

**CITY OF HERMOSA BEACH
RESOLUTION NO. 26-__**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, AMENDING THE CITY MASTER FEE SCHEDULE TO AMEND FEES FOR THE LAND VALUE RECAPTURE PROGRAM FOR AFFORDABLE HOUSING AND FINDING THE ACTION EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of Hermosa Beach ("City") City Council ("Council") adopted Ordinance No. ORD-24-1474 dated January 23, 2024, to add Section 17.39.050 to the Municipal Code ("Code") to establish the Land Value Recapture ("LVR") Program for affordable housing in order to capture land value associated with the zoning amendments which enable residential development on non-residentially zoned sites and incentivize the creation of affordable housing (including very low, low, and moderate income units); and

WHEREAS, the Council adopted Resolution No. 23-7407 dated December 12, 2023, amending the City Master Fee Schedule to establish fees authorized by the LVR Program; and

WHEREAS, the Council directed the Planning Commission to review the LVR Program and provide recommendations to the Council regarding any amendments or adjustments needed to the program at its March 25, 2025 meeting; and

WHEREAS, the Planning Commission reviewed the LVR Program and provided recommendations to the Council at its November 18, 2025 special meeting; and

WHEREAS, the Council has considered the Planning Commission's recommendations and desires to temporarily amend the LVR Fee in the City's Master Fee Schedule.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The recitals above are true and correct, and are hereby incorporated herein by this reference.

SECTION 2. Amendment. The City Council hereby amends the City's Master Fee Schedule as follows:

- a. Forty dollars (\$40) per square foot for development projects on properties with a minimum density of four (4) units or fewer, proposing no less than three (3) units, and proposing less than one (1) dwelling unit of affordable (very-low, low, or

moderate income) housing. This LVR fee shall be in effect through January 2028, after which time the LVR fee will revert to seventy-six dollars (\$76) per square foot for development projects on properties with a minimum density of four (4) units or fewer and proposing less than one (1) dwelling unit of affordable housing.

- b. Development projects on properties with a minimum density of four (4) units or fewer, proposing no more than two (2) units, shall not be subject to an LVR fee.

SECTION 3. Findings. The Council finds the following in accordance with California Government Code section 66001:

- a. The purpose of the fee (if applicable) is to create much needed affordable residential units in the City.
- b. Any fees paid would be to fund the creation of affordable residential units and any associated services required by those units (open space, residential amenities, etc).
- c. The amount of the fee is calculated to be the equivalent cost of creating affordable residential units on-site, on non-residentially zoned properties that now have the ability to include residential development. There is a reasonable relationship to requiring properties that can now include residential development (and may be the bulk of the new residential units coming online in the City) to offset the lack of affordable units in each project with the fee.
- d. The City has an established need for affordable housing, as supported by the 2021–2029 Housing Element adopted on December 21, 2021 (as amended on January, May, and June 2024).

SECTION 4. California Environmental Quality Act ("CEQA"). The City Council finds that this Resolution is not subject to CEQA pursuant to CEQA Guidelines section 15378 (b)(4), which provides that CEQA does not apply to the creation of governmental funding mechanisms that do not involve a commitment to a particular project which may result in a significant impact to the environment. The fee does not identify or permit any specific future project or projects.

SECTION 5. Severability. If any section or provision of this Resolution is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, or contravened by reason of any preemptive legislation, the remaining sections and/or provisions of this Resolution shall remain valid. The City Council hereby declares that it would have adopted this Resolution, and each section or provision thereof, regardless of

the fact that any one or more section(s) or provision(s) may be declared invalid or unconstitutional or contravened via legislation.

SECTION 6. Certification. The City Clerk shall certify to the passage and adoption of this Resolution; cause the same to be entered among the original resolutions of the City; and make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which time same is passed and adopted.

SECTION 7. Effective Date. This Resolution is effective immediately upon adoption.

PASSED, APPROVED and ADOPTED on this 27th day of January 2026.

Rob Saemann

PRESIDENT of the City Council and **MAYOR** of the City of Hermosa Beach, CA

ATTEST:

APPROVED AS TO FORM:

Myra Maravilla
City Clerk

Jason Baltimore
Interim City Attorney