CITY OF RANCHO PALOS VERDES

FINAL HOUSING ELEMENT

December 2009

PREPARED BY:
COMMUNITY DEVELOPMENT DEPARTMENT

SUBMITTED FOR:
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (HCD)
STATE OF CALIFORNIA

CERTIFIED BY HCD ON MARCH 24, 2010

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March 24, 2010

Ms. Carolyn Lehr
City Manager
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275-5391

Dear Ms. Lehr:

RE: Review of the City of Rancho Palos Verdes' Adopted Housing Element

Thank you for submitting Rancho Palos Verdes' housing element adopted January 19, 2010 and received for review on January 25, 2010. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h).

As you know, the Department's October 22, 2009 review found Rancho Palos Verdes' revised draft housing element addressed the statutory requirements of housing element law. As the adopted element is substantially the same as the revised draft, the Department is pleased to find the element in full compliance with State housing element law (Article 10.6 of the Government Code).

The Department commends the City for approving and assisting in the development of the Crestridge Senior Affordable Housing Project providing 34 units affordable to low- and moderate-income households and its program to rezone sites within the Western Avenue commercial corridor to allow residential mixed-use development. These and other housing and land-use programs will facilitate the development of housing for lower-income families and workers while strengthening the local economy.

In addition, the Department is pleased to report Rancho Palos Verdes now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Housing Related Parks Program, authorized by Proposition 1C, Local Housing Trust Fund and the Building Equity and Growth in Neighborhoods (BEGIN) Programs include housing element compliance either as a threshold or competitive factor in rating and ranking applications. More specific information about these and other programs is available on the Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hecompl011708.pdf.

The Department wishes Rancho Palos Verdes success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports required pursuant to Government Code Section 65400. If the Department can provide assistance in implementing the housing element, please contact Mario Angel, of our staff, at (916) 445-3485.

Sincerely,

Linda M. Wheaton
for

Cathy E. Creswell
Deputy Director

cc: Eduardo Schoborn, Senior Planner

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A. INTRODUCTION

1. Scope and Content

Government Code Section 65583 states:

> *The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community.*

The Housing Element Law requires every city and county to prepare and adopt a Housing Element of the community's General Plan. The Housing Element must include four major components:

- □ An assessment of the community's housing needs.
- □ An inventory of resources to meet needs and of the constraints that impede public and private sector efforts to meet the needs.
- □ A statement of the City's goals, quantified objectives and policies relative to the construction, rehabilitation, conservation and preservation of housing.
- □ An implementation program which sets forth a schedule of actions which the City is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

2. Background and Authorization

Housing elements of the general plan were first mandated by State legislation enacted in 1967. In 1977, the State Department of Housing and Community Development (HCD) published "Housing Element Guidelines". The "guidelines" spelled out not only the detailed content requirements of housing elements**,** but also gave HCD a "review and approval" function over this element of the general plan. In 1981, Article 10.6 of the Government Code was enacted, which placed the guidelines into statutory language and changed HCD's role from "review and approval" to one of "review and comment" on local housing elements.

This update complies with the housing element planning period from January 1, 2006 through June 30, 2014.

B. ORGANIZATION OF THE HOUSING ELEMENT

In addition to this Introduction, the Housing Element contains three Sections.

Section 2 contains a statement of the City's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing. HCD interprets this Section as requiring a city to state goals and policies for the construction, rehabilitation, conservation and preservation of housing. Quantified objectives are the City's estimate of the maximum actual numbers of housing units that can be constructed, rehabilitated, conserved and preserved during the planning period (January 1, 2006 through June 30, 2014).

Section 3 describes the tools the City will use to continue existing and create new program endeavors, explains who is responsible for program implementation, shows how the Housing Element achieves consistency with General Plan elements and describes the public participation effort. Specifically, Section 3 addresses:

- Administration of land use and development controls
- Provision of regulatory concessions and incentives
- Utilization of federal and state financing and subsidy programs
- Utilization of moneys in the Low and Moderate Income Housing Fund
- Agencies and officials responsible for program actions
- Consistency of the Housing Element with other General Plan Elements
- Public participation in the development of the Housing Element

Section 4 presents the Draft Housing Program according to five categories:

- Identify actions that will be taken to make sites available to accommodate that portion of the city's share of the regional housing need for each income level that could not be accommodated on sites identified in the sites inventory.
- Assist in the development of affordable housing.
- Remove governmental constraints.
- Conserve the existing stock of affordable housing.
- Promote equal housing opportunity.

For each program category, the following is presented:

- A summary of housing needs.
- A statement of goals, policies and objectives.
- A description of action programs.

The Housing Element also contains detailed information to comply with each pertinent section of the Government Code. A description of each Technical Appendix is given below:

- Technical Appendix A contains all of the detailed data, statistics and analyses pertaining to the City's housing needs, existing and future.

- Technical Appendix B describes potential and actual governmental constraints that impede efforts at addressing housing needs.

- Technical Appendix C describes non-governmental constraints such as the cost of land and construction.

- Technical Appendix D contains the detailed information on the inventory of residential sites and explains how the sites accommodate the City’s share of regional housing needs.

- Technical Appendix E is the Housing Element Progress Report. This Technical Appendix assesses the progress made toward implementation of the prior Housing Element that was adopted in 2000.

A. GOALS AND POLICIES

HCD defines the terms "goals" and "policies" as follows:

> *"Goals are general statements of purpose. Housing element goals will indicate the general direction that the jurisdiction intends to take with respect to its housing problems. While reflecting local community values, the goals should be consistent with the legislative findings (Section 65580) and legislative intent (Section 65581) of Article 10.6 and other expressions of state housing goals contained in the housing element law. Goals may extend beyond the time frame of a given housing element.*
>
> *Policies provide a link between housing goals and programs; they guide and shape actions taken to meet housing objectives.*

Government Code Section 65583 (b) requires that the Housing Element include:

> *"A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing."*

HCD interprets this Section as requiring a city to state goals and policies for the construction, rehabilitation, conservation and preservation of housing. The following are the City's goals and policies for the planning period that began on January 1, 2006 and ends on June 30, 2014.

1. Construction Goals and Policies

Goals

a. Accommodate the housing needs of all income groups as quantified by Regional Housing Needs Assessment.

b. Facilitate the construction of the maximum feasible number of housing units for all income groups.

Policies

1. Designate sites that provide for a variety of housing types.

2. Implement the Land Use Element and Development Code to achieve adequate sites for the moderate- and above-moderate income group.

3. Continue to pursue development of an affordable housing project at the RDA-owned Crestridge site.

4. Continue to implement the Housing Component of the Redevelopment Agency's Implementation Plan.

5. *Prefer that persons, entities and/or developers that are obligated to provide affordable housing units provide the affordable housing units on-site as part of their development project rather than paying in-lieu fees to the City.*

2. Rehabilitation Goals and Policies

Goals

a. *A housing stock free of substandard structures.*

Policies

1. *Continue to implement the current Housing Code Enforcement Program.*

2. *Continue to implement the Housing Rehabilitation Program.*

3. Conservation Goals and Policies

Goals

a. *Conserve and improve the existing stock of affordable housing.*

Policies

1. *Provide rental assistance to extremely low-, very low, and low-income households through programs administered by the City, Redevelopment Agency and/or the County of Los Angeles Housing Authority.*

2. *Continue to support a Housing Code Enforcement Program to help maintain the physical condition of housing.*

3. *Continue to support a Housing Rehabilitation Program financed by Community Development Block Grant Funds.*

4. Preservation Goals and Policies

Goals

a. *Remove existing governmental constraints to the maintenance, preservation, improvement and development of housing.*

b. *Preserve the existing and future supply of affordable housing that is financially assisted by the City, County, State or Federal governments.*

Policies

1. *Continue to implement land use regulations that facilitate meeting affordable housing needs.*

2. *Continue the processing of new housing developments designed to address the needs of the entire range of income groups.*

3. *Monitor and protect the supply of affordable housing by enforcing existing regulations and affordability restrictions.*

4. *Ensure the long-term affordability of future affordable housing developments.*

5. Fair Housing Goals and Policies

Goals

a. *Attain a housing market with "fair housing choice," meaning the ability of persons of similar income levels regardless of race, color, religion, sex, national origin, handicap and familial status to have available to them the same housing choices*.

Policies

1. *Continue to promote fair housing opportunities through the City's participation in the County's Community Development Block Grant Program.*

2. *Promote fair housing through the provision of information and referral services to residents who need help in filing housing discrimination complaints.*

B. QUANTIFIED OBJECTIVES

Section 65583(b)(2) states:

> *The quantified objectives shall establish the* ***maximum number of housing units*** *that can be constructed, rehabilitated, and conserved over a five-year period.*
> [emphasis added]
>
> [The Government Code section states five years; however, the actual planning period for southern California cities is from January 1, 2006 through June 30, 2014.]

HCD defines quantified objectives as follows:

> *Quantified objectives are the maximum actual numbers of housing units that the jurisdiction projects can be constructed, rehabilitated, conserved and preserved over a five-year time frame. In order to more realistically plan for the implementation of housing programs, it is useful for localities to establish objectives for each housing program which will be implemented during the time frame of the element. Objectives may therefore be short-term in outlook compared to community's goals."* [emphasis added]
>
> [HCD refers to a five-year time frame; however, the planning period for southern California cities is from January 1, 2006 through June 30, 2014.]

The Housing Element Law states that needs may exceed resources and, therefore, allows cities to set forth objectives less than the total housing needs. More exactly, Section 65583(b)(2) states:

> *"It is recognized that the total housing needs … may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in article 6 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs."*

This interpretation is confirmed by Opinion No. 03-104 (May 18, 2005) of the Office of the Attorney General that states:

> "*We conclude that a community may establish its maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over the next five-year period below the number of housing units that would meet the community's goal of achieving its share of the regional housing needs established pursuant to the Planning and Zoning Law if the community finds its available resources in the aggregate, including but not limited to federal and state funds for its housing programs, its own local funds, tax or density credits, and other affordable housing programs, are insufficient to meet those needs*."
> (pgs. 7 and 8)
>
> [The Attorney General Opinion refers to a five-year time frame; however, the planning period for southern California cities is from January 1, 2006 through June 30, 2014.]

As required by Section 65583(b), quantified objectives *by income group* for the 2006-2014 program period are stated in this Section. State law defines the income groups in terms of the percentage of the Los Angeles County median income. Chart 2-1 shows the percentages for each income group.

Chart 2-1
Los Angeles County
Definitions of Income Groups as a Percentage of Area Median Income

Income Group	% of Median Income
Extremely Low	0-30%
Very Low	30-50%
Low	50-80%
Moderate	80-120%
Above Moderate	120%+

Each year the U.S. Department of Housing and Urban Development (HUD) and the State Department of Housing and Community Development (HCD) update the household income limits for each group. Table 2-1 presents the income limits for four income groups; above moderate equals an income one dollar more than the moderate-income limits.

Table 2-1
Los Angeles County
2008 Annual Income Limits Adjusted by Household Size

Household Size (# of persons)	Extremely Low Income	Very Low Income	Lower Income	Moderate Income
1 person	$15,950	$26,550	$42,450	$50,300
2 persons	$18,200	$30,300	$48,500	$57,400
3 persons	$20,500	$34,100	$54,600	$64,600
4 persons	$22,750	$37,900	$60,650	$71,800
5 persons	$24,550	$40,950	$65,500	$77,500
6 persons	$26,400	$43,950	$70,350	$83,300
7 persons	$28,200	$47,000	$75,200	$89,000
8 persons	$30,050	$50,050	$80,050	$94,800

Source: U.S. Department of Housing and Urban Development, FY 2008 Income Limits, February 13, 2008. State Department of Housing and Community Development, Year 2008 Income Limits, February 28, 2008.

As explained on page 2-3, quantified objectives are the maximum actual numbers of housing units that the City projects can be *constructed*, *rehabilitated*, *conserved* and *preserved* over a five-year time frame. The State housing law requires that the Housing Element establish the quantified objectives for each *income group*: extremely low, very low, low, moderate and above moderate. The quantified objectives for the 2006-2014 program period by income group are stated on the next page.

Table 2-2
City of Rancho Palos Verdes
Quantified Objectives: 2006-2014

Category	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
Construction	7	9	10	11	23	60
Rehabilitation	7	11	22	0	0	40
Conservation	2	1	1	0	0	4
Preservation	1	1	7	2[a]	0	11

[a] Income of 80% to 100% of area median income.

1. Construction Objective

According to the State Housing Law, the City's Housing Element must state *"the maximum actual numbers of housing units that the jurisdiction projects can be constructed … over a five-year time frame."* In this context, the City's quantified objective can be the same, more or less than the City's share of the regional housing need.

The RHNA allocated to the City a construction need of 60 housing units, a need that will be satisfied as follows:

- Constructed housing and dwellings under construction meet the above-moderate income housing need. [Technical Appendix D explains the housing capacity of the individual projects.]

- The moderate-income housing need will be met by the development of 11 new second units on existing RS and RM lots.

- The lower income housing need will be met by development on the RDA-owned Crestridge site.

2. Rehabilitation Objective

The rehabilitation objective of 40 units assumes that County CDBG funds will be available to the City in sufficient amounts to help rehabilitate an average of four to five units per year. Annually, the City receives $150,000 of CDBG funds to financially support the Housing Improvement Program. To be eligible to participate in the program, homeowners must have lower incomes (<80% of the area median income).

The income category objectives are based on the percentage of current homeowners that belong to the extremely low (18%), very low (27%) and low-income (55%) groups.

3. Conservation Objective

The conservation objective refers to maintaining existing affordable housing through measures such as rent subsidies and implementing land use controls during the program period. The quantified objective includes two extremely low-, one very low, and one low-income household that would obtain rental assistance through the County Housing Authority's Section 8 Program. The County Housing Authority reports that the Section 8 Rental Assistance Program, as of January 2008, assists two resident households. The quantified objective assumes that the Housing Authority through additional funding from HUD and/or landlord outreach efforts will provide assistance to two additional households during the planning period.

4. Preservation Objective

The preservation objective refers to maintaining the affordability of housing units with affordability covenants that would expire on or before 2016. The City has two projects with affordability covenants; however, the covenants will expire after 2016. Although the objectives include maintaining these housing units as affordable, no program is needed, as the housing units are not at risk of conversion from affordable to market rate housing.

C. EXTREMELY LOW INCOME HOUSING NEEDS

The City's quantified objective is to assist 17 extremely low-income households through the combined results of several housing programs. These programs include:

> 7 new housing units to be included in the RDA Crestridge Senior Housing site
>
> 7 rehabilitated housing units as part of the Housing Improvement Program. Some of the assisted households may be disabled homeowners.
>
> 2 householders assisted by the Section 8 rental assistance program.
>
> 1 householder residing in an existing rent restricted housing unit.

Some additional extremely low-income families will occupy some of the 20 apartment units currently under construction at Crestmont College.

A. INTRODUCTION

Section 3 describes the tools the City will use to continue existing and create new program endeavors, explains who is responsible for program implementation, shows how the Housing Element achieves consistency with General Plan elements and describes the public participation effort. Specifically, Section 3 addresses:

- □ Administration of land use and development controls
- □ Provision of regulatory concessions and incentives
- □ Utilization of federal and state financing and subsidy programs
- □ Utilization of moneys in the Low and Moderate Income Housing Fund
- □ Agencies and officials responsible for program actions
- □ Consistency of the Housing Element with other General Plan Elements
- □ Public participation in the development of the Housing Element

B. PROGRAM ADMINISTRATION ACTIONS

Section 65583(c) requires that the housing element include:

> "*A program which sets forth a five-year schedule of actions 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, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a Low and Moderate Income Housing Fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law.*" *(emphasis added)*

1. Land Use and Development Controls

a. Second Unit Development Standards

Second units are permitted in all RS and RM zone districts. The development standards are described in Section 17.10 of the City's Development Code. The total floor area for a detached second unit shall not exceed 1,200 square feet. The total floor area for an attached second unit shall not exceed 30% of the floor area of primary residence floor area. The second unit must include one bathroom and one kitchen and is limited to a maximum of two bedrooms. A garage space must be provided.

b. Affordable Housing Land Use Controls

To encourage and facilitate the development of affordable housing, the City has adopted the following land use controls:

Citywide Affordable Housing Requirement: All new residential developments of five or more dwelling units are required to provide up to 5% of all units affordable to *very low* income households or to provide up to 10% of all units affordable to *low* income households. The affordable units shall be provided on-site or off-site. Upon City Council approval, in-lieu fees can be paid instead of providing the required affordable housing units. The City Council established an in-lieu fee of $201,653 per required affordable unit plus a 10% administrative fee. (Resolution 2005-112, Sections 3 and 4)

Housing Impact Fee: In order to mitigate the impact of local employment generation on the local housing market, new nonresidential development or conversion of existing development to a more intense use, must make provision for housing affordable to low and very low households. This requirement applies to applications for the construction, expansion or intensification of nonresidential land uses, including but not limited to commercial projects, golf courses, private clubs, and institutional developments.

Developers of non-residential projects must pay a residential impact fee as established by the City Council. The fee must be adequate to provide one low or very low affordable housing unit for each 10 employees to be generated by the nonresidential development. The City Council established an in-lieu fee of $201,653 per required affordable unit plus a 10% administrative fee. (Resolution 2005-112, Sections 3 and 4)

Projects that provide for very low and low-income housing are exempt from the housing impact fee.

2. Regulatory Concessions and Incentives

The City's regulatory concessions and incentives are incorporating the following density bonus policies:

Density Bonuses for New Housing: A density bonus and/or affordable housing incentives are provided for new projects that provide at least 10% of all units as very low income units, 20% as low income units, or 50% of all units for seniors. The density bonus allows for at least a 10% increase in the density allowed for new condominium projects, and allows for at least a 25% in the density allowed for new housing projects. Affordable housing incentives in lieu of, or in addition to, a density bonus, may include a reduction in development standards (e.g., setback, parking, and lot size) and other regulatory concessions that result in cost reductions.

Density Bonuses for Condominium Conversions: A density bonus and/or affordable housing incentive is provided for condominium conversion projects that will provide 33% of the total proposed condominium units to low and moderate income households or at least 15% of the total units to lower income households.

3. Use of Financing and Subsidy Programs

During the program period, the City will have housing funds through a variety of sources including the Section 8 Rental Assistance Program, the Los Angeles County Community Development Commission's housing programs, Community Development Block Grant Program, Redevelopment Agency's Housing Set-Aside Fund, and In Lieu Fees. Additional funding resources may become available, as the City submits funding applications to local or State agencies and through the efforts of non-profit housing developers. A brief description of actual and potential funding sources is given below and on the next three pages.

a. Federal Programs

1) Section 8 Voucher Program: The City is one of many cities that are served by the County of Los Angeles Housing Authority. The market rents of apartments in the City pose serious constraints to use of the Section 8 rental assistance program. However, opportunities to use the Section 8 Voucher Program may emerge during the planning period.

2) CDBG Program: Through an agreement with the County of Los Angeles, the City annually receives about $100,000 to $150,000 of Community Development Block Grant funds. Assuming this funding continues, the City will obtain $600,000 to $900,000 over the remaining six years of the planning period. Currently, these funds are used to finance the City's popular Housing Improvement Program.

3) Low Income Housing Tax Credits (LIHTC): This program provides for a significant share of funding for affordable housing projects. In 2007, the Los Angeles County share of the Statewide funding was $19.4 million, or 33% of the total annual funding amount. Experienced private and non-profit housing developers often use this funding source as a key piece of funding an affordable housing project. In 2007, LIHTC funded 70 projects that produced 4,424 affordable housing units. According to the State Tax Credit Allocation Committee, only 10 of 32 project applications received funding, meaning that keen competition exists for the available funding.

b. State Programs

1) CalHFA HELP Program: The City may be able to apply and obtain HELP funds for purposes of contributing to the development of an affordable housing development at the RDA-owned Crestridge property. Under this program, the City contracts to pay CalHFA and re-lends the monies to, for example, a nonprofit housing group in order to make feasible the development of an affordable housing development. Attachment A explains more completely the CalHFA HELP Program.

2) Mental Health Services Act (MHSA) Housing Program: Jointly administered by the California Department of Mental Health and the California Housing Finance Agency on behalf of counties, the Mental Health Services Act (MHSA) Housing Program offers permanent financing and capitalized operating subsidies for the development of permanent supportive housing, including both rental and shared housing, to serve persons with serious mental illness and their families who are homeless or at risk of

homelessness. MHSA Housing Program funds will be allocated for the development, acquisition, construction, and/or rehabilitation of permanent supportive housing.

According to CalHFA, California counties have committed an initial $400 million for the programs. Applications for the program became available in August 2007. A county mental health department can only submit applications; however, funds may be distributed to qualified developers.

3) Other Programs: The State has funding for a variety of housing programs. These resources usually are one source of funding for affordable housing projects. Experienced private and nonprofit developers frequently include State funding as one piece of the total funding package. Attachment B includes descriptions of HCD and CalHFA bond-funded housing programs – Proposition 46 (2002) and Proposition 1C (2006).

As of July 1, 2006, the estimated HCD and CalHFA Proposition 46 funds (in millions) that remained were:

Emergency Housing Assistance Program	$62.4
Multifamily Housing	$48.6
Multifamily Housing – Supportive Housing	$59.8
Workforce Housing Reward	$23.0
CalHFA Homeowner Programs	$128.2

c. Los Angeles County Community Development Commission

The Los Angeles County Community Development Commission administers several programs. The City obtains CDBG funding through the County, not directly from the U.S. Department of Housing and Urban Development. Therefore, the City, as well as public service agencies serving Rancho Palos Verdes, is subject to the funding priorities established by the County of Los Angeles.

One of the key resources for financing affordable housing is the HOME Investment Partnerships Program, sponsored by the U.S. Department of Housing and Urban Development and administered by the Commission on behalf of the County of Los Angeles.

HUD annually allocates HOME funds to the County. Approximately $5.5 million dollars are made available annually for housing development, with 15 percent of these funds reserved exclusively for use by non-profit Community Housing Development Organizations (CHDOs).

HOME funds are awarded to proposed developments, based on proposals that are submitted by developers and evaluated on a competitive basis. The funds are allocated only to developments in the unincorporated county areas and in 47 cities that participate in the Commission's Urban County Program. Rancho Palos Verdes is one of the 47 HOME-eligible cities.

Other programs administered by the CDC include: Mortgage Credit Certificate (MCC) Program; Home Ownership Program (HOP), Southern California Home Financing

Authority (SCHFA), and Industry Housing Funds. Funding for the Industry program is limited to jurisdictions within a radius of 15 miles of the City of Industry. Rancho Palos Verdes is not located within the radius boundaries.

4. Local Funding Sources

a. Use of Redevelopment Agency Low and Moderate Income Housing Fund

Per State law, the Redevelopment Agency has set-aside 20% of its gross annual tax increment into the Agency's Low and Moderate Income Housing Fund. The purpose of the LMI Fund is to increase, improve and preserve the City's supply of low and moderate-income housing. As of April 30, 2008, the Agency had a LMI balance of $1,739, 267.

In December 2007, the City Council directed staff to take the following actions for purposes of expending the LMI Fund:

> Coordinate with a non-profit housing corporation to set up and implement the purchase of existing units for the purposes of providing affordable housing.
>
> Release an RFQ to find a reputable affordable housing developer to move forward in the development of the RDA-owned Crestridge site.
>
> Prepare a First Time Homebuyers/Silent Second Program to assist buyers in purchasing a home.

On May 6, 2008, the City Council authorized the use of up to $838,180 of Redevelopment Agency housing set-aside funds and City in-lieu fees to purchase two existing housing units. Basically, this Program involves the Agency purchasing up to two existing market rate units and then re-selling them to qualified moderate and low income buyers. The existing housing units will be purchased by the Agency in the summer of 2008. The homes will be sold to qualified moderate income buyers by December 2008.

Of the $838,180 authorized for the acquisition of existing housing, $500,162 was from the Redevelopment Agency's housing set-aside fund. After the expenditure of this amount, the Agency estimates a balance of $1,239,105 ($1,739,267 less $500,162). Through the end of the Housing Element planning period (June 30, 2014), the Agency projects to accrue additional money in the housing set-aside fund, resulting in a projected balance of $3,035,826. However, it is the Agency's intent to utilize the remaining funds towards the RDA Crestrige Senior Housing project, and will expend excess surplus funds per the requirements of State Redevelopment Law.

b. In Lieu Fees

Although the City prefers that developers that are obligated to provide affordable housing units provide the units on-site, in-lieu fees can be paid instead of providing the affordable housing units provided that the City Council approves the payment of the in-lieu fees. The City Council established an in-lieu fee of $201,653 per required affordable unit plus a 10% administrative fee. (Resolution 2005-112, Sections 3 and 4)

Through the In Lieu Fee Program, the City ~~has~~ collected $256,683 from the Seabreeze Tract in June 1998; however, as of April 30, 2008, the balance of this fund had increased to $338,018 due to interest. Through the In Lieu Fee Program, the City also collected $596,494 from the Oceanfront Estates Tract in March 2000; however, as of April 30, 2008, the balance of this fund had increased to $786,278 due to interest. The Seabreeze Tract in lieu fee amount has been allocated for the acquisition of existing housing for low income housing.

In addition to residential projects, the Development Code also requires non-residential projects to pay an in lieu fee towards the development of affordable housing if the project exceeds certain thresholds. The Long Point Resort Project triggers this requirement. The in lieu fee is $931,910 and needs to be paid prior to the issuance of a certificate of use and occupancy.

C. RESPONSIBLE AGENCIES, GENERAL PLAN CONSISTENCY AND PUBLIC PARTICIPATION

Section 65583(c)(7) states:

> "*The program shall include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals. The local government 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 program shall describe this effort*." [emphasis added]

1. Agencies and Officials Responsible for Implementation Actions

a. Section 8 Rental Assistance -- County of Los Angeles Housing Authority

The Los Angeles County Housing Authority administers the Section 8 Rental Assistance Payments Program throughout most of the County. This program helps very low-income households to have monthly rent payments within their means. The family pays approximately 30% of his/her income towards rent, and the Housing Authority pays the balance of the rent to the property owner, who participates in the program on a voluntary basis.

As previously noted, the high market rents in the City make it difficult to implement this program. As of January 2008, this program is assisting two low-income households.

b. CDBG Program -- Los Angeles Community Development Commission

The CDC administers the CDBG program for the County and several incorporated cities. The proposed FY08-09 CDBG budget for the City of Rancho Palos Verdes is $189,617. Projects include the Home Improvement Program, services for physically and developmentally disabled persons, and CDBG administration and planning.

c. Affordable Housing Development, Rehabilitation and Preservation – City Redevelopment Agency

The City's Redevelopment Agency facilitates the new construction, rehabilitation and/or preservation of affordable housing projects that support the following goals:

- □ Satisfy the replacement housing requirements of the Community Redevelopment Law as they relate to housing units, if any, displaced by Redevelopment Agency activities.

- □ Satisfy the inclusionary housing requirements of the Community Redevelopment Law as they relate to the provision of affordable housing as a percentage of any new or substantially rehabilitated housing, which may be constructed within the Redevelopment Project Area.

- □ Meet the regional fair share affordable housing goals for the City of Rancho Palos Verdes by improving public improvements and community facilities, removing and preventing blighting conditions and providing and/or preserving affordable housing resources.

- □ Support overall community development, economic development, and redevelopment/revitalization efforts within the City by improving public improvements and community facilities, removing and preventing blighting conditions and providing and/or preserving affordable housing resources.

d. City Public Works Department

The City's Public Works Department administers the Home Improvement Program funded by CDBG funds. The Department makes the public aware of the Program through flyers, announcements on the City's Website, the City's quarterly newsletter, and outreach. The Department administers all facets of the Program, including monitoring and project compliance reports to the County.

e. Planning, Building and Code Enforcement Department

The Planning, Building, and Code Enforcement Department ensures the orderly physical development of the community by upholding the goals and policies of the City's General Plan, including the Housing Element. The Department oversees the following functions that relate to implementation of the Housing Element:

Planning & Zoning
Building & Safety
Code Enforcement
Affordable Housing Requirements

General activities of the Department include:

> Administration of the City's land use regulations, including zoning, current and advance planning.
>
> Enforcement of the City's Development Code and Building Codes; issuance of building permits, plan check services, building inspection services.

2. Consistency with other General Plan Elements and Community Goals

The Housing Element is consistent with the General Plan. None of the sites identified in the inventory of land resources require a re-zone. In addition, no major changes to the General Plan and Land Use Element have been made since adoption of the 2000-2005 Housing Element.

The City is in the process of updating the General Plan. Progress on the General Plan Update had been delayed since the December 21, 2004 Council meeting while Staff focused its attention on a variety of high profile development projects and other issues. In April 2006, Staff sent out a Request for Qualifications (RFQ) to obtain consultant assistance with updating the General Plan, and on February 20, 2007, the City Council entered into an agreement with three consulting firms to assist Staff with the update. It is anticipated that the consultant's work will be completed sometime in 2008.

3. Public Participation of all Economic Segments of the Community

The City's policy is to encourage public participation of all economic segments of the community. There are no identified groups in the City that are comprised of low and moderate income persons. Consequently, the City's efforts to reach this population segment, as well as other segments, included notices to all homeowner associations and churches and special e-mail notices. Through these efforts, practically all householders were aware of the opportunity to provide input on the Housing Element goals, policies and programs. In addition, the City obtained input from organizations representing special needs populations such as disabled persons, and seniors. Specifically, pertaining to organizations serving disabled persons, the City's REACH Program expressed interest in ensuring the continual funding for their program by the City Council. Additionally, in regards to organizations serving seniors, the Palos Verdes Peninsula Seniors organization expressed interest in the development opportunities for senior affordable housing to ensure that there are opportunities for seniors to stay within the community. The interests of these organizations have been carried out as evidenced by programs 5 and 12 contained in the Housing Element.

The following efforts have been or will be accomplished during the course of preparing the Draft and Final Housing Elements:

> City Council Public Hearing to obtain public input on the activities that should be awarded CDBG funds. The Public Hearing was held on December 18, 2007. The City Council approved funding for the Housing Improvement Program, REACH Program (developmentally disabled) and program administration.

Planning Commission Public Hearing and Workshop on the Draft Housing Element. The Public Hearing was held on February 12, 2008. Churches and homeowners were invited to the Public Hearing. However, no individual or association offered testimony at the Public Hearing.

City Council Public Hearing and Workshop on the Draft Housing Element. The Public Hearing was held on March 4, 2008. Churches and homeowners were invited to the Public Hearing. However, no individual or association offered testimony at the Public Hearing.

Planning Commission Public Hearing and Workshop on the Final Draft Housing Element. The Public Hearing was held on May 27, 2008. Churches and homeowners were invited to the Public Hearing. However, no individual or association offered testimony at the Public Hearing.

City Council Public Hearing and Workshop on the Final Draft Housing Element. The Public Hearing was held on June 17, 2008. Churches and homeowners were invited to the Public Hearing. However, no individual or association offered testimony at the Public Hearing.

These public hearings/workshops were advertised by an 1/8 page public hearing notice posted in the *Peninsula News*, and mailed to all Homeowner's Associations within the City, various State Agencies, neighboring cities, and to various churches and other groups interested in housing issues. Notices were published in the local newspaper on January 24, 2008; February 16 and 28, 2008; March 29, 2008; and, May 10 and May 31, 2008. Staff also provided notices via electronic mail to at least 379 individuals registered as interested parties for the General Plan update. Lastly, Staff provided a link to the Draft Housing Element through the City's website. (http://www.palosverdes.com/rpv/planning/content/General_Plan_Update.cfm).

Interviews of the following organizations to obtain input on housing needs and possible action programs:

Jamboree Housing Corporation

Peninsula Seniors (Marty Dodell)

REACH Program for Developmentally Disabled Persons (Mona Dell)

The Salvation Army Crestmont College – School for Officer Training (Major Donald Hostetler)

Jamboree Housing Corporation has worked with City staff on developing programs to address the community's housing needs. Jamboree has submitted a proposal to administer a rental assistance program for the City.

The Peninsula Seniors is a non-profit tax-exempt 501(c)(3) organization. The Peninsula Seniors mission is "to improve a healthy and independent lifestyle and to maximize the quality of life for all the adult population on the Peninsula and the surrounding

communities providing programs and service." The non-profit holds a regular Peninsula Seniors Lecture Series. The housing needs described the Peninsula Seniors focused on more financial considerations (i.e., reverse mortgages) than on physical modifications to a dwelling.

The Peninsula Seniors supported the programs included in the Draft Housing Element, particularly the City's efforts to produce affordable senior housing. The Peninsula Seniors suggested that members be surveyed through their Newsletter to assist the City in the implementation of the Crestridge senior housing site, once a developer has been selected.

The major housing need identified by the REACH Program was quality care in group homes for the developmentally disabled. Many developmentally disabled youth and adults live in group homes. The REACH Program staff will be informed of revisions to the Housing Improvement Program prior to approval of the Housing Element by the City Council. The staff's input will be obtained prior to the program guidelines being revised.

According to Major Hostetler, students/cadets at Crestmont College are in the extremely low and very low-income groups. During the program, the students/cadets do not work. However, they are given a paid internship with the organization during breaks. The Crestmont College staff expressed support for the development of family apartment housing at the College site.

Attachment A
CalHFA HELP Program

Unmet Affordable Housing Needs

HELP funds are intended to help local government entities address unmet affordable housing needs as determined by each participating locality. Local government entities must demonstrate how the local priority was established and approved. Commonly, priorities are stated in Housing Elements, Consolidated Plans, or other documented housing plans.

Loan Conditions and Repayment

HELP funds are available to a local government entity as an unsecured loan from CalHFA for up to 10 years at 3.5% simple interest per annum, and carry minimal restrictions and conditions. Repayment is backed by the general obligation of the local government entity and is required, in full, no later than 10 years from the date a loan agreement is executed. The local government entity shall assure and demonstrate that it possesses full authority to enter into the loan agreement and to repay the loan under the terms and conditions of the loan agreement.

Loan-to-Lender Format

Under this format, the local government entity contracts to repay CalHFA and re-lends or otherwise utilizes the funds for its stated purposes. The local government entity does not provide property or other resources as collateral.

Eligible housing activities under the program are as follows:

Multifamily Rental Housing. Rehabilitation and code enforcement programs; and revolving loan programs to assist with site acquisition, predevelopment and construction of projects; or financing to support the development of a specific project. (This housing category accommodates shelters, special needs that include group homes, etc.)

Single-Family Ownership Housing. Rehabilitation and code enforcement programs, revolving loan programs to assist with construction financing, and subordinate loan programs for homebuyers. Please Note: The Agency's new Residential Development Loan Program (RDLP) provides financing for site acquisition and predevelopment activities for infill housing; you can obtain further information on this program at CalHFA's website (www.calhfa.ca.gov). Additionally, HELP and RDLP cannot be accessed for the same project, unless HELP is used exclusively to provide construction financing or subordinate loans for the homebuyers of that project.

HELP Program funds must be used to directly provide affordable housing units. Housing units must be affordable for at least 10 years, with "affordable" being defined in the context of the unmet housing needs and priorities of the locality. HELP Program funds may not be used for technical assistance or administrative costs.

Local Government Involvement

Local government entities (e.g., city and county housing-related divisions and agencies, and redevelopment agencies) must have a direct involvement with their programs. Local government entity involvement can include financial contributions of Federal, State, and locality program funds, and contributions such as land write-downs, fee waivers, density bonuses, and local agency program staffing and administration, and other similar benefits.

Attachment B

Descriptions of HCD and CalHFA Bond-Funded Housing Programs

Notices of Funding Availability (NOFAs) for HCD Bond-Funded Housing Programs

Dollar amounts are funded from Proposition 1C (2006), unless noted as Proposition 46 (2002)

Department of Housing and Community Development (HCD)

13 March 2007

Program	Description	Current/Next NOFA Date	NOFA Amount	Application Due Date	Projected Future NOFAs	Contact and Web Address
Rental Programs						
Governor's Homeless Initiative	Interagency funds (HCD, CAIHFA, DMH) for supportive housing for persons with severe mental illness who are chronically homeless	11/15/05	Approx. $19 million remaining, Prop 46	Open until funds are exhausted	None. Current NOFA will remain open until funds are exhausted	(916) 323-3178 multifamilyhousingsection @hcd.ca.gov www.hcd.ca.gov/fa/mhp/
Multifamily Housing Program (MHP) - General	Low-interest loans for development of affordable rental housing	01/25/07	$70 million	03/27/07	Three or four more, at the rate of two per year	(916) 323-3178 www.hcd.ca.gov/fa/mhp/
Multifamily Housing Program- Supportive Housing (MHP-SH)	Loans for rental housing with supportive services for the disabled who are homeless or at risk of homelessness	01/03/07	$37 million plus approx. $10 million Prop 46	Over-The-Counter until 05/30/07 or until exhausted	Four more, two per year, expected to be all Prop 1C funds	(916) 323-3178 multifamilyhousingsection @hcd.ca.gov www.hcd.ca.gov/fa/mhp/
Multifamily Housing Program -- Homeless Youth	Housing with supportive services for homeless youth	01/31/07	$24 million	Over-The-Counter until 10/30/07 or until exhausted	One more, one year later	(916) 323-3178 multifamilyhousingsection @hcd.ca.gov www.hcd.ca.gov/fa/mhp/
Homeownership Programs						
CalHome	**Grants** to local public agencies and nonprofits to fund first-time homebuyer mortgage assistance and owner-occupied housing rehabilitation.	02/13/07	$50 million	04/18/07	Four more, one per year	(916) 327-3646 mlawson@hcd.ca.gov www.hcd.ca.gov/fa/calhome

Program	Description	Current/Next NOFA Date	NOFA Amount	Application Due Date	Projected Future NOFAs	Contact and Web Address
	Loans to local public agencies and nonprofits to fund homeownership development projects. Funds become grants as qualifying households occupy units.	Summer 2007	$10 million		Four more, one per year	
Building Equity and Growth in Neighborhoods (BEGIN)	Grants to cities and counties that adopt measures to encourage affordable housing, to make second mortgage loans to low and moderate income homebuyers.	Mar 2007	$40 million		Two more, one per year	(916) 327-3646 mlawson@hcd.ca.gov www.hcd.ca.gov/fa/begin/
CalHome Self-Help Housing Technical Assistance Allocation	Grants to organizations to assist low and moderate income households who build their own homes.	Mar 2007	$3 million		Two more, one per year	(916) 445-9581 dfrankli@hcd.ca.gov www.hcd.ca.gov/fa/cshhp/
Farmworker Housing						
Joe Serna Jr. Farmworker Housing Grant Program (Serna)	Grants and loans for construction or rehabilitation of ownership housing for farmworkers	12/28/06	$10 million	Over-The-Counter until 06/28/07 or until exhausted	Two more, one per year	(916) 324-0695 cgaines@hcd.ca.gov www.hcd.ca.gov/fa/fwhg/
	Grants and loans for construction or rehabilitation of rental housing for farmworkers	01/18/07	$15 million	Over-The-Counter until 04/27/07 or until exhausted	One more in 2007, then two more, one per year	
Other Programs						
Emergency Housing and Assistance Program Capital Development (EHAPCD)	Deferred payment loans for capital development of emergency shelters and transitional housing for the homeless (no operating subsidy authorized)	11/09/06	$31 million (Prop 46)	Closed 02/08/07	Remaining Prop 46 funds will be offered in Nov 2007 NOFA	(916) 445-0845 www.hcd.ca.gov/fa/ehap/ehap-capdev.html
		Nov 2007 (to offer both Prop 1C and Prop 46 funds)	Approx. $10 million Prop 1C and $20 million Prop 46		One more, one year later (expected to be entirely Prop 1C funds)	

Program	Description	Current/Next NOFA Date	NOFA Amount	Application Due Date	Projected Future NOFAs	Contact and Web Address
Workforce Housing Reward Program (WFH)	Grants to cities and counties that approve new housing affordable to low or very-low income households	May 2006	$23 million (Prop 46)	03/21/07	None	(916) 322-4263 jseeger@hcd.ca.gov www.hcd.ca.gov/fa/whrp/
Affordable Housing Innovation Fund	Funding for pilot programs to demonstrate innovative, cost-saving ways to create or preserve affordable housing	Jan 2008	$25 million		Three more, interval to be determined	To be determined
Infill Incentive Grant Program	Funding of public infrastructure (water, sewer, traffic, parks, site cleanup, etc.) to facilitate infill housing development	Jan 2008	To be deter-mined		Annual, number to be determined	To be determined
Transit-Oriented Development Program	Funding for housing and related infrastructure near transit stations	Summer 2007	$95 million		Two more, one per year	To be determined
Housing Urban-Suburban-and-Rural Parks	Grants for housing-related parks	Jan 2008	To be Deter-mined		To be determined	To be determined

Bond NOFA table Mar07

A. INTRODUCTION AND SUMMARY

Government Code Section 65583(c) requires that the City's Housing Element Program:

- Identify actions that will be taken to make sites available during the planning period of the general plan with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's share of the regional housing need for each income level that could not be accommodated on sites identified in the sites inventory.

- Assist in the development of adequate housing to meet the needs of low- and moderate-income households.

- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.

- Conserve and improve the condition of the existing affordable housing stock.

- Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

- Preserve for lower income households the assisted housing developments at risk of conversion to market rate housing.

Section 4 describes 13 specific programs. Chart 4-1 shows how the 13 specific programs are categorized into five program categories. (A preservation program is not necessary because the City has no housing units at risk of conversion to market rate housing.) Each program is discussed in more detail on pages 4-4 through 4-15.

Chart 4-2 (on pages 4–3) presents a brief overview of each Program by describing the following:

Specific Programs

Responsible Implementing Agency

Quantified Objective

Time Schedule and

Funding Source

Chart 4-1
City of Rancho Palos Verdes
Housing Element Programs

Program Category	Specific Program
#1 Actions to Make Sites Available to Accommodate RHNA	1 Land Use Element/Specific Plans Program
	2 Development Code Amendment Program
#2 Assist in the Development of Housing to Meet the Needs of Extremely Low, Very Low and Low Income Households	3 Section 8 Rental Assistance Program
	4 Crestridge Senior Affordable Housing Program
	5 Moderate Income Second Unit Program
	6 Conversion of Existing Housing to Affordable Housing
#3 Address and, Where Appropriate and Legally Possible, Remove Governmental Constraints to the Maintenance, Improvement and Development of Housing	7 Reasonable Accommodation Procedure
	8 Licensed Residential Care Development Code Revision Program
	9 Density Bonus Ordinance Program
#4 Conserve and Improve the Condition of the Existing Housing Stock	10 Housing Code Enforcement Program
	11 Home Improvement Program
#5 Promote Housing Opportunities for All Persons	12 Fair Housing Services Program
	13 Fair Housing Information Program

CHART 4-2
CITY OF RANCHO PALOS VERDES
HOUSING PROGRAM SUMMARY

Programs	Responsible Agency	Quantified Objective	Time Schedule	Funding Source
1. Land Use Element/Specific Plans Program	Planning, Building & Code Enforcement	60+ housing units	2006-2014	General Fund for Dept. staff
2. Development Code Amendment Program	Planning, Building & Code Enforcement	Amendments Adopted	June 30, 2010	General Fund for Dept. staff
3. Western Avenue Specific Plan Update	Planning, Building & Code Enforcement	Updates Adopted	June 30, 2011	General Fund for Dept. Staff
4. Section 8 Rental Assistance Program	Housing Authority of Los Angeles County	4 housing units for lower income	2008-2014	Housing Authority Funds
5. Crestridge Senior Affordable Housing Program	Redevelopment Agency	34 units for lower income households	2008-2014	Housing Set-Aside and In Lieu Fees
6. Moderate Income Second Unit Program	Planning, Building & Code Enforcement	11 units for moderate-income households	2006-2014	General Fund for Dept. staff
7. Conversion of Existing Housing to Affordable Housing	Redevelopment Agency and the City	2 moderate income units 1 low income unit	June 30, 2009	Redevelopment Agency Housing Set-Aside Funds & In Lieu Fees
8. Reasonable Accommodation Procedure	Planning, Building & Code Enforcement	Adopted Procedure	June 30, 2010	General Fund for Dept. staff
9. Licensed Residential Care Development Code Revision Program	Planning, Building & Code Enforcement	Adopted Revisions	June 30, 2010	General Fund for Dept. staff
10. Density Bonus Ordinance Program	Planning, Building & Code Enforcement	Adopted Ordinance	In Progress	General Fund for Dept. staff
11. Housing Code Enforcement Program	Planning, Building & Code Enforcement	10 new cases per month	2008-2014	General Fund for Dept. staff
12. Housing Improvement Program	Public Works Dept.	40 housing units	2008-2014	CDBG Funds
13. Fair Housing Services Program	Fair Housing Foundation	65 clients	2008-2014	CDBG Funds
14. Fair Housing Information Program	Planning, Building & Code Enforcement	Information Distributed	2008-2014	General Fund for Dept. staff

PROGRAM CATEGORY #1:
ACTIONS TO MAKE SITES AVAILABLE TO ACCOMMODATE THE RHNA

Section 65583(c)(1) states that the housing program must:

> *"Identify actions that will be taken to make sites available during the planning period of the general plan with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's … share of the regional housing need for each income level that* ***could not*** *be accommodated on sites identified in the inventory … without rezoning…*
>
> "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."
> **[emphasis added]**

1. Housing Need Summary

Through the Regional Housing Needs Assessment, SCAG has allocated a new housing construction need to the City of 60 housing units:

7 units for extremely low income households
9 units for very low-income households
10 units for low-income households
11 units for moderate-income households
23 units for above moderate-income households

[In 2006, AB 2634 amended the Housing Element Law to require that the needs assessment specifically analyze the "extremely low income" level. The law was amended to indicate that –

> "Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households."

[The extremely low-income housing unit need of seven units is based on the City's proportion of extremely low- (.4635) and very low-income (.5365) households among all the households below 50% of the area median income. These two proportions were applied to the RHNA allocation of 16 housing units to the <50% of median income group.]

2. Quantified Objectives

The City's quantified objectives are to enable and facilitate the production of new housing units that will satisfy the income-specific RHNA allocation.

3. Housing Programs

a. Continue Current Zoning and Development Standards and Services and Facilities

No actions are necessary:

To Ensure Appropriate Zoning and Development Standards and
To Ensure Adequate Services and Facilities

The Sites Inventory (Technical Appendix D) explains that the City has:

> "…zoning and development standards that facilitate the location, siting, capacity, and price of residential development to meet identified needs, particularly new construction for lower-income households."

The Sites Inventory explains that no changes are needed to standards:

> "…establishing minimum densities, minimum floor areas, maximum lot coverage, allowing minimum building, rear and side yard setbacks, reduced parking and amenities requirements, and other controls such as streamlined architectural and design review standards."

Accordingly, the City will continue to implement the *Land Use Element/Specific Plans Program*. During the planning period, the City will continue to implement the adopted residential land use policies as contained in the Land Use Element and adopted Specific Plans. This program involves the continued processing of current projects such as those listed below:

Point View or Lower Filorium
Nantasket Residential Project
Crestridge Senior Housing
RDA-owned Crestridge property
Marymount College
Highridge Condominium Project

These projects will contribute to the City accommodating the entire Regional Housing Needs Assessment (RHNA) allocation of 60 housing units. The Crestmont College project is under construction and will produce 20 family apartment units.

In addition, the General Plan Update will not revise the land use designations of the above-mentioned sites and projects.

b. Actions to Facilitate and Encourage the Development of a Variety of Types of Housing – Development Code Amendments

The *Development Code Amendments Program* will achieve the goal of a variety of housing types in order to implement new Housing Element Law requirements. In particular, this Program is designed to satisfy all the requirements of SB 2, which requires designation of zones that permit emergency shelters.

1. Emergency Shelters: Establish a zone or zones where emergency shelters are a permitted use and with sufficient capacity to accommodate the City's need for emergency shelter. This amendment will satisfy the SB 2 requirements as stated below:

   Government Code Section 65583(a)(4)(A) requires the City to identify –

   "… a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit or other discretionary permit. The identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter…. except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter."

   "If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include *a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element*." [emphasis added]

   "Emergency Shelters" and "Transitional Housing" are uses permitted in the City's Commercial District (CG) with approval of a Conditional Use Permit (CUP). The City's CG District is located along its main commercial corridor of Western Avenue providing direct access to public transportation and other nearby public services. Thus, as part of the City's current Development Code Amendment Program, the City will identify the CG Zoning District as the zone~~s~~ where homeless shelters are permitted uses by right without the need for approval of a CUP.

   There are a total of 33 CG zoned properties within the City, and every property is improved with structures that either accommodate a single use, or are multi-tenant buildings; thus, there are no vacant parcels in the CG zoning district. However, there are a number of vacant tenant spaces contained within these buildings. A windshield survey has identified 4 buildings that are either entirely vacant or have vacant tenant spaces. This presents redevelopment opportunities that would also accommodate emergency shelters and transitional housing.

   According to building permit records, many of these buildings were constructed prior to 1973 and were constructed for commercial use. Building codes in effect at the time of construction of these commercial buildings required the provision of a bathroom facility with hot water. Thus, these buildings can be remodeled and retrofitted to accommodate these types of uses by providing a kitchen, and bathroom and shower facilities since these commercial buildings already have the infrastructure in

place, which includes existing gas, electrical and plumbing. The existence of this infrastructure allows for conversion of these structures for habitable uses.

2. Transitional Housing and Supportive Housing: Identify in the Development Code that transitional and supportive housing are considered a residential use of property. This effort will include definitions consistent with State law, as well as development standards for these residential uses.

   HCD advises that transitional housing sites should be close to public services and facilities, including transportation. HCD also states that development standards such as parking requirements, fire regulations, and design standards should not impede the efficient use of the site as transitional housing.

3. Single-Room Occupancy Units: Identify in the Zoning Code the zones/sites where single room occupancy units are permitted. This effort will include a definition of SRO units consistent with State law as well as development standards for this residential use; e.g., site area, unit size and occupancy, kitchen facilities, bathroom facilities, parking, and management.

The Development Code Amendment Program will be completed by June 30, 2010.

c. Western Avenue Specific Plan Update

In addition, the City is in the process of a comprehensive update to the General Plan, which is scheduled to be completed in 2010. Following this update, the City will embark upon updating its specific plans, one of which will include the Western Avenue commercial corridor. Since this corridor is completely zoned for Commercial uses, through this specific plan update, the City will include standards and policies in the document to allow and facilitate for residential uses, thereby allowing for mixed-use development opportunities that include~~s~~ residential and commercial uses along Western Avenue. The Western Avenue (commercial corridor) Specific Plan is scheduled to be amended by June 2011. The Specific Plan will contribute to the City's efforts to achieve a variety of housing types.

PROGRAM CATEGORY #2:
ASSIST IN THE DEVELOPMENT OF ADEQUATE HOUSING TO MEET THE NEEDS OF EXTREMELY LOW-, VERY LOW-, LOW-, AND MODERATE- INCOME HOUSEHOLDS

Government Code Section 65583(c)(2) states that a housing program shall:

> *"Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate- income households."*

The term "development" includes providing for affordability covenants in existing housing and construction of new affordable housing units.

1. Housing Need Summary

The most significant housing need is cost burden or overpaying, which is defined as spending 30% or more of gross household income for housing including utilities. In 2000, according to estimates developed by HUD, overpaying was adversely affecting –

413 lower income renters
735 lower income owners

In addition, the RHNA allocates a need of 37 new housing units for low- and moderate-income households.

2. Quantified Objectives

The quantified objective is to assist four low-income households through the Section 8 Rental Assistance Program. In addition, the City's objective is to meet the RHNA need for extremely low, very low, low and moderate-income household through the following programs:

- Crestridge Senior Affordable Housing Program (RDA-Owned Site) – to provide for 34 mixed income rental units
- Highridge condominium project – to provide for 2 very low income units
- Second Unit Development for Moderate Income Households.

The objectives are listed below:

7 units for extremely low income households
9 units for very low-income households
10 units for low-income households
11 units for moderate-income households

3. Housing Programs

a. <u>Section 8 Rental Assistance for Cost Burdened Renters</u>

The Los Angeles County Housing Authority administers the *Section 8 Rental Assistance Program* in the unincorporated area and 62 cities. Rancho Palos Verdes has approved a participation agreement with the Housing Authority that authorizes it to provide rental assistance to very low-income households living in the City. An estimated 241 very low-income renter households are overpaying and eligible for Section 8 rental assistance.

The Housing Authority's has designated Rancho Palos Verdes as an "exception rent area." This allows the Housing Authority to provide rental assistance to families living in housing with rents about 20% higher than the stated Section 8 rent ceilings. The County Housing Authority reports that the Section 8 Rental Assistance Program, as of January 2008, assists two resident households. The quantified objective assumes that the Housing Authority through additional funding from HUD and/or landlord outreach efforts will provide assistance to two additional households during the planning period.

In order to assist the Housing Authority staff in program implementation, the City will do all of the following:

> Transmit to the Housing Authority the completed Apartment Rental Survey and any future updates of these surveys. [The completed survey is found at the end of Technical Appendix C. The City will transmit the completed apartment rental survey to the Housing Authority during month of February 2008.]
>
> Assist the Housing Authority in conducting its Landlord Outreach Program in Rancho Palos Verdes. The City will contact the Housing Authority staff to determine a schedule for conducting a Landlord Outreach effort. The City will attempt to complete the Landlord Outreach Program in FY 2008-2009.
>
> Inform the Housing Authority staff of the City's initiatives to provide affordable housing through the existing housing stock. After approval of the Housing Element, the City will transmit to the Housing Authority staff the relevant program descriptions and funding sources.
>
> Explore with the Housing Authority staff, opportunities for use of the Section 8 program in existing apartment housing. The City will explore these opportunities following completion of the Landlord Outreach Program and the Authority's review of the Apartment Rental Survey.

b. <u>Crestridge Senior Affordable Housing Program (RDA-Owned Site)</u>

Twenty-six lower-income housing units is the City's share of the regional housing need. The sites inventory estimates that the RDA Crestridge property can accommodate 30 to 50 housing units. The City's Redevelopment Agency owns this site, which is zoned for senior housing. The Agency transmitted an RFQ to several qualified non-profit, affordable housing developers. The development of this site will accommodate the RHNA need for extremely low, very low and low-income housing units. Although it is a senior project, the project will also include units that will be available to caretakers and other workers at the facility that will not be age-restricted. The RFQ stated the following goal for the project:

> "*A well-planned, well-designed and aesthetically pleasing affordable housing project for senior citizens of approximately 40 units that provides services and amenities catering to senior citizens. With this project, it is the City's goal to meet its 26-unit low and very low income housing need as mandated through the Regional Housing Needs Assessment (RHNA) process adopted by the Southern California Association of Governments (SCAG) and the California Department of Housing and Community Development (HCD).*"

The RFQ also stated that funding may also be available from the Redevelopment Agency's Low and Moderate Income Housing Fund and City In-Lieu Fee Fund.

Subsequent to the RFQ process, the City requested RFPs from the various affordable housing developers. After reviewing the RFPs and interviewing developers, on

September 16, 2008 the Board/City Council entered into an Exclusive Negotiating Agreement (ENA) with AMCAL Multi-Housing, Inc., to pursue development of the RDA-owned Crestridge property. The project will include 34 new rental housing units that will accommodate the RHNA need for extremely low, very low and low-income housing units as specified in the table below.

Income Category	RHNA Construction Need	Crestridge Senior Housing
Extremely Low	7	7
Very Low	9	9
Low	10	10
Moderate	11	7

On March 3, 2009, the City Council approved the affordable housing complex as described above, and on March 17, 2009, the Redevelopment Agency approved the Disposition and Development Agreement (DDA) for the project. The DDA addresses 1) the conditions in which the Agency will convey the site to the Developer, 2) how the Developer will construct the approved improvements, 3) how the site will be used in the future, and 4) the financial assistance provided by the Agency and City.

Now known as the City's *Mirandela* affordable housing project, the project is now under construction and is anticipated to be completed by the end of 2010.

c. Second Unit Development for Moderate Income Households

The moderate-income housing need is 11 housing units. During the planning period (after January 1, 2006), one second unit has been constructed and another is under construction (as of late January 2008). Based on past construction trends, nine additional moderate-income second units will be developed during the balance of planning period – January 1, 2008 through June 30, 2014.

During the 2000-2005 period, four moderate-income second units were constructed; or an average of one every 15 months. This construction rate translates to five additional second units during the 78-month period from January 2008 through mid-year 2014. Through program efforts, the City will facilitate the development of the additional four second units that are needed to accommodate the moderate-income housing need.

In summary, the moderate-income housing need will be accommodated through the development of second units as follows:

Constructed	1
Under Construction	1
Development Trends	5
Additional Program Efforts	4

Second units are allowed in *all* RS and RM zones. There are enough RS and RM sites to facilitate the development of the additional nine moderate-income second units during the January 1, 2008 through June 30, 2014 planning period.

In order to facilitate the development of second units on existing developed lots, the City will take the following actions:

Publish an article on second unit development and standards in the "Community Newsletter." The article will be published in the third quarter of 2008 and will be re-published at least annually.

Make available a handout/flyer on second unit development and standards at the Planning and Building counters. The handout/flyer will be produced and available by the fourth quarter 2008.

Distribute information on second units to homeowner associations and at senior centers. The information will be distributed to the Senior Center by the fourth quarter 2008. Marketing and promotional materials on the benefits and value of second unit development will be distributed to homeowners at least annually.

Complete a survey of other methods used by cities to promote second unit development. The City specifically will review and evaluate the applicability of the following second unit programs: 1) Santa Cruz Accessory Dwelling Unit Development Program and 2) San Luis Obispo County Second Unit Stock Plans, and consider whether these programs can be implemented in the City of Rancho Palos Verdes.

The City will complete the review and evaluation by the first quarter 2009 and transmit recommendations to the Planning Commission and City Council at that time.

Continue to track and monitor the development of second units and include the information in the Housing Element's Annual Progress Reports.

d. Conversion of Existing Housing to Affordable Housing

On May 6, 2008, the City Council authorized the use of up to $838,180 of Redevelopment Agency housing set-aside funds and City in-lieu fees to purchase two existing housing units. This Program involves the Agency and the City purchasing up to two existing market rate units and then re-selling them to qualified buyers.

The City and the Agency purchased two units in July 2008. One unit will be offered to a qualified moderate-income buyer, and one unit will be offered to a qualified low-income buyer. The units will be sold to qualified buyers by December 2009.

PROGRAM CATEGORY #3:
ADDRESS AND, WHERE APPROPRIATE AND LEGALLY POSSIBLE, REMOVE GOVERNMENTAL CONSTRAINTS TO THE MAINTENANCE, IMPROVEMENT AND DEVELOPMENT OF HOUSING

More specifically, Government Code Section 65583(c)(3) states that a housing program must:

> *"Address and, where appropriate and legally possible, remove governmental 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, or provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities."*

1. Housing Need Summary

Technical Appendix B identifies three governmental constraints:

Lack of "Reasonable Accommodation Procedure"

Need for revisions to the Development Code's group home requirements

Need to amend the City's Density Bonus Ordinance.

2. Quantified Objectives

This Program Category does not involve the production or rehabilitation of housing; therefore, quantified objectives cannot be set for this Program Category.

3. Housing Programs

a. <u>Adopt a Reasonable Accommodation Procedure</u>

The Federal Departments' of Justice (DOJ) and Housing and Urban Development (HUD) as well as the California Attorney General all encourage cities to adopt a reasonable accommodation procedure. For example, both DOJ and HUD state that -

> "*Local governments are encouraged to provide mechanisms for requesting reasonable accommodations that operate promptly and efficiently, without imposing significant costs or delays. The local government should also make efforts to insure that the availability of such mechanisms is well known within the community*."*
>
> *Joint Statement of the Department of Justice and the Department of Housing and Urban Development, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, page 4.

On May 15, 2001 the State Attorney General transmitted a letter to all local governments advising the localities to consider adoption of a reasonable accommodation procedure. In that letter, Attorney General stated:

> "*Both the federal Fair Housing Act ('FHA') and the California Fair Employment and Housing Act ('FEHA') impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations and practices when such accommodations 'may be necessary*

> *to afford' disabled persons 'an equal opportunity to use and enjoy a dwelling*."

The Office of Attorney General pointed out that while a city may deny a disabled applicant's request from relief under variance or conditional use permit procedures, the procedures may be insufficient to justify the denial when judged in light of the fair housing laws' reasonable accommodations mandate.

A request for reasonable accommodation may include a modification or exception to the rules, standards and practices for the siting, development and use of housing or housing- related facilities that would eliminate regulatory barriers and provide a person with a disability equal opportunity to housing of their choice.

The City's *Reasonable Accommodation Procedure Program* will accomplish the following within one year of the Housing Element adoption:

> Complete research on Federal and State laws and policies that require adoption of a reasonable accommodation procedure.
>
> Review and evaluate at least three reasonable accommodation procedures adopted by California cities.
>
> Conduct outreach with the disabled populations to review initial drafts of the procedure and gather input.
>
> Process the reasonable accommodation procedure through a Development Code Amendment.
>
> Display brochures/flyers of the procedure at the Planning and Building counters.
>
> Advertise the procedure and application requirements on the City's Website.

b. <u>Revise Licensed Residential Care Requirements</u>

California law requires that specific types of licensed facilities serving six or fewer persons be treated for zoning purposes like single-family homes. The specific licensed facilities and related requirements are fully explained on pages D-21 through D-25.

The *Licensed Residential Care Development Code Revision Program* that the City will complete within one year of adoption of the Housing Element is on the next page:

> Identify by Code section the licensed residential care facilities that must be treated like single-family homes.
>
> Amend the MF zones to state that licensed group homes serving six or fewer persons are permitted by right with the same development standards as applied to single-family homes.*

> Include spacing or over concentration requirements for licensed group homes consistent with revisions to State law, if enacted, as recommended by the League of California cities.
>
> [*If single-family homes are permitted in the MF zones, then residential care facilities also need to be permitted.
>
> "…a licensed group home serving six or fewer residents *must be a permitted use in all residential zones in which a single-family home is permitted* with the same parking requirements, setbacks, design standards, and the like. No conditional use permit, variance, or special permit can be required for these small group homes unless the same permit is required for single-family homes, nor can parking standards be higher, nor can special design standards be imposed." [emphasis added]
>
> (Barbara Kautz, Goldfarb & Lipman LLP, *Select California Laws Relating to Residential Recovery Facilities and Group Homes*, pg. 2, (presented at the Residential Recovery Facilities Conference, Newport Beach, March 2, 2007)]

c. Revise Density Bonus Ordinance

The City's density bonus incentives have not yet been updated to be consistent with SB 1818. SB 1818, which took effect on January 1, 2005, revised the State density bonus law – Government Code Section 65915-65918. The law requires all cities to adopt an ordinance that specifies how compliance with Section 65915-65918 will be implemented. Density bonuses may be given for affordable housing, senior housing, land donations for affordable housing, and child care facilities.

The Density Bonus Ordinance Program will revise the City's current Development Code within one-year of adoption of the Housing Element. Nonetheless, during the course of implementing the *Density Bonus Ordinance Program*, the City will monitor legislation that could change certain requirements.

PROGRAM CATEGORY #4:
CONSERVE AND IMPROVE THE CONDITION OF THE EXISTING STOCK OF AFFORDABLE HOUSING

Government Code Section 65583(c)(4) states that a housing program shall describe actions to:

> *"Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public and private actions."*

1. Housing Need Summary

Since 2000, homeowners on their own as well through City assistance programs have made improvements to the housing stock. Based on data contained in the prior Housing Element, many dwellings, perhaps as many as 500 dwellings, may need roof repairs.

Taking into account the home improvements made since 2000, Census 2000 age of housing data, and estimates of the prior Housing Element, the City's housing rehabilitation need is estimated to range from 300 to 500 housing units.

Housing that is beyond reasonable repair or in a dilapidated condition usually requires replacement, not rehabilitation. Census 2000 reported that 45 housing units lacked complete plumbing facilities and 27 lacked complete kitchen facilities. Possibly, some of these housing units could be repaired thereby avoiding replacement. The replacement housing need is estimated to be 20 to 40 housing units based on the dwellings not having complete plumbing and/or kitchen facilities.

2. Quantified Objectives

The quantified objectives include:

> Housing code enforcement at an average level of 10 new cases per month for all income levels during the 2006-2014 program period.
>
> Rehabilitation of 40 existing housing occupied by extremely low- (7), very low- (11) and low-income (22) homeowners.

3. Housing Programs

a. Housing Code Enforcement Program

The Housing Code Enforcement Division administers the *Code Enforcement Program* and works to ensure that the provisions of the City's Municipal Code are followed. The Division's actions are driven by complaints. However, the Division also is proactive when the resident's general health, safety and welfare are involved.

The Code Enforcement process typically includes the filing of a complaint with the Code Enforcement Officer, investigation of the complaint and notification to the property owner to correct any violation that does exist. The goal of this process is to obtain voluntary compliance; however, if compliance is not achieved then the City does pursue its available legal remedies.

b. Home Improvement Program

The *Home Improvement Program* provides grants of up to $5,000 and deferred loans up to a maximum of $10,000, which is payable upon the sale or transfer of title to the property. This loan is a zero percent interest loan.

Since inception, more than 70 improvement projects have been completed through the award of $700,000 of grants and/or loans.

Outreach for program implementation involves program announcements on the City's Website; availability of program flyers at the Public Works Department; distribution of program information to homeowners associations; and periodic workshops.

The City's Website continually maintains and updates information on the Housing Improvement Program. The program flyers are continuously made available to the

public at the Public Works Department, and by the Code Enforcement Department. The homeowner associations will be informed of the Housing Improvement Program at least twice a year. The Public Works Department will conduct at least one workshop each year to inform potential program participants of the Housing Improvement Program.

The City will amend the program flyer to include -- as eligible expenditures of CDBG funds -- modifications and retrofits to homes occupied by one or more disabled persons. The eligible modifications and retrofits include, but are not limited, to:

Installation of grab bars
Wheelchair ramps
Lifts
Expanded/modified doorways
Railings
Modifications of steps

Homeowners with one or more disabled occupants will be eligible for the $5,000 grants and $10,000 deferred loans.

The City will inform the public of the grants and loans for modifications and retrofits through the program flyer, the other methods previously described, and the Peninsula Seniors Newsletter and REACH program for developmentally disabled persons.

PROGRAM CATEGORY #5
PROMOTE HOUSING OPPORTUNITIES FOR ALL PERSONS

Section 65583(c)(5) requires that the housing program:

> *"Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability."*

1. Housing Need Summary

In California, it is illegal to discriminate in housing against anyone because of race, color, ancestry, religion, sex, marital status, disability (including AIDS and HIV diagnosis), national origin, familial status, sexual orientation or source of income. Housing discrimination complaints may be filed with HUD; the California Department of Fair Employment and Housing; and the Fair Housing Foundation, which serves the South Bay communities including the City of Rancho Palos Verdes. Other fair housing needs include general housing counseling and resolving landlord/tenant conflicts.

2. Quantified Objectives

50 General Housing Counseling/Resolutions
10 Inquiries
5 Cases

3. Housing Programs

a. Fair Housing Services

The City's *Fair Housing Services Program* will continue to promote fair housing through its participation in the County's CDBG Program. The City, in cooperation with the County and the Fair Housing Foundation, will continue to make available fair housing services to its residents. The services described below will be available to City residents.

General housing counseling/resolutions involves Landlord/Tenant Counseling. The Fair Housing Foundation counsels landlord and tenants on their rights and responsibilities. The Housing Counselors counsel each client initially to determine if any fair housing violations have occurred. The client then receives information on the resolution available for their specific concerns. Some examples of the housing issues are eviction, rent increases, notices, and habitability.

Clients make inquiries in regard to possible discrimination. Counselors work with the clients to determine if the inquiries pertain to landlord/tenant issues or discrimination. Following inquiries, cases are opened when the information gathered through the counseling and inquiry phase substantiates possible discrimination based on state and federal law.

In order to implement this Program, the City will accomplish the following during the planning period:

> Publish a Fair Housing pamphlet that summarizes the state and federal fair housing laws. The pamphlet will be produced by the second quarter 2010. Following publication, the City will make the Fair Housing pamphlet available at the Planning and Public Works counters.
>
> The City will coordinate with the Fair Housing Foundation to hold one Fair Housing Workshop each year. Each Fair Housing Workshop will have a theme such as reasonable accommodations and accessibility requirements.
>
> Prepare a summary of the fair housing services provided each year and identify emerging fair housing issues. The summary will be transmitted to the Planning Commission and City Council and included in the Housing Element annual progress report.
>
> Each year the City will work with the Fair Housing Foundation to identify services that should be emphasized in the upcoming year. This action will be accomplished prior to the City Council consideration of the CDBG annual funding plan.

b. Fair Housing Information Program

The City will establish and implement a *Fair Housing Information Program*. The information will include, but not be limited, to:

Summary of Federal and State Fair Housing Laws

List of agencies where housing discrimination complaints may be filed

Information on fair housing accessibility guidelines

Information on accessible apartment rental housing units

Information on the City's reasonable accommodation procedure

The information listed above will be compiled by the second quarter 2010.

The public will be informed of the Fair Housing Information Program as follows:

The City's Website will contain a summary of the information.

A summary will be published in the Peninsula Seniors Newsletter.

A summary will be provided to all participants at the Fair Housing Workshops.

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EXECUTIVE SUMMARY

Purpose

Technical Appendix A provides estimates and projections on the City's housing needs, as those needs are defined by the State housing law. In addition to serving as a beginning point for looking at the community's housing needs, Technical Appendix A also serves the following functions:

Benchmark data to track trends later in this decade.

Establish a community "housing" profile.

Meet the requirements of the Housing Element Law.

Quantify the "need" among different population groups.

Provide a shared understanding of the nature and scope of housing needs.

Provide information helpful to setting priorities.

Housing Needs Summary

Chart A-1 shows the three housing need categories and the specific needs included in each category.

Chart A-2 summarizes the housing needs data in regard to each category that Chart A-1 displays.

The balance of Technical Appendix A explains in more detail each "need" category.

CHART A-1
HOUSING NEEDS

CHART A-1

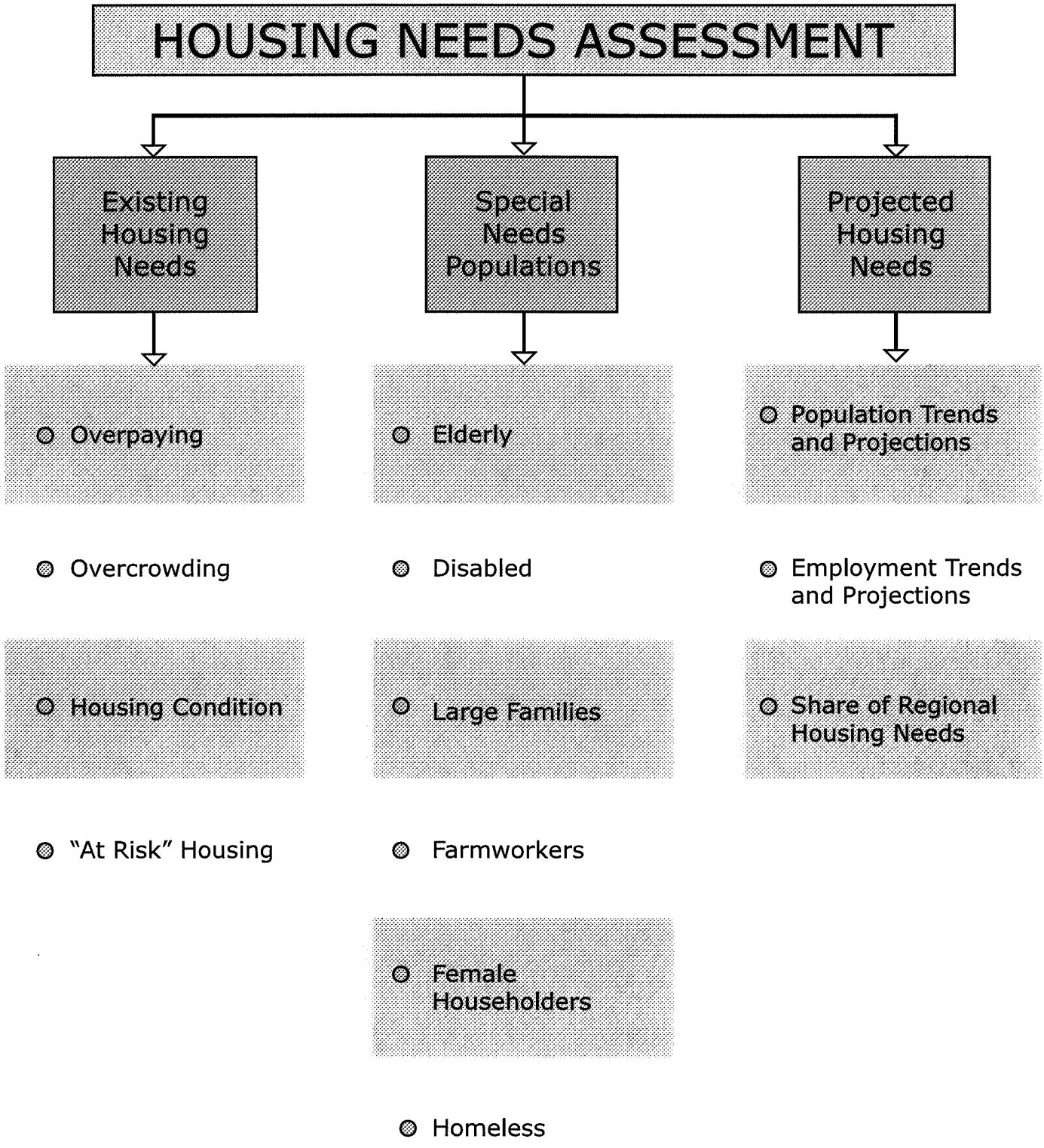

HOUSING NEEDS ASSESSMENT
Existing Housing Needs
Special Needs Populations
Projected Housing Needs
Overpaying
Overcrowding
Housing Condition
"At Risk" Housing
Elderly
Disabled
Large Families
Farmworkers
Female Householders
Homeless
Population Trends and Projections
Employment Trends and Projections
Share of Regional Housing Needs

CHART A-2
CITY OF RANCHO PALOS VERDES
SUMMARY OF HOUSING NEEDS

Existing Housing Needs	
General Household Characteristics:	As of January 2007, the City has 15,833 housing units and 15,377 households. At the time of Census 2000, the City had 12,469 owner- and 2,764 renter-occupied housing units. The homeownership rate is 82%. The largest number of renters occupies single- family homes, not apartment units. About 3% of the housing stock is vacant. About two-thirds of all households moved into their housing unit prior to 1995. Lower income households comprise 11% of all the City's households.
Overpaying:	413 lower income renters are overpaying 735 lower income owners are overpaying
Overcrowding:	222 owners are overcrowded 50 owners are severely overcrowded 314 renters are overcrowded 110 renters are severely overcrowded
Rehabilitation Need:	300-500 housing units
Replacement Need:	20-40 housing units
"At Risk" Housing	None
Special Housing Needs	
Elderly:	22.7% of the *population* are seniors. 29.1% of the *households* are seniors. 87 lower income senior renters are overpaying. 399 lower income senior owners are overpaying
Disabled:	Census 2000 indicates that 5,086 persons 5 years and over reported a disability. A total of 8,522 disabilities were reported.
Large Families:	Large households decreased from 1,500 to 1,395 between 1990 and 2000. More lower income, large family owners (69) than renters (24) are cost burdened.

Farmworkers:	There are no farmworkers in the City. In 2000, an estimated 37 residents had jobs in the "agricultural" industry.
Female Householders:	2,835 of the City's householders are female householders. More than one half (56%) of the female householders live alone. An estimated 260 female householders are lower-income, occupy rental housing and are overpaying.
Homeless:	5 persons were homeless per the 2000-2005 Housing Element. The City is conducting a homeless count update.
Projected Housing Needs	
Population Trends:	43,142 persons live in the City as of January 1, 2008. 2,000 persons have been added to the City's population since Census 2000.
Employment Trends:	SCAG projects an increase of about 600 jobs between 2005 and 2015.
Share of Regional Need:	The *Regional Housing Needs Assessment* allocates 60 units to Rancho Palos Verdes for the January 2006-June 2014 time period. Of the total housing units allocated to the City, 26 are in the extremely low, very low- and low-income groups.

A. INTRODUCTION

According to State law, the Rancho Palos Verdes Housing Element must contain:

1. An analysis and documentation of *household characteristics*, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

2. An analysis of *existing assisted housing developments* that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

3. An analysis of any *special housing needs*, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.

4. An analysis of *population and employment trends* and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. These existing and projected needs shall include the *locality's share of the regional housing need* in accordance with Section 65584.

Chart A-1 lists the "needs" that comprise the City's Housing Needs Assessment:

Existing Housing Needs

Special Housing Needs

Projected Housing Needs

B. HOUSING CHARACTERISTICS AND EXISTING HOUSING NEEDS

Part B includes data and analysis on:

Housing and Household Characteristics – for example, the existing housing stock and household incomes.

Overpaying – for example, lower income households who are cost burdened because housing costs exceed 30% of their income.

Overcrowding – too many people living in a home.

Condition of the housing stock – for instance, the need to rehabilitate or replace existing dwellings.

1. Housing and Household Characteristics

Part B 1 provides a "profile" of some key housing and household characteristics. This part includes information on –

Existing Housing Stock
Housing Types Occupied by Owners and Renters
Vacant Housing Units
Year Householders Moved into Unit
Household Income by Tenure
2008 Household Income Groups
City Household Income Groups

a. Existing Housing Stock

Table A-1 shows that almost 16,000 dwellings comprise the City's housing stock. Just over three of every four housing units are single-family detached structures.

Less than 10% of the dwellings are attached single-family homes

Multi-family units in structures with five or more units comprise 13% of the housing stock.

There are no mobile homes in the housing stock.

Table A-1
City of Rancho Palos Verdes
Housing Stock by Type of Unit — January 1, 2008

Type of Unit	Number of Units	Percent
1 unit, detached	12,258	77.4%
1 unit, attached	1,287	8.1%
2 to 4 units	249	1.6%
5+ units	2,051	12.9%
Mobile homes	0	0.0%
Total Housing Units	15,845	100.0%

Source: California Department of Finance, Demographic Research Unit, City/County Population and Housing Estimates, January 1, 2008
Table construction by Castañeda & Associates

b. Housing Types Occupied by Owners/Renters

Table A-2 presents the housing types occupied by owners and renters. Census 2000 reports 15,233 occupied housing units – 12,469 owners and 2,764 renters. The percentage figures in the table represent the percentage of housing units of that type that are occupied by owners or renters. For example, 91.8% of the occupied single-family detached structures are owner-occupied while 8.2% are renter occupied.

Table A-2
City of Rancho Palos Verdes
Tenure by Units in Structure – 2000

Units in Structure	Owner Occupied	Percent of Occupied	Renter Occupied	Percent of Occupied	Total Occupied
1, detached	10,861	91.8%	976	8.2%	11,837
1, attached	1,010	80.1%	251	19.9%	1,261
2	0	0.0%	24	100.0%	24
3 or 4	8	3.7%	208	96.3%	216
5 to 9	84	29.4%	202	70.6%	286
10 to 19	47	27.3%	125	72.7%	172
20-49	286	43.7%	369	56.3%	655
50 or more	173	22.1%	609	77.9%	782
Mobile Home	0	0.0%	0	0.0%	0
RV, Van	0	0.0%	0	0.0%	0
Total	12,469	81.9%	2,764	18.1%	15,233

Source: Census 2000 Summary File 3, Table H32 Units in Structure by Tenure
Table construction by Castañeda & Associates

In 2000, the vast majority of owners lived in single-family detached (10,861) and attached (1,010) housing units. Renters live in all housing types; however, the largest numbers reside in single-family detached units and large apartment projects over 50 units.

c. Vacant Housing Units

Table A-3 indicates the vacant units by housing type. Less than three percent of the housing units were vacant at the time of Census 2000. Stated differently, the City had a scant 436 vacant housing units when Census 2000 was taken. The highest vacancy rates occur in structures having ten to 19 units. The State Department of Finance's Demographic Research Unit estimates 672 vacant units and a 2.88% vacancy rate as of January 1, 2008, essentially the same vacancy rate as in 2000.

Table A-3
City of Rancho Palos Verdes
Vacant Housing Units by Units in Structure – 2000

Units in Structure	Vacant Units	Total Units	Percent Vacant
1, detached	258	12,095	2.1%
1, attached	23	1,284	1.8%
2	0	24	0.0%
3 or 4	4	220	1.8%
5 to 9	21	307	6.8%
10 to 19	31	203	15.3%
20-49	29	684	4.2%
50 or more	70	852	8.2%
Mobile Home	0	0	0.0%
RV, Van	0	0	0.0%
Total	436	15,669	2.8%

Source: Census 2000 Summary File 3, Table H30-H31
Units in Structure by Tenure/Vacancy Status
Table construction by Castañeda & Associates

d. Year Householder Moved to Unit

Another characteristic of interest is how recently householders have moved to their Rancho Palos Verdes housing unit. Table A-4 on the next page shows that as of April 2000, 73.7% of all owners had moved to their unit prior to 1995. By comparison, 24.2% of all renters had moved to their unit prior to 1995.

The data *indicate* that owners have been residents of Rancho Palos Verdes for a longer period of time than renters. However, it must be noted that the data does not mean that 24.2% of all renters actually moved to Rancho Palos Verdes between 1995 and 2000. Indeed, some may have moved from one unit in Rancho Palos Verdes to another one in the City after 1995.

Table A-4
City of Rancho Palos Verdes
Year Householder Moved into Unit – 2000

Year	Owner Occupied	Percent	Renter Occupied	Percent	Total	Percent
1999-2000	1,032	8.3%	1,005	36.4%	2,037	13.4%
1995-1998	2,252	18.1%	1,089	39.4%	3,341	21.9%
<1995	9,185	73.7%	670	24.2%	9,855	64.7%
Total	12,469	100.0%	2,764	100.0%	15,233	100.0%

Source: Census 2000 Summary File 3, Table H38, Year Householder Moved Into Unit
Table construction by Castañeda & Associates

e. Household Income – 2000

Lower income renter households, to a higher degree than owners, experience many of the housing needs addressed by the Housing Element Law, such as overpaying, overcrowding and living in substandard housing. Therefore, communities having a majority of renter households also will have more housing needs than communities where owners predominate.

In Rancho Palos Verdes, owners occupy over 80% of the housing and renters occupy less than 20%. Table A-5 presents data on household income by tenure. Almost 10% of all renters had household incomes of less than $20,000 per year. Households in this income category can afford a maximum of $500 per month on housing costs, based on the 30% of income standard.

Table A-5
City of Rancho Palos Verdes
Household Income by Tenure – 2000

Household Income	Owner Occupied	Percent	Renter Occupied	Percent	Total	Percent
<$20,000	564	4.5%	256	9.3%	820	5.4%
$20,000-$24,999	339	2.7%	146	5.3%	485	3.2%
$25,000-$34,999	452	3.6%	199	7.2%	651	4.3%
$35,000-$49,999	1,164	9.3%	386	14.0%	1,550	10.2%
$50,000-$74,999	1,818	14.6%	487	17.6%	2,305	15.1%
$75,000-$99,999	1,750	14.0%	471	17.0%	2,221	14.6%
$100,000-$149,999	2,612	20.9%	473	17.1%	3,085	20.3%
$150,000 or more	3,770	30.2%	346	12.5%	4,116	27.0%
Total	12,469	100.0%	2,764	100.0%	15,233	100.0%

Source: Census 2000 Summary File 3, Table HCT11 – Household Income in 1999 by Tenure
Table construction by Castañeda & Associates

In the income groups between $20,000 and $50,000, owners outnumber renter by more than 2.5 to 1, with 1,955 owners and 731 renters. The disparity increases to more than 5.5 to one in the income groups of $50,000 or more – 9,950 owners and 1,777 renters.

A way to measure basic income changes is the median household income in 1999 -- $95,503 -- and 1989 -- $79,797. The median household income increased by nearly 20% during the period between the 1990 and 2000 Census'.

f. Household Income Groups – 2007

By way of background, the Housing Element Law defines five income groups based on increasing percentages of the median income of Los Angeles County. Chart A-3 defines each income group.

Chart A-3
Los Angeles County
Definitions of Income Groups as a Percentage of Area Median Income

Income Group	% of Median Income
Extremely Low	0-30%
Very Low	30-50%
Low	50-80%
Moderate	80-120%
Above Moderate	120%+

Table A-6 shows the 2007 household income limits for four income groups, adjusted by household size. The above moderate income group encompasses households with incomes more than the upper limits of the moderate- income category.

Table A-6
Los Angeles County
2008 Annual Income Limits Adjusted by Household Size

Household Size (# of persons)	Extremely Low Income	Very Low Income	Lower Income	Moderate Income
1 person	$15,950	$26,550	$42,450	$50,300
2 persons	$18,200	$30,300	$48,500	$57,400
3 persons	$20,500	$34,100	$54,600	$64,600
4 persons	$22,750	$37,900	$60,650	$71,800
5 persons	$24,550	$40,950	$65,500	$77,500
6 persons	$26,400	$43,950	$70,350	$83,300
7 persons	$28,200	$47,000	$75,200	$89,000
8 persons	$30,050	$50,050	$80,050	$94,800

Source: U.S. Department of Housing and Urban Development, FY 2008 Income Limits, February 13, 2008. State Department of Housing and Community Development, Year 2008 Income Limits, February 28, 2008.
Table construction by Castañeda & Associates

The City's average household size is 2.769 persons. (State Department of Finance, Demographic Research Unit, *City/County Population and Housing Estimates*, January 1, 2007) For illustration purposes, Table A-7 shows the low to high ranges of the income limits for a three-person household.

Table A-7
Los Angeles County
Income Limits for a *3-Person* Household

Income Group	Income Limits	Monthly Income
Extremely Low	less than $20,000	less than $1,667
Very Low	$20,001-$33,300	$1,668-$2,775
Low	$33,301-$53,300	$2,776-$4,442
Moderate	$53,301-$61,000	$4,443-$5,083
Above Moderate	$61,001 plus	$5,084+

Source: Table A-6.

g. City Household Income Groups

At this time, data are unavailable on the numbers of owners and renters in each group – extremely low-, very low-, low- and moderate-income. Table A-8 – which bases the income groups on Census 2000 – reveals that about 11% of the households have annual incomes less than the "lower" income category and that nearly 90% have annual income above that threshold.

Table A-8
City of Rancho Palos Verdes
Annual Household Income Distribution – 2000

Income Group	Owner Households	Renter Households	Total Households	Percent Distribution
Extremely Low (0-30% AMI)	201	148	349	2.3%
Very Low (30-50% AMI)	291	113	404	2.7%
Lower (50-80% AMI)	605	275	880	5.8%
Above Lower (>80% AMI)	11,359	2,210	13,569	89.2%
Total	12,456	2,746	15,202	100.0%
Percentage	81.9%	18.1%	100.0%	

Source: U.S. Department of Housing and Urban Development, CHAS Data Book, "Housing Problems for All Households," published 2004
Table construction by Castañeda & Associates

2. Overpaying

a. Guidelines

In comparing level of payment with ability to pay, the number of lower-income households (those at or below 80 percent of the median income) who are overpaying for housing should be quantified by tenure (owner/renter).

Overpaying is defined in terms of a percentage of the gross household income a household spends for housing including utilities. Overpaying for housing is also known as the housing cost burden. Thirty percent of gross household income is the standard affordability level. Severe overpaying occurs when households pay 50 percent or more of their gross income for housing. The element should estimate the number of lower-income households paying more than 30 percent of their income for housing and the number of households who pay 50 percent *or more of their gross income for housing.* [emphasis added]

(The italicized text is guidance provided by the State of California Department of Housing and Community Development in *Housing Element Questions and Answers*, October 2006.)

b. Analysis

When housing costs exceed the ability to pay, other family needs are sacrificed – health care, childcare, food, insurance, transportation, for example. Therefore, the most serious problem confronting lower income households often is paying more than they really can afford for housing. "Need" is quantified separately for lower income *renter* and *owner* households because owners have more financial options (e.g., reverse mortgages) than renters, and monthly cost assistance to owners is usually unavailable from governmental sources.

c. Housing Need Estimates

1) Renter Household Need Estimates: Table A-9 shows Census 2000 data on gross rent as a percentage of income for 2,926 renter households. An estimated 1,031, or 37%, of all renter households paid 30% or more of their income on rent. An estimated 480, or about 17%, of all renters paid 50% or more of their income on rent.

By way of background, "gross rent" is the contract rent agreed to plus the estimated average monthly cost of utilities and fuels if paid for by the renter. Gross rent as a percentage of household income is a computed ratio of monthly gross rent to monthly household income (total household income in 1999 divided by 12).

Table A-9
City of Rancho Palos Verdes
Gross Rent as a Percentage of Income – 1999

Rent as % of Income	Number	Percent
<30%	1,443	52.4%
30.0-34.9%	212	7.7%
35.0-39.9%	123	4.5%
40.0-49.9%	216	7.8%
50% or more	480	17.4%
Not Computed[1]	280	10.2%
Total	2,754	100.0%

[1]Units for which no cash rent is paid and units occupied by households that reported no income or a net loss in 1999 comprise the category "Not computed."
Source: Census 2000 Summary File 3, Table H69 – Gross Rent as a Percentage of Income in 1999
Table construction by Castaneda & Associates

By comparison, 39.7% of all renters in *1989* paid 30% or more of their income on gross rent. Comparable 1990 severe overpaying (50%+) percentages are unavailable as the data was reported only for those paying 35% or more of their income on rent. The *rate of overpaying* among all *renters*, then, has increased by about 16% between 1990 and 2000.

In 2000, overpaying was adversely affecting 413 or 77% of all lower income renter households. Table A-10 shows that "small related" renter households comprise about one half of the lower income *cost burdened* renter households. The meanings of the four household types are:

Elderly: A one or two person household in which the head of the household or spouse is at least 62 years of age.

Small Related: A household of 2 to 4 persons that includes at least one person related to the householder by blood, marriage, or adoption.

Large Related: A household of 5 or more persons that includes at least one person related to the householder by blood, marriage, or adoption.

Other: A household of one or more persons that does not meet the definition of a small related, large related, elderly, or special populations household. This category includes all households with only unrelated individuals present except those qualifying as elderly or special populations households.

Table A-10
City of Rancho Palos Verdes
***Cost Burdened* Renter Households**
By Income Group-2000

Income Group	Elderly	Small Related	Large Related	All Other Households	Total Households
Extremely Low 0-30% MFI	4	29	0	44	77
Very Low 31-50% MFI	45	50	4	10	109
Low 51-80% MFI	38	135	20	34	227
Above Low >80% MFI	84	374	63	60	581
Total	171	588	87	148	994

Source: U.S. Department of Housing and Urban Development, State of the Cities Data Systems Comprehensive Housing Affordability Strategy (CHAS) Data, "Housing Problems Output for All Households", May 2004 [Data current as of 2000]
Table construction by Castañeda & Associates

Overpaying renters probably live in single-family homes and apartments because almost 1,000 one-unit detached structures are renter occupied. (see Table A-2)

2) *Owner Household Need Estimates*: According to the U.S. Census Bureau:

> "Owner costs are the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property; real estate taxes; fire, hazard, and flood insurance; utilities; and fuels and, where appropriate, the monthly condominium fee.

Owner housing "costs", therefore, include expenses in addition to a monthly loan payment for principal and interest. The 30% criterion may not be as applicable for homeowners because many State and Federal housing programs allow higher percentages of housing costs to income.

Table A-11 shows that in 2000 735 lower income owners were overpaying. That number means there are more lower income owners than renters that are cost burdened. The household type characteristics of overpaying owners differ from the renters. The largest groups of overpaying owners are "elderly" and "small related" households.

Table A-11
City of Rancho Palos Verdes
***Cost Burdened* Owner Households**
By Income Group – 2000

Income Group	Elderly	Small Related	Large Related	All Other Households	Total Households
Extremely Low 0-30% MFI	75	55	15	4	149
Very Low 31-50% MFI	109	69	19	34	231
Low 51-80% MFI	215	75	35	30	355
Above Low >80% MFI	579	1,600	318	319	2,815
Total	978	1,799	387	387	3,550

Source: U.S. Department of Housing and Urban Development, State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data, "Housing Problems Output for All Households," May 2004 [Data current as of 2000]
Table construction by Castañeda & Associates

Although the causes of overpaying are uncertain, they could be due to added debt from equity lines of credit, higher energy costs, loan approvals with housing debt-to-income ratios exceeding 30%, and unemployment. Since 2000, new homebuyers allocate more of their income to housing costs. According to a recent study:

> "About one-half of recent homebuyers (52%) pay more than 30 percent of their income on housing costs. Perhaps even more remarkable, 20 percent of recent homebuyers in California spend more than half of their income on housing costs."*

*Public Policy Institute of California, Hans P. Johnson and Amanda Bailey, *California's Newest Homeowners – Affording the Unaffordable*, August 2005, pg. 11.

Severe overpaying affects many more lower income owners (531) than renters (324). In fact, almost four of every five "extremely low" income renters face severe cost burdens, meaning they allocate more than one half of their income on housing costs.

In summary, overpaying is often cited as one of the major problems confronting the lower income population. In Rancho Palos Verdes more owners than renters are cost burdened (735 versus 413). Section 8 rental assistance is often relied on to help reduce the monthly rents paid by lower income renters. However, the apartments in the City have monthly rents above the ceilings of the Section 8 program. Providing monthly cost assistance to owners is exceedingly difficult, if not impossible.

c. Conclusions and Findings

Overpaying is often cited as the major problem confronting lower income households. Far more Rancho Palos Verdes owners than renters are cost burdened. The "best" current "need" estimate is 400 lower income cost burdened renters. Those having the

most severe needs are extremely low- and low-income renter households. The most practical approach to addressing this need is by making some of the existing rental housing affordable through financial assistance to current apartment owners and/or nonprofit housing organizations.

3. Overcrowding

a. Guidelines

The Census defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded. Localities are to estimate the number of households that live in overcrowded and severely overcrowded units. This incidence of overcrowding and large households frequently parallel.

An example of overcrowding is an eight-room home: three bedrooms, a living room, a dining room, a kitchen and two bathrooms. If six persons live in the home, it would be considered overcrowded (six persons divided by five habitable rooms = 1.2 persons per room).

b. Analysis

Overcrowding is one result of the shortage of interior living space. Overcrowding reflects the financial inability of households to buy or rent housing units having enough space for their needs. Consequently, overcrowding is considered a household characteristic (instead of a housing structural condition). An "overcrowded" housing unit does not necessarily imply one of inadequate physical condition; rather, with fewer persons it becomes "uncrowded". Overcrowding also may be a temporary situation since some households will move to larger housing units to meet space requirements.

Overcrowding emerges when households initially move into a unit or overtime. Changes in household size and composition also can lead to overcrowded conditions. If these conditions are serious enough, households can move to housing units with enough space to accommodate family changes. However, financial constraints can prevent them from moving to larger housing.

For owners, who have ties to neighborhoods, schools and local churches, moving to another home may not be considered a practical choice. Instead, they can adjust their lifestyle, or if incomes allow, make physical additions to their home. For renters, making physical changes to their apartment is not possible. Although renters have a higher mobility rate than owners, financial constraints can limit their ability to move to housing with enough space to meet their needs.

Table A-12 shows that in 2000 overcrowding was affecting less than 4% of the households. Overcrowding, in terms of numbers, is more of a problem for renters than owners, with 314 renters overcrowded versus 222 owners households. In addition, on a percentage basis, there is a larger proportion of renters overcrowded (11.4% versus 1.8%). With respect to severe overcrowding, the numbers and percentages are households are negligible with only 0.4% over the owners and 4% of the renters severely overcrowded.

Table A-12
City of Rancho Palos Verdes
Persons per Room by Tenure – 2000

Persons Per Room	Owner Occupied	Percent	Renter Occupied	Percent	Total Households	Percent
Less than 1.00	12,247	98.2%	2,450	88.6%	14,697	96.5%
1.01 to 1.50	172	1.4%	204	7.4%	376	2.5%
1.51 to 2.00	33	0.3%	82	3.0%	115	0.8%
2.01 or More	17	0.1%	28	1.0%	45	0.3%
Total	12,469	100.0%	2,764	100.0%	15,233	100.0%

Source: Census Summary File 3, Table H20 – Occupants Per Room by Tenure.
Table construction by Castañeda & Associates

c. Conclusions and Findings

Overcrowding is not a large problem in Rancho Palos Verdes. The City and Redevelopment Agency may address this need through housing rehabilitation and new construction projects.

4. Condition of the Existing Housing Stock

a. Guidelines

The element should include an analysis of *the condition of the housing stock including an estimate of the total number of substandard units (e.g., those in need of rehabilitation/repair) and those in need of replacement (demolition). The number of units to be rehabilitated and/or replaced may be estimated from a recent (within the last five years) windshield survey or sampling, estimates from the local building department, knowledgeable builders/developers in the community, nonprofit housing developers or organizations and redevelopment agencies. Estimates can also be derived from census data such as percentage of units built before 1960, which can serve as an estimate of the maximum rehabilitation need.*

b. Analysis

There are differences between housing stock condition and housing improvement needs. The term "condition" refers to the physical quality of the housing stock; for instance, “fair” or “poor” condition. Housing improvements, on the other hand, refer to the nature of the "remedial" actions necessary to correct defects in housing conditions such as demolition, minor repairs, major repairs and rehabilitation.

A general indicator of housing adequacy is the age of housing. Generally speaking, for owners, the dilemma often is one of maintenance problems. For these households, low incomes mean a lack of money for maintenance and repairs. For rental properties, the rents collected may not result in a cash flow sufficient to catch up to needed maintenance and replacement.

In general, there is a relationship between the age of the housing stock and the prevalence of poor housing conditions. For instance, the older a home, the greater is the need for maintenance, repair and/or replacement of key mechanical systems. Housing condition problems frequently are concentrated in the interior deficiencies. Generally, two to three times as many units have interior problems as units with exterior problems.

c. Housing Need Estimates

1) Rehabilitation Needs: Table A-13 shows the Census 2000 estimates on the age of the housing stock. Seven years have been added to each "age" interval to approximate the age as of mid-year 2007.

Table A-13
City of Rancho Palos Verdes
Age of Housing Stock by Year Built – 2000

Age	Number of Units	Percent
67 years+	178	1.1%
57 to 67 years	208	1.3%
47 to 57 years	3,147	20.1%
37 to 47 years	6,685	42.7%
27 to 37 years	4,055	25.9%
17 to 27 years	959	6.1%
12 to 17 years	244	1.6%
9 to 11 years	120	0.8%
Less than 9 years	73	0.5%
Total*	15,669	100.0%

Source: Census 2000 Summary File 3, Table H34, Year Structure Built by Tenure
Table construction by Castañeda & Associates

Housing that is 40+years old – built before 1960 -- is indicator of the *maximum* rehabilitation need, as indicated by the HCD guidelines. About 3,500 housing units were built before 1960. However, this number probably exceeds the actual number of housing units in need of rehabilitation. In addition, severe rehabilitation needs are not likely to affect a large number of housing units.

Since 2000, homeowners on their own as well through City assistance programs have made improvements to the housing stock. Between 2000 and 2005, the City's Housing Improvement Program helped 22 very low- and 18 low-income households to improve their homes. Based on data contained in the prior Housing Element, many dwellings, perhaps as many as 500 dwellings, may need roof repairs.

Taking into account the home improvements made since 2000, Census 2000 age of housing data, and estimates of the prior Housing Element, the City's housing rehabilitation need is estimated to range from 300 to 500 housing units.

2. *Replacement Needs*: Housing that is beyond reasonable repair or in a dilapidated condition usually requires replacement, not rehabilitation. Census 2000 reported that 45 housing units lacked complete plumbing facilities and 27 lacked complete kitchen facilities. Possibly, some of these housing units could be repaired thereby avoiding replacement. The replacement housing need is estimated to be 20 to 40 housing units based on the dwellings not having complete plumbing and/or kitchen facilities.

c. Conclusions and Findings

The City's housing rehabilitation needs are modest when compared to the total housing stock. There is a need to continue the City Housing Improvement Program, as lower income households may not have the income to pay for needed repairs.

5. At-Risk Housing Assessment

a. Guidelines

Assisted housing developments are multifamily rental housing complexes that receive government assistance under …. federal, state, and/or local programs …. which are eligible to change to market-rate housing due to termination (opt-out) of a rent subsidy contract …. or other expiring use restrictions (e.g., State or local programs) within the 5-year planning period of the housing element and the subsequent 5-year period. [emphasis added]

b. Analysis

During the period from 2006-2016, there are no projects with rent affordability restrictions at risk of conversion to market rate units.

There are seven affordable housing units located within the Villa Capri development (Tract No. 44239). The units were set-aside for families having annual incomes less than the City's median income. The seven affordable units cannot be converted to market rate housing for 30 years. Since the project was approved in 1986, the City has determined that the seven affordable units at the Villa Capri cannot be converted to market rate housing until 2019.

Four new affordable housing units were developed as a part of the Trump National Golf Club. These units are affordable for 30 years from the date of final permit, which happened on January 14, 2005. Thus, they are affordable until 2035.

c. Conclusions and Findings

The City has no rental housing at risk of conversion to market rate housing during the 2006-2016 period.

C. SPECIAL HOUSING NEEDS

The Housing Element must include:

> *"An analysis of any special housing needs, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of household, and families and persons in need of emergency shelter."*

HCD guidance on special housing needs is cited below:

Special needs are those associated with relatively unusual occupation or demographic groups which call for very specific program responses, such as preservation of residential motels or the development of four bedroom apartments. The statute specifically requires analysis of the special housing needs of the elderly, the disabled, female headed households, large families, farmworkers and homeless persons and families.

A thorough analysis of the special needs groups helps a locality identify groups with the most serious housing needs in order to develop and prioritize responsive programs. A special needs assessment starts with general knowledge of the community's demographics. The housing element should analyze the needs of each group specifically mentioned in the statute as well as any other group the locality deems appropriate. The analysis should include a discussion of the nature of the special housing need of each group as well as quantification of the need. [emphasis added]

A housing element should include:

A quantification and qualitative description of the need. For instance, of the 600 elderly households, census data reveals that 400 are homeowners and 200 are renters and that 250 of all elderly households, have incomes below the poverty level. A qualitative description of the need would include a description of the potential housing problems faced by the group and analysis of unmet needs. For example, the analysis of elderly need might show that an estimated 30 percent of elderly households below the poverty level live in substandard housing, indicating a housing rehabilitation need. Most local governments consult information available for service providers, housing or service waiting lists, and data on income and housing costs to identify special housing needs. [emphasis added]

So the focus of the analysis is on the nature of the need, potential housing problems, and a quantification of the persons and/or households in each group.

1. Elderly

a. Definitions

For purposes of the Housing Element, elderly persons and seniors are considered synonymous. There are four age groups that are frequently referred to as "seniors' –

55+, 60+, 62+ and 65+. This part includes data on persons that are 62 years of age or older, as well as those that are 65 years of age and older.

b. Special Housing Needs of the Elderly

Some key housing needs that seniors could potentially experience include, but are not limited, to:

Affordable housing
Units with accessibility modifications
Units with special accommodations for live-in caretakers
Housing developments that provide on-site supportive services
Assistance in locating housing or in securing shared housing
Housing located near transportation, shopping and medical services

The special housing needs of seniors are unique because of the aging process. As the younger seniors become the older old, the types of housing needed to meet their needs changes. To accommodate the needs of seniors, several special housing types have evolved over the years, which include, but are not limited, to:

Senior Apartment: Age-restricted multiunit housing with self-contained living units for older adults who are able to care for themselves.

Independent Living: Multi-unit senior housing developments that may provide supportive services such as meals, housekeeping, social activities, and transportation. Independent Living typically encourages socialization by provision of meals in a central dining area and scheduled social programs.

Assisted Living: A residential community with services that include meals, laundry, housekeeping, medication reminders, and assistance with Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs).

[*Activities of Daily Living (ADLs*): Everyday activities such as bathing, grooming, eating, toileting, and dressing.

Instrumental Activities of Daily Living (IADLs): Day-to-day tasks such as preparing meals, shopping, managing money, taking medication, and housekeeping.]

Continuing Care Retirement Community (CCRC): Housing planned and operated to provide a continuum of accommodations and services for seniors including, but not limited to, independent living, congregate housing, assisted living, and skilled nursing care. A CCRC resident contract often involves either an entry fee or buy-in fee in addition to the monthly service charges, which may change according to the medical services required.

Nursing Home: Facility licensed by the state that provides 24-hour nursing care, room and board, and activities for convalescent residents and those with chronic and/or long-term care illnesses.

Skilled Nursing Facility (SNF): A Medicare-certified nursing home, with increased emphasis on rehabilitative therapies.

Development of these housing types usually involves large project sizes and land area. In 2002, the City Council approved the Belmont Assisted Living Facility, a 111-bed facility with a dementia ward. The facility was constructed in 2003.

c. Rancho Palos Verdes' Older Persons

Seniors comprise about 22.7% of the City's total population, according to Census 2000. Table A-14 shows the 2000 senior population by age group and gender. In 2000, females comprised 52.6% percent of the City's 9,331 persons 62 years of age and older.

Table A-14
City of Rancho Palos Verdes
Senior Population by Age Group and Gender – 2000

Age Group	Male	Female	Total	Percentage
62-64	796	835	1,631	17.5%
65-66	467	500	967	10.4%
67-69	715	739	1,454	15.6%
70-74	1,043	1,110	2,153	23.1%
75-79	800	798	1,598	17.1%
80-84	405	483	888	9.5%
85+	198	442	640	6.9%
Total	4,424	4,907	9,331	100.0%

Source: Census 2000 Summary File 1, Table P12 – Age by Sex and Residence Type (All Persons)
Table construction by Castañeda & Associates

Table A-15 reports on the general characteristics of senior *householders.* The list below notes some key characteristics:

Because of their smaller household sizes seniors comprise 29.1% of City's *households* but only 22.7% of the *population*

94% of all senior householders are homeowners

26% of all the senior householders are female householders

26% of all senior householders live alone

Table A-15
City of Rancho Palos Verdes
Senior Householders (65+) by Tenure and Household Type – 2000

	Owner	Renter	Total
Family households			
Married couple family	2,714	103	2,817
Male householder, no wife	83	9	92
Female householder, no husband	232	13	245
Subtotal	3,029	125	3,154
Nonfamily households			
Male householder living alone	279	38	317
Male householder not living alone	51	5	56
Female householder living alone	748	95	843
Female householder not living alone	60	11	71
Subtotal	1,138	149	1,287
Total	4,167	274	4,441

Source: Census 2000 Summary File 1, Table H17 – Tenure by Household Type (Including Living Alone) by Age of Householder
Table construction by Castañeda & Associates

d. Many Older Persons Have Low Income and Are Cost Burdened

Seniors experience a variety of housing needs because of their fixed and sometimes low incomes and rising housing-related costs (i.e., home repairs, utilities, etc.)

> Census 2000 data indicates that 33% of senior renters are low income (<80% AMI) and 83% of these households are cost burdened.
>
> Census 2000 data indicates that 15% of senior owners are low income and 62% of these households are cost burdened.

e. Conclusions and Findings

Seniors comprise a large share of the City's households. There are few senior renters residing in the City. Housing to address senior needs, however, may include both housing types.

2. Persons with Disabilities

a. Definitions

Census 2000 defines disability status as:

> "People 5 years and over are considered to have a disability if they have one or more of the following: (a) blindness, deafness, or a severe vision or hearing impairment; (b) a substantial limitation in the ability to perform basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying; (c) difficulty learning, remembering, or concentrating; or (d) difficulty dressing, bathing, or getting around inside the home. In addition to the above criteria, people 16 years and over are considered to have a disability if they have difficulty going outside the home alone to shop or visit a doctor's office, and people 16-64 years old are considered to have a disability if they have difficulty working at a job or business."

The 1973 Rehabilitation Act defines "disability" as referring to any person who:

Has a physical or mental impairment that substantially limits one or more of such person's major life activities;
Has a record of such impairment, or
Is regarded as having such impairment

Disability under Social Security is based on a person's inability to work. A person is considered disabled if he/she is unable to do any kind of work for which he/she is suited and the disability has lasted or is expected to last for at least a year or to result in death. (Social Security Administration)

b. Special Housing Needs for Persons with Disabilities

Some key special housing needs may include:

Affordable housing
Units with accessibility modifications
Units with special accommodations for live-in caretakers
Housing developments that provide supportive services
Units accessible to public transportation
Assistance in locating housing or in securing shared housing
Housing with design features that facilitate mobility and independence

The majority of housing units in most communities lack features such as ramps, extra wide doors, raised toilets, hand rails, lowered counters, or slip-resistant floors that would make them suitable for, or readily adaptable to, people with mobility limitations and people using assistive technology. The majority of existing dwellings are inaccessible to people with a mobility impairment.

c. People With Disabilities

Table A-16 indicates that a total of 8,522 disabilities were reported by the populations 5 years+, meaning that many disabled persons reported having more than one disability. In fact, there was an average of 1.68 disabilities per disabled person.

Table A-16
City of Rancho Palos Verdes
Total Disabilities Reported by Type – 2000

Type of Disability	Total	Percent
Sensory Disability	1,157	13.6%
Physical Disability	1,883	22.1%
Mental Disability	1,156	13.6%
Self-care Disability	668	7.8%
Go-outside-home Disability	1,859	21.8%
Employment Disability	1,799	21.1%
Total	8,522	100.0%

Source: Census 2000, Summary File 3, Table P41, Types of Disability
Table construction by Castañeda & Associates

Census 2000 gives the following meanings to the disabilities:

Sensory disability: blindness, deafness, or a severe vision or hearing impairment.

Physical disability: a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying.

Mental disability: difficulty learning, remembering, or concentrating.

Self-care disability: difficulty dressing, bathing, or getting around inside the home.

Go-outside disability: difficulty going outside the home alone to shop or visit a doctor's office.

Employment disability: difficulty working at a job or business.

As noted in Table A-16, the disabilities having the highest frequency are those that prevent people from working, go-outside-home disabilities and physical disabilities.

Census 2000 data indicates that 5,086 persons 5 years and over reported a disability. Disability prevalence rates progressively increase as the population ages. For instance, 4.5% of the population 5-15 years of age reports one or more disabilities. By contrast, 73.7% of the population 75+ years reports one or more disabilities. A closer look at

Table A-17 indicates that more than one fourth (28.5%) of the seniors 65 years+ live with one or more disability.

Table A-17
City of Rancho Palos Verdes
Disability Prevalence Rates by Age Group (5+ Years)

Age Group	With a Disability	No Disability	Total Population	Prevalence Rate
5 to 15	281	6,298	6,579	4.5%
16 to 20	127	1,867	1,994	6.8%
21 to 64	2,520	20,665	23,185	12.2%
65 to 74	879	3,677	4,556	23.9%
75+ years	1,279	1,735	3,014	73.7%
Total	5,086	34,242	39,328	14.9%

Source: Census 2000, Summary File 3, Table P42, Disability Status by Age
Table constructed by Castañeda & Associates

HUD-produced data reveal that 1,664 households had a "mobility or self care limitation," representing 11% of all households. According to HUD:

> This includes all *households* where one or more *persons* has 1) a long-lasting condition that substantially limits one or more basic physical activity, such as walking, climbing stairs, reaching, lifting, or carrying and/or 2) a physical, mental, or emotional condition lasting more than 6 months that creates difficulty with dressing, bathing, or getting around the home.

What this means is that the data in Table A-18 should not be interpreted as an estimate of the number of heads of household with a disability. Instead, the disability could be affecting someone other than a householder, perhaps a spouse, child, or grandparent**.**

Table A-18
City of Rancho Palos Verdes
Disabled Householders by Income Group and Tenure

Income Group	Disabled Renters	Disabled Owners	Total Households	Percentage Distribution
Extremely Low	4	25	29	1.7%
Very Low	0	84	84	5.0%
Low	24	129	153	9.2%
Above Low	112	1,286	1,398	84.1%
Total	140	1,524	1,664	100.0%

Source: U.S. Department of Housing and Urban Development, State of the Cities Data Systems Comprehensive Housing Affordability Strategy (CHAS) Data, "Housing Problems Output for Mobility & Self Care Limitations", May 2004 [Data current as of 2000]
Table construction by Castañeda & Associates

The total numbers of owner disabled householders outnumber disabled renter householders by more than 10 to 1.

Key housing need indicators are:

> Of the 28 low income (<80% AMI) disabled renters, 100% experience one or more housing problems.
>
> Of the 266 low income (<80%) AMI) disabled owners, 70% experience one or more housing problems.

Any housing problems means cost burdened greater than 30% of income and/or overcrowding and/or housing without complete kitchen or plumbing facilities.

d. Conclusions and Findings

Disabilities do affect lower income households, primarily homeowners. The City's Housing Improvement Program could help disabled owners to modify and retrofit their homes to better meet their needs.

3. Large Families

a. Definitions

HCD defines large families as consisting of five or more persons. Census data provides estimates of households with five, six, seven or more persons.

b. Special Housing Needs

Lower income, large families need three, four or five bedroom housing units at affordable costs. Since housing with these numbers of bedrooms usually command higher costs than smaller units, affordability is another key need of large families/households.

c. Large Families/Households

Table A-19 shows an estimated 1,395 large households with five, six, and seven or more persons, representing 9% of all households. The number of large households decreased from 1,500 in 1990 to 1,395 in 2000. The number of large owner households (1,157) is nearly five times the number of renter households (238).

In 2000, the City's lower-income, large households had multiple housing problems, including overpaying, overcrowding and substandard housing. Table A-20 on the next page reveals that about 35% of all lower income large homeowners experience one or more housing problems. Almost one half (47.5%) of lower income large renters experience one or more housing problems.

Table A-19
City of Rancho Palos Verdes
Number of Households
By Household Size and Tenure – 2000

Number of Persons	Owner	Percent	Renter	Percent	Total	Percent
1 person	1,880	15.1%	689	24.6%	2,569	16.8%
2 persons	5,280	42.4%	761	27.2%	6,041	39.6%
3 persons	2,046	16.4%	521	18.6%	2,567	16.8%
4 persons	2,093	16.8%	591	21.1%	2,684	17.6%
5 persons	807	6.5%	179	6.4%	986	6.5%
6 persons	256	2.1%	45	1.6%	301	2.0%
7 persons+	94	0.8%	14	0.5%	108	0.7%
Total	12,456	100.0%	2,800	100.0%	15,256	100.0%

Source: Census 2000 Summary File 1, Table H15, Household Size by Tenure
Table construction by Castañeda & Associates

Table A-20
City of Rancho Palos Verdes
Large Family Renters and Owners with Housing Assistance Needs
By Income Group-2000

Income Group	Renters	% with any Housing Problems*	Owners	% with any Housing Problems*
Extremely Low 0-30% MFI	8	50.0%	15	100.0%
Very Low 31-50% MFI	4	100.0%	19	100.0%
Low 51-80% MFI	24	100.0%	45	77.8%
Above Low >80% MFI	147	55.8%	1,147	34.6%
Total	183	47.5%	1,226	38.0%

*Note: Any housing problems means cost burden greater than 30% of income and/or overcrowding and/or housing without complete kitchen or plumbing facilities.

Source: U.S. Department of Housing and Urban Development, State of the Cities Data Systems Comprehensive Housing Affordability Strategy (CHAS) Data, "Housing Problems Output for All Households", May 2004 [Data current as of 2000]
Table construction by Castañeda & Associates

d. Housing for Large Families/Households

Census 2000 reports a total of 12,476 occupied housing units with 3, 4 or 5+ bedrooms. A comparison is given below of housing availability for large owner and renter households:

> The ratio of larger housing units to large owner families was nearly 10 to 1. 11,146 owner occupied housing units had 3, 4 or 5+ bedrooms compared to a total of 1,157 large owner households.
>
> the ratio of larger renter housing units to large renter families was 4.6 to 1. 1,088 renter occupied housing units had 3, 4 or 5+ bedrooms compared to a total of 238 large renter households.

Based on these indicators, housing availability for large owner and renter householders is sufficient to address space needs.

e. Housing Affordability

Besides having enough space, housing affordability is another key need of large families. Overpaying is a problem affecting large renter and owner households alike.

The list below compares renters and owners.

> 69 large renter households were overpaying in 2000, representing 9% of all the low-income renters that were overpaying.
>
> 24 large owner households were overpaying in 2000, representing 6% of all the low-income owners that were cost burdened.

f. Conclusions and Findings

Large families do not comprise a large share of the City's households. The housing needs of this special needs group are less than those of the elderly and disabled householders.

4. Farmworkers

a. Guidelines

The element should estimate the number of permanent and migrant farmworkers within the community. The analysis should describe the zones where housing for farmworkers is allowed, evaluate whether sufficient opportunities for housing for migrant and permanent farmworkers exists, and describe any conditions on development, development standards, and processing requirements.

b. Definitions

A farm worker is --

> A person who performs manual and/or hand tool labor to plant, cultivate, harvest, pack and/or load field crops and other plant life.
>
> A person who attends to live farm, ranch or aquacultural animals including those produced for animal products."
>
> [Source: State of California, Employment Development Department, Labor Market Information Division Occupational Definition]

Because of their predominantly low incomes, housing affordability is an acute need for farmworkers.

c. Farmworkers in Rancho Palos Verdes

The City has no land devoted to the production of field crops and/or other plant life. Likewise, there is no land used for animals. As a result, there are no farmworkers employed in Rancho Palos Verdes. There may be persons residing or "housed" in the City who are farmworkers at locations outside the municipal boundaries.

The *housed* "farmworkers" who may reside in the City would live in a household and occupy a housing unit. As such, they would be among the existing households counted as part of the 2000 Census, and estimates of existing and projected housing needs produced by SCAG. Consequently, the resident low-income "farmworker" households – if any -- would be included among all the households. That is, the resident farmworker housing needs would be counted as part of the lower income households experiencing problems of overpaying, overcrowding, and living in substandard housing.

Census 2000 estimates that a total of 37 persons/residents had jobs in the "agricultural, forestry, fishing, and hunting" industry. Sixteen persons were the employee of a private company. There were no persons employed by private not-for-profit wage and salary workers. The number of residents employed in "agricultural" compared to "forestry, fishing and hunting" is unknown.

The City has not devoted a residential zone exclusively for farmworker housing. However, housing for farmworkers could be developed in the multifamily residential zones.

c. Conclusions and Findings

Based on the above information, however, the City concludes that there is not a need for farmworker housing in Rancho Palos Verdes.

5. Female Householders

a. Definitions

By way of background -

> "Householders are classified by type according to the sex of the householder and the presence of relatives. Two types of householders are distinguished: family householders and non-family householders. A family householder is a householder living with one or more people related to him or her by birth, marriage, or adoption. The householder and all of the people in the household related to him or her are family members. A nonfamily householder is a householder living alone or with nonrelatives only." (U.S. Census Bureau)

In most cases, the householder is the person, or one of the people, in whose name the home is owned, being bought, or rented and who is listed as Person 1 on the Census questionnaire. A female householder, then, is one who is maintaining a household. A female householder, no husband present means a family with a female householder and no spouse of the householder present.

b. Special Housing Needs of Female Householders

Some key housing needs include:

Affordable housing

Housing developments that provide supportive services

Assistance in locating housing or in securing shared housing

Access to housing which accommodates children

Access to housing which is designed for security and convenience

Access to housing near parks and open space to serve the needs of female householders with children.

c. Estimate of Female Householders

About 18.6% of the City's householders are female householders. Table A-21 shows the owner/renter status of female householders. As indicated, 75.2% are owners and 24.8% are renters.

Table A-21
City of Rancho Palos Verdes
Female Householders by Tenure – 2000

	Owner	Renter	Total	Percent
Family, No Husband	741	295	1,036	36.5%
Not Living Alone	142	69	211	7.4%
Living Alone	1,248	340	1,588	56.0%
Total	2,131	704	2,835	100.0%
Percent	75.2%	24.8%		

Source: Census 2000, Summary File 1, Table H17-Tenure by Household Type (Including Living Alone) by Age of Householder
Table construction by Castañeda & Associates

Some important female householder characteristics are:

1,588 live alone (56.0%)

1,036 live in a family of two or more persons with no spouse present (36.5%)

211 live in nonfamily households with nonrelatives (7.4%)

Because so many female householders live alone, overcrowding is not expected to be a problem as it is for small and large families. Female householders, especially those that are renting an apartment or home, do have housing affordability concerns.

Table A-22 further describes the tenure and age characteristics of female householders.

Seniors comprise more than one-half of all the female householders living alone. Nearly 90% of these women are owners.

Female family householders are predominantly non-seniors. About 35% of such householders are renters.

There are few non-family female householders.

Perhaps, the key indicator of housing need is the overpaying situation of female householders living in rental housing. About 260 renter female householders are cost burdened based on the overpaying rate among all the City's renter households.

Table A-22
City of Rancho Palos Verdes
Female Households by Tenure and Age of Householder – 2000

	Owner	Renter	Total
Living Alone			
15-34	27	46	73
35-64	473	199	672
65+	748	95	843
Total	1,248	340	1,588
2 or More Persons, No Husband			
15-34	31	38	69
35-64	478	244	722
65+	232	13	245
Total	741	295	1,036
2 or More, Nonfamily			
15-34	10	23	33
35-64	72	35	107
65+	60	11	71
Total	142	69	211

Source: Census 2000, Summary File 1, Table H17-Tenure by Household Type (Including Living Alone) by Age of Householder
Table construction by Castañeda & Associates

d. Conclusions and Findings

Almost of every five householders are female householders. About 260 of the female householders are renters and cost burdened. Many senior women are living alone and, perhaps, could benefit from assisted with yard maintenance and home repairs.

6. Families and Persons in Need of Emergency Shelter

a. Guidelines

An estimate or count of the daily average number of persons lacking permanent shelter. Wherever possible, this figure should be divided into single males and females, and families (one or more adults with children). These subgroups require significantly different types of shelter.

As local data allows, also include the mentally ill, developmentally disabled, substance abusers, survivors of domestic violence, and other categories of homeless considered significant by the jurisdiction.

An inventory of the number, approximate location, and type of existing shelter beds, hotel/motel vouchers, and units of transitional housing available. Present shelter resources by type (e.g., family shelter beds, homeless adult female housing, transitional living units, etc.).

An estimate derived from the figures above, of the number of additional beds or shelters and transitional housing units needed.

b. Definitions

The following definitions are those adopted by the Los Angeles Homeless Services Authority:

> *Homeless Persons*: are people who lack a fixed, regular and adequate nighttime residence, and have a primary nighttime residence that is either a public or private shelter, an institution that provides temporary residence for individuals intended to be institutionalized, or a public or private location that is not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
>
> *Emergency Shelter*: is the provision of a safe alternative to the streets, either in a shelter facility, or through the use of motel vouchers. Emergency shelter is short-term, usually for 30-days or less. Domestic violence shelters are considered emergency shelter, as they provide safe, immediate housing for victims and their children.
>
> *Transitional Housing*: facilitates the movement of homeless individuals and families to permanent housing. It is housing in which homeless persons may live up to 24 months and receive supportive services that enable them to live more independently. Supportive services – which help promote residential stability, increased skill level or income, and greater self-determination – may be provided by the organization managing the housing, or coordinated by that organization and provided by other public or private agencies. Transitional housing can be provided in one structure or several structures at one site, or in multiple structures at scattered sites.
>
> *Unsheltered Persons*: are those homeless who are living on the streets, in abandoned buildings, storage structures, vehicles, encampments, or any other place unfit for human habitation. Generally, those not utilizing Los Angeles County operated emergency or transitional housing shelters are considered unsheltered.
>
> [Source: Los Angeles Homeless Services Authority, *2005 Greater Los Angeles Homeless Count*, Appendix VIII, Definitions and Abbreviations, pgs. 169 and 17.]

c. Special Housing Needs

HUD's model approach to helping meet the needs of the homeless is referred to as a Continuum of Care. A *Continuum of Care* begins with a point of entry in which the needs of a homeless individual or family are assessed. The *intake and assessment* component is performed by an emergency shelter or through a separate assessment center. To reach and engage homeless persons living on the street, the homeless service system also includes a strong *outreach component*.

Once a needs assessment is completed, the person/family may be *referred to permanent housing or to transitional housing* where supportive services are provided to prepare them for independent living. For example, a homeless person with a substance abuse problem may be referred to a transitional rehabilitation program before being assisted with permanent housing. Some individuals, particularly persons with chronic disabilities, may require ongoing *supportive services* once they move into permanent housing. The goal of the comprehensive homeless service system is to ensure that homeless individuals and families move from homelessness to self-sufficiency, housing and *independent living.*

d. Estimates of Homelessness

As noted in a recent report:

> "…the transience of America's unhoused makes it difficult to quantify the homeless population and determine who is at risk of becoming homeless. In addition to having no fixed address, individuals may experience bouts of homelessness lasting a few days or several years, and a significant number return to homelessness after leaving the streets, resulting in constant population fluctuation."
>
> [*Helping America's Homeless: Emergency Shelter or Affordable Housing?*]

This same report found that the -

> "Essential elements of homelessness as a social problem are so extreme that homeless people cannot remove their homeless condition themselves."

Sheltered homeless occupy emergency shelters, transitional housing, and domestic violence shelters. Unsheltered homeless persons include those found on streets, in vehicles, in makeshift shelters – such as tents – and encampments. The Los Angeles 2007 Homeless Count was designed for the Los Angeles Continuum of Care. However, no census tracts located within Rancho Palos Verdes were included in the street census. Therefore, the City is updating its 2000 homeless count, which concluded:

> "In the past three years, the City Departments and County Sheriffs Departments have observed five potential indications of homeless people, an average of one homeless person every seven months. Four of the observations were one-time, isolated incidents in the Narcissa area in the canyon, on the beach in the brush area, in the canyon alongside Palo Verdes Drive East, and in Abalone Cove. A fifth observation was of a woman who was living in her car and moving her car each night, staying in Rolling Hills Estate and Palos Verdes Estates. This woman has not been seen since early in 2000. As a result, there are no recurring, long-term homeless persons in the City."

e. Inventory of Homeless Resources

The City does not have a permanent homeless shelter. Many of the homeless facilities and services are located in Long Beach.

Under City's current zoning regulations, homeless shelters may be permitted, subject to review and approval of a Conditional Use Permit in the City's Commercial General District (CG). The purpose of the CG District is as follows: *"This district permits retail service and administrative use as the main purpose of which is to serve the surrounding area and visitors to the area.* [emphasis added]. Although the use of "Emergency Shelter" or "Transitional Housing" is not specifically identified as a permitted use in the CG District, it is consistent with the types of uses found within this District, such as *"Hotel"* and *"Bed and breakfast inns".*

Additionally, the City's CG District is located along its main commercial corridor of Western Avenue providing direct access to public transportation and other nearby public services. Therefore, because the Development Code permits uses, subject to approval of a conditional use permit, which are similar and no more intensive than the other uses, "Emergency Shelters" and "Transitional Housing" are conditionally permitted uses in the CG District.

Government Code Section 65583(a)(4)(A) requires that the City identify –

> "… a zone or zones where emergency shelters are allowed *as a permitted use without a conditional use permit* or other discretionary permit. The identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter…. except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter." [emphasis added]
>
> "If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element. "

Instead of establishing a zone or zones, the City may adopt an agreement with one or two adjacent cities to develop an emergency shelter. More specifically, Government Code Section 65583 (d)(1) states:

> "A local government may satisfy all or part of its requirement to identify a zone or zones suitable for the development of emergency shelters … by adopting and implementing a multijurisdictional agreement, with a maximum of two other adjacent communities, that requires the participating jurisdictions to develop at least one year-round emergency shelter within two years of the beginning of the planning period."

However, each member of the multijurisdictional agreement must describe in its housing element:

> How the facility will meet the jurisdiction's emergency shelter need.
>
> Each jurisdiction's contribution to the facility for both the development and ongoing operation and management of the facility.
>
> The amount of funding that the jurisdiction contributes to the facility.

Meeting these requirements prior to adoption of the Housing Element in mid-year 2008 would be very difficult.

f. Conclusions and Findings

The homeless estimate is five persons. As the City's CG zone requires a CUP, the City will implement a program to amend its zoning ordinance to allow homeless shelters as a permitted use in one or more zones within one year of the adoption of the housing element.

The Agreement option is not viable at this time given that the City must adopt a new Housing Element by June 30, 2008. Six months is insufficient time to develop an Agreement with adjacent cities, most probably the City of Los Angeles.

7. Cadets

Cadets at the Salvation Army are another special needs population. The Cadets are unable to work and must sell any assets before entering the program. Also, married couples must enter the program together. During the program, the cadets do not work. However, they are given a paid internship with the organization during breaks. As a result, the students/cadets are in the extremely low and very low-income groups.

D. PROJECTED HOUSING NEEDS

1. Population Trends and Projections

Census 2000 estimated a total population of 41,145 persons consisting of a group quarters population of 509 persons and a household population of 40,636. The majority of the group quarters' population (343) were noninstitutionalized, in college dormitories (90) and other noninstitutional group quarters (253).

Table A-23 shows the population growth trends between 1980 and 2008. Population growth was the largest in the 1980s, increasing by 5,082 persons between 1980 and 1990. As of January 1, 2008, the City's population was 43,142 persons, according to the Los Angeles Economic Development Corporation. That means the City's population has increased by almost 2,000 persons since Census 2000.

Table A-23
City of Rancho Palos Verdes
Population Growth Trends: 1980-2008

	Total Population	Incremental Increase	Percentage Increase
April 1, 1980	36,577	N/A	
April 1, 1990	41,659	5,082	13.9%
April 1, 2000	41,145	-514	-1.2%
January 1, 2005	43,378	2,233	5.4%
January 1, 2007	43,092	-286	-0.7%
January 1, 2008	43,142	50	0.1%

Source: U.S. Census for Years 1980, 1990 and 2000
State Department of Finance, Demographic Research Unit, Population Estimate for January 1, 2005 and January 1, 2007
Los Angeles Economic Development Corporation, *South Bay, Los Angeles County 2007-2008 Economic Overview & Forecast*, October 2007.
Table construction by Castañeda & Associates

Table A-24 shows the housing growth trends. Since Census 2000, 124 housing units have added to the housing stock. According to SCAG projections, the City's projected housing need is at least 60 units between January 2006 and mid-year 2014.

2. Employment Trends and Projections

Table A-25 shows the employments trends and projections for the 2000-2015 period. SCAG projects that the City will experience an increase of about 600 jobs during the 2005-2015 time span.

The City has an estimated 652 business establishments with most establishments being small employers. Of the 652 business establishments, 471 have 1-4 employees and 84 have 5 to 9 employees. (Los Angeles Economic Development Corporation, *2007 South Bay Economic Forecast*, October 2007.)

Table A-24
City of Rancho Palos Verdes
Housing Trends: 1990-2030

	Total Housing Units	Cumulative Increase	Percentage Increase
April 1, 1990	15,468	---	
January 1, 1995	15,571	103	0.7%
April 1, 2000	15,709	138	0.9%
January 1, 2005	15,799	90	0.6%
January 1, 2007	15,833	34	0.2%

Source: 1990 Census and Census 2000, Summary File 1.
State Department of Finance, Demographic Research Unit, Housing Unit Estimates for January 1, 2005 and January 1, 2007

Table construction by Castañeda & Associates

Table A-25
City of Rancho Palos Verdes
Employment Trends and Projections: 1990-2015

	Total Employment	Cumulative Increase	Percentage Increase
2000	4,246		
2005	4,296	50	1.2%
2010	4,807	561	13.2%
2015	4,933	687	16.2%

Source: Southern California Association of Governments, *RTP Draft Baseline Growth Forecast Alternative*, November 2007.

Table construction by Castañeda & Associates

3. Share of Regional Housing Needs

According to the Housing Element Law, " . . . a locality's share of the regional housing needs includes that share of the housing needs of persons at all income levels within the area significantly affected by a jurisdiction's general plan." (Section 65584 [a]). In addition, "Each locality's share shall be determined by the appropriate councils of government consistent with the criteria" set forth by the HCD.

Table A-26 shows that SCAG's RHNA allocates 60 housing units for the January 1, 2006 to June 30, 2014 period. The three components of the City's allocation include household growth, replacement housing needs, and an ideal vacancy rate. *Household growth* refers to the housing needed to accommodate the projected increase in households (i.e., occupied housing units). *Replacement housing needs*, according to the RHNA Methodology, are based on the nine-year average between 1997 and 2005 of demolition permits reported to the State Department of Finance (DOF).

Table A-26
City of Rancho Palos Verdes
Share of Regional Housing Needs
January 1, 2006- June 30, 2014

Income Category	2006-2014	
	Number	Percent
Extremely Low	7	11.7%
Very Low	9	15.0%
Low	10	16.7%
Moderate	11	18.3%
Above Moderate	23	38.3%
Total:	60	100.0%

Source: Southern California Association of Governments, *Final Regional Housing Need Allocation Plan – Planning Period January 1, 2006 – June 30, 2014 for Jurisdictions within the Six County SCAG Region*, July 12, 2007.

In 2006, AB 2634 amended the State housing element law to require that the needs assessment specifically analyze the "extremely low income" level. The law was amended to indicate that –

> "Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households."

The calculations shown in Table A-27 are based on the City's proportion of extremely low- (.4635) and very low-income (.5365) households among all the households below 50% of the area median income. These two proportions were applied to the RHNA allocation of 60 housing units to the <50% of median income group.

E. ENERGY CONSERVATION

The City's Housing Element must include:

> "An analysis of opportunities for energy conservation with respect to residential development."

The City and the residents of Rancho Palos Verdes are dedicated to the preservation of a healthy local marine habitat and natural open spaces. Preservation of our local environment contributes to what makes this a unique City in Los Angeles County. Continuing on that vein of outdoor conservation, the City is beginning to develop Green Building programs that will focus on the efficiency, sustainability and environmental quality of the buildings in which we live.

Green Buildings are commercial or residential structures that have been specifically designed to minimize their use of non-renewable energy, natural resources, and toxic chemicals. The main goal of designing a Green Building is to reduce the impact that building has on the local and global environment and to increase the health of those who work or live within these spaces. By design, a building that minimizes its use of non-renewable energy, natural gas and water results in significantly reduced energy costs over the life of the building. With the increased cost of energy, this translates into significant cost savings for the building owners. Green Building principles can be accomplished at every phase of developing or reconstructing a structure; from deconstruction of an existing structure, instead of demolition; use of sustainable-harvested wood for framing; to use of bamboo or cork for flooring. Designing a healthy work or living space involves the reduction of toxic-based products such as synthetic-based carpets and household paints that release formaldehydes and volatile organic compounds (VOCs) into the indoor air.

Following the lead of cities such as Santa Monica and Pasadena, Rancho Palos Verdes is taking advantage of a movement in the building and architectural communities that is fully underway and becoming a growing standard both in price and consumer demand.

The City's Green Building Ordinance is scheduled to be considered by the Planning Commission in February 2008 and will be completed by summer 2008.

A. EXECUTIVE SUMMARY

1. Overview

Housing constraints are categorized as "governmental" and "nongovernmental." The governmental constraints analysis includes –

> Land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, 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…and for meeting the need for housing for the disabled.

These factors affect two very important aspects of the housing market: 1) the range and diversity of housing types which can be built in the City; and 2) the cost of new housing production. The statewide legislation does not presume that Rancho Palos Verdes, or any other city for that matter, regulates these factors in such a way as to restrict housing choices or raise housing costs above normal levels. However, if the analysis does reveal that unnecessary constraints are being imposed then it is expected that efforts will be made to mitigate the impacts.

The nongovernmental constraints include the availability of financing, the price of land, and the cost of construction. These constraints are discussed in Technical Appendix C.

Resources to address housing needs and either mitigate or remove governmental constraints include:

Land suitable for residential development

Land use and development controls

Regulatory concessions and incentives

Financial resources – Federal, State, and local housing funds

Sections 2 and 3 and Technical Appendix D describe these key resources.

2. Summary of Governmental Constraints

A brief summary of the governmental constraints analysis is presented below. The full analysis is presented on pages B-3 through B-31.

a. Land Use Controls

The City's land use controls, second unit development standards and affordable housing incentives are not a constraint to the maintenance, improvement or development of housing. During the prior planning period, four moderate-income second units were constructed and an additional four new affordable housing units were developed for low and very low-income households.

The City's land use controls will facilitate the development of housing for moderate-income and lower income households through the continued development of second units, inclusionary housing units and the housing programs of the Redevelopment Agency.

The City will revise the density bonus incentives to meet the new requirements of SB 1818.

b. State Housing Law and the California Building Code

The CBC was adopted by reference with only minor variations that do not adversely impact the cost of housing. The City's codes are considered to be the minimum necessary to protect the public health, safety and welfare. The Codes, which are based on the State Housing Law and uniform codes, are adopted by many cities throughout southern California and do not pose a constraint to residential development.

On January 1, 2008, the 2007 California Building Code (which was published in July 2007) will be effective.

c. On- and Off-Site Improvements

The City's improvement requirements have been applied to existing housing as well as all residential developments under construction and approved for development. In summary, most cities in Los Angeles County require more stringent improvements than Rancho Palos Verdes does. It is for these reasons, that the City concludes that the existing on- and off-site improvements required are not a constraint to development, or to the development of affordable housing.

d. Fees and Exactions

The City concludes that the fees established by the City do pose a constraint to development. Fees for senior housing on the Crestridge RDA-owned site would be more than offset by the fact that the Agency owns this site.

Since the City does not carry out exactions, they are not a constraint to local development.

e. Processing and Permit Procedures

The City's processing and permit procedures do not pose a constraint to the development of housing that would meet the need for new housing during the planning period. Each remaining site in the City needs careful attention because they are unique in regard to slopes, topography, geology, and other physical and environmental conditions. However, the sites identified in the land inventory (Technical Appendix D) will meet the RHNA allocation of 60 housing units. In fact – in order to meet the RHNA – only the RDA-owned Crestridge site will need to be processed.

f. Constraints on Housing for Persons with Disabilities

The City will amend the Zoning Code to ensure that its rules, policies, and standards are consistent with fair housing laws. The City will develop a reasonable accommodation procedure that encompasses both zoning and building standards.

Guidance for developing the procedure will be obtained from disabled persons and advocacy groups. Once adopted, the reasonable accommodation procedure will be explained on the City's website and prominently displayed at the Planning and Building counters.

In addition, the City will amend the Zoning Code to ensure that residential care facilities are permitted in all zones that permit single-family homes.

g. Constraints on Meeting Regional Share Housing Needs

There are no local governmental constraints that would prevent the City from meeting its share of the regional housing need. There are adequate sites to accommodate the 60 housing units allocated to the City. In addition, the City has released an RFP to private and non-profit developers for the development of affordable senior housing on the RDA-owned Crestridge site.

B. GOVERNMENTAL CONSTRAINTS ANALYSIS

In accordance with the State housing element law, this part provides:

> *"An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels…."*

The required analysis includes seven subjects:

- □ Land use controls
- □ Codes and their enforcement
- □ On- and off-site improvements
- □ Fees and exactions
- □ Processing and permit procedures
- □ Constraints on housing for persons with disabilities
- □ Constraints on meeting regional share housing needs

The purpose of the analysis is to find out if a standard or practice -

> "…constitute a barrier to the maintenance, improvement or development of housing."

And whether certain policies –

> "…have a disproportionate or negative impact on the development of particular housing types (e.g., multifamily) or on housing developed for low- or moderate-income households."

According to HCD, a determination should be made for each potential constraint whether it poses an actual constraint.

1. Land Use Controls

a. Guidelines

> *Identify and analyze zoning, density, parking requirements, lot coverage, height limits, lot sizes, unit sizes, design criteria, floor area ratios, setbacks, moratoria and prohibitions against multifamily housing developments, growth controls, urban growth boundaries, open space requirements, etc.*
>
> (The italicized text is guidance provided by the State Department of Housing and Community Development in Housing Questions and Answers, October 2006, pg. 31.)

The focus of analysis, then, is on whether the City's land use controls facilitate the development of a variety of housing types that can meet a wide spectrum of needs, including special housing needs.

b. Analysis

1) *Zoning*: Rancho Palos Verdes has six single-family residential designations and five multi-family residential designations. The following development standards are spelled out in Tables B-1 and B-2:

Lot Sizes
Lot Dimensions
Setbacks
Maximum Lot Coverage
Maximum Height
Parking Requirements

The minimum lot sizes for single-family districts range from five acres to 8,000 square feet (almost 1/5 acre). The minimum lot sizes listed for multi-family developments could be translated to maximums of 6 to 22 units per acre for RM-6 through RM-22 designations. These are maximums and actual development potential is usually less due to factors such as the topography and configuration of the site, easements, and roadways.

While most of the City is zoned and established at single-family residential densities, almost 15% of the existing housing stock is multi-family units. In fact, the City's housing stock contains 2,300 housing units in multi-family structures.

Table B-1

TABLE B-1: SINGLE –FAMILY RESIDENTIAL DEVELOPMENT STANDARDS

For exceptions and explanatory descriptions of these standards and for other development standards that apply to single-family residential areas, see Articles VI and VII of this title. The number which follows as "R3-" designation indicates the maximum number of lots per acre permitted in the zone; the "RS-A" number indicates the minimum number of acres per lot permitted.

DISTRICT	LOT DIMENSIONS[1]			MINIMUM SETBACKS[3,8] FOR CITY CREATED LOTS					MINIMUM SETBACKS[1,3,8] FOR LOTS CREATED PRIOR TO INCORPORATION/ANNEXATION				MAXIMUM LOT COVERAGE	MAXIMUM HEIGHT[3,4]	PARKING REQUIREMENT[6]
	AREA	WIDTH	DEPTH	FRONT	INTERIOR SIDE		STREET SIDE	REAR	FRONT	INTERIOR SIDE	STREET SIDE	REAR			less than 5,000 s.f. of habitable space = 2 enclosed garage spaces
					TIE BOTH SIDES	ONE SIDE									5,000 s.f. or more of habitable space = 3 enclosed garage spaces
RS-AS	5 acres	200	300	20	30	10	20	20	20	5	10	15	6%	16	
RS-1	1 acre	100	150	20	25	10	20	20	20	5	10	15	25%	16	
RS-2	20,000sf	90	120	20	20	10	20	20	20	5	10	15	40%	16	
RS-3	13,000sf	80	110	20	15	10	20	15	20	5	10	15	45%	16	
RS-4	10,000sf	75	100	20	15	10	20	15	20	5	10	15	50%	16	
RS-5	8,000sf	65	100	20	15	10	20	15	20	5	19	15	52%	16	

1. For an existing lot which does not meet these standards, see Chapter 17.84 (Nonconformities).
2. Lots of record, existing as of November 25, 1975 (adopted of this code), or within Eastview and existing as of January 5, 1983 (annexation), shall use these development standards for minimum setbacks.
3. For description, clarification and exceptions, see Chapter 17.48 (Lots, Setbacks, Open Space Area and Building Height).
4. For a description of height measurement methods and the height variation process, see Section 17.02.040 of this chapter. A height variation application shall be referred directly to the planning commission for consideration, if any of the following is proposed:
   A. Any portion of a structure, which exceeds sixteen feet in height, extends closer than twenty-five feet from the front or street-side property line.
   B. The area of the structure which exceeds sixteen feet in height (second story footprint) exceeds seventy-five percent of the existing first story footprint area (residence and garage), and
   C. Sixty percent or more of an existing garage footprint is covered by a structure, which exceeds sixteen feet in height (a second story).
   D. Based on an initial site visit, the director determines that any portion of a structure which is proposed to exceed sixteen feet in height may significantly impair a view as defined in this chapter.
5. For padding development standards, see Section 17.02.030(B) of this chapter.
6. A garage with direct access driveway from the street of access shall not be less than twenty feet from the front or street-side property line, whichever is the street of access.
7. Exterior stairs to an upper story are prohibited, unless leading to and/or connected to a common hallway, deck or entry rather than a specific room.
8. The front and street-side setback for those portions of strucutres over sixteen feet in height shall be a minimum of twenty-five feet in all residential zoning districts.

Table B-2

TABLE B-2: MULTIPLE-FAMILY RESIDENTIAL DEVELOPMENT STANDARDS

For exceptions and explanatory descriptions of these standards; for standards of fences, walks, hedges and signs; and for off-site improvement and dedication requirements, see Article VI and Article VII of this title.

The number which follows an "RM" designation, indicates the maximum number of units which may be allowed per acre in that district.

	MINIMUM LOT SIZE AND DIMENSION				MINIMUM SETBACKS[1]				OPEN SPACE AREA	MAX. HEIGHT[2]	PARKING SPACES REQUIRED/DU[2]	
	MINIMUM LOT AREA/ DU (s.f.)	SIZE (s.f.)	WIDTH	DEPTH	FRONT	INT. SIDE	STREET SIDE	REAR	%		0-1 BDRM UNITS	2+ BDRM UNITS
RM-6	7300	13,000	65	110'	25'	10''	25'	20'	45	30'	1 garage spaces	2 garage spaces
RM-8	5400	10,000	65	110'	25'	10'	25'	20'	43	30'		
RM-10	4400	12,000	75	110'	25'	10'	25'	20'	43	30'		
RM-12	3600	15,000	75	110'	25'	10'	25'	20'	40	30'	(+25% of total parking required)	
RM-22	2000	24,000	100	110'	25'	10'	25'	20'	35	36'		

1. For description, clarification and exceptions, see Chapter 17.48 (Lots, Setbacks, Open Space Area and Building Height).
2. For parking area development standards, see Chapter 17.50. Any under-building parking structures must be completely enclosed or have openings screened from the public right-of-way and other affected views. In all RM Districts, twenty-five percent of the required parking shall be provided as guest parking in addition to the standard parking requirements.

In addition to single-family and multi-family zones, housing also is permitted in the Institutional Zone. The list below provides a summary of the Institutional Zone:

- The Institutional Zone accommodates this housing since the Zone allows for educational uses, including colleges, with a CUP. Further, this Zone allows for ancillary uses and developments, which includes dormitories and housing for students.
- The Institutional Zone also allows homes for the aged.
- The development standards (Section 17.26.040) allow for 16-foot high structures, but this height can be greater with a CUP.
- The unit counts were not established by any official standard since the Institutional Zone does not have a maximum density. The number of units is primarily based upon the need of the institution and student population.
- Crestmont College has received approval of their CUP for apartments and was recently issued a building permit for the apartments on April 3, 2008. Construction of the project has already begun, and it is anticipated to be completed by December 2008.

The Crestmont College site is zoned Institutional and will provide 20 apartment units for lower income families. Crestmont College is a higher education institution of the Salvation Army, a religious organization that provides degrees in ministry and religious studies so that students enter as cadets and graduate as officers of the Salvation Army. A prerequisite to being admitted to the College is that students not have any assets and do not work. Further, married cadets are bound to the same requirement and shall not have any assets or income.

2) Minimum Dwelling Unit Sizes: The City does not impose minimum housing unit sizes based either on total square footage or square footage in terms of the number of bedrooms.

3) Design Criteria: The City has not established architectural design criteria; however, new single-family residences and major additions to existing single-family residences require a Neighborhood Compatibility analysis. Although no design criteria is established, the process and analysis ensures that such projects are compatible with the immediate neighborhood with regards to size, setbacks, architectural style and appearance.

4) Open Space Requirements: Section 17.04.040.D of the City's Development Code establishes the open space requirements for multiple family zones as follows:

> "As part of the open space area required, all of the units shall have an appurtenant private patio, deck, balcony, atrium or solarium with a minimum area of one hundred fifty square feet, except that one bedroom unit shall have a minimum of one hundred thirty square feet of private open space. Such space shall have a configuration that would allow a horizontal rectangle of one hundred square feet in area, and no side shall be less than seven feet in length. Such space shall have at least one

electrical outlet. Such space may count for up to thirty percent of the required open space area."

5) Parking Requirements: Two-bedroom apartment units are required to have 2.25 parking spaces with one space completely enclosed in a garage and the remaining spaces are to accommodate for additional parking needs of the household and parking needs from visitors to the development. The requirement for a space to be enclosed adds incrementally to the total production costs of rental housing. The dimension of a one-car garage is 180 square feet (9 feet by 20 feet). The costs for a one-car garage would represent only a small percentage of the total costs of new housing, including construction and land costs. This additional construction cost adds incrementally to the total development costs, but is not considered a major constraint to affordability.

Parking requirement reductions are considered when the proposed development demonstrates that less parking is needed. For example, for developments taking advantage of Density Bonus Law (such as the Crestridge RDA project), a one-to-one ratio for one bedroom units and two-to-one ratio for two bedroom units could be used for parking requirements. Other considerations may be given to developments that provide housing for the elderly and have amenities that provide for shuttle services for residents of such developments, provided that parking requirement reductions are justified by parking studies.

Within the planning period all multifamily housing opportunities already will be approved as a result of the development of the Crestridge senior housing site and the construction of the 20 apartment units at Crestmont College. No other vacant or underutilized multifamily housing sites are available for development. In the event that mixed-use development that includes residential uses along Western Avenue is approved as part of a specific plan, the plan will establish parking standards.

6) Specific Plans: Two Specific Plans guide residential uses. Specific Plan District I is the coastal specific plan district. This district comprises all land seaward of Palos Verdes Drive South and Palos Verdes Drive West. The requirements of this District require Coastal Permits pursuant to Chapter 17.72 for specified land uses.

Specific Plan District IV encompasses all properties, which front on the west side of Western Avenue from and including 29019 to 29421 Western Avenue. This area is located between Specific Plan Districts II and III. The Plan encourages quality renovation and development that builds on the opportunities available to this area and eliminates, or reduces, the constraints this area faces.

7) Second Unit Development Standards: Second units are permitted in all RS and RM zone districts. The development standards are described in Section 17.10 of the City's Development Code. The total floor area for a *detached* second unit shall not exceed 1,200 square feet. The total floor area for an *attached* second unit shall not exceed 30% of the floor area of primary residence floor area. The second unit must include one bathroom and one kitchen and is limited to a maximum of two bedrooms. A garage space must be provided.

8) Affordable Housing Land Use Controls: To encourage and facilitate the development of affordable housing, the City has adopted the following land use controls:

Citywide Affordable Housing Requirement: All new residential developments of five or more dwelling units are required to provide up to 5% of all units affordable to *very low* income households or to provide up to 10% of all units affordable to *low* income households. The affordable units shall be provided on-site or off-site. Upon City Council approval, in-lieu fees can be paid instead of providing the required affordable housing units. The City Council established an in-lieu fee of $1 per square foot of habitable residential structure.

Housing Impact Fee: In order to mitigate the impact of local employment generation on the local housing market, new nonresidential development or conversion of existing development to a more intense use, must make provision for housing affordable to low and very low households. This requirement applies to applications for the construction, expansion or intensification of nonresidential land uses, including but not limited to commercial projects, golf courses, private clubs, and institutional developments.

Developers of non-residential projects must pay a residential impact fee as established by the City Council. The fee must be adequate to provide one low or very low affordable housing unit for each 10 employees to be generated by the nonresidential development. The City Council established an in-lieu fee of $201,653 plus a 10 percent administrative fee per affordable unit required.

Projects that provide for very low and low-income housing are exempt from the housing impact fee.

Density Bonuses for New Housing: A density bonus and/or affordable housing incentives are provided for new projects that provide at least 10% of all units as very low income units, 20% as low income units, or 50% of all units for seniors. Affordable housing incentives in lieu of, or in addition to, a density bonus, may include a reduction in development standards (e.g., setback, parking, and lot size) and other regulatory concessions that result in cost reductions.

Density Bonuses for Condominium Conversions: A density bonus and/or affordable housing incentive is provided for condominium conversion projects that will provide 33% of the total proposed condominium units to low and moderate income households or at least 15% of the total units to lower income households.

'Density bonus' means a density increase of at least twenty-five percent over the maximum residential density which would otherwise be allowed under the applicable zoning and general plan designations, unless a lesser percentage is elected by the applicant, except that for condominium projects that reserve at least twenty percent of the total dwelling units for persons and families of moderate income, 'density bonus' means a density increase of at least ten percent, unless a lesser percentage is elected by the applicant.

The City's density bonus incentives are being updated to be consistent with SB 1818. SB 1818, which took effect on January 1, 2005, revised the State density bonus law – Government Code Section 65915-65918. The law requires all cities to adopt an ordinance that specifies how compliance with Section 65915-65918 will be implemented. Density bonuses may be given for affordable housing, senior housing, land donations for affordable housing, and child care facilities.

Certain provisions of SB 1818, as well as its ambiguities, have caused concerns with respect to preparing and adopting density bonus ordinances. Two density bonus bills were introduced earlier in 2007, and will be held in the Assembly Local Government Committee until next year.

The League of California Cities supports AB 1256, which would exempt local agencies that have inclusionary housing ordinances from meeting specified criteria in the State Density Bonus Law. AB 1449, sponsored by the California Chapter of the American Planning Association, would streamline and clarify the process for granting bonuses and incentives under the law.

9) Moratoria and Prohibitions Against Multifamily Housing Developments: The City has no moratoria or prohibitions against multifamily housing developments. The City does have a site ("Point View") located within the Landslide Moratorium Area (LMA). About 60 of the site's 95 acres are located within the LMA. This site, however, is zoned for single-family housing.

(The moratorium boundary prohibits development of new residences due to active landslide movement.)

10) Growth Controls, Urban Growth Boundaries: The City does not have a "growth control ordinance" that limits the number of housing units that be constructed. In addition, the City does not have an "urban growth boundary" extending beyond the current incorporated area. The City is completely surrounded by the incorporated cities of Palos Verdes Estates, Rolling Hills, Rolling Hills Estates and Los Angeles and unincorporated territory.

c. Conclusions and Findings

The above analysis has shown that the City's land use controls, second unit development standards and affordable housing incentives are not a constraint to the maintenance, improvement or development of housing. During the prior planning period, four moderate-income second units were constructed and an additional four new affordable housing units were developed for low and very low-income households.

The City's land use controls will facilitate the development of housing for moderate-income and lower income households through the continued development of second units, inclusionary housing units and the housing programs of the Redevelopment Agency.

2. Building Codes and Enforcement

a. Guidelines

HCD guidance on this subject indicates that the analysis should:

> *Identify and analyze any local amendments to the State Housing Law or Uniform Building Code, and the degree or type of enforcement. A strict code enforcement program or a code amendment, which specifies expensive materials and/or methods, can pose a significant constraint to housing development or maintenance.*

b. Analysis

1) State Housing Law: The regulations implementing the State Housing Law mandate statewide residential building standards for new construction and are found in the California Code of Regulations, (CCR), Title 24, Parts 2 through 5, known as known as the California Building Standards Code. The City has adopted and enforces the 2001 California Building Code, which shall be used to implement, administer and enforce the California Building Standards Code. The latter code regulates those buildings and construction related activities as may be defined, identified or described in Title 24 of the California Code of Regulations.

A city (or county) may make such changes or modifications in the requirements contained in the California Building Standards Code if the city (or county) makes findings that they are reasonably necessary because of local climatic, geological, or topographical conditions. Due to its unique climatic, topographical and geological characteristics, the City of Rancho Palos Verdes has adopted amendments to the CBC. These amendments include storm damage precautions, fire resistive roofing, specialized foundation requirements, geological and geotechnical reports for the evaluation and elimination of hazards. The specialized foundation requirements apply only to the active landslide areas of Portuguese Bend Landside and Abalone Cove Landslide.

The City does not consider these local amendments to the CBC to be more restrictive than is necessary to protect the public health and safety due to the hazards arising from the City's climate, topography and geology, and are not intended to act as constraints to the housing supply.

With regard to new housing, Health and Safety Code Section 17920 states:

> "Enforcement means diligent effort to secure compliance, including review of plans and permit applications, response to complaints, citation of violations, and other legal process."

2) Existing Housing Codes: The regulations governing residential use, maintenance and occupancy for existing buildings are adopted into the California Code of Regulations. These regulations are not considered building standards and are not adopted under the purview of the California Building Standards Commission. The City has adopted the various provisions of the State Housing Law, as set forth in California Health and Safety Code Section 17910 et. seq. and the State Housing Law Regulations as set forth in Title 25 of the California Code of Regulations.

California Health and Safety Code Section 17920.3 defines the conditions that constitute a "substandard building." The substandard housing conditions include:

Inadequate sanitation
Structural hazards
Defective wiring, plumbing and mechanical equipment
Faulty weather protection.

With respect to existing housing, Health and Safety Code Section 17920 states:

> "… enforcement may, but need not, include inspections of existing buildings on which no complaint or permit application has been filed…"

3) Code Enforcement: The Code Enforcement Division works to ensure that the provisions of the City's Municipal Code are followed. The Division's actions are driven by complaints. However, the Division also is proactive when significant issues arise and when the resident's general health, safety and welfare are involved.
The Code Enforcement process typically includes the filing of a complaint with the Code Enforcement Officer, investigation of the complaint and notification to the property owner to correct any violation that does exist. The goal of this process is to obtain voluntary compliance; however, if compliance is not achieved then the City does pursue its available legal remedies.

c. Conclusions and Findings

The California Building Code, as noted, was adopted by reference with only minor variations. The cost of new housing is not adversely impact by the adopted amendments. The City's codes are considered to be the minimum necessary to protect the public health, safety and welfare. The Codes, which are based on the State Housing Law and uniform codes, are adopted by many cities throughout southern California and do not pose a constraint to residential development.

On January 1, 2008, the 2007 California Building Code (which was published in July 2007) will be effective.

3. On-Site and Off-Site Improvement Requirements

a. Guidelines

> *Identify and analyze street widths, curb, gutter, and sidewalk requirements, water and sewer connections, and circulation improvement requirements. Describe any generally applicable level of service standards or mitigation thresholds.*

b. Analysis

Off-street improvements, according to the Zoning Code, refer to the installation or construction of facilities outside the boundaries of a private parcel or lot, such as street paving, curbs and gutters, sidewalks, street trees, street lights, street signs, sewers, utilities and drainage structures.

1) On-Site Improvements: Various on-site improvements are required for new development:

All utility lines installed for new construction are to be placed underground from an existing power pole or other off-site point of connection. This condition can be waived. Single family additions or additions increasing gross floor area less than 25% are exempt.

Underground cable television is to be installed in all new residential development.

All mechanical equipment and all outside storage areas are to be screened from view of public areas and neighboring properties. Single-family additions increasing gross floor area less than 25% are exempt.

All required front and street-side setback areas are to be landscaped.
Two garage spaces, completely enclosed, are required for each single-family dwelling unit. Multiple family units are required to have one completely enclosed garage space per unit, with an additional one-third parking space for each unit with less than two bedrooms and one additional parking space for each unit with two or more bedrooms. Another one-quarter parking space per unit is to be provided for visitors.
Residential planned developments are required to have at least two completely enclosed garage spaces for each unit of less than two bedrooms, and two additional uncovered spaces for each unit with two or more bedrooms.

Two-bedroom apartment units are required to have 2.25 parking spaces with one space completely enclosed in a garage. The requirement for a space to be enclosed adds incrementally to the total production costs of rental housing.

2) Off-Site Improvements: The site improvements that the City requires assures that all of the needed physical components are in place before title transfer occurs. These improvements include:

Street or alley paving/repaving

Sidewalks, curbs and gutters

Street trees

Ornamental street lights

Sewer and drainage facilities

Easements and dedications

Street or ally paving or repaving are not to exceed the area from the centerline to the curb for the length of the lot frontage. Pavement width standards and specifications are

contained in the street standards study. The street standards specifications are similar to those used by Los Angeles County, but generally are less expensive designs.

Sidewalks, curbs and gutters, where required, not to exceed the length of the lot frontage, or the total length of the front and street-side property lines for corner lots. *Sidewalks are not usually required, but when necessary, are usually placed on only one side of the street*.

Curb and gutter specifications are of two types: The vertical curb is designed to specifications of Los Angeles County as detailed in the Los Angeles County Road Department Standards Plans. The alternative curb is a concrete rolled design, as illustrated in the street standards study report.

Street trees, 15-gallon minimum sizes (unless the City specifies a smaller size) at City determined spacing. Trees are placed in the center of the lot's street frontage (1 tree per lot).
Ornamental street lights, per the type and spacing designated for the particular street. Street lights are not usually required, reducing costs while maintaining the rural character of the City as stated in the General Plan.

The Director of Public Works may require sewer and drainage facilities. Also, sewer improvements are only for on-site and then to the hook up point. Drainage improvements are required for all effected downhill areas that would become inadequate with the new development.

Easements and dedications may be needed. This includes street rights-of-way, utility storm drain, and/or school pathway easements, and park recreation land dedication and fees.

The scope (i.e., streets, sidewalks, street trees) of the City's off-site improvement requirements is similar to those of other cities located in Los Angeles County. The standards, in some cases, are based on those of the County of Los Angeles or comparable to those of other cities in Los Angeles County.

c. Conclusions and Findings

The improvement requirements described above have been applied to existing housing as well as all residential developments under construction and approved for development. In summary, most cities in Los Angeles County require more stringent improvements than Rancho Palos Verdes does. It is for these reasons, that the City concludes that the existing on-site improvements required are not a constraint to development, or to the development of affordable housing.

4. Fees and Exactions

a. Guidelines

Identify and analyze permit, development and impact fees (e.g., park, school, open space, parking district, etc.) in-lieu fees, land dedication requirements (e.g., streets, public utility and other right-of-ways, easements, parks, open spaces, etc.) and other exactions imposed on

developers. Describe any contribution or payment required as an authorized precondition for receiving any type of development permit by type of development (i.e., multifamily and single-family).

b. Analysis

1) Fees: Attachment A contains the fee schedule for minor and major Planning applications, school fees, and Building and Safety permit fees. Not every residential development project requires all of these applications. Individually, Planning application fees are not highly expensive. For example:

Conditional Use Permit	$3,432
Environmental Assessment	$1,759
Variance	$1,630
Tentative Parcel Map	$4,033

As evidenced by a recent organization assessment/study ("City of Rancho Palos Verdes Organization Assessment, February 2008", prepared by Management Partners Incorporated), which included an analysis of fees charged by the City, it was determined that Planning application fees cover only about 30% of the cost of services resulting in a tax subsidy to the beneficiaries of these services of nearly $800,000 per year.

Building and Safety fees, which include plan check and permit fees, are more in line with actual costs. The same assessment/study also concluded that Building and Safety Division fees directly related to construction in Rancho Palos Verdes cover most of the cost of related services. These fees have the advantage of being readily comparable to similar fees charged by other jurisdictions. Builders and developers expect fees to be set at cost covering levels and expect service levels consistent with the fee. Therefore, all fees associated with Planning applications and Building and Safety permits do not create a constraint to development of housing.

Dedications and fees associated with on-site and off-site improvements are generally required of new subdivision tracts or parcel maps, not for improvements on existing lots. Such improvements and fees are based on the actual cost of providing needed infrastructure and public services. It is difficult, if not impossible, to estimate these costs on a "typical" development basis. For instance, parkland dedication fees amount to the equivalent of funding needed to provide .014 acre of parkland per dwelling unit (approximately 4 acres of parkland per 1,000 population). The dollar amount of the fee, however, is dependent on both the value of the land involved and the number of units proposed for development. Other improvements, such as roadways or landscaping, are particularly site specific, differing widely from project to project.

Although the fees for "typical" single-family and multi-family developments cannot be computed, the aggregate total fees would represent a small percentage of the cost of new housing in Rancho Palos Verdes. According to the City's Building Official, construction costs range from $250 to $300 per square foot. The reasons for such relatively high construction costs are that geology and expansive soils conditions often require that new construction have deepened footings, grade beams, caissons, removal and compaction of soils and other conditions that drive up costs. In addition, land costs are extremely high in the City. For instance, in 2007, the lowest sales price for a vacant residential lot was $525,000. As a result, the City's fees would represent a very small

percentage of the total cost of new housing, which includes both land and construction costs.

The Palos Verdes Unified School District has established school facility fees. The Palos Verdes Peninsula Unified School District Board of Education has adopted the levying of these fees in accordance with Assembly Bill 2926, Statutes of 1986, State of California. For residential development projects, the fee is $2.63 per square foot. Most of the City (pre-annexation) pays this amount.

The eastside of the City that was annexed in the 1980s pays an amount set by the Los Angeles Unified School District. The fees paid by residential construction are $4.18 per square foot of assessable space. The District allows a reduced fee of $2.63 per square foot for owners and developers of affordable housing.

2) *Exactions*: By definition, an exaction is a large capital improvement included in a project's approval for development (e.g., a park dedication, building a school, etc.). The City does not generally require large-scale capital improvements to be constructed by project applicants. Instead, the City's fees are intended to finance construction of such facilities.

c. Conclusions and Findings

The City concludes that the fees established by the City do pose a constraint to development. Fees for senior housing on the Crestridge RDA-owned site would be more than offset by the fact that the Agency owns this site.

Since the City does not carry out exactions, they are not a constraint to local development.

5. Processing and Permit Procedures

a. Guidelines

> *Identify and analyze the types of permits, discretionary and standard approval procedures, and processing time required for recent residential projects, including all permits applicable to residential development. The element should also identify and analyze any overlay zones (e.g., Community Plan Implementation Zones, Hillside Overlay Zones, Environmentally Sensitive Areas, etc.). The element should identify and analyze the permitted uses in each zone. For example, if the jurisdiction requires a conditional use permit for multifamily housing zone, the element should analyze this permit procedure as a constraint. Other applicable regulations such as landscaping, design review policies, planned districts should also be included. For this analysis, localities should compare the permit and approvals process for a typical single-family subdivision and a typical multifamily project.* [emphasis added]

b. Analysis

1) Types of Permits for Residential Land Uses by Zone District: The Residential Single Family zone districts permit single-family residential buildings, mobile homes and residential care facilities. Uses permitted subject to a conditional use permit include residential care facilities for seven or more persons. Uses permitted in the residential Multiple Family zone districts include single-family and multiple-family residential buildings.

Part 6 provides a more detailed discussion on permit requirements for residential care facilities.

2) Multifamily Rental Housing: The Housing Element Law requires cities to facilitate and encourage the development of multifamily rental housing. More specifically, a housing element should include a review of existing development standards and permit procedures in the zones that allow multifamily housing to identify any constraints to rental housing.

In Rancho Palos Verdes, all multifamily housing sites have been constructed, or are being considered by the City for development. Multifamily rental housing needs will be met for lower income families through the facilities expansion of Crestmont College and through the development of the RDA-Crestridge site. The Crestmont College project – which was completed in December 2008 -- accommodates 20 apartment units.

The RDA-owned Crestridge site, which will be developed for affordable senior housing, was approved by the City Council in March 2009 and will provide 34 new rental housing units that will accommodate the RHNA need for extremely low, very low and low-income housing units. To conduct the required environmental review and entitlements process, the processing time for this project was less than 6 months. To reduce processing time, the environmental review and documentation was completed concurrently with the entitlements.

Lastly, the Highridge Condominium project has been approved and will provide ownership opportunities for qualified lower income households. To conduct the required environmental review and entitlements process, the processing time for this project was 9 months. To reduce processing time, the environmental review and documentation was completed concurrently with the entitlements.

3) Single-Family Housing: In Rancho Palos Verdes, most vacant sites have been constructed, contain geologic hazards (i.e., landslide activity), or have been made part of nature preserves. There is one remaining vacant parcel that may accommodate up to a 76 unit single-family detached residential tract development (Point View), which will be required to comply with the City's inclusionary housing requirements by providing affordable units. There are a limited number of vacant parcels that provide for infill opportunities throughout the City, which will help meet the City's above-moderate construction needs. Another trend for new single-family residential development is "demo-rebuild", where existing single-family residential structures are demolished and rebuilt. This trend, however, does not produce additional housing opportunities as these projects merely replace existing structures.

4) Single-Room Occupancy (SRO) Housing: The Housing Element Law requires cities to facilitate and encourage SRO housing. The City of Rancho Palos Verdes Zoning Code does not define or specify development standards for SROs. According to HUD's HOME Program:

> Single Room Occupancy (SRO) housing means housing consisting of single room dwelling units that is the primary residence of its occupant or occupants. An SRO unit must contain either food preparation or sanitary facilities (it may contain both) if the project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by the tenants.

The City's Housing Program includes an action to identify zones/sites where SRO units are permitted. The action program include a definition of SRO units consistent with State law as well as development standards for this residential use; e.g., site area, unit size and occupancy, kitchen facilities, bathroom facilities, parking, and management.

5) Senior Housing: The City plans to approve senior housing on two vacant sites (which are identified in Table D-1 in Technical Appendix D). California Government Code Section 65008 (the "California Planning and Zoning Law") prohibits, among other things, local governments from enacting or administering zoning laws that would deny housing opportunities because of the "age of the individual or group of individuals." The implication is housing could not be limited to seniors because such housing would deny the enjoyment of a residence by non-seniors.

The City will ensure that its approval of new senior housing will abide by all applicable fair housing laws, including:

> Federal Fair Housing Amendments Act of 1988
> Federal Housing for Older Persons Act of 1995
> California Unruh Ralph Civil Rights Act
> California Office of the Attorney General, Opinion No. 04-704, October 20, 2004 ("a city may adopt a zoning ordinance that limits a specified parcel of land to use as a mobilehome park for senior citizens")

In addition, before the City approves new senior housing, it will obtain the advice and opinion of the Fair Housing Foundation (the city's fair housing services provider).

6) Processing Time: In evaluating processing times, it is important to recognize that the developments processed in the City are both unique and complex. The average processing times of surrounding cities do not reflect projects of the same size, scale and complexity as those in Rancho Palos Verdes. Additionally, the City complies with all requirements of the California State Permit Streamlining Act.

All multi-family zones and housing have been constructed, or are being considered by the City for development. Notwithstanding, however, all new rental multiple-family developments require approval of a residential planned development permit by the Planning Commission only, and do not require approval from the legislative body (i.e.,

the City Council). Since this is a permitted use, no conditional use permit is required, and the scope of review would be the design merits of a project and would not be the residential use itself. Information for such a request requires the submittal of site, floor and elevation plans, and grading plans. Due to the topography and hillside conditions that are prevalent in the City, drainage plans, and soils and geotechnical reports are also required. The processing of entitlements may take up to six months from when the applications are deemed complete.

Those that do require discretionary entitlements can take between 6 to 9 months. As indicated above, the most recently approved multi-family housing projects were completed within this time frame. This shortened timeframe was aided by conducting the environmental analysis and documentation concurrently with the processing of entitlements.

New single family residences, including tear-down rebuilds, that are no taller than 16-feet in height go through a Neighborhood Compatibility (NC) process. The review focuses on the proposed size, architectural style, and setback, and the proposal is reviewed against what is currently in the immediate neighborhood to ensure that the new structure will be compatible with the immediate neighborhood. Due to topography and soils conditions in the City, geotechnical reports must be submitted and approved prior to processing a NC application for a new residence. The process also requires the property owner to construct a silhouette illustrating the location and outline of the proposed residence. Further, the process requires that a notice of the application be mailed to all property owners within a 500-foot radius of the property. This process can take up to 6 months to process, and the decision making body is the Director of Planning.

New residences taller than 16-feet in height must also go through a Height Variation process, which is processed concurrently with the NC process. However, in addition to the review criteria of the NC, the review includes an assessment on view impairment to other residences resulting from the proposed structure, and an analysis on privacy infringement to determine whether the project will infringe upon the adjacent properties. The requirements for processing are the same with regards to geotechnical, silhouetting, and notices, but the process may take up to 9 months to process. The decision making body in these instances is the Planning Commission.

To facilitate review of the construction plans for approved multiple-family and single-family projects and to streamline the issuance of building permits, the City's Building and Safety Division conducts plan check reviews within ten business days of initial submittal and within five business days of resubmittals. Thus, the required entitlements and permits, which do not involve a conditional use permit, and the processing times are not onerous and do not create a constraint to multiple-family and single-family developments.

The average processing times of the City will not pose a constraint to the production of housing during the program period. Technical Appendix D explains that units constructed, under construction including Crestmont College, second units and senior housing to be developed on the RDA-owed site will satisfy the RHNA allocation of 60 housing units.

7) Overlay Zones: Overlay Control Districts, according to the Zoning Code, provide criteria that further reduce potential impacts, which could be directly created or indirectly induced by proposed and existing developments in sensitive areas of the City. These areas have been identified in the General Plan and other studies to be sensitive areas due to unique characteristics contributing significantly to the City's form, appearance, natural setting, and historical and cultural heritage.

The Districts include:

Natural Overlay Control District	OC-1
Socio-Cultural Overlay Control District	OC-2
Urban Appearance Overlay Control District	OC-3
Automotive Service Station Control District	OC-4

The Natural Overlay Control District is established to:

Maintain and enhance land and water areas necessary for the survival of valuable land and marine-based wildlife and vegetation.

Enhance watershed management, control storm drainage and erosion, and control the water quality of both urban runoff and natural water bodies within the City.

The Socio-Cultural Overlay Control District is established to:

Preserve, protect and maintain land and water areas, structures and other improvements which have significant historical, archaeological, or cultural importance; and

Provide for the designation, protection and maintenance of land and water areas and improvements, which may be of unique scientific or educational value.

The Urban Appearance Overlay Control District is established to:

Preserve, protect and maintain land and water areas, structures and other improvements, which are of significant value because of their recreational, aesthetic and scenic qualities.

Preserve, protect and maintain the City's visual character, views and vistas.

Eight sites are affected by the Automotive Service Station Overlay Control District, which is established to encourage service stations to remain in the City. Two of the eight sites have existing service stations and are residentially zoned. Application of the Automotive Overlay Control District does not hinder the City's capacity to meeting the RHNA, as the sites have been developed for numerous years.

None of the four Overlay Districts have been designated on the housing sites identified in Technical Appendix D. Consequently, the Overlay Districts do not constrain or reduce the housing capacity of the sites that are identified as addressing the City's share of the regional housing need.

c. Conclusions and Findings

The City's processing and permit procedures do not pose a constraint to the development of housing that would meet the need for new housing during the planning period. Each remaining site in the City needs careful attention because they are unique in regard to slopes, topography, geology, and other physical and environmental conditions. However, the sites identified in the land inventory (Technical Appendix D) will meet the RHNA allocation of 60 housing units. In fact – in order to meet the RHNA – only the RDA-owned Crestridge site will need to be processed.

6. Constraints on Housing for Disabled Persons

a. Guidelines

> *Analyze potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities and demonstrate local efforts to remove any such constraints*.

More specifically, HCD recommends an analysis -

> *To identify whether the locality has an established reasonable accommodation procedure, review zoning laws, policies, and practices for compliance with fair housing laws; evaluate permits and processing as they affect applications from disabled persons; and review Building Code amendments and practices that might diminish the ability to accommodate persons with disabilities.*

b. Analysis

1) *Reasonable Accommodation Procedure*: HCD recommends the analysis -

> *Identify whether the locality has an established reasonable accommodation procedure and describe how that procedure operates with respect to zoning, permit processing, or building codes, accommodating procedures for the approval of licensed residential care facilities, Fair Housing Amendment Act (FHAA) physical accessibility efforts, and an evaluation of the zoning code for FHAA compliance.*

The City has not adopted a formal procedure for a disabled applicant's request for a reasonable accommodation. Generally, a request for reasonable accommodation may include a modification or exception to the rules, standards and practices for the siting, development and use of housing or housing- related facilities that would eliminate regulatory barriers and provide a person with a disability equal opportunity to housing of their choice.

Attachment C contains information on group homes, local zoning, and importance of adopting a "reasonable accommodation procedure." Attachment C provides additional information specific to a reasonable accommodation procedure.

The Federal Departments' of Justice (DOJ) and Housing and Urban Development (HUD) as well as the California Attorney General all encourage cities to adopt a reasonable accommodation procedure. For example, both DOJ and HUD state that -

> "Local governments are encouraged to provide mechanisms for requesting reasonable accommodations that operate promptly and efficiently, without imposing significant costs or delays. The local government should also make efforts to insure that the availability of such mechanisms is well known within the community."*
>
> *Joint Statement of the Department of Justice and the Department of Housing and Urban Development, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, page 4.

On May 15, 2001 the State Attorney General transmitted a letter to all local governments advising the localities to consider adoption of a reasonable accommodation procedure. In that letter, Attorney General stated:

> "Both the federal Fair Housing Act ('FHA') and the California Fair Employment and Housing Act ('FEHA') impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations and practices when such accommodations 'may be necessary to afford' disabled persons 'an equal opportunity to use and enjoy a dwelling.'"

The City has a Minor Exception Permit that could – if expanded in scope -- allow a streamlined process for approval of reasonable accommodation requests. Minor exceptions to the Zoning Code development standards are allowed where they are warranted by practical difficulties, unnecessary hardships, or results that may be inconsistent with general intent of the Zoning Code. (Chapter 17.66) The Community Development Director may grant minor exception permits authorizing the construction of fences, walls, or hedges and a reduction of any setback and open space requirement by up to 20 percent.

The scope of Minor Exception Permits could be broaden to allow the Community Development Director to approve reasonable accommodation requests made by disabled persons, or representatives of disabled persons. However, the City will adopt a specific reasonable accommodation procedure, as it would directly respond to the issues discussed by DOJ, HUD and the State Attorney General Office.

2) *Zoning and Land Use*: HCD recommends -

> *A review of all zoning laws, policies and practices for compliance with fair housing laws; broaden the definition of family, identify zones allowing licensed residential care facilities including those zones where facilities for seven or more persons are permitted, review siting or separation*

> *requirements for licensed residential care facilities, and residential parking requirements for persons with disabilities.*

a) Definition of Family: In 1980, the California Supreme Court in the City of Santa Barbara v. Adamson struck down a municipal ordinance that permitted any number of *related* people to live in a house in a R1 zone, but limited the number of *unrelated people* who were allowed to do so to five. A group home for individuals with disabilities that functions like a family could be excluded from the R1 zone solely because the residents are *unrelated* by blood, marriage or adoption.

Both State and Federal fair housing laws prohibit definitions of family that either *intentionally* discriminate against people with disabilities or *have the effect* of excluding such individuals from housing. Fair housing laws, for instance, prohibit definitions of family that limit the development and siting of group homes for individuals with disabilities (but not families similarly sized and situated). Such definitions are prohibited because they could have the effective of denying housing opportunities to those who, because of their disability, live in a group setting. The failure to modify the definition of family or make an exception for group homes for people with disabilities may also constitute a refusal to make a reasonable accommodation under the Fair Housing Act.

The City's definition of family is:

> *'Family' means an individual or two or more persons, living together as a single housekeeping unit in a dwelling unit.*

The City's definition of family complies with fair housing laws, as it does not limit the number of persons that occupy a housing unit, does not make a distinction regarding related or unrelated persons living together, does not define family in terms of blood, marriage, or adoption, and emphasizes that a family means a single "housekeeping" unit in a dwelling unit.

The City's definition of a dwelling unit is:

> 'Dwelling unit' means one or more habitable rooms, which are intended or designed to be occupied by a family with facilities for living and the cooking and/or preparation of food.

b) Zones Allowing Residential Care Facilities: In all of the City's single family residential zones, single family day care homes are permitted and:

> "Any other use which specifically is required to be permitted in a single family residential district by state or federal law."

Under California state law, licensed facilities serving six persons or fewer receive special land use protection. California requires that many types of licensed facilities serving six persons or fewer be treated for zoning purposes like single-family homes. Except in extraordinary cases in which even a single-family home requires a conditional use permit, these laws bar conditional use permits for facilities that serve six or fewer persons.

In addition, State law requires that residential care facilities not be defined within the meaning of boarding house, rooming house, institution or home for the care of minors, the aged, or the mentally infirm, foster care home, guest home, rest home, sanitarium, mental hygiene home, or other similar term which implies that a residential facility is business run for profit. The City's Zoning Code does not have definitions for any of these terms.

The land use protection applies to --

> Intermediate care facilities for individuals who have developmental disabilities (Health and Safety Code Section 1267.8)
>
> Residential facilities for persons with disabilities and for abused children (Health and Safety Code Section 1566.3, and Welfare and Institution Code Section 5116)
>
> Residential care facility for the elderly (Health and Safety Code Section 1569.87)
>
> Alcoholism and drug treatment facilities (Health and Safety Code Section 11834.23)
> Residential facilities for persons with chronic life threatening illness (Health and Safety Code Section 1568.0831)*
>
> *Law Offices of Goldfarb & Lipman, *Between the Lines: A Question and Answer Guide on Legal Issues in Supportive Housing*, 1999, pg. 110.

For example, Health and Safety Code Section 11834.23 (Zoning Laws) states:

> Whether or not unrelated persons are living together, an alcoholism or drug abuse recovery or treatment facility, which serves six or fewer persons shall be considered a residential use of property for the purposes of this article. In addition, the residents and operators of such a facility shall be considered a family for the purposes of any law or zoning ordinance which relates to the residential use of property…."

Furthermore:

> "No conditional use permit, zoning variance, or other zoning clearance shall be required of an alcoholism or drug abuse recovery or treatment facility which serves six or fewer persons that is not required *of a single-family residence in the same zone*."
> [emphasis added]

Essentially, identical provisions are stated with regard to a residential facility, which serves six or fewer persons. A residential facility

> "…means any family home, group care facility, or similar facility for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual.

Health and Safety Code Section 1566.3 states:

> "No conditional use permit, zoning variance, or other zoning clearance shall be required of a residential facility which serves six or fewer persons which is not required of a family dwelling of the same type in the same zone."

Further:

> "'family dwelling,' includes, but is not limited to, single-family dwellings, units in multifamily dwellings, including units in duplexes and units in apartment dwellings, mobilehomes, including mobilehomes located in mobilehome parks, units in cooperatives, units in condominiums, units in townhouses, and units in planned developments."

The City's zoning requirements and definitions are consistent with fair housing laws. Although the specific licensed facilities are not listed in the R-1 Zones, any other use required to be permitted by State law is permitted in the single-family zones. The City may consider listing the residential care facilities specifically within the meaning of a "group home." Attachment D provides a sample group home definition.
In the multi-family residential districts, uses permitted include single family and multiple family residential uses. As the paragraph below explains, if single-family homes are permitted in the MF zones, then residential care facilities also need to be permitted.

> "…a licensed group home serving six or fewer residents *must be a permitted use in all residential zones in which a single-family home is permitted* with the same parking requirements, setbacks, design standards, and the like. No conditional use permit, variance, or special permit can be required for these small group homes unless the same permit is required for single-family homes, nor can parking standards be higher, nor can special design standards be imposed." [emphasis added]
>
> (Barbara Kautz, Goldfarb & Lipman LLP, *Select California Laws Relating to Residential Recovery Facilities and Group Homes*, pg. 2, (presented at the Residential Recovery Facilities Conference, Newport Beach, March 2, 2007)

A text amendment will be made to add the following phrase:

> "Any other use which specifically is required to be permitted in a single family residential district by state or federal law."

c) Residential Care Facilities for Seven or More Persons: In the single-family zones, the City requires a conditional use permit for residential care facilities involving seven or more patients. State law -- as the summary below explains -- allows cities to require a conditional use permit for residential care facilities for seven or more persons.

> "Because California law only protects facilities serving six or fewer residents, many cities and counties restrict the location of facilities housing seven or more clients. They may do this by requiring use permits, adopting special parking and other standards for these homes, or

> prohibiting these large facilities outright in certain zoning districts. While this practice may raise fair housing issues, no published California decision prohibits the practice, and analyses of recent State legislation appear to assume that localities can restrict facilities with seven or more clients. Some cases in other federal circuits have found that requiring a conditional use permit for large group homes violates the federal Fair Housing Act. However, the federal Ninth Circuit, whose decisions are binding in California, found that *requiring a conditional use permit for a building atypical in size and bulk for a single-family residence* does not violate the Fair Housing Act.* [emphasis added]
>
> *Barbara Kautz, Goldfarb & Lipman LLP, *Select California Laws Relating to Residential Recovery Facilities and Group Homes*, pg. 3, (presented at the Residential Recovery Facilities Conference, Newport Beach, March 2, 2007)

However, the City would adhere to the DOJ and HUD interpretation of the Fair Housing Act. In this regard, the two Departments state that

> "…because persons with disabilities are entitled to request reasonable accommodations in rules and policies, the group home for seven persons with disabilities would have to be given the opportunity to seek an exception or waiver."

The reasonable accommodation procedure – to be developed and adopted as part of the Housing Program – will make explicit that facilities housing seven or more disabled persons may seek an exception or waiver from the Zoning Code standards through the (to be) adopted reasonable accommodation procedure (not a CUP).

d) Siting or Separation Requirements for Licensed Residential Care Facilities: The City's Zoning Code does not establish siting or separation requirements for the facilities.

Over concentration of certain care homes in a neighborhood is regulated by the State for licensed facilities. Expect for foster homes and elderly care, licenses issued by the Department of Social Services (CDSS) must be a minimum of 300 feet away from any other licensed home (as measured from the outside walls of the house – Health and Safety Code Section 1520.5) If a home is less than the 300 feet, an exemption must be granted by the city, otherwise the license in denied. This 300-foot separation restriction does not apply to licenses issued by the State Department of Alcohol and Drugs for rehabilitation homes.

CDSS must submit any application for a facility covered by the law to the city where the facility will be located. The city may request that the license be denied based on the over concentration or an existing facility (or within 1,000 feet of a congregate living health facility) unless the city approves the application. Even if there is adequate separation between the facilities, a city or county may ask that the license be denied based on over concentration.

These separation requirements apply only to facilities with the same type of license. For instance, a community care facility would not violate the separation requirements even if located next to a drug and alcohol treatment facility.

The DOJ and HUD acknowledge that neighborhoods as well as the disabled may suffer if licensed residential care facilities are over concentrated. The DOJ and HUD offer the following guidance:

> "…if a neighborhood came to be composed largely of group homes, that could adversely affect individuals with disabilities and would be inconsistent with the objective of integrating persons with disabilities into the community. Especially in the licensing and regulatory process, it is appropriate to be concerned about the setting for a group home. A consideration of over-concentration could be considered in this context. This objective does not, however, justify requiring separations which have the effect of foreclosing group homes from locating in entire neighborhoods."
>
> *Joint Statement of the Department of Justice and the Department of Housing and Urban Development, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, page 4.

The City has not adopted a spacing and separation standard.

e) Parking Requirements for Persons with Disabilities: The City's parking standards are established for different uses, not in terms of the occupants of the use. For instance, the City does not have parking standards for single- or multi-family housing occupied by disabled or elderly persons. A parking space reduction, though, may be approved pursuant to the City's affordable housing incentives.

The City recognizes that disabled persons who occupy licensed residential care facilities generate a parking need different from non-disabled persons. For instance, developmentally disabled persons may not have licenses to drive a car. The "reasonable accommodation procedure" will include an opportunity for disabled persons (or their representatives) to request a reduction and/or waiver of parking requirements.

3) Permits and Processing: According to HCD -

> *Issues to evaluate include the process for requesting retrofit for accessibility, ensuring compliance with all State laws regulating permit requirement of licensed residential care facilities with fewer than six persons in single-family zones, and identification of any conditions or use restrictions for licensed residential care facilities with greater than 6 persons or group homes that will be providing services on-site.*

a) Requesting Retrofit for Accessibility: Non-structural retrofits within buildings like adding grab bars, replacing doorknobs with single-lever doorknobs, and exchanging toilets do not require building permits, or City approvals. Structural retrofits like widening doorways or constructing ramps requires a building permit. These requirements are the same for single- and multi-family housing. Tenants residing in apartments must first obtain permission from the owner and/or property manager to make the retrofits.

b) Ensuring Compliance with all State Laws Regulating Requirements for Licensed Residential Care Facilities: As previously mentioned, the City allows - by right - all licensed residential care facilities to be located in single-family residential zones. The

City has several licensed facilities, including Adult Residential Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE). The City does not impose any requirements on these facilities other than those required for single-family homes.

The California Community Care Licensing Division defines these facilities as follows:

> ARFs are facilities of any capacity that provide 24-hour non-medical care for adults ages 18 through 59, who are unable to provide for their own daily needs. Adults may be physically handicapped, developmentally disabled, and/or mentally disabled.
>
> RCFEs provide care and supervision and assistance with activities of daily living, such as bathing and grooming. They may also provide incidental medical services under special care plans. The facilities provide services to persons 60 years of age and over and persons under 60 with compatible needs. RCFEs may also be known as assisted living facilities, retirement homes and board and care homes. The facilities can range in size from six beds or less to over 100 beds. The residents of these facilities require varying levels of personal care and protective supervision.

c) Conditions or Use Restrictions for Licensed Residential Care Facilities with Greater than 6 persons or Group Homes that will be Providing Services On-Site: Apart from requiring a conditional use permit, the City has no other conditions or use restrictions on group homes serving seven or more persons.

4) Building Codes: HCD recommends the analysis -

> *The year of the Uniform Building Code adoption and any amendments that might diminish the ability to accommodate persons with disabilities, identification of adopted universal design elements in the building code, the provision of reasonable accommodation for persons with disabilities in the enforcement of building codes and the issuance of building permits.*

a) Building Code Adoption and Amendments: The City has adopted the 2001 California Building Code (CBC). Due to its unique climatic, topographical and geological characteristics, the City has adopted amendments to the CBC. These amendments include storm damage precautions, fire retardant roofing, specialized foundation requirements, seismic safety requirements, and geological and geotechnical reports for the evaluation and elimination of hazards. None of these amendments affect housing for the disabled.

(The 2007 CBC took effect January 1, 2008.)

b) Universal Design Elements: Although the City has not adopted a “universal design ordinance” this is not deemed a constraint on existing or new housing for disabled persons. The City understands that universal design aims to serve all people of all ages, sizes, and abilities and is applied to all buildings. For instance, a universal design feature is any component of a house that can be used by everyone regardless of his or her level of ability or disability. A feature, for instance, such as no steps at entrances. Or single-lever water controls at all plumbing fixtures and faucets.

California law, section 17959.6 of the Health and Safety Code, requires a builder of new for-sale residential units to provide buyers with a list of specific 'universal design features' which make a home safer and easier to use for persons which are aging or frail, or who have certain temporary or permanent activity limitations or disabilities. A developer is not required to provide the listed features during construction or at any other time, unless the developer has offered to provide a feature and the buyer has requested to and agree to provide payment.

AB 2787 (2002) mandated HCD to develop one or more model ordinances for *voluntary* local government adoption that would establish universal design building standards without a significant impact on housing cost or affordability. After meetings with various stakeholders representing the interests of persons with disabilities, seniors, the building industry, and assistive technology, HCD developed a pair of draft ordinances.
On October 31, 2005, HCD certified and made available the "Model Universal Design Local Ordinance." HCD indicated that the Ordinance might be adopted voluntarily in substantially the same form by any city or county pursuant to Section 17959. Attachment D (page 36) is a Summary of the Voluntary Model Universal Design Ordinance (AB 2787).

The City's enforcement of the Uniform Building Code does not create an impediment to fair housing choice. However, the City may explore the application of universal design features in both existing and new housing.

c) Building Code Reasonable Accommodations: The City, as described earlier, does not have a reasonable accommodation procedure with respect to modifications of zoning development standards. A procedure will be prepared and adopted for building code modifications as well as ones pertaining to zoning.

c. Conclusions and Findings

The City's rules, policies, and standards are consistent with fair housing laws. The City, as previously explained, will develop a reasonable accommodation procedure that encompasses both zoning and building standards. Guidance for developing the procedure will be obtained from disabled persons and advocacy groups. Once adopted, the reasonable accommodation procedure will be explained on the City's website and prominently displayed at both the Planning Division and Building Division counters.

7. Constraints on Meeting Share of Regional Housing Needs

a. Guidelines

The housing element law requires the City to identify and remove any governmental constraints that hinder meeting the community's share of the regional housing need. Moreover, in regulating subdivisions, Government Code Section 65913.2 provides --

> that a local government may not impose design criteria for the purpose of rendering an affordable housing development infeasible. A community may not impose standards and criteria for public improvements (e.g. streets, sewers, schools, or parks) that exceed those imposed on other

developments in similar zones. Additionally, the effect of a community's ordinances and actions on accommodating the housing needs of the region must be considered.

b. Analysis

Sixty housing units have been allocated to the City as its share of the regional housing need (*Regional Housing Needs Assessment*). As explained in part C, through current and proposed actions the City will have sites with sufficient capacity to accommodate the entire regional share need for each income group. Public services and facilities also are adequate or have enough capacity to accommodate new development equivalent to the City's regional share.

c. Conclusions and Findings

In the Housing Program, the City includes an action to encourage and facilitate the development of multifamily units for lower income households by considering parking reductions and the elimination of the garage requirement for projects that address the City's existing and projected need for lower income multifamily or senior housing.

Attachment A
City Fees
and
School District Fees

RANCHO PALOS VERDES

FEE SCHEDULE
DEPARTMENT OF PLANNING, BUILDING AND CODE ENFORCEMENT

ADOPTED JUNE 5, 2007 / EFFECTIVE DATE AUGUST 6, 2007
CITY COUNCIL RESOLUTION NO. 2007-64

PLANNING APPLICATION	FEE
Affordable Housing Feasibility Analysis	Trust Deposit
Amendments (Initiation) - General Plan, Local Coastal Plan, Specific Plan, Zoning Map, or Code Language	$472.00
Amendments (Process) - General Plan, Local Coastal Plan, Specific Plan, Zoning Map, or Code Language	Trust Deposit
Application Appeal	$1,344.00
Business License/Home Occupation Permit	$17.00
Certificate of Compliance	Trust Deposit
Coastal Permit (Appealable / Planning Commission Review)*	$411.00
Coastal Permit (Non-Appealable / Planning Commission Review)*	$257.00
Coastal Permit (Appealable / Staff Review)*	$829.00
Coastal Permit (Non-Appealable / Staff Review)*	$672.00
Conditional Use Permit (New)	$3,432.00
Conditional Use Permit (Revision)	$858.00
Covenant Processing / Termination	$50.00
Density Bonus Request	Trust Deposit
Encroachment Permit	$1,001.00
Environmental Assessment (Initial Study / Negative Declaration)	$1,759.00
Environment Assessment (EIR)	Trust Deposit
Exotic Animal Permit	$251.00
Extreme Slope Permit	$586.00

PLANNING APPLICATION		FEE
Fence, Wall, and Hedge Permit		$443.00
Foliage Analysis		$157.00
Geologic Investigation Permit		$100.00
Geologic Review**	Category 1 (Geologic Site Inspection)	$200.00
	Category 2 (Geologic Report Review)	$1,300.00
	Category 3 (Geologic Planning Review)	$1,500.00
	Category 4 (Resubmitted Geologic Report Review)	$300.00
	Category 5 (Additional Service)	Trust Deposit
Grading Plan Review (Minor)***		$279.00
Grading Plan Review (Major / Staff Review)***		$558.00
Grading Plan Review (Major / Planning Commission Review)***		$1,058.00
Height Variation Permit***		$1,802.00
Landscape Plan Review / Site Inspection		$343.00
Landslide Moratorium Exception		$699.00
Landslide Moratorium Exclusion		Trust Deposit
Large Family Day Care Permit		$586.00
Lot Line Adjustment		$615.00
Minor Exception Permit		$458.00
Miscellaneous Hearing		$372.00
Neighborhood Compatibility Analysis		$1,298.00
Non-Commercial Amateur Antenna Permit		$347.00
NPDES (Drainage) Review Fee	100+ Residential Dwelling Units	$1,578.00
	55-99 Residential Dwelling Units	$1,060.00
	10-49 Residential Dwelling Units	$733.00
	1 Acre or more Industrial/Commercial Project	$684.00

PLANNING APPLICATION		FEE
NPDES (Drainage) Review Fee	Auto Repair Facility	$427.00
	Retail Gasoline Outlet	$370.00
	Restaurant	$334.00
	Outdoor Animal Care, Confinement or Slaughter	$427.00
	Parking Lots with 25 Spaces of 5,000 ft²	$334.00
	Hillside Projects: A) Less than an acre B) One acre or greater	 $170.00 $334.00
	Vehicle/Equipment Maintenance/Wash/Repair/or Fueling Areas	$427.00
	Commercial or Industrial Waste Handling	$684.00
	Outdoor Handling or Storage of Hazardous Materials	$684.00
	Outdoor Manufacturing Areas	$512.00
	Outdoor Food Handling or Processing	$512.00
	Outdoor Horticulture Activities	$363.00
	Projects over 2,500 ft² and located in, adjacent to, or discharging directly to an environmentally sensitive area: A) Single Family Home B) All others	 $340.00 $419.00
	Cont. storm water pollution prevention plan check	$944 + $0.154 per 100 ft² over 1 acre
Parcel Map (Tentative)		$4,033.00
Parcel Map (Final)		$715.00
Parking Lot Permit		$251.00
Planning Certification Letter		$157.00
Radius Map Fee		$44.00
Reversion to Acreage		$393.00
Sign Permit (Temporary)		$93.00
Sign Permit (Permanent)		$157.00
Sign Permit (Master Sign Program / Planning Commission Review)		$772.00

PLANNING APPLICATION	FEE
Site Plan Review (Minor)	$64.00
Site Plan Review (Major)***	$157.00
Site Plan Review (Antenna)	$157.00
Special Animal Permit (Large Domestic Animal)	$967.00
Special Construction Permit	$167.00
Special Use Permit	$658.00
Temporary Vendor Permit	$93.00
Time Extensions	$143.00
Tract Map (Tentative)	Trust Deposit
Tract Map (Final)	Trust Deposit
Use / Interpretation Procedure	$543.00
Variance	$1,630.00
VIEW RESTORATION APPLICATION FEES	
City Tree Review Permit	$220.00
View Restoration Permit Processing Fee	$2,822.00
View Restoration Permit Follow-up Fee	$455.00
Site Visit Fee (View Owner)	$189.00
Noncompliance Fine (Foliage Owner)	$330.00
Extra Mediation Meeting Fee	$220.00
MISCELLANEOUS PLANNING RELATED FEES	
Data Entry (Per Application and/or Permit)	$3.96
Historical Data Entry (One Time Fee Per Property)	$17.16
Document Printing (Per Page Copied)	$0.22
Penalty Fee (After-the-Fact)	Double the Application Fee
Revisions / Amendments	½ the Filing Fee or Trust Deposit

Footnotes:

* If an appealable / nonappealable Coastal Permit is filed in conjunction with other applications for concurrent review by the Planning Commission, the Coastal Permit Fee shall be ½ the established fee adopted by City Council Resolution.

** Geologic services are performed by the City's Consultant and fees are based on the associated contract amount.

*** Neighborhood Compatibility Fee, Foliage Analysis Fee, and Trust Deposit Fees are additional fees to be assessed when applicable.

ADDITIONAL SERVICES FOR WHICH A FEE HAS NOT BEEN ESTABLISHED SHALL BE CHARGED AT THE CITY'S FULLY BURDENED RATE THROUGH THE ESTABLISHMENT OF A TRUST DEPOSIT ACCOUNT.

PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT

3801 Via La Selva, Palos Verdes Estates, CA 90274
310.378-9966 ext. 226

NOTICE TO DEVELOPERS

BUILDING FEE INFORMATION

General Information

This information sheet briefly explains the levy and collection of school facility fees on residential, commercial, and industrial development and construction. The Palos Verdes Peninsula Unified School District Board of Education has adopted the levying of these fees in accordance with Assembly Bill 2926, Statutes of 1986, State of California.

Effective June 26, 2006, school fees will be imposed on development and construction projects within the boundaries of the Palos Verdes Peninsula Unified School District for the purpose of construction or reconstruction of school facilities:

Residential	$2.63 per square foot
Commercial/ Industrial	$0.42 per square foot
Commercial/ Industrial - Hotel/Motel	$0.237 per square foot

These fees have been established by the State Allocation Board effective January 1, 1987, and are subject to annual changes as determined by the State Allocation Board.

County and City Building Departments may not issue building permits for covered or enclosed space in commercial/industrial construction or habitable area in residential construction until the Palos Verdes Peninsula Unified School District certifies that the developer fees have been paid.

A **"Certification of Compliance/Payment of Developer Fees"** form must be prepared by the developer/owner, the fees must be paid, and the school district must verify the form before the respective City/County Building Department will issue a building permit.

Attached please find the Developer Fee Payment Procedure and the **"Certification of Compliance/Payment of Developer Fees"** form.

Fee Payment

Fees are payable to the PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT at the Valmonte Administration Center, Business Office located at 3801 Via La Selva, Palos Verdes Estates, CA 90274, between the hours of 8:00 a.m. and 4:00 p.m.

ACCEPTABLE PAYMENT shall be in the form of **CASH, MONEY ORDER, CASHIER'S CHECK, CERTIFIED CHECK, OR SAVINGS & LOAN ASSOCIATION CHECK FOR FEES OVER $1,000.00. NO EXCEPTIONS. The Homeowner's personal check is acceptable for fees that are less than $1,000.00.**

If you have any questions regarding the fee or need help in completing the form, please telephone 310.378-9966 ext. 226, between the hours of 8:00 a.m. and 4:00 p.m.

Thank you.

In accordance with Government Code Sections 65995.5 and 65995.6

The Developer Fee Rates Within

The Los Angeles Unified School District

Are As Follows:

Construction Project Type	Rate Per Square Foot	
Residential	$4.18	per square foot of assessable space Effective October 23, 2007 - October 22, 2008
Commercial / Industrial	$0.42	per square foot of chargeable and enclosed space
Self-Storage	$0.28	per square foot
Parking Structure	$0.09	per square foot

Property owners and developers building affordable housing units should contact the Los Angeles Unified School District's Developer Fee Program Office to obtain information regarding the eligibility requirements for the reduced affordable housing Level 1 rate of $2.63 per square foot.

Developer Fee Program Office
Tel. (213) 743-3670 / Fax (213) 746-3648

Attachment B
Joint Statement of the Department of Justice and
the Department of Housing and Urban Development
Group Homes, Local Land Use, and the Fair Housing Act
August 18, 1999

The DOJ and HUD in August 1999 issued a Joint Statement pertaining to several issues on housing for the disabled. Group homes and local procedures to consider requests for reasonable accommodations were among the issues addressed in the Joint Statement. Below is a summary of the Joint Statement.

> "…the term 'group home' refers to housing occupied by groups of unrelated individuals with disabilities. Sometimes, but not always, housing is provided by organizations that also offer services for individuals with disabilities living in the group home. Sometimes it is this group home operator, rather than the individuals who live in the home, that interacts with local government in seeking permits and making requests for reasonable accommodations on behalf of those individuals.
>
> "The term 'group home' is also sometimes applied to any group of unrelated persons who live together in a dwelling – such as a group of students who voluntarily agree to share the rent on a house. The Act does not generally affect the ability of local governments to regulate housing of this kind, as long as they do not discriminate against residents on the basis of race, color, national origin, religion, sex, handicap (disability) or familial status (families with minor children).
>
> "The Fair Housing Act prohibits discrimination on the basis of handicap. "Handicap" has the same legal meaning as the term "disability." Persons with disabilities (handicaps) are individuals with physical or mental impairments that substantially limit one or more major life activities. The term physical or mental impairment may include conditions such as blindness, hearing impairment, mobility impairment, HIV infection, mental retardation, alcoholism, drug addiction, chronic fatigue, learning disability, head injury, and mental illness. The term major life activity may include seeing, hearing, walking, breathing, performing manual tasks, caring for oneself, learning, speaking, or working.
>
> "Local zoning and land use laws that treat groups of unrelated persons with disabilities less favorably than similar groups of unrelated persons without disabilities violate the Fair Housing Act. For example, suppose a city's zoning ordinance defines "family" to include up to six unrelated persons living together as a household unit, and gives such a group of unrelated persons the right to live in any zoning district without special permission. If that ordinance also disallows a group home for six or fewer people with disabilities in a certain district or requires this home to seek a use permit, such requirements would conflict with the Fair Housing Act. The ordinance treats persons with disabilities worse than persons without disabilities."

"A local government may generally restrict the ability of groups of unrelated persons to live together as long as the restrictions are imposed on all such groups. Thus, in the case where a family is defined to include up to six unrelated people, an ordinance would not, on its face, violate the Act if a group home of seven unrelated people with disabilities was not allowed to locate in single-family zoned neighborhood, because a group of seven unrelated people without disabilities would also not be allowed."

"As a general rule, the Fair Housing Act makes it unlawful to refuse to make 'reasonable accommodations' (modifications or exceptions) to rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use or enjoy a dwelling.

"Even though a zoning ordinance imposes on group homes the same restrictions it imposes on other groups of unrelated people, a local government may be required, in individual cases and when requested to do so, to grant a reasonable accommodation to a group home for persons with disabilities. For example, it may be a reasonable accommodation to waive a setback required so that a paved path of travel can be provided to residents who have mobility impairments. A similar waiver might not be required for a different type of group home where residents do not have difficulty negotiating steps and do not need a setback in order to have an equal opportunity to use and enjoy a dwelling.

"Where a local zoning scheme specifies procedures for seeking a departure from the general rule, courts have decided, and the Department of Justice and HUD agree, that these procedures must ordinarily be followed. If no procedure is specified, persons with disabilities may, nevertheless, request a reasonable accommodation in some other way, and a local government is obligated to grant it if it meets the criteria discussed above. A local government's failure to respond to a request for reasonable accommodation or an inordinate delay in responding could also violate the Act.

"Whether a procedure for requesting accommodations is provided or not, if local government officials have previously made statements or otherwise indicated that an application would not receive fair consideration, or if the procedure itself is discriminatory, then the individuals with disabilities living in a group home (and/or operator) might be able to go to court to request an order for an accommodation.

"Local governments are encouraged to provide mechanisms for requesting reasonable accommodations that operate promptly and efficiently, without imposing significant costs or delays. The local government should also make efforts to insure that the availability of such mechanisms is well known within the community."*

*Joint Statement of the Department of Justice and the Department of Housing and Urban Development, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, pages 2, 3 and 4.

Attachment C
Background Material – Reasonable Accommodation Procedure

State of California Guidance -- Office of the Attorney General

On May 15, 2001 the State Attorney General transmitted a letter to all local governments advising the localities to consider adoption of a reasonable accommodation procedure. In that letter, Attorney General stated:

> "Both the federal Fair Housing Act ('FHA') and the California Fair Employment and Housing Act ('FEHA') impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations and practices when such accommodations 'may be necessary to afford' disabled persons 'an equal opportunity to use and enjoy a dwelling.'"

Many jurisdictions currently handle requests for relief from the zoning ordinance through variance or conditional use permits. The Attorney General also remarked that:

> "…the criteria for determining whether to grant a variance or conditional use permit typically differ from those which govern the determination whether a requested accommodation is reasonable within the meaning of fair housing laws.
>
> "Thus, municipalities relying upon these alternative procedures have found themselves in the position of having refused to approve a project as a result of considerations which, while sufficient to justify the refusal under the criteria applicable to grant of a variance or conditional use permit, were insufficient to justify the denial when judged in light of the fair housing laws' reasonable accommodations mandate."

The Attorney General also stated that the variance and conditional use permit procedures – with their different governing criteria – serve to encourage community opposition to projects housing the disabled. The Attorney General then wrote:

> "Yet this is the very type of opposition that, for example, the typical conditional use permit procedure, with its general health, safety and welfare standard, would seem rather predictably to invite, whereas a procedure conducted pursuant to the more focused criteria applicable to the reasonable accommodation determination would not."

Definitions of Reasonable Accommodation Procedure

One city has defined the purpose of this procedure as:

> "Codification of a formal procedure for persons with disabilities seeking equal access to housing to request reasonable accommodation in the application of the City's land use regulations, and establishment of relevant criteria to be used when considering such requests to ensure

> prompt, fair and efficient handling of such requests in accordance with the fair housing laws' reasonable accommodation mandate."

Another city has defined this procedure as follows:

> "It is the purpose of this chapter, in compliance with the Fair Housing Laws, to provide a procedure to evaluate requests for reasonable accommodation related to specific applications of the zoning law in order to assure that no person is discriminated against because of race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income, or ancestry by being denied an equal opportunity to use and enjoy a dwelling and to authorize the application of exceptions to the zoning law if warranted."

Factors Considered In Evaluating a Request for a Reasonable Accommodation

A request for a fair housing reasonable accommodation considers the following factors:

> Is the housing, which is the subject of the request for reasonable accommodation, to be used by an individual protected under fair housing laws?
>
> Is the request for reasonable accommodation necessary to make specific housing available to an individual protected under fair housing laws?
>
> Will the requested accommodation impose an undue financial or administrative burden on the jurisdiction?
>
> Will the requested accommodation require a fundamental alteration in the zoning code?

If the applicant establishes protection under the law and that the requested accommodation is necessary, then the accommodation must be provided unless a city can present evidence that doing so would either create an undue burden or result in a fundamental alteration of the code. Many requests for accommodation involve a modification or waiver of a regulation or procedure. This accommodation would be a request for non-enforcement of a rule and, therefore, not create an undue burden.

In addition to not imposing an undue financial or administrative burden, a reasonable accommodation must also not result in the "fundamental alteration" in the nature of a zoning program. In the land use and zoning context, "fundamental alteration in the nature of the program" means an alteration so far reaching that it would change the essential zoning scheme of a municipality. In most instances, granting a request to modify or waive a zoning policy or procedure does not result in a fundamental alteration in the nature of a program.

Attachment D
Sample Group Home Definition

Group care home. A residential care facility licensed or supervised by any federal, state, or local agency, which provides housing and nonmedical care for children, elderly persons, or physically and mentally handicapped persons in a family-like environment.

Group care homes include the following:

(a) An intermediate care facility, developmentally disabled habilitative and intermediate care facility/developmentally disabled-nursing or a congregate living facility as identified in state of California Health and Safety Code section 1267.8;

(b) A community care facility as identified in state of California Health and Safety Code section 1566.3;

(c) A residential care facility for the elderly as identified in state of California Health and Safety Code section 1569.85;

(d) An alcoholism or drug abuse recovery or treatment facility as identified in state of California Health and Safety Code section 11834.02;

(e) A home for the care of mentally disordered or otherwise handicapped persons as identified in state of California Welfare and Institutions Code section 5116;

(f) A home for the care of dependent and neglected children as identified in the state of California Welfare and Institutions Code section 300, but not including wards of the court as identified in the state of California Welfare and Institutions Code section 601ff.

Group care home does not include homeless shelters, half-way houses for parolees or convicted persons, or living groups as defined in this chapter.

Attachment E
Summary of Voluntary Model Universal Design Ordinance
(AB 2787)

Assembly Bill 2787 (Chapter 726 of Statutes of 2002) adopted Section 17959 of the Health & Safety Code. This law required HCD to develop and certify one or more model universal design ordinances applicable to new construction and alterations for voluntary adoption by local governments.

The Department's model ordinance identifies rooms and denotes features which must be offered by a builder in residential units subject to the ordinance that are being newly-constructed or substantially rehabilitated but only installed if requested by the buyer/owner and which would not cause an unreasonable delay or significant un-reimbursable costs to the developer or builder. In general, the model ordinance provides:

Definitions for critical terms
Local option as to types of units (owner-occupied and/or rental), and number of units
Specific exemptions and enforcement mechanisms

Examples of rooms and areas for which it is mandatory to offer certain design features:

Accessible path of travel to dwelling
32" wide interior doors
Handrail and handrail reinforcement in hallways
Entry door high/low peephole viewer
Doorbell at 48" maximum height in accessible location (36")
Switches and outlets at 15" to 48" above the floor
Rocker light switches
Closet rods and shelves adjustable from 3' to 5-6" high
Up to 42" wide hallway

Bathrooms/Powder Room

At least one bathroom or powder room on the primary entry level
Grab bars and grab bar backing in walls
30" X 48" clear space at fixtures
Lavatory with lever faucet controls
Removable base cabinets or open lavatory with knee space and protection panel
Clear space for a 48" to 60" diameter circle
Accessible bathtub or roll-in shower
Hand-held adjustable showerhead

Kitchen on the primary entry level

Accessible route to the kitchen
30" X 48" clear space at appliances
Removable base cabinets at sink
30" X 48" clear space at sink
Lever controls at kitchen sink faucet
Switches and outlets at 15" to 48" above the floor
18" counter or breadboard for clear work area

A. EXECUTIVE SUMMARY

1. Overview

For purposes of providing guidance to cities, HCD has offered the following advice:

> *Although nongovernmental constraints are primarily market driven and generally outside direct government control, localities can significantly influence and offset the negative impact of nongovernmental constraints through responsive programs and policies. Analyzing specific housing cost components including the cost of land, construction costs, and the availability of financing assists the locality in developing and implementing housing and land-use programs that respond to existing local or regional conditions. While the price of new housing depends on some factors beyond a locality's control, local governments can create essential site preconditions (favorable zoning and development standards, fast track permit processing, etc.) that encourage and facilitate development of a variety of housing types and prices.*
>
> (State Department of Housing and Community Development, *Housing Element Questions & Answers*, October 2006, page 34.)

Per State law, the non-governmental factors that must be analyzed are:

- Availability of financing
- Price of land
- Cost of construction

In addition, the analysis includes the cost of existing and new housing, as well as monthly rental housing costs.

2. Summary of Non-Governmental Constraints

a. Affordable Housing Costs

Land, construction and financing costs each contribute to establishing the minimum costs to produce housing.

Financing costs have been at historic lows for several years and are still at low levels compared to the interest rates prevailing in the 1970s, 1980s and 1990s.

In Rancho Palos Verdes, as well as other southern California cities, land costs *alone* and construction costs *alone* exceed the housing costs "affordable" to lower income households. What this means is that the private housing market cannot produce new rental or ownership housing within the means of lower income households.

Basically, the dollar amount that can be expended on housing is far below what it takes to produce new housing. Economists refer to this fact as "ineffective demand" – a demand too weak to make new housing production feasible for certain income groups.

State and Federal laws define "lower" income and stipulate the monthly costs that are "affordable" for this income group. "Affordable" housing costs for lower income households are determined by four factors:

- Household income ceilings (which vary by household size)
- Gross monthly housing costs (as set forth by State and Federal housing programs)
- Expenses subtracted from the gross monthly housing costs
- Net monthly income available for contract rent or a loan payment

Attachment A explains how affordable housing costs are computed and the payments and expenses subtracted from the gross monthly affordable housing costs. After these expenses and payments are deducted, the net monthly affordable costs equal about 60% to 70% of the gross costs. Tables C-1 and C-2 indicate the *gross* monthly costs affordable to renter and owners in the extremely low, very low, and lower income groups.

Table C-1
Los Angeles County
Affordable *Gross* Monthly Rents
By Income Group and Number of Bedrooms

	Number of Bedrooms					
Income Group	0	1	2	3	4	5
Extremely Low	$297	$339	$382	$424	$458	$491
Very Low	$495	$565	$636	$706	$763	$819
Lower	$594	$678	$764	$848	$915	$983

Note: Where necessary gross monthly rents are rounded.
Source: Stradling Yocca Carlson & Rauth*, 2007 Los Angeles County Affordable Housing Worksheet*.
Table construction by Castañeda & Associates

Table C-2
Los Angeles County
Affordable Gross Monthly Housing Costs for Ownership Housing
By Income Group and Number of Bedrooms

	Number of Bedrooms					
Income Group	0	1	2	3	4	5
Extremely Low	$297	$339	$382	$424	$458	$491
Very Low	$495	$565	$636	$706	$763	$819
Lower	$693	$791	$891	$989	$1,068	$1,146

Note: Where necessary gross housing costs are rounded. The gross housing costs for renters and owners are the same except for the "lower" income group. Affordable housing costs are calculated at 60% of Area Median Income for renters and 70% for owners.
Source: Stradling Yocca Carlson & Rauth*, 2007 Los Angeles County Affordable Housing Worksheet*.
Table construction by Castañeda & Associates

b. Availability of Financing

Financing has been readily available until early 2007. Because of the large number of southern California owners defaulting on subprime loans and the number of foreclosed homes, financing is not as available as it was prior to these two events. The number of approved loans also has dropped as mortgage loan standards have tightened, including the unavailability of 100% financing, the need for larger down payments, verified income, and a requirement for a solid credit history including high FICO scores.

As a result, the loan denial rates reported on Tables C-3 and C-4 should be interpreted with some caution. In part, the denial rates reflect periods of both easy credit approvals and financing and the start of more stringent standards in mid-2006. The numbers of City homeowners with notices of default is unknown at this time, as is the number of foreclosed properties.

For borrowers with a solid credit history, savings to pay a 20% down payment and good income, financing is still available at reasonable interest rates. Fixed rate, 30-year loans are available for interest rates in the range of 6.0 to 6.5%. However, "jumbo" loans more than $417,000 have higher interest rates.

c. Price of Land

Vacant land, which means lots, is extremely scarce in the City. From January 1, 2006 through the third quarter of 2007, a total of 15 lots sold. The lot sizes ranged from 9,100 square feet, up to almost 4.5 acres and were most likely sold for the construction of a single-family dwelling. The lot costs exceed the costs affordable by lower income households.

d. Cost of Construction

The cost of construction varies considerably due to several factors including the quality of construction. According to the City's Building Official, construction costs range from $250 to $300 per square foot. The reasons for such relatively high construction costs are that geology and expansive soils conditions often require that new construction have deepened footings, grade beams, caissons, removal and compaction of soils and other conditions that drive up costs. In addition, land costs are extremely high in the City. For instance, in 2007, the lowest sales price for a vacant residential lot was $525,000.

Consequently, the cost of construction often – if not always – exceeds the total housing costs affordable by lower income households.

B. NON-GOVERNMENTAL HOUSING CONSTRAINTS

1. Availability of Financing

a. Guidelines

HCD guidance on this nongovernmental factor states:

> *This analysis could indicate whether mortgage deficient areas or underserved groups exist in the community.*

> *A lack of, or limited access to, take out (new construction, rehabilitation, and/or permanent (mortgage) financing could be addressed through responsive housing finance programs such as mortgage revenue bonding, a mortgage credit certificate program, use of tax credits, first time homebuyer and down payment assistance programs, and/or targeted low-interest CDBG or HOME rehabilitation loans.*
>
> (The italicized text is guidance provided by the State Department of Housing and Community Development in *Housing Element Questions and Answers*, October 2006, pg. 35.)

b. Analysis

1) HMDA Data: HCD has advised cities that an understanding of the geographic areas and or groups without sufficient access to credit will help localities to design programs to address known deficiencies. The information that helps most to understand the geographic areas served by credit is the Home Mortgage Disclosure Act or HMDA data.

HMDA requires lenders to disclose the number, amount, and census tract location of mortgage and home improvement loan applications. The HMDA data encompasses lender activity for conventional, FHA, home improvement loans and refinancing loans. The data identifies five types of action taken on a loan application: loan originated, application approved by the lender and not accepted by the applicant, application withdrawn, file closed for incompleteness and application denied.

The 2005 and 2006 denial rates were computed using HMDA data based on the applications that went completely through the underwriting process because a denial could not be made on withdrawn or incomplete applications. Therefore, the denial rate is based on the number of loans denied as a percentage of loans originated + applications approved but not accepted + applications denied.

According to the both 2005 and 2006 HMDA data, there were no FHA loans reported. This is not surprising because Rancho Palos Verdes housing prices exceed the maximum FHA loan limit for single-family dwellings, which in 2007 is $362,790.

2) Conventional Loan Applications: The number of conventional loan applications was 870 and 798 in 2005 and 2006, respectively. In 2005, 143 of 870 loan applications were denied – 16.44%. In 2006, 184 of 798 loan applications were denied – 23.06%. Both the number and percentage of denied conventional loan applications increased.

In 2005 and 2006, the number of loan applications on a census tract basis ranged from the low 20s to more than 160. In 2005, the census tracts with the highest denial rates were 6707.02 and 6704.14. In 2006, the census tracts with the highest denial rates (6707.01 and 6706.00) differed from those in 2005. This finding is important because it means that the same census tracts (geographic areas) do not consistently have the highest loan denial rates. Refer to Tables C-3 and C-4. Exhibit C-1 on page C-9 shows the census tract boundaries.

3) Refi Loan Loan Applications: The number of refi loan applications was 1,722 and 1,418 in 2005 and 2006, respectively. In both time periods, homeowners residing in Census Tract 6707.01 made the highest number of loan applications. Perhaps reflecting tighter credit standards, the re-fi denial rates for the entire City increased from 18.58% in 2005 to 22.85% in 2006. The highest re-fi denial rates were loan applicants residing in Census Tract 6707.02 in 2005 and 6704.05 in 2006. That is, different census tracts had the highest denial rates in 2005 and 2006.

4) Home Improvement Loan Applications: Usually, home improvement loan applicants experience the highest loan denial rates. In Rancho Palos Verdes, there are few home improvement loan applicants compared to conventional and refi would be borrowers. Ironically, the two Census Tracts that had no applications denied in 2005, had the highest denial rates in 2006. Occasionally, it is helpful to focus improvement programs in neighborhoods with high denial rates. The City may consider focusing efforts and/or having lenders refer denied applicants to the City's programs.

*5) Reasons for Conventional Loan Denial*s: Data on "reasons" is available only for the entire Los Angeles County area. Table C-5 shows the nine reasons for a loan denial. Unfortunately, the largest category is "other." For the known reasons, "credit history" and "unverifiable information" are the two highest reasons a lender gives for denying a conventional loan application. Downpayment assistance programs may be of help to applicants who are denied because of "debt-to-income ratios," "lack of collateral," and "insufficient cash." It seems unlikely that the City can develop programs to overcome the other denial reasons.

*6) Reasons for Home Improvement Loan Denial*s: Table C-6 shows the nine reasons for a home improvement loan denial. For the known reasons, "credit history" and "debt-to-income" are the two highest reasons a lender gives for denying a home improvement loan application. The City's Housing Improvement Program can assist some of these denied applicants through grants and deferred loans. These grants and deferred loans would not increase an applicant's debt-to-income ratio. In addition, the City can be somewhat more lenient than a private lender insofar as past credit history.

Table C-3
City of Rancho Palos Verdes
Loan Denial Rates by Census Tract – 2005

	6704.03	6704.05	6704.07	6704.11	6704.13	6704.14	6706.00	6707.01	6707.02	Total
Median Income as % of MSA	229%	254%	178%	220%	217%	257%	280%	187%	259%	
Minorities as % of Tract Population	38%	35%	51%	35%	47%	45%	32%	33%	22%	
Home Purchase Loans										
Conventional										
Loan Originated	17	39	84	56	58	57	111	100	86	608
Application Approved, Not Accepted	4	8	15	9	14	10	23	24	12	119
Application Denied	5	9	14	9	4	24	27	23	28	143
Total Applications	26	56	113	74	76	91	161	147	126	870
Percent Denied	19.23%	16.07%	12.39%	12.16%	5.26%	26.37%	16.77%	15.65%	22.22%	16.44%
Refinance										
Loan Originated	64	54	124	125	121	98	187	249	180	1,202
Application Approved, Not Accepted	6	6	23	24	20	11	34	35	41	200
Application Denied	12	14	41	32	19	20	55	62	65	320
Total Applications	82	74	188	181	160	129	276	346	286	1,722
Percent Denied	14.63%	18.92%	21.81%	17.68%	11.88%	15.50%	19.93%	17.92%	22.73%	18.58%
Home Improvement										
Loan Originated	5	7	8	16	23	11	28	31	27	156
Application Approved, Not Accepted	1	2	1	3	2	0	3	3	2	17
Application Denied	0	1	2	6	1	0	10	13	7	40
Total Applications	6	10	11	25	26	11	41	47	36	213
Percent Denied	0.00%	10.00%	18.18%	24.00%	3.85%	0.00%	24.39%	27.66%	19.44%	18.78%
Total Applications	114	140	312	280	262	231	478	540	448	2,805
Percent Denied	14.91%	17.14%	18.27%	16.79%	9.16%	19.05%	19.25%	18.15%	22.32%	17.93%

Source: Federal Financial Institutions Examination Council, "Aggregate Table 1: Home Mortgage Disclosure Act, "Disposition of Loan Applications by Location of Property and Type of Loan", 2005.
Table construction by Castañeda & Associates

Table C-4
City of Rancho Palos Verdes
Loan Denial Rates by Census Tract – 2006

	6704.03	6704.05	6704.07	6704.11	6704.13	6704.14	6706.00	6707.01	6707.02	Total
Median Income as % of MSA	229%	254%	178%	220%	217%	257%	280%	187%	259%	
Minorities as % of Tract Population	38%	35%	51%	35%	47%	45%	32%	33%	22%	
Home Purchase Loans										
Conventional										
Loan Originated	21	36	68	60	56	28	79	100	62	510
Application Approved, Not Accepted	4	14	10	6	4	8	22	22	14	104
Application Denied	1	15	14	15	15	10	47	44	23	184
Total Applications	26	65	92	81	75	46	148	166	99	798
Percent Denied	3.85%	23.08%	15.22%	18.52%	20.00%	21.74%	31.76%	26.51%	23.23%	23.06%
Refinance										
Loan Originated	42	50	94	84	79	80	144	196	131	900
Application Approved, Not Accepted	8	14	16	28	16	13	26	47	26	194
Application Denied	12	32	36	24	28	36	49	48	59	324
Total Applications	62	96	146	136	123	129	219	291	216	1,418
Percent Denied	19.35%	33.33%	24.66%	17.65%	22.76%	27.91%	22.37%	16.49%	27.31%	22.85%
Home Improvement										
Loan Originated	3	6	10	12	9	6	18	23	17	104
Application Approved, Not Accepted	0	2	0	6	1	1	5	7	4	26
Application Denied	3	2	3	4	4	4	5	7	5	37
Total Applications	6	10	13	22	14	11	28	37	26	167
Percent Denied	50.00%	20.00%	23.08%	18.18%	28.57%	36.36%	17.86%	18.92%	19.23%	22.16%
Total Applications	94	171	251	239	212	186	395	494	341	2,383
Percent Denied	17.02%	28.65%	21.12%	17.99%	22.17%	26.88%	25.57%	20.04%	25.51%	22.87%

Source: Federal Financial Institutions Examination Council, "Aggregate Table 1: Home Mortgage Disclosure Act, "Disposition of Loan Applications by Location of Property and Type of Loan", 2006.
Table construction by Castañeda & Associates

Table C-5
Los Angeles County: Reasons for Conventional Loan Application Denials -2005 and 2006

Reason for Denial	2005	2006
Debt-to-Income Ratio	8.6%	10.4%
Employment History	1.8%	1.7%
Credit History	16.1%	16.3%
Collateral	8.5%	10.1%
Insufficient Cash	3.5%	3.9%
Unverifiable Information	13.7%	19.5%
Credit App. Incomplete	11.0%	10.6%
Mortgage Insurance Denied	0.2%	0.0%
Other	36.6%	27.5%
Total	100.0%	100.0%
Total Denials	55,503	57,599

Source: Source: Federal Financial Institutions Examination Council, "Aggregate Table 8-2: Reasons for Denial of Applications for Conventional Home-Purchase Loans, 1 to 4 Family and Manufactured Home Dwellings, by Race, Ethnicity, Gender and Income of Applicant, 2005 and 2006."

Table C-6
Los Angeles County: Reasons for Home Improvement Loan Application Denials 2005 and 2006

Reason for Denial	2005	2006
Debt-to-Income Ratio	20.8%	18.5%
Employment History	0.8%	1.0%
Credit History	30.3%	30.2%
Collateral	12.2%	10.4%
Insufficient Cash	1.7%	1.5%
Unverifiable Information	6.3%	5.0%
Credit App. Incomplete	9.3%	7.4%
Mortgage Insurance Denied	0.0%	0.2%
Other	18.5%	25.8%
Total	100.0%	100.0%
Total Denials	14,016	16,088

Source: Source: Federal Financial Institutions Examination Council, "Aggregate Table 8-4: Reasons for Denial of Applications for Home Improvement Loans, 1 to 4 Family and Manufactured Home Dwellings, by Race, Ethnicity, Gender and Income of Applicant, 2005 and 2006"

Exhibit C-1
Census Tract Boundaries

7) Denial Rates, Low Income, and Minority Populations by Census Tract: The Housing Element uses HMDA in part to identify areas – that is, census tracts – where denial rates are higher compared to other areas. The idea is that geographic areas may be mortgage deficient because of the characteristics – that is, the people – residing in the area. Historically, redlining -- or the practice of drawing a boundary around areas where loans would not be made, or if made, on terms less favorable than in other areas – was done because of the minority and/or low income population characteristics of the area.

Table C-7 shows loan denial rates and the percentage of the population that is low/mod income (<80% median income) and minority by census tract. The census tracts are in rank order – high to low – based on the conventional loan denial rates. The data show that the areas with the highest loan denial rates also have low percentages of low-income persons and minority population. The census tract with the highest conventional loan denial rate has the second lowest percentage of low-income persons. The census tract with the second lowest loan denial rate has the highest percentage of low-income persons. This same census tract – 6704.07 – also has the highest percentage of minority population,

Table C-7
City of Rancho Palos Verdes
Census Tract Low/Moderate Income Percentage and Loan Denial Rate

Census Tract	Percent Low/Mod	Percent Minority	Conventional Loan Denial Rate	Re-fi Loan Denial Rate	Home Improvement Loan Denial Rate
6706.00	8.6%	32%	31.76%	22.37%	17.86%
6707.01	13.5%	33%	26.51%	16.49%	18.92%
6707.02	9.0%	22%	23.23%	27.31%	19.23%
6704.05	12.1%	35%	23.08%	33.33%	20.00%
6704.14	11.8%	45%	21.74%	27.91%	36.36%
6704.13	9.2%	47%	20.00%	22.76%	28.57%
6704.11	11.3%	35%	18.52%	17.65%	18.18%
6704.07	15.9%	51%	15.22%	24.66%	23.08%
6704.03	4.2%	38%	3.85%	19.35%	50.00%

Source: Percent low/mod population is prepared by U.S. Department of Housing and Urban Development for cities participating in the CDBG Program
Percent minority is from the HMDA data.
Denial rates are from Table C-4 (2006)
Table construction by Castaneda & Associates

It is important to remember that the *census tract location* in Table C-7 refers to the *property location* on which a loan application was made. However, borrowers who live outside the City frequently make the loan applications, and the reasons for denial may be due entirely to the credit worthiness of the borrower, and not the characteristics of a census tract.

8) Market Interest Rates: For a sustained period, market mortgage interest rates have been either very reasonable or at historic lows. Table C-8 shows interest rates for two points in time. According to a weekly survey of 60 southland lenders, as of December 5, 2007, the average mortgage interest rates on fixed rate loans have remained about the same during the past six months. For loans up to $417,000, a 30-year fixed rate loan is available at an interest of 5.85%, a rate that is very reasonable compared to historic rates. However, for adjustable rate loans, the interest rates for conforming and "jumbo" loan amounts have increased considerably.

Table C-8
Average Mortgage Rates
Weekly Survey of 60 Southland Lenders -- As of December 5, 2007

	Last Week	Six Months Prior
Rates for loans up to $417,000		
30-year fixed	5.85%/1.40 pt.	6.00%/1.57 pt.
30-year ARM start rate	4.91%/0.84 pt.	3.48%/0.73 pt.
15-year fixed	5.56%/1.09 pt.	5.74%/1.49 pt.
Rates for loans over $417,000		
30-year fixed	6.70%/1.23 pt.	6.29%/1.47 pt.
30-year ARM start rate	5.26%/0.92 pt.	3.57%/0.88 pt.
15-year fixed	6.24%/1.18 pt.	6.00%/1.42 pt.
FHA or VA Mortgage	6.64%/2.13 pt.	6.68%/1.95pt.
CALVET 30-year	6.10%/0.00 pt.	6.10%/0.00pt.

Source: Compiled by National Financial News Service, Weekly
Table construction by Castañeda & Associates

It should be noted that not all would be homebuyers would qualify for the lowest interest rates available. The most favorable interest rates are available to loan applicants who have good FICO credit scores.

(FICO refers to Fair Issac Corporation, a firm that developed the mathematical formulas used to produce FICO scores. A FICO score is a snapshot of an applicant's credit risk; the higher the score, the lower the risk to lenders. Five main kinds of information are used to compute the FICO score: payment history, amount owed, length of credit history, new credit, and types of credit in use.)

(Table C-8 also shows the average points. A point is a term used by the lending industry to refer to the loan origination fee. One point is equal to 1% of the loan amount.)

Very few homes in the City have sales prices less than $520,000, a price that enables would be borrowers with a 20% down payment to qualify for a conforming loan of less than $417,000. What this means is that most buyers would need to obtain a jumbo loan of more than $417,000.

The Los Angeles Economic Development Partnership observes:

> "The South Bay has two other housing hurdles (beside notices of default and foreclosures). One is a shortage of land for new construction. The second is the high cost of existing homes in the region. This means that many buyers would have to obtain a 'jumbo' loan. When available, interest rates on these loans have well above rates for regular 'conforming' loans."

The City has no direct influence on mitigating the effect of interest rates on reducing housing affordability. If first time homebuyer programs were feasible, the City could provide down payment assistance at a zero interest rate deferred until the home is sold. The City provides home improvement financing at no cost through grants and deferred home rehabilitation loans.

8) *Below Market Interest Rates*: With respect to below market interest rates, the California Housing Finance Agency (CalHFA) assists low and moderate-income homebuyers in the realization of their goal of homeownership. CalHFA offers below market interest rate 30-year fixed loans to first-time homebuyers who meet the income and sales price limits for the County in which they wish to purchase. Borrowers are to contact an approved CalHFA lender for complete program details.

Table C-9 on the next page lists the various interest rates established by CalHFA. For low-income households, interest rates can be as low as 3.00% for a fixed rate, 30-year loan. The maximum homeownership income limits for existing resales are:

	1 & 2 persons		3+ persons	
	Existing Resale	New Construction	Existing Resale	New Construction
Low Income	$32,500	$39,000	$37,375	$48,850
Moderate Income	$84,360	$84,360	$98,420	$98,420

As of October 2007, the CalHFA maximum sales price limits that apply to Rancho Palos Verdes are $596,217 for resale units and $601,274 for new units. During the first three quarters of 2007, no single-family homes and 28 condominiums sold for less than $600,000.

Table C-9
California Housing Finance Agency
Interest Rate Schedule
Effective November 29, 2007

First Mortgage Fixed Rate Loan Programs	**Interest Rate[1]**
Interest only PLUS[SM] (35-Year Fixed Mortgage) Conforming IOP Loan	6.250%
Interest only PLUS[SM] (35-Year Fixed Mortgage) Non-Conforming IOP Loan	6.500%
40-Year Fixed Mortgage	6.500%
Self-Help Builder Assistance Program (SHBAP)[3] – *Low Income Only*	3.250%
30-Year Fixed Mortgage	
Moderate Income	6.375%
Low Income[2]	5.625%
Nonprofits & Affordable Housing Partnership Program (AHPP) – *Low Income Only*	5.625%
Extra Credit Teacher Program (ECTP)	5.625%
HomeChoice Program	4.000%
Self-Help Builder Assistance Program (SHBAP)[3]	3.000%
Down Payment Assistance Programs	
Term matches term of first mortgage	
High Cost Area Home Purchase Assistance Program (HiCAP)[4]	6.750%
CalHFA Housing Assistance Program (CHAP)	6.750%
California Homebuyer's Downpayment Assistance Program (CHDAP)	3.000%
Extra Credit Teach Program (ECTP)	5.000%

[1] The interest rates are those in effect on the date shown. The down payment assistance loan interest rates are calculated as simple interest per annum. However, all of the rates shown are subject to change without notice. CalHFA does not lend money directly to consumers. CalHFA works through and uses approved private lenders to qualify consumers and to make all mortgage loans. The fees consumers' pay could be different depending on the lender and the program.

[2] Lenders who obtain a reduced interest rate reservation for low-income applicants who are subsequently determined to have an annual income that exceeds the low-income limit will be offered the interest rate for moderate-income families, assuming they meet CalHFA's moderate-income limits.

[3]Rates quoted for Nonprofit and/or SHBAP developers are offered only through the BLOCK Program. Nonprofit and/or SHBAP developers may use 180-day locks; however, the interest rate will be set at the rate available at the time of lock.

[4]Eligible counties for the HiCAP program are Alameda, Contra Costa, Los Angeles (except Palmdale/Lancaster areas), Marin, Monterey, Napa, Orange, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Solano, Sonoma, and Ventura Counties.

c. Conclusions and Findings

Financing has been readily available until early 2007. Because of the large number of southern California owners defaulting on subprime loans and the number of foreclosed homes, financing is not as available as it was prior to these two events. The number of approved loans also has dropped as mortgage loan standards have tightened, including the unavailability of 100% financing, the need for larger down payments, verified income, and a requirement for solid credit history including high FICO scores.

As a result, the loan denial rates reported on Tables C-3 and C-4 should be interpreted with some caution. In part, the denial rates reflect periods of both easy credit approvals and financing and the start of more stringent standards in mid-2006. The numbers of City homeowners with notices of default is unknown at this time, as is the number of foreclosed properties.

For borrowers with a solid credit history, savings to pay a 20% down payment and good income, financing is still available at reasonable interest rates. Fixed rate, 30-year loans are available for interest rates in the range of 6.0% to 6.5%. Most borrowers will need to obtain "jumbo" loans that have higher interest rates than conforming loans.

The HMDA data indicate that there are no mortgage deficient areas. The denial rates are not unusually high and are relatively low for home improvement loans.

2. Land Costs

a. Guidelines

HCD suggests that –

> *In looking at the price of land, estimate the average per unit cost of land, or the range of costs for developable parcels, in both single-family and multifamily zones.*

b. Analysis

Land costs are a major component of new housing production costs. The development industry typically categorizes land into three types, raw land, entitled land and finished lots. The values attributed to parcels of land increase through these three stages. Raw land is just that, a vacant piece of land without any entitlements or improvements. Entitled land can range from having the appropriate zoning to having a recorded subdivision for the land. Finally, land can be categorized as "finished lots". This is the final stage prior to the actual construction of a home. All grading has been completed and all infrastructure (streets, curbs, gutters, storm drains, sewers and utilities) have been installed. In most cases, this also means that all fees (except those associated with building permits) have also been paid. At this stage, the land is at it highest value.

Developers typically look to have a finished lot value to range from 30% to 35% of the sales price of the home. Therefore, if a home was to sell for $600,000, the finished lot should not cost more than about $180,000 to $210,000. Since fees and entitlement costs are a component of a finished lot values, these components (in addition to anticipated sales prices) can affect the price a developer is willing to pay for a raw piece

of land. In determining a value for a raw piece of land, developers typically conduct a residual land analysis. From the anticipated sales price of a home, they subtract the finished lots' value per lot, the costs of construction, sales and marketing expenses and a profit margin to arrive at a residual land value.

Data on land costs is limited, for the most part, to single lots or parcels for a single home. In order to obtain current information on land costs, the MLS Alliance for the Multi Regional Multiple Listing Service (MRMLS) was used. From January 1, 2006 through the third quarter of 2007, there were 15 lots sold. The lot sizes ranged from 9,100 square feet, up to almost 4.5 acres and were most likely sold for the construction of a single-family dwelling. Although at least one parcel advertised several lots, the topography could limit the number of homes that could be built.

Table C-10 lists the sales prices and the price per square foot. The land costs exceed what a lower income household could afford.

Table C-10
City of Rancho Palos Verdes
Land Sales Prices January 1, 2006-September 20, 2007

Size (Sq. Ft.)	Sales Price	Price Per Square Foot
13,650	$525,000	$38.46
20,140	$625,000	$31.03
11,761	$645,000	$54.84
88,430	$665,000	$7.52
9,100	$775,000	$85.16
21,853	$800,000	$36.61
19,960	$812,550	$40.71
15,280	$850,000	$55.63
9,690	$900,000	$92.88
13,650	$935,000	$68.50
38,768	$1,050,000	$27.08
62,291	$1,400,000	$22.48
192,875	$1,550,000	$8.04
68,824	$1,800,000	$26.15
25,404	$4,250,000	$167.30

Source: MLS Alliance for the Multi-Regional Multiple Listing Service (MRMLS)
Table construction by Castañeda & Associates

c. Conclusions and Findings

In Rancho Palos Verdes, the cost of land alone exceeds the housing costs affordable to lower income households. However, other components of housing production costs also drive new housing costs beyond the means of lower income households. One of these components – construction costs – is discussed in Part C.

3. Construction Costs

a. Guidelines

HCD suggests –

> *The analysis of construction costs, for typical single-family and multifamily projects, should focus on the total cost to the developer, exclusive of profit, but including land, fees, material, labor and financing.*

b. Analysis

1) Components of Construction Costs: Little has changed over the years with respect to the components of a typical house. While there have been some technological advances, they are still essentially "sticks and bricks". However, with every new building code change the costs of construction do rise. Increases can occur as a result of code changes requiring higher energy efficiency requirements, handicapped access, and required changes in building materials. Even with new tools and some building materials requiring less onsite labor, contractors have not achieved improvements in labor productivity experienced in other industries.

Labor represents the highest cost component in the cost of construction. The cost of labor is based on a number of factors, including housing demand, the number and availability of contractors, and unionization of workers. In some instances it is difficult to pinpoint exact labor costs because subcontractors often supply materials as well as labor.

In addition to the "sticks and bricks" constructions costs, there are several more costs associated with the construction of new homes. These include the following:

Engineering Costs:	Costs associated with taking raw land to an entitled stage such as a subdivision. Also included are grading plans, sewer plans, storm drain plans, street improvements plans, engineer calculations for energy efficiency (Title 24) and structural calculations, and geo-technical studies.
Architectural Plans:	The actual house plans and construction plans. This may also include landscape plans.
Site Improvement Costs:	These are the costs associated with taking raw, entitled land, and completing the grading, installations of curbs, gutters, sidewalks, streets and the utilities.
City Fees:	These include City fees for reviewing engineering and architectural plans and the issuance of building permits.

Development Impact Fees:	These include the City's development impact fees, school impact fees and may include sewer connection fees
Financing Costs:	The interest paid on the construction loan.
Sales and Marketing:	Once a home is completed, these are the costs associated with the actual sale of the home and include marketing costs (advertising), sales commissions, escrow and title costs, and warranty expenses.

2) Quality of Construction: Saylor Publications, Inc. has developed a manual designed to provide "single family" building cost data that serves contractors, architects, lenders, planners and appraisers. Saylor's "residential square foot building costs" are suitable for immediate use in "ballpark" estimating of the construction costs of a single family residence knowing only the class of construction, living area, and exterior wall. Saylor provides per square foot construction cost estimates for four quality levels -- Economy, Fair, Standard and Custom. Chart C-1 explains the four levels of quality of construction.

3) Average Per Square Foot Construction Costs: Table C-11 lists the per square foot construction costs by quality type and construction type. In addition, Saylor Publications, Inc. provides a cost relationship index for factors dealing with location. In Los Angeles, the numbers shown in the table are multiplied by a factor of .93.

4) Construction Cost Estimate for a Single-Family Home: Utilizing the per square foot construction costs above for a standard stucco on frame dwelling (adjusted by the .93 factor), a 1,600 square foot, three bedroom home with an attached two car garage would cost $190,873 to build. The amount is calculated as follows:

1,600 Square Feet X $114.20 X .93 =	$169,929
400 Square Foot Two Car Garage X $56.30 X .93 =	$20,943
Total (rounded)	$190,872

According to Saylor, the costs include labor, materials, and general contractor's overhead and profit and fees for new construction. However, land costs, financing and other real estate related costs are not included.

The preceding analysis is based on average costs and do not account for the unique features of land in Rancho Palos Verdes. According to the City's Building Official, the "average" construction costs are very low. In fact, construction costs actually range from $250 to $300 per square foot. The reasons are that the geology and expansive soils conditions often require that new construction have deepened footings, grade beams, caissons, removal and recompaction of soils and other conditions that increase construction costs.

Chart C-1
Descriptions of Construction Levels of Quality

Economy	This class of residence is constructed to meet code requirements and to provide adequate accommodations. There are no special features that make the residence attractive from the exterior and the interior finishes are minimum. These residences are usually square or rectangular (box shaped) with dimensions focused on easy and simple installation. The windows, doors, kitchen cabinets and plumbing fixtures are clearly inexpensive and installed with little concern for appearance. The quality of workmanship is indicative of inexperienced workers with minimum professional supervision. Emphasis, during construction is placed on speed of completion. These residences are constructed from stock plans.
Fair	This class of residence is constructed to meet code requirements and to provide adequate accommodations. There are a few features that make the residence attractive from the exterior. The interior finishes are minimum with a few features. These residences are usually square or rectangular (box shaped) with dimensions focused on easy and simple installation. Any projections or adornments are simple and inexpensive. The windows, doors, kitchen cabinets and plumbing fixtures are inexpensive and installed, suitably, but with little concern for appearance. The quality of workmanship is indicative of experienced workers working in an “assembly line”.
Standard	This class of residence is constructed to meet and exceed requirements and to provide comfortable accommodations. There are usually several features that make the residence attractive from the exterior. These features are standard but significant enough to give residences an individual identity among similar residences. The interior finishes have several distinctive features. These residences usually have design enhancements that are functional and efficiently installed. The windows, doors, kitchen cabinets and plumbing fixtures are standard quality and carefully installed. The quality of workmanship indicates experienced workers working in a “structured” environment with several levels of quality control and accountability.
Custom	This class of residence is constructed to exceed requirements and to provide attractive and comfortable accommodations. There are usually several special features that make the residence attractive from the exterior. These features are modification of standards and introduce uniqueness to the residence. The interior finishes have several special features. These residences usually have design features that clearly indicate that care was taken to give the residence the appearance of special architectural design. The windows and doors are carefully installed. Kitchen cabinets and plumbing fixtures are “built-in” and above standard in quality and installation. The quality of workmanship is indicative of experienced workers working in a “controlled” environment where attention to detail has precedence over speed of completion.

Table C-11
Residential Square Foot Building Costs

Type of Dwelling	Construction Type				
	Wood siding on wood stud frame	Brick veneer on stud frame	Stucco on stud frame	Brick, concrete block back-up	Concrete Block
Economy					
1 Story-1,000 SF	$87.30	$94.80	$86.70	$102.00	$90.40
1 Story-2,000 SF	$80.60	$86.20	$80.10	$91.50	$82.80
2 Story-1,000 SF	$84.20	$94.80	$83.30	$104.90	$88.50
2 Story-2,000 SF	$75.80	$83.70	$75.10	$91.30	$79.00
Garage-Attached	$37.40	$44.50	$36.80	$51.30	$40.30
Garage-Detached	$42.70	$52.00	$41.90	$61.00	$46.50
Fair					
1 Story-1,200 SF	$98.20	$106.40	$97.50	$114.30	$101.50
1 Story-2,400 SF	$90.10	$95.90	$89.60	$101.50	$92.50
2 Story-1,200 SF	$95.40	$107.10	$94.50	$118.20	$100.20
2 Story-2,400 SF	$84.80	$93.00	$84.10	$100.80	$88.10
Garage-Attached	$41.90	$50.40	$41.20	$58.60	$45.30
Garage-Detached	$47.90	$59.10	$47.10	$69.80	$52.50
Standard					
1 Story-1,600 SF	$114.90	$122.80	$114.20	$130.40	$118.10
1 Story-4,000 SF	$101.60	$107.80	$101.10	$113.60	$104.10
2 Story-1,600 SF	$111.10	$122.30	$110.10	$132.90	$115.60
2 Story-4,000 SF	$98.00	$105.10	$97.40	$111.90	$100.90
Garage-Attached	$46.60	$56.10	$45.80	$65.20	$50.50
Garage-Detached	$53.50	$65.90	$52.40	$77.80	$58.50
Custom					
1 Story-2,000 SF	$139.80	$148.30	$139.10	$156.50	$143.30
1 Story-4,000 SF	$131.20	$137.20	$130.70	$142.90	$133.60
2 Story-2,000 SF	$132.70	$144.70	$131.70	$156.20	$137.60
2 Story-4,000 SF	$121.60	$130.10	$120.90	$138.30	$125.10
Garage-Attached	$57.20	$68.60	$56.30	$79.50	$61.90
Garage-Detached	$65.10	$80.00	$63.80	$94.30	$71.20

Source: Saylor Publications, Inc. *2007 Residential Square Foot Building Costs*.
Note: Costs include general contractor's overhead and profit and fees for new construction. Land costs, financing and other real estate related costs are not included.

5) Construction Cost Impacts of State Laws - Prevailing Wages and Fish & Game Fees: The Housing Element Law focuses the constraints analysis on "local" factors with scant mention of State laws that cause an increase in housing costs, especially on the cost to produce affordable housing. The cost impacts of State law requirements – such as prevailing wages – probably equal or exceed whatever the City can accomplish through a reduction of development standards and/or increased density.

The prevailing wage legislation passed in October 2001 – SB 975 – broadened the existing law to cover construction work paid for in whole or in part by public funds. Construction projects supported by public funds include affordable housing. Few projects can escape the requirements – housing assisted exclusively by a redevelopment agency's affordable housing fund are exempt. But frequently affordable housing include several sources of public funds and, therefore, fall within the purview of prevailing wages.

When required, prevailing wages significantly increase the cost of construction. Estimates of the additional construction costs on 205 residential projects subsidized by the California Low Income Housing Tax Credit program range from 9% to 37%. That same study estimated that the effect of uniform application of the prevailing wage law decreased by 3,100 the number of new dwellings for low-income households*.

[*Sarah Dunn, John M. Quigley, and Larry A. Rosenthal, *The Effects of Prevailing Wage Requirements on the Cost of Low Income Housing*, Industrial and Labor Relations Review, Vol. 59, No. 1, October 2005, pg. 141.]

The Los Angeles County Community Development Commission (CDC) provides yet another measure of construction cost impacts. The CDC suggests to Industry Housing Fund applicants to add 20% more than non-prevailing wage to their construction cost estimates if they think that the funding sources will trigger a prevailing wage requirement.

The California Department of Fish and Game fee is another example of how State laws impact the cost of housing. Fish and Game fees have increased to $1,876.75 for Negative Declarations and $2,606.75 for EIRs. County Clerks are not able to accept a Notice of Determination until a Fish and Game fee is paid. This fee may be waived only for projects with "no impact" on wildlife. However, Fish and Game will consider practically any construction project to have an impact – high-rise buildings may cause birds to collide with windows and removal of a palm tree may remove habitat for birds. *

[*Goldfarb and Lipman, *Law Alert: Increased Fish & Game Fees Must Be Paid to File Notices of Determination; De Minimis Finding Removed*, January 31, 2007.]

c. Conclusions and Findings

The cost of construction alone exceeds the cost affordable to lower income households. Several factors contribute to the cost of construction including dwelling unit size, height (elevator may be required), terrain, slopes, quality, State laws, profit motivations, and several other considerations.

Construction costs, however, are but one component of housing production costs. New affordable homes and apartments can not be constructed without some public funding sources that subsidize the entire development and reduce the loan amount to that which can be supported by the affordable rents and ownership costs.

4. Homeownership Housing Prices

a. Guidelines

Although the Housing Element Law and guidelines do not explicitly mention the price of existing housing, this potential constraint falls within the meaning of "nongovernmental" or market-driven barriers to affordability. The analysis also helps to determine whether local, State or Federal programs can be practically applied to address the needs of first-time homebuyers.

b. Analysis

1) Calendar Year 2006 Sales Prices: Information was obtained from Data Quick. The information is obtained for the single zip code for the City of Rancho Palos Verdes, 90275. The sales information for 2006 is as follows:

Single Family Homes			Condominiums		
Number of Sales	Median Price ($1,000)	Price Change 2005-2006	Number of Sales	Median Price ($1,000)	Price Change 2005-2006
365	$1,134	-3.1%	64	573	1.0%

2) 2007 Sales Prices: Through the first three quarters of 2007, 253 single-family homes were sold in Rancho Palos Verdes according to the MLS Alliance. Only about 1% of the homes sold for less than $700,000. More than 11% of the homes sold for over $2,000,000. With respect to condominiums, 59 were sold during the first three quarters of 2007. About 5% were sold for less than $400,000, while nearly 12% sold for more than $800,000. Refer to Tables C-12 and C-13.

c. Conclusions and Findings

The cost of existing, as well as new, housing is beyond the means of lower income households. Market rate costs make down payment assistance and first-time homebuyer programs exceedingly expensive, and difficult to implement.

Table C-12
City of Rancho Palos Verdes
Summary of Single Family Home Sales – 2007

Price Range	1st Quarter 2007	2nd Quarter 2007	3rd Quarter 2007	Total	Percent
<$700,000	1	1	1	3	1.2%
$700,000-$799,999	6	5	6	17	6.7%
$800,000-$899,999	15	11	9	35	13.8%
$900,000-$999,999	13	8	9	30	11.9%
$1,000,000-$1,099,999	4	9	5	18	7.1%
$1,100,000-$1,199,999	2	9	13	24	9.5%
$1,200,000-$1,299,999	3	11	14	28	11.1%
$1,300,000-$1,399,999	6	6	4	16	6.3%
$1,400,000-$1,499,999	5	11	7	23	9.1%
$1,500,000-$1,599,999	3	4	3	10	4.0%
$1,600,000-$1,699,999	1	2	4	7	2.8%
$1,700,000-$1,799,999	2	0	0	2	0.8%
$1,800,000-$1,899,999	2	1	4	7	2.8%
$1,900,000-$1,999,999	2	1	1	4	1.6%
$2,000,000+	6	11	12	29	11.5%
Total	71	90	92	253	100.0%

Source: MLS Alliance from the Multi-Regional Multiple Listing Service (MRMLS)
Table construction by Castañeda & Associates

Table C-13
City of Rancho Palos Verdes
Summary of Condominium Sales - 2007

Price Range	1st Quarter 2007	2nd Quarter 2007	3rd Quarter 2007	Total	Percent
<$400,000	2	0	1	3	5.1%
$400,000-$424,999	0	0	0	0	0.0%
$425,000-$449,999	0	0	0	0	0.0%
$450,000-$474,999	2	0	1	3	5.1%
$475,000-$499,999	1	3	0	4	6.8%
$500,000-$524,999	2	2	1	5	8.5%
$525,000-$549,999	1	1	0	2	3.4%
$550,000-$574,999	4	2	1	7	11.9%
$575,000-$599,999	0	3	1	4	6.8%
$600,000-$624,999	0	0	3	3	5.1%
$625,000-$649,999	1	2	2	5	8.5%
$650,000-$674,999	1	2	2	5	8.5%
$675,000-$699,999	0	0	3	3	5.1%
$700,000-$724,999	0	0	0	0	0.0%
$725,000-$749,999	0	2	1	3	5.1%
$750,000-$774,999	0	1	2	3	5.1%
$775,000-$799,999	0	1	1	2	3.4%
$800,000+	1	0	6	7	11.9%
Total	15	19	25	59	100.0%

Source: MLS Alliance from the Multi-Regional Multiple Listing Service (MRMLS)
Table construction by Castañeda & Associates

5. Monthly Housing Rents

a. Guidelines

Although the Housing Element Law and guidelines do not explicitly mention the cost of existing rental housing, this potential constraint falls within the meaning of "nongovernmental" or market-driven barriers to affordability. The analysis also helps to determine whether local, State or Federal programs can be practically applied to address the needs of cost burdened lower income renters.

b. Analysis

Tables C-14 and C-15 show the monthly rents in 2000 and 2007. During the seven-year period, monthly rents have increased dramatically. For instance, in 2000 an estimated 86% of all apartments had monthly rents less than $1,500. By 2007, only about 30% of the apartments had rents below the $1,500 figure. The rents by bedroom size fall *primarily* in the following ranges:

Studios	$900-1,099
1-bedroom	$1,300-$1,599
2-bedrooms	$1,600-$2,499
3-bedrooms	$2,000-$2,499

These monthly rents exceed the maximums allowed under the major rental assistance program known as Section 8. Under this rental assistance program, the maximum allowed rents are:

Efficiency	$863
1-bedroom	$1,041
2-bedrooms	$1,300
3-bedrooms	$1,746

c. Conclusions and Findings

The current monthly rents do pose a non-governmental, or market, constraint that impedes the application of rental housing assistance programs. The City may be able to create a local program modeled after Section 8, but it would be expensive. Alternatively, the City or Redevelopment Agency may contribute to the acquisition of an existing rental development and thereby help to lower rents to an amount within the reach of lower income households.

Table C-14
City of Rancho Palos Verdes
Rental Housing Costs – March 2000

Monthly Rent	Studio	1 Bdrm	2 Bdrm	3+ Bdrm	Total	Percent	Cumulative Percent
<$700	0	0	0	0	0	0.0%	-----
$700-799	15	0	0	0	15	1.5%	1.5%
$800-899	0	11	0	0	11	1.1%	2.6%
$900-999	0	35	0	0	35	3.5%	6.0%
$1,000-1,099	0	88	107	0	195	19.3%	25.3%
$1,100-1,199	0	116	97	0	213	21.0%	46.3%
$1,200-1,299	0	51	102	0	153	15.1%	61.5%
$1,300-1,399	0	0	107	1	108	10.7%	72.1%
$1,400-1,499	0	6	119	14	139	13.7%	85.9%
$1,500+	0	6	83	54	143	14.1%	100.0%
Total	15	313	615	69	1,012	100.0%	

Source: Telephone survey completed by Castaneda & Associates, January-February 2000.

Table C-15
City of Rancho Palos Verdes
Rental Housing Costs – October 2007

Monthly Rent	Studio	1 Bdrm	2 Bdrm	3+ Bdrm	Total	Percent	Cumulative Percent
<$900	0	0	0	0	0	0.0%	-----
$900-999	5	0	0	0	5	0.5%	0.5%
$1,000-1,099	2	0	0	0	2	0.2%	0.7%
$1,100-1,199	0	0	0	0	0	0.0%	0.7%
$1,200-1,299	0	0	0	0	0	0.0%	0.7%
$1,300-1,599	0	281	69	0	350	35.8%	36.5%
$1,600-1,999	0	36	373	13	422	43.2%	79.7%
$2,000-2,499	0	0	145	50	195	19.9%	99.6%
$2,500+	0	0	0	4	4	0.4%	100.0%
Total	7	317	587	67	978	100.0%	

Source: Telephone survey completed by Castaneda & Associates, October 2007.

Attachment A
2007 Los Angeles County Affordable Housing Cost Worksheet

Attachment A provides definitions and calculations of Affordable Housing Cost and Affordable Rent for the different income groups and unit sizes. Stradling, Yocca, Carlson and Rauth prepared these calculations. The law firm annually updates the calculations. The costs and rents are gross amounts; expenses such maintenance and repairs and utilities are not deducted.

1. Affordable Housing Costs for Owner-Occupied Housing Units

Based on the Health and Safety Code, the affordable housing costs for owner-occupied homes are defined below:

> Affordable Housing Cost for *Extremely Low Income* Households is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50052.5(b)(1).
>
> Affordable Housing Cost for *Very Low Income* Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50052.5(b)(2).
>
> Affordable Housing Cost for *Lower Income* Households is the product of 30 percent times 70 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50052.5(b)(3).
>
> Affordable Housing Cost for *Moderate Income* Households is not less than 28 percent of the gross income of the household, and not more than the product of 35 percent times 110 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50052.5(b)(4).

The Affordable Monthly Housing Cost for owner-occupied housing units, *include* the following costs for the upcoming 12 months*:

> Principal and interest payments on the mortgage loan.
>
> Mortgage loan insurance fees.
>
> Property taxes and assessments.
>
> Fire and casualty insurance.
>
> Property maintenance and repairs.
>
> Homeowner association fees.

*25 California Code of Regulations Section 6920.

A reasonable allowance for utilities (including garbage collection, sewer, water, electricity, gas and other fuels, but not telephone service). Such an allowance shall take into consideration the cost of an adequate level of service.

Space rent, if the housing unit is on rented land.

2. Affordable Housing Costs for Renter-Occupied Housing Units

Based on the Health and Safety Code, the affordable housing costs for renter-occupied homes are defined below:

Affordable Rent for *Extremely Low Income* Households is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(1).

Affordable Rent for *Very Low Income* Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053 (b)(2).

Affordable Rent for *Lower Income* Households is the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(3).

Affordable Rent for *Moderate Income* Households is product of 30 percent times the 110 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053(b)(4).

Affordable "Rent" is an average of estimated housing costs for the next 12 months. Rent includes the total of monthly payments for all of the following*:

Use and occupancy of a housing unit and land and facilities associated therewith.

Any separately charged fees or service charges assessed by the lessor which are required of all tenants, other than security deposits.

A reasonable allowance for utilities not included in the above costs, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels. Utilities do not include telephone service. Such an allowance shall take into consideration the cost of an adequate level of service.

Possessory interest taxes or other fees or charges assessed for the use of the land and facilities associated therewith by a public or private entity other than the lessor.

*25 California Code of Regulations Section 6918.

A. INTRODUCTION AND SUMMARY

Local housing elements must describe *resources* relevant to meeting future housing needs. The relevant resources include -- primarily -- sites that *are suitable, appropriate and available* within the planning period to accommodate the housing needs of all income groups as quantified in the Regional Housing Needs Assessment (RHNA). The identified sites in Table D-1 can accommodate the RHNA allocation of 60 housing units. In addition to the identified residential sites, the Redevelopment Agency plans to implement a program of "committed assistance" by mid-year 2008.

B. RESOURCES: SITES INVENTORY AND ANALYSIS

1. Guidelines

Section 65583(a)(3) states that a housing element must include:

> *An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment and an analysis of the relationship of zoning and public facilities and services to these sites.*

Section 65583.2(a) states that the inventory of land suitable for residential development –

> *…shall be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels…."*

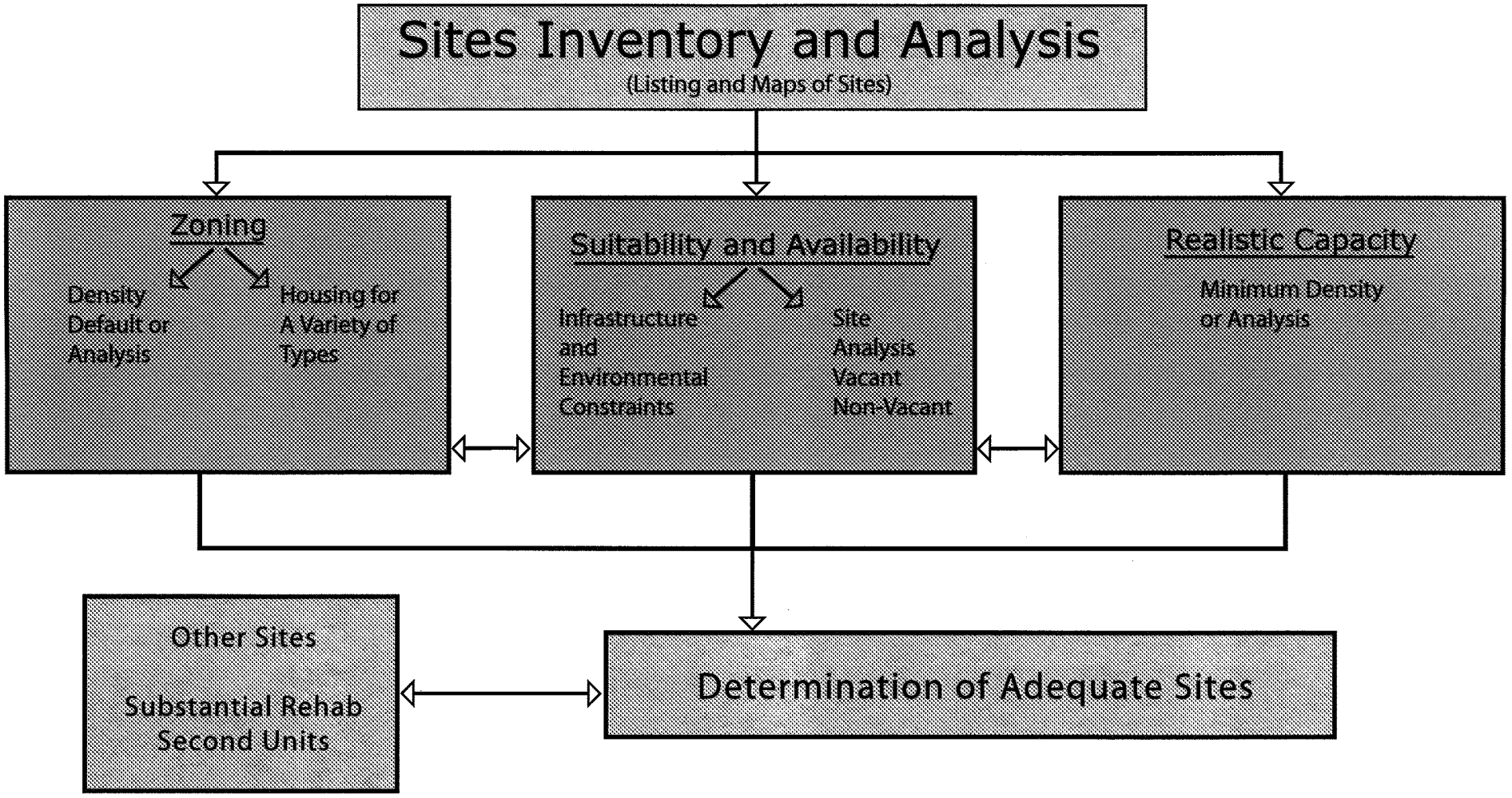
HCD guidance includes the following:

> *The purpose of the land inventory is to identify specific sites suitable for residential development in order to compare the locality's new construction need by affordability category with its residential development (total supply) capacity. A thorough land inventory will help the locality* ***determine if additional governmental actions are needed to provide enough sites with appropriate zoning, development standards, and infrastructure capacity*** *to accommodate its new construction need as required by Section 65583(c)(1).* [emphasis added]
>
> *Land 'suitable for residential development' has characteristics that make the sites appropriate and available for residential use <u>in the planning period</u>. These characteristics include <u>physical features</u> (flooding, seismic hazards, chemical contamination, other environmental constraints, and slope instability or erosion) and <u>location</u> (proximity to transit, job centers, and public and community services).*
>
> ***Sites not currently planned and zoned for residential use may be included in the inventory if they are otherwise suitable for residential development and the element includes program actions to change the land use within the current planning period.*** [emphasis added]

Chart D-1 shows HCD's guidance on the sites inventory and analysis process.

CHART D-1
SITES INVENTORY AND ANALYSIS PROCESS

CHART D-1


Sites Inventory and Analysis
(Listing and Maps of Sites)
Zoning
Density Default or Analysis
Housing for A Variety of Types
Suitability and Availability
Infrastructure and Environmental Constraints
Site Analysis Vacant Non-Vacant
Realistic Capacity
Minimum Density or Analysis
Other Sites
Substantial Rehab Second Units
Determination of Adequate Sites

2. Analysis

This part explains both the sites inventory and the analysis of sites that can accommodate a portion of the regional housing need by income level. The final RHNA, adopted by SCAG in July 2007 and approved by HCD in September 2007, projects the following needs by income level:

- □ Above Moderate-Income 23 housing units
- □ Moderate-Income 11 housing units
- □ Lower-Income 26 housing units

a. Inventory of Residential Sites

Per Section 65583.2(b), the land inventory must include:

- □ A parcel-specific listing of available sites, including parcel number or other 'unique' reference.
- □ The general plan and zoning designations, along with the size of each parcel listed in the inventory.
- □ For non-vacant sites in the inventory, the housing element must describe the existing uses for each identified site.

Table D-1 is the inventory of residential sites and includes:

- □ Housing already constructed between 01/01/2006-12/31/06
- □ Housing under construction
- □ Zoned residential sites
- □ Sites proposed for re-zoning to residential uses
- □ Proposed expansion projects that include affordable housing units

Attachment A shows the boundaries of each housing site. Table D-1 shows the zoning designations of each housing site.

Table D-1
City of Rancho Palos Verdes -- Inventory of Residential Sites

Project Name	Geographic Identifier	Size (Ac/SF.)	Housing Units	Density (DUs/Ac)	Zoning	Project Status
Units Constructed	Scattered Locations	Varies	9	Low	Varies	Completed 01/01/06-12/31/06
Tract Map 52666	3200 Palos Verde Dr. West	3.92	13	Low	RS-4	Under Construction
Point View or Lower Filiorium	6001 Palos Verde Dr. South	34[1]	72	1 to 2	RS-1 & RS-2	Vacant Geotechnical Studies under review CEQA TBD
Nantasket Residential Project[2]	APN 7573-014-013	6.5	4	Low	RS-3	Vacant Proposed Re-Zone to RS-3
Crestridge Senior Housing	5600 block of Crestridge Road APN 7589-013-009	9.76	97-146	10-15	Senior Housing	Vacant
RDA Crestridge Property	5600 block of Crestridge Road APN 7589-013-905	1.5 to 2 Buildable	22-40	15-20	Senior Housing	Vacant[3]
Crestmont College	30840 Hawthorne Blvd.	6759 SF Addition 28627 SF Total	20[4]	NA	Institutional	Addition to Site Approved
Marymount College	30800 Palos Verde Dr.	Facilities Expansion	10[5]	NA	Institutional	Addition to Site Proposed
Highridge Condominium Project	28220 Highridge Road.	Varies	27	High 22	RM –22	Vacant PC Public Hearing in April/May 2008

[1]34 acres outside the Landslide Moratorium Area; 60 inside.
[2]West side of Nantasket between Beach View and Sea Cove Drives
[3] A non-profit affordable housing developer has been selected by the City, and a 34-unit senior affordable rental project approved for the site
[4]Affordable apartment housing units for cadets and their families
[5]Affordable housing units for employees

The following narrative describes how the housing unit capacity was determined for the sites identified in Table D-1:

> Point View - Project includes a 76-unit subdivision; however, since a large portion of the project is within the City's landslide moratorium area, additional geotechnical information has been submitted for review. It is anticipated that the project may be reviewed by the Planning Commission in 2009. The density is based on 1du/acre, as this is what the zoning allows for.
>
> Nantasket – staff review of the submitted plans has determined that the project, as proposed, meets the City's development standards. This project, however, requires a General Plan Amendment and Zone Change because the existing land use and zoning is Commercial Recreational.
>
> Crestridge Senior Housing – staff review of the past and current project proposals has determined that the housing unit capacity is at least 97 housing units and could be as many as 120 housing units.
>
> RDA-owned Crestridge Property – staff determined that at least 1.5 acres are buildable, and that at least 22 housing units can be constructed at the RDA – owned site. However, the City Council approved an affordable housing project with 34 units. Entitlements for this project were approved in March 2009, and construction is anticipated to be completed in 2011.
>
> Crestmont College – The Crestmont College project includes 20 family apartment units. Crestmont College has received approval of their CUP and was recently issued a building permit on April 3, 2008. Construction of the project has already begun, and it is anticipated to be completed by December 2008.
>
> Marymount College – Facilities expansion plan under review by the City.
>
> Highridge Condominium – Project was approved by the Planning Commission in September 2008, and is now being reviewed by the City Council. The project is anticipated to be completed in 2011.

b. <u>Accommodating Regional Housing Need Allocation (RHNA)</u>

Government Code Section 65583.2 states a city:

> "…shall determine whether each site in the inventory can accommodate some portion of its share of the regional housing need."

1) Above Moderate Income Housing Need: The above moderate income housing need is 23 housing units. In a November 30, 2006 letter from HCD to SCAG, the Department noted that –

> "In updating their housing elements, local governments may credit, by applicable income category, housing units added since January 2006."

The following constructed units accommodate a portion of the housing need:

9 housing units constructed calendar year 2006

12 housing units constructed in calendar year 2007

In addition, the following site under construction meets a portion of the housing need:

Tract Map 52666 –13 residential condominiums under construction

In addition, the following zoned sited accommodate a portion of the need:

Crestridge Senior Housing – 97 to 120 housing units

Highridge Condominium Project **(non-age restricted)** – 24 to 27 condo units

Therefore, constructed housing, housing under construction, and a zoned site, has satisfied the above moderate income housing need.

The following two sites are included in the inventory but are not described as accommodating a portion of the above-moderate income housing need:

Point View or Lower Filiorium

Nantasket Residential Project

Neither of the two sites is expected to have development approvals by the time that the City Council approves the Housing Element. The approval of residential development on the "Point View" site, however, would trigger the requirement for on-site construction of housing affordable to very low and low-income households.

(In addition to the above, the City has several infill RS zoned lots that are being developed and will continue to be developed during the planning period.)

2) Moderate Income Housing Need: The moderate-income housing need is 11 housing units. During the planning period (after January 1, 2006), one second unit has been constructed and another is under construction (as of late January 2008).

Based on past construction trends, nine additional second units will be developed during the balance of planning period – January 1, 2008 through June 30, 2014.

During the 2000-2005 period, four moderate-income second units were constructed; or an average of one every 15 months. This construction rate translates to five additional second units during the 78-month period from January 2008 through mid-year 2014. Through program efforts, the City will facilitate the development of the additional four second units that are needed to accommodate the moderate-income housing need.

Second units are allowed in *all* RS and RM zones. There are enough RS and RM sites to facilitate the development of the additional nine moderate-income second units during the January 1, 2008 through June 30, 2014 planning period.

There are adequate sites to accommodate the moderate-income housing need.

3) Lower Income Housing Need: Twenty-six housing units is the City's share of the regional housing need. Twenty affordable family apartment housing units are under construction at Crestmont College. In addition, the following site can accommodate a portion of this need:

RDA Crestridge Property – 22 to 40 housing units

The City's Redevelopment Agency owns this site, which is zoned for senior housing. Notwithstanding, however, the project will include several units that will be available to caretakers and other workers at the facility that will not be age-restricted. The Agency has transmitted an RFQ to several qualified non-profit, affordable housing developers. The development of this site will accommodate the RHNA need for extremely low, very low and low-income housing units.

In September 2007, the City Council directed staff to release an RFQ to affordable housing developers to move forward in the development of the RDA-owned parcel. The RFQ was transmitted to housing developers on January 24, 2008. Five developers (for-profit and non-profit) submitted responses to that RFQ in late February.

Subsequent to the RFQ process, the City requested RFPs from the various affordable housing developers. After reviewing the RFPs and interviewing developers, on September 16, 2008 the Board/City Council selected AMCAL Multi-Housing, Inc., to pursue development of the RDA-owned Crestridge property. In March 2009, the City Council approved an affordable senior housing project consisting of 34 units, accommodating the total RHNA need for extremely low, very low and low-income housing units.

Additional low income housing units may be produced as part of the Crestridge Senior Condo Project (5 very-low income units) and the Highridge Condo Project (~~3~~ 2 inclusionary low income units). If approved, the housing capacity of these sites will be included in the City's Final Housing Element. These projects would accommodate a portion of the lower income housing need.

C. ENVIRONMENTAL CONDITIONS

1. Guidelines

Section 65583.2 (b)(4) states that the inventory of sites shall include:

> *A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation of which has been made available to the jurisdiction. This <u>information need not be identified on a site-specific basis</u>.* [emphasis added]

HCD indicates that:

> The element should include a general description of any constraints to the development of residential projects. Examples of such environmental constraints may include hillside development, flood zones, wetlands, fault lines, contamination, and contracts such as Williamson Act land or easements. [emphasis added]

2. Analysis

Rancho Palos Verdes has special geologic conditions, because it is situated on a unique and complicated geologic structure known as the Palos Verdes Peninsula. The Peninsula is a rugged area that is underlain chiefly by folded sedimentary rocks. Weak layers exist within these bedded rocks, and many ground failures (landslides) have taken place on the Peninsula over geologic time. These failures range from the currently active Portuguese Bend Landslide to very old landslides that have horizontal depths of several thousands of feet. In the interest of public safety, proposals to develop residential units over these landslides must be critically evaluated on a site-by-site basis.

Besides landslides, the frequency and location of steep slopes have traditionally constrained development on the Peninsula. Within Rancho Palos Verdes, approximately 40 to 50% of all land has slopes equal to or greater than 25%.

Because of the complex nature of the City's geology and the existing and potential concerns about slope stability, development in Rancho Palos Verdes is closely managed.

Of special interest to the City is the coastline. When exposed to wave action and surface runoff, sea cliff retreat occurs on an order of magnitude of six inches per year. In fact, the present topography of the coastal region of the City is reflective of this interaction between geomorphic processes and geologic materials underlying the landscape.

The sea cliffs are the result of continuous erosion of the shoreline by wave action, and the coves and promontories of the shoreline are indicative of the presence of different geologic materials having varying degrees of resistance to this erosion. The absence of a bold sea cliff along sections of the southern shoreline is a condition attributable to recent geological episodes of landsliding, and the hummock ground surface of the adjacent landward areas indicates that several of these landslides encroached either well into, or across the coastal region. The deep, steep walled canyons crossing the coastal region have been cut by the intermittent flow of water that drains from higher parts of the Palos Verdes Peninsulas.

Early development in the City (prior to incorporation), while consistent with recognized development standards of the time, did not provide the safety standards expressed through today's uniform building codes. Later development, occurring in the 1960's and 1970’s, was generally limited to those areas of acknowledged geologic stability and removed from canyons and coastal bluff tops.

Today, the City has found that redevelopment and improvement of these older portions has generally resulted in the need for new and in-depth geotechnical analysis and alternative foundation systems to meet the current and more comprehensive, safety standards of the Uniform Building Code. Intensification of existing residential densities in these areas has proven inappropriate, as geologic conditions have precluded such intensification.

Additionally, the geomorphic processes responsible for the existing topography of the coastal zone are still active, and they will continue to modify the landscape in the future. Clearly, land-use planning in the coastal region of Rancho Palos Verdes must take into account the likelihood of occurrence and the severity of potential geologic hazards.

3. Conclusions and Findings

The physical conditions existing in Rancho Palos Verdes present very real limitations to the development of residential land use. Nonetheless, the City has identified suitable residential sites to meet the entire construction need that was allocated by SCAG in the RHNA for the 2006-2014 time period, as follows:

- Constructed housing and dwellings under construction essentially meet the above-moderate income housing need.
- The moderate-income housing need will be met by development of second units. One second unit has been constructed and another is under construction. There are sufficient RS and RM sites to facilitate the development of nine additional second units.
- The lower income housing need will be met by development on the RDA-owned Crestridge site and a program of committed assistance, which involves already developed multi-family buildings.

As previously noted, other sites with additional housing capacity are presently under review and evaluation. The Final Housing Element will include the housing capacity of all approved sites.

D. PUBLIC FACILITIES AND SERVICES

1. Guidelines

As noted on page D-1, the Housing Element must include "…*an analysis of the relationship of zoning and public facilities and services to these sites.*" Section 65583.2 (b)(5) states that the inventory of all shall include:

> *A general description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities. This information* <u>*need not be identified on a site-specific basis*</u>. [emphasis added]

HCD provides the following guidance:

> *The analysis is a means of determining the current or proposed timing of availability of essential public facilities and services (e.g., sewer and water system trunklines and treatment facilities, roads, and storm drainage facilities) for sites identified for residential development. The element must include a general description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities, and indicate whether public or private. A site-specific analysis is not required. The element must include sufficient detail to determine whether water delivery systems and sewer treatment capacity is or will be (i.e., within the planning period) available to the identified sites. However, if parcel specific detail is available, this information could be included in the element.*
> [emphasis added]
>
> State Department of Housing and Community Development, *Housing Element Questions and Answers*, October 2006, page 25.

2. Analysis

Rancho Palos Verdes is a part of the South Bay Region. In mid-year 2003, the South Bay Cities Council of Governments completed an assessment of the South Bay cities infrastructure. [*South Bay Cities Infrastructure and Services Capacity Assessment*, Volumes One and Two, June 30, 2003]

That infrastructure assessment found that the existing infrastructure capacity is more than sufficient to distribute the South Bay's projected water demands. In terms of supply, the Metropolitan Water District (Southern California's wholesale water agency) forecasts that it will be able to meet the imported water needs for the sub region through 2020. However, the District indicated that all of Southern California might be affected by limitations on imported water supply in the coming years. This may result in higher water prices and a heightened emphasis on developing local supplies, increasing use of recycled water, and conservation.

Three central wastewater treatment plants serve the South Bay, each under the control of a regional sanitation district: the Joint Water Pollution Control Plant, the Hyperion Treatment Plant, and the Terminal Island Plant. South Bay wastewater generally receives primary and secondary treatment and is then discharged into the Pacific Ocean.

Individual cities in the South Bay own and maintain the local sewer systems that transfer wastewater to sanitary district trunk sewers, which flow to the regional treatment plants. The volume of wastewater generated in the South Bay is expected to grow in step with population growth, or 12% by 2025. Capacity at the wastewater treatment plants is sufficient to handle expected growth.

Public Works Department staff in most cities reports that local sewer capacity is also adequate to handle all expected growth in wastewater, although some cities have areas in which selected components (e.g. sewer mains, pumping stations) are undersized. The most critical issue affecting South Bay sewer systems in the future is deterioration due to age.

Waste disposal planning for the South Bay is performed by Los Angeles County Department of Public Works. Their forecasts show that current landfill capacity will be exhausted by 2009. Los Angeles County, including the South Bay, will be able to accommodate the solid waste needs associated with forecast growth provided that the County is able to successfully expand in-county and out-of-county landfill capacity.

Efforts by individual South Bay cities to expand waste diversion programs will be an important component in the sub region's efforts to manage demand for landfill disposal. Nine individual South Bay cities, and the sub region as a whole, have not achieved the state mandated goal of 50% diversion.

In Rancho Palos Verdes residential sites identified in Technical Appendix D are located in areas that are served by all utilities (i.e. water, sewer, and storm drains) and other public services (i.e. police, fire, and solid waste). Also, if needed, the existing facilities can be readily upgraded and/or extended onto the sites to serve housing development.

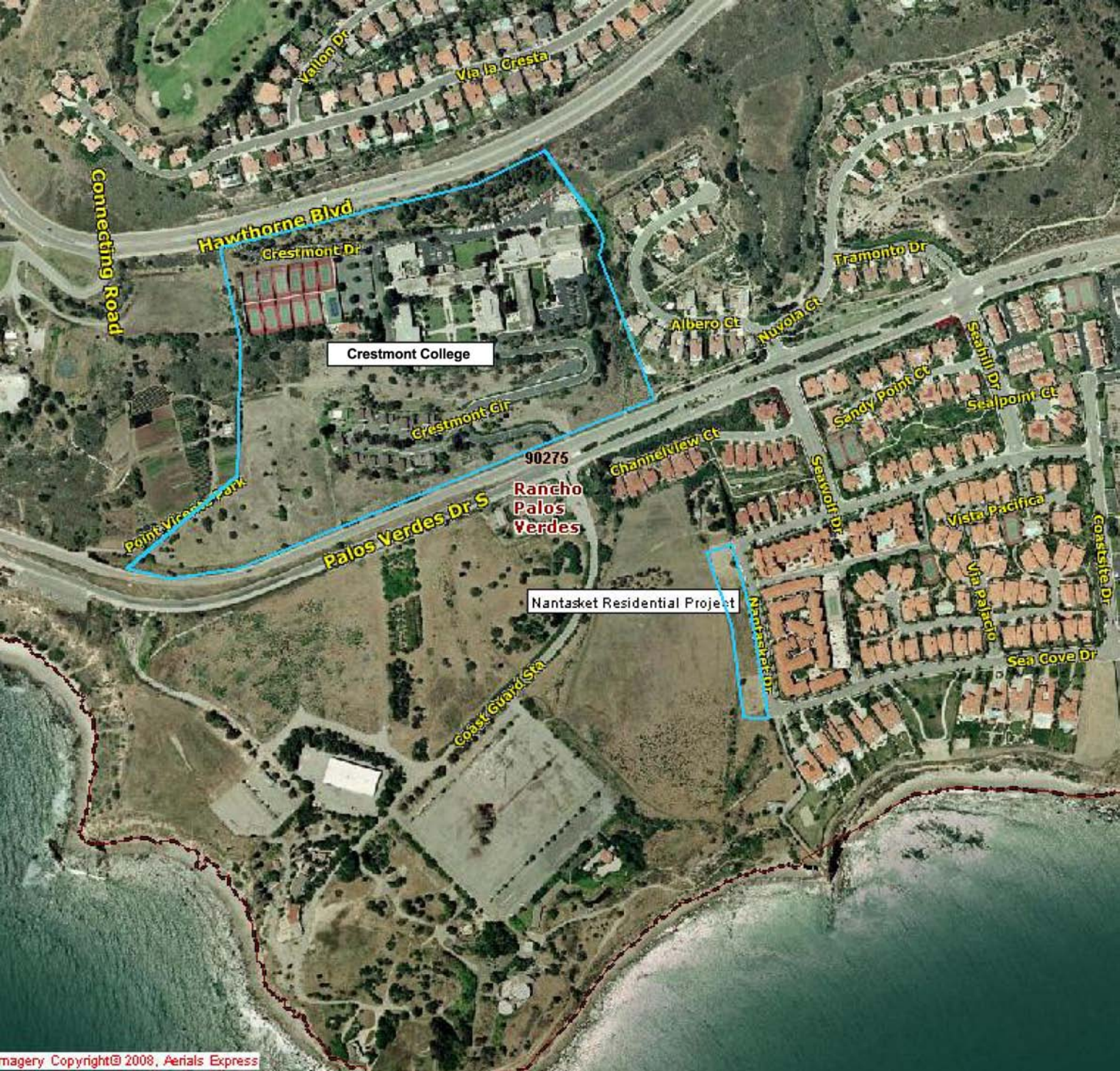
The Rancho Palos Verdes storm drain system consists of pipes, inlets, outlets and natural drainage courses. During storms, the system collects and carries storm water runoff to the ocean and to other drainage systems beyond the City's boundaries. Because the City of Rancho Palos Verdes is built on hilly terrain with environmentally sensitive habitat, unstable soil, open space and bluff tops – it's critical that water be directed away from those areas and instead, flows directly to the ocean. Good storm drains help prevent erosion, flooding, landslides and reduce pollution in the ocean. The City of Rancho Palos Verdes wants to keep the ocean clean and minimize property damage and street closures during storms. About 90 storms drains run underneath the major streets that are used for commuting.

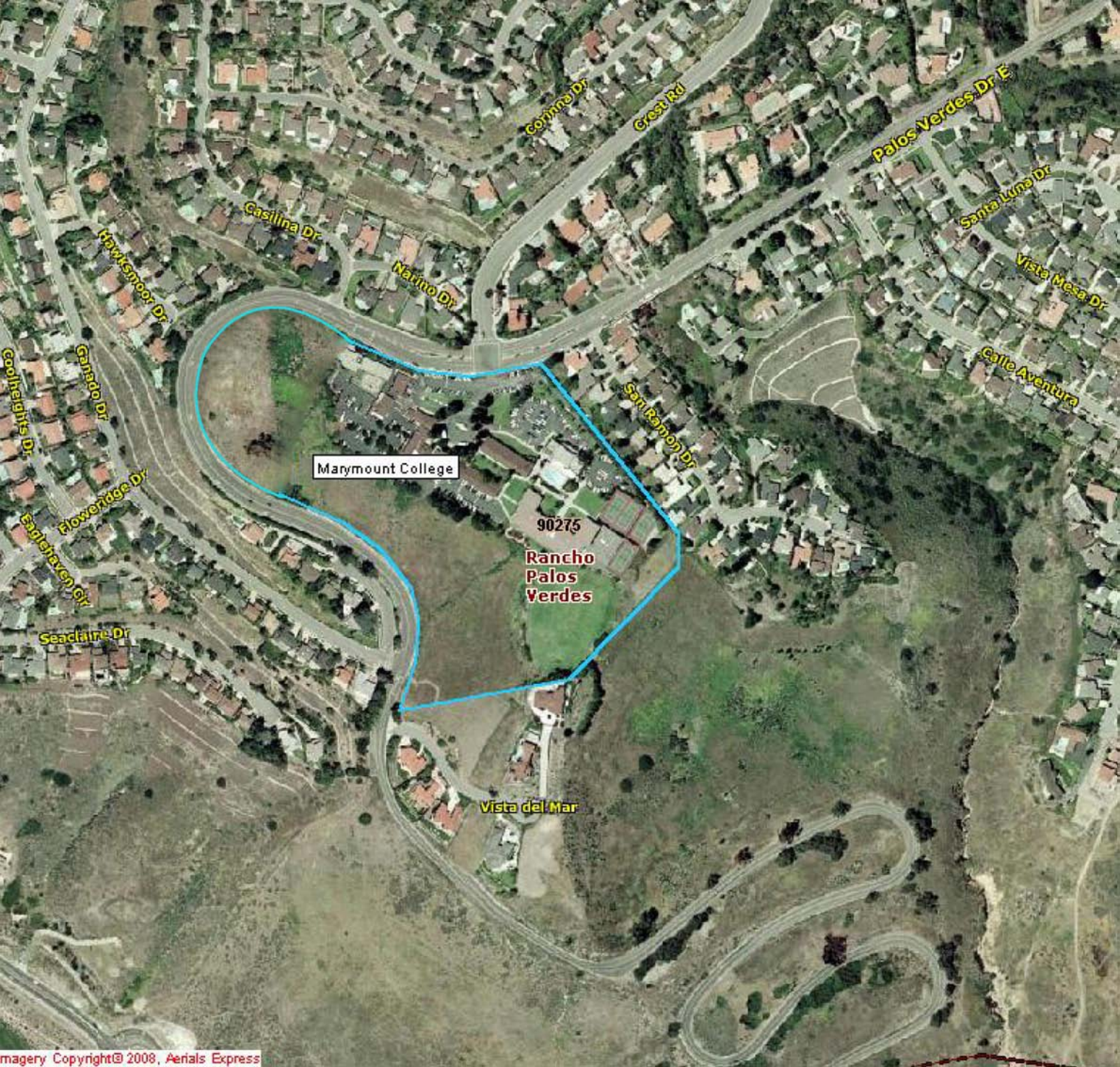
The City established a Water Quality and Flood Protection Program (the "Storm Drain Program") in early 2005, after completion of a multi-year engineering and financial analysis that led to the resident Finance Advisory Committee's recommendation to establish a dedicated revenue source to repair the storm drain system. The Storm Drain Program was formed with a $2 million transfer into its "restricted funds". During mid-2005, the City conducted a mail ballot election, and the property owners that use the storm drain system approved the imposition of a dedicated annual Storm Drain User Fee that they will pay and will be deposited into the Storm Drain Program fund to be used only for storm drain repairs.

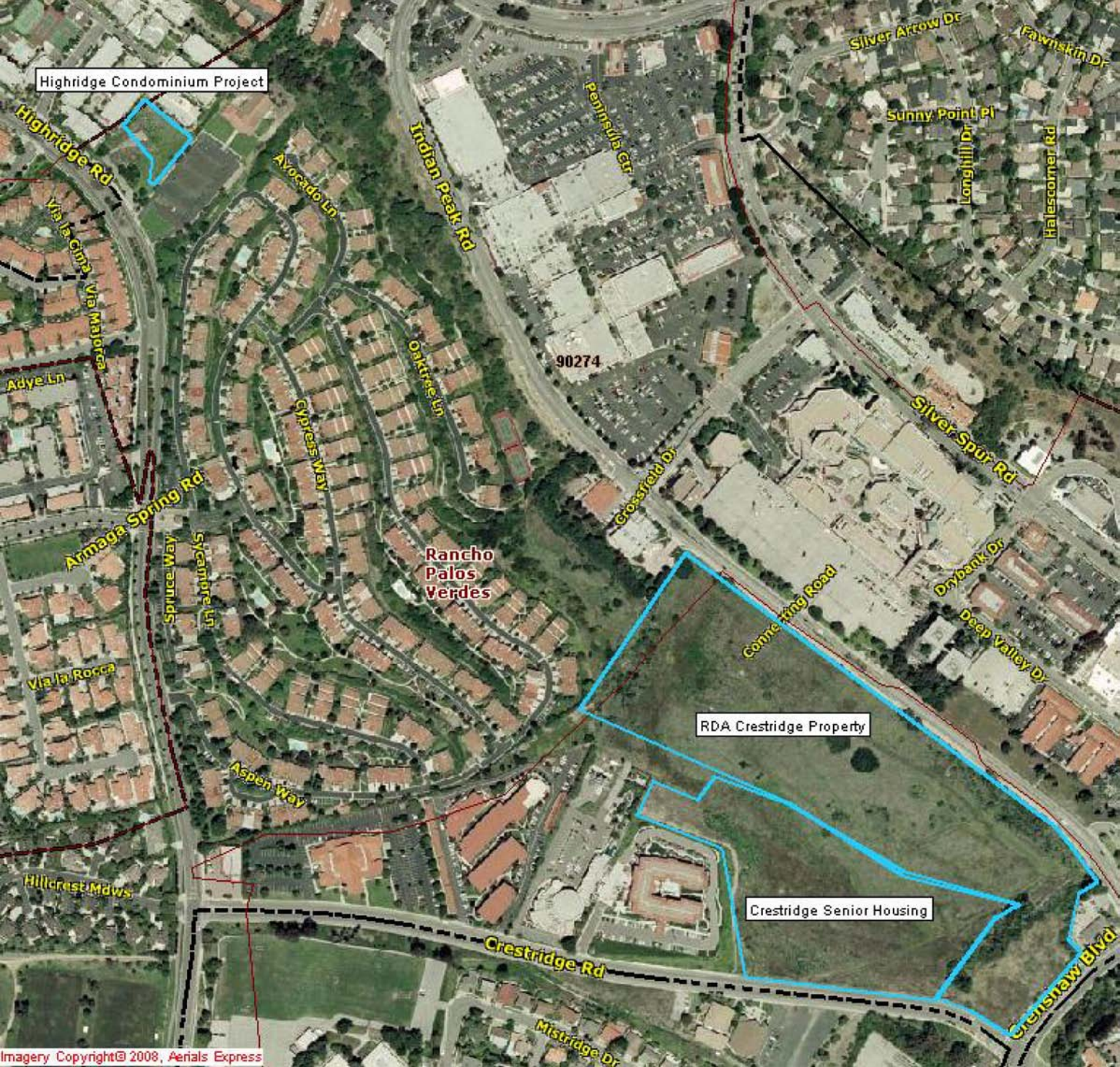
Attachment A
(Boundaries of housing sites identified in Table D-1)

Palos Verdes Dr W
Palos Verdes Estates
Via Rivera
Via Victoria
Via Borica
90274
Via Alvarado
3200 Palos Verde Dr W
Alida Pl
90275
Rue Godbout
Marguerite Dr
Rancho Palos Verdes
Connecting Road

Point View - 6001 PV Drive South


Vallon Dr
Via la Cresta
Connecting Road
Hawthorne Blvd
Crestmont Dr
Crestmont College
Crestmont Cir
90275
Rancho
Palos
Verdes
Palos Verdes Dr S
Point Vicente Park
Albero Ct
Nuvola Ct
Tramonto Dr
Seahill Dr
Sandy Point Ct
Sealpoint Ct
Channelview Ct
Seawolf Dr
Vista Pacifica
Via Palacio
Coastsite Dr
Sea Cove Dr
Nantasket Dr
Nantasket Residential Project
Coast Guard Sta
Imagery Copyright© 2008, Aerials Express


Palos Verdes Dr E
Crest Rd
Corona Dr
Casilina Dr
Hawksmoor Dr
Narino Dr
Santa Luna Dr
Vista Mesa Dr
Calle Aventura
San Ramon Dr
Ganado Dr
Coolheights Dr
Flowerridge Dr
Eaglehaven Cir
Seaclaire Dr
Marymount College
90275
Rancho
Palos
Verdes
Vista del Mar
magery Copyright© 2008, Aerials Express


Highridge Condominium Project
Highridge Rd
Via la Cima
Via Majorca
Adye Ln
Avocado Ln
Indian Peak Rd
Peninsula Ctr
Silver Arrow Dr
Fawnskin Dr
Sunny Point Pl
Longhill Dr
Halescorner Rd
Oaktree Ln
Cypress Way
90274
Silver Spur Rd
Crossfield Dr
Armaga Spring Rd
Spruce Way
Sycamore Ln
Rancho
Palos
Verdes
Connecting Road
Drybank Dr
Deep Valley Dr
Via la Rocca
RDA Crestridge Property
Aspen Way
Hillcrest Mdws
Crestridge Senior Housing
Crestridge Rd
Crenshaw Blvd
Mistridge Dr
Imagery Copyright© 2008, Aerials Express

A. INTRODUCTION AND SUMMARY

According to Section 65588(a):

> *Each local government shall review its housing element as frequently as appropriate to evaluate the following:*
>
> *(1) The appropriateness of the goals, objectives and policies in contributing to the attainment of the state housing goal.*
>
> *(2) The effectiveness of the housing element in attainment of the community's housing goals and objectives*
>
> *(3) The progress of the city, county, or city and county in implementation of the housing element.*

Additionally, Section 65588 (c) and (d) require cities located in the Coastal Zone to report on housing constructed, demolished and replaced.

B. GOALS, OBJECTIVES AND POLICIES

1. Goals

The 2000-2005 Housing Element includes six major goals as listed below:

> *Designate sites that fully meet the housing needs of all income groups as quantified by SCAG's Regional Housing Needs Assessment.*
>
> *Assist in the provision of housing affordable to very low, low and moderate-income households.*
>
> *Remove existing governmental constraints to the maintenance, preservation, improvement and development of housing.*
>
> *Conserve and improve the existing stock of affordable housing.*
>
> *Attain a housing market with "fair housing choice," meaning the ability of persons of similar income levels regardless of race, color, religion, sex, national origin, handicap and familial status to have available to them the same housing choices*.
>
> *Preserve the existing and future supply of affordable housing that is financially assisted by the City, County, State or Federal governments.*

These goals further the State housing goal that calls for the early attainment of decent housing and a suitable living environment for every Californian. The City's goals also reflect the mandates of the Housing Element Law, requirements of funding sources, and local responsibilities as stated in various laws and codes. Therefore, they continue to be appropriate and are incorporated in the Housing Element Update, with minor modifications.

2. Objectives

The construction objectives were as follows:

8 very low income units

5 low-income units

8 moderate-income units

90+ above-moderate income units

During the 2000-2005 period, two very low and two low-income housing units were constructed. Additionally, four moderate-income second units were constructed. Construction of above-moderate income housing units exceeded the quantified objective.

The rental assistance objectives were as follows:

5 very low income households

5 low-income households

5 moderate-income households

The rental assistance objectives were not met. In this decade, there was an extraordinary increase in rents, making few – if any – apartments having rents below the maximums of the County Housing Authority's Section 8 rental assistance program. (This market barrier is completely described at the end of Technical Appendix C.)

The code enforcement objective was 35 new cases per month. The City continues to manage housing code enforcement on a complaint basis and strives for voluntary compliance.

The rehabilitation objective were as follows:

22 very low-income housing units

18 low-income units

The City continues to manage the Housing Improvement Program (HIP) by providing assistance to eligible homeowners in the form of grants or zero interest deferred loans.

For the most part, the quantified objectives of the 2000-2005 Housing Element were appropriate and are useful benchmarks for the Update. Objectives pertaining to rental assistance and down payment assistance need to be revisited because the tremendous increases in rents and prices make these programs exceeding difficult to justify because of the subsidy amounts necessary to bring housing within the means of lower income households.

3. Policies

The 2000-2005 Housing Element includes 12 policy statements:

> *Implement the Land Use Element and Development Code to achieve adequate sites for the above-moderate income group.*
>
> *Promote and facilitate the development of second units to address the needs of the moderate- income group.*
>
> *Continue to pursue development of an affordable housing project located within the City limits.*
>
> *Provide rental assistance to very low, low and moderate-income households through programs administered by the Los Angeles County Housing Authority and City.*
>
> *Continue to implement land use regulations that facilitate meeting affordable housing needs.*
>
> *Continue to support and implement a Housing Code Enforcement Program to help maintain the physical condition of housing.*
>
> *Continue to support a Housing Improvement Program financed by Community Development Block Grant Funds.*
>
> *Continue the processing of new housing developments designed to address the needs of the entire range of income groups.*
>
> *Continue to promote fair housing opportunities through the City's participation in the County's Community Development Block Grant Program.*
>
> *Promote fair housing through the provision of information and referral services to residents who need help in filing housing discrimination complaints.*
>
> *Monitor and protect the supply of affordable housing by enforcing existing regulations and affordability restrictions.*
>
> *Ensure the long-term affordability of future affordable housing developments.*

Apart from providing rental assistance, the policies remain appropriate and are useful guides to the Housing Element Update.

C. EFFECTIVNESS OF THE HOUSING ELEMENT

As parts B and D explain, the 2000-2005 Housing Element was an effective guide to implementation of specific policies and programs. The rapid escalation of rents and prices – unprecedented in southern California's history – could not have been predicted in 2000. These increases severely hampered the implementation of the rental assistance and first-time homebuyers programs. At the same time, home improvement labor and material costs increased, causing the average amounts of rehabilitation grants and loans to increase

D. PROGRESS OF THE HOUSING ELEMENT

Attachment A provides a program-by program progress report. The Attachment describes the Housing Program, Program Objective, Time Schedule and Status of Program Implementation. Actual accomplishments also are reported in Part B above.

E. COASTAL ZONE REQUIREMENTS

Cities located within the boundaries of the Coastal Zone must include the following information in the Housing Element:

> Housing approved for construction within the coastal zone after January 1, 1982
>
> Affordable housing required to be provided in new housing developments either within the coastal zone or three miles from it.
>
> Number of dwelling units occupied by low or moderate-income households that have been converted or demolished.
>
> Number of dwelling units that have been required for replacement of housing converted or demolished.

Projects located in the coastal specific plan district that result in the demolition or conversion of three or more dwelling units occupied by low and moderate-income households must be replaced on a one-for-one basis. The replacement units may be located on the same site, elsewhere in the coastal specific plan district, or within three miles of the district. Upon City Council approval, in-lieu fees can be paid instead of providing the required affordable replacement housing units. New developments in the Coastal Zone must provide affordable housing. Where it is not feasible to include affordable units within new development, developers can satisfy the requirement by constructing them at another specific site within the coastal zone or within the City.

There was one single-family dwelling unit demolished in the Coastal Zone that has not yet been replaced.

ATTACHMENT A
PROGRESS REPORT
2000-2005 HOUSING ELEMENT

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Rancho Palos Verdes

Reporting Period 1-Jan-06 - 31-Dec-06

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including progress in removing regulatory barriers as identified in Housing Element .		
Name of Program	**Objective**	**Deadline in H.E.**	**Status of Program Implementation**
Land Use Element / Specific Plans (Cat. I)	111 + housing units	2000-2005	• 188 new housing units were were constructed between January 1, 1998 and June 30, 2005 • An additional 9 new housing units constructed between January 1, 2006 and December 1, 2006
Second Units (Cat. I)	8 units for moderate income households	2000-2005	• City published an article on second unit development and standards in the Community Letter • A handout on second unit development and standards continues to be available in Planning Department • Distributed information on second units to homeowners associations and senior centers • Completed a survey of other methods used by cities to promote second unit development • Developed a tracking system to monitor the development of second units
Affordable Housing Development (Cat. I)	13 housing units for very low and low income households	2000-2002	• 4 new affordable housing units were developed and made available to low income and very low income households • An application has been submitted for a new facility for seniors (age restricted to 55 years and older) with a percentage of affordable units that would be reserved for low income to very low income residents
Rental Assistance (Cat. II)	10 housing units for very low and low income households	2001-2005	• City Council took action by prioritizing a Rental Assistance Program as a tool to assist for very-low and low income rental households within the City

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Rancho Palos Verdes

Reporting Period 1-Jan-06 - 31-Dec-06

First-time Homebuyer Assistance (Cat. II)	5 low and moderate income households	2001-2005	• City continues to advertise the *Mortgage Credit Certificate Program (MCC), Home Ownership Program (HOP) and the Southern California Home Financing Authority (SCHFA)* program in the City's newsletter that is distributed to residents • City continues to provide at City Hall and other public buildings, handouts and brochures describing and advertising each of the programs
Second Units (Cat. II)	8 moderate-income households	2000-2005	• City continues to track and monitor the number of second dwelling units that are created in the City • City continues to distribute and promote the development of second dwelling units when accessory structures are proposed
Affordable Housing Development (Cat. II)	13 housing units for very low and low income households	2000-2002	• Continue to implement the City's Inclusionary Housing Ordinance by requiring new residential tracts to provide affordable units
Development Code Affordable Housing Program (Cat. III)	N/A	Implemented on an ongoing basis	• Continue to facilitate the creation of affordable housing units via 6 components that are established in the land use regulations: *Citywide Affordable Housing Requirement, Housing Impact Fee, Density Bonuses for New Housing, Density Bonuses for Condominium Conversions and Reduced Development Standards*
In-lieu Affordable Housing Program (Cat. III)	N/A	Implemented on an ongoing basis	• City continues to prioritize the use of in-lieu funds for a potential Senior Housing development and/or a Rental Assistance Program for low and very low income renter households
Coastal / Zone Requirements (Cat. III)	N/A	Implemented on an ongoing basis	• City continues to require affordable housing units for new developments that meet the threshold established by the Development Code • City continues to require that for projects located in the coastal specific plan district that result in the demolition or conversion of 3 or more dwelling units occupied by low and moderate-income households must be replaced on a one-for-one basis

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Rancho Palos Verdes

Reporting Period 1-Jan-06 - 31-Dec-06

Emergency Shelters and Transistional Housing (Cat. III)	N/A	Implemented on an ongoing basis	• The City reviewed and considered the permit processing procedures related to emergency shelters and transitional housing and did not feel it necessary to initiate a zone text amendment as "Emergency Shelters" and "Transitional Housing" are uses that are permitted in the commercial general (CG) district with approval of a Conditional Use Permit (CUP)
Housing Code Enforcement (Cat. IV)	35 new cases per month	2000-2005	• The City continues to manage the housing code enforcement on a complaint basis and continues to strive for voluntary compliance through the Code Enforcement Division
Housing Improvement Program (Cat. IV)	22 very low and 18 low-income households	2000-2005	• City continues to manage the HIP by providing assistance to eligible homeowners in the form of grants or zero interest deferred loans (Program is administered throught the Public Works Department)
Fair Housing Services (Cat. V)	N/A	2000-2005	• City continues to promote fair housing through its participation with the LA County's Community Development Block Grant (CDBG) • The following services continue to be made available through the Long Beach Fair Housing Foundation: *Fair Housing Education and Outreach, Discrimination and Investigation, Random Audits, Landlord and Tenant Counseling, Unlawful Detainer Action, Consiliation, Mediation and Referrals*
Fair Housing Complaint and Referral Services (Cat. V)	N/A	2001-2005	• City continues to refer residence needing assistance in filing a housing descrimination complaint to the appropriate contact person(s) through the *Fair Housing Foundation, California Department of Fair Employment and Housing, and HUD* • City has also developed a list of contacts at the key entities handling fair housing related matters