



City of Culver City

Mike Balkman
Council Chambers
9770 Culver Blvd.
Culver City, CA 90232
(310) 253-5851

Staff Report

File #: 22-661, Version: 1

Item #: A-2.

CC - PUBLIC HEARING: Adoption of Resolution Adopting the 2021-2029 Housing Element Negative Declaration and 2021-2029 Housing Element (General Plan Element Amendment, P2021-0241-GPE); and Approving the Submittal of the 2021-2029 Housing Element to the California Department of Housing and Community Development for Review for Substantial Compliance with State Law.

Meeting Date: January 24, 2022

Contact Person/Dept: Lauren Marsiglia/Advance Planning/CDD

Phone Number: (310) 253-5774

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☒

Action Item: ☐

Attachments: ☐

Public Notification: (E-Mail) Meetings and Agendas - Planning Commission, City Council, General Plan Update, General Plan Advisory Committee, and Public Notifications (01/20/2022); (Posted) City Website (12/16/2021); Notice of Public Hearing was published in the Culver City News (12/16/2021).

Department Approval: Sol Blumenfeld, Community Development Director (01/12/2022)

RECOMMENDATION

Staff recommends the City Council adopt a Resolution (Attachment 1) adopting a Negative Declaration based on the Initial Study finding that the project will not have a significant adverse impact on the environment (Attachment No. 3); adopting the proposed 2021-2029 Housing Element (General Plan Element Amendment, P2021-0241-GPE) (Attachment No. 6); and approving the submittal of the 2021-2029 Housing Element to the California Department of Housing and Community Development for review for substantial compliance with state law.

INTRODUCTION

The purpose of this agenda item is for the City Council to discuss and consider adoption of a resolution approving the proposed General Plan Element Amendment (the 2021-2029 Housing Element Update, HEU). City staff will lead the Council through a review and discussion of the HEU. Further information can be found online at:

www.PictureCulverCity.com/Faq <<http://www.PictureCulverCity.com/Faq>>;
www.PictureCulverCity.com/Housing-Element <<http://www.PictureCulverCity.com/Housing-Element>>
; and
www.PictureCulverCity.com/Alternatives <<http://www.PictureCulverCity.com/Alternatives>>.

The Housing Element of the City's General Plan is the primary planning guide to meet the housing needs of everyone in Culver City. It outlines goals, policies, and programs to meet these needs while balancing other community objectives and resources. Housing Elements are meant to support various housing types for all income groups, help develop lower-and moderate-income housing, remove constraints to housing, conserve and improve existing housing, and promote fair housing opportunities.

Every eight years, the State of California Housing Department (HCD) requires local agencies (e.g., cities and counties) to update their Housing Elements following its Regional Housing Needs Allocation (RHNA). The RHNA quantifies how much housing a jurisdiction should plan for in order to meet existing and future housing needs resulting from population, employment, and household growth. The Housing Element is unique among General Plan elements to the extent that State law prescribes local policies. Of the General Plan elements required by State law, the Housing Element is the only one that the State is mandated to review progress of past accomplishments and certify that it substantially complies with State law.

The legislature granted HCD the authority to review local governments' Housing Elements and issue findings regarding whether, in its opinion, the Housing Element substantially complies with State law requirements (Government Code Section 65580 et seq.). Cities are required to submit draft Housing Elements to HCD for review before adoption. HCD often provides comments on the draft document to address housing program compliance with State law. Once adopted, cities are required to submit the final, adopted element for HCD to review it for "substantial compliance" with State law. A Housing Element that HCD deems to be substantially compliant validates the plan in the event of a legal challenge. Cities are also required to submit annual reports to HCD regarding their progress in implementing the policies and programs in the Housing Element.

BACKGROUND/DISCUSSION

The City began drafting the 2021-2029 Housing Element after holding a Housing Element kickoff meeting with the Planning Commission on May 12, 2021 to discuss minimum requirements, contents, RHNA, past accomplishments, process, and timeline. However, community engagement around Culver City's housing needs and goals for the HEU began much earlier when the General Plan Update (GPU) project launched in September 2019. In June 2020, the City released a report and video summary on Culver City's existing housing conditions as of 2019 for the GPU and asked community members for their input on housing priorities, priority populations, and desired housing types through a survey. Since then, the City has held a series of community meetings and workshops asking for input on the community's housing needs and goals that informed the preparation of the 2021-2029 Housing Element. These meetings and workshops are outlined in the "Engagement and Key Milestones" section below.

To create a Housing Element that meets community needs, communities must know how much housing and at what income levels housing is needed. The RHNA, which is mandated by California

housing law, quantifies the need for housing across all income levels in every community. Every community must plan for RHNA in its Housing Element to ensure there are enough sites and adequate zoning to accommodate the anticipated population growth.

During the fifth Housing Element cycle (2013-2021), the overall lack of housing production resulted in communities falling short of meeting their RHNA goals across the state. For example, while Culver City exceeded the allocation for above moderate-income levels in the fifth cycle, the City only met about 13% of units allocated for the moderate-, low-, and very low-income categories. Factors that added to the housing crisis in past cycles include insufficient administrative and financial resources to support affordable housing production and a lack of penalties to compel local agencies to meet their allocations.

Penalties by HCD: The sixth Housing Element cycle (2021-2029) allocates more housing units to communities, especially in urban areas, to address California's housing crisis, and adds stricter penalties for cities' non-compliance. Culver City's increased allocation in the sixth cycle totals 3,341 units compared to the fifth cycle allocation of 185 units. New penalties include Assembly Bill 1398 (AB 1398), which states that if HCD determines that a jurisdiction's Housing Element is not substantially compliant with State law by **February 12, 2022**, the 2021-2029 Housing Element will be subject to a range of enforcement penalties set forth in State housing law. These penalties could negatively impact the City by court orders, lawsuits and fines by the State, legal action by the State Attorney General, fiscal impacts to the General Fund, potential loss of local control over new housing development, risk to State grants in process, and ineligibility for future State grant funding. The City would also be required to rezone to accommodate the RHNA by October 15, 2022, one year from the statutory deadline. The Comprehensive Zoning Code Update which includes the citywide rezoning process necessary to implement the Housing Element Update is complicated and costly and typically requires two or more years to complete. The anticipated adoption date for the GPU is Fall of 2022 and the comprehensive Zoning Code Update process was originally anticipated to begin after adopting the GPU.

Housing is also considered in other General Plan elements, such as land use, mobility, and environmental justice. For example, a new requirement enacted since the fifth Housing Element cycle is Senate Bill 1000 (SB 1000). SB 1000 requires policies to ensure healthy and safe housing, such as addressing the presence of lead-based building materials, which has shown to be a factor in Culver City's SB 1000 priority neighborhoods (portions of Clarkdale and Culver/West). This will be addressed in the General Plan's Environmental Justice Element and be consistent with the Housing Element. SB 1000 and related topics will be covered at a community workshop in February 2022.

The City timely submitted its draft Housing Element Update to HCD for review and comment on September 13, 2021 (as discussed further below). The process for review with HCD is iterative with the expectation that HCD will have substantive comments for the City's response. HCD had 29 comments, many related to quantifying the number of units to be developed and some related to City expectations on the number and type of properties that may be made available for recycling and redevelopment on existing developed sites.

The City posted a First Draft of the Housing Element on the GPU project website for public review on July 19, 2021 and accepted comments through October 1, 2021. The First Draft and related comments received (Attachment No. 7) are available to view on the GPU project website at www.PictureCulverCity.com/Housing-Element <<http://www.PictureCulverCity.com/Housing-Element>>.

During the public review period, the City also presented and discussed the Draft Housing Element with the General Plan Advisory Committee (GPAC) on July 22, 2021; the Housing Technical Advisory Committee (HTAC) on July 28, 2021; the Planning Commission on July 28, 2021; and the Advisory Committee on Housing and Homelessness (ACOH) on August 16, 2021 and compiled the input received from each body (Attachment No. 10).

After receiving preliminary feedback on the Draft Housing Element from the public, GPAC, HTAC, the Planning Commission, and the ACOH, the GPU team¹ evaluated the comments and made corresponding changes to the Draft Housing Element (Second Draft), where feasible. The City submitted this Second Draft for HCD's 60-day review on September 13, 2021. The Second Draft was made available for public review on the GPU project website at www.PictureCulverCity.com/Housing-Element <<http://www.PictureCulverCity.com/Housing-Element>> while the City continued to accept comments on the First Draft. The community was encouraged to review and provide input on the Second Draft as well. The Second Draft and related comments received (Attachment No. 7) are available to view on the GPU project website. The Public Participation Appendix Attachment and other engagement information can be found online at www.PictureCulverCity.com/Housing-Element <<http://www.PictureCulverCity.com/Housing-Element>>.

Through the July 19 through October 1, 2021 public comment period, City staff received 106 emailed correspondences (Attachment No. 7); 331 comments on the interactive online First Draft HEU posted on July 19, 2021 (Attachment No. 7); and 100 comments on the interactive online Second Draft HEU submitted to HCD on September 13, 2021 and posted on the GPU project website the same day (Attachment No. 7). HCD received 342 public comments during their 60-day review period (Attachment No. 7).

After presenting an update on the Housing Element to the Planning Commission on November 30, 2021 and to the City Council on December 10, 2021, City staff received an additional 114 emailed public comments. Additionally, City staff received 154 emailed public comments for the January 6 Planning Commission hearing on the Housing Element, bringing the total number of emailed public comments submitted to the City to 374 (Attachment No. 7).

The type of input received related to the HEU includes how it could be improved relative to the Housing Sites Inventory List (Inventory) and methodology, housing plan (policies and programs), and fair housing assessment. Other comments received explained how the HEU does not comply with City Council's Guiding Principles (Attachment No. 8) and suggestions on how to do so. Many comments were submitted in support or critical of changes to single-family residential land use being studied with the preferred² land use alternative, which informed the Inventory. Several related questions were added to the project's Frequently Asked Questions webpage at www.PictureCulverCity.com/Faq <<http://www.PictureCulverCity.com/Faq>> in light of the comments received.

HCD staff contacted the City with additional comments and questions on November 3, 2021 and sent their comment letter to staff at the end of the 60-day period on November 9, 2021. The City carefully reviewed HCD's comments and prepared revisions and comments as necessary to the document to address their concerns. The City also updated the responses to the Housing Element Guiding Principles (Attachment No. 9) to reflect any changes. HCD is likely to determine that the Housing Element substantially complies with State law if the City addresses their comments. HCD's pre-submittal letter and the City's responses to their comments are attached (Attachment No. 4).

Most of the comments HCD received from property owners requested that their residential properties be excluded in the Inventory which identifies properties for redevelopment, recycling, and incremental infill development. Incremental infill³ is a land use designation to expand the options for redevelopment in low density residential areas.

The Inventory is used to help estimate how many new residential properties are expected to be recycled to new use during the Housing Element planning period to address Culver City RHNA requirements. In order to prepare an accurate estimate, the GPU team examined how many parcels typically recycle each year in Culver City. A property owners' interest in redeveloping their property during Housing Element planning period is a critical factor to consider when estimating how many added sites can realistically be added to the Inventory. Removal from the Inventory does not preclude the site from redevelopment.

Notably, being removed from the list of potential properties does not change the property's proposed Incremental Infill land use map designation. However, removal from the Inventory impacts the GPU's calculations to estimate how many sites may redevelop during this Housing Element cycle (2021-2029), resulting in few potential redevelopment and recycling sites and a larger hurdle for addressing RHNA.

At the June 23, 2021 joint City Council/Planning Commission meeting, City Council directed the GPU team to study how Incremental Infill can affect where the additional housing units required by RHNA will be designated to go. The GPU identified 1,342 parcels under the proposed Incremental Infill land use designation as having potential for redevelopment based on objective criteria (e.g., age, existing floor area ratio, lot size, etc.). In October 2021, City Council also directed staff to remove properties in the Culver Crest neighborhood from the Incremental Infill designation. Combined with those properties that had requested to be removed from the inventory, the net number of properties identified for redevelopment totals 1,246 (Please see Attachment No. 4 for HCD's list of comments and staff responses to comments).

Appendix D of the Housing Element (Attachment No. 6) has been revised to summarize the public comments received to-date and respond to them. City Council will consider this final 2021-2029 Housing Element for adoption before HCD's mandated adoption deadline. The 2021-2029 Housing Element will supersede the 2013-2021 Housing Element, which was adopted on January 27, 2014 and certified by HCD as meeting all the State law requirements. Please refer to Next Steps below for the remaining steps in the process.

Housing Element Contents: The 2021-2029 Housing Element includes the following sections:

- Chapter 1 - Introduction: Introduction and summary of the Housing Element's purpose, content, requirements, how it aligns with other Elements in the General Plan, and how it meets City Council's Guiding Principles;
- Chapter 2 - Housing Needs Assessment: Analysis of population, household and employment trends, housing stock characteristics, housing costs and affordability gap analysis, housing assistance needs, and summary of assisted housing at risk of conversion;

- Chapter 3 - Resources and Opportunities: Overview of the Regional Housing Needs Assessment (RHNA), financial and administrative resources that can help develop and preserve housing, and energy conservation opportunities;
- Chapter 4 - Constraints: Review of potential governmental and non-governmental constraints to meeting identified housing needs;
- Chapter 5 - Housing Plan: Housing Plan to address identified needs, including housing goals, objectives, policies, and programs;
- Appendix A - Evaluation of the 2013-2021 Housing Element: Evaluation of the City's housing accomplishments during the previous planning period;
- Appendix B - Residential Sites Inventory: Overview of progress towards meeting the RHNA, opportunity sites for development, applying an Incremental Infill approach to residential development, the inventory of potential sites for residential development, and a review of the 5th cycle sites inventory;
- Appendix C - Inventory of Affordable Housing Units: Inventory of assisted and at-risk affordable housing units;
- Appendix D - Public Participation Summary: Summary of public engagement activities during the Housing Element update process;
- Appendix E - Fair Housing Assessment: Overview of Assembly Bill 686, fair housing issues, and contributing factors to fair housing; and
- Appendix F - Acronyms: List of Acronyms used throughout the Housing Element.

Engagement and Key Milestones

On June 14, 2021, a GPU Deliverables and Engagement Summary detailing milestones to date, including housing-related items, was presented to City Council. While nearly every GPU engagement event and activity have touched on housing to a degree, the list below summarizes the most recent and closely related to housing.

The General Plan Advisory Committee (GPAC) and Housing Technical Advisory Committee (HTAC) have received presentations on and discussed Culver City's existing conditions, issues, opportunities, and alternatives related to housing and reviewed the first Draft HEU. The Advisory Committee on Housing and Homelessness (ACOH) received a presentation on and discussed the Draft HEU. The Planning Commission (PC) and City Council (CC) held several meetings on land use and housing that informed the Draft HEU, including City Council's meetings on the Housing Element Guiding Principles and PC's review and discussion of the Draft HEU.

- June 11, 2020: Culver City's existing housing conditions as of 2019 report for the Housing Element Update in the General Plan Update completed

- August 13, 2020: GPAC - Housing, land use, and community design
- September 10, 2020: GPAC - Land use and community design
- October 8, 2020: GPAC - Land use and community design
- December 8, 2020: HTAC - Identify housing issues and opportunities
- January 27, 2021: Community workshop on land use scenarios
- January 27, 2021: CC/PC - Land use scenarios
- March 11, 2021: HTAC - Innovative housing programs, initiatives, tools
- March 22, 2021
 - HCD approved SCAG's 6th Cycle Final RHNA Allocation Plan
 - CC - Discussion of Housing Element Guiding Principles and direction to staff
- April 8, 2021: GPAC - Proposed land use alternatives
- April 12, 2021: CC - Adoption of Housing Element Guiding Principles
- April 20, 2021: HTAC - Land use strategies and alternatives
- April 29 and May 5, 2021: Community workshops on land use alternatives
- April 29 to June 13, 2021: Online land use alternatives survey
- May 12, 2021: PC - HEU kickoff
- June 10, 2021: GPAC - Proposed land use alternatives
- June 23, 2021: CC/PC - Discussion on exclusionary zoning practices and direction to staff on affordable housing studies
- June 23 and 28: CC/PC - Direction on preferred land use map to inform the HEU sites inventory analysis
- July 22, 2021: GPAC - Draft HEU review
- July 28, 2021: HTAC - Draft HEU review
- July 28, 2021: PC - Draft HEU review
- August 16, 2021: ACOHH - Draft HEU review
- July 19 to October 1, 2021: Online Draft HEU public comment period
- September 9 - October 9, 2021: Tribal consultation on Draft IS/ND
- September 13, 2021: The City submitted a revised 2021-2029 Draft (Second Draft) to the HCD for their 60-day review
- September 27, 2021: CC - Discuss the progress on the Housing Element after the City submitted the draft to the HCD for their 60-day review
- October 7 - November 8, 2021: 30-day CEQA circulation
- November 3, 2021: The HCD reviewer met with the GPU team to discuss their comments.
- November 9, 2021: The HCD sent the City a letter outlining requested revisions to ensure the 2021-2029 Housing Element complies with State law once adopted by the City Council
- November 30, 2021: PC - Discussed updates on the Housing Element and related CEQA findings
- December 10, 2021: CC - Discussed updates on the Housing Element and related CEQA findings
- January 6, 2021: PC Adoption Hearing - Recommended that the City Council adopt the 2021-2029 Housing Element and related CEQA findings
- January 24, 2022: CC Final Adoption Hearing - Adopt the 2021-2029 Housing Element and related CEQA findings

Several ongoing efforts may impact the contents of the Housing Element after adoption. These include further efforts to satisfy the City's Housing Element Guiding Principles, the results of City staff's study of affordable housing tools based on Council's June 23, 2021 direction, and the results of the Westside Cities Council of Governments' Regional Early Action Planning (REAP) Grant project. The REAP Grant's intent is to develop a comprehensive subregional approach to accelerating housing production to accommodate critically needed affordable housing within the Westside subregion. If needed, the City may choose to amend the Housing Element when the remainder of the GPU elements are adopted, and these additional studies are completed. All of the above public outreach activities were presented to HCD for review.

The Planning Commission and the City Council considered the draft HEU on November 30 and December 10, 2021, respectively. Staff and VTA presented the draft Housing Element and responded to questions. Staff noted at the meeting that the submittal of the draft Housing Element is an iterative process and that the HCD comments received were not a rejection of the document, but merely part of the HCD review process. The expectation is that additional comments may be received upon document resubmittal.

Some Options to Consider Related to HCD Comments:

As noted above, HCD's Housing Element Update review includes 29 recommendations, and staff and the City's consultant prepared a response that addresses them. The GPU team presented the HCD comments to the Planning Commission at its HEU adoption hearing and will present them to the City Council during its HEU adoption hearing. Some of the draft responses addressed to date were offered below for consideration to the Planning Commission and City Council at prior meetings:

1. HCD requested that the City consider additional solutions to encourage housing production to meet the RHNA if the market demand for converting R-1 property to multi-family development through Incremental Infill is overstated in the HEU or if the ADU construction rate does not meet expectations. In Culver City, the median sales price for a new single-family home is \$1,460,000.⁴ This high median sales price may act as an impediment to recycling under-developed single-family zoned property to more dense land since it may be more profitable to redevelop the site as a single-family home.

This condition is also observed now in R-2 multifamily zones where the existing land use density supports more units, but the owner may opt to redevelop the site with a single-family home because it may be more profitable to do so. Thus, multifamily zoned property may be similarly constrained, and some parcels are redeveloped with single-family housing instead of multifamily housing. One solution to address maximizing multifamily redevelopment on multifamily zoned properties is to set a floor on the number of units that may be developed on lots ranging from Residential Two Family (R2) to Residential Medium Density Multiple (RMD). This would require a future Zoning Code text amendment to establish a minimum density.

2. Recalculate the number of properties expected to be recycled in R1, single-family zones, based upon the market considerations noted above, and adjust the number of sites for redevelopment on the Sites Inventory list. Based on a rate of 109 market feasible units per 1,000 properties, the 1,246 properties are expected to yield 135 additional units as a result of infill development.

3. Examine additional housing sites that could be expected to be developed at existing under-performing shopping centers in response to financial trends that have resulted in reduced mortar and brick retailing and expanding on-line sales.
4. Streamline permitting for mixed use development to accelerate the potential for increased mixed use housing production by expanding the threshold for ministerial review of affordable mixed use housing developments.
5. Consider methods to promote the recycling of shopping centers and other commercial or industrial districts for new mixed- use development by designating them “opportunity sites” for adaptive reuse and instituting outreach programs to property owners to encourage redevelopment through zoning incentives including added density and potentially greater building height. The latter would require repealing the Citywide building height limitation (previously adopted by voter initiative), as authorized by state law, to allow extra height in targeted areas for larger mixed use development projects.

Note that the list of options above was not exhaustive; the GPU team considered additional options as it continued to address comments from HCD and the community.

Planning Commission Comments:

After presenting these options to the Planning Commission on November 30, 2021, the Commissioners provided feedback for the GPU team to consider. Overall, the Commissioners supported many of the options but requested more information about how the options would be implemented as noted in the questions below:

- *Would setting a floor on the number of units that may be built in multifamily zones create a burden to homeowners and developers?* Setting a floor could be either a burden or an opportunity. If the entitlement process was streamlined to facilitate multifamily development and dissuade single development, setting a floor would be an opportunity for multifamily developers. However, if the intent of the owner is just to develop a single-family home, then the floor establishing more units would be considered a burden.
- *How is multifamily infill development facilitated or constrained with building rehabilitation or new construction?* The price of construction varies widely among new construction projects and among building rehabilitation projects. However, if multifamily projects were made ministerial there would be cost savings in entitlements, reductions in project construction timelines and potential cost savings on material and labor which tend to cost more over time. Therefore, new construction costs for multifamily development may be reduced with a floor on the number of units for multifamily development with streamlined permitting.
- *How can the City establish design guidelines to encourage more units on multifamily lots?* The City’s Housing Element Update contains a program to study the development of objective design standards to comply with SB 330 to maximize new housing production. Furthermore, the Planning Commission is currently considering ministerial review of Mixed Use Development and residential development in order to streamline project permitting and

promote housing production, and this ministerial review process may inform the preparation of objective design standards.

- *What kinds of standards and incentives would be developed to maximize housing production in existing shopping centers?* The City could develop a program for “opportunity sites” that incentivizes redevelopment of obsolete shopping centers with relaxed commercial parking requirements. The relaxed redevelopment standards through this program could either apply to all commercial properties throughout the city and include special incentives for sites within a designated Transit Priority Area (TPA) pursuant to the City’s Vehicle Miles Traveled (VMT) ordinance. Alternatively, it could focus exclusively on TPA’s. The land area converted from parking could be repurposed for housing or the airspace above the parking fields could be repurposed for housing development. Further, the City could allow greater housing density and greater building height on opportunity sites targeted for redevelopment, which presumes repeal of the City’s building height limitation (previously adopted by voter initiative), as authorized by state law. The opportunity sites could be subject to ministerial review to streamline permitting. There was substantial interest in looking at infill development on shopping center sites. Staff explored that with the GPU consulting team to better understand which sites may be candidates for enhanced development with targeted building height, density increases and reduced parking.

A summary of the comments from the Commissioners during the November 30th meeting is included in Attachment No. 10.

City Council Comments:

After presenting the above options to the City Council on December 10, 2021, the Council provided feedback for the GPU team to consider. In summary, the Council majority felt it was important to establish a floor for multifamily development ranging from three to four units in the multifamily zones and supported four plex development by right as an incremental infill housing program. This would result in an estimated 135 more housing units produced in the City in residential neighborhoods. The Council majority also supported redevelopment of shopping centers within certain commercial and industrial districts as opportunity sites with special development incentives, providing this was balanced with redevelopment of the residential zones with more housing. The entire Council supported implementation of SB 9 (streamlined lot divisions) and also supported project streamlining to make projects more financially feasible by reducing the timeline for construction of projects. The Council’s comments during the meeting are included in Attachment No. 10.

Following up on the option to redevelop shopping centers and commercial and industrial districts for increased housing production, on December 20, 2021, City staff mailed out 30 letters to property owners located at six shopping centers based on parcel size and redevelopment feasibility to gauge their interest in the proposed program. (Attachment No. 11). On January 7, 2022, City staff mailed out 183 letters to all the property owners identified, including the 30 property owners contacted on December 20, 2021. The 183 letters referenced a total of 290 parcels. A few property owners have responded to the letters asking for more information about what development standards may be available if their opportunity site is developed for housing. City staff will communicate with each respondent and continue reaching out to other property owners about their redevelopment interests over the next few months.

Planning Commission Adoption Recommendation:

At the January 6, 2022 Planning Commission hearing, the Commissioners considered the 2021-2029 Housing Element, environmental documentation, staff report, and public testimony and recommended that the City Council adopt the 2021-2029 Housing Element ("Project") and its Negative Declaration, with a few additional recommendations, by a vote of 4 to 1 (See Attachment No. 2).

The Planning Commissioners considered the City Council's comments from the December 10, 2021 meeting on the Housing Element and provided the following additional recommendations:

- The Housing Element does not establish a 3-4 unit floor for multifamily development in multifamily zones (vote of 4 to 1). The Commissioners who opposed the floor stated that setting a floor would pose a hardship to property owners. The Commissioner who supported setting a floor noted that it aligned with City Council's recommendations at the December 10, 2021 meeting.
- Culver City not allow four-plexes by-right through incremental infill (vote of 4 to 1). The Commissioners who opposed allowing four-plexes by-right expressed support for applying the incremental infill definition, as defined in the Housing Element. As noted in the Housing Element, up to four units are allowed through incremental infill, provided that the fourth unit is affordable. The Commissioner who voted to allow four-plexes by-right stated that they would support incremental infill if the fourth unit was not required to be affordable as that may not be financially feasible.
- Support for redeveloping shopping centers and redevelopment in commercial and industrial districts as opportunity sites while offering special development incentives and all five supported streamlining projects (vote of 5 to 0).

One Commissioner expressed concern that the Housing Element's realistic capacity analysis and Housing Programs will not address HCD's comments. The Commissioner suggested that the goals and timelines proposed for the Housing Programs are not robust enough. Another Commissioner suggested that the Housing Programs could consider fee waivers for affordable housing projects, fee concessions, allowing residential units in industrial areas by-right, and eliminating minimum unit sizes in the Zoning Code, stating that they are too high. A Commissioner expressed concern about facilitating housing before the updated Zoning Code is adopted and about the challenges ahead with revising the height referendum. The Commission's comments during the hearing are included in Attachment No. 10.

The draft minutes from the hearing are included in Attachment No. 12. The Planning Commission will consider the minutes for adoption during the next regular Planning Commission meeting.

Recent Public Comment

After the release of the staff report for the January 6, 2022 Planning Commission meeting, City staff received multiple comments claiming procedural and legal deficiencies with the Housing Element

process, which are addressed as follows:

Public Noticing: Some of the public comment received during the hearing recommended denial of the HEU for not complying with the public noticing requirements under Assembly Bill 215 (AB 215). AB 215 was passed on September 28, 2021, and requires local governments to make the first draft revision of the housing element available for public comment for at least 30 days and take at least 10 additional business days to consider and incorporate public comments submitted during that time into the draft revision before submitting it to the department. This 30-day requirement applies to the **first draft** of the Housing Element only. Culver City complied with AB 215 before the State passed it. As noted above, Culver City posted its First Draft revision of the Housing Element online for a 60-day review and comment period on July 19, 2021. After considering and incorporating public comments the City received on the First Draft, the City drafted a revised, Second Draft of the Housing Element and submitted it to HCD for their review on September 13, 2021. The City posted this Second Draft online and sent out public notices inviting public comments. AB 215 requires jurisdictions to post any subsequent draft revisions to the Housing Element online for at least seven days before submitting it to HCD. AB 215 requires that jurisdictions notify individuals who have requested notices related to the Housing Element. Culver City will meet this requirement when the agenda and materials, including the Third iteration of the Housing Element, for the January 24, 2022 City Council hearing is finalized. City staff will send public notices informing the community of the availability of the Third version of the Housing Element.

Adoption and “Certification”: Other commenters expressed concern over the City “adopting” a Housing Element before HCD has determined that the Housing Element substantially complies with State law. However, HCD cannot make that determination until the City first adopts its Housing Element. HCD outlines a 4-step process for jurisdictions to follow when updating their Housing Elements. State law requires:

1. Jurisdictions revise their Housing Element (Step 1);
2. Submit a draft version of the updated Housing Element to HCD for review for substantial compliance (Step 2). “Substantial Compliance” is the best a jurisdiction can achieve; there is no “certification.” “Certification” is a colloquial term not used in State law. After submitting the Draft Housing Element to HCD in Step 2, HCD will provide a “pre-submittal” comment letter documenting its assessment of the Housing Element for compliance with State law.
3. The jurisdiction is required to “consider” HCD comments and may revise the Housing Element to address HCD’s comments prior to adopting the Housing Element (Step 3).
4. After adopting the Housing Element, the jurisdiction must submit the adopted Housing Element to HCD for review. If the jurisdiction’s revisions satisfy HCD, HCD will issue a letter stating that the Housing Element substantially complies with State law. If HCD determines that the Housing Element requires additional revisions, the City can make additional revisions and re-adopt.

Next Steps

City Council will consider the Housing Element for adoption on January 24, 2022. Due to scope of work and budget limitations, the GPU subconsultants including the housing consultant (VTA) and environmental consultant (ESA) have only been able to attend one of two meetings with Planning Commission and one of two meetings with City Council for the Housing Element adoption process. The only other opportunity to engage with the housing subconsultant will be through written communications prior to the Housing Element adoption process⁵ as noted below. Questions for the subconsultants should be provided to Staff timely in light of consultant availability.

In order to address subconsultant availability, Staff presented a GPU budget amendment for City Council consideration on October 25, 2021, but it did not receive a 4/5th vote required for adoption necessitating the above meeting arrangement with the consultants. The consultants were also not able to commit to more than the two meetings they were scoped to attend (one with Planning Commission and one with City Council) after City Council requested two meetings at the October 25, 2021 meeting. To ensure that Planning Commission was offered the same number of opportunities to review the Housing Element, a second meeting was scheduled with that body, resulting in a new total of four meetings for the Housing Element adoption schedule. During the November 30th Planning Commission meeting, some members of the Commission commented that it was important for VTA be available during the Planning Commission's subsequent discussions. Staff explained that due to budget and consultant availability that was not possible at this time.

- **January 24:** The GPU team (excluding VTA) will present the final 2021-2029 Housing Element and related CEQA findings for adoption at a public hearing before the City Council.
 - GPU Subconsultant present: ESA
- **February 12:** HCD deadline to determine that a jurisdiction's Housing Element substantially complies with State law before the penalties under AB 1398' apply.

ENVIRONMENTAL ANALYSIS

Pursuant to the California Environmental Quality Act (CEQA) guidelines, an Initial Study prepared for the Draft 2021-2029 Housing Element determined that the Housing Element will not have a significant adverse impact on the environment and that a Negative Declaration (ND) finding is appropriate (Attachment No. 3). The minimum 30-day Notice of Intent (NOI) to Adopt a Negative Declaration was circulated for public review from October 7 through November 8, 2021.

A separate CEQA analysis will be conducted for any future and specific development projects associated with this Housing Element. Senate Bill (SB) 18 and Assembly Bill (AB) 52 Tribal Consultation are required and started on September 9, 2021. In the Consultation notifications, staff requested that the SB18 consultation period be 30 instead of 90 days to match the AB 52 timeline. This condensed timeline was requested since an Environmental Impact Report (EIR) will be prepared for the GPU, including the HEU, and to meet the Housing Element deadline. The HEU environmental documentation will inform the GPU EIR anticipated for Fall 2022.

FISCAL ANALYSIS

There is no fiscal impact associated with this item.

ATTACHMENTS

1. 2022-01-24_ATT_Resolution Adopting 2021-2029 Housing Element
2. 2022-01-24_ATT_Resolution No. 2022-P001
3. 2022-01-24_ATT_Initial Study and Negative Declaration
4. 2022-01-24_ATT_HCD Pre-Submittal Letter and City Responses
5. 2022-01-24_ATT_2021-2029 Housing Element (Redline, see Note 6)
6. 2022-01-24_ATT_2021-2029 Housing Element (Clean)
7. 2022-01-24_ATT_Housing Element Public Comments
8. 2022-01-24_ATT_2021-2029 Housing Element Guiding Principles
9. 2022-01-24_ATT_2021-2029 Housing Element Guiding Principles Compliance Summary
10. 2022-01-24_ATT_Commission Committees Input Summary
11. 2022-01-24_ATT_Opportunity Sites
12. 2022-01-24_ATT_2022-01-24_ATT_Draft Special PC Meeting Minutes of 01-06-2022

NOTES

1. The GPU team for the Housing Element includes Veronica Tam and Associates, the City's housing consultant; Raimi + Associates, the City's lead consultant; and City staff.
2. The term "preferred" refers to an environmentally preferred alternative under the California Environmental Quality Act, not a reference to the community's preference.
3. Under the Incremental Infill land use designation, a property owner can choose to redevelop the site into any configuration, including a fourplex (inclusive of an ADU and JADU), and not restricted to single-family detached/attached units with ADUs.
4. As of October 2021. Source: www.Redfin.com
5. The adoption public hearing dates have been updated to reflect modified project timelines. Past dates shared with the public previously reflected a November 10, 2021 PC adoption hearing and December 13, 2021 CC adoption hearing.
6. Attachment No. 5 shows a redline with changes to the 2021-2029 Housing Element in response to HCD and community input. This is the same content as the "clean" version shown in Attachment No. 6 but shows where changes were made.

MOTION

That the City Council:

Adopt a Resolution adopting a Negative Declaration based on the Initial Study finding that the project will not have a significant adverse impact on the environment; adopting the proposed 2021-2029 Housing Element (General Plan Element Amendment, P2021-0241-GPE); and approving the submittal of the 2021-2029 Housing Element to the California Department of Housing and Community Development for review for substantial compliance with state law.