

ATTACHMENT 3:
Documentation of Rolling Hills' Actions on HCD Housing Element Comments

A. Housing Needs, Resources, and Constraints

1. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households (Section 65583(a)(1)).*

The element must quantify existing extremely low-income (ELI) households and analyze their housing needs. To assist the analysis, please find the enclosed Comprehensive Housing Affordability Strategy (CHAS) data. Information can be found at http://www.hcd.ca.gov/hpd/housing_element2/EHN_extremelylowincome.php.

This comment was made in the December 11, 2013 letter from HCD to the City of Rolling Hills and applied to the City's first draft for HCD review. The May 30, 2014 letter from HCD to the City of Rolling Hills indicated this requirement had been met in the document adopted by the City on February 10, 2014. Extremely low income households are quantified on page 18. Extremely low income housing needs also are addressed on pages 30-31 and on pages 57 and 67.

2. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition (Section 65583(a)(2)).*

The element must include an estimate and analysis of the number of lower-income households, by tenure, paying more than 30 percent of their income on housing. For your information, US Census data indicates 2 of 15 (13 percent) of renter households and 206 of 598 (34 percent) of owner households paid more than 30 percent of their income on housing. This information should be incorporated into the element.

This comment was made in the December 11, 2013 letter from HCD to the City of Rolling Hills and applied to the City's first draft for HCD review. The May 30, 2014 letter from HCD to the City of Rolling Hills indicated this requirement had been met in the document adopted by the City on February 10, 2014. Housing overpayment is addressed on pages 29-30.

B. Housing Needs, Resources. and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

City must zone or rezone sites to accommodate any unaccommodated need (Section 65584.09). Since the City of Rolling Hills did not demonstrate adequate sites to accommodate the regional housing need in the prior planning period, the element must include an analysis and programs as appropriate to comply with this requirement.

For your information, the City of Rolling Hills must zone or rezone sites to accommodate any unaccommodated need within the first year of the 2013-2021 planning period (Section 65584.09). If the City does not complete the rezoning and does not adopt the element before this timeframe lapses, the Department will not be able to find the element in compliance until the required rezoning is complete and it is amended to reflect that rezoning.

As required by HCD, the City has zoned sites to accommodate the regional housing need for the prior and current planning periods (e.g., the 4th and 5th cycles). The analysis documenting the unaccommodated (4th cycle) need and the current (5th cycle) is on pages 56-57. The analysis demonstrating that the City has adequate capacity to meet this need is on page 67. The rezoning program is described on page 79. Appendix A provides further detail on the Rancho Del Mar opportunity site.

As the adopted Element indicates, the City has adopted an Affordable Housing Overlay Zone on an underutilized 31-acre parcel owned by the Palos Verdes Unified School District (e.g., the Rancho Del Mar Continuation High School site). The General Plan and Zoning Code permit 16 units on the site (one unit per two acres), which exceeds the RHNA need for 13 units for the 4th and 5th cycles. The Affordable Housing Overlay requires that these units be clustered on a development site within the 31-acre parcel where densities of 20-24 units per acre are achieved. Affordable multi-family housing is permitted by right, with no discretionary review required.

Sites Inventory and Analysis: The City of Rolling Hills has a Regional Housing Need Allocation (RHNA) of 6 housing units, of which 4 are for low-and moderate-income households. The element states that available land to accommodate residential development falls into two zone categories: RA-S-1 (one unit per acre) and R-S-2 (two units per acre), but only provides minimal additional information to demonstrate adequate sites to accommodate the RHNA. For example, the element must include a parcel listing and demonstrate zoning to accommodate housing for lower income households. However, the element does not identify any sites to accommodate Rolling Hills' housing need nor demonstrate zoning appropriate to accommodate housing for low-and moderate-income households. As a result, the element must be revised to identify sites to accommodate the RHNA and analyze the suitability of sites and appropriateness of zoning and include a program as appropriate to provide the necessary sites pursuant to GC Section 65583(a)(3), and 65583.2 and 65583(c)(1).

As required, the City has expanded the level of detail provided for each housing site, expanded the number of sites listed, and expanded the range of housing types permitted on each site. This information is provided on pages 57-67. Page 60-61 includes a parcel listing (with APNs) for each vacant lot in the City, including a realistic assessment of housing potential. Pages 62-65 evaluate sites for their potential for lower income households, including detailed information on the most viable site, which is the PVUSD site (now an Affordable Housing Overlay Zone). Pages 65-66 provide more detail on how ADUs will meet a portion of the RHNA for low- and moderate-income households. Programs 2, 3, 4, 5, 6, 10, 11, 12, and 13 all address steps the City is taking to provide the necessary sites pursuant to the Government Code.

Sites with Zoning for a Variety of Housing Types:

Multifamily Zoning: Government Code Sections 65583(c)(1) and 65583.2, require jurisdictions to demonstrate the availability of zoning to provide for a variety of housing types including multifamily rental, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, emergency shelters, and transitional housing. The availability of multifamily housing is critical to providing the variety of housing necessary to address the needs of lower-income families and workers. The element (page 32) indicates only two zones allow residential uses: the RAS-1 (one-acre minimum lot size) and RAS-2 zone (two acre minimum lot size) and provides no discussion of zoning opportunities for multifamily uses. Therefore, the element must include an analysis and programs to provide realistic opportunities for multifamily development.

See pages 36-45, pages 62-65, and Appendix A. All of this content has been added to demonstrate that the City now provides for a variety of housing types, including multifamily rental (Programs 2, 3, and 4), factory-built housing and mobile homes (P 35), emergency shelter (Program 5), and Single Room Occupancy hotels (Program 6). Farmworker housing is not expressly called out in the Municipal Code since there is not a farmworker population in the City or nearby. The City also provides for transitional and supportive housing and treats these uses the same way it treats other residential uses in each zoning district. Page 81 (Program 8) includes an action to add definitions of transitional and supportive housing to the Municipal Code before October 2021.

Emergency Shelters: The element states the City has provided funds to organizations to provide shelter services (page 53). However, the element must identify a zone(s) where emergency shelters are permitted without a conditional use permit or other discretionary action and demonstrate sufficient capacity to accommodate the need for shelters and at least one shelter (Section 65583(a)(4)). The element must also describe characteristics, suitability, and capacity within zone(s) for emergency shelters.

The City has amended its Municipal Code to allow emergency shelters without a CUP or other discretionary action in the Affordable Housing Overlay Zone. See page 42 of the attached document. The text describes the characteristics, suitability, and capacity within the zone as required by the Government Code. Although annual counts of unsheltered residents indicate there are no homeless residents in Rolling Hills, the City has met the requirement to allow for at least one shelter. This is also explained on page 80 (Program 5).

Transitional and Supportive Housing: Pursuant to SB 2, transitional and supportive housing must be permitted as a residential use in all zones allowing residential and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone (Section 65583(a)(5)). The housing element must be revised to describe compliance with this requirement, including any necessary program actions.

This is addressed on pages 43-44 of the attached document. In addition, Program 8 has been added (Page 81) indicating that definitions of transitional and supportive housing should be added to the Municipal Code by October 2021, noting that these uses are considered residential uses and are subject to the same restrictions that apply to the other residential uses that are allowed in a given zoning district.

Single Room Occupancy (SRO) Units: The housing element should be revised to describe whether zoning is available to allow SRO units and add or modify programs as appropriate.

This is addressed on page 41 of the attached document. In addition, Program 6 has been added (Page 80) indicating that the City has amended its Municipal Code to allow SROs with a conditional use permit in the Affordable Housing Overlay Zone, subject to development standards that are evaluated on Page 41.

Second Units: The element notes the City has adopted an ordinance prohibiting second units (page 38). While the City's findings, made about 30 years ago to comply with Government Code Section 65852.2(c), may have been appropriate, conditions or circumstances might have changed. For example, new sewage disposal methods may be available to allow the development of second units. The City could include a program to evaluate its ordinance prohibiting second units and investigate sewage disposal technologies. For your information the National Small Flows Clearinghouse (NSFC) <http://www.nesc.wvu.edu/wastewater.cfm>, has information for small communities and individuals to solve their wastewater problems through objective information about onsite wastewater collection and treatment systems.

As indicated on pages 36-38, pages 65-67, and pages 82-83 of the attached document, the City amended its Municipal Code in 2018 and again in 2020 to permit Accessory Dwelling Units (ADU) and Junior ADUs by right in all residential zones, subject to development standards that are described in the document (see pages 36-38). The City's standards are compliant with State laws for ADUs and JADUs. Housing Element Program 12 addresses issues associated with septic systems, an issue the City will continue to work on as it moves into the 6th Cycle. The City has also adopted Policy 2.5 allowing ADUs in all residential zones.

The City also completed and analyzed a comprehensive, detailed survey of all residents regarding ADUs in 2020. This is documented in the revised Housing Element (page 66) and is described in detail in Appendix B.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land-use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(5)).*

Land-Use Controls: The element lists some residential development standards, but concludes, without analysis, the standards do not impede achieving maximum densities and are not viewed as constraints (page 33). However, the element must include an analysis of potential impacts on the cost and supply of housing and add implementation actions as appropriate to address constraints on the maintenance, improvement and development of housing. This analysis must include an evaluation of the cumulative impacts of development standards and specifically address regulations such as parking and minimum lot size (one acre and two acre minimum lot size) or lack of smaller minimum lot sizes to demonstrate whether they constrain housing.

Chapter 3 of the newly adopted Housing Element covers Constraints, including Land Use Controls. This section has been substantially expanded from the first draft. It evaluates the impacts of land use controls for single family homes on development feasibility (P 34-35), and then evaluate the impacts of land use controls for different housing types, including ADUs and multi-family housing. Chapter 6 now includes Programs that specifically address the maintenance, improvement, and development of a variety of housing types, including programs that have been implemented since the Element was initially adopted in 2014. Page 45 includes an analysis of the cumulative impacts of development standards. The analysis concludes that parking is not a constraint, and that larger minimum lot sizes are necessary to address fire safety, landslide hazards, and the lack of sewer infrastructure, which is also addressed in this chapter.

As noted in our prior review letter (April 23, 2009), while covenants, conditions and restrictions (CC&Rs) limit development opportunities, the City has the obligation to remove governmental constraints (e.g., zoning) which in and of themselves inhibit development opportunities and restrict the availability of appropriate sites. The City should utilize its local powers to appropriately zone sites to accommodate its housing needs including the regional housing need as well as meet other requirements of State law (e.g., Section 65913(a)(1-3) of the Government Code).

Comment addressed in earlier replies. The City has expanded its analysis of governmental constraints and has added Programs 2, 3, 5, 6, 8, 9, and 10 to address zoning-related constraints and ensure adequate capacity to meet the regional housing need and comply with provisions of the Government Code regarding zoning for a variety of housing types. Many of these programs have been implemented since HCD's comment letter was sent in May 2014.

In addition, the City's land use policies prohibiting multifamily should be analyzed relative to the limitations of State and Federal fair housing laws. To assist with this analysis, refer to Government Code Section 65008.

While the City of Rolling Hills has never had a land use policy expressly prohibiting multi-family housing, it has amended its Land Use Element to expressly state that multi-family housing is permitted. It has also amended its Housing Element to encourage a variety of housing types (Policy 1.4). Housing Element Program 2 creates the Affordable Housing Overlay Zone and permits affordable multi-family housing by right (e.g., without a conditional use permit).

Processing and Permit Procedures: While the element includes some information indicating the City Council makes final decisions for all discretionary applications, it must describe and analyze permit processing and approval procedures by zone and housing type for impacts on the cost and supply of housing and approval certainty.

The discussion of permit procedures on pages 47-48 of the attached document has been substantially expanded from the 2014 document, including a discussion of the types of projects that are permitted administratively, the types of projects that require Planning Commission and/or Council review, and those requiring review by the RHCA Architectural Committee. The text includes further detail on the time required for permit processing for single family homes, major home improvements, and ADUs.

Constraints on Persons with Disabilities: The element indicates the City "endeavors to accommodate disabled access", however, it does not include an analysis or programs to comply with this requirement. For example, the analysis must describe any spacing or concentration requirements for housing for persons with disabilities. The element must also demonstrate the City has a reasonable accommodation procedure for providing exceptions in zoning and land use or include a program to do so (Section 65583(c)(1)(3)). To assist in addressing this statutory requirement, refer to the Building Blocks' section on Constraints for Persons with Disabilities at http://www.hcd.ca.gov/hpd/housing_element/screen27_sb520.pdf.

An updated and expanded discussion of persons with disabilities has been included in the Needs Assessment on pages 22-23 and an analysis of housing constraints for persons with disabilities is now included on page 44. As the text on page 44 indicates, there are no spacing or concentration requirements for housing for persons with disabilities. As the text on pages 23, 44, 77 (Policy 4.2), and 81 indicate, the City has adopted Reasonable Accommodation procedures that comply with State law (see Program 7)

Fees and Exactions: The element lists some fees (pages 34); however, it must analyze their impact as potential constraints on housing supply and affordability. For example, the analysis should list and evaluate the total amount of fees for a typical development, including the proportion of total development costs. For additional information and a sample analysis and tables, see the Building Blocks at

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C. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame (Section 65583(b)(1 & 2)).

The element includes a summary of quantified objectives (page 63), it must also include quantified objectives by income category, including extremely low. This requirement could be addressed by utilizing a matrix like the one illustrated below:

Income	New Construction	Rehabilitation	Conservation/ Preservation
Extremely Low			
Very Low			
Low			
Moderate			
Above Moderate			
TOTAL			

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D. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions (Section 65583(c)).*

Numerous programs in the element indicate "ongoing" implementation status. While this may be appropriate for some programs, where the programs include specific deliverables or implementation actions, the timeframes should indicate specific completion or initiation dates to demonstrate beneficial impact within the planning period. Sample programs are available on the Building Blocks website at http://www.hcd.ca.gov/hpd/housing_element2/PRO_overview.php.

The newly adopted Draft addresses this comment. Please note that every one of the 22 programs listed in Table 20 (the Housing Action Plan) also has a quantified objective and a specific timeframe for implementation. The timeframe acknowledges that certain programs are ongoing, but also identifies specific measures that have been accomplished since the Element was initially adopted in 2014, those that are now underway, and those that need to be accomplished by October 2021 when the Sixth Cycle begins. This information is color coded by status (see pages 91-92) and is explained in greater detail in the program descriptions on pages 78-89.

2. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobile homes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by-right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in finding B1, the element does not include a complete site analysis and 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. For example, the element must include programs as appropriate to provide for multifamily opportunities. In addition:

Per the response to finding B1 on page 2 of this Memo, the City has expanded the site analysis in order to establish the adequacy of sites and zoning. It has adopted the Affordable Housing Overlay Zone to meet the 4th and 5th Cycle RHNA for 13 lower income units by right, thereby closing a shortfall that had been identified in the 2014 Element. The adequacy of this site is documented in Appendix A and in Chapter 5 (P. 64-67), and is further addressed in Programs 3, 4, 5, and 6.

For Your Information: Where the inventory does not identify adequate sites pursuant to Government Code Sections 65583(a)(3) and 65583.2, the element must provide a program to identify sites in accordance with subdivision (h) of 65583.2 for 100 percent of the remaining lower-income housing need with sites zoned to permit owner-occupied and rental multifamily uses by-right during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 20 units per acre. Also, at least 50 percent of the remaining need must be planned on sites that exclusively allow residential uses.

See prior response. The inventory includes a program (already implemented) to meet 100 percent of the remaining lower income housing need with sites zoned to permit multi-family housing by right during the planning period. As required, the Affordable Housing Overlay Zone accommodates 16 units at a density of 20-24 units per acre (the identified RHNA need is for 13 units, but the site accommodates a larger number). These 16 units are permitted by right, with no discretionary review. The City also allows ADUs and JADUs without discretionary review. Based on survey data and permitting records, a number of ADUs have been created since 2018 and are meeting a portion of the RHNA for low- and moderate-income housing.

Emergency Shelters and Transitional and Supportive Housing: As noted in finding B1, the element must comply with the provisions of SB 2 for emergency shelters, and transitional and supportive housing. To assist in addressing this statutory requirement, please refer to this website: http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

See Program 5 (Emergency Shelter) on page 80 and Program 8 (Transitional and Supportive Housing) on Page 81. The City has adopted provisions for emergency shelter by right in the Affordable Housing Overlay Zone. The standards are described on page 42. Transitional and Supportive Housing is addressed on pages 43-44. While the City treats these uses in a manner consistent with State law, Program 8 includes an action to add definitions of these use types to the Zoning Code.

3. *The housing element shall contain programs which "assist in the development of adequate housing to meet the needs of extremely low-, low-and moderate-income households (Section 65583(c)(2)).*

The element must include specific and proactive actions to assist in the development of housing for extremely low-, very low-, low-, and moderate-income households, including persons with persons with development disabilities and special needs. For example, actions could commit the City to annually contact nonprofit housing sponsors to coordinate and implement a strategy for developing housing including assisting with site identification; adopt priority processing, fee waivers or deferrals, modify development standards, grant concessions and incentives for housing developments that include units affordable to extremely low to moderate income household, and assist, support or pursue funding applications. The Department's Financial Assistance Program Directory is available at http://www.hcd.ca.gov/falProgram_Directory_June%202012.pdf to assist the City with these efforts.

See Chapter 6 of the attached Housing Element. Several programs have been added in response to this comment, including Program 4 (to market the housing opportunities at the PVUSD site and work with the School District on potentially creating a separate parcel on the site for housing, explore the possibility of teacher housing or employee housing, meeting with non-profit developers, etc.), Program 11 (outreach and education on Accessory Dwelling Units), Program 12 (Incentives for ADUs and JADUs), Program 13 (Facilitating communication with affordable housing providers, housing service providers, housing advocacy organizations, and senior housing organization), and Program 14 (Facilitating shared housing).

4. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding B2, the element requires an analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to add or revise programs and address and remove or mitigate any identified constraints.

If the element indicates the City does not have a reasonable accommodation procedure, it must include a program to develop specific procedures for requesting and granting a reasonable accommodation. The procedure should not be limited to the installation of accessibility improvements and must provide reasonable accommodations to zoning and land-use requirements for housing for persons with disabilities.

In response to this comment, programs have been developed to address the removal of constraints, including Zoning Code Amendments adding definitions of transitional and supportive housing and density bonus provisions. As noted earlier, the City amended its Municipal Code in October 2020 to add reasonable accommodation procedures. This is Program 7 (Page 81) in the attached document. As Programs 16 and 17 indicate, the City is also actively working to address infrastructure constraints.

5. *The housing program shall promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin color, familial status or disability (Section 65583(c)(5)).*

Fair Housing (Page 63): While the program notes the City provides fair housing brochures at the public counter, it must include broader efforts to promote equal housing opportunities such as making information available at a variety of community locations and events.

This comment was made in the December 11, 2013 letter from HCD to the City of Rolling Hills and applied to the City's first draft for HCD review. The May 30, 2014 letter from HCD to the City of Rolling Hills indicated this requirement had been met in the document adopted by the City on February 10, 2014. The City has bolstered the discussion of fair housing and added Program 22 (Page 89) which adds Fair Housing information to the City's website and provides guidance for making fair housing information available at community events.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort (Section 65583(c)(8)).

While the element notes a public workshop and a hearing, it did not demonstrate how the City made a diligent effort to achieve the participation of all economic segments in the development of the housing element including low and moderate-income and special needs households and/or the groups that serve them. For example, the element could describe a specific outreach effort with non-profits and service providers to make the element available and solicit information on housing needs and strategies. Additional information is available on the Department's Building Blocks' website at: http://www.hcd.ca.gov/hpd/housing_element2/GS_publicparticipation.php

Between the initial adoption of the Housing Element in February 2014 and adoption of the current Element in 2021, the City has held more than a dozen public hearings (Planning Commission and City Council) on the Housing Element or housing-related actions (such as the Affordable Housing Overlay Zone and the ADU Regulations). These meetings have been advertised to the entire community and elicited a high level of feedback. This is described on pages 7-8 of the attached document.

The City has featured articles about the Housing Element in the City newsletter, which is delivered to every household in the City. It also conducted a community survey on housing (specifically, on Accessory Dwelling Units) that was administered to every household in the City. The survey's 29 percent response rate is indicative of a very high level of interest and engagement. Rolling Hills has also continued to work with housing advocacy groups and has provided information to its Commissions and the City Council and disseminated information to the community.