

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

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



July 21, 2022

John F. Signo, Director
Planning & Community Services Department
City of Rolling Hills
2 Portuguese Bend Road
Rolling Hills, CA 90274

Dear John F. Signo:

RE: City of Rolling Hills' 6th Cycle (2021-2029) Revised Draft Housing Element

Thank you for submitting the City of Rolling Hills' revised draft housing element received for review on May 24, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The revised draft element addresses many statutory requirements described in HCD's April 11, 2022 review; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The revisions needed are as follows:

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).)*

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).)

Strategies, Actions, Metrics, and Milestones: While the element included some revisions, additional revisions will be needed to address HCD's prior review, as follows:

- **Metrics:** The element did not address this finding. As found in HCD's prior review, the element must include quantifiable metrics or numerical objectives to target beneficial impacts for people, households, and

neighborhoods (e.g., number of people or households assisted, number of housing units built, number of parks or infrastructure projects completed).

In addition, HCD's prior review found that the element must include significant and meaningful actions to address promoting housing mobility and increasing housing choices and affordability in higher opportunity areas. While the element was revised to reference specific programs, additional revisions will be needed, as follows:

- *Housing Mobility*: Promoting housing mobility removes barriers to higher opportunity areas and strategically enhances access to housing choices and affordability. Given, among other things, that the City is entirely highest category of disparities in access opportunity and largely does not reflect the socio-economic characteristics of the broader region, the element must include significant actions to promote housing mobility within the City and relative to the region to promote an overall inclusive community. To address this requirement, the element relied on the City's one affordable housing site to accommodate the regional housing need allocation (RHNA) and fair housing enforcement and outreach programs. However, actions should go beyond the RHNA and be significant to facilitate meaningful change. The element could consider improving existing programs or including new programs related to homesharing, promoting a city-wide affordable rental registry for accessory dwelling units (ADUs) paired with affirmative marketing outside of the City and coordination with regional entities.
- *Increasing Housing Choices and Affordability in Higher Opportunity Areas*: To address this finding, the element relied on actions that are required to comply with state law including updating the City's density bonus program and allowing for transitional, supportive, group, and employee housing. However, to increase housing choices and affordability throughout the City, the element should consider going above and beyond state law such as allowing two JADUs on a single family lot, developing and marketing a homeowner rehabilitation and/or down payment assistance program, etc.

For additional examples, please see pages 72 to 74 of HCD's AFFH Guidance Memo at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

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).)*

Zoning for a Variety of Housing Types (Permanent and Supportive Housing): The element was revised with a program to define supportive housing and permit it as a residential use, similar to other residential uses. However, the element still must address the requirements under Government Code section 65651. As found in the prior review, Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement or add or modify programs as appropriate.

3. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the... ..the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

Approval Time: The element was revised to include a discussion on the time between entitlements and construction and the current conditions of the construction market. However, this does not address HCD's prior review. Specifically, the element must be revised to include an estimate for the length of time between receiving approval for housing development and submittal of an application for building permits that potentially hinder the construction of a locality's share of the regional housing need.

The element will meet statutory requirements of State Housing Element Law once it has been revised and adopted to comply with the above requirements pursuant to Government Code section 65585.

For your information: 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 (for all income-levels). Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

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.

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. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

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:

<https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the hard work of the City's planning staff and consultants during our review. We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Gianna Marasovich, of our staff, at Gianna.Marasovich@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