

**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



April 8, 2022

Darrell George, Interim City Manager
City of El Segundo
350 Main Street
El Segundo, CA 90245

Dear Darrell George:

RE: City of El Segundo's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of El Segundo's (City) adopted housing element received for review on February 7, 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 adopted housing element addresses many statutory requirements described in HCD's December 8, 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.

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.

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).

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.

HCD is 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 Shawn Danino, of our staff, at shawn.danino@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 EL SEGUNDO

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).)*

Outreach: The element did not address this requirement. Please see HCD's prior review.

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): While the element included data on the number of regional housing need allocation (RHNA) units by income category relative to some socio-economic concentrations, the analysis should discuss the magnitude of the impact including the number of units by income group relative to locations or neighborhoods within the City, including any isolation of the RHNA and then address whether sites exacerbate or improve segregation and integration.

Local Data and Knowledge: The element generally was not revised to address this requirement. Please see HCD's prior review for additional information.

Other Relevant Factors: The element was revised to describe the history of El Segundo, including historical lending practices, as well as providing some local knowledge on loan approvals and denial rates (pp. C-67 to C-70). However, the element should also discuss historical land use, zoning, governmental and nongovernmental spending including transportation investments, demographic trends and other information that may have impeded housing choices and mobility.

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.

Given the City listed substandard housing conditions as a contributing factor with significant residential code violations, the element may, for example, dedicate resources to provide home rehabilitations for lower income homeowners. The element may also, for example, create a checklist for Senate Bill 9 to facilitate lot splits and the permitting of duplexes in single unit neighborhoods and create more housing opportunity. The element may also, for example, create a program to dedicate in lieu parking fees and other sources of funds for active mobility improvements. To reduce overcrowding, the City may also, for example, revise Program 8 to create development standards for allowing naturally affordable housing types such as Single Room Occupancies (SROs) ministerially with permissive development standards within one year of adoption.

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).)*

Realistic Capacity: The element states minimum densities were utilized (p. 51) for realistic capacity calculations. However, as stated in the prior review, some calculations for total capacity appear incorrect based on the stated acreage and minimum density, and the element should be revised as appropriate. Specifically, Sites 17, 18, 19, and 20 must be revised to recalculate total capacity.

Suitability of Nonvacant Sites: The element was revised to describe the City's selection criteria and added information to Table 5-4. However, the element still must analyze market conditions, development trends and past experience with converting existing uses. This discussion should relate to the uses identified in the inventory and demonstrate existing uses do not impede additional development in the planning period. Please see HCD's prior review for additional information.

In addition, because the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, it 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.

Environmental Constraints: The element does not address this requirement. Please see HCD's prior review.

Infrastructure: The element was not revised address this requirement. Please see HCD's prior review.

Electronic Site Inventory: As noted in the prior review, pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory and submit an electronic version of the sites inventory. While the City has submitted an electronic version of the sites inventory, if changes occur, any future re-adopted versions of the element must also submit the electronic version of the sites inventory.

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

Land Use Controls: The element was revised to describe the new Housing Overlay and Mixed Use Overlay that will be utilized to accommodate housing capacity sufficient for RHNA (p. 40). However, the element generally was not revised to address this requirement. For example, several development standards and land use controls should still be analyzed as constraints such as lot coverages and heights in the medium density residential (MDR) zone. Please see HCD's prior review for additional information.

Processing and Permit Procedures: The element was revised to describe its permit processes, including approval bodies and typical timing of approval. However, the element should specifically list and analyze approval findings for impacts on approval certainty. For example, the Site Plan Review requires a finding that proposed development will not adversely affect the orderly and harmonious development of the area. The element should discuss how this finding is implemented, any mechanisms to promote approval certainty and discuss whether this finding is a constraint on development.

Fees and Exaction: HCD's prior review found the element should analyze the fees for a conditional use permit and include programs to address identified constraints as appropriate. In response, the element states no residential development is required to go through either Administrative Use Permits or Conditional Use Permits. However, some residential uses appear to be restricted to a conditional use permit. Also, other residential uses may see exceptions through the conditional use permit. As a result, the element must still include an analysis as described in the prior review and add or modify programs as appropriate.

Reasonable Accommodation: HCD's prior review found the element should describe the process and decision-making criteria such as approval findings and analyze any potential constraints on housing for persons with disabilities. In response, the element

describes reasonable accommodations will be subject to administrative adjustment procedures. However, a reasonable accommodation is a unique exception process in zoning and land use and should have clear decision-making standards such as whether the request is a fundamental alteration to zoning and land use. As a result, the element must include a program to establish a written procedure early in the planning period (e.g., within one year). HCD will send examples of written procedures under separate cover.

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 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, Program 7 (Lot Consolidation) must still be revised as described in HCD's prior review. For example, the Program should commit to implement alternative actions if the Program is not successful by a date certain early in the planning period. The Program should also commit to implement the strategy earlier in the planning period than October 2024 (e.g., within one year).

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 A3, the element requires a complete analysis of potential governmental and nongovernmental 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.

In addition, while Program 8 (Municipal Code Amendments) was revised in its description of permitting group homes for seven or more persons, it must still commit to allowing these group homes of seven or more persons in all residential zones and provide procedures that will promote objectivity and approval certainty (e.g., not a conditional use permit).

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 contain programs that satisfy the AFFH requirements for specific and meaningful actions to overcome fair housing issues. Based on a complete analysis, the element must add or revise programs.

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).)

The element was not revised to address this requirement. Please see HCD's prior review.