

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

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December 3, 2021

John Keho, Planning Director  
Planning and Development Service Department  
City of West Hollywood  
8300 Santa Monica Blvd  
West Hollywood, CA 90069

Dear John Keho:

**RE: City of West Hollywood's 6<sup>th</sup> Cycle (2021-2029) Draft Housing Element**

Thank you for submitting the City of West Hollywood's (City) draft housing element received for review on October 4, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on December 1, 2021 with Robyn Eason, Manager of Planning Division, Rachel Dimond, Senior Planning, Alicen Bartle, Project Development Administrator for Community Services, and consultants Veronica Tam and Ryan Russell. In addition, HCD considered comments from Abundant Housing LA, and Angela Brookes pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), then any rezoning to accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall 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. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the County 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: [http://opr.ca.gov/docs/OPR\\_Appendix\\_C\\_final.pdf](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and [http://opr.ca.gov/docs/Final\\_6.26.15.pdf](http://opr.ca.gov/docs/Final_6.26.15.pdf).

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.

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 Mashal Ayobi, of our staff, at [Mashal.Ayobi@hcd.ca.gov](mailto:Mashal.Ayobi@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Melinda Coy', followed by a horizontal line.

Melinda Coy  
Senior Housing Accountability Manager

Enclosure

## APPENDIX CITY OF WEST HOLLYWOOD

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))*

Fair Housing and Enforcement: While the element does include a general description of the HRC's fair housing work in the city (pg. C-1), it must address the impediment created by not having access to city-specific data related to discrimination complaints. The element must describe capacity to provide enforcement and outreach which can consist of actions such as the ability to investigate complaints, obtain remedies, or engage in fair housing testing. The element must also describe compliance with existing fair housing laws and regulations and include information on fair housing outreach capacity.

Regional Patterns and Trends: While the element includes some regional analysis related to factors such as race and ethnically and racially concentrated areas of poverty (R/ECAP), the element must include regional data and analysis on the following fair housing components – income, familiar status, overcrowding, homelessness and analyze that data for patterns and trends.

Local Data and Knowledge, and Other Relevant Factors: The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers. Also, the element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use and investment practices or other information and demographic trends.

Disproportionate Housing Needs, Including Displacement Risk: The element includes some data on cost burdened, overcrowded, and substandard housing conditions, however the element must analyze this data for patterns and trends over time.

Sites Inventory: The element must include an analysis demonstrating whether sites identified to meet the RHNA are distributed throughout the community in a manner that (AFFH). A full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that effects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to mitigate this (e.g., anti-displacement strategies).

Goals, Actions, Metrics, and Milestones: The element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. Goals and actions must 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. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

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).)*

The City has a regional housing need allocation (RHNA) of 3,933 housing units, of which 1,755 are for lower-income households. To address this need, the element relies on City-owned sites and underutilized sites within the Mixed-Use Incentive Overlay area. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Progress in Meeting the RHNA: As you know, the City's RHNA may be reduced by the number of new units pending, approved, permitted or built since July 1, 2021 by demonstrating availability and affordability based on rents, sale prices or other mechanisms ensuring affordability (e.g., deed restrictions). The element notes 781 units pending approval. The element should indicate what remaining approvals are necessary for this process, expected timing for those approvals and demonstrate their availability in the planning period.

City-Owned Sites: Table 53 identifies four City-owned sites with a potential capacity for 244 units. The element must include an analysis on the appropriateness of these sites addressing general plan designations, allowable densities, support for residential capacity assumptions, existing uses and any known conditions that preclude development in the planning period. Specifically, the element assumes buildout of these sites at maximum capacity with an assumption an automatic 50 percent density

bonus but does support why capacity was assumed. The analysis should also include the potential schedule for development and any actions to facilitate development on these sites. Actions can include streamlining and assistance in facilitating approvals, marketing sites including issuing annual RFPs, outreach with developers, and developing and providing incentives.

Realistic Capacity: On page 128, the element assumes a density of 80 units per acre in the CC1 and CC2 zones but does not provide supporting analysis to support this assumption. In addition, it is unclear how density assumptions are related to the net projected units. The element should demonstrate what specific trends, factors, and other evidence led to assumptions. The estimate of the number of units for each site must be adjusted as necessary, based on the land use controls and site improvements, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction.

In addition, the element appears to assume residential development on sites with zoning that allow 100 percent nonresidential uses, but to support this assumption, the element must analyze the likelihood of 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.

Suitability of Nonvacant Sites: The element must include an analysis demonstrating the potential for redevelopment of nonvacant sites. Specifically, the element needs to analyze the extent that existing uses may impede additional residential development. For example, many of the sites identified in the element seem to have viable uses including a theater, a music school, a grocery store, a Southern California gas company site, a Metro Station, and a Sheriff site. The element must analyze the potential for new residential development on these sites and the extent existing uses would impede development. Also, the element must describe if there are any known leases or contracts that would impede development on the Sunset Plaza Parking lots or other parking lots identified in the inventory and if the sites zoned PF would require rezoning in order to be developed into residential. The element can summarize past experiences converting existing uses to higher density residential development, include current market demand for the existing use, provide analysis of existing leases or contracts that would perpetuate the existing use or prevent additional residential development and include current information on development trends and market conditions in the City and relate those trends to the sites identified. The element could also consider indicators such as age and condition of the existing structure expressed developer interest, low improvement to land value ratio, and other factors.

In addition, the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be

utilized toward demonstrating adequate sites to accommodate the regional housing need allocation.

Accessory Dwelling Units (ADU): ADUs may be counted toward the RHNA based on past permitted units and other factors. In the element, the City projects 104 ADUs to be constructed over the planning period, averaging 13 units per year. This projection differs from past ADU annual permit figures of eight in 2018, 0 in 2019, and 0 in 2020, averaging approximately three units per year. The element should be revised to reconcile these figures, adjust assumptions as necessary or include additional analysis and programs to demonstrate the increase over past trends. While the element uses Southern California Association of Governments affordability assumptions to project the number of ADU's likely to be affordable to lower-income households, given the high rental costs of West Hollywood, the element should supplement the affordability assumptions with local information.

Small Sites and Lot Consolidation: The element identifies several sites consisting of aggregated small parcels less than half acre. For parcels anticipated to be consolidated, the element must demonstrate the potential for lot consolidation. For example, analysis describing 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 aggregated site. For parcels anticipated to develop individually, the element must describe existing and proposed policies or incentives the City will offer to facilitate development of small sites. Please be aware sites smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size and affordability were successfully developed during the prior planning period or unless the housing element describes other evidence to HCD that sites are adequate to accommodate housing for lower-income households. (Gov. Code, § 65583.2, subd. (c)(2)(A).)

Sites with Zoning for a Variety of Housing Types:

*Employee Housing:* The element must demonstrate the zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 and 17021.6. Section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone.

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 as identified in the analysis pursuant to paragraph (7), 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 Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters*

*identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)*

Land-Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. While the element mentions ten target sites from the Sunset Specific Plan eligible to receive increases in Floor Area Ratio (FAR) allowances and height limits (page 70), it must also describe the conditions that need to be met to consider the FAR increases. In addition, almost all sites in the inventory are in the CC1 and CC2 zone which allows multifamily but only as part of a mixed-use development. The element must describe the requirements for the mixed-use projects and analyze the requirement that only mixed-use projects are allowed and not 100 percent residential as a potential constraint to the development of housing affordable to lower-income residents. This is especially important as affordable housing projects in the pipeline are in residential zones that allow exclusively residential uses.

Overlay Zones: The element relies on sites in commercial zones that allow residential through the Mixed-Use Incentive Overlay Zone and the Transit Overlay Zone. While some information was provided on how the overlay allows residential the element must include a complete description and analysis of the overlays, including development standards, the requirement for a transportation demand management program, permit and processing procedures to access these overlays, and what incentives or concessions for utilization.

Local Processing and Permit Procedures: The element must thoroughly analyze the permit processing requirement including the public hearing, neighborhood meeting and sign posting requirements as potential constraints to the development of housing. The analysis should address impacts on housing cost, supply, timing, and approval certainty. The element must also describe the processing and permit procedure for multifamily/mixed use projects in the CC zones and any design review requirements for residential development. For example, the analysis should consider processing and approval procedures and time for typical multifamily developments, including type of permit, level of review, approval findings and any discretionary approval procedures.

Codes and Enforcement: While the element provides a general description of code enforcement work on page 106, it must still discuss the type and degree of enforcement.

Constraints on Housing for Persons with Disabilities: The element states that residential care facilities serving seven or more are only conditionally permitted. For your information, subjecting the uses to conditional use permits is generally considered a constraint and programs should be modified as appropriate with specific commitment to allow the use in residential zones with objectivity and certainty.

4. *Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd.*

(a)(9) through 65583(a)(9)(D).)

At-Risk Analysis: While the 800 Kings Road Section 8 project listed on page 60 is low risk, any units identified as at-risk within a ten-year period must include an analysis of the following (Gov. Code, § 65583, subd. (a)(9).):

- Estimated total cost for producing, replacing and preserving the units at-risk.
- Identification of public and private nonprofit corporations known to the City/County to have the legal and managerial capacity to acquire and manage at-risk units.
- Identification and consideration of use of federal, state and local financing and subsidy programs.

## **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).)*

Programs must demonstrate that they will have a beneficial impact within the planning period. Beneficial impact means specific commitment to deliverables, measurable metrics or objectives, definitive deadlines, dates, or benchmarks for implementation. Deliverables should occur early in the planning period to ensure actual housing outcomes. The element must provide quantified objectives where appropriate and all programs should be evaluated to ensure provision of discrete timing (e.g., month and year) to account for how often the action will occur as well as to ensure a beneficial impact throughout the planning period.

Programs containing unclear commitment (e.g., “Continue to facilitate”; “Explore”; “Consider”; “Encourage”; etc.) should be amended to include more specific and measurable actions and how the city will achieve them. Examples include, but are not limited to, Programs 1 (Retrofitting of Existing Housing), Program 2 (Incentives for Rehabilitation) and Program 11 (Adequate Sites for RHNA and Monitoring of No Net Loss).

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 completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types*



*of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.*  
(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. In addition, the element should be revised as follows:

- Program 11 (Adequate Sites for RHNA and Monitoring of No Net Loss) should list specific actions the City will take to encourage mixed-use development and redevelopment of sites, commit to the production of affordable housing on City-owned property, and specify what actions the City will take to encourage joint development opportunities at sites acquired by the metro.
- Program 15 (Affordable Housing Development through Partnerships with Non-Profits) should go beyond exploring and commit to establish an ordinance or some other similar mechanism to commit to steps and a schedule to facilitate development on city-owned sites.

Lot Consolidation: As the element relies on consolidated small sites to accommodate the RHNA for lower-income households, it should include a program(s) to facilitate lot consolidation and development of housing on small sites. For example, the program could commit to (1) granting density bonuses above state density bonus law (Gov. Code, § 65915.); (2) deferring fees specifically for consolidation; (3) expediting permit processing; (4) identifying and targeting specific financial resources; and (5) modifying development standards.

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

While the element includes programs to assist in the development of very low-, low-, and moderate-income households, it must also include a program(s) to assist in the development of housing affordable extremely low-income (ELI) households. The City should also review and incorporate public comments as appropriate. Programs must be revised or added to the element to assist in the development of housing for ELI households. Program actions could include prioritizing some funding for housing developments affordable to ELI households and offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units, to address the identified housing needs for ELI households.

4. *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.

5. *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 protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. Goals and actions must 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. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

In addition, the element should include a program committing to implement Government Code section 8899.50(b) which requires the City to administer its programs and activities relating to housing and community development in a manner to AFFH and take no action that is materially inconsistent with its obligation to AFFH.

6. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

Program 9 (Preservation of Publicly Assisted Housing) addresses preserving at-risk units, but it does not specify actions to monitor at-risk units, including contacting property owners within at least one year of the affordability expiration dates on projects. The program for preserving at-risk units should include noticing requirements within 3 years and 6 months of the affordability expiration dates, in addition to coordinating with qualified entities such as non-profit organizations and establish specific time parameters around such actions.

### **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 element includes a general summary of the public participation process (page 3), it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element should be revised to discuss outreach to lower-income and special needs groups during the public participation efforts, solicitation efforts for survey responses, and participation in community workshops, and if translation services were provided. In addition, the element should also summarize the public comments and describe how they were considered and incorporated into the element.