

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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June 24, 2022

Greg Grammer, City Manager
City of Rolling Hills Estates
4045 Palos Verdes Drive North
Rolling Hills Estates, CA 90274

Dear Greg Grammer:

RE: Rolling Hills Estates' 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Rolling Hills Estates' (City) housing element adopted on April 26, 2022 and received for review on April 27, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The draft housing element addresses most statutory requirements described in HCD's September 24, 2021 review; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code) See enclosed Appendix.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City failed to adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), any rezone needed to accommodate the City's regional housing needs allocation (RHNA) must be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. During the housing element revision process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. In addition, City should employ additional methods for public outreach efforts in the future, and greater efforts should be taken to include lower-income and special needs households and neighborhoods with higher concentrations of lower-income households. For example, the City could conduct targeted stakeholder interviews or establish a committee representative of lower-income households in future public outreach efforts. Please be aware, any revisions to the element must be posted on the local

government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the efforts that City staff and consultants provided throughout the course of the housing element review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact, Reid Miller of our staff, at Reid.Miller@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall". The signature is stylized and cursive.

Paul McDougall
Senior Program Manager

Enclosure

**APPENDIX
CITY OF ROLLING HILLS ESTATES**

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Goals, Priorities, Metrics, and Milestones: While the draft element has been revised to identify contributing factors to fair housing issues, programs actions do not specifically respond to these contributing factors. As noted in the previous letter, goals and actions must have specific commitment, metrics, and milestones as appropriate and specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Given the history and nature of development patterns in the City, the element could focus on programs that enhance housing mobility and encourage development of more housing choices and affordable housing throughout the community

2. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Lot Consolidation: While the adopted element was revised to provide detail on small lots being largely under common ownership, it still does not address most of the requirements outlined in HCD's September 24, 2021 review. For example, the element should describe the City's role or track record in facilitating small-lot consolidation, policies or incentives offered or proposed to encourage and facilitate lot consolidation, conditions rendering parcels suitable and ready for redevelopment, recent trends of lot consolidation, and information on the owners of each site. Please see HCD's prior review.

Realistic Capacity: While the adopted element was revised on Page 73 with some additional background on realistic capacity for sites listed in the sites inventory, it still does not fully analyze the City’s methodology for calculating realistic capacity. For sites zoned for nonresidential uses (e.g., commercial, mixed-use zones), the element must describe how the estimated number of residential units for each site was determined. To demonstrate the likelihood for residential development in nonresidential zones, the element could describe any performance standards mandating a specified portion of residential and any factors increasing the potential for residential development such as incentives for residential use, and residential development trends in the same nonresidential zoning districts. These performance standards, factors, and residential development trends must be linked and proven applicable to specific sites in the inventory. Please see HCD’s prior review.

Suitability of Nonvacant Sites: While the adopted element was revised to include some additional information on nonvacant sites on Pages 69 and 70, the revisions do not adequately address the comments provided in HCD’s September 24, 2021 review. For example, the analysis must consider factors including, but not limited to, the extent existing uses constitute an impediment, recent developments, development trends and market conditions, and adequately demonstrates how these factors relate to the suitability of the sites in the inventory. Please see HCD’s prior review.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. As of the date of this letter, HCD has not received an electronic sites inventory. Please see HCD’s housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

3. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities... (Gov. Code, § 65583, subd. (a)(5).)*

Local Processing and Permit Procedures: While the adopted element was revised on Pages 45 through 46 to provide additional information on the conditional use permit (CUP) process for multifamily development, it does not adequately analyze the process as a potential constraint. Specifically, the analysis must analyze all required findings for the CUP process for multifamily development, demonstrate these processes are not a constraint, and include a program to address this permitting requirement as a constraint. The element should also further discuss the “Precise Plan of Design” in the Commercial Zone-Mixed-Use Overlay in terms of how and when objective standards and guidelines will be implemented as part of the City’s SB 2 Planning Grant activities, and could describe how these standards and guidelines will improve development certainty and mitigate cost impacts.

Persons with Disabilities: The adopted element adds some additional information on reasonable accommodation process, and identifies approval findings for granting a reasonable accommodation, including finding related to impacts on surrounding uses which could constrain the issuance of a reasonable accommodation and housing for persons with disabilities. The element should include a program to amend the Reasonable Accommodation Ordinance and remove constraints, namely the “potential impact on surrounding uses” and the “physical attributes of the property and structures” approval findings. The “Alternative reasonable accommodations which may provide an equivalent level benefit” finding should also be revised to align with language provided by Federal Housing and Urban Development (HUD) which requires the finding to consider, “the availability of alternative accommodations that would effectively meet the requester’s disability-related needs.” Please refer to the following guidance for more information [huddojstatement.pdf](#).

Additionally, while information was added on the CUP process for residential care facilities, and the element includes Program 12 in element to address potential constraints, it should specify revisions will promote approval certainty and objectivity for housing for persons with disabilities.

B. 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. (Gov. Code, § 65583, subd. (c).)*

To address the program requirements of Government Code section 65583, subdivision (c)(1-6), and to facilitate implementation, programs should be revised to include: (1) a description of the City’s specific role in implementation; (2) definitive implementation timelines (e.g., December 31, 2021); (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials (e.g., Planning Assistant, Community Development, etc.). In addition, the following programs required additional revisions.

Program 4, Affordable Housing Incentives: The adopted element was not revised to meet requirements stated in HCD’s September 24, 2021 review. Please see HCD’s prior review.

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to*

accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory... (Gov. Code, § 65583, subd. (c)(1).)

As noted in Finding A2, 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.

- 3. Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Finding A3, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

- 4. Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element must include a complete analysis of affirmatively furthering fair housing (AFFH). The element must be revised to add goals and actions based on the outcomes of a complete analysis.

C. 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. (Gov. Code, § 65583, subd. (c)(8).)

While the adopted element was revised to provide information on outreach related to the General Plan Advisory committee, homeowner associations, and some outreach to organizations that serve underserved populations, it did not state how information was disseminated to these groups and demonstrate how lower and moderate income households were included in the public participation process. As stated in the previous review, the element could describe the availability of materials in multiple languages, surveys, when the draft was made available to the public, or other efforts to involve such groups and persons in the element throughout the process. The element must also describe any public comments received and how those comments were incorporated into the draft.