



Administrative Report

L.1., File # 21-2926

Meeting Date: 10/5/2021

To: MAYOR AND CITY COUNCIL

From: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR

TITLE

PUBLIC HEARING FOR CONSIDERATION OF THE CITY OF REDONDO BEACH 6TH CYCLE 2021-2029 DRAFT HOUSING ELEMENT OF THE GENERAL PLAN AND CERTIFICATION OF AN INITIAL STUDY/NEGATIVE DECLARATION

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2110-095, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADOPTING THE CITY'S 6TH CYCLE 2021-2029 DRAFT HOUSING ELEMENT OF THE GENERAL PLAN AND ASSOCIATED CALIFORNIA ENVIRONMENTAL QUALITY ACT DOCUMENTATION, INITIAL STUDY/NEGATIVE DECLARATION

PROCEDURES:

1. Open public hearing;
2. Take testimony from staff and all interested parties, and deliberate;
3. Close public hearing;
4. Adopt by title only Resolution No. CC-2110-095

EXECUTIVE SUMMARY

At their public meeting on June 15, 2021, the Redondo Beach City Council approved in a 3-2 vote (Councilmembers Horvath and Emdee voting no) the City's Draft General Plan Land Use Plan/Map (attached), which demonstrates the City's capacity for complying with Redondo Beach's 6th Cycle Regional Housing Needs Allocation (RHNA), and authorized staff to submit the City's Draft Housing Element to the State's Department of Housing and Community Development (HCD).

Staff submitted the City's Draft Housing Element to HCD and received their formal written comments on September 2, 2021 (attached). HCD's correspondence notes that the draft element addresses many statutory requirements; however, revisions are required to address concerns with "adequate sites for accommodating the City's regional housing needs allocation of 1,444 housing units for lower-income households, affirmatively furthering fair housing (AFFH) requirements, and details regarding various Housing Programs.

At their public hearing on September 16, 2021, the Planning Commission considered HCD's comments along with the staff's recommendations for responses, received additional comments from the public, discussed and approved edits, and recommended that the City Council adopt the City's 6th

Cycle 2021-2029 Draft Housing Element and the associated environmental documentation (Initial Study/Negative Declaration). Attached to this Administrative Report is the Planning Commission's September 16, 2021, Administrative Report which includes comprehensive background and reference information.

Provided the City adopts the 6th Cycle 2021-2029 Housing Element on or before October 15, 2021 the City will have adopted two (2) consecutive Housing Elements on time and will therefore be on an eight-year Housing Element cycle to begin in 2021 moving forward.

A copy of the City's 6th Cycle 2021-2029 Draft Housing Element, inclusive of the Planning Commission's recommended edits and reflecting changes and additional information as requested by HCD **is downloadable via a link** provided with the list of "Attachments" at the end of this report.

The Draft Housing Element under consideration by the City Council is subject to change as a result of ongoing coordination with HCD. A revised Housing Element (when ready for certification by HCD) is expected to be brought back to the Planning Commission and City Council prior to 2022.

The **BACKGROUND** section of this report focuses on the following:

- Background and Adoption Schedule
- Summary of HCD's Comments and City Responses
- Summary of Planning Commission's September 16, 2021 Recommended Edits
- Summary of Public Comments and City Responses
- Environmental Review - Negative Declaration

This agenda item is for City Council to consider adoption of Negative Declaration related to the environmental process and adoption of the 6th Cycle 2021-2029 Housing Element by resolution, for submittal to HCD by the October 15, 2021 deadline.

BACKGROUND

Background and Adoption Schedule

The City's current 5th Cycle Housing Element was originally adopted by the City Council on March 18, 2014, covering an 8-year cycle from 2013-2021. However, since the City adopted the 5th Cycle Housing Element past the statutory deadline, the City was required to conduct a mid-term (4-year) update to the Housing Element in 2017. The City adopted the 2017 Technical Midterm Update to the 5th Cycle 2013-2021 Housing Element on September 19, 2017, which was prior to the statutory deadline of October 15, 2017. Provided the City adopts the 6th Cycle 2021-2029 Housing Element on or before October 15, 2021 the City will have adopted two (2) consecutive Housing Elements on time and will therefore be on an eight-year Housing Element cycle to begin in 2021 moving forward.

Summary of HCD's Comments and City Responses

Included herein is a summary of HCD's comments from their attached letter dated September 2, 2021, along with summaries of how the City has addressed the comments inclusive of housing element page references. Since the Draft Housing Element document under consideration by the City Council is subject to change as a result of ongoing coordination with HCD, a revised Housing Element (when ready for certification by HCD) is expected to be brought back to the Planning

Commission and City Council prior to 2022.

HCD's September 2, 2021 correspondence opens with documentation of their review timeline and a summary of the multiple communications with/revisions by city staff that have occurred since the document was submitted to HCD on July 13, 2021. Their opening remarks also identify public comments that were submitted directly to HCD, all of which are included as attachments.

HCD's letter further notes that the draft element addresses many statutory requirements; however, revisions will be required concerning adequate sites for accommodating the City's regional housing needs allocation of 1,444 housing units for lower-income households, clarifying information regarding affirmatively furthering fair housing (AFFH), and providing additional descriptions on various Housing Programs. The following is a summary of HCD's concerns followed by the City's actions/edits to the current document in order to address stated concerns.

Affirmatively Furthering Fair Housing (AFFH) - HCD Comment(s)

Integration and Segregation: The comparison of segregation levels at the regional and local levels must be complemented by local knowledge and relevant factors supporting conclusions.

City Response: The City presents additional information further describing historical trends towards zoning and housing development that better informs this issue area. See page **D-3, D-33, D-38, and D-39** of the housing element.

AFFH Site Inventory - HCD Comment(s)

The element must include accompanying analysis to evaluate the site inventory's consistency with the City's obligation to AFFH. The site inventory analysis should address how the sites improve or exacerbate conditions relative to access to opportunity; segregation and integration; racially and ethnically concentrated areas of poverty and affluence; and disproportionate housing needs, including displacement risk based on local data, knowledge, and other relevant factors.

City Response: The City presents additional information concerning planned development of an inclusionary housing ordinance (that will address access and opportunity and concentrations of affluence) and further investigating measures to address displacement risks going forward. See pages **D-3, D-7, D-26, D-28, D-33, D-38, and D-39** of the housing element.

Adequate Sites - HCD Comment(s)

The City has a regional housing needs allocation (RHNA) of 2,490 housing units, of which 1,444 are for lower-income households. To address this need, the element relies on nonvacant sites which require rezoning to a Residential Overlay Area which in turn requires approval of the electorate. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

- Electronic Sites Inventory: Upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.
- Suitability of Nonvacant Sites (North Tech District): Table B-2 of the element identifies five nonvacant sites on 14.26 acres within the North Tech District as sites for residential overlay

zoning to accommodate over half of the City's RHNA shortfall for lower-income households. Additional analysis is required to establish the adequacy of the sites and that existing uses do not preclude development within the planning period. If additional analysis does not establish the adequacy of the sites, the element will need to identify alternate sites for rezoning.

- **Small Sites:** Each site must accommodate a minimum of 16 units. Several sites have capacity estimated under 16 units and do not meet this threshold. The element may utilize an aggregation of parcels to be a "site"; however, the element must include analysis to establish conditions on the sites are suitable for consolidation and development within the planning period. Absent the required analysis, the following sites/APNs are ineligible to accommodate any of the shortfall for lower-income RHNA:
 - 7510030058 (1756 S Pacific Coast Highway (site is 23,834 SF));
 - 4158010022 (510 Meyer Lane);
 - 4158011011 (553 Mary Ann Dr);
 - 4158011012 (575 Mary Ann Dr);
 - 4158011007 (601 Mary Ann Dr);
 - 4158011006 (615 Mary Ann Dr);
 - 4158011005 (621 Mary Ann Dr);
 - 4158012025 (630 Mary Ann Dr); and
 - 4158012024 (2408 Fisk Lane).

City Response - Electronic Sites Inventory: The City will submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov [<mailto:sitesinventory@hcd.ca.gov>](mailto:sitesinventory@hcd.ca.gov).

City Response - Suitability of Nonvacant Sites (North Tech District): Recognizing the viability of the existing non-residential uses, the City envisions that the majority of residential development on this site would be developed above the existing large parking lots. Additional descriptions of the envisioned planning standards to allow existing uses to remain and allow new residential are incorporated in the housing element to address HCD's concern.

Additionally, the City has engaged the property owners of the North Tech District and is confirming interest. To date the owner of the largest shopping center (Redondo Beach Plaza - 9.25 acres, see attached existing site plan and email with examples of similar projects to this location) within the North Tech District has communicated strong interest and direct experience with introducing high density residential to their commercial centers, citing recent examples of similar properties in Pinole, CA, Novato, CA, and Bellevue, WA. See page **76** of the housing element.

City Response - Small Sites: Staff is further investigating the list of sites identified by HCD as potentially too small. The majority of the identified small sites are all within the two (2) Industrial areas adjacent to 190th Street, are contiguous (which supports future lot consolidation), and are surrounded by residential development. The City has engaged with the property owners of all of the sites on HCD's list, some owning multiple parcels. As of the date of this report, we have confirmed interest for future high-density residential development from a property owner of three (3) of the Mary Ann Drive parcels. City staff continues to engage existing property owners of these sites to confirm their support/interest for future high density residential. As of the drafting of this report none of the property owners have expressed

opposition to their properties having the residential overlay designation. See page 77 of the housing element.

Housing Programs - Adequate Sites - HCD Comment(s)

The element does not include a complete site analysis; 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. Since the element does not identify adequate sites to accommodate the regional housing need for lower-income households, it must include a program to identify sites with appropriate zoning to accommodate the regional housing need within the planning period. The program must commit to:

- Permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a conditional use permit, planned unit development permit, or other discretionary review or approval.
- Accommodate a minimum of 16 units per site.
- Require a minimum density of 20 units per acre; and
- At least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - Allow 100 percent residential use, and
 - Require residential use occupy 50 percent of the total floor area of a mixed-use project.

City Response - Housing Programs - Adequate Sites: Staff is continuing to investigate the sites questioned by HCD and has updated the housing element to reflect the confirmation from some property owners of the questioned sites of their plans to support future high-density housing developments. Staff is continuing to engage with the subject property owners and will provide those updates when available. See pages 93 and 94 of the housing element.

Additionally, if it is determined that additional housing sites are required, those discussions will be re-engaged with the community, Planning Commission, and City Council in order to accommodate the City's required RHNA. Staff does not anticipate the need to add this program at this time.

Housing Programs - Program 2 (Preservation of Affordable Housing) - HCD Comment(s)

The element describes Seasons Senior Apartments as having a high likelihood of converting to market rate in 2025. As such, Program 2 (Preservation of Affordable Housing) should be revised to include actions specific to Seasons Senior Apartments.

City Response - Preservation of Affordable Housing: Staff has amended this program to include a commitment by the City to proactively engage the owner and property manager and to provide education and ensure their understanding of their obligations under preservation law. See page 87 of the housing element.

Housing Programs - Program 12 (Accessory Dwelling Units) - HCD Comment(s)

The element is required to include a program that incentivizes or promotes ADU development specifically for very low-, low-, and moderate-income households. While Program 12 (Accessory Dwelling Units) includes some actions to promote ADUs, it must be revised to include specific actions to the development of affordable ADUs.

City Response - Accessory Dwelling Units: Within HCD's comments on this issue are a number of suggested additional incentives to include within this program, including but not limited to, flexible zoning requirements, development standards, or processing and fee incentives that facilitate the creation of ADUs, such as reduced parking requirements, fee waivers, and more. Staff has investigated these and other additional strategies and revised the element accordingly. See page **96** of the housing element.

Housing Programs - Program 13 (Amendments to the Zoning Ordinance) - HCD Comment(s)
Program 13 (Amendments to the Zoning Ordinance) includes an action to "amend the parking standards to reduce the burden on smaller units, including adjusting the number and type of parking spaces required". This program should be revised to amend the parking standards for all multifamily development, not just for a subset of smaller units.

City Response - Amendments to the Zoning Ordinance: The City will be assessing parking and other development policies as they relate to the City's continued work plan for the General Plan update and plans to engage the GPAC on land use element development policies, including parking, and as part of this effort a firm date for the development of parking standards can be determined and integrated into this program. Language to this effect has been added to this program within the housing element. See pages **97-99** of the housing element.

Housing Programs - Program 14 (Objective Design Standards) - HCD Comment(s)
Program 14 (Objective Design Standards) should be revised, or an additional program added, to explicitly commit to establishing objective design standards for the four overlay residential districts (North Kingsdale, North Tech District, 190th Street, and Industrial Flex - South of Transit Center) by a specific date.

City Response - Objective Design Standards: The City is assessing the continued work plan for the General Plan update and plans to confirm a schedule for engaging the GPAC on land use element development policies, and as part of this effort a firm date for the development of Objective Design Standards can be determined and integrated into this program. Language to this effect has been added to this program within the housing element. See pages **105 and 106** of the housing element.

Housing Programs - Program 15 (Monitoring the Effect of Article 27 of the City Charter (Measure DD)) - HCD Comment(s)

Program 15 (Monitoring the Effect of Article 27 of the City Charter (Measure DD)) should be revised to identify the relationship between the approval of the electorate on the November 2022 ballot measure and continued housing element compliance.

City Response - Monitoring the Effect of Article 27 (Measure DD): The element has been amended to include language acknowledging that the City must take additional action to retain housing element compliance if the electorate rejects the ballot measure. See page **106** of the housing element.

Housing Programs - Program 15 (Fair Housing Program) - HCD Comment(s)

Program 15 (Fair Housing Program) includes a list of contributing factors and their priority as well as specific program actions. However, many contributing factors have no associated program actions. The program should be revised to ensure all contributing factors have associated actions the City will implement and it should be revised to also include actions to promote mobility and access to opportunity. Additionally, Program 15 should be revised to replace non-committal language such as “if feasible”, “assess the feasibility of”, or “assess” with language that commits to follow-up actions.

City Response - Fair Housing Program: The City has amended this program and added specific actions to address the “contributing factors” noted, promote mobility and access to housing, and strengthen the language to commit follow-up actions as they relate to this program. See pages **101-104** of the housing element.

Public Participation - HCD Comment(s)

The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including revising the document where appropriate.

City Response - Public Participation: Staff is in the process of engaging property owners as noted in earlier “City Responses”, and plans to further engage with element commenters, the housing development community, and the public after revisions are made to the element per HCD’s comments and additional revisions per other commenters. Attached to this report is a table that summarizes all comments received from the public and the City’s responses to those comments. Additionally, a revised element is expected to be brought back to the Planning Commission and the City Council prior to January 1, 2022 (depending on the timeframe of HCD’s feedback on adopted element) that will provide additional opportunities for increased public participation. Additional language to this effect has been incorporated in the Public Participation section of the housing element on pages **C-1 and C-4**.

Summary of Planning Commission’s September 16, 2021 Recommended Edits

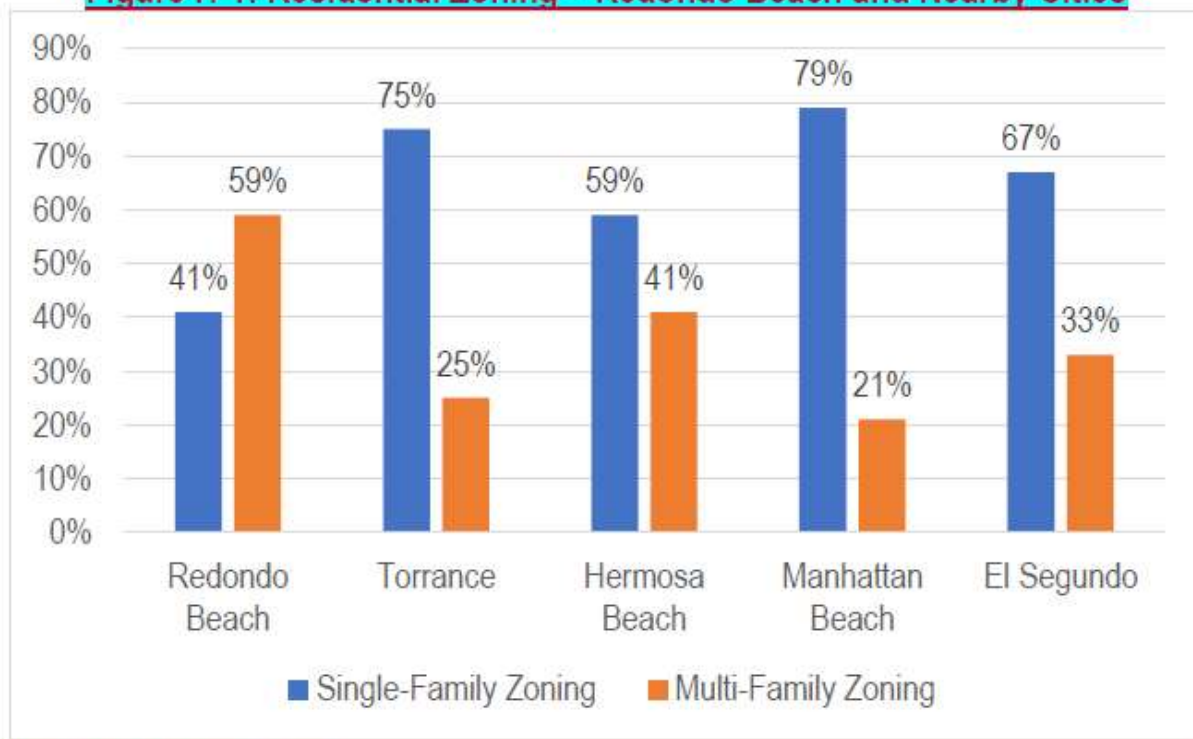
Attached to this Administrative Report is the Planning Commission’s September 16, 2021 Administrative Report which includes comprehensive background and reference information. Additionally, a link with the Planning Commission edited version of the City’s 6th Cycle 2021-2029 Draft Housing Element is provided with the list of “Attachments” at the end of this Administrative Report.

At their public hearing on September 16, 2021, the Planning Commission received additional comments from the public, considered HCD’s comments along with the staff’s recommendations for responses, discussed and considered various edits to the element, and approved a resolution (approved 4-3) to recommend that the City Council adopt the associated environmental

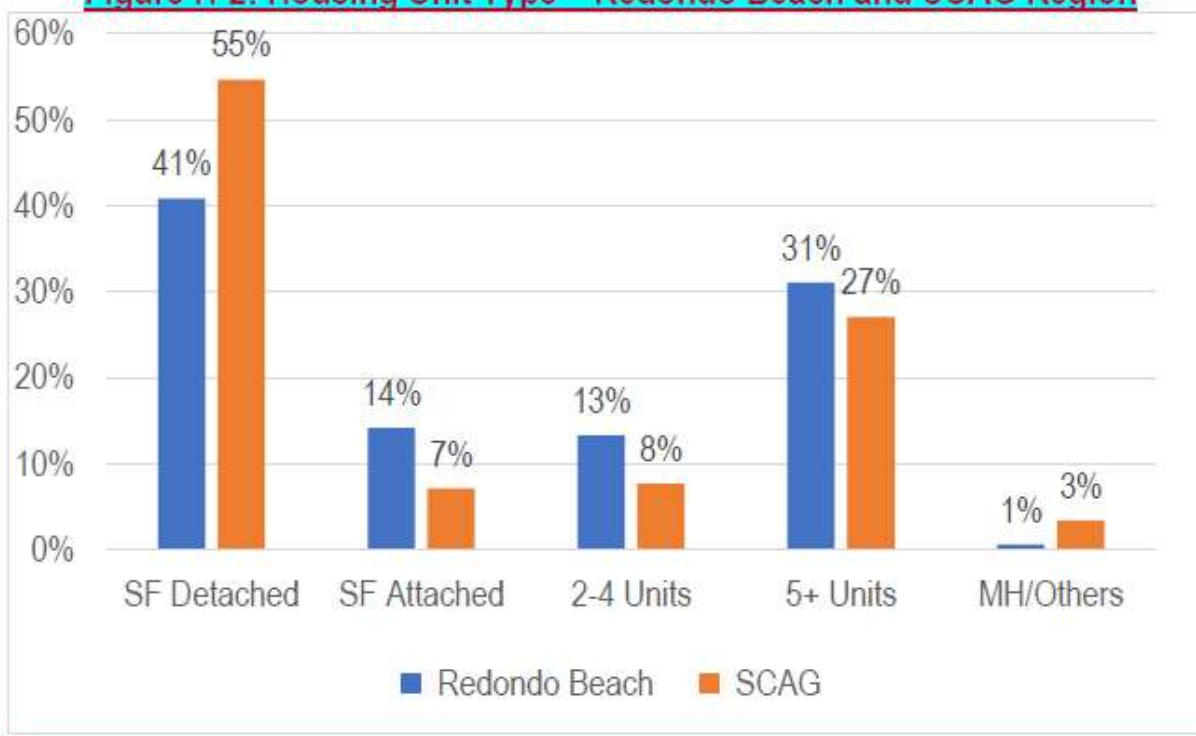
documentation (Initial Study/Negative Declaration) and the City's 6th Cycle 2021-2029 Draft Housing Element with the following edits in addition to addressing HCD's comments.

- **Page 25:** Add a bar chart with percentage of housing unit types single-family and multi-family. Include comparisons with surrounding jurisdictions as well as the Southern California Association of Governments (SCAG) (region that includes Redondo Beach). Below are the bar charts added to the housing element. See Figure H-1 and Figure H-2 on **page 26** of the housing element.

Figure H-1: Residential Zoning – Redondo Beach and Nearby Cities



Source: City of Redondo Beach

Figure H-2: Housing Unit Type – Redondo Beach and SCAG Region

Source: 2015-2019 ACS.

- Page 35:** Delete the last two (2) sentences from paragraph 2 under Section A. Governmental Constraints. Below are the deleted sentences.
 "... Redondo Beach residents, however, have become increasingly concerned over the impacts of new housing on neighborhood character, public services, and infrastructure. Consequently, land use controls related to housing and residential development have been strengthened over recent years."
- Page D-3/D-4:** Retain the first and second paragraphs of "Section B. Integration and Segregation 1. Race and Ethnicity" and delete the remaining new language concerning Measure DD. Below is the deleted language.
 "...In Redondo Beach changes to land use and zoning laws that could help to facilitate housing affordable to low and moderate income households could require a public vote. On November 4, 2008, Redondo Beach residents passed Ballot Measure DD that applies to major changes in allowable land use. "Major change in allowable land use" is defined as any proposed amendment, change, or replacement of the General Plan (including its local coastal element of the City's zoning ordinance or of the zoning ordinance for the coastal zone), meeting any one or more of the following conditions requires a public vote:
 - The conversion of public land to private use;
 - The re-zoning of nonresidential land for housing or mixed-use projects with more than 8.8 units per acre; and
 - Changes that significantly increase traffic, density or intensity (i.e. zoning changes that add more than 25 homes, 40,000 square feet of commercial space and/or yielding more than 150 peak hour car trips).

For the 2021-2029 Housing Element, the City relies on the capacity created by new land use designations as part of the General Plan Update to accommodate the City's RHNA and affirmatively further fair housing by providing new housing opportunities. The new General Plan will trigger Measure DD and is scheduled to be placed on the ballot in November 2022."

Special Note: Based upon experience and ongoing conversations with HCD, Veronica Tam, the City's housing consultant, is recommending that the City retain the Measure DD language recommended for deletion by the Planning Commission, and relocate it to "Section D.3 Identification and Prioritization of Contributing Factors, D. Access to Opportunities" with the addition of the following last sentence, "The Housing Element includes a program to monitor the impact of Measure DD, as required by State Law". See pages **D-43 and D-44** of the housing element.

Summary of Public Comments and City Responses

To date the City has received thirty-one (31) written comments on the draft housing element. Commenters included the general public (including City of Redondo Beach property owners), non-profit affordable housing organizations, the State Department of Housing and Community Development (HCD), and Caltrans. All written comments received on the 6TH Cycle 2021-2029 Draft Housing Element as of the posting of the agenda for the October 5, 2021 City Council meeting are attached to this Administrative Report. The general "themes" of comments received are bulleted below:

- Concerns that HCD will reject the housing element
- Concerns that some of the "housing sites" do not comply with the State's housing sites "criteria" and will be rejected by HCD
- Requests that additional/alternative "housing sites" should be included in the housing element
 - South Bay Galleria
 - 1100 N. Harbor Drive (AES) and 1021 N. Harbor Drive
 - Beach Cities Health District
 - Parking lots: Beachside parking lots; Space Park and Aviation Park parking lots; Riviera Village parking lot
 - Artesia Boulevard (generally) and 2810-2860 Artesia Boulevard (specifically)
 - Pacific Coast Highway
- Requests that the City distribute the "housing sites", identified for accommodating the City's RHNA, in a more equitable and balanced manner throughout the City evenly
- Concerns with the planned conversion of commercial and industrial centers to residential uses
- Concerns with environmental impacts on "housing sites" located in proximity to I-405
- Request that the housing element incorporate more "green" programs
- Claims of various statistical and historical errors in the assumptions/conclusions within the housing element
- Request for additional information and clarifications of information to be included in the housing element
- Request that Housing Element include programs that support all segments of the population, including GLBTQIA+
- Concerns that housing element ignores feedback from all citizens and the Planning Commission

- Request to reject housing element due to water shortage
- Requests for more housing for all income levels
- Claims that the local zoning is exclusionary and racist and requests more protections for existing low-income residents

In addition to the comments received on the Draft Housing Element, written comments were also received on the associated environmental document. The comments on the environmental document, as well as the City's responses to the environmental comments, are attached as an appendix to the draft environmental document which is also attached to this Administrative Report.

Although not required by State Housing or Environmental laws, the City is providing a response to all comments received on both the Draft Housing Element and the associated environmental document. Attached to this Administrative Report is a summary table that identifies all commenters, summarizes their comments, and presents the City's written responses to all comments received. The summary table with all comments summarized and the City's responses will be provided as a Blue Folder item on/or before October 5, 2021.

Environmental Review - Negative Declaration

Since the 6th Cycle 2021-2029 Housing Element is a policy document, the land use designations and zoning amendments associated with the Housing Element are not under consideration at this time. The amendments to the General Plan land use designations and associated zoning amendments (for consistency) will be processed as part of PLANRedondo, the ongoing General Plan update to the Land Use Element and Land Use Map. The 6th Cycle 2021-2029 Draft Housing Element stipulates that the City must complete the land use and zoning amendments by November 2023, either as part of or regardless of the adoption of PLANRedondo to ensure consistency between the 2021 Housing Element and the General Plan at that time.

Although no actual changes to the City's land use designations or zoning are associated with the housing element, the City nevertheless conducted an Initial Study consistent with the California Environmental Quality Act (CEQA) and determined that no environmental impacts are anticipated and a Negative Declaration is proposed. Attached to this report is a copy of the proposed Initial Study and Negative Declaration along with an appendix that contains comments received during the public review period on the document and the City's responses to those comments. The public review period was advertised from August 5, 2021 to September 3, 2021.

The City proposes to adopt a Negative Declaration for the 6th Cycle 2021-2029 Housing Element, "the project". The Negative Declaration is based on the finding that the project would not have any significant environmental impacts and, as such, does not require any mitigation measures. The reasons to support such a finding are documented by an Initial Study prepared by the City. Additionally, a finding to this effect is included in the attached City Council Resolution.

This agenda item is for City Council to consider adoption of Negative Declaration related to the environmental process and adoption of the 6th Cycle 2021-2029 Housing Element by resolution, for submittal to HCD by the October 15, 2021 deadline.

COORDINATION

Preparation of this agenda item has been in coordination with the City Attorney'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

City Council Draft Resolution

Final Initial Study Negative Declaration with Comments and Responses

City's 6th Cycle 2021-2029 Draft Housing Element (link)

HCD Comment Letter September 2, 2021

City's Draft General Plan Land Use Plan/Map-City Council Approved June 15, 2021

Planning Commission Resolution No. 2021-09-PCR-14 (unsigned)

Planning Commission's September 16, 2021 Administrative Report

All Written Comments Received on the 6th Cycle 2021-2029 Draft Housing Element

Public Meeting Minutes Excerpts: April 7 (link to Community Meeting webcast recording), April 15 (Planning Commission), April 20 (City Council), May 4 (City Council), May 11 (City Council), May 18 (City Council), June 15, 2021 (City Council), and September 16, 2021

North Tech District - Redondo Beach Plaza Interest Letter with Examples of Other Similar Projects

Public Hearing Legal Ad Proof