

Housing Needs Study

Gateway Cities Council of Governments

September 2019

Veronica Tam and Associates, Inc.
107 S. Fair Oaks Avenue, Suite 212
Pasadena, CA 91105

MIG, Inc.
537 S. Raymond Avenue
Pasadena, CA 91105

Gateway Cities Council of Governments Housing Needs Study

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Gateway Cities Council of Governments Housing Needs Study

A. Background and Purpose of Report

The Gateway Cities recognize the significant housing challenges the region is facing in providing adequate and affordable housing for its diverse and growing population. Homelessness is also on the rise throughout the region. With the dissolution of redevelopment in 2012, communities across the State have lost their most significant funding source for affordable housing. Affordable housing production has come to a standstill in many communities. Communities must explore alternative mechanisms to facilitate housing development and affordable housing in particular.

In light of the recent changes to State housing laws, the next Housing Element update (due October 2021) is anticipated to be challenging, to say the least. The Gateway Cities are interested in gaining an understanding of current conditions in the region, specifically:

- Existing Housing Element Law Compliance, including Housing Element certification status, Regional Housing Needs Allocation (RHNA), and progress toward meeting the RHNA.
- An inventory of existing and proposed housing programs, in order to identify best practices.
- Zoning revisions that must be completed to receive a Finding of Substantial Compliance for the 6th cycle.

In 2018, the Gateway Cities Council of Government (GCCOG) obtained funding from the State legislature to conduct a Housing Needs Study. Veronica Tam and Associates, Inc. (VTA), in association with MIG, Inc., was retained by GCCOG to conduct this study.

B. Geographic Coverage and Methodology

1. Geographic Coverage

The Gateway Cities region consists of 27 cities and additional unincorporated communities in Southeast Los Angeles County, with a total population of 2.1 million:

- | | | |
|----------------|--------------------|-------------------------------|
| ▪ Artesia | ▪ Hawaiian Gardens | ▪ Norwalk |
| ▪ Avalon | ▪ Huntington Park | ▪ Paramount |
| ▪ Bell | ▪ Industry | ▪ Pico Rivera |
| ▪ Bellflower | ▪ La Mirada | ▪ Santa Fe Springs |
| ▪ Bell Gardens | ▪ Lakewood | ▪ Signal Hill |
| ▪ Cerritos | ▪ Long Beach | ▪ South Gate |
| ▪ Commerce | ▪ Lynwood | ▪ Vernon |
| ▪ Compton | ▪ Maywood | ▪ Whittier |
| ▪ Cudahy | ▪ Montebello | ▪ County Unincorporated Areas |
| ▪ Downey | | |

To the extent feasible, analysis in this Housing Needs Study covers the entire Gateway Cities region. However, not every jurisdiction chose to participate in the Study. VTA-MIG staff pursued responses and information via other avenues.

2. Housing Needs Study Questionnaire

In order to compile information about Housing Element law compliance and housing programs for individual jurisdictions within the Gateway region, a questionnaire was administered. A copy of the questionnaire is included as Appendix A of this report. Jurisdictions could respond to the questionnaire online and discuss their responses via phone calls and emails. However, two jurisdictions declined to participate in the Housing Needs Study and several jurisdictions have not provided responses as of the writing of this report (Bell Gardens and Industry).

The Housing Needs Study Questionnaire contains requests for factual information as well as input from jurisdictions regarding constraints to housing development, innovative approaches to affordable housing, effective versus obsolete housing programs, and ways that GCCOG could provide support to member jurisdictions. For those jurisdictions that did not participate in the Questionnaire, VTA-MIG staff reached out to the staff via phone calls and emails to obtain input, and researched the factual information by reviewing documents available online. However, for questions that require local input, VTA-MIG staff refrained from making conclusions without the participation of the jurisdictions.

3. Online Research and Document Review

VTA-MIG staff reviewed documents available online to compile information on Housing Element compliance, RHNA progress, and implementation of housing programs (especially regarding zoning revisions committed in Housing Elements). The following resources were used:

- General Plans and Housing Elements
- Municipal Codes
- Housing Element Annual Progress Reports
- State Department of Housing and Community Development (HCD) website – Housing Element Resources pages
- Ordinances and specific documents provided by participating jurisdictions

C. Housing Element Compliance

State Housing Element law requires that every jurisdiction update the Housing Element of the General Plan according to a statutory deadline. For the 5th cycle update, jurisdictions in the Southern California Association of Governments (SCAG) region, which includes the GCCOG, the statutory deadline was October 15, 2013, with a 120-day grace period. Prior to adoption of the Housing Element, jurisdictions must submit the Draft Housing Element to HCD for review in order to determine compliance with State Housing Element law. Jurisdictions must address comments on the Housing Element to HCD's satisfaction in order to achieve a "Finding of Substantial Compliance" (more commonly referred to as "certification").

Benefits of compliance include:

- Eligibility for State housing and community development funds, such as SB 2 Planning and Affordable Housing grants, State Housing Trust Funds, and State-administered Community Development Block Grants (CDBG) and HOME Investment Partnership funds (HOME).¹
- Presumption of validity in the event of a lawsuit.
- A legally adequate General Plan, as the Housing Element is an integral component of the General Plan.

¹ In other regions, such as San Diego and the Bay Area, the distribution of transportation funds by the Council of Governments is also contingent upon Housing Element compliance.

1. Compliance Status (as of May 30, 2019)

VTA-MIG staff reviewed the HCD website and discussed with HCD staff and city staff of GCCOG jurisdictions regarding Housing Element compliance. This report categorizes Housing Element compliance into the following different categories:

- **Adopted Housing Element in Substantial Compliance:** Jurisdictions that submitted an adopted Housing Element for HCD review and received a Finding of Substantial Compliance on the adopted Housing Element.
- **Adopted Housing Element in Substantial Compliance with Condition(s):** Jurisdictions that submitted an adopted Housing Element for HCD review and received a Finding of Substantial Compliance contingent upon the follow-up implementation of specific housing programs, zoning revisions, or other commitments.
- **Adopted Housing Element Out of Compliance:** Jurisdictions that submitted a Draft Housing Element for HCD review, but did not address comments on the Draft Housing Element to HCD’s satisfaction and proceeded to adopting the Housing Element.
- **No Adopted Housing Element – Draft Element Out of Compliance:** Jurisdictions that submitted a Draft Housing Element for HCD review, but did not address comments on the Draft Housing Element to HCD’s satisfaction and did not proceed to adopting the Housing Element.
- **No Draft or Adopted Housing Element:** Jurisdictions that never submitted a Draft Housing Element for HCD review.

Compliance Status	Jurisdiction
Adopted Housing Element in Substantial Compliance	<ul style="list-style-type: none"> ▪ Avalon ▪ Bell Gardens ▪ Cerritos ▪ Commerce ▪ Cudahy ▪ Downey ▪ Hawaiian Gardens ▪ Industry ▪ La Mirada ▪ Lakewood ▪ Long Beach ▪ Los Angeles County ▪ Lynwood ▪ Norwalk ▪ Paramount² ▪ Pico Rivera ▪ Santa Fe Springs ▪ Signal Hill ▪ South Gate ▪ Vernon ▪ Whittier
Adopted Housing Element in Substantial Compliance with Condition(s)	<ul style="list-style-type: none"> ▪ Artesia
Adopted Housing Element Out of Compliance	<ul style="list-style-type: none"> ▪ Maywood

² The Paramount Housing Element adopted on February 4, 2014 was contingent upon the City zoning adequate sites for its RHNA obligations (4th cycle carryover and 5th cycle allocation). Adoption of Ordinance No. 1114 on May 21, 2019 sufficiently provides adequate sites for the RHNA. The City of Paramount’s Housing Element was deemed in substantial compliance as of June 4, 2019.

Table 1: Housing Element Compliance Status (as of May 30, 2019)	
Compliance Status	Jurisdiction
No Adopted Housing Element – Draft Element Out of Compliance	<ul style="list-style-type: none"> ▪ Bell ▪ Compton ▪ Montebello
No Adopted or Draft Housing Element – Out of Compliance	<ul style="list-style-type: none"> ▪ Huntington Park

2. Progress of Non-Compliant Jurisdictions

Prior to the passage of AB 72 (Enforce Housing Element Law)³ in 2017, HCD did not truly have the authority to monitor a jurisdiction’s progress in fulfilling the conditions set forth in the Finding of Substantial Compliance nor the ability to de-certify a Housing Element due to failure to comply with the conditions. With AB 72, HCD has assigned specific staff to monitor the progress of jurisdictions with a non-compliant Housing Element, as well as those with a “Conditional” Finding of Substantial Compliance.

HCD has contacted each of the non-compliant jurisdictions and requested a plan of action. Based on discussions with the participating jurisdictions and HCD staff, as well as information available on the HCD website, the following summarizes the current status of the non-compliant Housing Elements:

- **Maywood:** The City recently retained a consultant to revise the Adopted Housing Element with the goal of achieving certification by the end of the year.
- **Bell:** The City resubmitted a Draft Housing Element to HCD on January 15, 2019 for HCD review. Per HCD’s review letter dated March 15, 2019, additional revisions are necessary. HCD indicated that Bell will be resubmitting a Revised Draft Housing Element soon.
- **Compton:** The City resubmitted a Draft Housing Element to HCD on January 16, 2019 for HCD review. Per HCD’s review letter dated March 15, 2019, additional revisions are necessary.
- **Montebello:** The City resubmitted a Draft Housing Element to HCD on February 13, 2019 for HCD review. Per HCD’s review letter dated April 12, 2019, additional revisions are necessary.
- **Huntington Park:** The City is currently working on a Draft Housing Element. However, no timeline has been established with HCD.

State Department of Housing and Community Development (HCD) versus City of Huntington Beach

The adopted Huntington Beach Housing Element relied entirely on the Beach and Edinger Corridors Specific Plan (BECSP) to fulfill its RHNA for lower income. However, after achieving a Finding of Substantial Compliance status for the Housing Element, the City downzoned the BECSP, reducing the capacity for development to less than the RHNA. HCD revoked Huntington Beach’s compliance status. After repeated but unsuccessful efforts to urge the City to replace the lost capacity, HCD referred Huntington Beach to the State Attorney General to pursue legal actions as authorized by AB 72.

3. Progress of Conditionally Compliant Jurisdictions

Both the Artesia and Paramount Housing Elements were approved by HCD with a condition.

- **Artesia:** The City committed to rezone to address a 4th cycle unaccommodated RHNA units (27 very low and low income units) within one year (by October 15, 2014) and also committed to rezone to accommodate a 5th cycle RHNA shortfall (49 Very Low/Low Income units). The City also committed to implementing a Housing Opportunities Overlay zone and identifying parcels for that

³ Authorizes HCD to find a jurisdiction out of compliance with state housing law at any time (instead of the current eight-year time period), and refer any violations of state housing law to the Attorney General if it determines the action is inconsistent with the locality’s adopted housing element.

overlay. Additionally the City had planned to develop and implement a Mixed Use Overlay zone on sites currently designated City Center Mixed Use (GP) but zoned for commercial use. The City submitted a timeline to HCD on August 14, 2018 to address the committed actions, but HCD indicated that the timeline did not fully describe actions to implement the adequate sites program. Staff presented the Housing Opportunities Overlay zone to the planning commission on May 1, 2019.

4. Four-Year Review and Update Requirement

The 5th cycle Housing Element was due October 15, 2013, with a 120-day grace period. Housing Element adopted after the grace period (February 12, 2014), regardless of compliance status, is required to conduct a four-year review and update. Technically, the four-year update was due October 15, 2017 with no grace period for adoption. Jurisdictions must complete two four-year reviews on time in order to be eligible for the eight-year Housing Element cycle again. Other considerations of the four-year review include:

- HCD typically would like to see some progress in implementing the Adopted Housing Element prior to receiving the four-year review.
- Four-year review must incorporate all new Housing Element requirements that have become effective since January 1, 2018.

The cities of Bell, Compton, Huntington Park, and Montebello are subject to this requirement. Even though these communities are currently completing their initial 5th cycle update and the statutory deadline of the four-year update has passed, they would not be exempt from the four-year review and update requirement. City staff should contact HCD regarding a feasible schedule for the four-year review. The next time these jurisdictions could be eligible for the eight-year cycle would be the 7th update cycle if they are able to complete two consecutive four-year reviews on time.

5. Rezone Programs in Housing Element

Provision of adequate sites to accommodate the RHNA is a key component of Housing Element requirement. When a jurisdiction does not identify adequate sites with appropriate densities and development standards in the Housing Element, a program must be included to rezone/upzone within one year of Housing Element adoption. Table 2 summarizes the status of jurisdictions in completing their rezone/upzone requirements.⁴

Pursuant to State law, unaccommodated RHNA from the previous Housing Element period would be carried over to the next RHNA cycle. The 6th RHNA is anticipated to be significantly higher than the 5th cycle due to improved housing market and new requirements to address existing housing needs as a result of overcrowding and cost burden. State law requires that adequate sites be available throughout the entire Housing Element planning period and establishes timeline for rezoning/upzoning. HCD generally would not accept rezoning/upzoning that is completed late in the planning period. Therefore, to avoid compounding the RHNA obligations, jurisdictions should address unresolved adequate site issues as soon as possible.

⁴ Status is determined, to the best of VTA-MIG ability, by reviewing 2018 Housing Element APRs, discussions with City and HCD staff, as of May 2019.

Jurisdiction with Rezone/ Upzone Commitment in HE	Obligations		Completed?	Status
	4 th Cycle HE	5 th Cycle HE		
Artesia	27	49	No	Received request from HCD for corrective action.
Bell	TBD	TBD	TBD	Received 30-day notice with written findings from HCD. City is currently updating HE to address adequate sites and other compliance issues.
Compton	TBD	TBD	TBD	Received 30-day notice with written findings from HCD. City is currently updating HE to address adequate sites and other compliance issues.
Cudahy	154 units	126 units	Yes	Obtained HE compliance status.
Huntington Park	TBD	TBD	TBD	Received 30-day notice with written findings from HCD. City is currently updating HE to address adequate sites and other compliance issues.
Maywood	8 units	21 units	No	Received request from HCD for corrective action. City will be revising HE to address adequate sites issue.
Montebello	7.4 acres	TBD	No	Received 30-day notice with written findings from HCD.
Paramount	404 units	42 units	Yes	Obtained HE compliance status.
Pico Rivera	345 units	348 units	No	Received request from HCD for corrective action.
Sources: 1. Housing Elements 2. 2018 Housing Element Annual Progress Reports 3. Responses to Housing Needs Questionnaire and telephone interviews				

D. Progress toward Regional Housing Needs Allocation (RHNA)

1. Planning Goal versus Housing Production

A key component of Housing Element compliance is the jurisdiction's ability toward meeting its RHNA. Prior to the housing bills in 2017, RHNA was only a planning goal (identifying adequate sites) and not a production obligation, and adequacy of the sites inventory was only evaluated at the time of the Housing Element update. With the passage of these housing bills and their January 2018 effective date, jurisdictions face potentially material consequences for the lack of housing production:

- **SB 35 (Streamline Approval Process):** Creates a streamlined approval process for developments in localities that have not yet met their housing targets, provided that the development is on an infill site and complies with existing residential and mixed use zoning. Participating developments must provide at least 10 percent of units for lower income families.
- **SB 166 (No Net Loss):** Requires a jurisdiction to identify additional low income housing sites in their Housing Element when market-rate housing is developed on a site currently identified for low income housing. As a jurisdiction continues to build primarily market-rate housing on higher density

residential sites, the jurisdiction must identify replacement sites to ensure continued ability to accommodate the RHNA throughout the Housing Element planning period.

- **AB 72 (Enforce Housing Element Law):** Authorizes HCD to find a jurisdiction out of compliance with State housing law at any time (instead of the current eight-year time period), and refer any violations of State housing law to the Attorney General if it determines the action is inconsistent with the locality’s adopted Housing Element.

2. Progress toward RHNA

Table 3 summarizes the progress of Gateway Cities in meeting the RHNA with production. VTA-MIG staff reviewed the 2018 Housing Element Annual Progress Reports (APRs) and recent Draft Housing Elements submitted by jurisdictions that are working toward certification. In a few instances where jurisdictions did not participate in this Housing Needs Study and no APRs are available online, VTA-MIG staff used the progress data reported in the Adopted Housing Element, if available.

In providing a summary of RHNA status for each jurisdiction, the following assumptions are used:

- Pursuant to State law, jurisdictions must meet the RHNA for each income category either with production or by demonstrating adequate sites capacity. When demonstrating sites capacity, a jurisdiction is allowed to combine the Very Low and Low Income categories.
- Excess production in a lower income category can be credited against the RHNA for a higher income category. For example, excess production in the Very Low Income category can be used to fulfill the RHNA for the Low, Moderate, and Above Moderate Income categories, and excess production in the Low Income category can be credited against the RHNA for the Moderate and Above Moderate Income categories. However, the reverse cannot be assumed.
- The RHNA is considered a minimum requirement pursuant to State law. Excess production in the current Housing Element planning period cannot be carried forward to the next cycle.

Therefore, a jurisdiction’s housing production may have exceeded the overall RHNA, particularly in the Above Moderate Income category, but still has a remaining RHNA obligation for lower income units. For example, Vernon has a RHNA of one Very Low Income unit and one Low Income unit. The City produced 44 Low Income units, far exceeding its overall RHNA. However, the City still has a RHNA obligation of one Very Low Income unit. Table 3 provides an Adjusted Remaining RHNA for each jurisdiction that takes into consideration these considerations. Overall, the Gateway Cities region (excluding Los Angeles County) produced about 28 percent of its RHNA, including 14 percent of the Very Low Income and 23 percent of the Low Income RHNA.

Jurisdiction	RHNA	Very Low	Low	Moderate	Above Moderate	Total
Artesia	RHNA	31	18	20	51	120
	Production	0	65	0	55	55
	%	0%	0%	0%	108%	46%
	Remaining	31	18	20	-4	65
	Adjusted	31	18	20	0	69
Avalon	RHNA	20	12	14	34	80
	Production	0	0	0	4	4
	%	0%	0%	0%	12%	5%
	Remaining	20	12	14	30	76

Table 3: RHNA and Progress Since 2013 (as of December 31, 2018)

Jurisdiction	RHNA	Very Low	Low	Moderate	Above Moderate	Total
	Adjusted	20	12	14	30	76
Bell	RHNA	11	7	8	21	47
	Production	65	59	3	72	140
	%	591%	843%	38%	343%	298%
	Remaining	-54	-52	5	-51	-93
	Adjusted	0	0	0	0	0
Bellflower	RHNA	1	1	0	0	2
	Production	0	6	6	242	254
	%	0%	600%	NA	NA	12700%
	Remaining	1	-5	-6	-242	-252
	Adjusted	1	0	0	0	1
Bell Gardens	RHNA	11	7	8	20	46
	Production	0	0	10	17	27
	%	0%	0%	125%	85%	59%
	Remaining	11	7	-2	3	19
	Adjusted	11	7	0	1	19
Cerritos	RHNA	23	14	14	35	86
	Production	0	0	0	355	355
	%	0%	0%	0%	1014%	413%
	Remaining	23	14	14	-320	-269
	Adjusted	23	14	14	0	51
Commerce ¹	RHNA	12	7	7	20	46
	Production	NA	NA	NA	NA	NA
	%	NA	NA	NA	NA	NA
	Remaining	NA	NA	NA	NA	NA
	Adjusted	NA	NA	NA	NA	NA
Compton	RHNA	1	1	0	0	2
	Production	8	66	0	0	74
	%	800%	6600%	NA	NA	3700%
	Remaining	-7	-65	0	0	-72
	Adjusted	0	0	0	0	0
Cudahy	RHNA	80	46	51	141	318
	Production	0	0	0	0	0
	%	0%	0%	0%	0%	0%
	Remaining	80	46	51	141	318
	Adjusted	80	46	51	141	318
Downey	RHNA	210	123	135	346	814
	Production	0	6	70	204	280

Table 3: RHNA and Progress Since 2013 (as of December 31, 2018)

Jurisdiction	RHNA	Very Low	Low	Moderate	Above Moderate	Total
	%	0%	5%	52%	59%	34%
	Remaining	210	117	65	142	534
	Adjusted	210	117	65	142	534
Hawaiian Gardens	RHNA	32	19	21	57	129
	Production	0	0	0	1	1
	%	0%	0%	0%	2%	1%
	Remaining	32	19	21	56	128
	Adjusted	32	19	21	56	128
Huntington Park ¹	RHNA	216	128	149	402	895
	Production	NA	NA	NA	NA	NA
	%	NA	NA	NA	NA	NA
	Remaining	NA	NA	NA	NA	NA
	Adjusted	NA	NA	NA	NA	NA
Industry	RHNA	0	0	0	0	0
	Production	0	0	0	0	0
	%	NA	NA	NA	NA	NA
	Remaining	0	0	0	0	0
	Adjusted	0	0	0	0	0
LA County	RHNA	7,854	4,650	5,060	12,581	30,145
	Production	580	108	0	3,545	4,233
	%	7%	2%	0%	28%	14%
	Remaining	7,274	4,542	5,060	9,036	25,912
	Adjusted	7,274	4,542	5,060	9,036	25,912
La Mirada	RHNA	62	37	40	96	235
	Production	0	0	1	31	32
	%	0%	0%	3%	32%	14%
	Remaining	62	37	39	65	203
	Adjusted	62	37	39	65	203
Lakewood	RHNA	107	63	67	166	403
	Production	0	0	0	119	119
	%	0%	0%	0%	72%	30%
	Remaining	107	63	67	47	284
	Adjusted	107	63	67	47	284
Long Beach	RHNA	1,773	1,066	1,170	3,039	7,048
	Production	295	0	0	1,329	1,650
	%	17%	0%	0%	44%	23%
	Remaining	1,478	1,066	1,170	1,710	5,398
	Adjusted	1,478	1,066	1,170	1,710	5,398

Table 3: RHNA and Progress Since 2013 (as of December 31, 2018)

Jurisdiction	RHNA	Very Low	Low	Moderate	Above Moderate	Total
Lynwood	RHNA	123	72	81	218	494
	Production	98	0	0	44	142
	%	80%	0%	0%	20%	29%
	Remaining	25	72	81	174	352
	Adjusted	25	72	81	174	352
Maywood	RHNA	13	8	9	23	53
	Production	6	10	11	0	27
	%	46%	125%	122%	0%	51%
	Remaining	7	-2	-2	23	26
	Adjusted	7	0	0	19	26
Montebello	RHNA	269	161	175	461	1066
	Production	0	0	0	0	0
	%	0%	0%	0%	0%	0%
	Remaining	269	161	175	461	1066
	Adjusted	269	161	175	461	1066
Norwalk	RHNA	52	31	33	85	201
	Production	1	0	15	60	76
	%	2%	0%	45%	71%	38%
	Remaining	51	31	18	25	125
	Adjusted	51	31	18	25	125
Paramount	RHNA	26	16	17	46	105
	Production	0	0	0	54	54
	%	0%	0%	0%	117%	51%
	Remaining	26	16	17	-8	51
	Adjusted	26	16	17	0	51
Pico Rivera ¹	RHNA	217	131	140	362	850
	Production	NA	NA	NA	NA	NA
	%	NA	NA	NA	NA	NA
	Remaining	NA	NA	NA	NA	NA
	Adjusted	NA	NA	NA	NA	NA
Santa Fe Springs	RHNA	82	50	53	139	324
	Production	0	0	0	221	222
	%	0%	0%	0%	159%	69%
	Remaining	82	50	53	-82	102
	Adjusted	82	50	53	0	185
Signal Hill	RHNA	44	27	28	70	169
	Production	44	27	19	28	118
	%	100%	100%	68%	40%	70%

Table 3: RHNA and Progress Since 2013 (as of December 31, 2018)

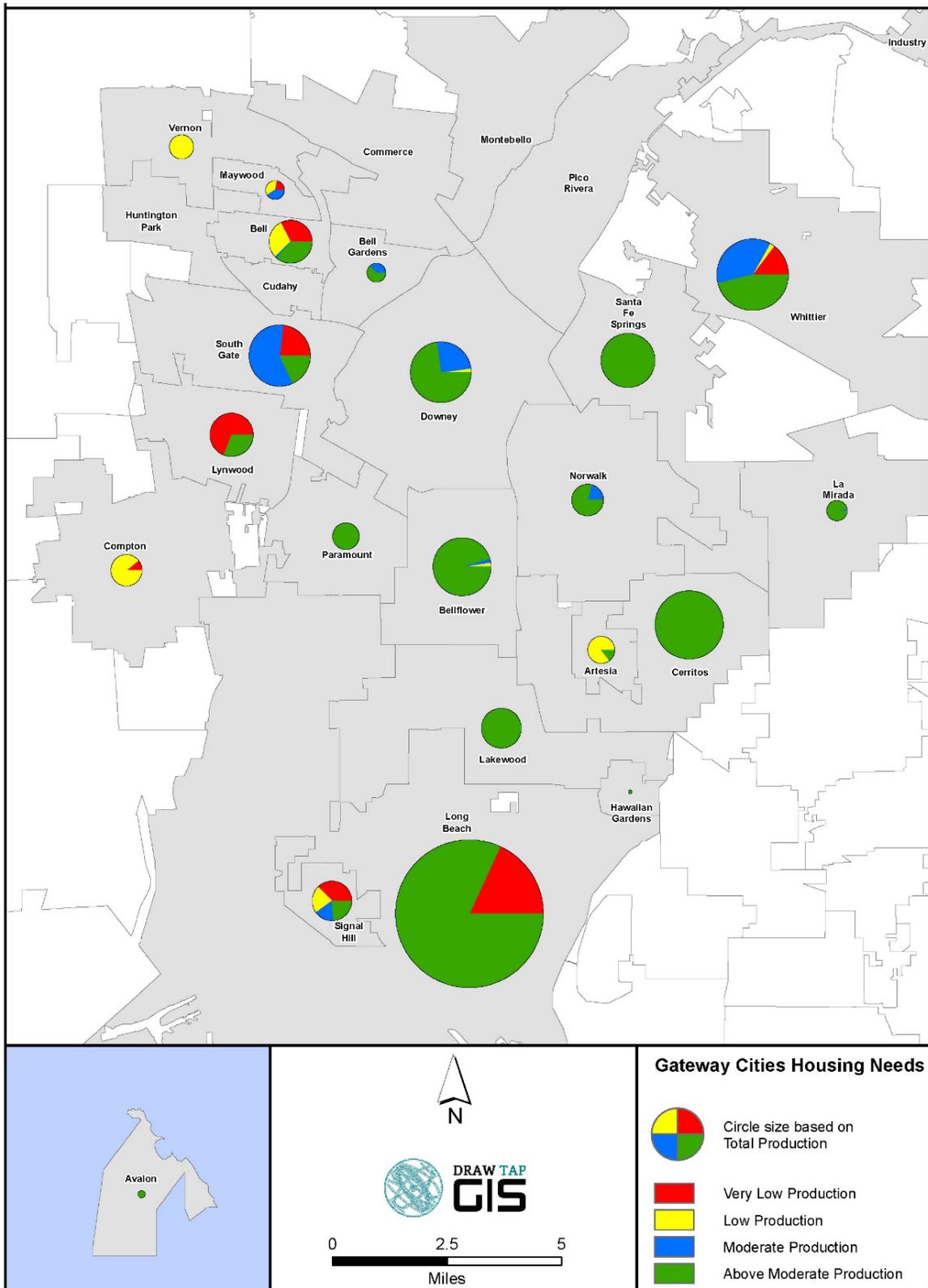
Jurisdiction	RHNA	Very Low	Low	Moderate	Above Moderate	Total
	Remaining	0	5	9	42	51
	Adjusted	0	5	9	42	51
South Gate	RHNA	314	185	205	558	1,262
	Production	22	0	56	17	287
	%	7%	0%	27%	3%	23%
	Remaining	292	185	149	541	975
	Adjusted	292	185	149	541	975
Vernon	RHNA	1	1	0	0	2
	Production	0	44	0	0	44
	%	0	4400%	NA	NA	2200%
	Remaining	1	-43	0	0	-42
	Adjusted	1	0	0	0	1
Whittier	RHNA	228	135	146	369	878
	Production	57	8	144	178	387
	%	25%	6%	99%	48%	44%
	Remaining	171	127	2	191	491
	Adjusted	171	127	2	191	491
GCCOG Total ² (excluding LA County)	RHNA	3,959	2,366	2,591	6,759	15,675
	Production	596	560	335	3,031	4,522
	%	15%	24%	13%	45%	29%
	Remaining	3,363	1,806	2,256	3,728	11,153

Sources: Housing Element Annual Progress Reports (APRs) and Housing Elements.

Notes:

1. No APRs or updated information on progress available.
2. To avoid distorting the regional figures, GCCOG totals exclude the County of Los Angeles as only a small portion of the County unincorporated areas fall within the GCCOG region.

Figure 1: Housing Production (2013-2018)



Note: Some Gateway Cities did not provide information on RHNA progress and the VTA-MIG team was not able to locate any 2018 Housing Element Annual Progress Reports.

E. Zoning Revisions

1. Housing for the Homeless

1.1 Background

SB 2 (Housing for the Homeless) of 2008 requires that jurisdictions, within one year of the 4th cycle Housing Element adoption, amend the zoning ordinance to identify a zone or zones where year-round emergency shelters for the homeless would be permitted by right without discretionary review. SB 2 of 2008 allows limited flexibility for local governments to apply written, objective development and management standards for emergency shelters as described below:

- The maximum number of beds or persons permitted to be served nightly by the facility.
- Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.
- The size and location of exterior and interior on-site waiting and client intake areas.
- The provision of on-site management.
- The proximity to other emergency shelters provided that emergency shelters are not required to be more than 300 feet apart.
- The length of stay.
- Lighting.
- Security during hours that the emergency shelter is in operation.

1.2 Emergency Shelter Ordinance and Housing Element Compliance

The requirement to provide for by-right approval of emergency shelters for the homeless was established in 2008. HCD's position is that until a jurisdiction complies with this requirement, the Housing Element would not be deemed in Substantial Compliance. Of the 28 jurisdictions in the Gateway Cities region, five jurisdictions (Bell, Huntington Park, Industry, Maywood, and Montebello) have not yet amended the zoning code to provide for emergency shelters.

HCD in reviewing the Housing Element updates, may request to review the actual ordinance. With the heightening awareness of the housing crisis, many jurisdictions are also facing criticisms and legal actions from housing advocates to provide housing for the homeless. Jurisdictions should reassess the Emergency Shelter Ordinance to ensure compliance with State law, and appropriate amendments should be completed prior to or concurrent with the next Housing Element update.

1.3 Problematic Separation Requirements

Many jurisdictions throughout the State have adopted emergency shelter ordinances that do not fully comply with State law. The most typical violation is illegal separation requirements, which were often adopted with good intentions (such as locating within proximity to transportation or buffering from schools and parks). However, the only distance requirement allowable under SB 2 of 2008 is a 300-foot separation from another emergency shelter. No other separation requirements are permitted.

Among those cities with Emergency Shelter provisions in the zoning codes, several have separation requirements that are problematic. The following separation requirements identified in various ordinances are not permissible under State law:

- 1,000 feet from public or private schools, public parks, universities, colleges, student housing, senior housing, child care facilities, public parks, businesses licensed for on- or off-site sales of alcoholic beverages or parolee/probationer home.
- Within ¼ mile from a public transportation stop.
- 500 feet from another shelter (exceeding the State’s maximum 300-foot separation requirement)
- 500 feet from a residential zone

An approach to setting separation requirements without violating State law is to use an overlay approach. When establishing overlay zone, the jurisdiction can use various distance criteria to exclude or include properties. However, the specific distance criteria cannot appear in the zoning code.

1.4 Relationship between Limits on Maximum Beds, Separation Requirements, and Available Parcels

The number of unsheltered homeless persons fluctuates annually according to the Point-in-Time Homeless Count. The actual capacity of a zone that allows emergency shelters should take into consideration the maximum beds limit per shelter and the separation requirement between two shelters. For example, a jurisdiction with an unsheltered homeless population 100 and a maximum 30 beds per shelter must demonstrate in the Housing Element adequate capacity for four shelters. With a separation requirement of 300 feet between two shelters, a zone or overlay zone must contain enough properties to accommodate the buffered shelters. Available capacity does not equal to the number of parcels in the designated zone(s). Jurisdictions may also be asked to demonstrate the availability of vacant and underutilized properties in the designated zone(s), or demonstrate the feasibility of adaptive reuse of existing structures given the existing uses or the maximum allowable beds per shelter.

2. Accessory Dwelling Units

2.1 Background

In recent years, the State Legislature has passed numerous changes to the Accessory Dwelling Unit requirements (ADU, and previously known as Second Unit) in order to promote the development of ADUs. These include allowing ADUs to be built concurrently with a single-family home, opening areas where ADUs can be built to include all zoning districts that allow single-family uses, modifying fees from utilities, such as special districts and water corporations, and reducing parking requirements.

As of January 1, 2019, homeowners who created accessory dwelling units (ADUs) without the required building permits may have the opportunity to bring their ADUs into compliance. For ADUs that were constructed without building permits, local building officials now have the option to inspect an ADU and apply the building standards that were in effect at the time the unit was constructed.

AB 2299 provides that any existing ADU ordinance that does not meet the new requirements is null and void as of January 1, 2017. In such cases, a jurisdiction must approve accessory dwelling units based on Government Code Section 65852.2 until the jurisdiction adopts a compliant ordinance. Jurisdictions are not required to create ordinances for ADUs; however, any jurisdiction that does adopt an ADU ordinance, must submit the ordinance to HCD within 60 days.

2.2 Jurisdictions with Adopted ADU Ordinances

Among the 28 jurisdictions, twelve jurisdictions have adopted an ADU ordinance (Artesia, Bellflower, Bell Gardens, Downey, Lakewood, Long Beach, Norwalk, Paramount, Santa Fe Springs, South Gate, Whittier, and Los Angeles County) and submitted to HCD for review. However, HCD is not required to review all ADU ordinances it receives. Only the ADU ordinances from Bellflower and Whittier were reviewed by HCD and received suggestions for further revisions to facilitate ADU development.

State law provides for a subtype of ADUs – Junior Accessory Dwelling Unit (JADU), which allows a homeowner to convert a portion of the existing living space within the primary unit to become a small accessory dwelling unit. A JADU must have cooking facilities but is not required to have a bathroom. Jurisdictions are not required to allow JADUs. Only three jurisdictions in the GCCOG region have provisions for JADUs (Downey, Long Beach, and Whittier).

2.3 ADU Construction

A few jurisdictions have experienced a surge in ADU construction. However, the trend is not yet widespread within the GCCOG region. Table 4 provides an estimate of ADU construction in the GCCOG region in 2018 based on the Housing Element Annual Progress Reports.

Jurisdiction	Adopted ADU Ordinance	With Junior ADU Provisions	Number of ADUs Permitted in 2018 ¹
Artesia	✓	No	0
Avalon			0
Bell			NA
Bellflower	✓	No	0
Bell Gardens	✓	No	NA
Cerritos			0
Commerce			NA
Compton			4
Cudahy			NA
Downey	✓	Yes ²	NA
Hawaiian Gardens			0
Huntington Park			NA
Industry			NA
La Mirada			NA
Lakewood	✓	No	9
Long Beach	✓	Yes ³	33
Los Angeles County	✓	No	126
Lynwood			0
Maywood			NA
Montebello			NA
Norwalk	✓	No	0
Paramount	✓	No	9
Pico Rivera			NA
Santa Fe Springs	✓	✓	2
Signal Hill			2
South Gate	✓	No	25
Vernon			NA
Whittier	✓	Yes ²	8

Notes:

- Not all jurisdictions submitted a 2018 Housing Element Annual Progress Report to HCD or provided to the VTA-MIG team for the Housing Needs Study.
- Revisions in Zoning Code may be needed to clarify whether Junior ADU is permitted.

Jurisdiction	Adopted ADU Ordinance	With Junior ADU Provisions	Number of ADUs Permitted in 2018 ¹
3.	Limited ADU is an allowable accessory use, or is located in a Planned Development District (PD) or Specific Plan (SP), or subarea thereof, that allows single-family but not multi-family residential use.		

2.1 Supportive Housing

New State law, Permanent Supportive Housing by Right Processing (AB 2162) streamlines and expedites the approval of supportive housing to better address the need of Californians experiencing homelessness. Specifically, AB 2162 requires supportive housing to be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses. The legislation requires a local government to approve, within statutory timelines, a supportive housing development that complies with specified criteria:

- Supportive housing shall be a use by right as defined by Government Code Section 65583.2(i).
- A local government is required to notify the developer whether the application is complete within 30 days of receipt of an application to develop supportive housing.
- After the application is complete, local governments shall complete its review of the application within 60 days for smaller projects (50 or fewer units) and 120 days for larger projects (more than 50 units).
- Local governments shall not impose any minimum parking requirements for units occupied by supportive housing residents if the development is located within ½ mile of a public transit stop.

Prior to AB 2162, permanent supportive housing is to be treated as a regular residential use to be permitted as similar uses in the same zone. As this is new State law that became effective in 2019, most jurisdictions have not yet addressed this provision.

3. Density Bonus

In recent years, the State has also made numerous changes to the State Density Bonus law. Some of the key changes since 2013 include:

- **SB 2222 (Replacement Units)** prohibits an applicant from receiving a density bonus unless the proposed housing development or condominium project would, at a minimum, maintain the number and proportion of affordable housing units within the proposed development.
- **SB 1227 (Student Housing Density Bonuses)** requires cities and counties to grant a 35 percent density bonus for housing developments that will include at least 20 percent of the units for low income college students. The housing must be used exclusively for full-time students at accredited colleges, and must be subject to an operating agreement or master lease with one or more colleges.
- **AB 2797 (Harmonizing Density Bonus and Coastal Act)** requires the density bonus to be administered in the Coastal Zone in a manner that is consistent and harmonized with the California Coastal Act.
- **AB 2372 (Floor Area Ratio Bonuses)** allows a local jurisdiction, at the request of a developer, to grant a floor area ratio bonus rather than a traditional density bonus to certain affordable housing projects located adjacent to public transit. Eligible projects are also entitled to special parking ratios as low as one-tenth of a parking space per unit.
- **AB 2753 (Strengthening Notice to Applicants)** provides greater certainty to a developer submitting a density bonus application by requiring local governments to notify developers what information must be submitted for a complete density bonus application.

Most jurisdictions included a program in the 5th cycle Housing Element to update the Density Bonus Ordinance to be consistent with State Law. However, the majority of the jurisdictions in the GCCOG region still have outdated Density Bonus provisions. In such case, experienced developers generally understand they can utilize the State Density Bonus law. However, our discussions with HCD indicate that HCD expects an updated Density Bonus Ordinance with the next Housing Element update. Use of density bonus provisions is also not frequent in the GCCOG region. In 2018, only the County of Los Angeles processed development applications with density bonus provisions.

Table 5: Density Bonus		
Jurisdiction	Density Bonus Ordinance	Number of Density Bonus Projects in 2018
Artesia	2002	0
Avalon	2/19/2019	0
Bell	Status Unknown	NA
Bellflower	10/14/2013	0
Bell Gardens	2013	NA
Cerritos	No Ordinance	NA
Commerce	11/19/2013	NA
Compton	9/11/2007	0
Cudahy	7/27/2015	NA
Downey	Adoption Date Unknown	NA
Hawaiian Gardens	7/1/2011	0
Huntington Park	2010	NA
Industry	No Ordinance	NA
La Mirada	No Ordinance	NA
Lakewood	11/18/2014	0
Long Beach	2006	0
Los Angeles County	Status Unknown	7
Lynwood	2010	0
Maywood	2013	NA
Montebello	Status Unknown	NA
Norwalk	Adoption Date Unknown	0
Paramount	To Be Adopted in 2020	0
Pico Rivera	5/17/2019	NA
Santa Fe Springs	12/12/2013	0
Signal Hill	2019 (anticipated)	0
South Gate	4/28/2015	0
Vernon	Status Unknown	0
Whittier	6/10/2008	0
Sources:		
1. Zoning Ordinances		
2. 2018 Housing Element Annual Progress Reports		

F. Summary of Housing Programs

1. Inventory of Programs

Table 6 provides an inventory of key housing programs administered by the GCCOG jurisdictions. This is intended to be an inventory of programs in which the jurisdictions have **an active role and results are measurable**. The following types of programs are not included:

- Routine programs and requirements, such as Code Enforcement, Density Bonus, and Condominium Conversion, unless the programs operated by specific jurisdictions contain some unique features.
- Programs to comply with State law, such as amending zoning codes to address special needs housing.
- Housing Choice Voucher program is not separately identified because each household in the County has access to the program either through the County or local housing authorities.
- Zoning and specific plans. Many jurisdictions identify Mixed Use zoning and Specific Plan as a housing program to facilitate future development. However, no specific or proactive actions are identified in the Housing Elements.

Table 6: Summary of Key Housing Programs

Jurisdiction	Preservation of Existing Affordable Housing				Housing Assistance			Special Needs			Affordable Housing				
	Preservation of Mobile Home Parks	Owner-Occupied Rehabilitation	Multi-Family Rehabilitation	Mobile Home repair	Senior Rent Subsidy	Security Deposit	First Time Homebuyer	Development Incentives	Streamline Processing	Homeless Services	Inclusionary	Adaptive Reuse	Mixed Use Development	Transit Oriented Development	Financial Incentives
Artesia		✓						✓					✓		✓
Avalon		✓					✓				✓				
Bell		✓													
Bellflower		✓					✓	✓		✓					
Bell Gardens			✓				✓								
Cerritos		✓							✓						
Commerce		✓			✓				✓				✓		
Compton		✓	✓				✓		✓						✓
Cudahy								✓		✓					
Downey		✓						✓		✓					
Hawaiian Gardens	✓	✓											✓		
Huntington Park															
Industry		✓													
La Mirada		✓													
Lakewood	✓	✓						✓							
Long Beach		✓	✓	✓		✓	✓				✓				✓
LA County		✓					✓	✓		✓			✓	✓	✓
Lynwood		✓					✓		✓	✓					✓
Maywood		✓	✓					✓							
Montebello		✓	✓				✓								
Norwalk	✓	✓													
Paramount		✓						✓					✓		✓

Table 6: Summary of Key Housing Programs

Jurisdiction	Preservation of Existing Affordable Housing				Housing Assistance			Special Needs			Affordable Housing				
	Preservation of Mobile Home Parks	Owner-Occupied Rehabilitation	Multi-Family Rehabilitation	Mobile Home repair	Senior Rent Subsidy	Security Deposit	First Time Homebuyer	Development Incentives	Streamline Processing	Homeless Services	Inclusionary	Adaptive Reuse	Mixed Use Development	Transit Oriented Development	Financial Incentives
Pico Rivera		✓						✓		✓					
Santa Fe Springs															✓
Signal Hill		✓					✓	✓							
South Gate		✓	✓						✓				✓	✓	✓
Vernon															
Whittier ¹		✓					✓			✓	✓				✓

Note:
 1. Whittier – The City's Inclusionary Housing Ordinance was suspended after the Palmer Sixth Street Properties vs. City of Los Angeles decision. The City is considering reestablishment of the ordinance as a result of recent State legislation.

Sources:
 1. Housing Elements
 2. 2018 Housing Element Annual Progress Reports
 3. Telephone and email communications

2. Effectiveness of Housing Programs – Survey Responses

In an effort to identify successful housing programs among the Gateway Cities, the Housing Needs Study Questionnaire asked respondents to identify up to three of their community’s most successful housing programs. The jurisdictions were also asked to identify up to three housing programs that the respondents felt had become obsolete. Of the 28 Gateway cities, 20 jurisdictions provided 53 examples of successful programs, and 16 provided 24 examples of obsolete programs.

2.1 Successful Programs

Overwhelmingly, programs for **home improvement and rehabilitation** were the most mentioned successful programs (28 percent of all successful program survey responses). Most of these programs are loan/grant programs for lower income homeowners and are overwhelmingly funded with HUD funds such as Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) with local success most commonly measured by the number of households assisted. As shown in Table 6 however, ownership housing rehabilitation is a popular program but significantly fewer jurisdictions offer multi-family rehabilitation.

Eight of the identified successful programs (15 percent of all successful programs) identified specific **affordable/special needs housing projects** that were developed and most measured the success of those programs by the fact that housing was built and/or fully occupied.

Housing Choice Voucher (formerly Section 8) rental assistance programs (5 responses) and State-required accessory dwelling unit ordinances (4 responses) were the next most popular responses.

2.2 Obsolete Programs

Homebuyer programs that provide loans, tax credits, or downpayment assistance to lower income households were most identified as obsolete (9 out of 24 responses or 38 percent of responses). The two most commonly cited reasons for their ineffectiveness were the loss of funding (most commonly redevelopment [RDA] funds) and rising home values that either exceed allowable program price limits or price lower income households out of the homebuying market.

Housing rehabilitation programs and **affordable housing** funding programs were the next most mentioned obsolete programs (5 responses or 21 percent each). For both of these programs lack of funding was the most cited reason for their ineffectiveness. Overall, more than half (58 percent) of programs identified as obsolete were due to the loss of funding.

2.3 Conclusion of Responses

The successful/obsolete program survey responses show that stable funding and program accessibility play an important role in program implementation. Federal funds have fluctuated and fallen in recent years yet continue to provide a relatively stable funding source for local jurisdictions that enables continued implementation of these programs. While homebuyer programs were identified many times as being obsolete due to lower income households being priced out of the local housing market, home improvement and rental assistance programs continue to have a very large and qualified applicant pool and meet a need that continues to grow.

G. Funding Sources

VTA-MIG staff reviewed the housing programs available in the GCCOG region and the funding sources used. The typical funding sources used are:

- Housing Asset Funds
- General Funds

- Community Development Block Grant (CDBG)
- HOME Investment Partnership Act (HOME)
- Emergency Solutions Grant (ESG)
- Other HUD funds

The cities of Compton, Hawaiian Gardens, Long Beach, Norwalk, Pico Rivera, and South Gate operate their own Housing Choice Vouchers Program. These agencies may have more access to funding such as VASH (Veterans Affairs Supportive Housing). In addition, there are competitive grants available, such as Affordable Housing and Sustainable Communities (AHSC), Local Housing Trust Fund, and CalHome funds.

3. HUD Entitlement Grants

With the dissolution of redevelopment in California, many jurisdictions are left with just Community Planning and Development (CPD) funds from HUD as relatively consistent funding sources available for housing activities. The most typical CPD funds are Community Development Block Grant (CDBG), HOME investment Partnership Act (HOME), and Emergency Solution Grants (ESG). CPD funds can be used for a variety of housing and community development activities, including public services, public facilities and infrastructure improvements, economic development, and housing activities.

3.1 Annual Allocations

Among the 28 jurisdictions, 14 are entitlement jurisdictions (including Los Angeles County) that receive CPD funds directly from HUD. Other small cities (with population less than 50,000) in the GCCOG are participating jurisdictions in the Urban County program and receive CPD funds from the County. Table 7 presents the 2019 allocations received by the cities. Los Angeles County is excluded from this table as the County’s program includes funding for about 50 small cities and the unincorporated areas throughout the County.

Entitlement Jurisdiction	2019 Formula Allocation		
	CDBG	HOME	ESG
Bellflower	\$977,534	\$358,813	
Compton	\$1,561,004	\$538,817	
Downey	\$1,064,459	\$440,137	
Huntington Park	\$1,230,354	\$607,124	
Lakewood	\$510,688		
Long Beach	\$6,095,423	\$2,744,653	\$517,562
Lynwood	\$1,195,581	\$483,156	
Montebello	\$677,645	\$269,841	
Norwalk	\$1,235,346	\$319,185	
Paramount	\$802,549	\$303,294	
Pico Rivera	\$643,092		
South Gate	\$1,463,262	\$602,315	
Whittier	\$752,486	\$303,865	
Source: HUD.gov			

3.2 Uses of Funds

In reviewing the annual budgets for FY 2019-2020, approximately 38 percent of the CPD funds among the GCCOG jurisdictions⁵ were dedicated to housing-related activities. As reflected in the survey responses discussed earlier, the majority (75 percent) was allocated to improving the existing housing stock (such as ownership housing rehabilitation) or enhancing affordability through existing units (such as homebuyer assistance). Construction of new affordable housing units was allocated about 19 percent of the funds. Homeless services received about six percent of the funds.

4. State Department of Housing and Community Development (HCD) Competitive Grants

In addition to the HUD entitlement grants and other local resources such as General Funds and Housing Asset Funds, jurisdictions have access to competitive grants provided by HCD. These grants are highly competitive. For example, while the Affordable Housing and Sustainable Communities (AHSC) program offers significant funding for affordable housing, only the City of Long Beach and the County of Los Angeles have been successful in receiving funding.

Jurisdiction	Project/Program	Awarded (2014-2018)	Upcoming Funding Cycle
Affordable Housing and Sustainable Communities (AHSC) Program			
LA County	AMCAL Housing Florence Neighborhood	\$10,798,068	February 2020
	LINC Housing - Willowbrook	\$12,531,304	
Long Beach	AMCAL Housing	\$13,975,653	
	Century Housing	\$2,441,616	
CalHome			
South Gate	Owner-Occupied Rehabilitation	\$1,000,000	Disaster Recovery Only – Application due September 3, 2019 or until all funds available are exhausted, whichever is earlier
Housing for a Healthy California – National Housing Trust Fund			
NA	NA	NA	Application due August 13, 2019
Infill Infrastructure Grant			
Long Beach	AMCAL Housing	\$2,859,060	TBD
Multifamily Housing Program			
NA	NA	NA	Application due August 20, 2019

H. Challenges

Jurisdictions were interviewed for challenges in providing adequate and affordable housing. The top challenges identified are:

1. Cost of land
2. Community opposition to and lack of political support for high-density housing development
3. Lack of qualified and interested developers
4. Lack of housing funds
5. Inadequate infrastructure

⁵ The County of Los Angeles and City of Huntington Park are excluded from this calculation. The County's programs cover the all unincorporated areas and about 50 small cities. VTA-MIG team was not able to obtain a copy of the Action Plan from Huntington Park.

I. Effective Land Use and Zoning Strategies

Strategies identified by GCCOG jurisdictions circled around two themes – strategies that increase densities and remove discretionary review processes. Key strategies are summarized in Table 9.

Strategies	Notes	Increasing Housing Supply	Enhancing Affordability
Administrative Review		✓	
Direct Density Increase	Rezoning or upzoning existing properties.	✓	✓
Density Bonus	State law or beyond State law.	✓	✓
Housing Overlays	Artesia – Housing Opportunity Overlay for multi-family housing at 20-30 du/ac by right with an administrative review if at least 20 percent of the units are deed restricted as affordable housing for low income households.	✓	
	Bellflower – Overlay zone for lot consolidation incentives.	✓	
	Commerce – Housing Overlay for industrial properties adjacent to residential uses – by-right multi-family and mixed use housing up to 40 du/ac.	✓	
Inclusionary	Currently no jurisdictions in GCCOG have adopted inclusionary housing policies, but several jurisdictions are considering such a policy.		✓
Design Approaches to Limit Unit Sizes	Two different strategies are identified – limit the quantity or ratio of large units in a development, and limit the size of ADU.	✓	✓
New Land Use Designations	Mixed use and transit-oriented development.	✓	
Objective Development and Design Standards	State law requires that cities have objective design standards. Most jurisdictions are still working to adopt such.	✓	
Offer City-Owned Properties for Affordable Housing Development	Some jurisdictions may still hold former redevelopment agency-owned properties.	✓	✓
Specific Plans	Specific plans can provide a great deal of flexibility with regard to development standards. However, projects must be consistent with general plan density limits.	✓	✓

J. Gaps in Housing Programs

Based on the assessment above, several observations can be made about housing programs among the GCCOG jurisdictions:

- No active inclusionary housing programs:** With the passage of AB 1505 (Inclusionary Ordinances) in 2017, an inclusionary housing policy of up to 15 percent is considered a legitimate local discretionary policy. However, within the region, only Avalon has an inclusionary housing program in effect but the City has extremely limited opportunity for housing construction. Whittier has a suspended program. No other jurisdictions have adopted inclusionary housing policies.

- **Limited use of ADUs:** Only ten jurisdictions have adopted ADU ordinances and submitted to HCD for review. The overall ADU production is limited. To qualify ADUs for the RHNA, jurisdictions must be able to substantiate the intended use of the ADUs as rental housing and income/affordability levels of the units.
- **Rehabilitation assistance focuses on ownership housing:** While 22 of the 28 jurisdictions in the GCCOG region offer ownership housing rehabilitation assistance, only five jurisdictions offer multi-family (rental housing rehabilitation) and only one jurisdiction offers assistance for mobile homes. However, typically, a higher proportion of renter-households are lower income, have high cost burdens, and live in overcrowding conditions, compared to owner-households.
- **No housing programs for tenant protection:** Unchecked rent increases and displaced tenants due to intensification/gentrification of neighborhoods have been hot housing issues. The City of Long Beach is contemplating tenant relocation assistance for displaced residents in the coastal area. However, no significant programs are in place in the GCCOG region for tenant protection against displacement and dramatic rent increases.
- **Programs to address the “missing middle”:** Due to the funding sources, most programs administered by the jurisdictions are focused on Very Low and Low Income households. Zoning provisions for Density Bonus, ADUs, and mixed use development could potentially benefit Moderate Income households. However, so far, these programs have not yielded any significant results.
- **Lack of direct financial commitments and measurable actions:** Due to the dissolution of redevelopment, few jurisdictions offer direct financial assistance or city-owned properties for affordable housing development. Many housing programs also lack specific and measurable actions.

K. Innovative Housing Strategies

Creating sufficient affordable housing stock requires multiple approaches, with no one-size-fits-all solution. Some cities have been able to take meaningful steps to create environments where affordable housing is feasible with innovative housing strategies. The following cities and counties have taken steps to create models that fit their respective municipalities.

1. Pasadena, CA

The City of Pasadena has recently adopted several ordinances that are geared toward providing affordable housing through ADUs and increased tenant protection.

1.1 Accessory Dwelling Units (ADU)

Pasadena’s ADU Ordinance assesses an impact fee of \$20,000 per ADU to provide services. However, the fee could be reduced to \$900 if the homeowner agrees to one of the following three conditions:

- Providing the ADU as housing for family members for seven years;
- Renting to Housing Choice Voucher recipients; or
- Renting to Low and Moderate Income households with incomes up to 120 percent AMI.

1.2 Tenant Protection

Previously, Pasadena landlords were required to pay relocation benefits to displaced tenants in various situations, including when a rental unit is vacated due to demolition, conversion to condominium, permanent removal of the unit from the rental market, occupancy by the landlord or a family member; or a government order to vacate.

The City amended its Tenant Protection Ordinance to include sale of property as a qualifying act for compensation (moving expense and relocation allowance). Allowance is adjusted based on length of tenancy, and for families with dependent children or persons with disabilities. Base relocation allowance is two times HUD Fair Market Rent and moving allowance. Tenants of at least ten years would receive an additional allowance of ten percent per year above ten years.

2. Paso Robles, CA

The City of Paso Robles has employed a series of innovative strategies to streamline and incentivize housing development. These strategies and legislative actions have been essential to increasing the City's market-rate and affordable housing stock. While taking a tailored approach to encouraging affordable housing development, the City has:

- Appointed a Housing Constraints and Opportunities Committee to identify tools and practices to increase housing production
- Reduced fees for secondary/accessory dwelling units
- Created new classifications of housing types (e.g., work/live)
- Streamlined plan review and building inspection processes with updated technology
- Allocated \$1M of their investment portfolio to a local bank to increase residential funding capacity
- Deferred development fees for Paso Robles Housing Authority and Habitat for Humanity
- Significantly reduced traffic impact fees by land use category (The impact fees were adjusted based on the City's updated assessment of needs for transportation facilities. The Circulation Element of the General Plan was updated in tandem with the fee reduction.)

3. Sonoma County, CA

The County of Sonoma has employed a variety of techniques to aid in its affordable housing production. Of note is the establishment of the County Fund for Housing (CFH) to provide financial assistance for the accelerated production and preservation of affordable housing for low, very low, and extremely low income households. The CFH receives funds from the County's General Fund, in-lieu fees, transient occupancy tax, and loan interest fees.

4. Denver, CO

The City of Denver has integrated an affordable housing approach into its goals and policies objectives. In 2017 the City released "Housing and Inclusive Denver," a five-year plan for housing policy, strategies, and investments. The plan outlines formal guidelines and tools that the City can employ to create affordable housing stock. The multi-pronged approach includes:

- Adapting Euclidean zoning to form-based zoning to create greater flexibility for residential development
- Developing a formalized process for acquiring new land
- Proactively acquiring land in "vulnerable" areas to preserve opportunities for affordable and mixed-income housing
- Developing a methodology for disposal of city-owned land for affordable housing developments that involves proximity to a current or future transit corridor
- Assessing vacant and underutilized land for affordable housing suitability

L. Assistance from GCCOG

The Housing Needs Study Questionnaire also asks jurisdictions to comment on how the GCCOG could provide support to its member jurisdictions. The following responses were submitted:

- Provide templates/sample ordinances when adopting laws and regulations;
- Identify and share funding sources;
- Provide interested developers list;
- Provide data and results of research conducted regionally;
- Share experience on successful programs;
- Initiate efforts to address homelessness throughout the region; and
- Support to contest/lobby unreasonable housing legislation that eliminates local control.

M. Looking Ahead – Sixth RHNA Cycle

SCAG is in the process of finalizing the Draft RHNA Methodology. On August 2, 2019, SCAG released three options for the RHNA allocation methodology. On August 22, 2019, HCD provided their Regional Housing Need determination of 1,344,740 units for the SCAG region. Table 10 provides a general comparison of the three options and Table 11 provides hypothetical estimates using a tool developed by SCAG for comparison across the three options. While Option 3 appears to be favorable to most cities, SCAG has verbally indicated this is the least likely option that they would recommend due to the limited consideration of planning factors.

SCAG is filing an objection to HCD on the regional determination and is proposing an alternative range of 821,000 to 924,000. Even if SCAG is successful in appealing the RHNA from HCD, each jurisdiction would likely receive a RHNA that is significantly higher than that for the 5th cycle. New State laws also place stringent criteria for adequate sites. Therefore, we anticipate most communities would need to revisit their land use policies and zoning provisions in order to meet the RHNA for the upcoming cycle.

	Option 1	Option 2	Option 3
Existing Need Separate from Projected Need	Yes	No	No
Higher Total Lower Income Categories	Yes	No	No
Emphasis on High Quality Transit Area from Regional Total	On Existing Need Only – 20%	On Total Allocation – 20%	No
Accounts for Recent Building Activity	Yes	No	No
Social Equity Adjustment	Existing Need – 110% Projected Need – 150%	Total Need – 150%	Total Need – 150%
Local Input as a Component	Yes	No	Yes

SCAG Estimated Total Need: 1,344,740	Option 1	Option 2	Option 3
Artesia	813	950	365
Avalon	195	216	165
Bell	2,574	3,440	262
Bellflower	3,415	4,451	219
Bell Gardens	2,623	3,485	629
Cerritos	1,916	2,848	140
Commerce	922	1,139	264
Compton	5,899	7,474	1,211
Cudahy	1,826	2,258	473
Downey	6,463	7,952	2,373
Hawaiian Gardens	771	825	369
Huntington Park	4,846	5,578	1,935
Industry	21	25	6
Los Angeles County (Unincorporated Areas) ¹	91,569	73,411	71,114
La Mirada	2,707	2,826	1,122
Lakewood	4,566	4,662	1,927
Long Beach	37,232	40,605	7,233
Lynwood	5,067	6,225	2,043
Maywood	2,013	2,573	433
Montebello	4,449	5,194	1,546
Norwalk	5,400	6,377	686
Paramount	2,653	3,236	621
Pico Rivera	3,929	4,228	1,547
Santa Fe Springs	1,075	1,033	991
Signal Hill	812	1,068	381
South Gate	7,971	8,179	7,014
Vernon	11	19	0
Whittier	4,807	4,916	4,046
Note:			
1. The estimates for Los Angeles County (Unincorporated Areas) refer to all of the unincorporated communities and not just the areas that fall within the Gateway Cities COG region.			

N. Preliminary Policy Recommendations

1. Inclusionary Housing Policy

With the new State law, RHNA is no longer just a planning goal but a production target. As high density sites are developed without affordable housing, jurisdictions must continue to replenish its sites inventory to accommodate the lower income RHNA. Within a significant and steady source of funding, the most effective approach to affordable housing today is inclusionary housing. Below are some considerations:

- **Acting Alone:** Cities to adopt their own inclusionary housing policy. Under State law, no nexus study would be required if the affordable housing requirement does not exceed 15 percent. However, the program should include an in-lieu option, which would require an in-lieu fee study.

- **Acting Collectively:** Adopt a regional or multi-jurisdictional inclusionary housing policy that covers the entire region or group(s) of neighboring cities. Resources could be pooled to conduct a nexus study to require above 15 percent affordable housing and to conduct an in-lieu fee study.

2. Accommodating RHNA with Existing Housing Units – Legislative Changes

State law provides that up to 25 percent of the lower income RHNA can be achieved using existing housing units through:

- Substantial rehabilitation of housing that is determined to be unfit for human habitation.
- Conversion of multi-family rental and ownership units of three or more units, or foreclosed properties from non-affordable to affordable.
- Preservation of affordable housing at risk of converting to market rate.

However, the requirements for the various options are extremely difficult to meet and thus, few jurisdictions are able to utilize this strategy to meet the RHNA. As the new RHNA includes an Existing Need component, there should be revisions to State law to ease the requirements for meeting the affordable housing need using the existing housing stock. Some changes may include:

- **Extend the allowable timeline:** Currently state law requires that jurisdictions that utilize this strategy provide committed assistance between the beginning of the RHNA planning period and the end of the second year of the Housing Element planning period. The Housing Element is now an eight-year planning period, and jurisdictions are now required to ensure its continued ability to meet the RHNA throughout the entire Housing Element planning period. This two-year limitation should be expanded to at least five years.
- **Substantial Rehabilitation:** This approach only applies to units that are unfit for human habitation. The health and safety conditions outlined under State law may be too stringent and do not align with typical acquisition/substantial rehabilitation projects. The cost effectiveness of substantially rehabilitating uninhabitable units versus demolition/new construction should be considered when determining the appropriate health and safety conditions for this strategy.
- **Preservation of At-Risk Housing:** In order to receive RHNA credits from the preservation of at-risk housing, State law requires that the Housing Element identify the specific at-risk projects to be preserved. However, unique circumstances may arise during the Housing Element planning period, changing the status of a project from not-at-risk to at-risk. This requirement to identify the specific projects in the Housing Element is limiting and should be removed.

3. Land Use Policies and Zoning

New State laws on adequate site requirements are onerous. With the estimated 6th cycle RHNA being substantially larger than that for the 5th cycle, most jurisdictions would not be able to meet the new RHNA without restructuring their land use policies.

3.1 Density Limits

State law establishes a default density of 30 units per acre as feasible for facilitating lower income housing for cities with population over 25,000. Jurisdictions with a population less than 25,000 could assume a lower density threshold of 20 units per acre. Table 12 summarizes the highest density limits for multi-family and mixed use zoning within the GCCOG region. Jurisdictions with population over 25,000 may consider raising the limit to 30 units per acre.

Jurisdictions should also consider establishing minimum densities for multi-family and mixed use zoning districts. In estimating development potential, State law requires that the capacity be calculated based on the minimum density unless the jurisdiction could demonstrate a trend of development at higher intensity.

Establishing minimum densities, and using those to estimate development potential in the Housing Element would also reduce the future need to replenish the sites inventory due to No Net Loss.

Jurisdiction	2018 Population	Maximum Density		Notes
		MF	MU	
Artesia	16,750	30	30	may be increased to 40 upon approval
Avalon	3,723	40	20	special commercial LU= 40
Bell	35,728	30	30	
Bellflower	77,131	22	*	* must conform with underlying zoning classification
Bell Gardens	42,331	30	30	
Cerritos	50,462	20	No MU zone	
Commerce	12,808	27	27	
Compton	96,617	29	29*	* = CUP required, 34 units/acre for senior housing in both
Cudahy	23,826	40	40	
Downey	112,269	24	75	Four MU districts, for three max is 40, for one max is 75
Hawaiian Gardens	14,315	23.5	23.5	
Huntington Park	58,173	20	70	
Industry	219	30		No residential zoning, proposed Housing Overlay Zone in HE but no updates
La Mirada	48,683	28	40	
Lakewood	80,140	30	30	
Long Beach	467,354	54	54	31-54 units per acre in PD-30 Downtown
Los Angeles County (Unincorporated Areas) ¹	1,057,162	150	150	
Lynwood	70,504	30	30	
Maywood	27,298	48	48	
Montebello	62,632	35	55	
Norwalk	105,120	30	30	
Paramount	54,387	22	22	
Pico Rivera	62,888	30	30	
Santa Fe Springs	17,832	22	22	25 du/acre in MF with Planned Development Overlay
Signal Hill	11,555	45	45	
South Gate	94,443	75	100	
Vernon	112	30	30	
Whittier	86,064	50	50	Uptown Whittier Specific Plan

Note:
1. The estimates for Los Angeles County (Unincorporated Areas) refer to all of the unincorporated communities and not just the areas that fall within the Gateway Cities COG region.

3.2 Other Considerations

In response to new State laws, jurisdictions should also consider the following:

- Allowing stand-alone residential development in mixed use zones
- Allowing residential development by right without discretionary review
- Using affordable housing overlays to provide incentives beyond State density bonus law at appropriate locations

Appendix A: Housing Needs Study Questionnaire



GATEWAY CITIES
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Housing Needs Study - Questionnaire

This questionnaire may be completed in as much time as needed and in multiple sessions. You can close the questionnaire and return to it as long as you are using the same computer and web browser.

Document uploads at the end of the questionnaire will not be saved if you exit and return.

City name

Planning Department Contact

Name

Title

Email Address

Phone Number

Housing Division Contact

Name

Title

Email Address

Phone Number



GATEWAY CITIES
COUNCIL OF GOVERNMENTS

Housing Needs Study - Questionnaire

Housing Element

Please provide URL for City's Adopted Housing Element online **OR** upload Housing Element on last page of the questionnaire

Is the City's Housing Element certification by HCD a "conditional" approval?

Yes

No



GATEWAY CITIES
COUNCIL OF GOVERNMENTS

Housing Needs Study - Questionnaire

Housing Element

If Yes, please briefly explain what are the conditions

Provide City's progress in meeting the conditions, reasons for not yet complying with the conditions, and/or schedule for compliance



GATEWAY CITIES
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Housing Needs Study - Questionnaire

Housing Element

Please provide URL for the 2018 Housing Element Annual Progress Report **OR** upload excel sheets on last page of questionnaire



GATEWAY CITIES
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Housing Needs Study - Questionnaire

Innovative Zoning or Planning Approach

Please give a brief description of the City's innovative zoning or planning approach to increase housing supply



GATEWAY CITIES
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Housing Needs Study - Questionnaire

Innovative Zoning or Planning Approach

Please give a brief description of the City's innovative zoning or planning approach to encouraging affordable housing



GATEWAY CITIES
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Housing Needs Study - Questionnaire

Biggest Challenges to New Housing Construction

Please indicate what you consider to be the greatest challenges to new higher-density housing and mixed-use construction in your community. Please limit response to three choices.

- Lack of appropriately zoned sites
- Community opposition to higher-density housing
- Limited political support
- Complicated and time-consuming entitlement process
- CEQA
- Other (please explain)
- Cost of land
- Inadequate infrastructure
- Lack of interested or qualified developers
- Lack of former redevelopment funds or other housing funds

Has the City been successful in overcoming any of the previously listed challenges? Please explain how.



GATEWAY CITIES
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Housing Needs Study - Questionnaire

Housing Programs

Please identify the three most successful housing programs in your community:

Program 1

Name	<input type="text"/>
Program Objective	<input type="text"/>
Funding Sources	<input type="text"/>
How is success measured?	<input type="text"/>

Program 2

Name	<input type="text"/>
Program Objective	<input type="text"/>
Funding Sources	<input type="text"/>
How is success measured?	<input type="text"/>

Program 3

Name	<input type="text"/>
Program Objective	<input type="text"/>
Funding Sources	<input type="text"/>
How is success measured?	<input type="text"/>



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Housing Needs Study - Questionnaire

Housing Programs

Please identify the housing programs that have become obsolete:

Program 1

Name

Program Objective

Funding Sources

Why is the program no longer effective?

Program 2

Name

Program Objective

Funding Sources

Why is the program no longer effective?

Program 3

Name

Program Objective

Funding Sources

Why is the program no longer effective?



GATEWAY CITIES
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Housing Needs Study - Questionnaire

How can the Gateway COG provide support to local municipalities?

Share any creative and/or unusual ideas you have for encouraging new types of housing and boosting housing production



GATEWAY CITIES
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Housing Needs Study - Questionnaire

Upload Documents

Please search and acquire ALL documents before uploading. If you leave the questionnaire before uploading all of the documents, it will not save the uploads that you have completed.

Upload your City's Adopted Housing Element

Choose File

No file chosen

Upload the 2018 Housing Element Annual Progress Report

Please attach a PDF version of the annual report excel file

Choose File

No file chosen

Zoning Provisions

Please provide a copy of the adopted ordinance for the following:

Emergency Shelter for the Homeless

Choose File

No file chosen

Accessory Dwelling Unit

Choose File

No file chosen

Density Bonus

Choose File

No file chosen

Transitional and Supportive Housing

Choose File

No file chosen

Optional:

Upload other city documents that may be relevant

Choose File

No file chosen

Other

Choose File

No file chosen