



Administrative Report

H.10., File # 21-2626

Meeting Date: 6/15/2021

To: MAYOR AND CITY COUNCIL

From: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR

TITLE

AUTHORIZATION TO SUBMIT A 2021-2029 6TH CYCLE DRAFT HOUSING ELEMENT TO THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) FOR INITIAL 60-DAY REVIEW

EXECUTIVE SUMMARY

On May 18, 2021, at their fourth of multiple planned public meetings to discuss the Draft General Plan Land Use Plan/Map, the Mayor and City Council discussed, received public input/comments, and approved in a vote of 3-2 (Emdee and Horvath voting no) the City's Draft General Plan Land Use Plan/Map. The Draft General Plan Land Use Plan/Map that was approved informs the Draft 6th Cycle Housing Element Sites Inventory which will support and provide direction for the Draft Housing Element Update and serve as the basis for the required environmental analysis (California Environmental Quality Act - CEQA) of the City's ongoing General Plan Update.

Within this Administrative Report is the approved Draft Housing Element Sites Inventory summary table which demonstrates the City's capacity for complying with Redondo Beach's 6th Cycle Regional Housing Needs Allocation (RHNA).

In addition to the Draft Housing Sites Inventory table, this Administrative Report includes the following brief summaries:

- City of Redondo Beach 6th Cycle Regional Housing Needs Allocation (RHNA)
 - Draft Housing Element Sites Inventory summary table
- State's criteria for qualifying housing sites to include in a Housing Element housing sites inventory
- Applicable State housing laws
- Schedule for adoption of the City's 6th Cycle Housing Element

This agenda item authorizes staff to submit a 2021-2029 6th Cycle Draft Housing Element based on the Housing Sites Inventory reflective of the approved Draft General Plan Land Use Plan/Map adopted by the City Council on May 18, 2021 in a vote of 3-2 (Emdee and Horvath voting no).

BACKGROUND

At their meeting on May 18, 2021, the Mayor and City Council discussed, received public input/comments, and approved in a vote of 3-2 (Emdee and Horvath voting no) the City's Draft General Plan Land Use Plan/Map, establishing the Draft 6th Cycle Housing Element Sites Inventory which will support and provide direction for the 6th Cycle Draft Housing Element Update and serve as the basis for the required environmental analysis (California Environmental Quality Act - CEQA) of the City's ongoing General Plan Update.

The May 18, 2021 public meeting was the fourth planned public meeting by the Mayor and City Council on this matter. The prior public meetings were held on the following dates:

- April 20, 2021
- May 4, 2021
- May 11, 2021

The administrative reports, presentation materials, submitted written public comments, and video of those discussions are available on the City's agenda website at the links provided as attachments below.

City of Redondo Beach 6th Cycle Regional Housing Needs Allocation (RHNA)

The City has been assessed a 6th cycle RHNA of 2,490 units in the following income distribution:

- 936 Very Low Income
- 508 Low Income
- 490 Moderate Income
- 556 Above Moderate Income

Pursuant to SB 166 (No Net Loss), to ensure the City continues to accommodate the RHNA throughout the planning period as sites are developed, the City Council approved a Housing Element Sites Inventory with a 10 percent buffer for the lower income RHNA. No buffering should be required for moderate and above-moderate income categories. The target sites inventory, as approved by the City Council at their May 18, 2021 public meeting in a vote of 3-2 (Emdee and Horvath voting no), has the capacity to accommodate 2,635 units in the following income distribution:

- 1,030 Very Low Income (inclusive of 10 percent buffer)
- 559 Low Income (inclusive of 10 percent buffer)
- 490 Moderate Income
- 556 Above Moderate Income

Per Council direction on May 18, 2021, the Housing Element Sites Inventory is summarized below:

	Density	Very Low and Low	Moderate	Above Moderate	Total
RHNA		1,444	490	556	2,490
RHNA w Very Low and Low 10% Buffer	---	1,589	490	556	2,635
Credits					
ADUs (SCAG Income Affordability Study)	---	144	14	82	240
Galleria (Project Entitled)	---	30	0	270	300
Alcast Foundry	---	0	0	36	36
Total Credits	---	174	14	388	576
Sites Inventory					
Residential Recycling	14.6-30.0	0	500	300	800
Galleria (North Kingsdale)	45.0	72	0	0	72
Galleria (Industrial Flex South of Transit Center – Housing Overlay)	70.0	348	0	0	348
Tech District (Commercial North of 405 – Housing Overlay)	80.0	700	0	0	700
PCH South (Mixed Use 1)	30.0	180	0	0	180
PCH Central (Mixed Use 2)	35.0	30	70	0	100
PCH Central (RH – AB 1851)	30.0	28	0	0	28
Meyer Lane/190 th	45.0	122	0	0	122
Mary Ann Drive/190 th	45.0	130	0	0	130
Lamp Plus Site	45.0	32	0	0	32
Total Sites		1,622	570	300	2,492
Total Capacity (Credits + Sites)		1,796	584	688	3,068
Surplus		207	94	132	433

Although there is a slight surplus with the Housing Element Sites Inventory that was based on the approved Draft General Plan Land Use Plan/Map, this may be necessary to maintain for two purposes. First, this provides flexibility in case HCD rejects or requires modifications of portions of the inventory. As well, the current Housing Element Sites Inventory presented in this report does meet the “no net loss” requirement, whereas it is uncertain if modifications to reduce the Sites Inventory would still comply.

State’s Criteria for Qualifying Housing Sites to Include in a Housing Element Housing Sites Inventory

In 2017, the State passed AB 1397 (Adequate Sites) that substantially tightened the criteria for qualifying sites for RHNA. Key requirements are:

- Default density of 30 units per acre is required for facilitating lower income housing.
- Sites smaller than 0.5 acre and sites larger than 10 acres are not considered feasible for facilitating lower income housing.
- Reusing vacant sites used in the 4th and 5th cycle Housing Elements and nonvacant sites used in the 5th cycle Housing Element is subject to higher standard of feasibility criteria, based on

existing uses, property conditions, development interest, and trend of redevelopment, among others.

- If rezoning after October 2021 is needed to accommodate the RHNA, at least 50 percent of the lower income RHNA must come from residential sites or mixed use/nonresidential sites that allow standalone residential.
- If more than 50 percent of the lower income RHNA is being accommodated on nonvacant sites, adoption of the Housing Element must include a Finding that the City believes the existing uses on site can cease to operate during the 8-year planning period.

Applicable State Housing Laws

The following recently-adopted housing laws from recent years have impacted what the Housing Element must accomplish for municipalities, including affordability, no net loss, facilitation of ADUs, an Affirmatively Furthering Fair Housing component, and addressing special-needs populations.

By-Right Approval of Projects with 20 Percent Affordable to Lower Income Households (AB 1397) required for:

- Reusing vacant sites used in the 4th and 5th cycle Housing Elements and nonvacant sites used in the 5th cycle Housing Element.
- Rezoning of sites after October 2021 to accommodate the RHNA.

Monitoring of No Net Loss (SB 166) - Develop a procedure to monitor for No Net Loss. When the sites in the inventory are developed, the City must monitor the number and income level of the units built, compared to the Housing Element assumptions for the sites. If a shortfall in sites is identified due to developments at market yielding fewer or no affordable units, the City must make findings that the City's sites inventory continues to have adequate capacity for the remaining RHNA, identify replacement sites, or rezone/upzone within six months to replenish the sites inventory.

Replacement Housing (AB 1397) - As a condition of project approval, development on a residential site that currently has existing units must replace the units that are deed restricted for or occupied by lower income households. The replacement requirements under AB 1397 are the same with Density Bonus law.

Facilitation of ADUs (AB 68) - Housing Element must include incentives to facilitate the development of ADUs and a monitoring of ADU trends to ensure consistency with assumptions in the Housing Element.

Affirmatively Furthering Fair Housing (AFFH) (AB 686) - Housing Element must include an AFFH analysis that looks at existing conditions regarding segregation and concentration of poverty, and the distribution of the sites inventory. The Housing Element needs to identify actions that the City will undertake to foster housing mobility, facilitate neighborhood improvements, mitigate displacement, and provide housing choices in new locations.

Zoning Revisions for Special Needs Populations:

- AB 139 (Emergency Shelters) - Revise parking standards for the emergency shelter overlay to be based on staffing level instead of shelter capacity
- AB 101 (Low Barrier Navigation Centers) - Revise zoning code to permit low barrier navigation

centers (temporary housing for those at risk of homelessness) in mixed use/nonresidential zones that allow housing.

- AB 2162 (Supportive Housing) - Revise zoning code to permit supportive housing meeting specific criteria in multi-family and mixed-use zones. If the specific supportive housing is located within half mile from transit, no minimum parking can be required.

Schedule for adoption of the City’s 6th Cycle Housing Element

The City of Redondo Beach must adopt the Housing Element by October 15, 2021 in order to move to an eight (8) year Housing Element Cycle rather than the City’s current four (4) year Housing Element Cycle. To ensure we meet this deadline:

CEQA (ND/MND)	June - August 2021
HCD 60-Day Review	July 1, 2021 - September 1, 2021
Planning Commission Hearing	September 16, 2021
City Council Adoption	September 21, 2021 or October 5, 2021
Deadline for Submittal to HCD	October 15, 2021

This agenda item authorizes staff to submit a 2021-2029 6th Cycle Draft Housing Element based on the Housing Sites Inventory reflective of the approved Draft General Plan Land Use Plan/Map adopted by the City Council on May 18, 2021 in a vote of 3-2 (Emdee and Horvath voting no).

Although this agenda item authorizes submitting the Housing Element in compliance with State requirements, it should be noted that the City Council at its June 8, 2021 City Council meeting voted unanimously in Closed Session to approve legal action against the State of California Department of Housing and Community Development (HCD) related to these housing requirements. It is anticipated a number of cities will take parallel legal action in coordination with the Orange County Council of Governments.

COORDINATION

Preparation of this report has been in coordination with the City Manager’s Office, as well as with the City’s General Plan Update Consultant Placeworks, Inc. and with the City’s Housing Consultant Veronica Tam and Associates.

FISCAL IMPACT

The costs associated with the adoption of the 6th Cycle Housing Element are within the scope and budget of the existing contract with the City’s Housing consultant, Veronica Tam & Associates.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

April 20, 2021 City Council Materials (Item N.2.)

<https://redondo.legistar.com/MeetingDetail.aspx?ID=824626&GUID=121BA25B-3DA8-41CF-811C-30D98C870527&Options=infoj&Search=>

May 4, 2021 City Council Materials (Item N.5.)

<https://redondo.legistar.com/MeetingDetail.aspx?ID=824662&GUID=A634A98F-17B9-4E5A-AF6C-618F58068B8D&Options=info|&Search>>=

May 11, 2021 City Council Materials (Item N.2.)

<https://redondo.legistar.com/MeetingDetail.aspx?ID=824663&GUID=F02E481A-44C4-49AB-82FC-588C9E54A7A1&Options=info|&Search>>=

May 18, 2021 City Council Materials (Item N.4.)

<https://redondo.legistar.com/MeetingDetail.aspx?ID=824664&GUID=56532B81-EAB4-4683-B749-31CD35ACFBCA&Options=info|&Search>>