

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

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April 30, 2010

Mr. Gregg McClain
Acting Planning Director
Planning & Community Development
City of Hawthorne
4455 West 126th Street
Hawthorne, CA 90250

Dear Mr. McClain:

RE: Review of the City of Hawthorne's Draft Housing Element

Thank you for submitting Hawthorne's draft housing element received for review on February 26, 2010. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). In addition, the Department considered comments from Shelter Partnership pursuant to Government Code Section 65585(c). A telephone conversation on April 13, 2010 with you and Ms. Veronica Tam, the City's consultant, facilitated the review.

The Department commends Hawthorne on its efforts to encourage the development of higher density residential and mixed-use along the City's major transit corridors. While the draft element addresses many statutory requirements, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element must include a complete sites inventory and analysis of governmental constraints. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department is committed to assist Hawthorne in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Liza Conroy, of our staff, at (916) 445-5854.

Sincerely,

Cathy E. Creswell
Deputy Director

Enclosure

cc: Veronica Tam, VTA Associates

APPENDIX

CITY OF HAWTHORNE

The following changes would bring Hawthorne'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 the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at www.hcd.ca.gov/hpd/housing_element2/index.php, the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Including the acknowledged unaccommodated need from the prior planning period, Hawthorne has a regional housing needs allocation (RHNA) of 616 housing units of which 463 are for lower-income households (Table 30). To address this need, the element relies primarily on vacant and underutilized sites, including sites within Mixed-Use Overlay areas. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Realistic Capacity: For mixed-use or commercial sites allowing residential uses, the capacity estimate should account for potential development of non-residential uses and could consider any performance standards mandating a specified portion of a mixed-use site as non-residential (e.g., first floor, front space as commercial). In addition, for non-vacant sites, the element should estimate potential residential capacity considering not all non-vacant sites will redevelop within the housing element planning period. For example, the element could base estimated capacity on those sites determined to have the greatest potential for redevelopment. The element should also describe any existing or proposed regulatory incentives and standards to facilitate housing development in the mixed-use or commercial zones and on the identified non-vacant sites.

Suitability of Non-Vacant Sites: While the element provides very general descriptions of existing uses on non-vacant and underutilized sites (pages 58-60), it must also demonstrate the potential for redevelopment and evaluate the extent to which existing uses may impede additional residential development. For example, the element indicates the Cordary Avenue/Rosecrans Avenue site (Areas 1a and 1b) contains outdated single-story commercial and industrial buildings, older single-family houses and vacant properties (page 58), but provides no information about the appropriateness of these sites for redevelopment to residential or higher density uses or the potential for the existing uses to be discontinued. The evaluation should consider development trends, market conditions and regulatory or other incentives or standards to encourage additional residential development on these sites. For sites with residential uses, the inventory could generally describe structural conditions or other circumstances and

trends demonstrating the redevelopment potential to more intense residential uses. For non-residential sites, the inventory could generally describe whether the use is operating, marginal or discontinued, and the condition of the structure or could describe any expressed interest in redevelopment. Refer to the sample analysis on the *Building Blocks*' website at http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#nonvacant.

Lot Consolidation/Small Sites: The element should also discuss whether aggregated parcels are anticipated to develop individually or will require consolidation. *For parcels anticipated to be consolidated*, the element should describe the potential for lot consolidation and could include conditions rendering parcels suitable and ready for redevelopment, trends or information on the number of owners and indicating where sites have been assembled. The element should also include policies and programs as appropriate to facilitate lot consolidation. *For parcels anticipated to develop individually*, the element should calculate residential capacity separately and evaluate existing and/or proposed policies or incentives the City will offer to facilitate development if sites are small (e.g., less than half acre). This is particularly important given the necessary economies of scale to facilitate development of housing affordable to lower-income households. For example, most assisted housing developments utilizing State or federal financial resources typically include at least 50 to 80 units.

Suitability of Zoning to Demonstrate Adequate Sites: The element indicates the "City rezoned a number of properties to R-4, C-1 and C-3 with a mixed-use overlay" (page 57). However, while the General Plan amendments have been adopted, pursuant to conversations with City staff, the City has yet to adopt necessary zoning amendments. Hawthorne is planning to amend zoning to be consistent with the General Plan designations and reflect the zoning classifications detailed in Appendix C prior to or concurrently with the adoption of the housing element. As zoning is currently not in place, the element must address the program requirements of Government Code Section 65583.2(h), including minimum density requirements and ensure at least 50 percent of the City's remaining regional housing need for lower-income households is accommodated on sites allowing for exclusively residential uses. This includes those sites to be rezoned to address the City's unaccommodated need from the previous planning period (page 56), pursuant to Chapter 614, Statutes 2005 (AB 1233). For additional information, please refer to Finding B-1 (next page).

Please also note, Government Code Section Code 65584.09 and 65583(c)(1) (AB 1233) require the City to zone sufficient sites to accommodate the unaccommodated need from the previous planning period within the first year of the 2008-2014 planning period. As this timeframe has lapsed, the Department cannot find the element in compliance until the required rezoning is complete and the element is amended to reflect that rezoning.

Sites with Zoning for a Variety of Housing Types

Transitional and Supportive Housing: The element indicates transitional and supportive housing will be allowed in all residential zones if considered a "regular rental housing development." Pursuant to Chapter 633, Statutes of 2007 (SB 2), transitional and supportive housing must be permitted as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone. The element must demonstrate compliance with the statutory requirements or include program actions as necessary.

Emergency Shelters: According to conversations with staff, the City is proposing to implement an overlay within the commercial and industrial zones (pages 43-44) to allow emergency shelters without a conditional use permit (CUP) or other discretionary action; however, the element does not include this information. The element should describe the overlay and the total available capacity within the area. To demonstrate sufficient capacity within the overlay, the element should also include a brief description of the overlay area (e.g., vacant, re-use potential, etc.). Please refer to the Department's SB 2 technical assistance memo at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

2. *Analyze 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. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).*

Fees and Exaction: While the element lists planning and impact fees per unit for typical single- and multi-family developments (pages 48 and 49), it should also analyze the impacts on the cost and affordability of housing. For example, the analysis should address the cumulative fees for a typical single- and multi-family unit and analyze the proportion fees represent of total development costs and how they impact project feasibility and costs. For further information and sample analyses, refer to the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/CON_fees.php.

Permit Processing: While the element indicates multifamily dwellings are a permitted use in the pending R-4 zoning district (page 41), it must include a more complete analysis of permit procedures for multifamily development in the pending R-4 and Mixed-Use Overlay zones for potential impacts on the cost and supply of housing. Specifically, the analysis should describe and analyze decision-making criteria, including required findings, and public notice and hearings for permit review. For further information and sample analyses, refer to the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/CON_permits.php.

Constraints on Housing for Persons with Disabilities: While the element indicates the City has an adopted reasonable accommodation procedure and has recently revised its definition of family to comply with State and federal fair housing laws, the element should also analyze zoning and approval procedures for potential constraints on housing for persons with disabilities. For example, while the element states the City accommodates residential care facilities for seven or more individuals in the R-4 and C-1 (with MU Overlay) zones (page 41), residential care facilities for seven or more people are subject to a CUP. Additional review and complex discretionary findings can add significant time and uncertainty to the approval process and consequently can impact the cost and supply of housing for disabled persons. Consequently, the element must evaluate the impacts of this requirement on housing for persons with disabilities and add programs as appropriate to remove or mitigate this permitting requirement.

Additionally, the element indicates the City does not permit group homes for seven or more individuals in any other residential zones. Therefore, it must also include an analysis of limiting residential care for seven or more persons to the R-4 zone for impacts on housing for persons with disabilities. Refer to the Department's memo and the *Building Blocks*' sample analysis at http://www.hcd.ca.gov/hpd/housing_element2/CON_disabilities.php.

B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in Finding A-1, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. At a minimum, the element should be revised as follows:

Program 17 (Provision of Adequate Sites for RHNA): The element acknowledges a shortfall of appropriately zoned sites to accommodate the City's regional need for lower-income households (page 57). While the Program indicates the City will designate land for rezoning to high density multifamily and commercial with a MU Overlay to accommodate the shortfall of sites required for new development, the element must include an adequate sites program to specifically rezone sites sufficient to accommodate the remaining housing needs of lower-income households by a date certain consistent with Government Code Sections 65583.2(h) and (i) and 65583(c)(1). Specifically, the City must rezone sites to permit owner-occupied and rental multifamily uses by-right. "By-right", pursuant to 65583.2(i), means local government review must not require a CUP, planned unit development or other discretionary review or approval.

The program must also ensure the adequate sites program provides for:

- a minimum of 16 units per site;
- a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only.

As the City is relying on underutilized sites and the potential for mixed-use development to accommodate its RHNA for lower-income households, the element must include specific program actions to promote redevelopment of underutilized sites and lot consolidation including financial assistance, regulatory concessions or incentives to

encourage and facilitate additional or more intense residential development on non-vacant and underutilized sites. Examples of incentives include: 1) organizing special marketing events geared towards the development community; 2) posting the sites inventory on the local government's webpage; 3) identifying and targeting specific financial resources; and, 4) reducing appropriate development standards.

2. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in Finding A-2, 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.

C. Consistency with General Plan

The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals (Section 65583(c)(7)).

The City should also note recent statutory changes to Government Code Section 65302 (Chapter 369, Statutes 2007 [AB 162]) which requires amendment of the safety and conservation elements of the General Plan to include analysis and policies regarding flood hazard and management information upon the next revision of the housing element on, or after, January 1, 2009. For additional information, refer to Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/ab_162_stat07.pdf.