CITY OF MANHATTAN BEACH

1400 Highland Avenue Manhattan Beach, CA 90266 www.manhattanbeach.gov • (310) 802-5000

AGENDA

City Council Adjourned Regular Meeting

Tuesday, March 22, 2022 Closed Session - 4:30 PM 6th Cycle Housing Element Study Session - 6:00 PM Zoom Meeting



ELECTED OFFICIALS

Mayor Hildy Stern
Mayor Pro Tem Steve Napolitano
Councilmember Richard Montgomery
Councilmember Joe Franklin
Councilmember Suzanne Hadley
City Treasurer Tim Lilligren

EXECUTIVE TEAM

City Manager Bruce Moe
City Attorney Quinn Barrow

City Clerk Liza Tamura

Community Development Director Carrie Tai

Finance Director Steve Charelian

Fire Chief Michael Lang

Human Resources Director Lisa Jenkins

Information Technology Director Terry Hackelman
Parks and Recreation Director Mark Leyman
Interim Police Chief Derrick Abell
Public Works Director Erick Lee

MISSION STATEMENT:

Our mission is to provide excellent municipal services, preserve our small beach town character, and enhance the quality of life for our residents, businesses and visitors.

MANHATTAN BEACH'S CITY COUNCIL WELCOMES YOU!

By participating in City Council meetings, you are participating in the process of representative government. To encourage that participation, the City Council provides an early opportunity for public comments under "Public Comments," at which time speakers may comment on any matter within the subject matter jurisdiction of the City Council, including items on the agenda.

The City continues to offer an opportunity to participate in Council meetings via Zoom. In the interest of maintaining appropriate social distancing, the City Council encourages the public to participate by submitting comments in advance of the meeting, no later than **4:00 PM, March 22, 2022** (the day of the meeting), via:

- 1) eComment at http://www.manhattanbeach.gov/ecomment
- 2) email to cityclerk@manhattanbeach.gov or
- 3) telephone message recorded at (310) 802-5030.

All of your comments provided by the deadlines above will be available to the City Council and the public prior to the meeting.

In addition, you may participate by joining Zoom during the meeting. Instructions are provided on item D (Public Comments).

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are available for review on the City's website at www.manhattanbeach.gov, the Police Department located at 420 15th Street, and are also on file in the Office of the City Clerk for public inspection. Any person who has any question concerning any agenda item may call the City Clerk's office at (310) 802-5056.

Meetings are broadcast live through Manhattan Beach Local Community Cable, Channel 8 (Spectrum), Channel 35 (Frontier), and live streaming via the City's website.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Office of the City Clerk at (310) 802-5056 (voice) or (310) 546-3501 (TDD). Notification 36 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting. The City also provides closed captioning of all its Regular City Council Meetings for the hearing impaired.

CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

I, Liza Tamura, City Clerk of the City of Manhattan Beach, California, state under penalty of perjury that this notice/agenda was posted on Wednesday, March 16, 2022, on the City's Website and on the bulletin boards of City Hall, Joslyn Community Center and Manhattan Heights.

Page 2

BELOW ARE THE AGENDA ITEMS TO BE CONSIDERED.

- A. CALL MEETING TO ORDER
- **B. PLEDGE TO THE FLAG**
- C. ROLL CALL

D. PUBLIC COMMENTS (3 MINUTES PER PERSON)

Speakers may provide public comments on any matter that is within the subject matter jurisdiction of the City Council, including items on the agenda. The Mayor may determine whether an item is within the subject matter jurisdiction of the City Council. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda.

The City Council encourages the public to participate by submitting comments in advance of the meeting, no later than **4:00 PM**, **March 22**, **2022** (the day of the meeting), via:

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- 3) telephone message recorded at (310) 802-5030.

All of your comments provided by the deadlines above will be available to the City Council and the public prior to the meeting.

NOOM PUBLIC PARTICIPATION

If you wish to speak on any item on the agenda, please register in advance by clicking the following link: https://citymb.seamlessdocs.com/f/publiccomment, even when submitting this request you will need to use the "raise hand" feature via Zoom during the presentation of that Agenda Item in order to confirm with the City Clerk's Office that you wish to provide comments.

1) Join Zoom Meeting via the internet:

Direct URL: https://citymb-info.zoom.us/j/93376200363, Meeting ID: 933 7620 0363

During the meeting you will need to use the "raise hand" button through Zoom at the time the Agenda Item is being presented for City Council consideration.

2) ÁJoin Zoom Meeting via Phone Conference (Voice Only):

Phone Number: (669) 900-6833, Meeting ID: 933 7620 0363

During the meeting you will need to enter *9 on the phone's dial pad to "raise your hand" at the time the Agenda Item is being presented for City Council consideration.

Please note, the City is not responsible for the public's use of Zoom as it relates to the software, configuration, and setting on a personal device. The public is encouraged to visit the Zoom website for information on use of this software. The City's use of Zoom is consistent with the platform features and functions as described on the Zoom.

E. CLOSED SESSION

I. ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

a) CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)

Agency Negotiators:

Bruce Moe, City Manager Lisa Jenkins, Human Resources Director

Employee Group:

Manhattan Beach Firefighters' Association
Manhattan Beach Fire Management Association

b) CONFERENCE WITH LEGAL COUNSEL (ANTICIPATED LITIGATION) (Government Code Section 54956.9(d)(2)(e)(5))

A point has been reached where, in the opinion of the City Council on the advice of its City Attorney, based on existing facts and circumstances, there is a significant exposure to litigation against the City. A threat of litigation has been included in the agenda packet available upon request at the City Clerk's Office at City Hall, 1400 Highland Avenue, Manhattan Beach, CA 90266.

Number of Cases: 1

- II. RECESS INTO CLOSED SESSION
- III. RECONVENE INTO OPEN SESSION
- IV. CLOSED SESSION ANNOUNCEMENT IN OPEN SESSION

F. PUBLIC HEARING (CONTINUED)

(Continued Item) Public Hearing to Consider the 6th Cycle Housing Element Update (HEU) and Associated Initial Study/Negative Declaration (Community Development Director Tai).

22-0155

ADOPT RESOLUTION NOS. 22-0014 AND 22-0015

Links to Additional Documents Attachments:

PowerPoint Presentation

Final

G. ADJOURNMENT



STAFF REPORT

Agenda Date: 3/22/2022

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Carrie Tai, AICP, Community Development Director Talyn Mirzakhanian, Planning Manager

SUBJECT:

(Continued Item) Public Hearing to Consider the 6th Cycle Housing Element Update (HEU) and Associated Initial Study/Negative Declaration (Community Development Director Tai).

ADOPT RESOLUTION NOS. 22-0014 AND 22-0015

RECOMMENDATION:

Staff and the Planning Commission recommend that, after receiving public input, the City Council adopt attached Resolution No. 22-0014 adopting the Negative Declaration for the 6th Cycle Housing Element; and adopt attached Resolution No. 22-0015 adopting the 6th Cycle Housing Element.

BACKGROUND:

After a number of City Council meetings and public hearings, the City Council continued its consideration of the 6th Cycle Housing Element Update in order to: (1) provide additional opportunities for public comment, and (2) study the Sites Analysis and Inventory more closely. In addition to the City's standard public notices pursuant to State and local regulations, staff has provided additional notice far beyond required public noticing requirements to publicize this meeting, including but not limited to notifying the Manhattan Village Senior Villas affordable housing development and posting the notice at the Joslyn Community Center. At the City Council's request, this report provides supplemental analysis regarding the Sites Analysis and Inventory. Attachment 1 includes links to the reports from the prior meetings.

DISCUSSION:

The most challenging task in the preparation of the 6th Cycle Housing Element concerned Appendix E, the Sites Analysis and Inventory, which describes the methodology by which the

City can accommodate its Regional Housing Needs Allocation (RHNA) targets and provides an inventory of the sites identified to meet the housing need. The purpose of the Sites Inventory and Analysis is to create a pool of potential site options from which the City will choose during the formal rezoning process that follows (identified as Program 2 in the Housing Element). To reiterate, the maps included in the analysis, which identify sites that could accommodate additional capacity, solely demonstrate the overall pool of qualifying sites; but not all of these sites will ultimately be rezoned. Furthermore, the City's responsibility is limited to accommodating (i.e. rezoning), but not building, the total allocated units.

The requirement to include an inventory of land suitable and available for residential development to meet the locality's regional housing need by income level is not a new requirement in State Housing Element law. In fact, the City was required to prepare site inventories in all prior Housing Element cycles, including the 5th cycle in 2013, to accommodate the City's 5th Cycle RHNA allocation of 38 housing units.

Since the adoption of the 5th Cycle Housing Element, however, there have been many changes to respond to the State's overall lagging housing production. The State's RHNA for each county and city increased dramatically (the City's RHNA increasing to 774 units), and the State legislature adopted a number of laws starting in 2017 that drastically changed existing criteria, and added new criteria related to the sites inventory. This means that in addition to the sites identified in the 5th Cycle Housing Element, the City must identify more housing capacity while being strictly limited in finding appropriate sites by the new criteria stemming from the legislation outlined below. This has resulted in the site-selection process for the 6th Cycle Housing Element being exceedingly more complex as compared to previous cycles.

Below is a summary of those laws (SB= Senate Bill and AB= Assembly Bill):

- Design and development of the site inventory (SB 6, 2019)
- Requirements in the site inventory table (AB 1397, 2017 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)

As described in the 6th Cycle Housing Element and previous staff reports, the City's RHNA allocation includes a total of 774 units, with a requirement to plan for 322 units for very-low-income households, 165 units for low-income households, 155 units for moderate-income households, and 132 units for above-moderate-income households.

The Sites Analysis for the 2021-2029 planning period has identified capacity for 377 total units. The analysis also specified that there is adequate supply of land to accommodate the moderate-income and above moderate-income RHNA allocation, respectively; therefore, the City is not required to create new opportunities for those income categories. However, the City

can realistically accommodate only 81 of the 487 lower-income (low- and very low-income) units. The Sites Analysis and Inventory is required to demonstrate how the City will meet the remaining RHNA for lower-income units (406 units), and a buffer of at least 15% of the lower-income allocation (approximately 73 units) as recommended by HCD. To meet all (old and new) sites inventory criteria in State law, and given that the City does not have vacant land, staff and the consultant used the following methodology to identify sites with potential for redevelopment in accordance with the lower-income RHNA allocation, as follows:

- 1. Sites were filtered by building age and included those with buildings more than 30 years old to meet building age criteria. Building age is a major factor influencing property valuation and land value. The age of housing is often an indicator of housing conditions. (AB 1397)
- 2. Sites that are under-valued (with an assessed land-to-improvement (LTI) ratio less than one) were identified. Improvement values less than one indicate that the site has redevelopment potential, as the assessed value of the land is greater than the assessed improvement value. (AB 1397)
- 3. Sites that are considered underbuilt were identified by analyzing commercially-zoned sites where the current floor area ratio compared to the maximum allowable floor area ratio is less than 100 percent. This indicator helps identify opportunity sites from a redevelopment perspective, as such land is considered to be underbuilt. (AB 1397)
- 4. Then, staff factored in resource access by evaluating sites within "Opportunity Areas", which are defined by HCD and the California Tax Credit Allocation Committee (TCAC) as areas whose characteristics have been shown by research to support positive economic, educational, and health outcomes for lower-income households. (AB 686)
- 5. Sites were then further narrowed down through on-the-ground research that looked at the potential to consolidate sites to meet HCD size criteria, and especially for lower-income sites, the feasibility of the redevelopment of the existing use. This includes accounting for net new units on sites with existing residential units, knowledge of existing long-term leases and existing known vacancies, and also local knowledge of any known developer interest that has been revealed through developer discussions with City staff. (AB 1397)

The Sites Inventory in Appendix E resulted from the above-mentioned complex effort. The Sites Inventory identifies collections of sites along major corridors - Rosecrans Avenue, Sepulveda Boulevard, and Aviation Boulevard in the General Commercial (CG) and Planned Development (PD) zoning districts. Note that some of the sites identified in the inventory are in fact a collection of independently-owned parcels that, if consolidated, could meet the State's size criteria. Below is a brief description of each of these collections of sites:

 Rosecrans Avenue Sites - Five sites identified along Rosecrans Avenue and Parkview Avenue, which total approximately 26 acres in size and could accommodate a lower-income capacity of 519 units. Existing land uses on these sites include commercial office and retail buildings, a parking lot, and country club.

- Sepulveda Boulevard Sites Twenty-five sites identified along Sepulveda Boulevard, which total approximately 22 acres in size and could accommodate a lower-income capacity of 438 units. Existing land uses on these sites include a mix of commercial office and retail buildings, animal hospital, vehicle service and repair.
- Aviation Boulevard Sites Four sites identified along Aviation Boulevard, which total 2.71 acres in size and could accommodate a lower-income capacity of 52 units. Existing land uses on these sites include a mix of commercial office and retail buildings, and vehicle service stations.

Because the majority of the City is developed with close-knit, multi-family areas and single-family neighborhoods, the concentration of all eligible sites along these major corridors at prescribed densities means that the capacity can be accommodated in relatively few areas. As these areas are already located along corridors, they have the most direct access to regional roadway connections and services. These sites meet all of the State's criteria for lower-income capacity including but not limited to access to resources, size, and potential for redevelopment. These areas along the major corridors, which collectively amount to 50.9 acres and could accommodate 1,018 lower-income units, are described in Appendix E and were presented at the February 1, 2022 meeting. Appendix E also includes a handful of potential sites with existing zoning designations of Residential, Single-family (RS) or Residential, Multi-family (RM), solely because these sites met the criteria and could accommodate lower-income capacity if rezoned. These residentially-zoned sites amount to 3.96 acres and could accommodate 26 lower-income units.

The collective capacity of all identified sites discussed above and specified in Appendix E amounts to 1,044 units (or 54.92 acres), where the City's deficit is significantly lower at 479 units (or 23.95 acres). Therefore, the City is not required to rezone all of these sites - just a selection.

Subsequent to the adoption of the Housing Element, and to set the implementation of Program 2 in motion, Planning staff will venture into a series of public meetings with property owners, stakeholders, the Planning Commission and City Council to not only identify which collections of sites will be rezoned to accommodate the lower-income capacity and buffer, but to also prescribe the development standards that would be applicable to the sites in order to achieve the densities outlined in the Housing Element.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

CONCLUSION:

The City is mandated by the State to update the Housing Element of the General Plan for this eight-year planning period (2021 - 2029). In accordance with all State regulations, the 6th Cycle Housing Element, as presented to City Council, analyzes community housing needs in terms of

File Number: 22-0155

affordability, availability, adequacy and accessibility, and describes the City's strategy and programs to address those needs. Subsequent to adoption, the City is required to implement the programs and policies as outlined in the Housing Element over the course of the planning period, albeit with Program 2 (rezoning) having to be completed by October 2022.

Accordingly, subsequent to adoption, staff will be returning to the City Council with the corresponding code amendments and rezoning efforts, as required to set the programs and policies in motion and in compliance with the timeframes outlined in the Housing Element.

ATTACHMENTS:

- 1. Links to Additional Documents (Web-Links Provided)
- 2. PowerPoint Presentation



CITY OF MANHATTAN BEACH CITY HALL

1400 Highland Avenue, Manhattan Beach, CA 90266

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AGENDA ITEM NO. 1: LINKS TO ADDITIONAL DOCUMENTS (WEB-LINK PROVIDED)

INDEX AND LINKS TO STAFF REPORTS AND ATTACHMENTS FROM PRIOR CITY COUNCIL (CC) MEETINGS

- A. Staff Report with Attachments for Agenda Item No. 16 (February 1, 2022 CC Meeting)
 - Resolution No. 22-0014 (Exhibit A: Negative Declaration for the 6th Cycle Housing Element) (Web-Link Provided)
 - 2. Resolution No. 22-0015 (Exhibit A: 6th Cycle Housing Element) (Web-Link Provided)
 - 3. Final 6th Cycle Housing Element (Redline: Responses to HCD Comments) (Web-Link Provided)
 - 4. Final Negative Declaration (Web-Link Provided)
 - 5. Letter from HCD December 14, 2021 (Web-Link Provided)
 - 6. PowerPoint Presentation (Web-Link Provided)
- B. <u>Staff Report</u> with Attachments for <u>Agenda Item No. 1</u> (February 9, 2022 CC Special Meeting)
 - 1. Housing Element Compliance & Noncompliance (Web-Link Provided)

presentation and the agenda report, the 6TH CYCLE (2021 - 2029) HOUSING ELEMENT UPDATE



CITY COUNCIL HEARING TIMELINE

"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, trevialis."

- •February 1, 2022
- •February 4, 2022
- •February 9, 2022
- •February 15, 2022
- •March 22, 2022

SITES ANALYSIS AND INVENTORY

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 reversits.

The Sites Analysis and Inventory identifies candidate sites under existing zoning that can accommodate the City's 2021-2029 RHNA need

Capacity Identified on Vacant and Underutilized Sites

Lower-income sites must meet additional State criteria

- Site size between 0.5 and 10 acres
- Default density of 30 dwelling units per acre

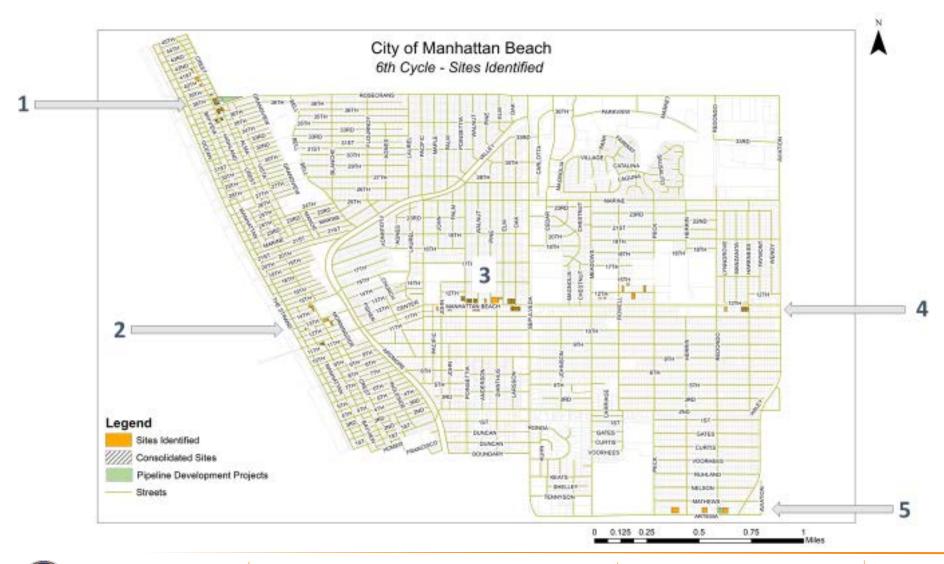
SUMMARY OF CAPACITY AND CREDIT

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Category	Lower-Income Units	Moderate- Income Units	Above Moderate- Income Units	Total Units
RHNA	487	155	132	774
Pipeline Residential Development Credited Toward RHNA	7	0	86	93
Potential Accessory Dwelling Units	50	5	28	83
Existing Site Capacity (Underutilized)	24	158	19	201
Total Capacity	81	163	133	377
Existing Capacity Surplus (+)/ Deficit (-)	-406	+8	+1	_
Additional Capacity to Accommodate Shortfall	406	_	-	406
Additional Capacity to Accommodate Buffer	73	_	_	73

EXISTING CAPACITY SITES

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UNDERUTILIZED SITES METHODOLOGY

- 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 developer interest to redevelop
- HCD Size Criteria Potential to consolidate sites to meet acreage criteria



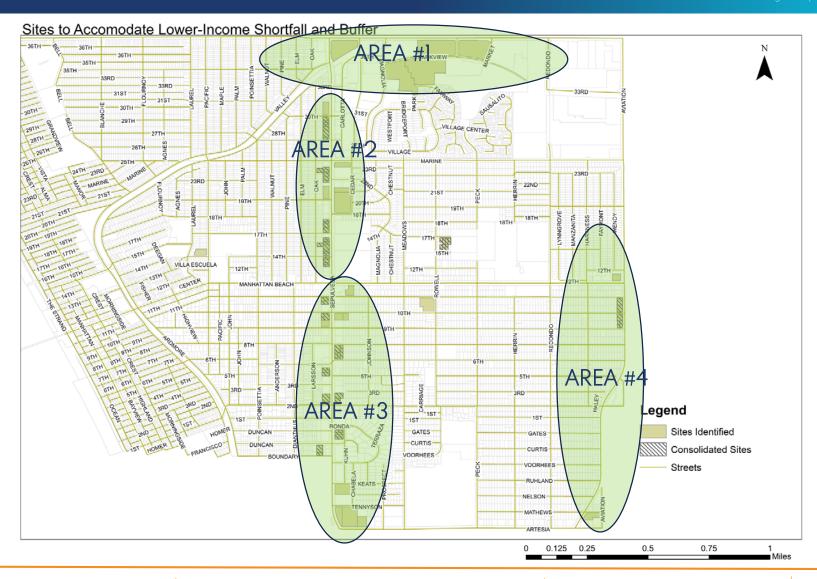
SITE SURVEY EXERCISE

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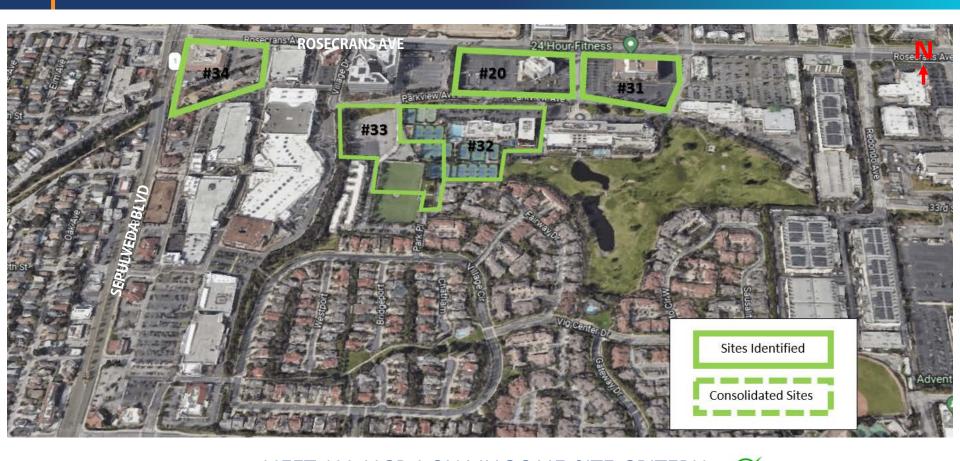


ADDITIONAL CAPACITY SITES

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AREA #1 – ROSECRANS



MEET ALL HCD LOW-INCOME SITE CRITERIA:



TOTAL SIZE (IN ACRES): 26.09 **TOTAL UNIT CAPACITY: 519**

AREA #1 – ROSECRANS SITES

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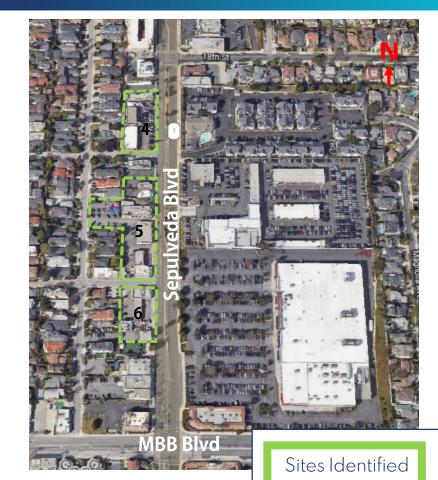




AREA #2 – SEPULVEDA (N. OF MBB)

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MEET ALL HCD LOW-INCOME SITE CRITERIA:
TOTAL SIZE (IN ACRES): 10.67
TOTAL UNIT CAPACITY: 206

Consolidated Sites

AREA #2 - SITES

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AREA #3 – SEPULVEDA (S. OF MBB)

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MEET ALL HCD LOW-INCOME SITE CRITERIA:

TOTAL SIZE (IN ACRES): 12.12 TOTAL UNIT CAPACITY: 232

Consolidated Sites

AREA #3 - SITES

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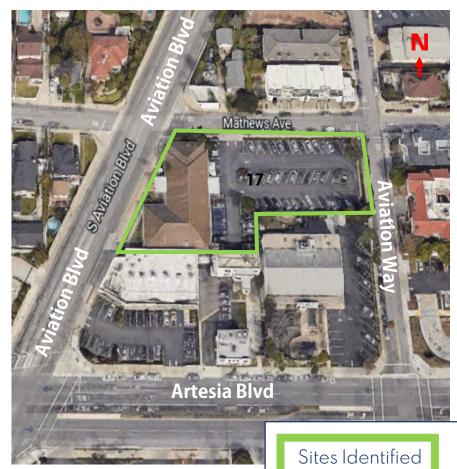




AREA #4 - AVIATION

Note: This PowerPoint presentation is intended solely as a visual aid to an oral staf 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."





MEET ALL HCD LOW-INCOME SITE CRITERIA: TOTAL SIZE (IN ACRES): 2.71

TOTAL UNIT CAPACITY: 52

Consolidated Sites

AREA #4 - SITES

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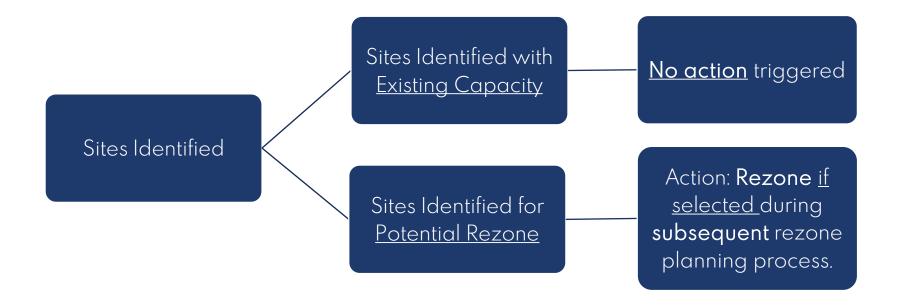






SITES IDENTIFIED - EXISTING CAPACITY VERSUS POTENTIAL REZONE SITES

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Rezoning to be completed by:

October 2022

Lower income & buffer capacity needed:

479 units (23.95 acres)

Pool of capacity identified:

and 26 units (3.96 acres) in RM & RS via rezone

Development standards:

To be devised during rezoning- standards must accommodate 20du/acre minimum

RECOMMENDATION

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.