



**Honorable Chair and Members of the Hermosa Beach Planning Commission**

**6TH CYCLE HOUSING ELEMENT IMPLEMENTATION STATUS REPORT**

Alison Becker, AICP Community Development Director

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**Recommended Action:**

Staff recommends Planning Commission:

1. Receive and file staff presentation.

**Executive Summary:**

This report provides a mid-cycle progress update on the implementation of the City's 2021-2029 6th Cycle Housing Element. The Housing Element addresses five key policy areas: conservation of existing housing, support for new housing production, identification of adequate sites for new housing, removal of government constraints, and promotion of equal housing opportunities. Overall implementation is progressing well, with most programs on schedule and 384 units counted toward the City's Regional Housing Needs Allocation (RHNA), though certain program areas require additional attention.

**Background:**

State law requires that each city adopt a General Plan to guide land use and development. One mandatory component of the General Plan is the Housing Element, which describes City policies and programs for maintaining and improving existing housing and accommodating development of new housing to meet the City's assigned share of regional growth under the Regional Housing Needs Assessment ("RHNA"). PLAN Hermosa, the City's General Plan, was adopted in 2017 and has a "time horizon" of 25 years. However, state law requires that the Housing Element be updated every eight years. The City's 6<sup>th</sup> Cycle Housing Element was developed over several years, beginning in 2021 and received a substantial conformance determination from the California Department of Housing and Community Development (HCD) in July 2024 (**Attachment 1**). The table below summarizes the project history through initial implementation.

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

<b>Meeting Date</b>	<b>Description</b>
<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.
December 5, 2021	Planning Commission held a special meeting to review Housing Element efforts, HCD comments, and discussed integration of the Housing Element and Zoning Update efforts.
March 21, 2023	Planning Commission conducted a study session to discuss rezoning approaches for Housing Element implementation.
June 20, 2023	Planning Commission conducted a public hearing, recommended the City Council adopt the Housing Element, and discussed zoning text amendments.
<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.
<a href="#"><u>August 15, 2023</u></a>	Planning Commission conducted a study session to discuss the proposed Zoning Text Amendment for the Housing Element implementation.
<a href="#"><u>September 19, 2023</u></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="#"><u>October 10, 2023</u></a>	City Council conducted a discussion on the proposed Land Value Recapture Program and provided feedback to staff.
<a href="#"><u>October 17, 2023</u></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="#"><u>October 24, 2023</u></a>	City Council approved General Plan and Zoning Code Amendments necessary to effectuate programs in the 2021-2029 Housing Element.

Meeting Date	Description
<a href="#">January 23, 2024</a>	City Council adopted amendments to the Zoning Code to add the Land Value Recapture Program and criteria for Affordable Housing.
July 23, 2024	City council adopted amendments to the Zoning Code for Housing Element-related regulations pertaining to mixed-use development, review processes and multi-family residential parking requirements.

**Discussion:**

The Housing Element consists of the Housing Element Policy Plan and Housing Element Technical Report divided into two volumes. The Housing Policy Plan provides background information and context for the Housing Element and describes the City’s policies, programs, and objectives for the 2021-2029 planning period. The following summarizes the policy area, associated programs, and status of program implementation.

**1. Conservation of Existing Housing Resources**

Implementation in this policy area is currently on track. The city maintains two active programs in this area:

**Program 1: Code Enforcement** continues as an ongoing, fully funded initiative to maintain housing quality standards.

**Program 2: Affordable Housing Preservation** focuses on preserving 79 existing affordable housing spaces, including 60 mobile home park spaces and 19 RV park spaces.

**2. New Affordable Housing Development**

Progress in this policy area is on track, with all programs meeting their planned milestones. Six programs support the development of new affordable housing:

**Program 3: Density Bonus** regulations grant various incentives for qualifying affordable and senior housing developments. The City’s code has been updated to comply with state law, and program information is now available on the city's website.

**Program 4: Affordable Housing Development** seeks to support affordable housing development through administrative and financial support. It is implemented through multiple strategies, including pursuing funding for special needs populations through participation in the South Bay Council of Governments (SBCOG) Housing Trust Fund, engaging with affordable housing developers through the Southern California Association of Nonprofit Housing (SCANPH) annual conference, and providing assistance with affirmative fair marketing for affordable units.

**Program 5: Facilitate High Density Housing** is intended to support development of multi-family housing by reducing physical and administrative constraints to development. As the City’s existing development pattern has a preponderance of small lots, this includes publicizing lot consolidation incentives on the website. Additional program

activities include engaging with the development community through SCANPH outreach, and conducting a progress assessment in 2025 (currently underway).

**Program 6: Accessory Dwelling Units (ADUs)** provide an important source of affordable housing. Currently, the Zoning Code treats ADUs and Junior ADUs (JADUs) largely as ministerial approvals. The most recent regulation changes have been submitted to the California Department of Housing and Community Development (HCD) for review, and program information is available on the city website. Several additional changes to the City's Ordinance will be needed in response to State legislation adopted this year.

**Program 7: Land Value Recapture** was established in 2024, requiring that a portion of increased property value resulting from rezoning be dedicated to public benefits such as affordable housing. The City Council has asked staff to have the Planning Commission review this program as it relates to "small lots". This discussion is scheduled for the November 18, 2025 special meeting.

**Program 8: Housing Trust Funds** are dedicated sources of financial assistance for affordable housing. The city joined the South Bay Housing Trust Fund managed by SBCOG in 2024 and has contributed Senate Bill 2 (SB 2) funds to the effort.

### **3. Adequate Sites for Housing**

Implementation in this policy area has experienced some delays.

**Program 9: Accommodating Housing Need** includes several initiatives with varying completion status. Various zoning text and map amendments to establish the necessary density to accommodate the City's Regional Housing Needs Allocation (RHNA) were completed in 2024. However, efforts to facilitate affordable housing on city-owned sites have yet to be initiated and plans to expand mixed-use areas in commercial zones are scheduled for 2026.

### **4. Remove Government Constraints**

Progress in removing government constraints is lagging slightly from the planned timeline. Three programs aim to eliminate barriers to housing production:

**Program 10: Special Needs Housing** encourages a variety of housing types that support persons with disabilities and special needs. The City completed zoning text amendments in 2024, and strategies for live/work housing are scheduled for 2026.

**Program 11: Streamline Housing Permitting** addresses several areas where City processes and procedures were reformed to support the timely processing of housing development proposals. Revisions to Preliminary Development Plans (PDP), objective standards, Senate Bill 35 (SB 35) procedures, have been adopted. Eliminating the conditional use permit (CUP) requirements for condominium developments will be scheduled for review in 2026.

**Program 12: Remove Government Constraints** addressed development processes and procedures that were not supportive of a variety of unit types and sizes. This includes updating Coastal Land Use Policies for California Coastal Commission (CCC) review, which was scheduled for 2024 but has not yet been initiated.

## 5. Equal Housing Opportunity

Implementation of equal housing opportunity programs is on track. Two programs support this policy area:

**Program 13: Affirmatively Furthering Fair Housing** encompasses multiple strategies including accommodating persons with disabilities, encouraging stakeholder engagement in decision-making, continuing fair housing outreach and education on housing discrimination, utilizing informational materials and holding at least one public meeting annually to discuss housing issues, and collaborating with and promoting home share programs.

**Program 14: Neighborhood Improvement** ensures systematic investment across all city areas with connections to amenities, prioritizing improvements and services based on urgent need.

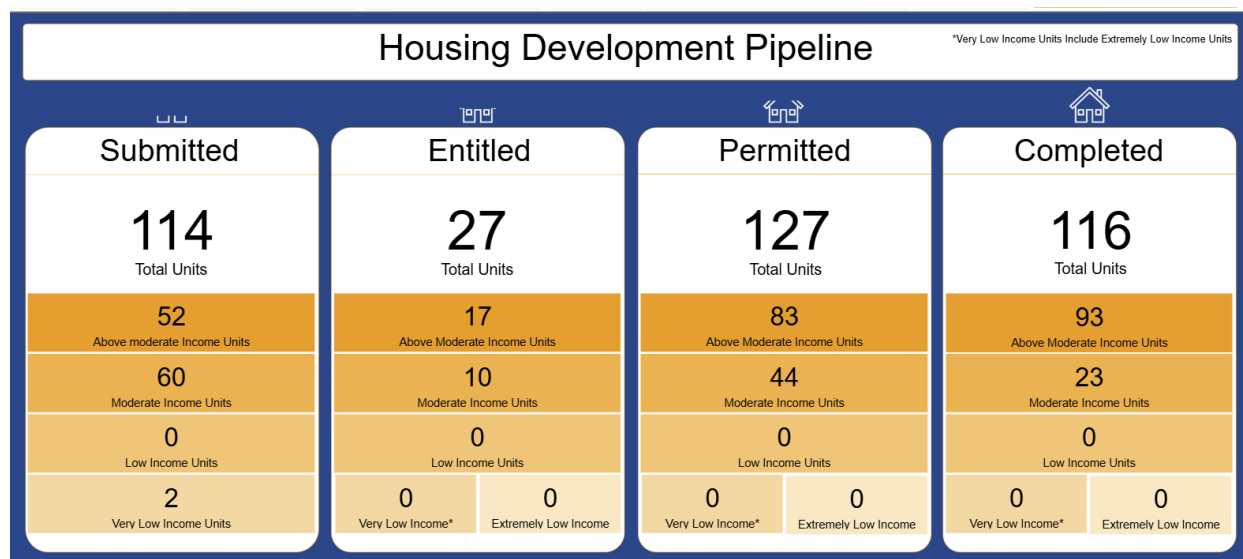
### Quantified Objectives

In addition to policies and programs, the Housing Element articulates clear housing production targets which are based on the City’s Regional Housing Needs Allocation (RHNA). The chart below describes the production targets for this cycle.

	Ex-Low	Very Low	Low	Moderate	Above Moderate	Totals
<b>New</b>	116	116	127	106	93	558
<b>Rehab</b>				10		10
<b>Retain</b>				60*		60

\*Mobile Homes

The City submits annual progress reports to HCD in April, which account for prior year activities and housing development. The following table, extracted from the HCD website, describes the City’s housing development pipeline based on data from 2021 – 2024.



City records indicate that 384 housing units are under development or have been completed during the first half of the 6<sup>th</sup> Cycle. The data suggest that the City will exceed the above-moderate income production target. Housing unit development in all other income categories appears to be lagging. Increased attention to the programs that are behind schedule should improve likelihood of low- and moderate-income housing development.

**Public Notification:**

No public notice is required for this item. However, an eblast was sent to individuals who have signed up for the City's Zoning Code Updates.

**Attachment:**

1. 6<sup>th</sup> Cycle Housing Element 2021-2029

**Respectfully Submitted by:** Alison Becker, AICP Community Development Director