

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

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March 30, 2022

Kristin Aguila, Director
Community Development Department
City of Cerritos
18125 S. Bloomfield Avenue
Cerritos, CA 90703

Dear Kristin Aguila:

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

Thank you for submitting the City of Cerritos' (City) Adopted housing element received for review on February 3, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The adopted element addresses many statutory requirements described in HCD's December 21, 2021, review; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

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

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

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

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

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at:

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

HCD appreciates the responsiveness and dedication of the City's housing element team provided during the review. We are committed to assisting Cerritos in addressing all statutory requirements of Housing Element Law. If you have any questions or need additional technical assistance, please contact Fidel Herrera at fidel.herrera@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul McDougall', with a stylized flourish at the end.

Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF CERRITOS

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

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

A. Housing Needs, Resources, and Constraints

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

Outreach: The element provides a brief discussion of community outreach commitments; however as noted on the previous review the element must relate outreach to all components of the AFFH analysis and modify or add goals and actions as appropriate. Please see HCD's prior review for additional information.

Disproportionate Housing Needs, Including Displacement Risk: The element includes additional information on homelessness based on 2020 LAHSA point-in-time survey; however it should still evaluate impacts on protected characteristics (e.g., race, disability, familial status). In addition, the element now includes information from the Urban Displacement Project (UDP) on displacement risk, it could also utilize information from UDP on the Los Angeles metropolitan area which shows many areas of Cerritos at-risk of becoming exclusionary. Please see <https://www.urbandisplacement.org/maps/los-angeles-gentrification-and-displacement/>.

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

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

Contributing Factors to Fair Housing Issues: While the element prioritizes contributing factors to fair housing issues, based on the outcomes of a complete analysis, the element should re-assess priorities as appropriate.

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

Suitability of Nonvacant Sites: While the element now includes some general information about sites being selected based on owner interest, aging structures, and marginal uses, to demonstrate the potential for additional development, it should be revised, as follows:

- *Site 7:* While the element notes two vacant properties and potential availability of a state-owned site, it should discuss the extent existing uses impede additional development, including indicators of potential turnover in the planning period such as expiring leases, lack of improvements, tenant vacancies, recent changes in use, for sale listings, owner interest, age of structures and the potential for additional development compared to existing floor area. In addition, the element should discuss the potential for lot consolidation since the site is being considered as a comprehensive development. Finally, while the element includes some general programs to provide zoning and other actions, it should include a specific schedule to facilitate development on the state-owned site, including outreach and coordination with the state regarding requests for proposals and alternative action if the site does not become available for development.
- *Site 8:* The element should describe whether the existing uses are anticipated to discontinue, how the sites would be easily subdivided and compare the site characteristics to other recent subdivisions in the area.
- *Site A:* The element should clarify which properties have expressed interest in redeveloping to housing. This is particularly important since a significant portion of the site has multi-tenants on apparently subdivided lots. The element should also demonstrate the likelihood of school uses discontinuing in the planning period, discuss the extent existing uses impeded additional development based on indicators of turnover (described above) and the potential for lot consolidation.

In addition, for your information, the element relies on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households, which triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. While the resolution of adoption includes the appropriate findings, any changes to the analysis should be reflected in future re-adoption of the element.

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

inventory, if changes occur, any future re-adopted versions of the element must also submit the electronic version of the sites inventory.

Zoning for a Variety of Housing Types (Emergency Shelters): As noted in the prior review, given the City has identified one apparently isolated area to accommodate the need for emergency shelters, the element should demonstrate realistic opportunities by evaluating the extent existing uses impede the likelihood of developing an emergency shelter. In response, the element notes 34 acres in the overlay zone but still must provide discussion of realistic opportunities as described in HCD's prior review. In addition, the prior review found the element must list and evaluate development standards and modify programs as appropriate, including an analysis to demonstrate whether parking requirements are limited to staff working in the emergency shelters. In response, the element now concludes development standards would not preclude or limit an emergency shelter but provides no listing or analysis of development standards to support this conclusion. Upon a cursory review of the City's municipal code, parking requirements appear inconsistent with housing element law and are not limited to staff working in the shelter. Also, the overlay (Section 22.60.050) appears to have a one shelter limit. The element must include a program to address these constraints.

3. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Land Use Controls: While the element now includes a program to address minimum lot size requirements, it still should evaluate this requirement to determine whether an adjustment to one acre is appropriate and does not constrain development. In addition, the element was not revised with analysis to address parking and height requirements. Please see HCD's prior review for additional information.

Processing and Permit Procedures: The element includes a statement that says the City's entitlement processing is considered streamlined, and does not impact factors such as cost, timing, and number of units; however, the element was not revised with any analysis to support this statement or address any of the finding in HCD's prior review. Please see HCD's prior review for additional information.

Fees: As found in the prior review, the element must describe all required fees for single family and multifamily housing development, including impact fees, and analyze their impact as potential constraints on housing. In response, the element now describes building permit fees and concludes fees are nominal. However, the analysis should also address planning fees, impact fees and all other fees and then evaluate their impact as a potential constraint. Please see HCD's prior review for additional information.

Housing for Persons with Disabilities: The element was not revised to analyze the reasonable accommodation procedure, Chapter 23.30.040 Application Section (1)(e). Please see HCD's prior review for additional information.

4. *Analyze existing assisted housing developments that are eligible to change to nonlow-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D)).*

The element identifies Emerald Villas and Pioneer Villas that are at risk of converting from affordable to market-rate uses during the next ten years; While the element provides an estimated cost to construct an affordable housing unit, it must also list qualified entities with the capacity to acquire multifamily developments at-risk.

B. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

As noted on the previous review. To have a beneficial impact in the planning period and meet the goals and objectives of the housing element, programs must have specific commitment and timelines toward tangible outcomes. The element includes Programs 1 (Housing for Homeless and Special Needs) and 16 (Accessory Dwelling Units) that include a timeline of completion by January 2025. These programs should be revised to include completion dates (e.g., by January 2024) resulting in beneficial impacts within the planning period. Examples of additional programs to be revised include:

- *Program 2 (Disabled Housing Program)* was revised to include a schedule of steps the City will take to support a disabled housing program. The element includes a timeline to be completed by January 2027, subject to the availability of funding; however this program should be revised to include a timeline with beneficial impact (e.g., within two years of adoption) and regular outreach (e.g., ongoing and at least once per year) with developers and community groups.
- *Program 8 (Density Bonus)* was revised to include a timeline to be completed by January 2027, subject to the availability of funding; however this program should be revised to include a timeline with beneficial impact (e.g., by January 2024).

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory... (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A2, the element does not include a complete site analysis. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

Rezone Program for Adequate Sites: As noted on the previous review. The element appears to rely on rezoning of sites (Table B-2) to accommodate the regional housing need, including for lower-income households; however, the element must include a program to identify sites and make appropriate zoning available to accommodate the RHNA by income group within the planning period. While the program was revised to state that sites 7, A and B in the sites inventory allow at least 16 units per site, this Program must be revised to meet all requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). For example, the Program must:

- Require a minimum density of 20 units per acre.
 - At least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-use project.
 - Permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a conditional use permit (CUP), planned unit development permit, or other discretionary review or approval.
3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

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

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

As noted in Finding A1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. The element includes program 13 (Affirmatively Furthering Fair Housing) which includes fair housing issues, contributing factors, and meaningful actions; however other programs should be revised to address the City's obligation to AFFH. Actions must have specific commitment, including targeting areas of higher need or throughout the community, metrics and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas (e.g., throughout the community), place-based strategies for community preservation and revitalization and displacement protection.