



**Honorable Mayor and Members of the Hermosa Beach City Council**

**ADOPTION OF AN ORDINANCE APPROVING ZONING TEXT AMENDMENT 24-02 TO AMEND TITLE 17 OF THE HERMOSA BEACH MUNICIPAL CODE (HBMC) FOR HOUSING ELEMENT-RELATED STANDARDS**

**CEQA: DETERMINE THAT THE AMENDMENT IS CONSISTENT WITH THE PLAN HERMOSA ENVIRONMENTAL IMPACT REPORT IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

(Community Development Director Carrie Tai)

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**Recommendation:**

Staff recommends City Council:

1. Adopt an Ordinance of the City of Hermosa Beach, California, approving Zone Text Amendment 24-02, amending Hermosa Beach Municipal Code (HBMC) related to standards for mixed-use developments, review processes, minimum density for Housing Element sites, and reducing multi-family residential parking requirements, and determine that the amendment is consistent with the PLAN Hermosa Environmental Impact Report in accordance with the California Environmental Quality Act (CEQA) (**Attachment 1**); and
2. Direct the City Clerk to print and publish the summary ordinances in a newspaper of general circulation within 15 days following adoption and post it on the City's bulletin for 30 days.

**Executive Summary:**

At its June 11, 2024 and July 9, 2024 meetings, City Council conducted public hearings and introduced and waived full reading of an ordinance amending Title 17 of the Hermosa Beach Municipal Code (HBMC), related to standards for mixed-use developments, review processes, reducing multi-family residential parking requirements, and specify minimum density requirements for Housing Element sites. This is the second reading to complete the Zoning Text Amendment, which is required for the State of California to find the City's Housing Element zoning in complete substantial compliance with State law.

**Background:**

At its August 8, 2023 meeting, City Council adopted the revised 2021–2029 Housing Element. Because the City is past the State deadline for certification of its Housing Element, State Law requires the City to complete zone changes prior to certification of the Housing Element. The Housing Element-related zone changes were advanced in parallel during the revision and adoption of the Housing Element. The Planning Commission conducted study sessions regarding Housing Element-related zoning changes on March 21, 2023, June 20, 2023, July 18, 2023, and August 15, 2023.

At its October 24, 2023 meeting, City Council conducted a public hearing and approved the recommended Housing Element-related zoning changes, adopting Ordinance 23-1471 (**Attachment 3**) on November 13, 2024. At its December 12, 2023 meeting, City Council conducted a public hearing and approved the Land Value Recapture Program, adopting Ordinance 23-1473 on January 23, 2024.

On April 5, 2024, the City received a comment letter from HCD requesting additional information and analysis. HCD included comments about several aspects of the City's Housing Element-related zoning changes pertaining to the amount of residential development in mixed-use development standards, review processes for affordable housing projects, and multi-family parking requirements. Staff proposed to amend several sections that were amended in Ordinance 23-1471 to address HCD's comments.

Staff revised the Housing Element and posted the document on May 3, 2024 for public review. The document was formally submitted to HCD for a 60-day review on May 13, 2024, with a scheduled review findings date of July 12, 2024.

At its May 21, 2024 meeting, the Planning Commission conducted a public hearing on the proposed revisions to the Housing Element-related zoning changes and adopted a resolution forwarding recommendation of approval to the City Council. At its June 11, 2024 meeting, City Council conducted a public hearing, introduced and waived full reading of an ordinance for the above mentioned amendments. This ordinance was intended to return to City Council on July 9, 2024 for a second reading.

On June 20, 2024, in a meeting with HCD on the preliminary review of the City's Housing Element, HCD staff indicated that the City's zoning for Housing Element sites must reflect an explicit requirement for minimum density as specified in the Housing Element, at 20 dwelling units per acre. While this was always the proposed intention of the Housing Element and rezoning, HCD staff indicated that this change must be more explicitly codified prior to certification. To preserve the City's current HCD 60-day review timeline, the proposed change was incorporated into the draft ordinance approved on June 11, 2024, and re-introduced for first reading on July 9, 2024 by the City Council.

On July 12, 2024, HCD sent the City a letter indicating that the City’s Housing Element complied with State law but would only be found in substantial compliance once the second reading for the Zoning Text Amendment was completed.

***Past Board, Commission, and Council Actions***

Meeting Date	Description
<a href="#"><u>November 16, 2021</u></a>	The Planning Commission conducted a public hearing and considered the revised 2021–2029 Housing Element in response to the comment letter received from California Department of Housing and Community Development (HCD), requesting added sites revisions, and forwarded a recommendation to the City Council to adopt and authorize submittal to HCD.
<a href="#"><u>December 21, 2021</u></a>	City Council conducted a public hearing, adopted the 2021–2029 Housing Element, and authorized submission to HCD.
<a href="#"><u>December 5, 2022</u></a>	Planning Commission held a special meeting to review Housing Element efforts, HCD comments, and discussed integration of the Housing Element and Zoning Update efforts.
<a href="#"><u>March 21, 2023</u></a>	Planning Commission conducted a study session to discuss rezoning approaches for Housing Element implementation.
<a href="#"><u>June 20, 2023</u></a>	Planning Commission conducted a public hearing, recommended the City Council adopt the Housing Element, and discussed zoning text amendments.
<a href="#"><u>July 11, 2023</u></a>	City Council received a staff presentation and discussed revisions to the previously adopted 2021–2029 Housing Element and associated changes to the Land Use Element of the General Plan and the draft Zoning Text Amendment (TA) 23-02 and Zone Change (ZC) 23-01 to change zoning for certain sites to allow realization of housing capacity, align zoning on certain sites with the General Plan, and designate Housing Element sites on the Zoning Map.
<a href="#"><u>July 18, 2023</u></a>	Planning Commission conducted a study session to discuss the proposed Zoning Text Amendment for Housing Element implementation.
<a href="#"><u>August 8, 2023</u></a>	City Council conducted a public hearing and adopted the revised 2021–2029 Housing Element.

Meeting Date	Description
<a href="#">August 15, 2023</a>	Planning Commission conducted a study session to discuss the proposed Zoning Text Amendment for the Housing Element implementation.
<a href="#">September 19, 2023</a>	Planning Commission conducted a public hearing and recommended the City Council adopt the Housing Element General Plan Map Changes, Zoning Map Changes, and Zoning Text Amendment, with several minor revisions.
<a href="#">October 10, 2023</a>	City Council received a staff presentation and discussed the proposed Land Value Recapture Program for residential development on certain non-residentially zoned properties.
<a href="#">October 17, 2023</a>	Planning Commission reviewed minor revisions to the Zoning Text Amendment discussed on September 19, 2023 and adopted a resolution reflecting those revisions.
<a href="#">October 24, 2023</a>	City Council approved Zone Change 23-01 and Zone Text Amendment 23-02, moving Planning Commission recommendation and deferred Section 17.39.050 from the Draft Ordinance relating to Land Value Recapture.
<a href="#">November 14, 2023</a>	City Council adopted Ordinance 23-1471 for Zone Text Amendment 23-02.
<a href="#">December 12, 2023</a>	City Council approved Zone Text Amendment 23-02B, approving the Land Value Recapture Program and amending certain criteria for affordable housing in Section 17.30.050
<a href="#">January 23, 2024</a>	City Council adopted Ordinance 23-1473 for Zone Text Amendment 23-02B.
<a href="#">May 21, 2024</a>	Planning Commission conducted a public hearing and recommended the City Council approve Zone Text Amendment 24-02, pertaining to revisions to Housing Element-related zoning text.
<a href="#">June 11, 2024</a>	City Council approved Zone Text Amendment 24-02, amending provisions related to standards for mixed-use developments, review processes, and reducing multi-family residential parking requirements.
<a href="#">July 9, 2024</a>	City Council approved Zone Text Amendment 24-02, amending provisions related to standards for mixed-use developments, review processes, reducing multi-family

Meeting Date	Description
	residential parking requirements, and minimum density requirements for Housing Element sites.

**Discussion:**

**Proposed Zoning Text Amendment Revisions**

The following Zoning Ordinance sections were identified by HCD as needing revisions. The sections were approved by City Council at its June 11, 2024 and July 9, 2024 meetings.

Section	Topic	Revision
17.40.180	Mixed-Use Development	For (--HE Overlay sites) developed with mixed-use, requires residential uses to occupy 50% of the floor area. (State law consistency with Government Code 65583.2(h))
17.42.250	Work/Live Developments	For (--HE Overlay sites) developed with mixed-use, requires residential uses to occupy 50% of the floor area. ((State law consistency with Government Code 65583.2(h))
17.44.020(B)	Parking Requirements	Add reference to 17.44.020(F) for parking requirements for affordable housing.
17.44.020(C)	Parking Requirements	For Multiple dwellings (three or more units), eliminate guest parking requirements.  Add reference to 17.44.020(F) for parking requirements for affordable housing.
17.44.020(F)	Parking Requirements– Affordable Housing	Change threshold for qualified residential projects with 15% or more very-low or low-income units, or 25% or more moderate-income units.
17.58.020(B)	Review Authority– by Right Housing Developments	In the Precise Development Plan section, indicate that residential projects with a minimum of 20% lower-income units and density bonus projects are subject to a non-discretionary PDP, which are a staff level decision and exempt from CEQA. (State law consistency with 65583.2(i))

## HCD-Requested Changes for Minimum Density

17.58.020(B)	Minimum Density for Housing Element (-HE) Overlay sites.	State law requires that when non-vacant sites are used to satisfy lower-income Housing Element sites, the Zoning Ordinance require that development to minimum density. For Hermosa Beach, this is 20 dwelling units per acre. (State law consistency with 65583.2(h)  Notably, the proposed change does not require density higher than the City's existing allowances. PLAN Hermosa, the City's General Plan, indicates a minimum density of 25.1 dwelling units per acre for the High Density Residential designation, which corresponds to the R-3 zone. The Housing Element sites are allowed to be developed to R-3 standards.
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The draft ordinance is included as **Attachment 1**. The redlined sections displaying the changes to the affected sections of Ordinance 23-1471 are included for reference.

### **Timing of Effectiveness of Housing Element-related Ordinances**

The Housing Element-related zoning changes, memorialized in Ordinance 23-1471 and 23-1473, are slated to take effect upon HCD's certification of the Housing Element, which has not yet occurred. Because Ordinance 23-1471 has not yet taken effect, the proposed Zoning Text Amendment would not change any regulations currently in practice. If approved, the proposed Zoning Text Amendment would alter Ordinance 23-1471 only and would not affect Ordinance 23-1473.

The proposed Zoning Text Amendment would take effect upon HCD's certification of the Housing Element. Staff included a section in the draft ordinance indicating that the proposed Zoning Text Amendment would amend Ordinance 23-1471 first, then collectively take effect. The language in the proposed Zoning Text Amendment would prevail over language in Ordinance 23-1471 in the event of any conflicts.

### **General Plan Consistency:**

PLAN Hermosa, the City's General Plan, was adopted by the City Council in August 2017. Since the State requires General Plan Housing Elements in eight-year cycles, the last Housing Element for the 2014–2021 cycle had been recently updated and was not included in the development of PLAN Hermosa. Upon adoption, the 2021–2029 Housing Element became a component of the PLAN Hermosa General Plan. The purpose of the Zone Text Amendment is to implement the General Plan.

**Environmental Determination:**

Pursuant to the California Environmental Quality Act (CEQA), the City evaluated the proposed Zone Text Amendment against the PLAN Hermosa Final Environmental Impact Report (EIR) (State Clearinghouse Number 2015081009), certified on August 22, 2017, and determined that an Addendum to the PLAN Hermosa Final EIR is the appropriate document for disclosing changes to the PLAN Hermosa EIR in accordance with Section 15162 through of the CEQA State Guidelines, in that there are no significant effects not previously discussed in the PLAN Hermosa Final EIR.

**Public Notification:**

For the July 23, 2024 City Council meeting, a legal ad is not required. Staff published a notification of the proposed ordinance on the City’s website on July 18, 2024. The draft ordinance has also been posted to the City’s website for public review.

**Fiscal Impact:**

There is no fiscal impact associated with the recommended action.

**Attachments:**

1. Draft Ordinance (with redlined zoning text changes)
2. Planning Commission Resolution 24-10
3. Ordinance 23-1471

**Respectfully Submitted by:** Carrie Tai, AICP, Community Development Director

**Noted for Fiscal Impact:** Viki Copeland, Administrative Services Director

**Legal Review:** Patrick Donegan, City Attorney

**Approved:** Suja Lowenthal, City Manager