



CITY OF MANHATTAN BEACH CITY HALL

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TO: Honorable Mayor and Members of the City Council
FROM: Carrie Tai, Community Development Director
MEETING: City Council Special Meeting, February 9, 2022
SUBJECT: Agenda Item No. 1 – 6th Cycle Housing Element Update
DATE: February 8, 2022

SUPPLEMENTAL ATTACHMENT

- PowerPoint Presentation

"Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails."

6TH CYCLE (2021 - 2029) HOUSING ELEMENT UPDATE (Continued)

City Council
FEBRAURY 9, 2022



Background

Supplemental and Reiterated Information

Conclusion and Recommendation

Questions



BACKGROUND

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- February 1, 2022 City Council Meeting
 - Public testimony and discussion
 - Public hearing closed. Item continued to 2/4
- February 4, 2022 City Council Meeting
 - Closed session and request for more information
 - Item continued to 2/9



SUPPLEMENTAL INFORMATION

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- Supplemental information provided in response to public and City Council concerns
 - Consequences of not having a certified Housing Element;
 - Differences between the 6th Cycle Housing Element and prior cycles; and
 - How sites were chosen and the future implementation.



CONSEQUENCES OF NONCOMPLIANCE

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1. Mandatory Rezoning by October 2022
 - Timeline shortened for rezoning from 3 years and 120 days to one year if cities do not adopt Housing Element.
2. Inability to Deny Certain Residential Projects
3. General Plan Deemed Inadequate and Invalid/Suspension of Local Control
 - No longer able to make permitting decisions, including new or remodeled commercial and residential permits.
4. Ineligibility for certain State funding (grants)
 - City uses funding for transportation improvements.



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5. Legal Suits and Attorneys Fees

- If city loses or settles, likely must pay attorney fees. Consequences of lawsuits include mandatory compliance within 120 days, suspension of local control on development matters, and court approval of housing developments.

6. Financial Penalties

- Fines with a minimum of \$10,000 per month and a maximum of \$100,000 with potential to increase six-fold.

7. Court Receivership

- Courts can appoint an agent with powers necessary to bring a city's Housing Element into compliance with state law.



SITES ANALYSIS / 6TH CYCLE UNIQUENESS

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- Requirement to include an inventory of land suitable/available for residential development (and to accommodate RHNA) is not new to State law.
- Since 5th cycle, there have been many changes to respond to the State's overall lagging housing production.
 - City's RHNA increased from 38 to 774 units
 - State legislature adopted a number of laws starting in 2017 that drastically changed existing criteria, and added new criteria, related to the sites inventory
- Site-selection process for the 6th cycle exceedingly more complex as compared to previous cycles.



SITES ANALYSIS & 6TH CYCLE UNIQUENESS

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- Design and development of the site inventory (SB 6, 2019)
- Requirements in the site inventory table (AB 1397, 2017 and AB 1486, 2019)
- Capacity calculation (AB 1397, 2017)
- Infrastructure requirements (AB 1397, 2017)
- Suitability of non-vacant sites (AB 1397, 2017)
- Size of site requirements (AB 1397, 2017)
- Locational requirements of identified sites (AB 686, 2018)
- Sites identified in previous housing elements (AB 1397, 2017)
- Non-vacant site replacement unit requirements (AB 1397, 2017)
- Rezone program requirements (AB 1397, 2017)



UNDERUTILIZED SITES METHODOLOGY

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- **Building Age** – Buildings more than 30 years old.
- **Under Valued** – An assessed land-to-improvement (LTI) ratio less than 1.
- **Underbuilt** – Commercially zoned sites where the current floor area ratio compared to the maximum allowable floor area ratio is less than 100 percent.
- **Resource Access** – Within TCAC/HCD Opportunity Areas
- **Existing Use** – Net new units, marginalized or visual need of repair
- **Local Knowledge** – Property owner interest to sell or of developer interest to redevelop
- **HCD Size Criteria** – Potential to consolidate sites to meet acreage criteria



PROGRAM 2 – REZONING

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- Lower-income capacity sites identified within major commercial corridors
- **Program 2** requires the City to enact rezoning to formally establish an overlay district over the identified sites in the **General Commercial (CG) and Planned Development (PD) Districts** to accommodate the remaining lower-income RHNA of 406 units and the 15% buffer
- **Completion timeline** for Program 2
 - 3 years and 120 days from adoption **vs.** October 2022



CONCLUSION

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- City is mandated by the State to update the **Housing Element**
- City is mandated by the State to accommodate its **RHNA targets** and provide an inventory of the sites identified to meet the housing need
- City hosted **eight public meetings** on this effort to date
- **State deadline** for City Council adoption of the Housing Element is **February 12, 2022**
- **Potential consequences** of not having a certified housing element include **additional loss of local control and significant fiscal ramifications**



RECOMMENDATION

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In accordance with the Planning Commission's recommendation:

- Adopt the Initial Study/Negative Declaration pursuant to CEQA; and
- Adopt the General Plan Amendment: Housing Element Update for the 6th Cycle.



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