be considered, to the extent this can be accomplished within the existing deed restrictions. However, whether or not any such site were to become available would depend on other agencies, such as the school district. District owned sites not utilized for public education have been leased to private schools in the past. As empty nesters move on and the population of school age children to grows, the district may have increased need to utilize its sites for public school purposes.

The City contains 849 acres of open space, including the 130 acre shoreline preserve, park sites and greenbelt pathways, the golf course, and play areas. These areas are deed restricted and, for areas in the Coastal Zone, designed to enhance preservation and/or access to coastal resources, consistent with the California Coastal Act.

The City contains 7.43 acres of commercial development at Lunada Bay and Malaga Cove. No other sites are designated in the C (Commercial) District in the City. Mixed use development in these areas could assist in the provision of affordable housing, whereby costs of construction or rehabilitation are underwritten by the commercial portion of the site. The City's Zoning Code provides for mixed commercial/residential use upon the approval of a use permit. The Code does not indicate specific standards for such use, although development in commercial areas is limited to thirty five feet and two stories, excluding parking garages, and is limited to eighty percent lot coverage.

The City of Palos Verdes Estates currently provides for the establishment second dwelling units on lots occupied by a single family dwelling. The units may not exceed thirty percent of the floor area of the existing single family dwelling if attached or 700 square feet if detached and must be located on a lot at least 15,000 square feet in area. The second dwelling unit may not be sold separately from the primary dwelling. While the size limit precludes second units for large families, the size restriction would also act to ensure that the second unit remained modest and affordable and would be well suited to seniors.

The City of Palos Verdes Estates owns six single family homes in the City. These homes are provided to City employees, making them available to households that would likely not be able to otherwise afford to live in those homes.

## **CONSTRAINTS**

Section 65583 of the Government Code requires that Housing Elements address constraints to the production of housing. Section 65584 also provides that housing need shall be allocated in consideration of housing demand as well as the availability of suitable sites with adequate infrastructure. Thus, an examination of constraints is warranted not only as a means of identifying removable hindrances to the provision of housing, but identifying actual unalterable constraints to be considered in the assignment of performance goals.

### **NONGOVERNMENTAL CONSTRAINTS**

#### **Deed Restrictions**

All land in the City of Palos Verdes Estates is subject to private deed restrictions developed at the time the master planned Palos Verdes project was established. These private restrictions also apply to additional areas in adjacent communities which were part of the original planned community. These restrictions apply to everything from land use to architectural style. Thus, the potential for resubdivision or intensification of use in most areas is quite low. Only those areas currently zoned R-M may be developed with multi-family units under the deed restrictions. The restrictions do allow for the establishment of dormitories or boarding houses in areas designated for commercial use and in a strip of residential lots adjacent to Palos Verdes Drive north in the northeasterly portion of the City in Tract No. 6887.

Deed restrictions also apply to dedicated City open space. Thus, such areas would not be available for other uses, even if constraints posed by topography, infrastructure and other factors discussed below did not exist.

These legally binding restrictions were established prior to City incorporation, and governed development in the area in the years prior to incorporation as well as at present. The Palos Verdes Homes Association

currently oversees compliance with the deed restrictions. The Homes Association operates independently from the City and consists of owners of property within the planned community subdivision, both inside and outside the boundaries of the City of Palos Verdes Estates. The City has no authority to alter or override the deed restrictions or the decisions of the Homes Association.

The deed restrictions establish standards for density, building height and lot coverage, which are similar to City standards. The restrictions permit mixed residential/ commercial use in commercial areas and are silent regarding second family units, although maids' quarters and guest quarters have been permitted. In addition, the deed restrictions address issues related primarily to aesthetics such as exterior building materials, colors, and roof pitch. The restrictions do not dictate architectural style but specify that all buildings must have "good design".

The deed restrictions operate as a constraint to additional development due to the specific development standards, the need to include Association Art Jury review in project design time frames, and the need to satisfy the standards of those individuals that may be serving on the Art Jury at a given time.

Any changes to a site that do not specifically conform to the restrictions must gain not only the approval of the association, but must be approved in writing by two thirds of the owners of property within three hundred feet of the site in question. The city has no authority to modify or remove these restrictions.

If a property owner proceeds with any construction or improvements which have not been approved by the association, the association has the right to remove such construction or improvements, and place a lien on the property. Under terms of the adopted protective restrictions, failure to conform to the restrictions could actually lead to loss of title.

### **Available Land**

A major constraint on the delivery of additional housing in the City of Palos Verdes Estates is the lack of suitable sites with adequate infrastructure. There are few vacant sites in the city, and the sites are largely scattered, rendering infeasible development of a consolidated project with potential economies of scale.

### **Topography**

The City of Palos Verdes Estates is characterized by rugged terrain, with elevation changes of over 1,134 feet over the 3,038 acre city. Most remaining vacant land is steeply sloped. That may be a major reason the sites have remained vacant. Construction in these areas would probably not proceed without massive earth movement, sinking of caissons or pilings, or elaborate engineering solutions. Costs would vary widely according to site topography, site stability, the complexity of necessary engineering studies and surveys, and the physical improvements involved. Consequently, costs can run up to six figures. City topography also renders emergency access difficult and constrains the ability to widen the city's narrow residential streets, thereby inhibiting intensification of use.

## **Natural Resources**

The Coastal Sage Scrub vegetative community exists on many of the open slopes in Palos Verdes Estates. This vegetation is recognized as habitat for the California gnatcatcher, a sensitive species for which preservation efforts are underway. Thus, development entailing habitat removal would be constrained.

## **Availability of Infrastructure**

Roadways in Palos Verdes Estates are typically steep and winding, and unsuitable for high traffic levels. The City does not contain any major arterials, as classically defined, nor are there any traffic signals. Thus, significant intensification of use in most areas could not be supported by the road network, particularly in consideration of emergency access and evacuation. In a few cases, such as Palos Verdes Drive North, roadway right of way is available for extra capacity. However, in some areas right of way is as narrow as 35 feet, and in others roads abut steep banks which preclude widening. An exception to this constraint is the St. Francis Church site which is located in close proximity to Palos Verdes Drive West. Further, little in the way of state funds is available to local governments for roadway improvement and other infrastructure. Thus, widening of narrow residential streets to handle additional traffic is neither physically nor financially feasible.

Due to access consideration, terrain, vegetation, and limited emergency access fire hazards could act as a constraint on additional development. The City has acted to reduce this threat through a ban on all shake roofs, unless they are Class A fire-rated, and by implementing an aggressive brush abatement program in and adjacent to residential areas.

Most areas of the City are sewered and have no problems in that regard, and no problems currently exist due to inadequate water and sewer capacity. However, water and sewer mains were master planned to serve only the levels of development contemplated under the existing deed restrictions, which consists of single family development on existing lots in all locations except in and adjacent to the Malaga Cove and Lunada Bay commercial districts. Thus, intensification of development beyond that provided under current planning and zoning policies in this area could be a problem.

## **Land Cost**

As a result of the limited supply of land, coupled with a strong demand for coastal property and view property, the cost of land in the City is quite high. Land prices in the Palos Verdes Estates area vary according to views obtained from the property and proximity to the shoreline. In comparison, lots in the City of Rolling Hills offering no views are advertised at \$25 to \$30 dollars a square foot. View lots in the City of Palos Verdes Estates are currently advertised at about \$80 per square foot, or \$3.5 million per acre. By contrast, acreage in more remote locations such as the Antelope Valley area, is advertised for as low as \$1 a square foot. Thus, land cost would be a major factor for housing.

## **Construction Costs**

Construction costs vary according to the type of material used, and the amenities provided. The cost for very basic no frills construction is about \$150 per square foot. However, construction prices can easily exceed \$400 or \$600 per square foot for construction providing greater amenities. Factory-built housing is more economical and can be fully installed for under \$100 per square foot.

Developers may use luxury construction and build larger units to balance high land costs. This is because the land price alone will cause a dwelling to have a fairly high price. Buyers paying higher prices have expectations for greater amenities, which in turn leads to a greater increase in per unit cost.

While land costs can be defrayed by providing less land per dwelling unit, i.e. increasing density, that is only effective up to a point. Once densities approach about forty units per acre or fewer, depending on project and site specifics, costs increase greatly due to the need to provide parking structures, instead of surface parking and other items such as elevators. Basic stick-built construction is not adequate for housing at higher densities which requires the use of steel re-enforcement.

City infrastructure costs do not normally add to construction costs. Because vacant land consists of individual vacant lots in developed areas, infrastructure is already installed. Many residential streets do not have curbs, gutters, and sidewalks, so frontage improvements are not typically an issue. However, many lots do not have large flat pads for home construction and extensive grading may be required to provide a building, thus adding significantly to the cost of development. Grading and engineering for a single lot may easily cost tens of thousands of dollars or more.

### **Financing**

While the recent downturn has led to a reduction in the prime lending rate, that rate cannot normally be attained by the average homebuilder or buyer. As foreclosures increase, standards for home loans and construction loans have increased, with decreased availability of financing. Individuals who could easily qualify for loans in the recent past may find difficulty in obtaining financing in the future.

Some communities have utilized Community Development Block Grant (CDBG) Funds for assistance in providing affordable housing. However, the City has not participated in this program in the past. United States Department of Housing and Urban Development (HUD) officials have indicated that the amount of funding Palos Verdes Estates could potentially receive would be fairly low compared to other cities, and would be well under \$100,000 per year, inasmuch as allocations are based on overall population and concentrations of poverty. After deducting necessary administrative costs, the amount of funding available to pursue housing programs would have a minimal impact.

The City could participate in certain programs utilizing HUD funds which are administered by Los Angeles County. These would include rental assistance programs and first time homebuyer programs such as the Mortgage Credit Certificate Program, though few homes in the City would meet the program's maximum price restriction of \$493,000 for a single family home.

The City does not have a redevelopment agency, and thus has no set-aside funds available for housing programs. In accordance with State law, City general fund monies may not be spent for affordable housing programs unless approved by the electorate.

### **Marketability**

In order to remain profitable, builders must respond to consumer demand. Thus, builders will produce that product believed to be most marketable. For this reason, amenities are generally provided beyond the

mere minimum required for habitability. Buyers may be perceived to require a minimum size unit, or additional parking.

Buyers have sought larger and larger homes with more amenities. In 1970, according to the U.S. Census Bureau, the average home size in the United States was 1,500 square feet, up from an average 983 square feet in 1950. By 2000 this had increased to 2,266 square feet. Home sizes continue to rise, as evidenced by the increase in local home sales prices even as price per square foot has declined. Builders may be leery of scaling back amenities to achieve economy, if they believe consumers may not respond.

## **GOVERNMENTAL CONSTRAINTS**

Governmental actions and policies may act as a constraint to the delivery of housing. These constraints include local ordinances and practices as well as state actions. The primary governmental controls upon land use in the City of Palos Verdes Estates are the General Plan, Zoning Code, and Building Code. Development is also subject to the Coastal Act. In addition, fees and processing times may also affect development.

### **Coastal Act**

A portion of the city, containing a handful of vacant sites, is located in the Coastal Zone. The California Coastal Act mandates preservation of coastal bluffs, public access to the shoreline, coastal views, and ecologically sensitive areas. In addition to broad policy, the Coastal Commission has also established stringlines in many areas in order to preserve views. This can act as a constraint upon development. In addition Coastal Commission permit procedures are time consuming and complex. However, because the City has an adopted Local Coastal Program (LCP) implementation program, development is facilitated by the reduced need to process projects through another agency, i.e. the Coastal Commission. However, City decisions may still be appealed to the Coastal Commission.

### **General Plan and Zoning**

The General Plan provides for two categories of residential density, Single Family Residential and Multiple Family Residential. Multiple Family Residential areas are also governed by the Palos Verdes Estates Specific Development Plan which establishes a maximum density of one dwelling unit for each 1,750 square feet of lot area, equating to 24.9 units per acre, which is the same density as specified under the Zoning Code. Multi-family dwellings are permitted by right in the R-M Zoning District. With the provision of a density bonus for affordable housing, as provided under California Government Code Section 65915, this would allow 30 to 33.6 units per acre, depending on the proportion of affordable housing provided.

Construction of market rate units at 24.9 units per acre would allow approximately 200 units on the 8.2 acres of existing multi-family property in the city, if all multi-family development were demolished and redeveloped at the maximum density permitted. This is over forty percent less than the number of multi-family residential units which existed at the time of the 2000 census.

The Zoning Code is silent as to group housing, transient housing or single room occupancy housing, whether in the form of resort hotels or emergency shelters. The City of Palos Verdes Estates does not regulate group homes, though C, C, and Rs applying within the City designate areas in which boarding

houses would be permitted.

State records show that one licensed facility providing care for up to six elderly residents exists in the City on Via Visalia. The City does not regulate group homes and therefore, no public records are kept regarding facilities not requiring a license, such as sober living environments or shelters for abused women. For the safety of the residents, many such shelters prefer to not to be identified publicly, so it is not known whether or not any such facilities exist in the City.

The Plan also regulates minimum dwelling unit size. Minimum ground floor area for dwellings in the R-1 District is at least 1,200 square feet and minimum size in the R-M District is as follows:

**TABLE 33  
MINIMUM UNIT SIZE**

Unit Type	Minimum Size
1 bedroom	750 sq.ft.
2 bedrooms	950 sq.ft.
3 bedrooms	1050 sq.ft.
Additional Bedrooms	100 sq.ft.

These minimum sizes are not inordinately large, and are smaller than typical dwellings constructed elsewhere in the region in recent years, and significantly smaller than the average 2,266 square foot new home constructed in the United States in the year 2000. However, to the extent that demand existed for very high density, small residential units these limits could act as a constraint on the delivery of housing. The City height limit which would accommodate three stories, at most, could constrain high rise growth. This would also be constrained by State coastal policy regarding preservation of coastal views.

The city's zoning regulations specify a maximum lot coverage of thirty percent for single family lots, sixty percent for interior multi-family lots, and seventy percent for multi-family lots located on a corner. This is consistent with existing deed restrictions. The code also stipulates that setbacks shall be consistent with covenants of record. These generally provide for minimum side yards of five to ten feet, and minimum rear yards of twelve to twenty feet, depending on the height of the building. These requirements are not unusually restrictive, reflective of typical setbacks required in many suburban communities, and would not normally pose a constraint on development.

The Zoning Code also restricts maximum floor area of a single family residence to the lesser of thirty percent of lot area plus 1,750 square feet or fifty percent of lot area. This serves to maintain the character of existing neighborhoods and prevent extremely costly, overly large homes, or "mansionization".

The Zoning Code requires the provision of two covered parking spaces per single family dwelling and one to three (maximum) spaces per dwelling unit in the R-M district as follows:

R-1	R-M
2 accessible spaces in an enclosed garage, no more than 3 enclosed spaces permitted except on lots or parcels with an area of at least 12,000 square feet.	2 covered spaces per one-bedroom unit plus 1/2 covered space per additional bedroom, not to exceed 3 covered spaces per unit. 1/4 guest space per unit also required.

A minimum of two spaces per dwelling unit is a requirement in many communities and typically required by the Coastal Commission.

**Permit Process and Development Fees**

Where no discretionary review is required, plan check for processing of building permits is generally four to six weeks, depending on work load. For discretionary permits such as conditional use permits or variances for projects not meeting basic standards, there is an initial internal review period of 30 days. If all materials appear to be in order, the application is then forwarded for a twenty one day public review and noticing period. These time frames are typical of those for cities in the region.

One aspect of the approval process which could add additional time to project development is the requirement for neighborhood compatibility findings. A finding of neighborhood compatibility must be obtained from the planning commission or city council for the following developments on single family residential property:

1. Any new structure of one thousand square feet or more of gross floor area;
2. Addition of one thousand square feet or more of gross floor area to any existing structure;
3. Additions of gross floor area in the form of a second story whether in whole or in part to any existing structure;
4. Addition to an existing building of a second story deck or balcony eighty or more square feet in area and/or projecting more than six feet from the existing building;
5. Addition to an existing building of a second story deck or balcony which is located in a required side yard;
6. Addition of a mezzanine, whether in whole or in part, to any existing building or structure, that changes the exterior of the building or structure; or
7. Any increase in the roof ridge elevation of any portion of an existing building, unless the increase is only a result of utilizing an alternate roofing material.

Applicants for multi-family development fitting the same criteria must obtain a Site Plan Permit, subject to the following findings:

1. The use or project proposed is consistent with the general plan;
2. The use or project is consistent with any specific plan;
3. The use, activity, or improvements proposed by the application is consistent with the provisions of

this title and Title 18 of this code;

4. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act and Chapter 17.10 of this code;
5. The neighborhood compatibility requirements of Chapter 18.36 have been satisfied;
6. The art jury of the Palos Verdes Home Association has completed its architectural review and has approved the project; and
7. The application will not result in conditions or circumstances contrary to the public health and safety and the general welfare.

Applicants for a finding of neighborhood compatibility are required to confer with staff to review the process and likelihood of success. Applicants are provided with a twenty five page packet (Appendix B) detailing typical conditions of approval and relevant policy, such as the Silhouette Policy.

The additional time required for the neighborhood compatibility process, including the three week public review process, could act as a constraint to large scale development. In the case of single family development, the properties most likely to be affected would be those on which large, luxury homes were proposed.

Table 34 presents the various planning and building fees for the City of Palos Verdes Estates. Consistent with Gann limitations, fees are charged by the City to cover processing costs and staff time. It can be seen that City fees constitute only a small portion of development costs.

**Table 34  
Fee Schedule**

Planning

Neighborhood Compatibility .....	\$1,585.00
Grading Application .....	\$990.00
Additional NC Review .....	\$790.00
Radius Map .....	\$350.00
Miscellaneous Application .....	\$300.00
Coastal Development .....	\$1,480.00
Coastal Development in conjunction w/ NC/GA etc. ....	\$740.00
Coastal Waiver .....	\$102.00
Sports Court .....	\$990.00
Conditional Use Permit .....	\$1,480.00
Variance .....	\$1,480.00
Environmental Initial Study .....	\$1,495.00
Lighting Permit .....	\$990.00
Landscape Plan Review .....	\$690.00
Conceptual Project .....	\$255.00
Minor Lot Line Adjustment .....	\$990.00
Minor Mod./Site plan or revisions .....	\$118.00

Public Works

Residential Driveway.....	\$ 185.00
New Curb & Gutter .....	\$ 280.50
Repair/Replace Curb & Gutter .....	\$ 163.50
Curb Core .....	\$ 93.50
Non-Standard Encroachments .....	\$ 257.00

Building

Building Permit/plan check .....	(based on standard valuation and Uniform Building Code formulas)
Residential Inspection .....	..\$547.00 to 908.00, depending on size of structure
Re-Inspection.....	..\$36.25

A typical development would be subject to a Site Plan Permit in the case of multi-family development or a finding of Neighborhood Compatibility in the case of single family development. Due to terrain, most currently vacant lots would also require a grading permit. A residential inspection and a driveway permit would also be required. These fees would total \$3,657 to \$4,018 for the development, less than one percent of the cost of a typical dwelling in the region. The fee per unit in a multi-family development would be a portion of the total. The City does not charge a park dedication fee or transportation impact fee, unlike many communities.

Vacant lots in the City, with three exceptions, are adjacent to existing, developed streets fully equipped with infrastructure. Many residential areas of the City do not have sidewalks, reflective of the desires of

the residents, so sidewalks are not required for new development. Thus, infrastructure costs are not a significant factor for development of new homes in the City.

A comparison of several fees between the City of Palos Verdes Estates and neighboring jurisdictions is given in Table 35. For the fees examined, the City of Palos Verdes Estates charges relatively low amounts. This would indicate that the City's planning and zoning fees are not a significant constraint to the construction of housing.

**TABLE 35  
COMPARISON OF SURROUNDING CITIES PROCESSING FEES**

Permit	Palos Verdes Estates	Rancho Palos Verdes	Torrance
Conditional Use Permit	\$1,480.00	\$3,434.96	\$2,434.00
Variance	\$1,480.00	\$1,633.96	\$1,633.96
Coastal Permit	\$1,480.00	\$257.00 to \$859.00	NA
Grading Permit (Based on 999 cubic yards)	\$990.00	\$1,061.96	\$2,043.00

Source: Cities of Palos Verdes Estates, Rancho Palos Verdes, and Torrance

### **Building Codes**

The City of Palos Verdes Estates utilizes the 2007 California Building Code which is based on the 2006 the International Building Code. In only minor cases do City standards differ from the Uniform Building Code with reasonable additional standards applied in flood plain areas.

Building Codes are applied to new construction, and monitored and inspected under the building permit process. Where no permits have been obtained, inspections are made in response to requests and complaints. Illegal construction, built without benefit of building permits, must meet building codes in place at the time the permit is issued.

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## GOALS, POLICIES AND PROGRAMS

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### **GOAL I. Preserve the quality of existing neighborhoods.**

Policy 1. Preserve the scale of development in existing residential neighborhoods.

Program 1. Continue to enforce provisions of the Zoning Code, Neighborhood Compatibility and Specific Development Plan requirements which specify regulations for height, lot coverage, set backs and open space.

Implementation responsibility: Planning Department

Funding: General fund.

Schedule: Continuing.

Quantified Objective: One hundred percent Code compliance

Policy 2. Encourage the maintenance of existing dwellings.

Program 1. Continue to enforce provisions of the Zoning Code, Neighborhood Compatibility and Specific Development Plan requirements which specify regulations for height, lot coverage, set backs and open space.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund.

Schedule: Continuing.

Quantified Objective: Eliminate one hundred percent of substandard conditions

### **GOAL II. Provide a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups.**

Policy 3. Provide adequate sites for new housing consistent with the capacity of roadways, sewer lines, and other infrastructure to handle increased growth.

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Program 3a. Continue to allow infill in residential areas.

Development of existing vacant residential infill sites would result in the production of approximately 61 additional single family dwelling units, assuming that all sites are buildable, and 13 additional dwellings on sites designated for multi-family use, for a total of 74 dwelling units. It is expected that detached homes would generally be affordable only by upper income households, while multi-family units would be more broadly affordable, at

least at the moderate income level. Department of Finance data indicate that between 2000 and 2008 an average of ten new homes per year were added in the City of Palos Verdes Estates. However, only six new homes were added for each of the past two years as the economy has slowed.

Implementation responsibility: Planning Department, Building and Safety

Funding: No funding needed.

Schedule: Continuing.

Quantified Objective: Forty eight units.

Program 3b. Provide for mixed commercial and residential use in commercial areas.

In recent years, mixed use housing has become increasingly attractive to consumers. Where demand exists for residential uses, this can facilitate the delivery of housing. In a mixed use project, the provision of an accompanying commercial use can help absorb some of the fixed costs of development, thereby facilitating the production of lower cost units. Further, existing structures can be adapted to residential use, reducing costs associated with new construction. Existing space at Lunada Bay could potentially undergo conversion. While such use is permitted under the City's Zoning Code and under the Palos Verdes Estates Protective Restrictions administered by the Homes Association, the lack of zoning code standards or guidelines for development of the use could delay such development when a proposal is considered. Adoption of standards could provide certainty for developers proposing such development as well as highlight the potential for such use. These could include waiver of fees or other incentives where affordable housing is provided, consistent with standards provided under Government Code Section 65915.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund

Schedule: Develop ordinance 2009.

Quantified Objective: Fourteen new units in mixed use areas.

Policy 4. Preserve existing affordable housing stock.

Program 4a. Regulate the conversion or demolition of rental housing stock.

City parking requirements currently limit condominium conversion of some older units, thus acting as a deterrent to those seeking to convert this rental housing to more expensive condominium use. Condominium conversion ordinances typically relate to local rental vacancy, typically prohibiting conversions when rental vacancy rates are below 4 or 5 percent. The City rental vacancy rate is well above this level, so loss of rental housing stock to condominium conversion does not appear to be a problem at this time.

Implementation responsibility: Planning Department

Funding: None needed

Schedule: Continuing.

Quantified Objective: Preserve rental housing opportunities in 382 units.

Policy 5. Encourage the development of additional low and moderate income housing.

Program 5a. Continue efforts to streamline the development process to the extent feasible.

City processing and fees have not been found to create a significant impediment to the development of additional housing. The City will continue to provide concurrent processing of all discretionary applications for a project, thereby streamlining the development process. Continue to process Coastal Development permits at the local level, thereby reducing the stress of the permit process. These measures can reduce development time frames thereby reducing costs due to interest on project financing and builders' staff time.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund/application fees.

Schedule: Continuing.

Quantified Objective: Efficient development processing

Program 5b. Continue to allow the establishment of manufactured housing on single family residential lots not occupied by another dwelling.

Consistent with State law, manufactured housing is permitted on single family lots not occupied by another dwelling. Manufactured housing may result in substantial savings per square foot over conventional construction, as discussed above. Many of the newer pre-manufactured homes or modules are similar in appearance to site-built homes. The City may, by State law, establish appropriate guidelines regarding such factors as securing of the housing and setbacks.

All such development would be subject to architectural review and compliance with deed restrictions under existing regulations. Private deed restrictions regulating development in the Palos Verdes Planned Community do not specifically address manufactured housing. On the face of it, there is no reason manufactured housing could not meet such guidelines, assuming appropriate colors and exterior materials such as wood siding or stucco were utilized. However, all development is subject to Association review.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund/application fees.

Schedule: Continuing.

Quantified Objective: This would result in no change in total dwelling unit count.

Program 5c. Continue to allow second family units

Section 65852.2 of the Government Code provides for the provision of second family units in single family areas. The City of Palos Verdes Estates currently provides for the establishment of second dwelling units on lots occupied by a single family dwelling. Under the Palos Verdes Estates Municipal Code as revised in 2003, the units may not exceed thirty percent of the floor area of the existing single family dwelling if attached or 700 square feet if detached and must be located on a lot at least 15,000 square feet in area. The second dwelling unit may not be sold separately from the primary dwelling

Until 2003, the City permitted second family units only on lots having a minimum area of 20,000 square feet and limited the units to no more than 350 square feet of floor area. The City also reduced required parking for a second unit and eliminated the requirement for a use permit. These measures were intended to facilitate the development of second units in the city. To further facilitate development of second units the City could provide an informational flyer regarding second units to be provided with other literature at the public counter.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund/building permit fees

Schedule: Ongoing

Quantified Objective: Sixteen second family units

Program 5d. Develop ordinance implementing density bonus provisions of State law.

In accordance with Government Code Section 65915, a city must provide a density bonus or other incentive when an applicant agrees to provide at least ten percent of the total units of a housing development for lower income households; five percent of the total units of a housing development for very low income households; a senior citizen housing development; or ten percent of the total dwelling units in a common interest development for moderate income households, provided that all units in the development are offered to the public for purchase. The Code specifies the amount of the density bonus or incentive on a sliding scale from twenty to thirty five percent depending on the proportion of units that are affordable and the affordability levels of the units provided.

Currently, the City of Palos Verdes Estates has no specific ordinance implementing this provision of State law. In order to facilitate future projects, it is suggested that the City develop a density bonus ordinance, including a prescribed process for implementation and develop a leaflet describing the requirements and opportunities provided under density bonus law.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund

Schedule: Develop ordinance in 2010.

Quantified Objective: Six density bonus units in addition to infill otherwise anticipated.

Policy 6. Encourage means of increasing ability to afford existing housing stock.

Program 6. Encourage shared housing programs for seniors and existing one person households.

Sharing of one housing unit by two or more roommates can render housing affordable to persons who could not otherwise afford housing individually due to the ability to share housing costs among roommates. This could be of particular benefit to disabled individuals needing occasional assistance or female headed households seeking additional security. As noted in the previous discussion of housing needs, housing affordability is a problem for very low income seniors residing in the city. Shared housing could be facilitated by provision of space for flyers on a bulletin board or table at City Hall or public library.

Implementation responsibility: Library/city manager's office.

Funding: General fund

Schedule: Implement in 2009

Quantified Objective: Designated space on one public bulletin board.

Policy 7. Continue to promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

Program 7a. Provide a means of addressing housing discrimination.

Post State regulations at City Hall and at the library regarding housing discrimination together with the appropriate phone numbers to contact regarding housing discrimination problems. Maintain copies of California Department of Fair Employment and Housing publications No. DFEH-157H, DFEH-159, DFEH-700-01, and DFEH-FS06-2003, which provide fact sheets and information to assist in filing housing complaints. Provide contact information for DFEH.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund

Schedule: Ongoing

Quantified Objective: Address any instances of housing discrimination.

### **GOAL III. Provide a safe and healthful living environment for City residents.**

Policy 8. Eliminate potentially unsafe or unhealthful conditions in existing development.

Program 8a. Pursue a pro-active code enforcement program for substandard dwelling units.

Title 8 of the Municipal Code constitutes the City of Palos Verdes Estates Health Code. Chapter 8 provides for abatement of substandard conditions. The City addresses substandard buildings under Municipal Code Chapter 8.36, Substandard Premises, and

nuisances in general under Chapter 8.48. Chapter 8.36 addresses the following:

- Substantially deteriorated structures
- Broken windows
- Unstable landforms
- Storing inoperable vehicles
- Graffiti
- Overgrown or dead vegetation
- Partially completed building where work has ceased and permits have expired.

Chapter 8.48 addresses the following:

- Unstable landforms, improper drainage
- Partially destroyed, partially constructed or abandoned buildings
- Broken windows.
- Overgrown, dead, decayed or hazardous vegetation which may harbor vermin or obstructs vehicular sight lines
- Danger or attractive nuisance to the public;
- Accumulation of trash, debris, and other refuse
- Deteriorated parking lots or driveways
- Abandoned pools, ponds, excavations, and other holes
- Construction debris storage bins
- Livestock and other animals
- Overcrowded housing, as defined by the Uniform Housing Code
- Housing which lacks adequate ventilation, sanitation or plumbing facilities, or which constitutes a fire hazard.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund

Schedule: Ongoing

Quantified Objective: Eliminate all substandard conditions

Program 8b. Continue to strictly monitor and regulate landform modifications in the City.

Landform modification is addressed through the City's grading permit process which requires approval of a grading plan and grading permit for landform modification.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund/permit fees

Schedule: Ongoing

Quantified Objective: Permit no un-safe landform modification.

#### **GOAL IV. Encourage the conservation of energy in new housing.**

Policy 9. Reduce energy loss due to inferior construction techniques.

Program 9. Continue to require all new projects to conform to the requirements of Title 24 of the California Administrative Code.

The City has adopted the most current editions of all California Codes. Title 24 contains specific requirements for construction techniques which result in energy savings of approximately 50 percent when compared to standard techniques utilized prior to enactment of current standards. Under State law, individual jurisdictions may develop local standards which exceed the requirements of Title 24.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund/permit fees

Schedule: Ongoing

Quantified Objective: All new structures to conform to current energy conservation standards.

Policy 10. Encourage residents to conserve energy.

Program 10a. Support public utility companies in their efforts to educate the public in means of energy conservation.

Local utility companies regularly circulate information regarding energy conservation to their residential customers. To support such programs, the City could allow posting of energy conservation materials on publicly owned bulletin boards, and adopt proclamations of support in order to publicize conservation efforts.

Implementation responsibility: Planning Department, Building and Safety

Funding: Minimal, general fund

Schedule: Ongoing

Quantified Objective: Not applicable

Program 10a. Consider waiver of permit fees for installation of alternate energy facilities for residential use.

Solar panels may be utilized for heating homes of domestic water or may be utilized to generate electricity. While the earliest solar panels would not likely meet the architectural standards of the Homes Association, newer solar devices are less unattractive. Some systems closely resemble conventional roof shingles. These are usually most practical to install at the time a new roof is installed.

The 2000 Census showed that less than ten homes utilized solar systems for home heating, though other uses of solar may have been utilized, such as electricity generation or heating swimming pools. Many communities have developed sustainable building programs under which building permit and inspection fees for energy and water saving devices are waived. In order to encourage alternate energy use, it is suggested that the City institute a similar fee waiver.

Implementation responsibility: Planning Department, Building and Safety

Funding: General fund

Schedule: Institute trial program in the fiscal year following adoption of this element.

Quantified Objective: Ten solar systems per year.

Section 65583(a)(8) of the California Government Code requires an analysis of previously assisted housing projects which may change to non-low-income housing during the next 10 years as well as strategies to preserve or replace the units. There are currently no such projects in the City of Palos Verdes Estates and, therefore, no preservation program for such units is necessary.

### **QUANTIFIED OBJECTIVES**

Section 65583 (b) of the California Government Code requires that a housing element contain quantified objectives for the maintenance, improvement, and development of housing. Under the adopted RHNA,

SCAG calculated a need for a net increase of 72 dwelling units to be produced in the planning period, as discussed in Section 3. Under existing City regulations and deed restrictions, the City has capacity on residentially designated sites for approximately 74 more dwelling units than currently exist. This includes ultimate buildout of all remaining single family lots as well as construction of an additional thirteen units on underbuilt multi-family sites.

Throughout the 1990s construction averaged a little over six new units per year. This increased during the housing boom of 2002-2006, but has since dropped back to six units per year. This would provide 51 new dwelling units over the planning period. Buildout of remaining units in the City would occur beyond the State designated planning period for this element.

Due to market factors, it is anticipated that the bulk of new, market rate units would be affordable only to high income individuals. Anticipated new units to be built are in the following affordability ranges:

**TABLE 36  
NEW UNIT AFFORDABILITY**

	<b>Extremely Low</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>High</b>	<b>Total</b>
RHNA Distribution	13.2%	13.20%	16.70%	18.10%	38.90%	100%
	9 du	10 du	12 du	13 du	28 du	72 du
<b>CITY</b>						
Infill			1 du	7 du	40 du	48 du
Second family units	6 du	6 du	4 du			16 du
Density Bonus units	3 du	2 du	1 du			6 du
Mixed Use		2 du	6 du	6 du		14 du
<b>TOTAL</b>	9 du	10 du	12 du	13 du	40 du	84 du

**GENERAL PLAN CONSISTENCY**

Section 65300.5 of the California Government Codes requires that the various elements of the general plan be consistent and compatible. Further, Section 65860 requires that zoning ordinances be consistent with the

general plan. Due to the restrictive covenants affecting property in the City, the general plan is amended infrequently. At such time as amendments to one element are made, other elements are review to ensure consistency.

Generally the goals and polices proposed for this housing element are consistent with existing planning programs. However, zoning amendments could enhance the implementation of certain programs, including:

Program 3b, mixed use of commercial sites, though permitted under existing codes, could be facilitated through the provision of specific development standards.

Program 5d. density bonus, though permitted under existing law, a specific ordinance could facilitate applications and approval of requests for a density bonus where low cost housing is provided.

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## COASTAL ZONE

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Section 65590 of the California Government Codes provides for the preservation and production of low- and moderate –income housing in the Coastal Zone. Section 65590 requires the inclusion of low or moderate income housing in new residential development in the Coastal Zone where feasible. It also contains requirements for replacement of low and moderate income housing within the Coastal Zone with such housing is demolished or converted to other uses.

Government Code Section 65590(b)(3) states that replacement housing must be provided only where feasible if the local jurisdiction has less than fifty acres, in aggregate, of privately owned, vacant land which is available for residential use. The City of Palos Verdes Estates currently has well below fifty acres of vacant land available for residential use city wide. Of this, less than 5 acres are in the Coastal Zone.

In accordance with Government Code Section 65588(c) housing elements must take into account any low- or moderate-income housing provided or required pursuant to Section 65590. Section 65588(d) provides a framework for the analysis.

The City has not lost any low of moderate dwellings to demolition. Because new housing in the Coastal Zone consists only of development or redevelopment of single family lots, it is not feasible to require inclusionary units and none have been required. Thus no low or moderate income housing units have been provided, or lost, pursuant to Section 65590.

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## IMPLEMENTATION OF PREVIOUSLY EXISTING ELEMENT

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The previously adopted Palos Verdes Estates Housing Element included the following programs which continue to be implemented:

- Housing infill
- Preserve the scale of development
- Code enforcement
- Allow second dwelling units
- Regulate condominium conversion/preserve rental housing
- Streamline development process
- Permit manufactured housing
- Regulate grading
- Promote fair housing
- Enforce Title 24
- Promote energy conservation

The previous Housing Element discussed the goal of providing a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups. The City continues to allow infill in residential areas by providing adequate sites for new housing consistent with the capacity of roadways, sewer lines, and other infrastructure to handle increased growth.

Overall, the City continues to enforce the provisions of the Zoning Code, Neighborhood Compatibility and Specific Development Plan requirements which specify regulations for height, lot coverage, and setbacks. In this way, the City preserves the scale of development in existing residential neighborhoods. The City also continually works to eliminate potentially unsafe or unhealthful conditions in existing development by pursuing a pro-active code enforcement program. This program targets substandard dwelling units and is consistent with the City's Nuisance Abatement Ordinance.

In 2003, as recommended in the adopted Element, the City amended the Zoning Code to reduce restrictions on second family dwelling units and facilitate development of such units. While not all properties are large enough to accommodate a second dwelling unit, there have been some new second dwelling units permitted and built within the City.

Preserving rental housing and regulating condominium conversions was a concern within the City; however, parking requirements currently limit condominium conversion of some older units. These parking regulations act as a deterrent to those seeking to convert rental housing to more expensive condominium use. While not many condominium conversions are proposed, very few adhere to the parking requirements. Generally, projects lose floor area in order to provide the appropriate parking, thus

reducing the capacity of the site as a whole. This loss of area and potential loss of revenue from having fewer tenants, considerably reduces condominium conversion projects.

The City continues to streamline the development process to encourage the development of additional low and moderate income housing. The City provides concurrent processing of all discretionary applications thereby reducing the stress of the permit process. These measures reduce development time thereby reducing costs due to interest on project financing.

Consistent with State law, manufactured housing can be permitted on single family lots not occupied by another dwelling. All such development would be subject to architectural review and compliance with deed restrictions under existing regulations. Private deed restrictions regulating development in the Palos Verdes Planned Community do not specifically address manufactured housing. On the face of it, there is no reason manufactured housing could not meet such guidelines, assuming appropriate colors and exterior materials such as wood siding or stucco were utilized. Currently, there are no proposals for this type of development, however, the City's review process would be similar to that of any other new residence.

Due to the City's existing topography, it is an ongoing goal to regulate grading. This is done through the grading permit process. For those applications that exceed the basic thresholds as defined by the Municipal Code, the Planning Commission reviews the grading quantities and locations. All projects are to respect the natural contours of the land and avoid creating hazardous conditions.

To promote fair housing, the City provides a means of addressing housing discrimination through the posting of State regulations regarding housing discrimination. These postings include the appropriate phone numbers to contact regarding housing discrimination problems. The City is unaware of any existing conditions involving unfair housing.

In order to reduce energy loss due to inferior construction techniques, the City continues to require all new projects to conform to the requirements of Title 24 of the California Administrative Code. Title 24 contains specific requirements for energy conservation which result in energy savings of approximately 50 percent when compared to standard construction techniques utilized prior to enactment of current standards. In addition, the City posts pamphlets regarding ways in which projects may be more energy efficient. The City continues to research sustainable building and the various programs available for this type of development.

The City did not adopt a mixed use ordinance as suggested in the previous element. This has been offered as a program for this housing element cycle.

The adopted element also included programs to publicize reverse mortgages as a means of allowing low income seniors to remain in their homes and conduct necessary maintenance. This program is no longer necessary, as information regarding such programs is now widespread and readily available.

The adopted element also suggested pursuing participation in Los Angeles Community Development Commission first time homebuyer programs. However, the maximum housing sales price permitted for

such programs renders these programs unlikely to be utilized for purchase of units in Palos Verdes Estates.

VACANT LOTS IN PALOS VERDES ESTATES

APN	LOCATION	ZONING	Comments
7539007020	Via Capay. w. of Jose	R1	moderate slope
7539012009	Via Almar	R1	moderate slope
7539020001	Via Tejon	R1	diagonal property line, v. narrow street frontage, poor access, gently sloped
7539020002	Via Tejon	R1	moderate slope
7539023019	Via Pinale	R1	moderate slope
7539029006	End of via Elevado	R1	very large lot, 1.16 acre, very steeply drops into a canyon
7539029008	"	R1	Large lot (21,620 sf) no street access, very steep
7540012011	Via Almar	R1	moderate slope
7540013004	Via Almar	R1	moderate slope
7540016008	End of Mexico Place	R1	Large lot, 19,560 sf, steep slope
7540022001	Via Del Monte	R1	moderate slope
7540024026	Via Somonte	R1	moderate slope
7540025009	Via Somonte	R1	moderate slope
7540026027	Via Somonte	R1	moderate slope
7541005025	Chelsea Rd.	R1	very gently sloped
7541013022	Margate at Addison	R1	very gently sloped
7541016002	1128 Palos Verdes Dr. W	R1	very steep
7541017015	1004 Palos Verdes Dr. W	R1	very steep slopes
7541017016	PV Dr. W	R1	adjacent to 1128, steep
7541024007	Via Lopez	R1	flag lot, 28,000 sf, moderate slope
7541028006	1700 Via Boronado	R1	moderate slope
7542007024	Paseo del Mar	R1	very gently sloped
7542019001	Via Mirola	R1	very gently sloped
7542028010	2940 Via Alvarado	R1	very gently sloped
7543004004	Via Olivera through to Via Olmera	R1	moderate slope
7543004015	Via Sanchez	R1	moderate to steep slope
7543005033	End of Via Barcelona	R1	steep slopes
7543006007	1252 Via Landeta	R1	moderate to steep slope
7543013005	Via Valdez	R1	moderate slope
7543014007	2641 Via Valdez	R1	very gently sloped
7543016020	Olivera at Sanchez	R1	gently sloped
7543016028	Via Olivera	R1	very gently sloped
7543035003	3008 Via Victoria	R1	very gently sloped
7543036032	Victoria	R1	moderate slope
7543042003	Via Coronel and Noya Pl.	R1	steeply sloped
7543043006	2004 Muros Pl.	R1	steeply sloped
7543043024	Via Leon	R1	moderate slope
7543044003	Via Coronel s. of Zurillo	R1	steeply sloped
7543045024	Via Romero	R1	steeply sloped
7543047013	Via Leon	R1	steeply sloped
7544015009	Via Coronel e. of Cresta	R1	moderately sloped, .71 ac.
7544015011	Via Coronel	R1	moderately sloped, .77 acre
7544016006	1412 Via Fernandez	R1	steeply sloped
7544016007	1408 Via Fernandez	R1	steeply sloped
7544017002	1729 Via Coronel	R1	steeply sloped
7544017006	Zurita Plaza	R1	large lot, 27,563 sf, steeply sloped
7544019009	Lower Paseo La Cresta	R1	steeply sloped

VACANT LOTS IN PALOS VERDES ESTATES

7544021003	Via Cerritos through La Cresta	R1	large lot, 1.03 ac, steeply sloped
7544022002	Via Coronel	R1	large lot, .89 ac., steeply sloped
7544022012	Paseo La Cresta	R1	odd shaped large lot, .77 ac., steeply sloped
7544022014	Paseo La Cresta	R1	large lot, .81 acres, steeply sloped
7544022015	Paseo La Cresta	R1	large lot, .78 ac., steeply sloped
7545002009	Nr. Via Panorama	R1	No street access, very steep slopes
7545006013	Via Del Monte	R1	steep slopes
7545007015	Via Nogales	R1	30 foot wide lot, very steep
7545009018	La Brea through to Acalones	R1	moderate to steep
7545010018	Via Acalones	R1	moderate to steep slope
7545017057	1115 Granvia Altamira	R1	would form approx. 1 ac w/ adjacent lots
7545017058	1117 Granvia Altamira	R1	would form approx. 1 ac w/ adjacent lots
7548007033	Off via Pavon	R1	triangular lot with no street access, extremely steep

CITY OF PALOS VERDES ESTATE  
NEGATIVE DECLARATION

R10-17  
EXHIBIT B

Pursuant to the California Environmental Quality Act and State Guidelines, the City of Palos Verdes has completed the attached Initial Study for the following project:

Project Name Palos Verdes Estates Housing Element

Proponent City of Palos Verdes Estates

Address of proponent 340 Palos Verdes Drive West

Palos Verdes Estates, California 90274-1299

Attention: Stacey Kinsella

Phone number of proponent (310) 378-0383

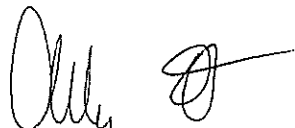
Project Location Citywide

Project Description Revisions to the City Housing Element

and does hereby find that:

- The proposed project could not have a significant effect on the environment. A Negative Declaration is therefore issued for this project.
- Although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described in the attached Initial Study are incorporated into the project. A Negative Declaration is therefore issued for this project.

11/24/02  
Date

  
Signature

For: \_\_\_\_\_

This determination is not final until adopted by the decision-making body.

## ENVIRONMENTAL CHECKLIST

### I. Background

1. Project title: Housing Element Revision
2. Lead agency name and address                      City of Palos Verdes Estates  
340 Palos Verdes Drive West,  
Palos Verdes Estates, Ca. 90274-1299  
(310) 378-0383
3. Project location:                      Citywide
4. Project sponsor:                                              City of Palos Verdes Estates  
340 Palos Verdes Drive West,  
Palos Verdes Estates, Ca. 90274-1299  
(310) 378-0383
5. General plan designation:                      Various (citywide amendment)
6. Zoning:                                              Various (citywide amendment)
7. Description:                                              Revision of city wide housing element
8. Surrounding Land Use: Residential, commercial, recreational, and open space  
Other reviews needed:                      California Water Service Company, Rancho Dominguez District

### ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

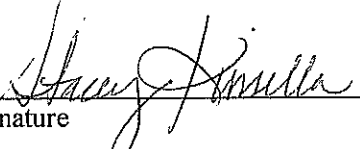
The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- |                                                        |                                                             |
|--------------------------------------------------------|-------------------------------------------------------------|
| <input type="checkbox"/> Aesthetics                    | <input type="checkbox"/> Mineral Resources                  |
| <input type="checkbox"/> Agriculture Resources         | <input type="checkbox"/> Noise                              |
| <input type="checkbox"/> Air Quality                   | <input type="checkbox"/> Population/Housing                 |
| <input type="checkbox"/> Biological Resources          | <input type="checkbox"/> Public Services                    |
| <input type="checkbox"/> Cultural Resources            | <input type="checkbox"/> Recreation                         |
| <input type="checkbox"/> Geology/Soils                 | <input type="checkbox"/> Transportation/Traffic             |
| <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Utilities/Service Systems          |
| <input type="checkbox"/> Hydrology/Water Quality       | <input type="checkbox"/> Mandatory Findings of Significance |
| <input type="checkbox"/> Land Use/Planning             |                                                             |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

	11/26/08
Signature	Date
STACEY KINGELLA	PLANNING DEPARTMENT
Printed Name	For

II. Environmental Impacts

	Potentially Significant Impact	Less Than Significant As Mitigated	Less Than Significant Impact	No Impact
I. AESTHETICS -- Would the project:				
a. Have a substantial adverse effect on a scenic vista?	---	---	<u>X</u>	---
b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	---	---	---	<u>X</u>
c. Substantially degrade the existing visual character or quality of the site and its surroundings?	---	---	<u>X</u>	---
d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	---	---	<u>X</u>	---
II. AGRICULTURE RESOURCES: Would the project:				
a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	---	---	---	<u>X</u>
b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?	---	---	---	<u>X</u>
c. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	---	---	---	<u>X</u>
III. Air. Will the proposal result in:				
a. Conflict with or obstruct implementation of the applicable air quality plan?	---	---	---	<u>X</u>
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	---	---	---	<u>X</u>
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the				

- |    |                                                                                                                                                                                               |     |     |          |          |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----------|----------|
|    | project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? | ___ | ___ | ___      | <u>X</u> |
| d. | Expose sensitive receptors to substantial pollutant concentrations?                                                                                                                           | ___ | ___ | <u>X</u> | ___      |
| e. | Create objectionable odors affecting a substantial number of people?                                                                                                                          | ___ | ___ | ___      | <u>X</u> |

IV. BIOLOGICAL RESOURCES -- Would the project:

- |    |                                                                                                                                                                                                                                                                                                               |     |     |     |          |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|----------|
| a. | Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | ___ | ___ | ___ | <u>X</u> |
| b. | Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?                                                                 | ___ | ___ | ___ | <u>X</u> |
| c. | Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?                                             | ___ | ___ | ___ | <u>X</u> |
| d. | Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?                                                                               | ___ | ___ | ___ | <u>X</u> |
| e. | Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?                                                                                                                                                                              | ___ | ___ | ___ | <u>X</u> |
| f. | Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?                                                                                                                             | ___ | ___ | ___ | <u>X</u> |

V. CULTURAL RESOURCES -- Would the project:

- |    |                                                                                            |  |  |  |  |
|----|--------------------------------------------------------------------------------------------|--|--|--|--|
| a. | Cause a substantial adverse change in the significance of a historical resource as defined |  |  |  |  |
|----|--------------------------------------------------------------------------------------------|--|--|--|--|

- |    |                                                                                                             |     |     |     |          |
|----|-------------------------------------------------------------------------------------------------------------|-----|-----|-----|----------|
|    | in § 15064.5?                                                                                               | ___ | ___ | ___ | <u>X</u> |
| b. | Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5? | ___ | ___ | ___ | <u>X</u> |
| c. | Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?        | ___ | ___ | ___ | <u>X</u> |
| d. | Disturb any human remains, including those interred outside of formal cemeteries?                           | ___ | ___ | ___ | <u>X</u> |

VI. GEOLOGY AND SOILS. Will the proposal result in:

- |    |                                                                                                                                                                                                                                 |     |     |          |          |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----------|----------|
| a. | Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:                                                                                                   |     |     |          |          |
|    | i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?         | ___ | ___ | ___      | <u>X</u> |
|    | ii) Strong seismic ground shaking?                                                                                                                                                                                              | ___ | ___ | <u>X</u> | ___      |
|    | iii) Seismic-related ground failure, including liquefaction?                                                                                                                                                                    | ___ | ___ | ___      | <u>X</u> |
|    | iv) Landslides?                                                                                                                                                                                                                 | ___ | ___ | <u>X</u> | ___      |
| b. | Result in substantial soil erosion or the loss of topsoil?                                                                                                                                                                      | ___ | ___ | <u>X</u> | ___      |
| c. | Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? | ___ | ___ | ___      | <u>X</u> |
| d. | Be located on expansive soil, creating substantial risks to life or property?                                                                                                                                                   | ___ | ___ | ___      | <u>X</u> |
| e. | Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?                                               | ___ | ___ | ___      | <u>X</u> |

VII. HAZARDS AND HAZARDOUS MATERIALS -- Would the project:

- |    |                                                                                                                                                                                                                                                               |   |   |          |          |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|----------|----------|
| a. | Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?                                                                                                                          | — | — | —        | <u>X</u> |
| b. | Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?                                                                  | — | — | —        | <u>X</u> |
| c. | Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?                                                                                                  | — | — | —        | <u>X</u> |
| d. | Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?                                   | — | — | —        | <u>X</u> |
| e. | For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? | — | — | —        | <u>X</u> |
| f. | For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?                                                                                                      | — | — | —        | <u>X</u> |
| g. | Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?                                                                                                                                        | — | — | —        | <u>X</u> |
| h. | Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?                                             | — | — | <u>X</u> | —        |

VIII. HYDROLOGY AND WATER QUALITY -- Would the project:

- |    |                                                                                                                                                                                                                                                                                                                                                                             |   |   |   |          |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|----------|
| a. | Violate any water quality standards or waste discharge requirements?                                                                                                                                                                                                                                                                                                        | — | — | — | <u>X</u> |
| b. | Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have |   |   |   |          |

	been granted)?	___	___	___	<u>X</u>
c.	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or substantial erosion or siltation on- or off-site?	___	___	<u>X</u>	___
d.	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	___	___	<u>X</u>	___
e.	Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	___	___	___	<u>X</u>
f.	Otherwise substantially degrade water quality?	___	___	___	<u>X</u>
g.	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	___	___	___	<u>X</u>
h.	Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	___	___	___	<u>X</u>
i.	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	___	___	___	<u>X</u>
j.	Inundation by seiche, tsunami, or mudflow?	___	___	___	<u>X</u>
IX. LAND USE AND PLANNING - Would the project:					
a.	Physically divide an established community?	___	___	___	<u>X</u>
b.	Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	___	___	___	<u>X</u>
c.	Conflict with any applicable habitat conservation plan or natural community conservation plan?	___	___	___	<u>X</u>
X. MINERAL RESOURCES -- Would the project:					
a.	Result in the loss of availability of a known mineral resource that would be of value to the region and the				

- |    |                                                                                                                                                                    |     |     |     |          |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|----------|
|    | residents of the state?                                                                                                                                            | ___ | ___ | ___ | <u>X</u> |
| b. | Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? | ___ | ___ | ___ | <u>X</u> |

XI. NOISE -- Would the project result in:

- |    |                                                                                                                                                                                                                                                                  |     |     |          |          |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----------|----------|
| a. | Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?                                                                                 | ___ | ___ | ___      | <u>X</u> |
| b. | Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?                                                                                                                                                             | ___ | ___ | ___      | <u>X</u> |
| c. | A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?                                                                                                                                      | ___ | ___ | ___      | <u>X</u> |
| d. | A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?                                                                                                                          | ___ | ___ | <u>X</u> | ___      |
| e. | For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? | ___ | ___ | ___      | <u>X</u> |
| f. | For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?                                                                                                      | ___ | ___ | ___      | <u>X</u> |

XII. POPULATION AND HOUSING -- Would the project:

- |    |                                                                                                                                                                                                        |     |     |          |          |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----------|----------|
| a. | Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | ___ | ___ | <u>X</u> | ___      |
| b. | Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?                                                                                     | ___ | ___ | ___      | <u>X</u> |
| c. | Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?                                                                                               | ___ | ___ | ___      | <u>X</u> |

XIII. PUBLIC SERVICES

- |    |                                                                                                                                                                                                                      |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. | Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

- |    |                                         |     |     |          |     |
|----|-----------------------------------------|-----|-----|----------|-----|
| a. | Fire protection?                        | ___ | ___ | <u>X</u> | ___ |
| b. | Police protection?                      | ___ | ___ | <u>X</u> | ___ |
| c. | Schools?                                | ___ | ___ | <u>X</u> | ___ |
| d. | Parks or other recreational facilities? | ___ | ___ | <u>X</u> | ___ |
| e. | Other public facilities?                | ___ | ___ | <u>X</u> | ___ |

XIV. RECREATION

- |    |                                                                                                                                                                                                             |     |     |          |          |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----------|----------|
| a. | Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | ___ | ___ | <u>X</u> | ___      |
| b. | Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?                        | ___ | ___ | ___      | <u>X</u> |

XV. TRANSPORTATION/TRAFFIC -- Would the project:

- |    |                                                                                                                                                                                                                                                                                     |     |     |          |          |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----------|----------|
| a. | Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)? | ___ | ___ | <u>X</u> | ___      |
| b. | Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?                                                                                                                   | ___ | ___ | ___      | <u>X</u> |
| c. | Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?                                                                                                                        | ___ | ___ | ___      | <u>X</u> |
| d. | Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?                                                                                                                                 | ___ | ___ | ___      | <u>X</u> |
| e. | Result in inadequate emergency access?                                                                                                                                                                                                                                              | ___ | ___ | ___      | <u>X</u> |
| f. | Result in inadequate parking capacity?                                                                                                                                                                                                                                              | ___ | ___ | ___      | <u>X</u> |



limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

\_\_\_ \_\_\_ \_\_\_ X

c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

\_\_\_ \_\_\_ \_\_\_ X

**Discussion of Environmental Evaluation**

I. Development of additional residential units could potentially affect views and result in creation of additional light and glare as new homes are constructed. However, Neighborhood Compatibility review by the City and architectural design review by the Homes Association at the development stage would reduce this potential impact to a level of insignificance.

III d. Construction of new housing will result in a temporary increase in dust and emissions from construction equipment; however, this would be anticipated to occur whether or not the element is adopted, and potential adverse impacts are not considered significant.

IV. Development of vacant sites will result in the conversion of vegetation on vacant sites from a mixture of native vegetation and, more commonly, adventitious weedy species to landscape species; however, this would be anticipated to occur whether or not the element is adopted, and the level of potential impact is not considered significant inasmuch as the affected sites are located in previously developed, disturbed areas. Development of vacant sites will also result in the introduction of additional domestic pets, replacing existing native and opportunistic suburban species; however, this would be anticipated to occur whether or not the element is adopted, and the level of potential impact is not considered significant, inasmuch as the areas in question are highly disturbed and are currently subject to human impact.

VI a. Development of additional housing will result in introduction of additional people and structures into the area, which like all of southern California is subject to earthquake induced ground movement. However, the impact will not be unusually significant or adverse in the City of Palos Verdes Estates. Similarly, new residents could potentially be exposed to hazards due to landslides. However, all future development will be subject to review by the City building officials which will reduce this impact to a level of significance. Further, this would be anticipated to occur whether or not the element is adopted, and potential adverse impacts are not considered significant.

VI b. Minor erosion of soils could occur as sites are cleared and soils exposed in the construction process for additional homes consistent with the proposed element; however, this would be anticipated to occur whether or not the element is adopted, and potential adverse impacts would be reduced to a level of insignificance through the application of standard City grading requirements.

VIII h. Due to terrain, vegetation, and limited emergency access fire hazards are an issue on the Palos Verdes Peninsula, including the City of Palos Verdes Estates. The City has acted to reduce this threat through a ban on all shake roofs, unless they are Class A fire-rated, and

by implementing an aggressive brush abatement program in and adjacent to residential areas. These measures reduce this potential impact to an insignificant level.

- VIIIc. Minor erosion of soils could occur as sites are cleared and soils exposed in the construction process for additional homes consistent with the proposed element, resulting in a small, temporary increase in sedimentation in area drainages; however, this would be anticipated to occur whether or not the element is adopted, and potential adverse impacts would be reduced to a level of insignificance through the application of standard City grading requirements.
- VIIIId Development of existing vacant lots with homes, driveways, and other impervious surfaces would result in a minor reduction in absorption and associated increase in surface runoff; however, this would be anticipated to occur whether or not the element is adopted, and potential adverse impacts are not considered significant.
- XId. Construction of new housing will result in a temporary increase in noise from construction equipment; however, this would be anticipated to occur whether or not the element is adopted, and potential adverse impacts are not considered significant.
- XIIa. As residential development is facilitated and utilization of existing housing is enhanced through such programs as shared housing, population would be expected to increase somewhat. However, the proposed programs are designed to respond to the local and regional housing need generated by increasing population, and population growth anticipated is thus consistent with projections utilized in regional planning efforts by the designated metropolitan planning organization.
- XIIIa-e. Development of additional residential units will result in a minor increase in demand for public services; however, such would be anticipated to occur whether or not the element is adopted, and the level of potential impact is not considered significant.
- XIVa. Development of additional residential units will result in a minor increase in use of and demand for recreation facilities; however, such would be anticipated to occur whether or not the element is adopted, and the level of potential impact is not considered significant.
- XV. Development of additional residential units will result in a minor increase traffic generation; however, any increase would be anticipated to occur whether or not the element is adopted and would be within levels that can be accommodated by local streets. Thus, the level of potential impact is not considered significant.

## MITIGATION MEASURES

1. Landform modifications will be subject to a grading permit to which appropriate conditions regarding engineering factors, erosion control, fire safety and other items will be imposed on a case by case basis.
2. Architectural review will be required at the development stage in order to eliminate adverse aesthetic impacts.
3. New construction will be reviewed by the Homes Association at the development stage, to insure that projects maintain land use and aesthetic compatibility with the surrounding neighborhood.

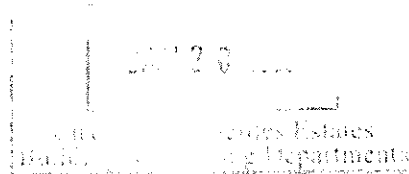
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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January 16, 2009

Mr. Allan Rigg, Director  
Planning Department  
City of Palos Verdes Estates  
340 Palos Verdes Drive West  
Palos Verdes Estates, CA 90274



Dear Mr. Rigg:

**RE: Review of the City of Palos Verdes Estates' Draft Housing Element**

Thank you for submitting Palos Verdes Estates' draft housing element received for review on November 17, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on January 12, 2009 with Ms. Stacey Kinsella, Planner, facilitated the review.

Revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element must include a detailed analysis of identified sites, zoning for a variety of housing types, potential governmental constraints and review and revision of the prior element. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates the cooperation and assistance provided by Ms. Kinsella throughout the course of the review. If you have any questions or would like assistance, please contact Ken Holder, of our staff, at (916) 323-3180.

Sincerely,

A handwritten signature in cursive script that reads "Cathy E. Creswell".

Cathy E. Creswell  
Deputy Director

Enclosure

## APPENDIX

### CITY OF PALOS VERDES ESTATES

The following changes would bring Palos Verdes Estates' housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at [www.hcd.ca.gov/hpd](http://www.hcd.ca.gov/hpd). Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at [www.hcd.ca.gov/hpd/housing\\_element2/index.php](http://www.hcd.ca.gov/hpd/housing_element2/index.php), the Government Code addressing State housing element law and other resources.

#### **A. Review and Revision**

*Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element (Section 65588 (a) and (b)).*

The review requirement is one of the most important features of the element update. The review of past programs should analyze the City's accomplishments over the previous planning period. While the element briefly lists the results of some programs (page 46), a thorough analysis of the success of all programs is necessary. For example, the element should describe the actual results of the prior element's programs and compare those results to the objectives projected or planned. Based on an evaluation of any differences between what was planned versus achieved, the element should provide a description of how the objectives and programs of the updated element incorporate changes resulting from the evaluation. This information and analysis provides the basis for developing an effective housing program.

#### **B. Housing Needs, Resources, and Constraints**

1. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households (Section 65583(a)(1)).*

Extremely Low-Income: In accordance with Chapter 891, Statutes of 2006, the element must identify the number of existing and projected extremely low-income households and analyze their housing needs. While the element quantifies existing extremely low-income households (page 8-31), it must still estimate projected housing needs. The element may either use available census data to calculate the percentage of very low-income households that qualify as extremely low-income households, or estimate that 50 percent of very low-income households qualify as extremely low-income households. This analysis is essential to formulating specific policies and programs to assist in the development of housing for extremely low-income households. To assist the City, see the sample analysis from the *Building Blocks'* website at [http://www.hcd.ca.gov/hpd/housing\\_element2/EHN\\_extremelylowincome.php](http://www.hcd.ca.gov/hpd/housing_element2/EHN_extremelylowincome.php).

2. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Sites Inventory and Analysis: Palos Verdes Estates has a regional housing Needs allocation (RHNA) of 72 housing units, of which 31 are for lower-income households. The element however does not identify any specific sites or strategies to accommodate this need. The element must list and analyze sites, as follows:

- a parcel listing by number or unique reference, general plan designation, zoning, size and calculation or realistic capacity. For nonvacant sites, the listing must include existing use;
- environmental constraints;
- existing and planned infrastructure capacity;
- methodology used to calculate realistic capacity;
- zoning considered appropriate to encourage and facilitate housing for lower-income households based on factors such as market demand, financial feasibility and development experience within zones. For communities with densities that meet specific standards (at least 20 units per acre for Palos Verdes Estates), this analysis is not required;
- suitability and availability of non-vacant sites if being utilized to demonstrate sufficient adequate sites to accommodate the regional housing need; and
- policies, programs and incentives to encourage development on mixed-use and underutilized sites.

To assist in meeting these statutory requirements, see the Department's technical assistance paper at <http://www.hcd.ca.gov/hpd/hrc/plan/he/ab2348stat04ch724.pdf>.

To address the RHNA for lower- and moderate-income households, the element could identify mixed-use and multifamily sites and demonstrate a realistic capacity for second units. For example, the element discusses the potential opportunity for mixed-use in commercial zones, but does not list the actual sites by size or capacity or describe zoning and development standards. In addition, if the City intends to rely on second units to accommodate a portion of the RHNA for lower- and moderate-income households, the element must demonstrate the realistic potential for second units. This demonstration should be based on: (1) the number of second units developed in the prior housing element planning period; (2) whether or not the units are permitted by-right; (3) the need for these units in the community; (4) the resources or incentives available for their development; and, (5) any other relevant factors, such as affordability.

Infrastructure: The element indicates all infrastructure was master planned to serve only the levels of development contemplated under existing deed restrictions (page 32). However, development levels under existing deed restrictions are unclear. Therefore, the element must identify whether total sufficient water and sewer capacity is available to accommodate Palos Verdes Estates' share of the regional housing need.

Sites with Zoning for a Variety of Housing Types: The element did not address this requirement. The housing element must demonstrate zoning to *encourage and facilitate* a variety of housing types, including supportive housing, single-room occupancy (SRO) units, emergency shelters, and transitional housing. An adequate analysis should, at a minimum, identify whether and how zoning districts explicitly allow the uses, analyze whether zoning, development standards and permit procedures encourage and facilitate these housing types. If the analysis does not demonstrate adequate zoning for these housing types, the element must include implementation actions to provide appropriate zoning.

*Transitional Housing and Supportive Housing:* The element did not identify zoning and development standards for these housing types. Pursuant to recent amendments to housing element law (Chapter 633, Statutes of 2007 [SB 2]), transitional and supportive housing must be permitted as a residential use subject only to those restrictions that apply to other residential uses of the same type in the same zone. For example, if the transitional housing is a multifamily use proposed in a multifamily zone, then zoning should treat the transitional the same as other multifamily uses proposed in the zone.

*Emergency Shelters:* The element did not identify zoning and development standards for emergency shelters. Pursuant to recent amendments to housing element law (SB 2), the element must identify a zone(s) where emergency shelters are permitted without a conditional use permit (CUP) or other discretionary action and include information on the realistic capacity and the availability of sites to be developed to accommodate at least one emergency shelter. To assist in addressing this statutory requirement, please see the Department's technical assistance memo at [http://www.hcd.ca.gov/hpd/sb2\\_memo050708.pdf](http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf).

*SRO Units:* The element must identify whether SROs are explicitly permitted in the zoning ordinance and, if so, analyze how development standards encourage and facilitate the use. If SRO's are not explicitly permitted, then the element should include a program to provide appropriate zoning.

3. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land-use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(5)).*

Land-Use Controls: While the element lists some zoning and development standards, it must specifically analyze minimum unit size and parking requirements in the multifamily residential (MFR) zone for their impact on the cost, supply and affordability of housing. For example, the element states one to three parking spaces are required but does not indicate if the spaces are to be covered or open and if they are specific to the number of bedrooms.

Processing and Permit Procedures: Although the element lists processing procedures (page 35), it should further discuss and analyze standards for neighborhood compatibility and whether these standards are predictable, objective and available to developers. Additionally, the element should indicate processing times and approval requirements and any required findings for a typical multifamily development.

Fees and Exaction: While the element lists some fees (page 36), it should also identify all total typical fees including impact fees for single- and multi-family housing and analyze their cumulative impact on the cost and supply of housing. To assist the City, see the sample analysis from the *Building Blocks'* website at [http://www.hcd.ca.gov/hpd/housing\\_element2/CON\\_fees.php](http://www.hcd.ca.gov/hpd/housing_element2/CON_fees.php).

On/Off-Site Improvements: The element did not address this requirement. The element must identify and analyze street widths, curb, gutter, and sidewalk requirements, water and sewer connections, landscaping, circulation improvement requirements, and any other on/off-site improvement required by the jurisdiction.

Constraints on Persons with Disabilities: The element did not address this requirement. The element should include a detailed analysis of zoning, development standards and approval procedures as potential constraints on the development of housing for persons with disabilities. The element should include programs to address identified constraints. For example, among other things, the element should discuss: 1) maximum concentration requirements for residential care facilities; 2) any site planning requirements that may impact housing for persons with disabilities; and 3) parking requirements for any and all housing types that serve persons with disabilities. In addition, the element should provide a detailed description of the City's procedures for providing reasonable accommodation. For example, the element should indicate whether the City's reasonable accommodation procedure is separate from a variance or CUP. To assist in addressing this statutory requirement, refer to the *Building Blocks'* section on Constraints for Persons with Disabilities at [http://www.hcd.ca.gov/hpd/housing\\_element2/CON\\_disabilities.php](http://www.hcd.ca.gov/hpd/housing_element2/CON_disabilities.php).

Deed Restrictions: The element generally states that deed restrictions apply to everything from land-use to architectural style and act as a constraint to additional development. Also, the City has no authority to alter or override these restrictions (page 30). The element should list these restrictions and analyze their impact on the City's future development and ability to meet its RHNA. As a result of this analysis, programs must be added as appropriate to mitigate the constraint.

4. *Analyze the opportunities for energy conservation with respect to residential development (Section 65583(a)(8)).*

The element briefly references energy conservation strategies such as conforming to building codes and supporting utility companies, but, it does not include specific actions to implement these programs. For example, program 10a indicates the City "could" allow posting of energy conservation materials. Instead, the program should clearly commit to how and when the City will support utility companies. Also, the City could

consider adding or revising programs to increase efforts in achieving energy conservation objectives. Additional information on potential policies and programs to address energy conservation are available in the *Building Blocks'* section on Opportunities for Energy Conservation at [http://www.hcd.ca.gov/hpd/housing\\_element2/SIA\\_conservation.php](http://www.hcd.ca.gov/hpd/housing_element2/SIA_conservation.php).

**C. Quantified Objectives**

*Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame (Section 65583(b)(1 & 2)).*

The element should be expanded to include an estimate of the number of new, rehabilitated, and conserved units by income category, as shown below in the sample matrix. These objectives should include both private and City planned activities. Each quantified objective could be described by income level as illustrated in the following table.

<b>Income Category</b>	<b>New Construction</b>	<b>Rehabilitation</b>	<b>Conservation/ Preservation</b>
Extremely Low Income			
Very Low-Income			
Low-Income			
Moderate-Income			
Above Moderate			

**D. Housing Programs**

- 1. Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in finding B2, the element does not include a land inventory or analysis and 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. At a minimum, the element should be revised as follows:

Program 3b (Mixed-Use Projects): Mixed-use development in commercial zones could provide an important resource to address Palos Verdes Estates' RHNA, especially for housing affordable to low- and moderate-income households. The program should be revised to provide incentives to development and could include:

- expedited or reduced permit processing requirements;
- development fee reductions and/or waivers; and
- financial or other incentives to promote the development of mixed-use.

Program 5C (Second Units): Describe how the City will encourage the development of second units such as, development of a marketing campaign, how the City will promote and distribute information to residents and specific incentives the City will offer to promote second-unit development opportunities to homeowners.

2. *Assist in the development of adequate housing to meet the needs of extremely low-, low- and moderate-income households (Section 65583(c)(2)).*

The element did not address this requirement. The element should either revise or add programs to describe specific programs the City will adopt to assist in the development of housing for lower-income households, including extremely low-income households. This is particularly important given the lack of development of housing affordable to lower-income households, including rental, multifamily development.

In addition, Program 5d (Density Bonus) should be revised to describe the specific steps the City will take to market the availability of density bonuses to facilitate affordable housing development.

3. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding B3, the element requires analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *The housing program shall promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color (Section 65583(c)(5)).*

Program 7a (Fair Housing): The program should detail specifically how fair housing complaints are handled or referred and ensure fair housing information is disseminated throughout the community in a variety of public locations.

#### **E. Public Participation**

*Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort (Section 65583(c)(7)).*

While the element indicates the City made copies of the draft available for public review, it must demonstrate how Palos Verdes Estates made a diligent effort to engage all economic segments of the community in the development of the housing element, including developers and specific organizations serving low- and moderate-income households. For example, the element should describe how input was solicited, considered and incorporated. In addition, the City must continue to make a committed effort to include all economic segments of the community throughout the revision, adoption and implementation of the housing element.

#### **F. Consistency with General Plan**

*The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals (Section 65583(c)(7)).*

The element did not address this requirement. The element must include a discussion of how consistency will be achieved and maintained during the planning period. For additional information, refer to the *Building Blocks'* section on Consistency with the General Plan at [http://www.hcd.ca.gov/hpd/housing\\_element2/OR\\_costal.php](http://www.hcd.ca.gov/hpd/housing_element2/OR_costal.php).

#### **G. Coastal Zone Localities**

*In housing element updates, coastal localities shall document the number of low- and moderate-income units converted or demolished, and the number of replacement units provided (Section 65588(d)).*

The element does not address this statutory requirement. The element must be revised to include the following:

1. The number of new housing units approved for construction within the coastal zone since January 1982.
2. The number of housing units for persons and families of low- and moderate-income required to be provided in new housing developments either within the coastal zone or within three miles.
3. The number of existing residential dwelling units occupied by low- and moderate-income households required either within the coastal zone or three miles of the coastal zone that have been authorized to be demolished or converted since January 1982.
4. The number of residential dwelling units for low- and moderate-income households that have been required for replacement.

**HOUSING NEEDS ASSESSMENT EXTREMELY LOW INCOME HOUSEHOLDS  
SAMPLE ANALYSIS  
SAMPLE 1**

Extremely low-income is defined as households with income less than 30 percent of area median income. The area median income in the County is \$70,200. For extremely low-income households, this results in an income of \$21,000 or less for a four-person household or \$12,050 or less for a one-person household. Households with extremely low-income have a variety of housing situations and needs. For example, most families and individuals receiving public assistance, such as social security insurance (SSI) or disability insurance are considered extremely low-income households. At the same time, a minimum wage worker could be considered an extremely low-income household with an annual income of approximately \$17,000 or less. The following are examples of occupations with wages that could qualify as extremely low income households.

Occupation Title	Median Hourly Wage
Hotel and Resort Clerk	\$9.72
Child Care Workers	\$9.51
Housekeepers	\$8.62
Manicurists and Pedicurists	\$8.33
Hosts and Hostesses	\$8.21
Education, Training and Library Workers	\$8.16
Agricultural Graders and Sorters	\$8.10
Waiters and Waitresses	\$8.05
Food Preparation and Serving Related Workers	\$7.97

Source: Employment Development Department, Occupational Employment Projections

### Existing Needs

In 2000, approximately 3,272 extremely low-income households resided in the City, representing 21.8 percent of the total households. Most (88.5 percent) extremely low-income households are renters and experience a high incidence of housing problems. For example, 82.9 percent of extremely low-income households faced housing problems (defined as cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities) and 78.3 percent were in overpayment situations. Even further, 59.2 percent of extremely low-income households paid more than 50 percent of their income toward housing costs, compared to 17 percent for all households.

**Table 12: Housing Needs for Extremely Low-Income Households**

	Renters	Owners	Total
Total Number of ELI Households	2,896	376	3,272
Percent with Any Housing Problems	83.9%	74.7%	82.9%
Percent with Cost Burden (30% of income)	79.5%	69.4%	78.3%
Percent with Severe Cost Burden (50% of income)	59.2%	59.0%	59.2%
Total Number of Households	9,766	5,251	15,017

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) May 2004

**Projected Needs**

To calculate the projected housing needs, the City assumed 50 percent of its very low-income regional housing need are extremely low-income households. As a result, from the very low-income need of 120 units, the City has a projected need of 60 units for extremely low-income households. Many extremely low-income households will be seeking rental housing and most likely facing an overpayment, overcrowding or substandard housing condition. Some extremely low-income households could be with mental or other disabilities and special needs. To address the range of needs, the City will employ a detailed housing strategy including promoting a variety of housing types, such as single-room occupancy (SRO) units.

With respect to single-room occupancy units, the City has adopted provisions in its Zoning Code (Section XX.39) to encourage the development of SRO uses in its R4 multifamily district. Provisions for the City’s SRO ordinance include: (1) requirements for a management plan outlining objective policies and procedures that do not deter the use, (2) on site management and a minimum unit size of 250 square feet. For a more detailed analysis of these standards and decision-making criteria for approval and examination of different housing types to address the housing needs of extremely low-income households (see page 42 of the element (Variety of Housing Types)).

Supportive housing is generally defined as permanent, affordable housing with on-site services that help residents transition into stable, more productive lives. Services may include childcare, after-school tutoring, career counseling, etc. Most transitional housing includes a supportive services component. The City regulates supportive housing as a residential use, provided supportive services are subordinate to the residential use.

To address the housing needs of extremely low-income households, the City will identify and meet with nonprofit builders who specialize in building housing for extremely low-income households and supportive housing. This effort is designed to:

- build a long-term partnership in development,
- gain access to specialized funding sources, including applying for funding sources that support deeper targeting,
- identify the range of local resources and assistance needed to facilitate the development of housing for extremely low-income households, and

- promote a variety of housing types, including higher density, multifamily supportive, single room occupancy and shared housing.

As part of this effort, the City will develop an action plan with its nonprofit partners to develop housing for extremely low-income households. Activities include assisting with site identification and acquisition, local financial resources, assisting and streamlining entitlements and providing concessions and incentives (see Program 4, page 65 for more details on this strategy).

## RESPONSES TO COMMENTS

### A. Review and Revision

The following underlined information has been added to the 'Implementation of Previously Existing Element' section:

" The previously adopted Palos Verdes Estates Housing Element included the following programs which continue to be implemented:

- Housing infill
- Preserve the scale of development
- Code enforcement
- Allow second dwelling units
- Regulate condominium conversion/preserve rental housing
- Streamline development process
- Permit manufactured housing
- Regulate grading
- Promote fair housing
- Enforce Title 24
- Promote energy conservation

The previous Housing Element discussed the goal of providing a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups. The City continues to allow infill in residential areas by providing adequate sites for new housing consistent with the capacity of roadways, sewer lines, and other infrastructure to handle increased growth.

Overall, the City continues to enforce the provisions of the Zoning Code, Neighborhood Compatibility and Specific Development Plan requirements which specify regulations for height, lot coverage, and setbacks. In this way, the City preserves the scale of development in existing residential neighborhoods. The City also continually works to eliminate potentially unsafe or unhealthful conditions in existing development by pursuing a pro-active code enforcement program. This program targets substandard dwelling units and is consistent with the City's Nuisance Abatement Ordinance.

In 2003, as recommended in the adopted Element, the City amended the Zoning Code to reduce restrictions on second family dwelling units and facilitate development of such units. While not all properties are large enough to accommodate a second dwelling unit, there have been some new second dwelling units permitted and built within the City.

Preserving rental housing and regulating condominium conversions was a concern within the City; however, parking requirements currently limit condominium conversion of some older units. These parking regulations act as a deterrent to those seeking to convert rental housing to more expensive condominium use. While not many condominium conversions are proposed, very few adhere to the parking requirements. Generally, projects lose floor area in order to provide the appropriate parking, thus reducing the capacity of the site as a whole. This loss of area and potential loss of revenue from having fewer tenants, considerably reduces condominium conversion projects.

The City continues to streamline the development process to encourage the development of additional low and moderate income housing. The City provides concurrent processing of all discretionary applications thereby reducing the stress of the permit process. These measures reduce development time thereby reducing costs due to interest on project financing.

Consistent with State law, manufactured housing can be permitted on single family lots not occupied by another dwelling. All such development would be subject to architectural review and compliance with deed restrictions under existing regulations. Private deed restrictions regulating development in the Palos Verdes Planned Community do not specifically address manufactured housing. On the face of it, there is no reason manufactured housing could not meet such guidelines, assuming appropriate colors and exterior materials such as wood siding or stucco were utilized. Currently, there are no proposals for this type of development, however, the City's review process would be similar to that of any other new residence.

Due to the City's existing topography, it is an ongoing goal to regulate grading. This is done through the grading permit process. For those applications that exceed the basic thresholds as defined by the Municipal Code, the Planning Commission reviews the grading quantities and locations. All projects are to respect the natural contours of the land and avoid creating hazardous conditions.

To promote fair housing, the City provides a means of addressing housing discrimination through the posting of State regulations regarding housing discrimination. These postings include the appropriate phone numbers to contact regarding housing discrimination problems. The City is unaware of any existing conditions involving unfair housing.

In order to reduce energy loss due to inferior construction techniques, the City continues to require all new projects to conform to the requirements of Title 24 of the California Administrative Code. Title 24 contains specific requirements for energy conservation which result in energy savings of approximately 50 percent when compared to standard construction techniques utilized prior to enactment of current standards. In addition, the City posts pamphlets regarding ways in which projects may be more energy efficient. The City continues to research sustainable building and the various programs available for this type of development."

## **B. Housing Needs, Resources, and Constraints**

1. The RHNA does not quantify need for extremely low income units. In accordance with Government Codes Section 65583(a)(1), this is assumed to be fifty percent of the very low income need, or 10 units.
2. **Sites and Inventory Analysis** - A list of vacant lot is now included in the appendix. Also, the following underlined information has been added to the Opportunities and Constraints section:

“The City of Palos Verdes Estates is nearly built out, and contains little vacant land. Only widely scattered vacant lots remain. All sites in commercial and multi-family residential areas of the city are occupied, and all remaining vacant land is designated R-1, Single Family Residential. A list of vacant lots is included in the appendix.

Within the Multi-Family District (R-M), all sites are built at or above the allowable density except for five lots which could accommodate up to thirteen additional dwelling units if existing development were demolished and replaced at the maximum density permitted without any density bonus or other incentive. The Zoning Code permits up to one dwelling unit for each 1,750 square feet of lot area, equating to 24.9 units per acre. The additional units in the R-M district could be provided as a matter of right, and adequate streets, sewer, and water infrastructure exists to serve these lots. No discretionary action would be required on the part of the City in order to construct the additional units. These lots are located on Via Campesina, Via Pinale, and Palos Verdes Drive West.

Although, in aggregate, nearly thirty acres of vacant property exists in the city, vacant land typically consists almost exclusively of lone single-family (R-1) lots in otherwise developed neighborhoods, and there are few locations where even two vacant sites are contiguous. As might be expected, the remaining vacant sites are generally those which would be most difficult to develop, typically due to topography, with all vacant lots characterized by gentle to extremely steep slopes. The few lots which are large enough to present an opportunity for further subdivision are very steeply sloped, rendering it impractical to construct additional units. At the same time, some of the lots presenting the greatest development challenge also provide spectacular views, inducing potential residents to make the investment needed for massive grading or other modifications of the lot. Thus, none of these lots would be classed as entirely unbuildable. Infrastructure exists to serve these lots if developed for single family residential purposes, though three of the lots lack direct street access and would have to take access via a easements across adjacent lots. Due to terrain, no vacant lot is considered to be readily developable for more than one dwelling unit.

The City contains 7.43 acres of commercial development at Lunada Bay and Malaga Cove. No other sites are designated in the C (Commercial) District in the

City. Mixed use development in these areas could assist in the provision of affordable housing, whereby costs of construction or rehabilitation are underwritten by the commercial portion of the site. The City's Zoning Code provides for mixed commercial/residential use upon the approval of a use permit. The Code does not indicate specific standards for such use, although development in commercial areas is limited to thirty five feet and two stories, excluding parking garages, and is limited to eighty percent lot coverage.”

**Infrastructure** - The following underlined information has been added to the Opportunities and Constraints section under ‘Availability of Infrastructure’:

“Most areas of the City are sewerred and have no problems in that regard, and no problems currently exist due to inadequate water and sewer capacity. However, water and sewer mains were master planned to serve only the levels of development contemplated under the existing deed restrictions, which consists of single family development on existing lots in all locations except in and adjacent to the Malaga Cove and Lunada Bay commercial districts. Thus, intensification of development beyond that provided under current planning and zoning policies in this area could be a problem.”

**Site with Zoning for a variety of Housing** – The following underlined information has been added to the Opportunities and Constraints section under ‘General Plan and Zoning’:

“The General Plan provides for two categories of residential density, Single Family Residential and Multiple Family Residential. Multiple Family Residential areas are also governed by the Palos Verdes Estates Specific Development Plan which establishes a maximum density of one dwelling unit for each 1,750 square feet of lot area, equating to 24.9 units per acre, which is the same density as specified under the Zoning Code. Multi-family dwellings are permitted by right in the R-M Zoning District. With the provision of a density bonus for affordable housing, as provided under California Government Code Section 65915, this would allow 30 to 33.6 units per acre, depending on the proportion of affordable housing provided.

Construction of market rate units at 24.9 units per acre would allow approximately 200 units on the 8.2 acres of existing multi-family property in the city, if all multi-family development were demolished and redeveloped at the maximum density permitted. This is over forty percent less than the number of multi-family residential units which existed at the time of the 2000 census.

The Zoning Code is silent as to group housing, transient housing or single room occupancy housing, whether in the form of resort hotels or emergency shelters. The City of Palos Verdes Estates does not regulate group homes, though C, C, and Rs

applying within the City designate areas in which boarding houses would be permitted.

State records show that one licensed facility providing care for up to six elderly residents exists in the City on Via Visalia. The City does not regulate group homes and therefore, no public records are kept regarding facilities not requiring a license, such as sober living environments or shelters for abused women. For the safety of the residents, many such shelters prefer to not to be identified publicly, so it is not known whether or not any such facilities exist in the City.”

3. **Land Use Controls** – The following underlined information has been revised in the Opportunities and Constraints section under ‘General Plan and Zoning’:

“The Plan also regulates minimum dwelling unit size. Minimum ground floor area for dwellings in the R-1 District is at least 1,200 square feet and minimum size in the R-M District is as follows.

TABLE 33  
MINIMUM UNIT SIZE

Unit Type	Minimum Size
1 bedroom	750 sq.ft.
2 bedrooms	950 sq.ft.
3 bedrooms	1050 sq.ft.
Additional Bedrooms	100 sq.ft.

These minimum sizes are not inordinately large, and are smaller than typical dwellings constructed elsewhere in the region in recent years, and significantly smaller than the average 2,266 square foot new home constructed in the United States in the year 2000. However, to the extent that demand existed for very high density, small residential units these limits could act as a constraint on the delivery of housing. The City height limit which would accommodate three stories, at most, could constrain high rise growth. This would also be constrained by State coastal policy regarding preservation of coastal views.

The city's zoning regulations specify a maximum lot coverage of thirty percent for single family lots, sixty percent for interior multi-family lots, and seventy percent for multi-family lots located on a corner. This is consistent with existing deed restrictions. The code also stipulates that setbacks shall be consistent with covenants of record. These generally provide for minimum side yards of five to ten feet, and minimum rear yards of twelve to twenty feet, depending on the height of

the building. These requirements are not unusually restrictive, reflective of typical setbacks required in many suburban communities, and would not normally pose a constraint on development.

The Zoning Code also restricts maximum floor area of a single family residence to the lesser of thirty percent of lot area plus 1,750 square feet or fifty percent of lot area. This serves to maintain the character of existing neighborhoods and prevent extremely costly, overly large homes, or “mansionization”.

The Zoning Code requires the provision of two covered parking spaces per single family dwelling and one to three (maximum) spaces per dwelling unit in the R-M district as follows:

R-1	R-M
<u>2 accessible spaces in an enclosed garage, no more than 3 enclosed spaces permitted except on lots or parcels with an area of at least 12,000 square feet.</u>	<u>2 covered spaces per one-bedroom unit plus 1/2 covered space per additional bedroom, not to exceed 3 covered spaces per unit. 1/4 guest space per unit also required.</u>

A minimum of two spaces per dwelling unit is a requirement in many communities and typically required by the Coastal Commission.”

**Processing and Permit Procedures** – The following underlined information has been revised in the Opportunities and Constraints section under ‘Permit Process and Development Fees’:

“One aspect of the approval process which could add additional time to project development is the requirement for neighborhood compatibility findings. A finding of neighborhood compatibility must be obtained from the planning commission or city council for the following developments on single family residential property:

1. Any new structure of one thousand square feet or more of gross floor area;
2. Addition of one thousand square feet or more of gross floor area to any existing structure;
3. Additions of gross floor area in the form of a second story whether in whole or in part to any existing structure;
4. Addition to an existing building of a second story deck or balcony eighty or more square feet in area and/or projecting more than six feet from the existing building;
5. Addition to an existing building of a second story deck or balcony which is located in a required side yard;
6. Addition of a mezzanine, whether in whole or in part, to any existing building or structure, that changes the exterior of the building or structure; or

7. Any increase in the roof ridge elevation of any portion of an existing building, unless the increase is only a result of utilizing an alternate roofing material.

Applicants for multi-family development fitting the same criteria must obtain a Site Plan Permit, subject to the following findings:

1. The use or project proposed is consistent with the general plan;
2. The use or project is consistent with any specific plan;
3. The use, activity, or improvements proposed by the application is consistent with the provisions of this title and Title 18 of this code;
4. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act and Chapter 17.10 of this code;
5. The neighborhood compatibility requirements of Chapter 18.36 have been satisfied;
6. The art jury of the Palos Verdes Home Association has completed its architectural review and has approved the project; and
7. The application will not result in conditions or circumstances contrary to the public health and safety and the general welfare.

Applicants for a finding of neighborhood compatibility are required to confer with staff to review the process and likelihood of success. Applicants are provided with a twenty five page packet (Appendix B) detailing typical conditions of approval and relevant policy, such as the Silhouette Policy.”

**Fees** – The following information has been added under Table 34 (Fee Schedule):

“A typical development would be subject to a Site Plan Permit in the case of multi-family development or a finding of Neighborhood Compatibility in the case of single family development. Due to terrain, most currently vacant lots would also require a grading permit. A residential inspection and a driveway permit would also be required. These fees would total \$3,657 to \$4,018 for the development, less than one percent of the cost of a typical dwelling in the region. The fee per unit in a multi-family development would be a portion of the total. The City does not charge a park dedication fee or transportation impact fee, unlike many communities.”

**On/Off-site Improvements** – The following information has been added before Table 35.

“Vacant lots in the City, with three exceptions, are adjacent to existing, developed streets fully equipped with infrastructure. Many residential areas of the City do not have sidewalks, reflective of the desires of the residents, so sidewalks are not required for new development. Thus, infrastructure costs are not a significant factor for development of new homes in the City.”

**Constraints on Persons with Disabilities** – The following underlined information has been added to the Needs section under ‘Disabled’:

“Disabilities may require that modifications be made to the housing units. Some of these housing needs include, but are not limited to, wheelchair ramps, widened doorways, grab bars, and access ramps. Only structural changes would be subject to City permits, and would be processed as routine building permits.”

Some individuals require housing which is close to health care facilities. Housing for live-in caregivers and enhanced communication with caregivers may also be an issue. No licensed group homes providing care and housing exclusively for persons with disabilities are known to exist in the City of Palos Verdes Estates, although State records indicate that one such facility for the elderly is licensed on Via Visalia. The City does not impose any limit as to concentration of group homes or distance between such facilities.”

**Deed Restrictions** – The following underlined information has been added to the Opportunities and Constraints section under ‘Deed Restrictions’:

“All land in the City of Palos Verdes Estates is subject to private deed restrictions developed at the time the master planned Palos Verdes project was established. These private restrictions also apply to additional areas in adjacent communities which were part of the original planned community. These restrictions apply to everything from land use to architectural style. Thus, the potential for resubdivision or intensification of use in most areas is quite low. Only those areas currently zoned R-M may be developed with multi-family units under the deed restrictions. The restrictions do allow for the establishment of dormitories or boarding houses in areas designated for commercial use and in a strip of residential lots adjacent to Palos Verdes Drive north in the northeasterly portion of the City in Tract No. 6887.”

4. **Energy Conservation** – Section 10a of Goals, Policies, and Programs discusses how the City is willing to consider posting energy conservation materials as well as consider waiving permit fees for the installation of energy facilities. Currently, the City does post informational materials provided by the South Bay Environmental Services Center (SBESC). SBESC works with local utility and water agencies to assist in creating energy efficient projects. In fact, the City has been working with SBESC on energy audits and upgrades for city facilities. The City is willing to consider posting additional materials should more materials become available. At this point in time, the City is only considering waiving permit fees.

**C. Quantified Objectives**

The following underlined information has been added to Table 36:

**TABLE 36  
NEW UNIT AFFORDABILITY**

	<u>Extremely Low</u>	Very Low	Low	Moderate	High	Total
RHNA Distribution	<u>13.2%</u>	13.20%	16.70%	18.10%	38.90%	100%
	<u>9 du</u>	10 du	12 du	13 du	28 du	72 du
CITY						
Infill			1 du	7 du	40 du	48 du
Second family units	<u>6 du</u>	6 du	4 du			16 du
Density Bonus units	<u>3 du</u>	2 du	1 du			6 du
Mixed Use		2 du	6 du	6 du		14 du
TOTAL	<u>9 du</u>	10 du	12 du	13 du	40 du	84 du

**D. Housing Programs**

1. The following underlined information has been added to Program 3b:

“ In recent years, mixed use housing has become increasingly attractive to consumers. Where demand exists for residential uses, this can facilitate the delivery of housing. In a mixed use project, the provision of an accompanying commercial use can help absorb some of the fixed costs of development, thereby facilitating the production of lower cost units. Further, existing structures can be adapted to residential use, reducing costs associated with new construction. Existing space at Lunada Bay could potentially undergo conversion. While such use is permitted under the City's Zoning Code and under the Palos Verdes Estates Protective Restrictions administered by the Homes Association, the lack of zoning code standards or guidelines for development of the use could delay such development when a proposal is considered. Adoption of standards could provide certainty for developers proposing such development as well as highlight the potential for such use. These could include waiver of fees or other incentives where affordable housing is provided, consistent with standards provided under Government Code Section 65915.”

The following underlined information has been added to Program 5c:

“ Until 2003, the City permitted second family units only on lots having a minimum area of 20,000 square feet and limited the units to no more than 350 square feet of floor area.

The City also reduced required parking for a second unit and eliminated the requirement for a use permit. These measures were intended to facilitate the development of second units in the city. To further facilitate development of second units the City could provide an informational flyer regarding second units to be provided with other literature at the public counter.”

2. The following underlined information has been added to Program 5d:

“ Currently, the City of Palos Verdes Estates has no specific ordinance implementing this provision of State law. In order to facilitate future projects, it is suggested that the City develop a density bonus ordinance, including a prescribed process for implementation and develop a leaflet describing the requirements and opportunities provided under density bonus law.”

3. The following underlined information has been added to Program 5a:

“ City processing and fees have not been found to create a significant impediment to the development of additional housing. The City will continue to provide concurrent processing of all discretionary applications for a project, thereby streamlining the development process. The City will also continue to process Coastal Development permits at the local level, thereby reducing the stress of the permit process. These measures can reduce development time frames thereby reducing costs due to interest on project financing and builders' staff time.”

4. The following underlined information has been added to Program 7a:

“ Post State regulations at City Hall and at the library regarding housing discrimination together with the appropriate phone numbers to contact regarding housing discrimination problems. Maintain copies of California Department of Fair Employment and Housing publications No. DFEH-157H, DFEH-159, DFEH-700-01, and DFEH-FS06-2003, which provide fact sheets and information to assist in filing housing complaints. Provide contact information for DFEH.”

### **E. Public Participation**

The following underlined information has been added to the Introduction:

“ The Housing Element review was noticed in the local newspaper and posted at City Hall prior to review with the Planning Commission and the City Council. The Commission and Council invited comments and the noticing included information regarding the ways in which the public may comment. Additionally, the element was made available for public review on September 26, 2008. The public hearings were held on October 21, 2008 and November 11, 2008. The hearings were recorded and aired on cable television.”

## **F. General Plan Consistency**

The following section has been added at the end of Goals, Policies, and Programs:

“Section 65300.5 of the California Government Codes requires that the various elements of the general plan be consistent and compatible. Further, Section 65860 requires that zoning ordinances be consistent with the general plan. Due to the restrictive covenants affecting property in the City, the general plan is amended infrequently. At such time as amendments to one element are made, other elements are review to ensure consistency.

Generally the goals and polices proposed for this housing element are consistent with existing planning programs. However, zoning amendments could enhance the implementation of certain programs, including:

Program 3b, mixed use of commercial sites, though permitted under existing codes, could be facilitated through the provision of specific development standards.

Program 5d. density bonus, though permitted under existing law, a specific ordinance could facilitate applications and approval of requests for a density bonus where low cost housing is provided.”

## **G. Coastal Zone Localities**

The following Coastal section has been added to the Housing Element after Goals, Policies, and Programs:

“Section 65590 of the California Government Codes provides for the preservation and production of low- and moderate –income housing in the Coastal Zone. Section 65590 requires the inclusion of low or moderate income housing in new residential development in the Coastal Zone where feasible. It also contains requirements for replacement of low and moderate income housing within the Coastal Zone with such housing is demolished or converted to other uses.

Government Code Section 65590(b)(3) states that replacement housing must be provided only where feasible if the local jurisdiction has less than fifty acres, in aggregate, of privately owned, vacant land which is available for residential use. The City of Palos Verdes Estates currently has well below fifty acres of vacant land available for residential use city wide. Of this, less than 5 acres are in the Coastal Zone.

In accordance with Government Code Section 65588(c) housing elements must take into account any low- or moderate-income housing provided or required pursuant to Section 65590. Section 65588(d) provides a framework for the analysis.

The City has not lost any low or moderate dwellings to demolition. Because new housing in the Coastal Zone consists only of development or redevelopment of single family lots, it is not feasible to require inclusionary units and none have been required. Thus no low or moderate income housing units have been provided, or lost, pursuant to Section 65590.”