

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



November 24, 2021

Greg Tsujiuchi, Director
Community Development Department
City of Gardena
1700 West 162nd Street
Gardena, CA 90247

Dear Greg Tsujiuchi:

RE: City of Gardena's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Gardena's (City) draft housing element received for review on September 27, 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 conversation on November 15, 2021 with City staff members Amanda Acuna and Gregory McClain and the City's consultant, Veronica Tam. In addition, HCD considered comments from Californians for Homeownership 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.

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 will meet 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: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

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 Sohab Mehmood, of our staff, at Sohab.mehmood@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall".

Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF GARDENA

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))*

Enforcement: While the element included information on different fair housing laws, it must also describe how the City complies with fair housing laws.

Local Knowledge and Data: 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, public comments, and service providers.

Other Relevant Factors: 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.

Sites Inventory: While the element analyzed whether the location of RHNA sites improve or exacerbate several fair housing components, the element must also analyze sites relative to disproportionate housing needs including displacement risk.

Fair Housing Issues: The analysis indicated that while the City does not have any areas designated as high poverty and segregation or racially/ethnically concentrated areas of poverty (RECAP), the City does have specific census tracts located in the northern part of the City that have several overlapping fair housing issues including a concentration of lower-income households, female-headed households, minorities, low resourced and limited access to educational and environmental health opportunities. The element should include a discussion of these census tracts including other relevant factors and any local knowledge or data, along with identifying factors that contributed to the concentration of fair housing issues and specific place-based strategies to overcome these patterns.

Strategies, Actions, Metrics, and Milestones: Programs and actions must specifically respond to the factors that contributed to fair housing issues in the Community. For

example, the element listed a concentration of poverty in specific census tracts as a contributing factor to increased displacement risk. As a result, the element should describe how specific programs will overcome this contributing factor. Currently, the programs identified do not meaningfully overcome contributing factors and address fair housing issues. Additionally, programs must enhance housing mobility strategies, encourage development of new affordable housing in higher resourced areas, implement place-based strategies focused on specific census tracts to encourage community conservation and revitalization and address displacement risk. There are several programs in the housing element that could be revised to address specific fair housing issues and affirmatively furthering fair housing (AFFH) including Programs 1.1, 2.1, 2.2, 2.3, 2.4, 2.5, 5.3, and 5.4. Furthermore, the element must include metrics and milestones for targeting meaningful change and evaluating progress on programs, actions, and fair housing results.

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. (Gov. Code, § 65583, subd. (a)(2).)*

Overpayment: While the element identifies the total number of households overpaying for housing, it must quantify and analyze lower-income households overpaying for housing by tenure (i.e., renter and owner).

Housing Stock Conditions: While the element identifies the age of the housing stock (p. 16), it must quantify the number of units in need of major rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers, including non-profit housing developers or organizations.

3. *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).)*

Progress toward the RHNA: The City's regional housing need allocation (RHNA) may be reduced by the number of new units pending, approved, permitted, or built since July 1, 2021. The element indicates that 528 units were approved or pending approval and six of those units will be counted towards the City's lower-income RHNA. However, the element must describe how affordability was determined based on actual or anticipated sales prices or rents or any other mechanisms ensuring affordability (e.g., deed restrictions).

Realistic Capacity: The element is assuming 60-75 percent of the maximum allowable densities on nonvacant nonresidential zoned sites (p. 63). Additionally, the element is assuming the maximum allowable density in proposed zoning. However, the element must support the assumption that sites will be developed at the identified capacity. For example, the element should discuss land use controls, trends, factors, or other supporting information. Additionally, the element is assuming residential development on sites with zoning that allow 100 percent nonresidential uses (e.g., commercial, and mixed-use

zones) and must demonstrate the likelihood of residential development. To demonstrate the likelihood for residential development in these zones, the element could describe recent residential and nonresidential trends such as the occurrence of 100 percent nonresidential uses, any performance standards mandating a specified portion of residential and any factors, policies or programs increasing the potential for residential development.

Suitability of Nonvacant Candidate Sites for Rezoning: The element identifies majority of its RHNA at all income levels on nonvacant sites that will be rezoned to address the 6th cycle shortfall. The element includes a list of factors that were considered when identifying sites suitable for accommodating residential including structural conditions, ownership patterns, “low FAR”, vacancy rates, etc., (p. 63). The element should clearly identify what factors were used, and how each factor was applied to specific sites. For example, in the actual inventory (Appendix C), some sites included notes regarding the existing use while other sites include information on the degree of underutilization and vacancy status. The element should discuss why some factors were applied to certain sites and not all sites and make adjustments as appropriate. Furthermore, the element should describe why and how the factors identified demonstrate that these sites are suitable for housing development and where applicable, list the actual values of these factors for each site.

While the element briefly identifies existing uses per zone (p. 64) such as office buildings, strip malls, auto services, etc., it should analyze whether these existing uses would impede residential development on these sites. 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.

In addition, based on the sites inventory, 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 (RHNA).

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. 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.

Availability of Infrastructure: While the element describes water and sewer infrastructure (p. 57), it must also demonstrate sufficient existing or planned dry utilities supply capacity, including the availability and access to distribution facilities to accommodate the City's regional housing need for the planning period. (Gov. Code, § 65583.2, subd. (b).) For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#environmental>.

Environmental Constraints: While the element generally describes environmental conditions that exist in the City (e.g., stormwater, earthquakes, flood), it must relate those conditions to the identified sites including any other known conditions or other environmental constraints that could impact housing development on identified sites during the planning period.

Zoning for a Variety of Housing Types (Emergency Shelters): The element must demonstrate that permit processes, development, and management standards are objective and in accordance with Government Code section 65583, subdivision (a)(4). For example, the element states emergency shelters are required to be a minimum of 300 ft. apart from each other (p. 71); however, state law only allows a maximum of 300 ft separation requirement. The element should describe compliance with these requirements or include programs as appropriate.

4. *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... (Gov. Code, § 65583, subd. (a)(5).)*

An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... the price of land... requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need... (Gov. Code, § 65583, subd. (a)(6).)

Land Use Controls: While the element analyzed most relevant land use controls, it must specifically analyze requirements related to multifamily parking (number of required spaces and garage requirements). The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints.

Processing and Permit Procedures: While the element included information on timing and approval bodies (p. 50), it should also describe the procedures for a typical single family and multifamily development. The analysis should address the approval body, the number of public hearings, if any, approval findings, and any other relevant information such as

any design review requirements. The analysis should address impacts on housing cost, supply, timing, and approval certainty.

Codes and Enforcement: While the element stated that the City has made minor local amendments to the building codes (p. 52), it should describe the amendments and analyze their impact as potential constraints on housing supply and affordability. Additionally, the element should clarify the City's degree of building code enforcement (e.g., proactive, or complaint-based). Lastly, the element included examples of building code violations including "deferred maintenance or deterioration that harms property values in the area or interferes with the peaceful use of nearby land use and structures." The element should discuss and provide examples of what circumstances and conditions constitutes as harming property values and interfering with the peaceful use of nearby structures and analyze the impact as potential constraints on housing supply and affordability.

Constraints on housing for Persons with Disabilities:

- *Reasonable Accommodation:* While the element states that the City offers reasonable accommodations based on the status of the individual requesting the accommodation and the necessity of the accommodation (p. 53), it must discuss the process for requesting a reasonable accommodation, list and analyze the actual approval findings for potential constraints on housing for people with disabilities.
- *Group homes:* The element indicates that the City excludes group homes for seven or more persons from the R-1 Single family zone and subjects the use to a conditional use permit in other zones, unlike other similar uses. The element should specifically analyze these constraints for impacts on housing supply and choices and approval certainty and objectivity for housing for persons with disabilities and include programs as appropriate. Additionally, the element should identify and analyze the City's definition of "family" and any spacing requirements for group homes.

Land Costs: While the element includes a general discussion of land costs, it must identify the typical land costs for a single-family and multifamily development.

Requests for Lower Density: While the element generally states that some developers build at the maximum allowable density (p. 38), it must analyze requests to build at densities below those identified in the inventory.

5. *Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)*

Extremely Low Income (ELI) and Large Households: While the element includes a general discussion of ELI and large households (p.28) and resources to address these households, it should also assess the gap in current resources, and proposed policies and funding to help address the any gaps.

Farmworkers: While the element includes some data on farmworkers, it should specifically quantify the number of permanent and seasonal farmworkers at the County or local level

(i.e., USDA data) to better understand the broader and unique housing needs of farmworkers.

6. *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).)*

While the element includes an analysis and inventory of deed-restricted affordable units in the City, it must identify public and private entities known to have the legal and managerial capacity to potentially acquire and preserve at-risk units (i.e., qualified entities). For a list of organizations serving Gardena and the broader Los Angeles County region, please see: <https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml>.

B. Housing Programs

1. *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... without rezoning... (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A3, 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 4.1 – Adequate Sites for RHNA with By-Right Approval of Projects with 20 Percent Affordable Units: This program that addresses a shortfall of sites to accommodate the RHNA should commit to sufficient incentives (beyond State Density Bonus Law) to assure the intended residential uses and affordability.

Program 4.5 – Accessory Dwelling Units (ADUs): While the element includes a program to monitor trends for ADUs production, the program should also commit to taking specific actions such as adjusting assumptions or rezoning within a specified timeframe (e.g., six months) if trends do not keep pace with the assumptions.

2. *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 A4, the element requires a complete analysis of potential governmental and non-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.

3. *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 does not include a complete Assessment of Fair Housing (AFH). Depending on a complete analysis, the element may need to add or revise programs as appropriate. For additional guidance on program requirements to AFFH, please see HCD's guidance at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

4. *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 1.2 – Preservation of At-Risk Units: In addition to other actions, this program should commit to coordinating with qualified entities to preserve and maintain the affordability of at-risk units, providing education to tenants qualified entities, and complying with noticing requirements within 3 years, 12 months, and 6 months of the affordability expiration date.

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. (Gov. Code, § 65583, subd. (b)(1 & 2).)

The element must include quantified objectives for number of housing units that will be conserved/preserved for moderate and above-moderate households.