



**CITY OF  
PALOS VERDES ESTATES**

**HOUSING ELEMENT  
2021-2029**

**January 2022**

## **Acknowledgements**

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## I. INTRODUCTION

State law requires the preparation of a Housing Element as part of a jurisdiction's General Plan (*Government Code* §65302(c)). The Element must include the identification and analysis of existing and projected housing needs, and a statement of goals, policies, quantified objectives and scheduled programs for the preservation, improvement and development of housing. The Housing Element must also identify adequate sites for housing and make adequate provision for the existing and projected needs of all economic segments of the community (§65583).

Guidelines adopted by the Department of Housing and Community Development (HCD) must also be considered in the preparation of the Housing Element (§65585). Periodic review of the Housing Element is required to evaluate 1) the appropriateness of its goals, objectives and policies in contributing to the attainment of the state housing goals, 2) its effectiveness in attaining the City's housing goals and objectives and 3) the progress of its implementation (§65588).

### A. Purpose of the Housing Element

State law recognizes the vital role local governments play in the supply and affordability of housing. Each local government in California is required to adopt a comprehensive, long-term General Plan for the physical development of the city or county. The Housing Element is one of the mandated elements of the General Plan. Housing Element law, first enacted in 1969, requires that local governments plan for the existing and projected housing needs of all economic segments of the community. The law recognizes that in order for the private market to adequately address housing needs, local governments must adopt land use plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development. As a result, housing policy in California rests largely upon the effective implementation of local General Plans and in particular, local Housing Elements. Housing Element law also requires HCD to review local housing elements for compliance with State law and to report its written findings to local governments.

As mandated by State law, the planning period for this Housing Element extends from 2021 to 2029. This Housing Element identifies strategies and programs that focus on: 1) providing diversity in housing opportunities; 2) maintenance and preservation of the housing stock; and 3) affirmatively furthering fair housing.

The Housing Element consists of the following major components:

- An analysis of the City's demographic and housing characteristics and trends, housing needs (Chapter II);
- An evaluation of land, financial, and administrative resources available to address the City's housing goals (Chapter III);
- A review of potential constraints, both governmental and non-governmental, to meeting the City's housing needs, and potential impediments to fair housing (Chapter IV); and
- A Housing Action Plan for the 2021-2029 planning period, including housing goals, policies and programs (Chapter V).

- A review of the City's accomplishments and progress in implementing the previous Housing Element (Appendix A).

## **B. Public Participation**

State housing law requires local governments to make diligent effort to achieve public participation of all the economic segments of the community in the development of housing elements. Public participation plays an important role in the formulation and refinement of the City's housing goals and policies and in the development of a Land Use Plan which determines the extent and density of future residential development in the community. The City's efforts to encourage public involvement in the preparation of this Housing Element are described in Appendix C.

## **C. Consistency with Other Elements of the General Plan**

The City's General Plan sets forth broad policy guidance in the areas of land use, circulation, conservation, recreation, open space, housing, scenic highways, seismic safety, safety and noise. The various General Plan elements provide a consistent set of policies and programs intended to preserve and enhance the quality of life, while accommodating growth and change in a proactive manner. For example, residential development capacities established in the Land Use Element and constraints to development identified in the Conservation, Open Space and Seismic Safety Elements are reflected in the Housing Element. This Housing Element builds upon the other General Plan elements and is consistent with the policies and proposals set forth by the Plan. As the General Plan is amended from time to time, the City will review the Housing Element to ensure consistency among all elements, and make any necessary revisions.

State law requires cities to provide a copy of their Housing Elements to local water and sewer providers, and also requires that these agencies provide priority hookups for developments with lower-income housing. These providers were included in City notices regarding the Housing Element update and a copy of the Housing Element was provided to these agencies upon adoption.

## II. HOUSING NEEDS ASSESSMENT

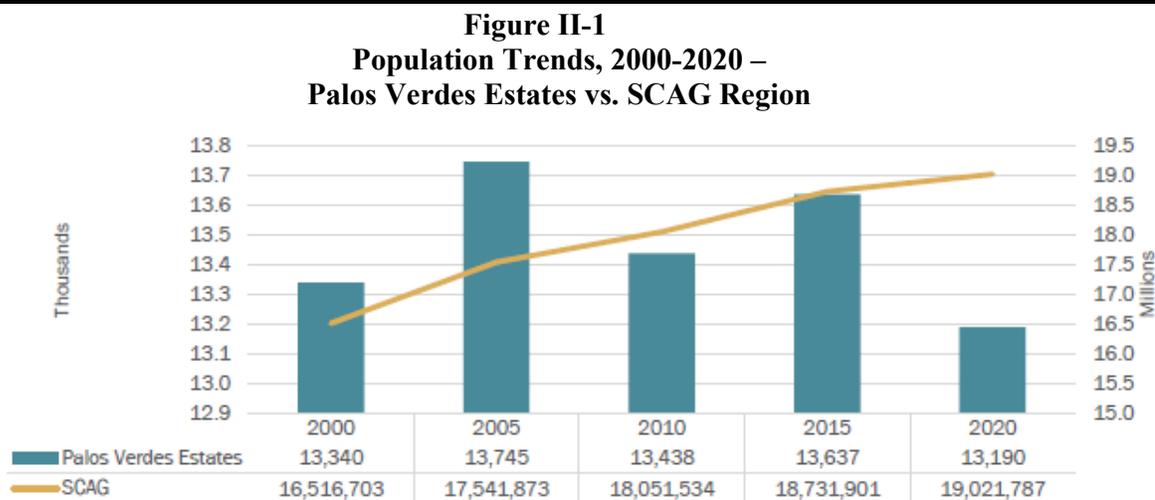
This chapter examines general population and household characteristics and trends, such as age, race and ethnicity, employment, household composition and size, household income, and special needs. Characteristics of the existing housing stock (e.g., number of units and type, tenure, age and condition, costs) are also addressed. Finally, the city’s projected housing needs based on the 2021-2029 Regional Housing Needs Assessment (RHNA) are examined.

The Housing Needs Assessment utilizes recent data from the U.S. Census, California Department of Finance (DOF), California Employment Development Department (EDD), Southern California Association of Governments (SCAG), and other relevant data sources.

### A. Population Characteristics

#### 1. Population Growth Trends

The city of Palos Verdes Estates declined slightly in population during the 2000-2020 period (Figure II-1). This contrasts dramatically with the SCAG region, which had an average annual growth rate of 0.7% during the same period. As an essentially built-out city, there have been few opportunities for growth, except through infill.



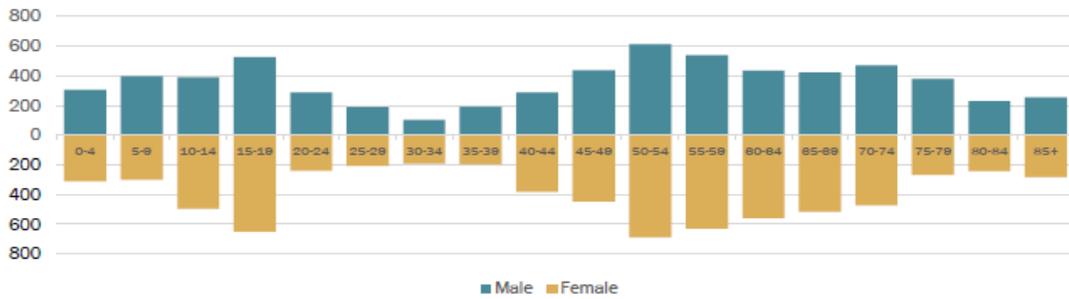
*CA DOF E-5 Population and Housing Unit Estimates*

*Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)*

#### 2. Age

Age characteristics of the population influence housing needs. Different age groups have different housing needs based on lifestyles, family types, income levels, and housing preference. Figure II-2 shows recent estimates of the city’s population by age group and gender. The population of Palos Verdes Estates is 47.7% male and 52.3% female. The share of the population of Palos Verdes Estates under 18 years of age is 22.7%, which is slightly lower than the regional share of 23.4%. Seniors (65 and above) make up 26.2% of the population, which is substantially higher than the regional share of 13%. An aging population has implications regarding the type and size of future housing needs, as well as accessibility.

**Figure II-2  
Age Distribution –  
Palos Verdes Estates**



American Community Survey 2014-2018 5-year estimates

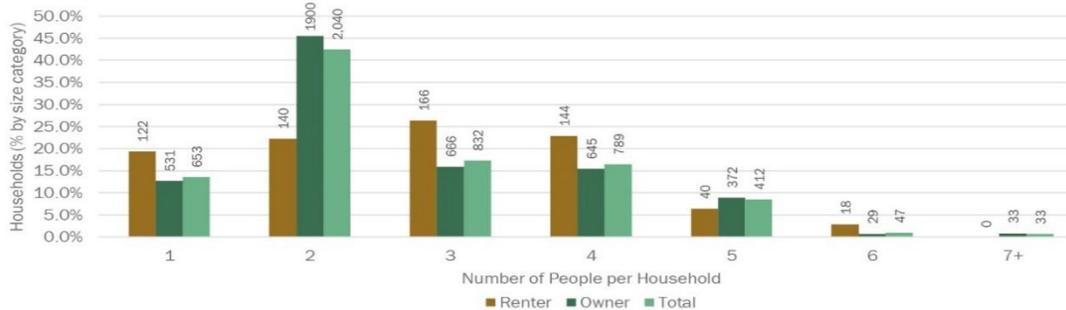
Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

## B. Household Characteristics

### 1. Household Size

Figure II-3 illustrates the range of household sizes in Palos Verdes Estates for owners, renters, and overall. The most commonly occurring household size is two people (42.4%) and the second-most commonly occurring household is three people (17.3%). Palos Verdes Estates has a lower share of single-person households than the SCAG region overall (13.6% vs. 23.4%) and a lower share of 7+ person households than the SCAG region overall (0.7% vs. 3.1%).

**Figure II-3  
Household Size by Tenure –  
Palos Verdes Estates**



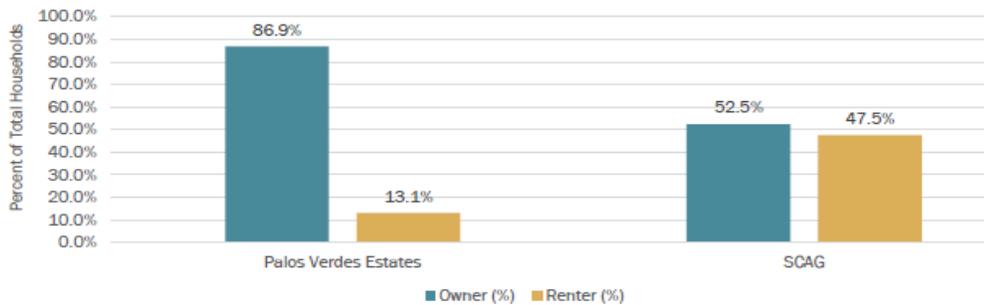
American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

## 2. Housing Tenure

Housing tenure (owner vs. renter) is an important indicator of the housing market. Communities need an adequate supply of units available both for rent and for sale to accommodate a range of households with varying incomes, family sizes and composition, and lifestyles. Figure II-4 provides recent estimates of the number of owner-occupied and renter-occupied units in the city as compared to the SCAG region as a whole and reveals a high level of homeownership in the city.

**Figure II-4  
Household Tenure –  
Palos Verdes Estates vs. SCAG Region**



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

## 3. Overcrowding

Overcrowding is often closely related to household income and the cost of housing. The U.S. Census Bureau considers a household to be overcrowded when there is more than one person per room, excluding bathrooms and kitchens, and classifies severe overcrowding as more than 1.5 residents per room. Overcrowded households are usually a reflection of the lack of affordable housing. Figure II-5 summarizes recent Census estimates of overcrowding for Palos Verdes Estates compared to the SCAG region as a whole. This table shows that overcrowding is much less prevalent in Palos Verdes Estates than the regional average. There exists more than one bedroom per resident in the city of Palos Verdes Estates.



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

#### 4. Overpayment

According to State housing policy, overpaying occurs when housing costs exceed 30% of gross household income. Figure II-6 displays recent HUD estimates for overpayment for households in Palos Verdes Estates. HAMFI refers to the median household income within Los Angeles County. This figure shows that overpayment is most prevalent for households at the extremely-low and very-low income levels. For lower-income households, overpayment can require families to double up resulting in overcrowding and related problems.

**Figure II-6**  
**Overpayment by Income Category – Palos Verdes Estates**

Income	Households by Share of Income Spent on Housing Cost:		
	< 30%	30-50%	> 50%
< 30% HAMFI	55	25	170
30-50% HAMFI	59	30	155
50-80% HAMFI	120	20	138
80-100% HAMFI	70	60	65
> 100% HAMFI	3,090	535	185
<b>Total Households</b>	<b>3,394</b>	<b>670</b>	<b>713</b>

*HUD CHAS, 2012-2016.*

*HAMFI refers to Housing Urban Development Area Median Family Income.*

*Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)*

#### Extremely-Low-Income Households

State law requires quantification and analysis of existing and projected housing needs of extremely low-income (ELI) households. Extremely-low-income is defined as households with income less than 30% of area median income (\$80,000 for Los Angeles County). Households with extremely-low-income have a variety of housing situations and needs, such as overpayment and overcrowding.

Figure II-7) reported that approximately 295 extremely-low-income households resided in Palos Verdes Estates, representing about 6% of all households. Approximately 18.7% of renter-occupied households had extremely-low incomes compared to only 4.3% of owner-occupied units.

The resources and programs to address this need are the same as for low-income households in general and are discussed throughout the Housing Element, and particularly Chapter V, Housing Action Plan. The needs of extremely-low-income households overlap extensively with other special needs groups, and further analysis and discussion of special needs households can also be found in Chapter IV, Constraints, Section A.1.c. Special Needs Housing. Programs to address the needs of extremely-low-income households and persons with special needs are described in Chapter V (Housing Plan) and include:

- Program 3 (Encourage and facilitate mixed commercial and residential use in commercial areas);
- Program 5 (Continue efforts to streamline the development process to the extent feasible);
- Program 8 (Continue to implement density bonus incentives consistent with State law);
- Program 9 (Encourage shared housing programs for seniors and existing one-person households); and

- Program 11 (Emergency shelters, transitional/supportive housing, community care facilities, SROs, agricultural employee housing, and reasonable accommodation for persons with disabilities).

**Figure II-7**  
**Extremely-Low-Income Households by Race/Ethnicity and Tenure – Palos Verdes Estates**

	Total Households	Households below 30% HAMFI	Share below 30% HAMFI
White, non-Hispanic	3,525	210	6.0%
Black, non-Hispanic	45	0	0.0%
Asian and other, non-Hispanic	910	45	4.9%
Hispanic	330	35	10.6%
<b>TOTAL</b>	<b>4,810</b>	<b>290</b>	<b>6.0%</b>
Renter-occupied	615	115	18.7%
Owner-occupied	4,195	180	4.3%
<b>TOTAL</b>	<b>4,810</b>	<b>295</b>	<b>6.1%</b>

HUD CHAS, 2012-2016. HAMFI refers to Housing Urban Development Area Median Family Income.

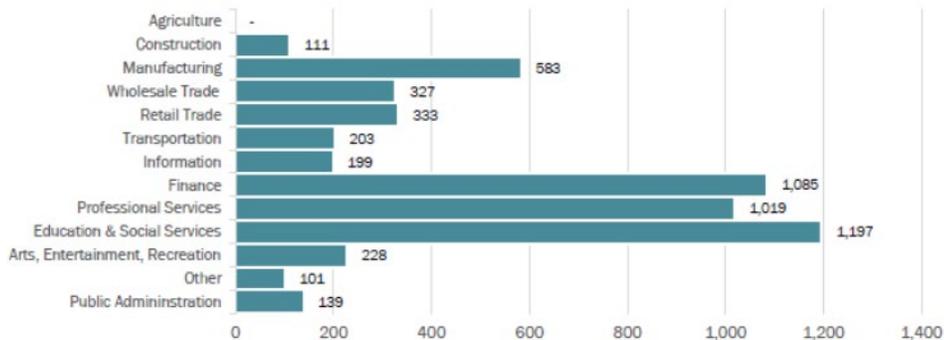
Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

### C. Employment

Employment is an important factor affecting housing needs within a community. The jobs available in each employment sector and the wages for these jobs affect the type and size of housing residents can afford.

Employment characteristics have a significant influence on housing needs during this planning period. Figure II-8 shows recent estimates of employment by industry for city residents. Education & Social Services, Finance, and Professional Services were the most common occupational industries for city residents.

**Figure II-8**  
**Employment by Industry – Palos Verdes Estates**

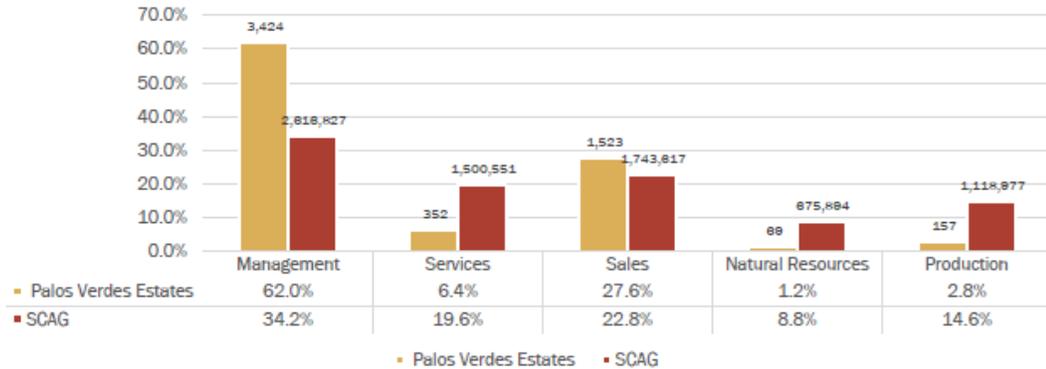


American Community Survey 2014-2018 5-year estimates using groupings of 2-digit NAICS codes.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Recent data indicates that approximately 62% of the city’s working residents were employed in management occupations while about 28% were in sales or related fields (Figure II-9). Only about 6% of workers were employed in service occupations while employment in the natural resources and production occupations constituted only about 1% and 3% of the workforce, respectively.

**Figure II-9  
Employment by Occupation – Palos Verdes Estates vs. SCAG Region**



*American Community Survey 2014-2018 5-year estimates using groupings of SOC codes.*

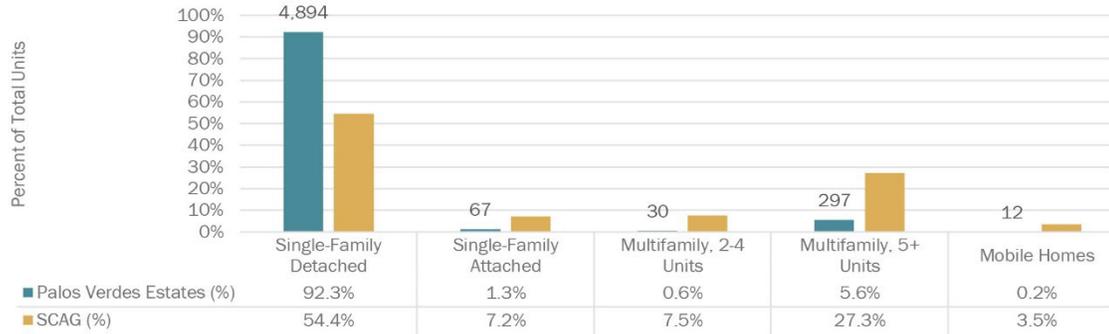
*Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)*

### D. Housing Stock Characteristics

This section reviews the characteristics of the community’s housing stock and helps in identifying and prioritizing needs. The factors evaluated include the number and type of housing units, age and condition, tenure, vacancy, housing costs, affordability, and assisted affordable units at-risk of loss due to conversion to market-rate. A housing unit is defined as a house, apartment, mobile home, or group of rooms, occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters.

Per recent data, the housing stock in Palos Verdes Estates is comprised mostly of single-family homes, which make up about 92% of all units. Multifamily and mobile homes comprise the remaining 8%. Figure II-10 provides a breakdown of the housing stock by type.

**Figure II-10  
Housing by Type –  
Palos Verdes Estates vs. SCAG Region**

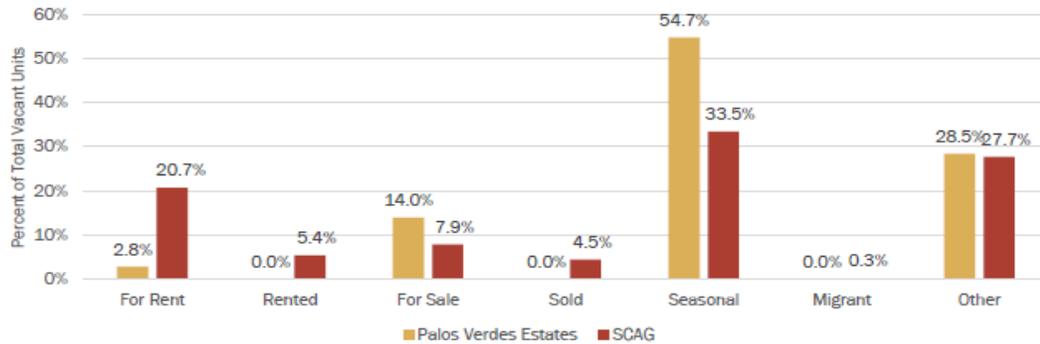


CA DOF E-5 Population and Housing Unit Estimates

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Vacancy characteristics for the city are shown in Figure II-11. The largest category of vacant units - about 55% of all vacant units – were reported as “seasonal” which indicates second homes.

**Figure II-11  
Vacant Units by Type –  
Palos Verdes Estates vs. SCAG Region**



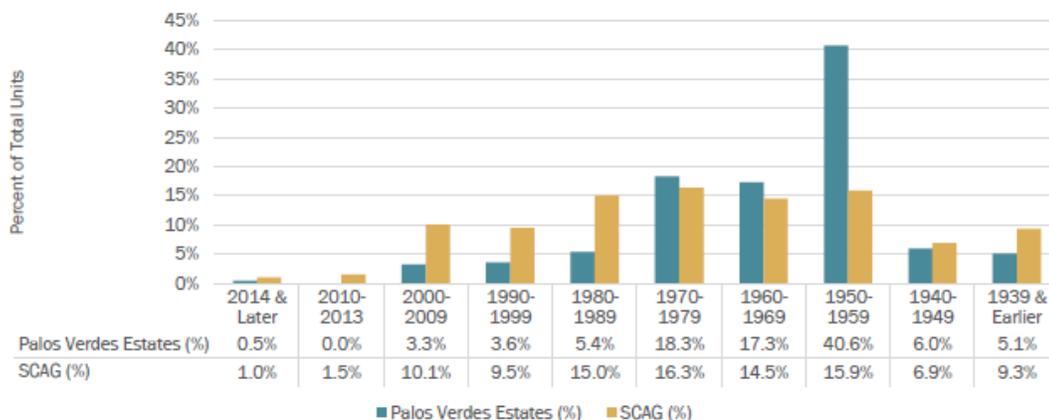
American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

## 2. Housing Age and Condition

Housing age is often an important indicator of housing condition. Housing units built prior to 1978, before stringent limits on the amount of lead in paint were imposed, may have interior or exterior building components coated with lead-based paint. Housing units built before 1970 are the most likely to need rehabilitation and to have lead-based paint in deteriorated condition. Lead-based paint becomes hazardous to children under age six and to pregnant women when it peels off walls or is pulverized by windows and doors opening and closing. Figure II-12 shows the age distribution of the housing stock in Palos Verdes Estates compared to the SCAG region as a whole as reported in recent Census estimates.

**Figure II-12  
Housing Units by Year Structure Built –  
Palos Verdes Estates vs. SCAG Region**



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

This table shows that over two-thirds of the housing units in Palos Verdes Estates were constructed prior to 1970. Statistics indicating that a significant portion of the housing stock is more than 30 years old would often indicate a growing need for maintenance and rehabilitation. However, housing units in the City are generally well-maintained. As of 2021, it was estimated through a windshield survey that approximately one housing unit in the City was in need of moderate landscape rehabilitation, however at the time of this writing, no units were identified as structurally deteriorated and/or in need of replacement. The high household incomes and housing values in the city results in few properties actually falling into disrepair, and therefore the need for public assistance with maintenance and rehabilitation is considered to be very low.

### 3. Housing Cost

State law establishes five income categories for purposes of housing programs based on the area (i.e., county) median income (“AMI”): extremely-low (30% or less of AMI), very-low (31-50% of AMI), low (51-80% of AMI), moderate (81-120% of AMI) and above moderate (over 120% of AMI). Housing affordability is based on the relationship between household income and housing expenses. According to HUD and the California Department of Housing and Community Development (HCD), housing is considered “affordable” if the monthly payment is no more than 30% of a household’s gross income. In Los Angeles County, these income limits are increased to adjust for high housing costs.

Table II-1 shows current (2021) affordable rent levels and estimated affordable purchase prices for housing in Los Angeles County by income category. Based on State standards, the maximum affordable monthly rent for extremely-low-income households is \$886, while the maximum affordable rent for very-low-income households is \$1,478. The maximum affordable rent for low-income households is \$2,365, while the maximum for moderate-income households is \$2,400.

Maximum purchase prices are more difficult to determine due to variations in mortgage interest rates and qualifying procedures, down payments, special tax assessments, homeowner association fees, property

insurance rates, etc. With this caveat, the maximum home purchase prices by income category shown in Table II-1 have been estimated based on typical conditions.

**Table II-1  
Income Categories and Affordable Housing Costs –  
Los Angeles County**

2021 County Median Income = \$80,000	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$35,450	\$886	*
Very Low (31-50%)	\$59,100	\$1,478	*
Low (51-80%)	\$94,600	\$2,365	*
Moderate (81-120%)	\$96,000	\$2,400	\$375,000
Above moderate (120%+)	>\$96,000	>\$2,400	>\$375,000+

Assumptions:

-Based on a family of 4 and 2021 State income limits

-30% of gross income for rent or principal, interest, taxes & insurance plus utility allowance

-10% down payment, 3.75% interest, 1.25% taxes & insurance, \$300 HOA dues

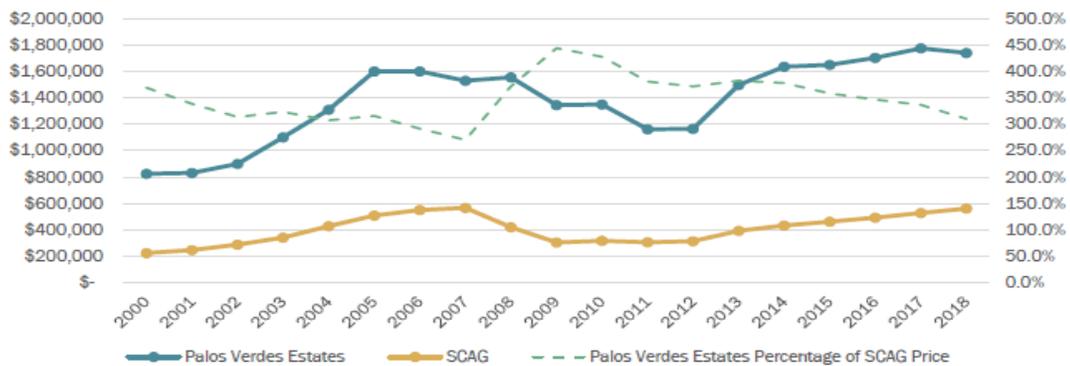
\* For-sale affordable housing is typically at the moderate-income level

Source: Cal. HCD; JHD Planning LLC

**b. For-Sale Housing**

Median home prices during the 2000-2018 period for Palos Verdes Estates and the SCAG region as a whole are shown in Figure II-13. During this period sales prices in Palos Verdes Estates increased 111% while prices in the SCAG region increased 151%. The 2018 median home sales price in Palos Verdes Estates was \$1,740,000. Figure II-14 shows monthly mortgage costs for households with a mortgage in Palos Verdes Estates compared to the SCAG region as a whole. These statistics show that typical sales prices in the city are significantly higher than most low- and moderate-income households can afford.

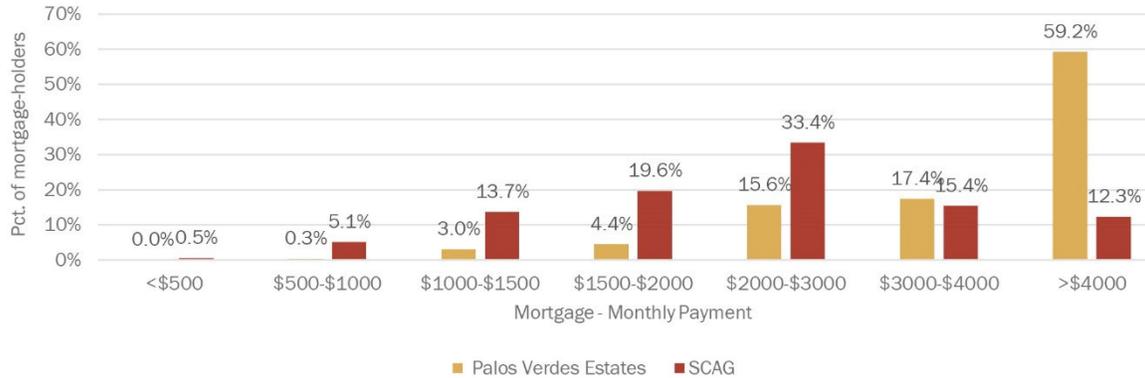
**Figure II-13  
Median Sales Price for Existing Homes –  
Palos Verdes Estates vs. SCAG Region**



SCAG Local Profiles, Core Logic/Data Quick. SCAG median home sales price calculated as household-weighted average of county medians.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

**Figure II-14**  
**Monthly Owner Costs for Mortgage Holders –**  
**Palos Verdes Estates vs. SCAG Region**



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

**c. Rental Housing**

Recent estimates of monthly housing costs for Palos Verdes Estates renters are shown in Figure II-15 while Figure II-16 shows the percentage of income spent on rent by income category. When these rents are compared to affordable housing costs (Table II-1), it is clear that low- and moderate-income households have a difficult time finding rental housing without overpaying.

Palos Verdes Estates renter households' cash rent paid can be broken down by household incomes as shown in Figure II-17. The general trend is that lower-income households spend less on rent while higher-income households spend more on rent, though this may not be universally true. Rent categories range from <\$500/month (0% of Palos Verdes Estates renters) to >\$2000/month (83.1% of Palos Verdes Estates renters). The most common rent category in Palos Verdes Estates is >\$2000/month with 83.1% of renters.

**Figure II-15**  
**Percentage of Income Spent on Rent –**  
**Palos Verdes Estates**

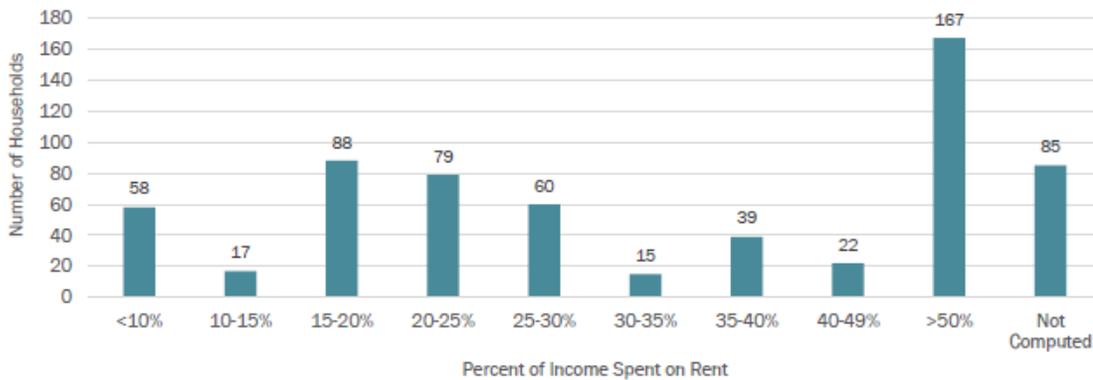
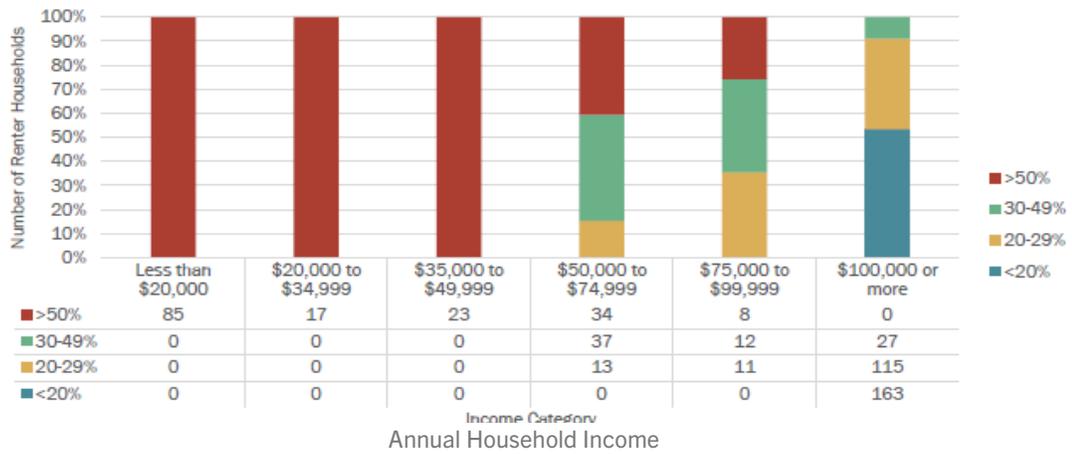


Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

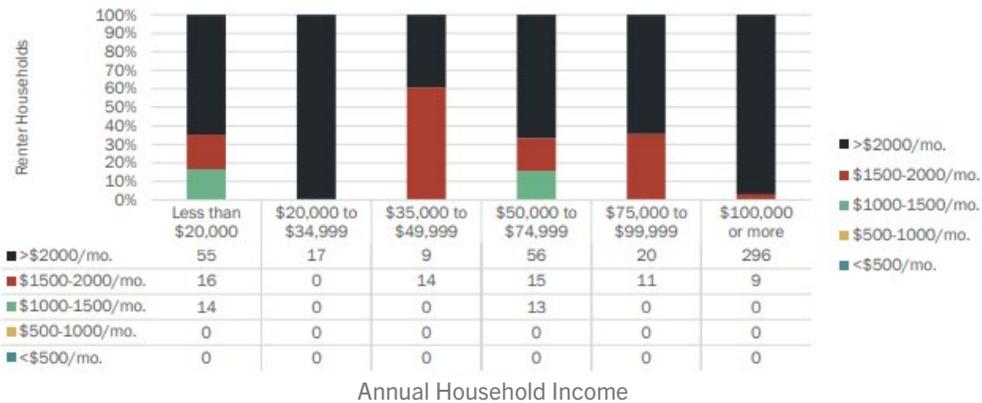
**Figure II-16**  
**Spending on Rent by Income Category –**  
**Palos Verdes Estates**



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

**Figure II-17**  
**Household Income by Average Rent –**  
**Palos Verdes Estates**



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

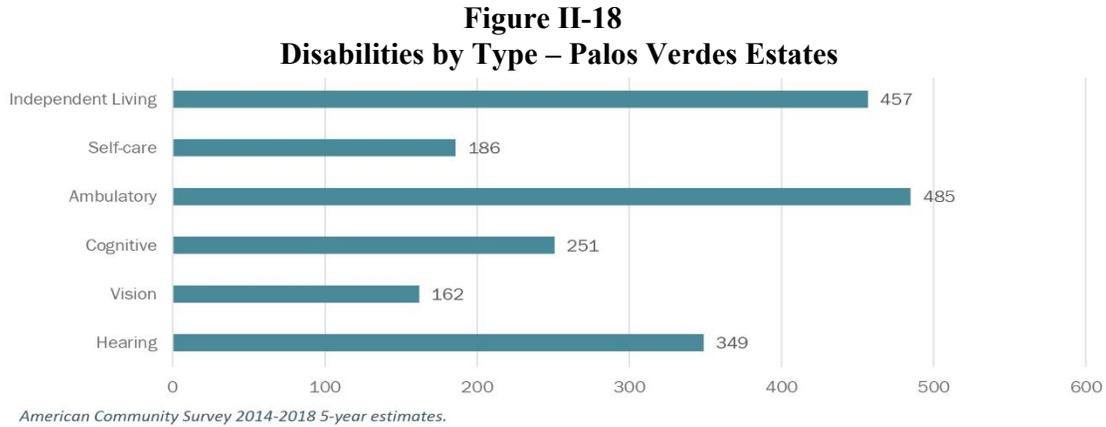
### E. Special Needs

Certain groups have greater difficulty in finding decent, affordable housing due to special circumstances. Such circumstances may be related to one’s employment and income, family characteristics, disability, or other conditions. As a result, some Palos Verdes Estates residents may experience a higher prevalence of overpayment, overcrowding, or other housing problems.

State Housing Element law defines “special needs” groups to include persons with disabilities, the elderly, large households, female-headed households with children, homeless people, and farm workers. This section contains a discussion of the housing needs facing each of these groups.

**1. Persons with Disabilities**

Recent Census estimates regarding persons with disabilities in Palos Verdes Estates are shown in Figure II-18. The most common types of disabilities were ambulatory and independent living.



*Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)*

Figure II-19 shows the employment status for persons with disabilities. Just over half of those reporting a disability were employed.

**Figure II-19**  
**Disabilities by Employment Status – Palos Verdes Estates**

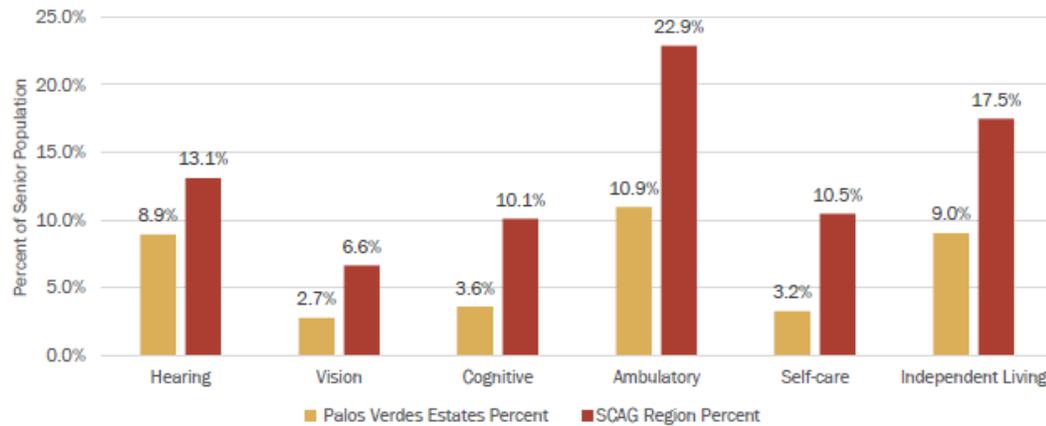
	With a Disability	Percent of Total	No Disability	Percent of Total
Employed	125	51%	4,442	67%
Unemployed	0	0%	181	3%
Not in Labor Force	119	49%	2,052	31%
<b>TOTAL</b>	<b>244</b>		<b>6,675</b>	

American Community Survey 2014-2018 5-year estimates.

*Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)*

Disability estimates for seniors (age 65+) in Palos Verdes Estates compared to the SCAG region as a whole are shown in Figure II-20. This table shows that the most common type of disability for seniors is ambulatory, which affects about 11% of seniors in Palos Verdes Estates and 23% of seniors in the region.

**Figure II-20**  
**Disabilities by Type for Seniors 65+ – Palos Verdes Estates**



*American Community Survey 2014-2018 5-year estimates.*

*Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)*

Housing opportunities for those with disabilities can be improved through housing assistance programs and universal design features such as widened doorways, ramps, lowered countertops, single-level units, and ground floor units.

### Developmental Disabilities

As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 22;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency;
- Reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

Examples of developmental disabilities include cerebral palsy, epilepsy, and autism. The Decennial Census does not record developmental disabilities as a separate category of disability, but the American Community Survey breaks out disabilities by difficulty type. Figure II-17 above describes the number of people in Palos Verdes Estates with disabilities related to independent living (457), self care (186), walking (485), cognition (251), vision (162), and hearing (349). Some people have multiple types of disabilities. The total number of persons with disabilities in Palos Verdes Estates as of 2018 is 1,088, with a margin of error of 209 (American Community Survey Table S1810 2018 5-year estimates).

According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. Many

developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) provides community-based services to persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Harbor Regional Center (HRC; <http://www.harborrc.org/>), with offices in Torrance and Long Beach, provides services for people with developmental disabilities on the Palos Verdes Peninsula, including Palos Verdes Estates. The HRC is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

There is no charge for diagnosis and assessment for eligibility. Once eligibility is determined, most services are free regardless of age or income. There is a requirement for parents to share the cost of 24-hour out-of-home placements for children under age 18. This share depends on the parents' ability to pay. There may also be a co-payment requirement for other services.

Regional centers are required by law to provide services in the most cost-effective way possible. They must use all other resources, including generic resources, before using any regional center funds. A generic resource is a service provided by an agency that has a legal responsibility to provide services to the general public and receives public funds for providing those services. Some generic agencies may include the local school district, county social services department, Medi-Cal, Social Security Administration, Department of Rehabilitation and others. Other resources may include natural supports, which refers to help that disabled persons may get from family, friends, or others at little or no cost.

According to its latest Fact Sheet<sup>1</sup> the HRC provides services to more than 15,000 people with developmental disabilities and their families. About 19% are between birth and 2 years of age and are served under the early intervention program while 33% are between the age of 3 and 18 years of age and 48% are adults over 18 years of age. Most of HRC's clients - about 87% - live at home with families. An additional 7% live in some type of licensed home in the community and about 6% live on their own with supports.

## 2. Elderly

According to recent HUD estimates, there were 2,015 owner households and 110 renter households in Palos Verdes Estates where the householder was 65 or older (Figure II-21) and about 20% of elderly households were in the lower-income categories. Some elderly homeowners may be physically unable to maintain their homes or cope with living alone. In areas where elderly persons are living in poverty, housing needs can be addressed through smaller units, accessory dwelling units on lots with existing homes, shared living arrangements, congregate housing, and housing assistance programs.

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<sup>1</sup> [https://www.harborrc.org/sites/main/files/file-attachments/aboutclientsfam\\_r0313\\_2.pdf?1579201318](https://www.harborrc.org/sites/main/files/file-attachments/aboutclientsfam_r0313_2.pdf?1579201318)

**Figure II-21  
Elderly Households by Income and Tenure**

		Owner	Renter	Total	Percent of Total Elderly Households:
Income category, relative to surrounding area:	< 30% HAMFI	120	15	135	6.4%
	30-50% HAMFI	135	0	135	6.4%
	50-80% HAMFI	125	25	150	7.1%
	80-100% HAMFI	95	45	140	6.6%
	> 100% HAMFI	1,540	25	1,565	73.6%
<b>TOTAL</b>		<b>2,015</b>	<b>110</b>	<b>2,125</b>	

*HUD CHAS, 2012-2016. HAMFI refers to Housing Urban Development Area Median Family Income.*

*Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)*

The Palos Verdes Estates Police Department runs a program called PVE CARES, which is a resource to protect senior citizens from elder abuse and connect them to other resources, like the Alzheimer's Association and H.E.L.P., a help line for aging-related legal challenges. Under the PVE CARES program, the Police Department maintains a reference file with the names and addresses of Palos Verdes Estates residents above the age of 65. Volunteers visit these residents, ask about their needs, and connect them with existing organizations that can help them with their particular needs, if necessary. The goal for PVE CARES is to act as a referral hub between law enforcement and other agencies, while providing safety, comfort, dignity, and education for senior citizens.

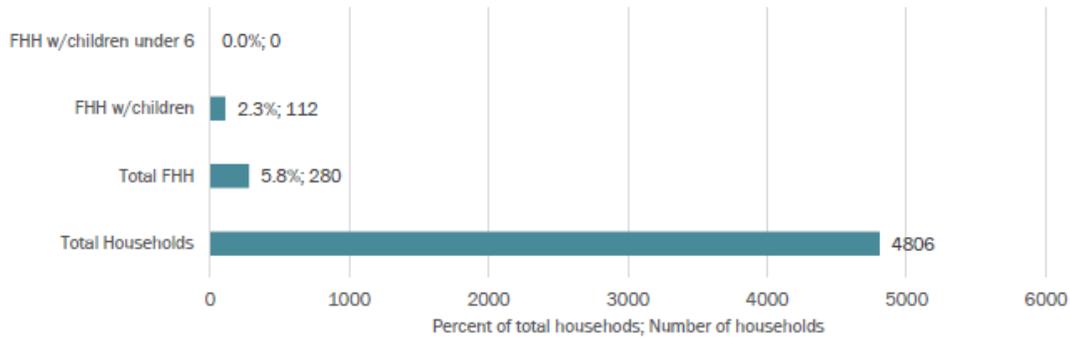
### 3. Large Households

Household size is an indicator of need for large units. Large households are defined as those with five or more members. As shown previously in Figure II-3, recent Census data estimated that about 10% of all households in the city have five or more members. This distribution suggests that the need for large units with four or more bedrooms in Palos Verdes Estates is expected to be significantly less than for smaller units.

### 4. Female-Headed Households

State statute requires analysis of specialized housing needs including female-headed households in an effort to ensure adequate childcare or job training services. Recent Census estimates reported that about 5.8% of households in Palos Verdes Estates were headed by a female and about 2.3% of households were female-headed with children (Figure II-22). Approximately 0.6% of all households were female-headed and below the poverty line (Figure II-23). While female-headed households represent a small portion of households in Palos Verdes Estates, they can face difficult challenges succeeding with work and child care responsibilities.

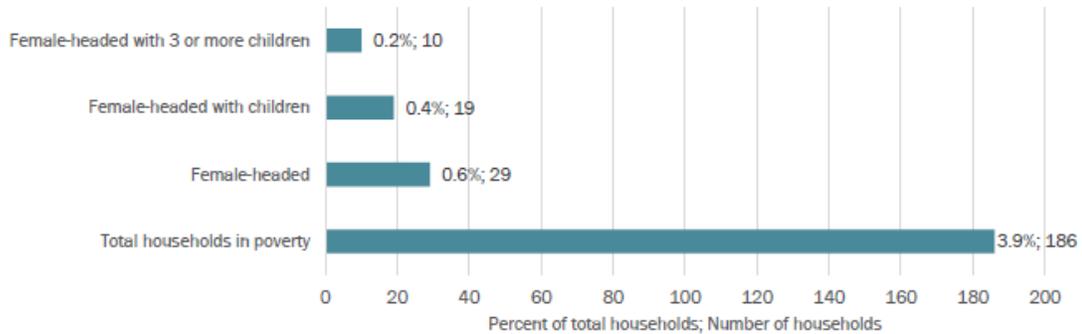
**Figure II-22**  
**Female Headed Households (FHH) – Palos Verdes Estates**



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

**Figure II-23**  
**Female Headed Households by Poverty Status – Palos Verdes Estates**



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

## 5. Farm Workers

Farm worker households are considered a special needs group due to their transient nature and the lower incomes typically earned by these households. Migrant workers, and their places of residence, are generally located in close proximity to agricultural areas providing employment. No significant agricultural activities are found in Palos Verdes Estates, and recent Census data published by SCAG<sup>2</sup> did not identify any farm workers residing in Palos Verdes Estates.

## 6. Homeless Persons

The U.S. Department of Housing and Urban Development (HUD) defines the term “homeless” as the state of a person who lacks a fixed, regular, and adequate night-time residence, or a person who has a primary night time residency that is:

<sup>2</sup> <https://scag.ca.gov/local-housing-data>

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides a temporary residence for individuals intended to be institutionalized; or
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.<sup>3</sup>

Although there are myriad causes of homelessness, among the most common are:

- Substance abuse and alcohol;
- Domestic violence; and
- Mental illness.

Homelessness is a regional problem best dealt with at a regional or countywide scale. Los Angeles County's focus is to provide funding for access to mainstream resources such as income supports, health care, mental health care, substance abuse treatment programs, child care, and job training placement.<sup>4</sup> These resources serve the existing homeless population and also work toward the prevention of homelessness.

According to the 2020 Homeless Count Report<sup>5</sup> by the Los Angeles Homeless Services Authority (LAHSA), it is estimated that 66,436 persons were homeless persons in Los Angeles County at the time of the survey. Palos Verdes Estates is located within the Los Angeles Homeless Services Authority's (LAHSA) Service Planning Area (SPA) 8 – South Bay (see Figure II-24). The 2020 homeless count reported 6,594 homeless persons in SPA 8 and no homeless persons in Palos Verdes Estates.

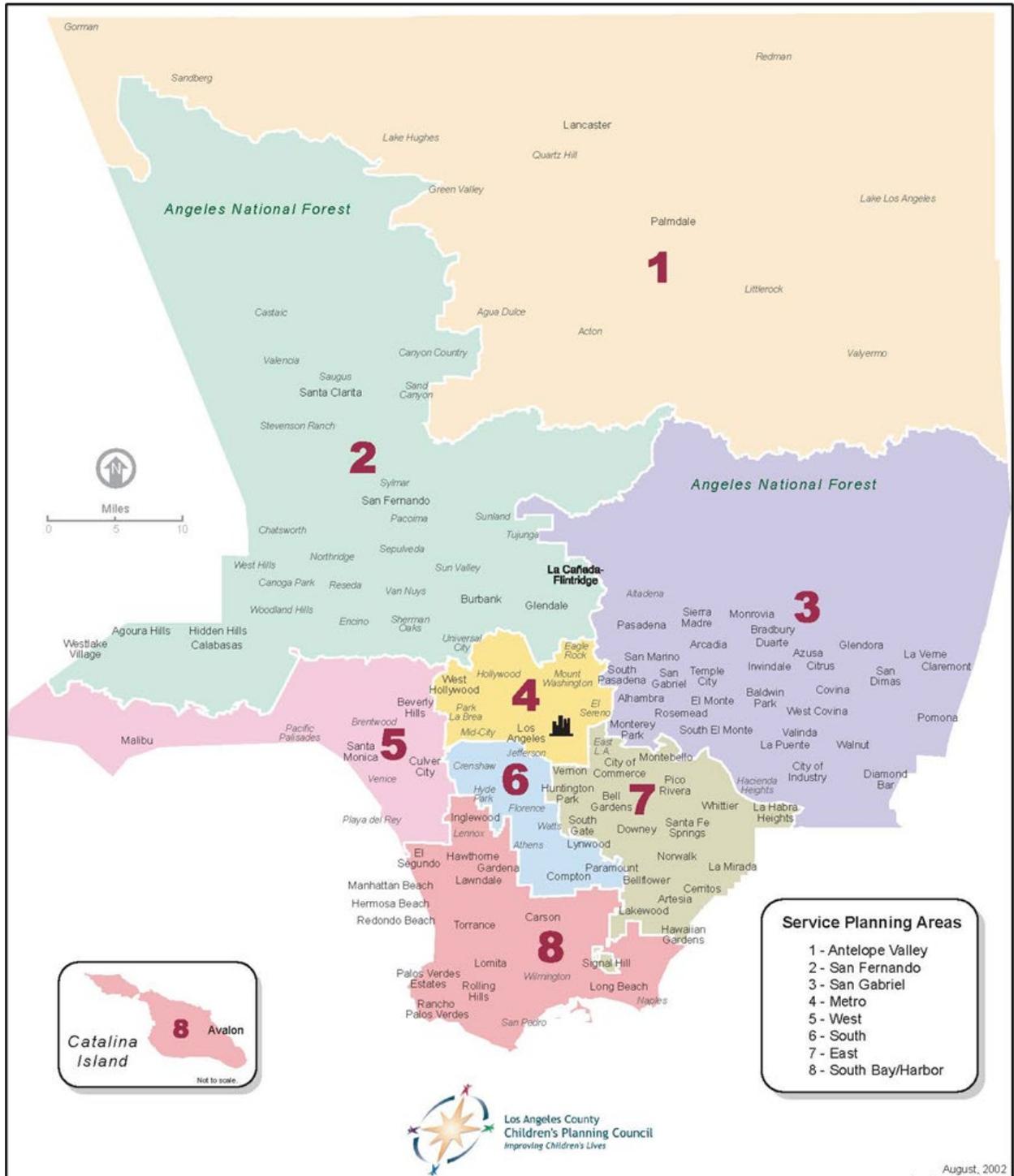
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<sup>3</sup> Stewart B. McKinney Act, 42 U.S.C. §11301, et seq. (1994)

<sup>4</sup> Los Angeles County Housing and Community Development Consolidated Plan, page 5-21

<sup>5</sup> <https://www.lahsa.org/data?id=45-2020-homeless-count-by-community-city>

**Figure II-24**  
**Los Angeles County Homeless Service Planning Areas**



## **F. Assisted Housing at Risk of Conversion**

State law requires that the Housing Element report assisted affordable units that are at risk of conversion to market rate housing during the next ten years. According to SCAG and the California Housing Partnership Corporation, there are no assisted units in Palos Verdes Estates.

## **G. Low- and Moderate-Income Housing in the Coastal Zone**

Section 65590 of the California Government Codes provides for the preservation and production of low- and moderate-income housing in the Coastal Zone. Section 65590 requires the inclusion of low- or moderate-income housing in new residential development in the Coastal Zone where feasible. It also contains requirements for replacement of low- and moderate-income housing within the Coastal Zone when such housing is demolished or converted to other uses.

Government Code §65590(b)(3) states that replacement housing must be provided only where feasible if the local jurisdiction has less than 50 acres, in aggregate, of privately-owned, vacant land which is available for residential use. The city of Palos Verdes Estates currently has well below 50 acres of vacant land available for residential use citywide, of which less than 5 acres is in the Coastal Zone.

In accordance with Government Code §65588(c) housing elements must take into account any low- or moderate-income housing provided or required pursuant to §65590. Section 65588(d) provides a framework for the analysis.

The city has not lost any low- or moderate-income dwellings to demolition. Because new housing in the Coastal Zone consists only of development or redevelopment of single-family lots, it is not feasible to require inclusionary units and none have been required. Thus, no low- or moderate-income housing units have been provided or lost pursuant to §65590.

## **H. Future Housing Needs**

### **1. Overview of the Regional Housing Needs Assessment**

The Regional Housing Needs Assessment (RHNA) is a key tool for local governments to plan for future housing needs. The RHNA quantifies the anticipated need for housing within each jurisdiction for the 2021 to 2029 period, also referred to as the “6<sup>th</sup> cycle” in reference to the six RHNA cycles that have occurred since the comprehensive revision of State Housing Element law in 1980. Communities then determine how they will address this need through the process of updating the Housing Elements of their General Plans.

Southern California Association of Governments (SCAG) adopted the current RHNA in March 2021. The forecasted growth in households in a community and existing needs such as overpayment and overcrowding, together, determine the need for housing. The housing need for new households is adjusted to maintain a desirable level of vacancy to promote housing choice and mobility. An adjustment is also made to account for units expected to be lost due to demolition, natural disaster, or conversion to non-housing uses. Total housing need is then distributed among four income categories on the basis of the county’s income distribution, with adjustments to avoid an overconcentration of lower-income households in any community. Additional detail regarding SCAG’s methodology used to prepare the RHNA may be reviewed on SCAG’s website at <https://scag.ca.gov/rhna>.

## 2. 2021-2029 Palos Verdes Estates New Housing Needs

As determined by SCAG’s 2021 RHNA Plan, the total new housing need for the City of Palos Verdes Estates during the 2021-2029 planning period is 199 units. This total is distributed by income category as shown in Table II-2.

**Table II-2  
Regional Housing Growth Needs 2021-2029**

Very Low*	Low	Moderate	Above Moderate	Total
82	44	48	25	199

Source: SCAG 2021

\*50% of the very-low need is assigned to the extremely-low-income category pursuant to Government Code §65583(a)(1)

It should be noted that SCAG did not identify growth needs for the extremely-low-income category in the adopted RHNA. As provided in Assembly Bill (AB) 2634 of 2006, jurisdictions may determine their extremely-low-income need as one-half the need in the very-low category.

A discussion of the City’s land resources to accommodate this growth need is provided in Chapter III.

## III. RESOURCES AND OPPORTUNITIES

### A. Sites for Residential Development

Section 65583(a)(3) of the *Government Code* requires Housing Elements to contain an “inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.” The City’s inventory of sites with potential for residential development is provided in Appendix B and summarized in Table III-3. Sites identified for potential housing development, including multifamily sites in Lunada Bay and Malaga Cove and single family sites elsewhere, are shown on a map in Figures III-1, III-3, and III-5.

### Affordability Assumptions

State Housing Element law establishes a “default density” for each jurisdiction, which is the density assumed to be sufficient to facilitate the production of lower-income housing. The default density for Palos Verdes Estates is 20 units/acre. Since the City allows multifamily residential development at 24.9 units/acre and mixed-use development in the Commercial Zone with no density limit, those areas are considered to be suitable for lower-income housing. However, it must be recognized that affordable housing generally requires two things: 1) a suitable site with appropriate land use regulations; and 2) a willing developer with access to public subsidies to make the project financially feasible.

The small number of vacant sites, very high land costs, and limited public subsidies makes affordable housing development in high-cost areas like Palos Verdes Estates extremely challenging. However, State law requires a jurisdiction’s site inventory “...shall be used to identify sites throughout the community, consistent with...” its duty to affirmatively further fair housing. In particular, the inventory of sites suitable for lower-income housing should not be concentrated in areas of low opportunity or where patterns of segregation exist. As discussed in the analysis of fair housing in Section IV, the entire city is identified as a “high resource” area in the TCAC/HCD Opportunity Map. For purposes of evaluating fair

housing, resource levels indicated by the TCAC/HCD map are based upon access to economic and educational opportunities such as low-cost transportation, jobs, and high-quality schools and environmental factors such as proximity to hazards and air quality. The TCAC/HCD map shows that all areas of Palos Verdes Estates have good access to opportunity and have high indexes of education, economic, and environmental factors that affect fair housing.

### **Single-Family Sites**

Only 41 vacant residential lots currently exist in the city. This vacant land typically consists of individual single-family (R-1) lots in developed neighborhoods and there are few locations where even two vacant sites are contiguous. Vacant sites are generally difficult to develop due to topography. The few lots that are large enough to present an opportunity for further subdivision are very steeply sloped, rendering it impractical to construct additional units. At the same time, some of the lots presenting the greatest development challenge also provide spectacular views, inducing potential residents to make the investment needed for massive grading or other modifications of the lot. Thus, they are only suitable for single-family housing. Infrastructure exists to serve these lots, though three of the lots lack direct street access and would require an easement across adjacent lots. Due to terrain and isolated location, none of the vacant lots are suitable for multifamily development. Vacant single-family (R-1) lots are shown on a map in Figure III-1.

### **Multifamily Sites**

Two areas in Palos Verdes Estates allow multifamily development – Lunada Bay and Malaga Cove (see Figures III-3 and III-5). The R-M zoning for these areas is consistent with the private deed restrictions enforced by the Palos Verdes Homes Association (PVHA) and no additional land may be redesignated for multifamily use without approval of the PVHA. Within these two areas, all sites are developed at or above (due to legally nonconforming structures) the maximum allowable number of units except for five lots which are located on Via Campesina, Via Pinale, and Palos Verdes Drive West. These lots could accommodate 22 dwelling units – a net increase of 9 units – if existing development were demolished and replaced at the maximum permitted density of 24.9 units/acre (Table III-5). Three of these five underutilized lots (representing 13 of the 22 total units) are rental apartments while two are condo projects. Apartments are considered to have a greater likelihood of redevelopment because they are investment properties with profit-motivated owners. These three properties currently contain 8 units, therefore the potential replacement with 13 units represents an increase of 63%, a substantial incentive for redevelopment. Multifamily development is permitted by-right in the R-M Zone, and adequate streets, sewer, water infrastructure, and dry utilities exist to serve these properties.

### **Commercial and Mixed-Use Sites**

A total of approximately 8.5 acres of land is zoned for commercial use in Lunada Bay and Malaga Cove. Existing zoning permits mixed-use development in these areas and could accommodate affordable housing. The zoning code allows mixed commercial/residential use by use permit. There is no minimum commercial portion or density limit on the residential component of a mixed-use development other than conformance with the applicable standards such as the height limit of 35 feet and two stories (which does not include parking garages), lot coverage, setbacks, parking, landscaping, etc. Development at the “default density” of 20 units/acre. Per Government Code section 65583.2c, HCD requires that any non-vacant site that was used in the 5<sup>TH</sup> cycle and accommodates at least 20% affordable must be zoned for by-right residential development, meaning no. Therefore, Program 13 introduces the Mixed-Use Overlay

(MU-O) zoning designation, which allows for a by-right residential and mixed use development at a density range of 20-30 du/ac. Program 13 maintains the 35-foot height limit but permits up to three stories for Mixed-Use Overlay candidate sites within the Commercial zone, thereby further increasing the feasibility of residential development at the default 20 du/ac density. Although the two-story height limit is removed with the implementation of the Mixed-Use Overlay zone. There are 29 Commercial parcels identified in the sites inventory, of which 18 are identified as candidate Mixed-Use Overlay parcels. Program 13 also specifies that the Mixed-Use Overlay is not triggered until the time of a development application, hence the Commercial base zone remains in effect until such time.

III-5 contains an inventory of commercial sites that allow mixed-use development. This table shows that the sites in Lunada Bay could accommodate 43 multi-family units while the sites at Malaga Cove could accommodate 75 units, assuming a density of 20 units/acre. Table III-5 also identifies candidate Mixed-Use Overlay sites. Due to the fact that several of these parcels are developed with single-story buildings, they are significantly underutilized.

### Accessory Dwelling Units

Accessory dwelling units (ADUs) represent a significant opportunity for affordable housing, particularly for single persons or small households including the elderly, college students, young adults, caregivers or household employees. Recent changes in State law have made the construction of ADUs more feasible for homeowners and the City has seen an increase in ADU development applications recently upon its adoption of Ordinance No. O20-747.

**Table III-1  
Approved ADU Building Permits by Month**

<b>Month</b>	<b>Approved ADU building permits</b>
June 2020	2
July 2020	0
August 2020	0
September 2020	1
October 2020	0
November 2020	0
December 2020	1
January 2021	0
February 2021	2
March 2021	1
April 2021	2

May 2021	0
June 2021	0
July 2021	2
August 2021	1
<b>Total (in 15 months)</b>	<b>12</b>
<b>Average permits per month</b>	<b>0.8</b>

Between the beginning of June 2020 and the end of August 2021, 12 accessory dwelling units received building permits in Palos Verdes Estates (Table III-1). Assuming construction will continue at the rate of 0.8 dwelling units per month or 10 per year, 80 ADUs will be permitted during the 2021-2029 planning period

Based on recent analysis conducted by SCAG<sup>6</sup> approximately two-thirds of future ADUs are expected to be affordable to low- and moderate-income households. This analysis surveyed rents of 150 existing ADUs in the SCAG region between April and June 2020. Los Angeles County is split into two categories, which are analyzed separately in order to more accurately describe ADU rent and affordability. This analysis concluded that in Los Angeles Region I (which includes Palos Verdes Estates), 60% of ADUs constructed will be in the extremely low, very low, and low category. Additionally, as provided in Chapter 18.45.050 PVEMC, with the building permit application, the applicant must provide the city with an estimate of the projected annualized rent that will be charged for the ADU or JADU as well as a yearly report with the actual rent charged for the ADU or JADU during the prior year.

**Table III-2**  
**Affordability of Accessory Dwelling Units, per SCAG Affordability Study**

<b>Income Category</b>	<b>Percentage to be Allotted (Los Angeles County, Region I)</b>	<b>Number of ADUs to be constructed</b>
Very Low/Low	60%	48
Moderate	6%	5
Above/Upper	34%	27
<b>Total</b>	<b>100%</b>	<b>80</b>

<sup>6</sup> SCAG, Regional Accessory Dwelling Unit Affordability Analysis, 2020 ([https://scag.ca.gov/sites/main/files/file-attachments/adu\\_affordability\\_analysis\\_120120v2.pdf?1606868527](https://scag.ca.gov/sites/main/files/file-attachments/adu_affordability_analysis_120120v2.pdf?1606868527))

### **Other Undeveloped Areas**

The only other significant undeveloped areas that are buildable or have potential for redevelopment are under public or quasi-public use. This includes public open space, schools, and churches. Should such uses be abandoned, residential use of the sites could be considered, to the extent this can be accomplished within existing deed restrictions.

The city contains approximately 849 acres of open space, including the 130-acre shoreline preserve, park sites and greenbelt pathways, golf course, and play areas. These areas are deed restricted and, for areas in the Coastal Zone, designed to enhance preservation and/or public access to coastal resources, consistent with the California Coastal Act.

### **Candidate Sites**

As part of Program 13, the City has identified 18 candidate Mixed-Use Overlay parcels within four sites only if a property owner submits an application for development; the Commercial base zone will remain in place until that time. The Mixed-Use Overlay program will only occur on sites that were identified in the 5<sup>th</sup> Cycle Housing Element and which accommodate at least 20% affordable units. The sites were selected for their location in areas that are generally flat and therefore more walkable than other areas of the City. These sites are also located in areas that are not immediately adjacent to high fire severity zones. In addition, these sites have the ability to support a variety of housing choices and are conveniently located near employment and transportation options for all residents. The candidate sites will be designated with a Mixed-Use Overlay designation to allow for by-right residential uses. The Mixed-Use Overlay will only be implemented with an application for development; the Commercial base zone will remain in place until that time. Currently, the sites are zoned Commercial, which allows for commercial, parking, residential, and office uses. A complete list of the current and proposed general plan and zoning designations are included in Table III-5.

The housing overlay MU-O allows a density range of 20-30 units per acre. Potential units were calculated based on the minimum density allowed. The candidate sites can accommodate a total of 78 units on approximately 4 acres of land. Table III-5 shows potential units by income category. All 78 units with the Mixed-Use Overlay designation would be very low income/low income. Candidate sites are denoted “Mixed-Use Overlay” in Figures III-1, III-3, and III-5.

### **Affirmatively Furthering Fair Housing**

State law requires a jurisdiction’s site inventory “...shall be used to identify sites throughout the community, consistent with...” its duty to affirmatively further fair housing. In particular, the inventory of sites suitable for lower-income housing should not be concentrated in areas of low opportunity or where patterns of segregation exist. As discussed in the analysis of fair housing in Section IV, the entire city is identified as a “high resource” area in the TCAC/HCD Opportunity Map. For purposes of evaluating fair housing, resource levels indicated by the TCAC/HCD map are based upon access to economic and educational opportunities such as low-cost transportation, jobs, and high-quality schools and environmental factors such as proximity to hazards and air quality. The TCAC/HCD map shows that all areas of Palos Verdes Estates have good access to opportunity and have high indexes of education, economic, and environmental factors that affect fair housing.

**Summary**

As shown in Table III-3 below, the City’s inventory of vacant and underutilized sites can accommodate the RHNA allocation in all income categories. Additionally, Program 12 would evaluate incentives that will facilitate lot consolidation and increase the overall feasibility of affordable housing projects only for the site that would qualify for the Overlay zone. Program 13 would provide by-right approval of projects in which at least 20 percent of the units as housing affordable to lower income households and apply adequate sites with a Mixed-Use Overlay designation to accommodate the RHNA shortfall carry over from the 5th cycle Housing Element. Program 13 also identifies 18 candidate parcels on 4 sites that will gain a Mixed-Use Overlay designation at the time of a development application. These sites were selected for their location in areas that are generally flat and therefore more walkable than other areas of the City. In addition, these sites have the ability to support a variety of housing choices and are conveniently located near employment and transportation options for all residents. Affirmatively Furthering Fair Housing would facilitate equal and fair housing opportunities by implementing actions to affirmatively further fair housing and opportunities for all persons regardless of race, religion, sex, age, marital or familial status, ancestry, national origin, color, disability, or other protected characteristics through provision of information, coordination, and education on fair housing law and practices to residents, landlords, and housing developers.

**Table III-3  
Land Inventory Summary**

	Income Category			Total
	VL/L	Mod	Above	
Vacant Single-Family lots	-	-	41	41
Underutilized Multi-Family sites	-	9	-	9
Underutilized Commercial/Mixed-Use sites	78	40	-	118
ADUs	48	5	27	80
<b>Totals</b>	126	54	68	248
<b>RHNA (2021-2029)</b>	126	48	25	199
<b>Adequate Sites?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

Source: City of Palos Verdes Estates Community Development Department, 2021

**Table III-4  
Multi-Family Sites Inventory**

Site APN	GP/Zoning	Parcel Size	Existing Use	Max. Units	Potential New Units
<b>Lunada Bay</b>					
7543-021-016	R-M	8,364 S.F.	2 Condos	4	2
<b>Subtotal – Lunada Bay</b>					<b>2</b>
<b>Malaga Cove</b>					
7539-021-010	R-M	9,209 S.F.	3 Apartments	5	2
7539-021-012	R-M	9,605 S.F.	3 Condos	5	2
7539-022-019	R-M	7,192 S.F.	2 Apartments	4	2
7539-022-015	R-M	7,192 S.F.	3 Apartments	4	1
<b>Subtotal – Malaga Cove</b>					<b>7</b>
<b>Total Additional Units</b>					<b>9</b>

Source: City of Palos Verdes Estates Community Development Department, 2021

**Table III-5  
Commercial/Mixed-Use Sites Inventory**

Site #	Site (APN)	General Plan/ Zoning	Overlay	Parcel Size	Existing Use	Existing Floor Area	Existing FAR	Units by Income Category*		
								VL/L	Mod	Upper
<b>Lunada Bay</b>										
Site 1	7542-003-023	C	n/a	12,027	Gas Station	1,050				
	7542-003-026	C	n/a	14,340	Office/Retail	11,290				
	<b>Subtotal</b>				26,367		12,340	0.47		12
Site 2	7542-013-018	C	n/a	9,148	Market/Cafe	7,434				
	7542-013-019	C	n/a	6,386	Retail/Cafe	2,604				
	7542-013-020	C	n/a	8,011	Office/Retail	11,150				
	7542-013-022	C	n/a	9,187	Office/Retail	4,377				
	7542-013-021	C	n/a	6,717	Office/Retail	4,026				
<b>Subtotal</b>				39,449		29,591	0.75		18	
Site 3	7542-015-025	C	MU-O	29,555	Office/Retail/Restaurant	36,478	1.23	13		
<b>TOTALS-LUNADA BAY</b>				<b>2.19 acres</b>				<b>13</b>	<b>30</b>	
<b>Malaga Cove</b>										
Site 1	7539-016-904	C	MU-O	12,197	Parking	0				
	7539-016-018	C	MU-O	18,300	Office	7,936				
	7539-016-019	C	MU-O	11,330	Office	7,514				
	<b>Subtotal</b>				41,827		15,450	0.37	19	
Site 2	7539-016-011	C	n/a	5,763	Office	5,445				
	7539-016-012	C	n/a	5,772	Office	2,934				
	7539-016-013	C	n/a	5,763	Office	8,560				
	7539-016-014	C	n/a	5,580	Office	4,387				

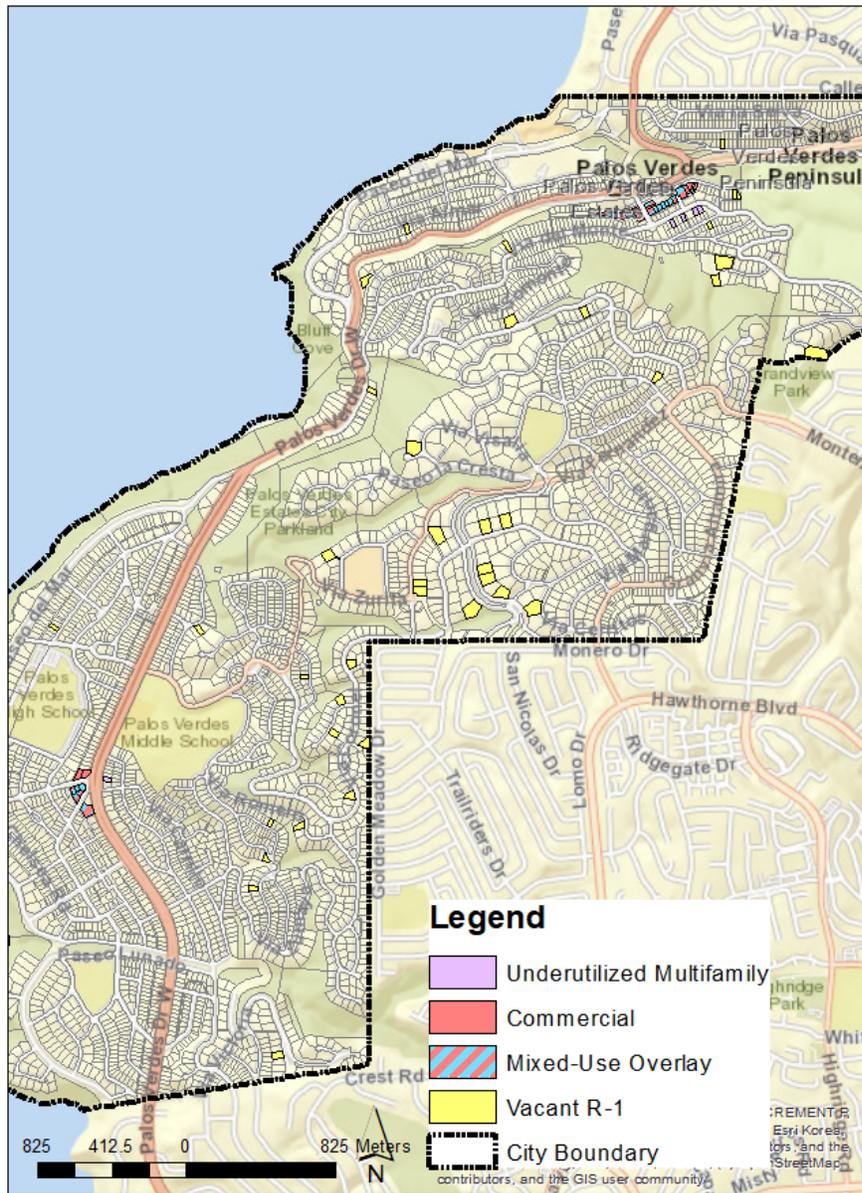
Site #	Site (APN)	General Plan/ Zoning	Overlay	Parcel Size	Existing Use	Existing Floor Area	Existing FAR	Units by Income Category*		
								VL/L	Mod	Upper
	Subtotal			22,878		21,326	0.93		10	
Site 3	7539-017-016	C	MU-O	6,983	Office/Retail	12,114				
	7539-017-015	C	MU-O	5,672	Office	12,573				
	7539-017-014	C	MU-O	9,017	Office/Cafe	3,301				
	7539-017-013	C	MU-O	5,820	Outdoor Patio	0				
	7539-017-012	C	MU-O	5,776	Retail/Restaurant/Office	8,444				
	7539-017-011	C	MU-O	5,772	Retail/Restaurant/Office	12,072				
	7539-017-010	C	MU-O	5,746	Office	7,080				
	7539-017-009	C	MU-O	5,872	Office	4,800				
	7539-017-008	C	MU-O	7,653	Office	9,828				
	Subtotal			58,311		70,212	1.20	26		
Site 4	7539-018-023	C	MU-O	20,469	Office/Retail	15,435				
	7539-018-002	C	MU-O	8,320	Office	13,863				
	7539-018-001	C	MU-O	7,780	Office/Retail	15,639				
	7539-018-021	C	MU-O	4,783	Office	4,746				
	7539-018-022	C	MU-O	2,692	Office	2,705				
		Subtotal			44,044		52,388	1.19	20	
<b>TOTALS - MALAGA COVE</b>				<b>5.96 acres</b>				<b>65</b>	<b>10</b>	
<b>GRAND TOTALS – MIXED USE</b>				<b>6.02 acres</b>				<b>78</b>	<b>40</b>	

Notes:

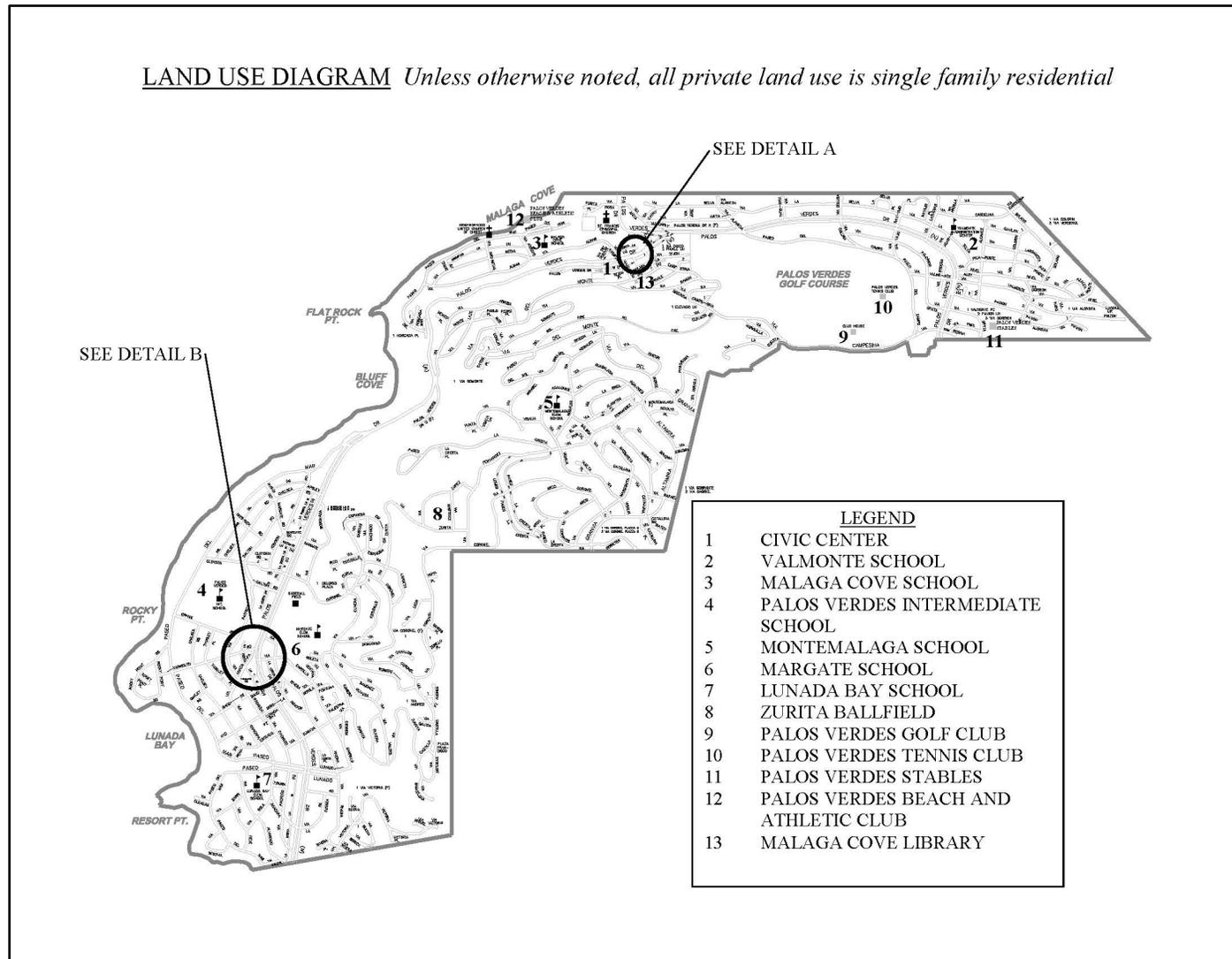
\*Potential units assumes a density of 20 units/acre

Source: City of Palos Verdes Estates, 2021

Figure III-1 Sites Inventory

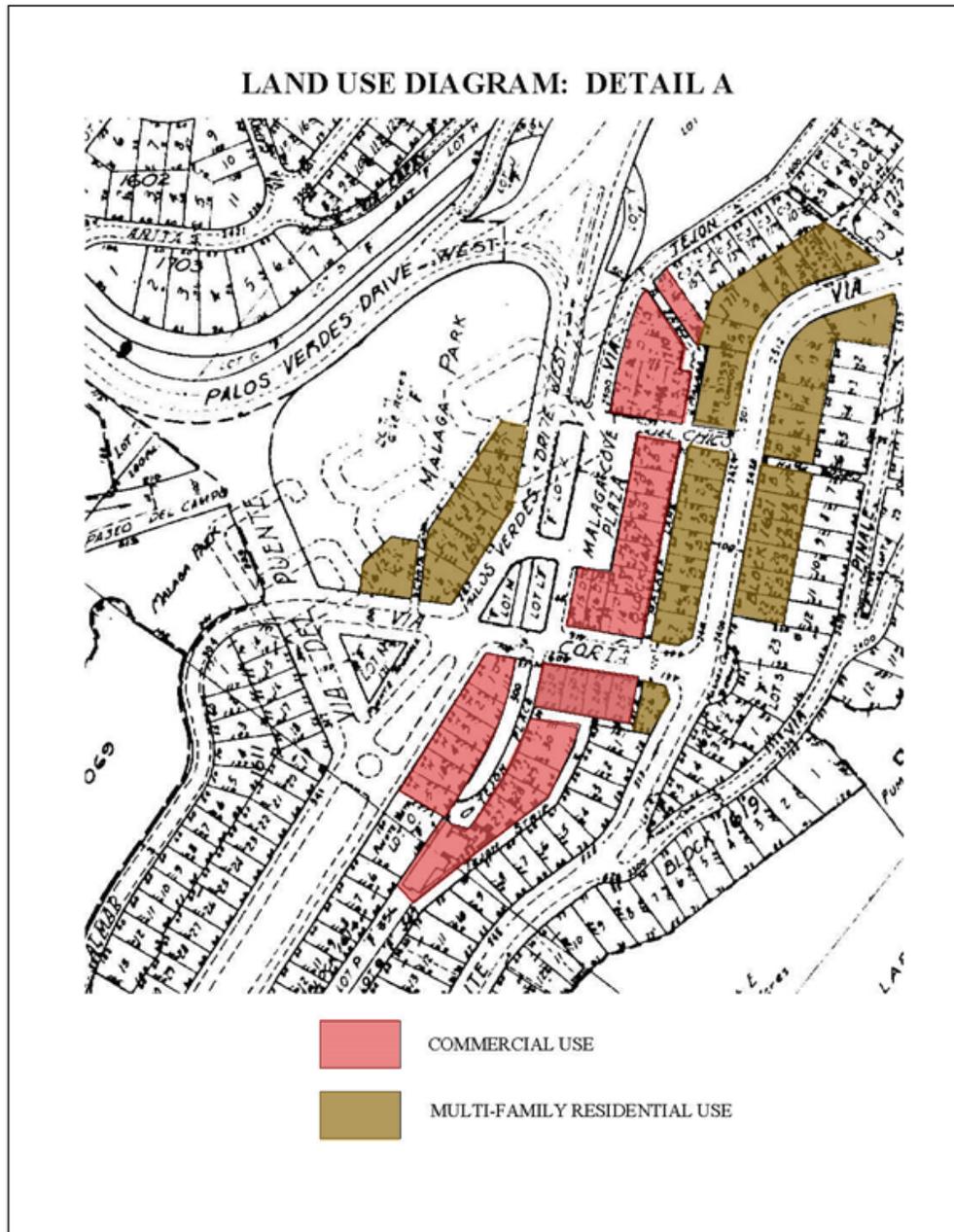


**Figure III-2 Palos Verdes Estates Land Use Diagram**

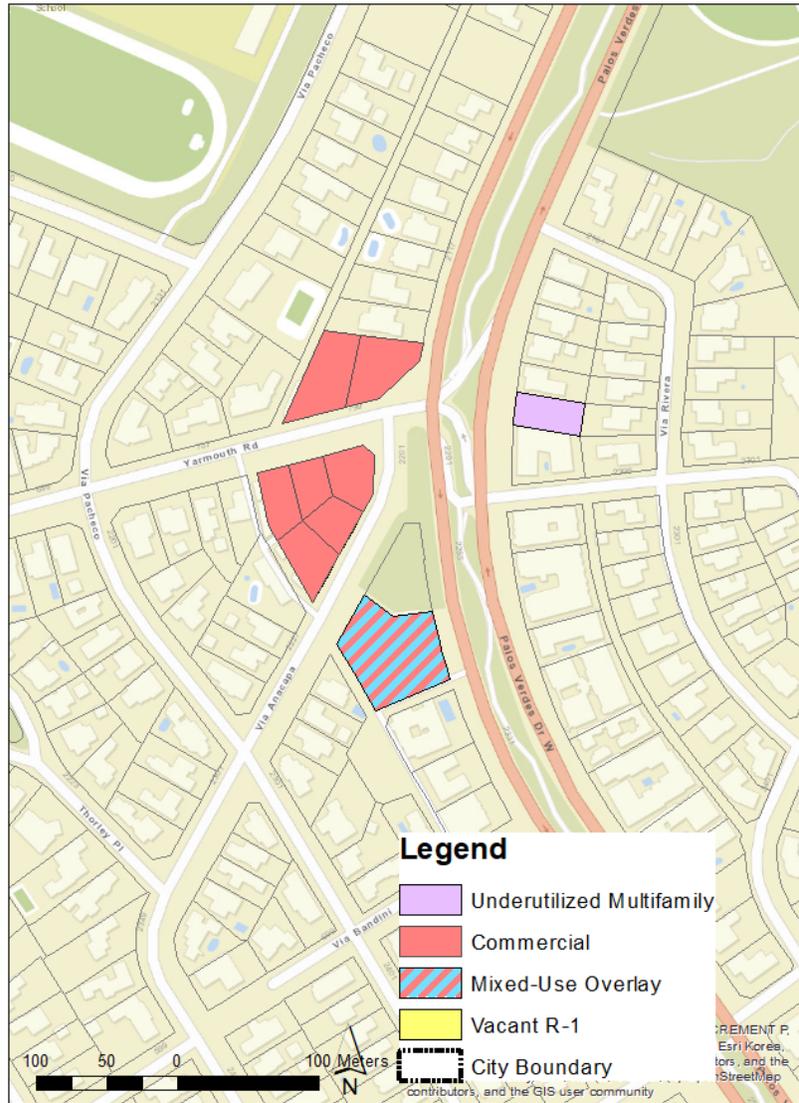




**Figure III-4**  
**Malaga Cove Land Use Diagram**



**Figure III-5  
Lunada Bay Sites for Potential Housing Development**





## **B. Energy Conservation Opportunities**

State law (*Government Code* §65583(a)(7)) requires all new construction to comply with "energy budget" standards that establish maximum allowable energy use from depletable sources (Title 24 of the California *Administrative Code*). These requirements apply to such design components as structural insulation, air infiltration and leakage control, setback features on thermostats, water heating system insulation (tanks and pipes) and swimming pool covers if a pool is equipped with a fossil fuel or electric heater. State law also requires that a tentative tract map provide for future passive or natural heating or cooling opportunities in the subdivision, including designing the lot sizes and configurations to permit orienting structures to take advantage of a southern exposure, shade, or prevailing breezes.

Southern California Edison (SCE) and the Southern California Gas Company offer energy conservation programs including audits of home energy use to reduce electricity consumption, refrigerator rebates, appliance repair and weatherization assistance to qualified low-income households, buyer's guides for appliances and incentives, by the Gas Company, to switch from electric to gas appliances. Direct assistance to low-income households is provided by the Gas Company through the California Alternate Rates for Energy (CARE) Program and by SCE through its Energy Management Assistance Program.

Both companies have programs to encourage energy conservation in new construction. SCE's energy rebate program applies to residential developers as well as individual customers. SCE also offers an Energy STAR new home program, and Sustainable Communities Program offering design assistance and financial incentives for sustainable housing development projects. The Gas Company's Energy Advanced Home Program is offered to residential developers who install energy-efficient gas appliances that exceed California energy standards by at least 15%.

Some of the most readily available measures for conserving energy in new residential development, as well as in other homes, are described below.

### **Insulation and Weatherproofing**

A significant portion of the homes in Palos Verdes Estates were built prior to 1970, when there was little concern for the use of electricity, oil, and natural gas for heating purposes. To conserve the heat generated by older heating units and minimize the heat loss ratio, these homes can be insulated in the attic space and exterior walls. Windows and exterior doors can be fitted with airtight devices, caulking or other means to maximize heating and cooling efforts.

### **Solar Energy and Natural Lighting**

Daytime interior lighting costs can be significantly reduced or eliminated with the use of properly designed and located skylights. Skylights can be easily installed at reasonable expense in existing houses, thereby substantially reducing electricity costs and energy consumption.

Solar energy is a practical, cost effective, and environmentally sound way to heat and cool a home. In California, with its plentiful year-round sunshine, the potential uses of solar energy are numerous. With proper building designs, this resource provides for cooling in the summer and heating in the winter; it can also heat water for domestic use and swimming pools and can generate electricity.

Unlike oil or natural gas, solar energy is an unlimited resource. Once a solar energy system is installed, the only additional costs are for the maintenance or replacement of the system itself. The user is not subject

to unpredictable fuel price increases. Moreover, solar energy can be utilized without any serious safety or environmental concerns.

Solar heating and cooling systems are of three general types: passive, active, or a combination of both. In passive solar systems, the building structure itself is designed to collect the sun's energy, then store and circulate the resulting heat, similar to a greenhouse. Passive buildings are typically designed with a southerly orientation to maximize solar exposure and constructed with dense materials such as concrete or adobe to better absorb the heat. Properly placed windows and overhanging eaves also contribute to keeping a house cool.

Active systems collect and store solar energy in panels attached to the exterior of a house. This type of system utilizes mechanical fans or pumps to circulate the warm/cool air, while heated water can flow directly into a home's hot water system.

Although passive systems maximize use of the sun's energy and are less costly to install, active systems have greater potential for both cooling and heating a home and providing hot water. This may mean lower energy costs for residents presently dependent on conventional fuels. The City encourages the use of passive solar systems in new residential construction to improve the energy efficiency of housing units.

In 2019, the City adopted a new lighting ordinance that encourages energy efficient light bulbs, such as compact florescent lamps (CFL) and light-emitting diode (LED) bulbs.

### **South Bay Energy Saving Center**

In addition to state-mandated Title 24 requirements, Palos Verdes Estates is participating in a coalition to collaboratively tackle the issue of energy conservation. The South Bay Environmental Services Center (SBESC<sup>7</sup>) is educating residents, business owners, and public agencies about the energy conservation programs and incentives available in the community and how to incorporate more energy-saving practices into everyday life. Established through funding from the California Public Utilities Commission, the SBESC includes the 15 cities that comprise the South Bay Cities Council of Governments (SBCCOG) and is associated with Southern California Edison and Southern California Gas Company. Member cities include Carson, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Lomita, Manhattan Beach, Palos Verdes Estates, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Torrance, and the Harbor City and San Pedro communities of Los Angeles.

The Center hosted a community lamp exchange in which about 2,000 residents exchanged their traditional lamps for compact fluorescent light bulbs, free of charge. Edison donated the fluorescent lamps and residents were invited to exchange up to 10 household lamps apiece.

### **Water Conservation**

Simple water conservation techniques can save a family thousands of gallons of water per year, plus many dollars in water and associated energy consumption costs. It is now possible to obtain plumbing products that reduce water waste by restricting the volume of water flow from faucets, showerheads, and toilets. The use of plant materials, in residential landscaping, that are well adapted to the climate in the Palos Verdes Peninsula can also measurably contribute to water conservation by reducing the need for irrigation.

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<sup>7</sup> [www.sbesc.com](http://www.sbesc.com)

A household can save water by fixing dripping faucets and using water more conservatively. In addition, such conservation practices save on gas and electricity needed to heat water and the sewage system facilities needed to treat it. By encouraging residents to conserve water and install water saving devices, the city can greatly reduce its water consumption needs and expenses.

The City Council also passed a water efficient landscape ordinance (Municipal Code Chapter 18.50) in 2010. This ordinance supports State requirements of stringent water efficiency standards for landscaping installations of over 500 square feet for new construction projects and over 2,500 square feet for rehabilitated landscape projects. In 2020, the City created a website to promote water efficient landscaping at: [www.pvestates.org/services/planning/landscape-plan-requirements](http://www.pvestates.org/services/planning/landscape-plan-requirements).

## IV. CONSTRAINTS

### A. Governmental Constraints

#### 1. Land Use Plans and Regulations

##### a. California Coastal Act

A portion of the city is located within the Coastal Zone. The California Coastal Act mandates preservation of coastal bluffs, public access to the shoreline, coastal views, and ecologically sensitive areas. In addition to broad policy, the Coastal Commission has also established “stringline” development standards in many areas in order to preserve views. This can act as a constraint upon development. In addition, Coastal Commission permit procedures are time-consuming and complex. Because the City has an adopted Local Coastal Program (LCP) implementation program, development is facilitated by the reduced need to process projects through the Coastal Commission. City decisions may still be appealed to the Coastal Commission, however.

##### b. General Plan

Each city and county in California must prepare a comprehensive, long-term General Plan to guide its future. The land use element of the General Plan establishes the basic land uses and density of development within the various areas of the city. Under state law, the General Plan elements must be internally consistent and the city’s zoning must be consistent with the General Plan. Thus, the land use plan must provide suitable locations and densities to implement the policies of the Housing Element.

The General Plan provides for two categories of residential density, Single-Family Residential and Multiple-Family Residential. Multiple-Family Residential areas are also governed by the Palos Verdes Estates Specific Development Plan, which establishes a maximum density of one dwelling unit for each 1,750 square feet of lot area, equating to 24.9 units per acre, the same density as specified under the zoning code. Multi-family dwellings are permitted by-right in the R-M Zone.

##### c. Zoning Designations and Development Standards

The City regulates the type, location, density, and scale of residential development through the Municipal Code. Zoning regulations serve to implement the General Plan and are designed to protect and promote the health, safety, and general welfare of residents. The Municipal Code also helps to preserve the character and integrity of existing neighborhoods. The Municipal Code sets forth residential development standards for each zone district.

The Plan also regulates minimum dwelling unit size. Minimum ground floor area for dwellings in the R-1 Zone is 1,200 square feet and minimum unit size in the R-M Zone is as follows:

1 bedroom	750 sq.ft.
2 bedrooms	950 sq.ft.
3 bedrooms	1,050 sq.ft.
Additional Bedrooms	+100 sq.ft.

These minimum sizes are not inordinately large and are smaller than typical dwellings constructed elsewhere in the region in recent years. However, to the extent that demand existed for very high density, small residential units these limits could act as a constraint on the delivery of housing.

The City height limit accommodates 35' within the R-M Zone, which can accommodate multi-family development at allowable densities.

The City's zoning regulations specify a maximum lot coverage of 30 percent for single-family lots, 60 percent for interior multi-family lots, and 70 percent for multi-family lots located on a corner. This is consistent with existing deed restrictions. The Code also stipulates that setbacks shall be consistent with covenants of record. These generally provide for minimum side yards of five to ten feet, and minimum rear yards of 12 to 20 feet, depending on the height of the building. These requirements are not unusually restrictive, reflective of typical setbacks required in many suburban communities, and do not pose a constraint on development.

The Zoning Code also restricts maximum floor area of a single-family residence to the lesser of 30 percent of lot area plus 1,750 square feet or 50 percent of lot area. This serves to maintain the character of existing neighborhoods and prevent extremely costly, overly large homes, or “mansionization”.

**Zoning for Multi-Family Housing** – The allowable density within the Multifamily Residential (R-M) zoning district is 24.9 dwelling units per acre. With the provision of a density bonus for affordable housing, as provided under *Government Code* §65915, this would allow densities up to 33 units per acre depending on the proportion of affordable housing provided. State law establishes a “default density” of 20 units per acre for small cities in the Los Angeles metropolitan area. This refers to the density that is deemed suitable to facilitate development of lower-income housing. Since the City’s allowable multi-family density is greater than the default density, it is not considered a constraint to affordable housing development.

Two areas in the city allow commercial development – Lunada Bay and Malaga Cove. Commercial/residential mixed-use development is permitted in these areas and could accommodate development of affordable housing. The City's Zoning Code allows mixed commercial/residential use upon the approval of a use permit. The Code does not limit the maximum density for mixed use, although development in commercial areas is limited to 35 feet and two stories, excluding parking garages, and is limited to 80 percent lot coverage. These standards can accommodate development at the default density of 20 units/acre.

**Zoning for Manufactured Housing** – As discussed in Program 6, consistent with State law, manufactured housing is permitted on single family lots not occupied by another dwelling.

Allowable residential uses under the Zoning Code are summarized in Table IV-1.

**Table IV-1  
Housing Types Permitted by Zone**

RESIDENTIAL USE	ZONE		
	R-1	R-M	C
Single-Family Detached	P	P <sup>2</sup>	CUP <sup>3</sup>
Single-Family Attached	X	P <sup>2</sup>	CUP <sup>3</sup>
Two-Family Dwellings and Multiple Dwellings	X	P	CUP <sup>3</sup>
Mixed Commercial and Residential Uses	X	X	CUP <sup>3</sup>
Mobile Home Parks or Mobile Homes	P	P	X
Residential Care <7P	P	P <sup>2</sup>	X
Residential Care >7P	CUP	X	CUP
ADU & JADU <sup>1</sup>	P/CUP	P/CUP <sup>2</sup>	X
Communal Housing	CUP	X	X
Agricultural Employee Housing	CUP	X	X
Short-Term or Vacation Rental	X	X	X
Emergency Shelters	X	X	CUP <sup>4</sup>
Single Room Occupancy Housing	X	X	CUP <sup>5</sup>

P = Permitted CUP = Conditional Use X = Not Permitted

<sup>1</sup> ADUs and JADUs complying with the criteria set forth in Chapter 18.45 PVEMC are permitted. ADUs and JADUs exceeding the standards set forth in Chapter 18.45 PVEMC may be permitted with a Conditional Use Permit.

<sup>2</sup> Any use permitted in the R-1 zone subject to all conditions in the R-1 zone.

<sup>3</sup> In combination with commercial use.

<sup>4</sup> Emergency shelters are subject to the standards provided in PVEMC 18.72.010.

<sup>5</sup> Single room occupancy housing is subject to the standards provided in PVEMC 18.72.020.

Source: City of Palos Verdes Estates, 2021

#### **d. Special Needs Housing**

Persons with special needs include those in residential care facilities, persons with disabilities, persons needing emergency shelter or transitional living arrangements. Many of these groups also fall under the category of extremely-low-income households. The City's provisions for these housing types are discussed below.

#### **Residential Care Facilities**

Residential care facilities refer to any family home, group home, or rehabilitation facility that provides non-medical care to persons in need of personal services, protection, supervision, assistance, guidance, or training essential for daily living. Under state law, state-licensed residential care facilities that serve six or fewer persons must be treated as a single-family residential use. The Municipal Code allows small residential care facilities for up to 6 persons as a permitted use in both the R-1 and R-M zones.

Large residential care facilities means any family home or group care facility serving seven or more persons in need of personal services, supervision or assistance essential for sustaining the activities of daily living or for the protection of the individual, excluding jails or other detention facilities. Large residential care facilities are conditionally permitted in the C zone.

The Planning Commission considers Conditional Use Permits (CUP) for proposed uses of a property or structure that are not specifically permitted within the subject zone, as defined by the City's municipal code. A CUP enables the City to control certain uses that could have detrimental effects on the community. Permitting a particular use, subject to certain conditions of approval, may help to make that use more compatible with the neighborhood. A CUP is not a zone change but rather a project-specific change in the uses allowed on a specific property. CUPs do not involve the establishment of new codes, regulations, or policies. If a CUP is approved, it will usually require that the applicant adhere to certain conditions of approval.

Consideration of a CUP is handled through a public hearing process. A CUP requires the approval of the Planning Commission and may be appealed to the City Council. CUP Application may be found on the Department's website at: <https://www.pvestates.org/services/planning/handouts-applications-forms>.

The Code also allows "communal housing" with no limit on the number of occupants in all residential zones subject to a conditional use permit.

### **Housing for Persons with Disabilities**

Both the federal Fair Housing Act and the California Fair Employment and Housing Act require local governments to allow reasonable accommodation (i.e., modifications or exceptions) in their zoning laws and other land use regulations when necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. The Building Codes adopted by the City of Palos Verdes Estates incorporate accessibility standards contained in Title 24 of the California Administrative Code. For example, apartment complexes of three or more units and condominium complexes of four or more units must be designed to accessibility standards.

- Definition of "family". According to Municipal Code Section 17.08.190 "*Family*" is defined as an individual or two or more persons living together as a single household in a dwelling unit. This definition is consistent with state law and does not pose a constraint to housing for persons with special needs.
- Separation requirements. No separation requirements are established in the Municipal Code for group homes or care facilities.
- Site planning requirements. The site planning requirements for communal housing are no different than for other residential uses in the same zone.
- Parking standards. Parking requirements for communal housing are calculated in the same manner as for other residential uses in the same zone.

### Emergency Shelters and Low Barrier Navigation Centers

Senate Bill 2 of 2007 strengthened the planning requirements for emergency shelters<sup>8</sup>. Each local government is required to identify a zone or zones to accommodate at least one year-round emergency shelter. When a city does not have sufficient emergency shelter capacity to accommodate its shelter need, zoning regulations must allow emergency shelter facilities by-right. Additional zones may be established where emergency shelters are permitted subject to a conditional use permit. Through Program 13, the City will require sufficient parking to accommodate all staff working in an emergency shelter, provided that the standards will not require more parking for emergency shelters than other residential or commercial uses within the same zone, in compliance with AB 139.

As discussed in Chapter II, the latest homeless survey reported no homeless persons in Palos Verdes Estates, and there is no demand for emergency shelters in the city. Municipal Code Sec. 17.08.175 defines “Emergency shelter” as “housing with minimal supportive services for homeless persons that limits occupancy by homeless persons to six months or less and that does not deny emergency shelter due to a person’s inability to pay.” Emergency shelters with up to 15 beds are a permitted use in the C zone subject to the following requirements:

- Submittal of a management and operations plan establishing hours of operation, staffing levels, maximum length of stay, size and location of exterior and interior on-site waiting and intake areas, and security procedures.
- Minimum separation of three hundred feet between emergency shelters.
- Each occupant shall be provided a minimum of fifty square feet of personal living space, not including space for common areas.
- Bathing facilities shall be provided in quantity and location as required by the California Plumbing Code and California Building Code.
- Shelters must provide a storage area for refuse and recyclables that is enclosed by a six-foot-high landscape screen, solid wall, or fence, which is accessible to collection vehicles on one side. The storage area must be large enough to accommodate the number of bins that are required to provide the facility with sufficient service so as to avoid the overflow of material outside of the bins provided.
- A shelter may provide one or more of the following specific facilities and services on site, including but not limited to:
  - Commercial kitchen facilities designed and operated in compliance with the California Retail Food Code;
  - Dining area;
  - Laundry room;
  - Recreation room;
  - Support services (e.g. training, counseling); and
  - Child care facilities.
- A minimum of five percent of the total square footage of a shelter shall be designated for indoor on-site waiting and intake areas. In addition, an exterior waiting area shall be provided,

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<sup>8</sup> Government Code §65583(a)(4)

the minimum size of which is equal to or larger than the minimum interior waiting and intake area.

- Off-street parking shall be provided at the rate of one space per four beds, plus one space for each staff person on duty.

These standards do not pose an unreasonable constraint to the provision of emergency shelters. The C zone encompasses approximately 8.5 acres with approximately 32 parcels ranging in size from 2,700 square feet to approximately 1.5 acres and has vacant or underutilized buildings that could accommodate at least one emergency shelter.

In 2019, the State Legislature adopted AB 101 establishing requirements related to local regulation of low barrier navigation centers, which are defined as “Housing first, low-barrier, service-enriched shelters focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.” *Low Barrier* means best practices to reduce barriers to entry, and may include, but is not limited to:

- (1) The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth
- (2) Accommodation of residents’ pets
- (3) The storage of possessions
- (4) Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms”

Low barrier navigation centers meeting specified standards must be allowed by-right in areas zoned for mixed use and in nonresidential zones permitting multi-family uses. Program 11 in Section V includes a commitment to process an amendment to the Municipal Code in compliance with this requirement.

### **Transitional and Supportive Housing**

“*Transitional housing*” means buildings configured as rental housing developments but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. [Government Code §65582(h)]

“*Supportive housing*” means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. [Government Code §65582(f)]

“*Target population*” means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with §4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people. [Government Code §65582(g)]

Under State law, transitional and supportive housing must be permitted as residential uses subject only to the same standards and procedures as apply to other residential uses of the same type in the same zone. The Municipal Code includes definitions for transitional and supportive housing consistent with State law and allows these facilities as a residential use that is permitted subject to the same standards and procedures as apply to other residential uses of the same type in the same zone.

In 2018, AB 2162 amended State law to require that supportive housing be allowed by-right in zones where multi-family and mixed uses are permitted, including non-residential zones permitting multi-family uses, if the proposed housing development meets specified criteria. Program 11 in Section V includes a commitment to process an amendment to the Municipal Code in compliance with this requirement.

**Single Room Occupancy**

Single room occupancy (SRO) facilities are small studio-type units, typically reserved for lower-income residents or senior citizens. Municipal Code Sec. 17.08.382 defines Single room occupancy housing as “a structure that provides living units that have separate sleeping areas and may have private or some combination of shared bath or toilet facilities. The structure may or may not have separate or shared cooking facilities for the residents.” SRO facilities are allowed in the C zone subject to approval of a conditional use permit.

**Agricultural Employee Housing**

Pursuant to the State Employee Housing Act<sup>9</sup>, the Municipal Code allows agricultural employee housing with up to 12 units or 36 beds as an agricultural use, and housing providing accommodations for up to six employees as a single-family residential use.

**e. Off-Street Parking Requirements**

The City’s parking requirements for residential uses are summarized in Table IV-2. Within the Overlay District, senior housing is required to provide only one space per unit and three parking spaces for every four units for guest and employee parking. Senior housing parking requirements may be adjusted for individual projects based on an approved parking study.

**Table IV-2  
Residential Parking Requirements**

Type of Unit	Minimum Parking Space Required
Single-Family	2 spaces in a garage
Multiple-Family	2 covered spaces per 1-bedroom unit plus ½ covered space per additional bedroom, not to exceed 3 spaces per unit ¼ guest space per unit Developments meeting the requirements of the density bonus ordinance (PVEMC Ch. 18.68) may provide a minimum of 1 space for each studio or 1-bedroom unit, 2 spaces for each 2- or 3-bedroom unit, and 2-1/2 spaces for each unit with 4 or more bedrooms, inclusive of guest parking. Parking requirements for a qualifying housing development may be satisfied with tandem and/or uncovered parking

Source: Palos Verdes Estates Zoning Ordinance, 2021

<sup>9</sup> Health and Safety Code Section 17021.5 and 17021.6

**f. Accessory Dwelling Units**

Chapter 18.45 of the Municipal Code establishes regulations for accessory dwelling units (ADUs). The Municipal Code was updated in October 2020 to incorporate recent changes to State ADU law. In order to assist homeowners in obtaining approval for ADUs, the City provides information on its website (<https://www.pvestates.org/services/planning/adus>) regarding the application process and ADU standards.

**g. Density Bonus**

Under State law local jurisdictions must provide a density increase over the otherwise maximum allowable residential density under the Municipal Code and the Land Use Element of the General Plan (or bonuses of equivalent financial value) when builders agree to construct housing developments with units affordable to low- or moderate-income households, or senior housing. Chapter 18.68 of the Municipal Code establishes regulations and procedures to implement State density bonus law. AB 2345 of 2019 amended State law to revise density bonus incentives that are available for affordable housing developments. Program 8 in Section V includes a commitment to amend the Municipal Code to incorporate these changes to State density bonus law.

**h. Building Codes**

State law prohibits the imposition of building standards that are not necessitated by local geographic, climatic, or topographic conditions. Further, state law requires that local governments making changes or modifications in building standards must report such changes to the Department of Housing and Community Development and file an expressed finding that the change is needed.

The City's building codes were most recently updated to incorporate the 2019 California Building, Plumbing, Mechanical, Fire, and Electrical Codes. These are considered the minimum necessary to protect the public's health, safety, and welfare. No additional regulations have been imposed by the City that would unnecessarily add to housing costs.

**i. Short-Term Rentals**

In 2016, the City adopted Ordinance No. O16-717 prohibiting short-term rental of residential property and further amended the legislation in 2019. This eliminates the possibility that properties will be rented for vacations, weddings, and other events and instead encourages homeownership and long-term rental.

**2. Development Processing Procedures****a. Residential Permit Processing**

State Planning and Zoning Law provides permit processing requirements for residential development. Within the framework of state requirements, the City has structured its development review process in order to minimize the time required to obtain permits while ensuring that projects receive careful review. In order to make the permit process easier for applicants, the City is currently implementing an online permit process.

Title 18 Zoning Regulation stipulates the residential types permitted, conditionally permitted, or prohibited in each zone allowing residential uses. Table IV-3 describes the housing types by permitted uses. As identified in the sites inventory, multifamily uses in the R-M zone and Mixed Commercial and Residential Uses in the C zone are permitted.

Uses which require a site plan permit are regarded as having a significant potential for adverse impacts on the subject site or surrounding community due to the nature or magnitude of the use vis-a-vis the sensitivity of the subject site or surrounding community. The site plan review process shall apply only in the R-M and C zones when a new structure is added, when a second story is added, when one thousand square feet or more of floor area is added, or when a grading permit is required. The site plan review process shall ensure that the development standards and other city land use regulatory ordinances are applied in a coordinated fashion. The process shall incorporate architectural review conducted by the Palos Verdes Homes Association Art Jury and any other function of the Homes Association in order to assist in project coordination. This process is intended to promote coordination and consistency by providing all interested parties with sufficient facts to fully understand the implications and merits of a project and by facilitating well-informed decisions.

The Planning Commission or Council, as provided in Chapter 17.20 PVEMC, may grant a conditional use permit (CUP). In addition, the planning commission or city council may impose such conditions as the Planning Commission or the City Council deems necessary or desirable to ensure that the use will be established, operated, and maintained in accordance with the findings required by Chapter 17.20 PVEMC. Persons filing an appeal with the City Council of a Planning Commission or Parklands Committee action (applicant or appellant) must submit all relevant information at the time an appeal is filed and paid. The grounds for appeal must apply to the findings required by the City Municipal Codes and to the final project decided upon by the Planning Commission. Fees for appeals range are \$1,500 for an Appeal of Administrative Decision to Planning Commission, \$2,000 for an Appeal of Parklands Committee Recommendation, and \$2,500 for an Appeal of Planning Commission Decision.

**Table IV-3  
Housing Types Permitted by Zone**

RESIDENTIAL USE	ZONE		
	R-1	R-M	C
Single-Family	P	P <sup>2</sup>	
Two-Family Dwellings and Multiple Dwellings		P	
Mobile Home Parks or Mobile Homes	P	P	
Mixed Commercial and Residential Uses			CUP
Residential Care <7P	P	P <sup>2</sup>	
Residential Care >7P	CUP		CUP
ADU & JADU <sup>1</sup>	P/CUP	P/CUP <sup>2</sup>	
Communal Housing	CUP		
Agricultural Employee Housing	CUP		
Short-Term or Vacation Rental			
Emergency Shelters			CUP <sup>3</sup>
Single Room Occupancy Housing			CUP <sup>4</sup>

P=Permitted CUP=Conditional Use

<sup>1</sup> ADUs and JADUs complying with the objective criteria set forth in Chapter 18.45 PVEMC are permitted.

ADUs and JADUs exceeding the standards set forth in Chapter 18.45 PVEMC may be permitted with a Conditional Use Permit.

<sup>2</sup> Any use permitted in the R-1 zone subject to all conditions in the R-1 zone.

<sup>3</sup> Emergency shelters are subject to the standards provided in PVEMC 18.72.010.

<sup>4</sup> Single room occupancy housing is subject to the standards provided in PVEMC 18.72.020.

Source: City of Palos Verdes Estates, 2021

Where no discretionary review is required, plan check for processing of building permits is generally 10 business days turnaround time, depending on workload. If all application materials are in order, the application is then forwarded for a 4-week public review and noticing period.

One aspect of the approval process that can add additional time to project development is the requirement for neighborhood compatibility findings. A finding of neighborhood compatibility must be obtained from the Planning Commission or City Council for the following developments on single-family residential property:

1. Any new structure of 1,000 square feet or more of gross floor area;
2. Addition of 1,000 square feet or more of gross floor area to any existing structure;
3. Additions of gross floor area in the form of a second story whether in whole or in part to any existing structure;
4. Addition to an existing building of a second story deck or balcony 80 or more square feet in area and/or projecting more than six feet from the existing building;
5. Addition to an existing building of a second story deck or balcony which is located in a required side yard;
6. Addition of a mezzanine, whether in whole or in part, to any existing building or structure, that changes the exterior of the building or structure; or
7. Any increase in the roof ridge elevation of any portion of an existing building, unless the increase is only a result of utilizing an alternate roofing material.

Applicants for multifamily development fitting the same criteria must obtain a Site Plan Permit, subject to the following findings:

1. The use or project proposed is consistent with the General Plan;
2. The use or project is consistent with any specific plan;
3. The use, activity, or improvements proposed by the application is consistent with the provisions of this title and Title 18 of the Code;
4. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act and Chapter 17.10 of the Code;
5. The neighborhood compatibility requirements of Chapter 18.36 have been satisfied;
6. The art jury of the Palos Verdes Home Association has completed its architectural review and has approved the project; and
7. The application will not result in conditions or circumstances contrary to the public health and safety and the general welfare.

Applicants for a finding of neighborhood compatibility are required to confer with staff to review the process and likelihood of success. Applicants are provided with a packet detailing typical conditions of approval and relevant policy, such as the Silhouette Policy.

The additional time required for the neighborhood compatibility process, including the four-week public review process, could act as a constraint to large scale development. In the case of single-family development, the properties most likely to be affected would be those on which large homes are proposed.

#### **b. Senate Bill (SB) 35**

SB 35 provides provisions for streamlining projects based on a jurisdiction's progress towards its RHNA and timely submittal of the Housing Element Annual Progress Report. When jurisdictions have insufficient progress toward their above moderate-income RHNA and/or have not submitted the latest Housing Element Annual Progress Report, these jurisdictions are subject to the streamlined ministerial

approval process (SB 35 (Chapter 366, Statutes of 2017) streamlining) for proposed developments with at least 10% affordability.

HCD reviews the annual progress report deadlines and RHNA progress on an annual basis. Palos Verdes Estates is currently subject to SB 35 streamlining provisions when proposed developments include 10% affordability. Program 13 in the Housing Plan has been provided to incorporate the mandatory streamlining provisions into the City's Zoning Code. These streamlining provisions will reduce approval requirements for projects that include a minimum of 10% of units affordable to lower income households and that meet the criteria specified by State law.

### **c. Environmental Review**

Environmental review is required for all development projects under the California Environmental Quality Act (CEQA). Most residential projects in Palos Verdes Estates are either Categorical Exempt or require an Initial Study and a Mitigated Negative Declaration. Developments that have the potential of creating significant impacts that cannot be mitigated require the preparation of an Environmental Impact Report. Once deemed complete, most residential projects that require a Mitigated Negative Declaration take two to three months to complete, inclusive of mandatory public review periods. Categorical Exempt developments require a minimal amount of time. As a result, state-mandated environmental review does not pose a significant constraint to housing development.

## **3. Development Fees and Improvement Requirements**

State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged. The City and other public agencies charge various fees and assessments to cover the costs of processing permit applications and provide services and facilities such as schools, parks, and infrastructure. Almost all of these fees are assessed through a pro rata share system, based on the magnitude of the project's impact or on the extent of the benefit that will be derived. A Master Fee Schedule was adopted by Council on May 11, 2021, which can be accessed through the City's website at: <https://www.pvestates.org/government/finance/city-fees>.

The City Council establishes user and regulatory fees to offset all, or portions of, the costs of providing various services that are of special benefit to applicants or service recipients that are both separate and apart from the general benefit to the public. Table IV-4 identifies the basic fees that apply to new residential construction in the City.

**Table IV-4  
Planning and Development Fees**

FEE CATEGORY Planning and Application Fees	Fee	Charge Basis
<b>Site Plan Review/Revisions</b>		
Minor Modifications (Discretionary Permits)	\$665	per application
Building Permit Plan Check - Major	\$439	per application
Building Permit Plan Check - Minor	\$254	per application
<b>Neighborhood Compatibility Review</b>		
Silhouette Required	\$6,045	per application
No Silhouette Required	\$4,510	per application
Neighborhood Compatibility Exemption	\$616	per application
<b>Miscellaneous Application</b>		
Staff Level Review: Mech Equip w/i Setback	\$514	per application
Staff Level Review: All Others	\$668	each
Planning Commission Review: Encroachment in Right of Way	\$2,446	per application
Planning Commission Review: All Others	\$2,255	per application
<b>Conceptual Project Review</b>		
Administrative	\$288	per application
Planning Commission	\$1,125	per application
<b>Coastal Development Permit</b>		
Minor Permit (Waiver)	\$920	per application
Coastal Development Permit	\$3,277	per application
In Conjunction with Another Application (CUP, NC, Variance)	\$2,406	per application
<b>Accessory Dwelling Unit</b>		
Accessory Dwelling Unit Permit	\$1,027	per application
<b>Landscape Plan Review</b>		
Landscape Plan Review	\$173 + \$1,500 deposit	per application
<b>Conditional Use Permit</b>		
Conditional Use Permit	\$2,866	per application
Conditional Use Permit Annual Review	\$0	per application
<b>Environmental</b>		
Initial Study	Cost+20% Adm	per application
Environmental Impact Review (EIR)	Cost+20% Adm	per application
Other Environmental Reviews	Cost+20% Adm	per application
<b>Variance Application</b>		
Variance Application	\$2,861	per application
<b>Appeals</b>		
Appeal of Admin Decision to Planning Commission	\$1,500	each
Appeal of Parkland Committee Recommendation	\$2,000	each
Appeal of Planning Commission Decision	\$2,500	each

Source: City of Palos Verdes Estates, 2021

City road standards vary by roadway designation as provided in Table IV-5. These standards are typical for cities in Los Angeles County and do not act as an unreasonable constraint to housing development.

**Table IV-5  
Road Improvement Standards**

Roadway Designation	Standards
Arterial (Major and Secondary)	2 – 4 travel lanes Divided roadway Left-turn lands/pockets 60 – 80 ft road width 80 – 100 ft ROW
Collector Street	2 – 4 travel lanes Undivided roadway 32 – 52 ft road width 60 ft ROW
Local Street	2 travel lanes 36 – 40 ft road width 50 – 60 ft ROW

Source: City of Palos Verdes Estates, 2021

After the passage of Proposition 13 and its limitation on local governments' property tax revenues, cities and counties have faced increasing difficulty in providing public services and facilities to serve their residents. One of the main consequences of Proposition 13 has been the shift in funding of new infrastructure from general tax revenues to development impact fees and improvement requirements on land developers. The City requires developers to provide on-site and off-site improvements necessary to serve their projects. Such improvements may include water, sewer and other utility extensions, street construction and traffic control device installation that are reasonably related to the project. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities and school sites, consistent with the Subdivision Map Act.

The City's Capital Improvement Program (CIP) contains a schedule of public improvements including streets, bridges, overpasses and other public works projects to facilitate the continued build-out of the City's General Plan. The CIP helps to ensure that construction of public improvements is coordinated with private development.

Although development fees and improvement requirements increase the cost of housing, cities have little choice in establishing such requirements due to the limitations on property taxes and other revenue sources needed to fund public improvements and maintain community standards.

## **B. Non-Governmental Constraints**

The City supports the development of housing units that improve the availability of affordable and safe housing while also promoting housing that recognizes development constraints and hazards. Available land within the city faces the following unique challenges and physical constraints.

### **1. Private Deed Restrictions**

All land in the City of Palos Verdes Estates is subject to private deed restrictions developed at the time the master planned Palos Verdes project was established. These restrictions include allowable land uses and architectural style. Thus, the potential for subdivision or intensification of use in most areas is quite

low. Only those areas currently zoned R-M may be developed with multifamily units under the deed restrictions. The restrictions do allow for the establishment of dormitories or boarding houses in areas designated for commercial use and in a strip of residential lots adjacent to Palos Verdes Drive North in Tract No. 6887 in the northeasterly portion of the City.

Deed restrictions also apply to dedicated City open space referred to as Parklands. Thus, such areas would not be available for other uses, even if constraints posed by topography, infrastructure and other factors discussed below did not exist. Twenty-eight percent of the city consists of City Parklands protected by deed restrictions in perpetuity. These areas are protected from development as a land conservation effort with both stormwater and health benefits. Additionally, much of City Parklands exists within the Coastal Zone, an area protected by both the Coastal Commission and the City to maintain the coastal bluffs and marine environment as delicate natural resources.

These legally binding private restrictions were established prior to City incorporation. The Palos Verdes Homes Association (PVHA) currently oversees compliance with the deed restrictions. The PVHA operates independently from the City and consists of owners of property within the planned community subdivision, both inside and outside the boundaries of the city of Palos Verdes Estates. The City has no authority to alter or override the deed restrictions or the decisions of the PVHA.

The deed restrictions establish standards for density, building height and lot coverage, which are similar to City standards. The restrictions permit mixed residential/commercial use in commercial areas and are silent regarding second family units, although maids' quarters and guest quarters are permitted. In addition, the deed restrictions address issues related primarily to aesthetics such as exterior building materials, colors, and roof pitch. The restrictions do not dictate architectural style but specify that all buildings must have "good design".

The deed restrictions operate as a constraint to additional development due to the specific development standards, the need to include PVHA Art Jury review in project design time frames, and the need to satisfy the standards of those individuals that may be serving on the Art Jury at a given time.

Any changes to a site that do not specifically conform to the restrictions must gain not only the approval of the PVHA but must be approved in writing by two-thirds of the owners of property within three hundred feet of the site in question. The City has no authority to modify or remove these restrictions.

If a property owner proceeds with any construction or improvements that have not been approved by the PVHA, the PVHA has the right to remove such construction or improvements and place a lien on the property. Under terms of the adopted protective restrictions, failure to conform to the restrictions could lead to loss of title.

## **2. Environmental Constraints**

### **Topography**

The city of Palos Verdes Estates is characterized by rugged terrain, with elevation changes of over 1,134 feet over the 3,038-acre city. Most remaining vacant land is steeply sloped. Construction in these areas would likely require extensive grading, sinking of caissons or pilings, or elaborate engineering solutions. Costs would vary according to site topography, site stability, the complexity of necessary engineering studies and surveys, and the physical improvements involved. City topography also renders emergency access difficult and constrains the ability to widen the city's narrow residential streets, thereby inhibiting intensification of use. The City is home to several canyons, part of which are protected by deed-restricted

City Parklands to remain open space in perpetuity; however numerous single-family property lines extend into these canyons. While a zoning map might imply opportunity for additional housing in these areas, once topography is added to the map, it becomes evident why this undeveloped land cannot safely be replaced with additional housing units. The monetary requirement to construct sound structures upon such steep slopes would not yield affordable housing units.

### **Natural Resources and Hazards**

The Coastal Sage Scrub vegetative community exists on many of the open slopes in Palos Verdes Estates. This vegetation is recognized as habitat for the California gnatcatcher, a sensitive species for which preservation efforts are underway. Thus, development entailing habitat removal would be constrained.

Active earthquake fault zones within the city also impose significant environmental constraints, including the Palos Verdes Fault, Cabrillo Fault, and Newport-Inglewood Fault. The Public Safety Element policies address seismic risks.

In 2015, the City was forced to demolish several homes on Bluff Cove, where a 1983 landslide destroyed several others, due to an ongoing landslide. Additionally, a series of landslides at Christmas Cove have forced Paseo Del Mar to downsize from a two-way street to just one lane. The edge of the cliff is now only ten feet from the new one-way street, surrounded by several homes. Any additional housing units in these areas could be a matter of fatal proportions.

### **3. Infrastructure Constraints**

Roadways in Palos Verdes Estates are typically steep and winding, unsuitable for high traffic levels. The city does not contain any major arterials, nor are there any traffic signals. Thus, significant intensification of use in most areas could not be supported by the road network, particularly in consideration of emergency access and evacuation. In a few cases, such as Palos Verdes Drive North, roadway right-of-way is available for extra capacity. However, in some areas right-of-way is as narrow as 35 feet, and in others, roads abut steep banks which preclude widening. Further, little in the way of state funds is available to local governments for roadway improvement and other infrastructure. Thus, widening of narrow residential streets to handle additional traffic is neither physically nor financially feasible.

Due to access consideration, terrain, vegetation, and limited emergency access fire hazards acts as a constraint on additional development. The entire city of Palos Verdes Estates is within the Very High Fire Severity Zone as classified by the California Department of Forestry and Fire Protection. Senate Bill 35 recognizes the hazards associated with such classifications by exempting mandatory density provisions for Very High Fire Severity Zone communities. There are six points of vehicular ingress/egress at the City's borders (Palos Verdes Boulevard, Via Valmonte, Palos Verdes Drive North, Palos Verdes Drive West, and Granvia Altamira at two points) and the city is situated on a peninsula, limited in access by nature. An inability to exit the city in case of fire or another natural disaster may be exacerbated by an increase in housing units regardless of affordability. The City has acted to reduce fire threat through a ban on all shake roofs, unless they are Class A fire-rated, and by implementing an aggressive brush abatement program in and adjacent to residential areas.

Most areas of the City are served by a sanitary sewer system and no problems currently exist due to inadequate water and sewer capacity. However, water and sewer mains were master planned to serve only the levels of development contemplated under the existing deed restrictions, which consists of single-family development on existing lots in all locations except in and adjacent to the Malaga Cove and Lunada

Bay commercial districts. Thus, intensification of development beyond that provided under current planning and zoning policies in this area could require infrastructure improvements.

However, Program 3 proposes development regulations that would allow a 5% density increase for projects that consolidate small parcels into a single building site of at least one acre. Program 3 is estimated to result in not more than 7 more units that would be allowed under existing regulations if every site were to be redeveloped. This change would not result in a significant increase in demand on dry utilities and service systems.

Program 11 would add emergency shelters to the allowable uses in commercial buildings but would not increase the allowable amount of development or introduce uses that would generate a higher level of demand on utilities and service systems than would be generated by other types of uses in commercial buildings. Therefore, these changes would not result in the construction of new or expanded electricity, natural gas, or telecommunications facilities and existing water and wastewater treatment capacity would be adequate to serve the level of development identified in the Regional Housing Needs Assessment.

#### **4. Land Costs**

The limited supply of land coupled with a strong demand for coastal and view properties results in a high cost of land throughout the city. Land prices in the Palos Verdes Estates area vary according to views enjoyed from the property and proximity to the shoreline. View lots across the Palos Verdes Peninsula are currently advertised at over \$300 per square foot, or \$3.5 million per acre. Thus, land cost is a major obstacle for affordable housing.

#### **5. Construction Costs**

Construction costs vary according to the type of material used and the amenities provided. The cost for basic construction is about \$150 per square foot. However, construction prices can easily exceed \$400 to \$600 per square foot for high-quality construction providing greater amenities.

Developers may use luxury construction and build larger units to balance high land costs. This is because the land price alone will cause a dwelling to have a fairly high price. Buyers paying higher prices have expectations for greater amenities, which in turn leads to a greater increase in per unit cost.

While per-unit land cost can be reduced through higher density, other constraints such as private deed restrictions and environmental complexities can limit potential densities.

City infrastructure costs do not normally add to construction costs. Because vacant land consists of individual vacant lots in developed areas, infrastructure is already installed. However, many lots do not have large flat pads for home construction and extensive grading may be required to provide a building, thus adding significantly to the cost of development. Grading and engineering for a single lot may easily cost tens of thousands of dollars or more.

#### **6. Cost and Availability of Financing**

Palos Verdes Estates is similar to most other suburban communities in southern California with regard to private sector home financing programs. Recent mortgage interest rates have been at historically low levels, although the long-term trend is unpredictable. For buyers with good credit histories, mortgages can be obtained at very favorable interest rates.

Under state law, it is illegal for real estate lending institutions to discriminate against entire neighborhoods in lending practices because of the physical or economic conditions in the area (“redlining”). The City is not aware of any evidence to suggest that redlining is practiced in any area of the city.

The following are valuable resources in assisting in the development of affordable housing and down payment assistance

### **Density Bonus Program**

State law requires that local governments grant density bonuses of at least twenty percent plus additional incentives to facilitate the economic feasibility of affordable housing projects. Density bonuses and incentives are available to developers who agree to construct at least:

- A. Ten percent of the units affordable to lower income households;
- B. Five percent of the units affordable to very low income households;
- C. Senior citizen housing containing a minimum of thirty-five dwelling units; or
- D. Ten percent of the total dwelling units in a common interest development affordable to moderate income households; provided, that all the units in the development are offered for purchase. (Ord. 700 § 2 (Exh. 1), 2012)

### **California Housing Finance Agency (CalHFA)**

CalHFA offers permanent financing for new construction of affordable housing opportunities or acquisition and rehabilitation financing to for-profit, nonprofit, and public agency developers seeking to preserve “at-risk” housing units. In addition, CalHFA offers low-interest predevelopment loans to nonprofit sponsors through its acquisition/rehabilitation program. The Single-Family Division also provides first-time homebuyer assistance through mortgage loans and down payment assistance. CalHFA offers both government loans and conventional loans.

## **7. Requests for Lower Development Densities**

Applications development with densities lower than what is established in the sites inventory is not incentivized. However, all development will be tracked per Annual Progress Reports (APRs) requirements. If a site is not developed to its total capacity as described in the sites inventory, the tracking mechanism of the APR will allow the unit shortfall to be developed on other site(s) in the future.

## **C. Affirmatively Furthering Fair Housing**

Assembly Bill (AB) 686 requires that all housing elements due on or after January 1, 2021 must contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the federal Affirmatively Furthering Fair Housing (AFFH) Final Rule of July 16, 2015.

Under State law, affirmatively further fair housing means “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”

According to the California Department of Housing and Community Development technical guidance document, dated April 2021, there are four parts to this requirement:

1. Outreach. A diligent effort must be made to equitably include all community stakeholders in the Housing Element public participation process.
2. Conduct an Assessment of Fair Housing. This should include an assessment of fair housing within the housing needs section of the Housing Element and should include an analysis of fair housing issues in the city including existing segregation and inclusion trends and an analysis of available federal, state, and local data and local knowledge to identify current fair housing issues.
3. Site Analysis. Evaluate and address how particular sites available for development of housing will meet the needs of households at all income levels and will Affirmatively Further Fair Housing by replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity.
4. Priorities, Goals, and Actions. Based on the findings from the needs assessment and the site inventory analysis with respect to Affirmatively Furthering Fair Housing, the city will assess contributing factors to fair housing barriers and adopt policies with programs that remediate identified fair housing issues and/or further promote fair housing.

In compliance with AB 686, the City has completed the following outreach and analysis.

### **Outreach**

As documented in Appendix C, the City held a total of four public meetings during the Housing Element update in an effort to include all segments of the community and engage key stakeholders. Each meeting was publicized on the City's website and meeting notices were also sent to persons and organizations with expertise in affordable housing and supportive services such as the Jamboree Housing Corporation, the Arc-South Bay, and Rebuilding Together South Bay Los Angeles, among others. Interested parties had the opportunity to interact with City staff throughout the Housing Element update process and provide direct feedback regarding fair housing issues.

The City also created a dedicated web page for the Housing Element update (<https://www.pvestates.org/services/planning/2021-update>) and provide opportunities for interested persons to participate in public meetings remotely, which made it possible for those with disabilities limiting their travel to participate and comment on the Housing Element regardless of their ability to attend the workshop.

### **Assessment of Fair Housing**

The following analysis examines geographic data regarding racial segregation, poverty, persons with disabilities, and areas of opportunity as identified by the TCAC/HCD Opportunity Areas map.

Racial segregation. As seen in Figure IV-1, the percentage of non-white population in the city is relatively low compared to many areas of Los Angeles County. The block group with the highest percentage of non-

white residents is located within the central portion of the city, although the non-white population of this area is less than 60%.

Poverty. Recent Census estimates regarding poverty status of households in Palos Verdes Estates are shown in Figure IV-2. As seen in this map, there are no concentrations of poverty, with the poverty rate less than 10% for all census tracts in the city.

Persons with disabilities. The incidence of disabilities is relatively low in Palos Verdes Estates compared to many areas of Los Angeles County. As shown in Figure IV-3, the percentage of residents reporting a disability is less than 10% in the majority of the city, while the disability rate is 10-20% in the central portion of the city.

Access to opportunity. According to the 2020 California Department of Housing and Community Development (HCD) and the California Tax Credit Allocation Committee (TCAC) Opportunity Area Map (Figure IV-4), Palos Verdes Estates is entirely within designated “High Resource” areas. High Resource areas are areas with high index scores for a variety of educational, environmental, and economic indicators. Some of the indicators identified by TCAC include high levels of employment and close proximity to jobs, access to effective educational opportunities for both children and adults, low concentration of poverty, and low levels of environmental pollutants, among others.

### **Sites Analysis**

A full analysis of specific sites is included within Section III and analyzes how particular sites are available for development of housing to meet the needs of households at all income levels.

### **Priorities, Goals, and Actions**

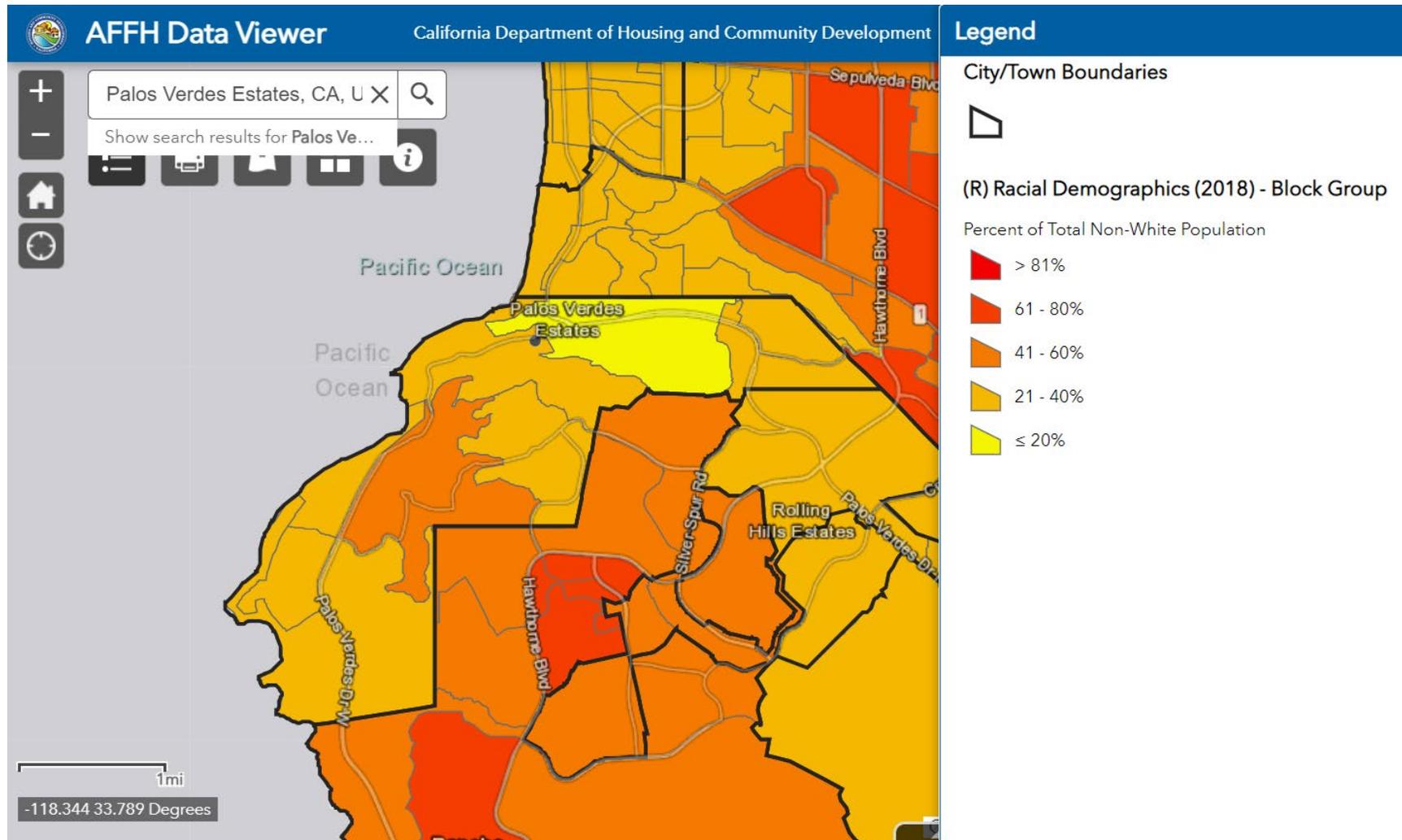
The Housing Plan within Section V sets forth policies with programs to help remediate identified fair housing issues and to help promote fair housing.

### **Conclusion**

This analysis shows that the primary barrier to fair housing in the city is high housing cost, which has the effect of limiting access by lower-income households to the high opportunities and resources available in Palos Verdes Estates. There is no evidence to suggest that discrimination against racial groups or persons with disabilities is a major issue.

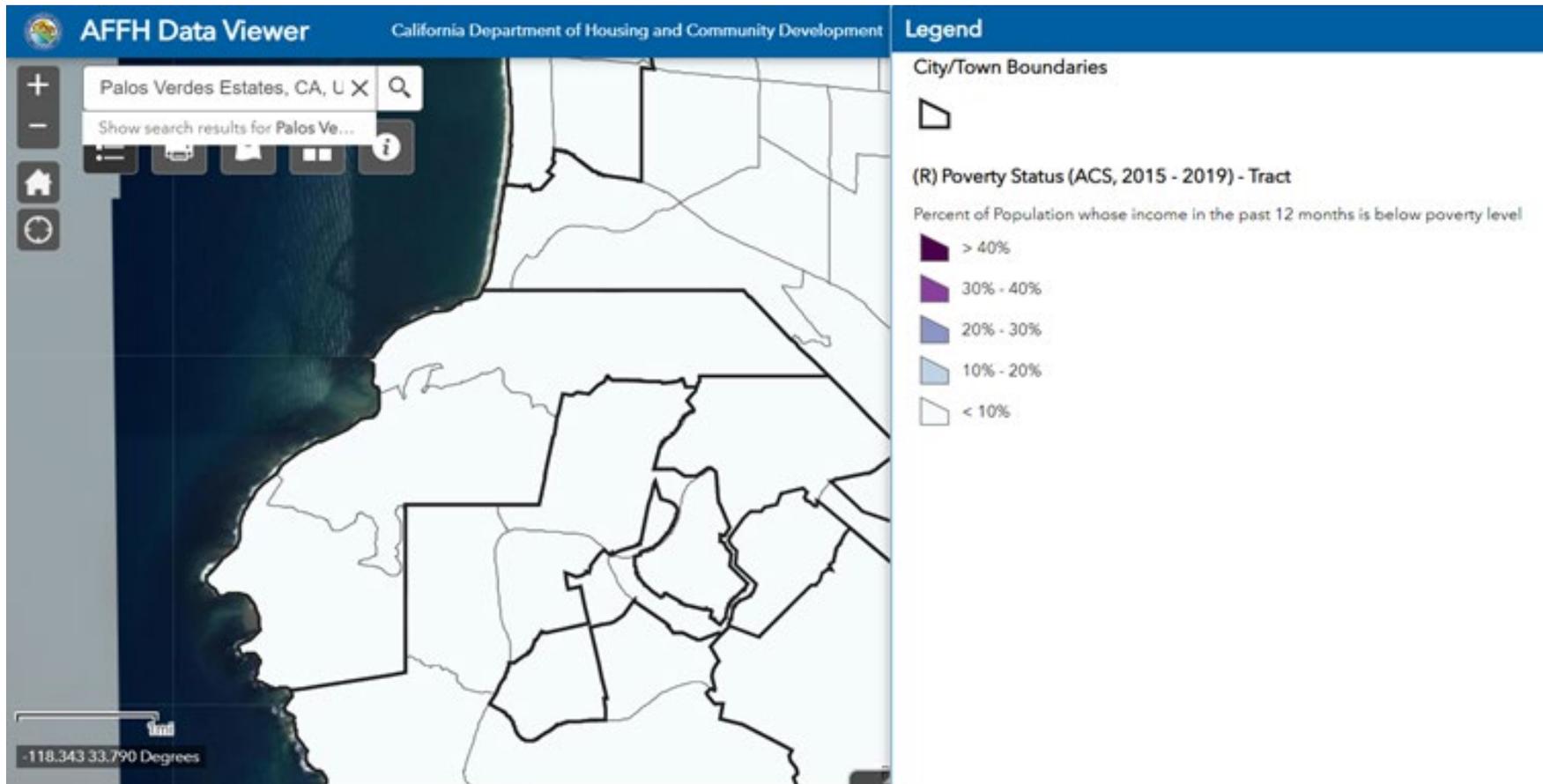
The Housing Plan (Section V) includes Program 3 to encourage and facilitate mixed commercial and residential use in commercial areas, which can accommodate low- and moderate-income housing, and Program 7 to encourage the provision of accessory dwelling units, which can expand affordable housing opportunities for lower-income persons such as caregivers, household employees, and others working in service occupations. Program 10 describes actions the City will take to affirmatively further fair housing and address any issues of housing discrimination that may arise.

**Figure IV-1**  
**Racial Characteristics – Palos Verdes Estates**



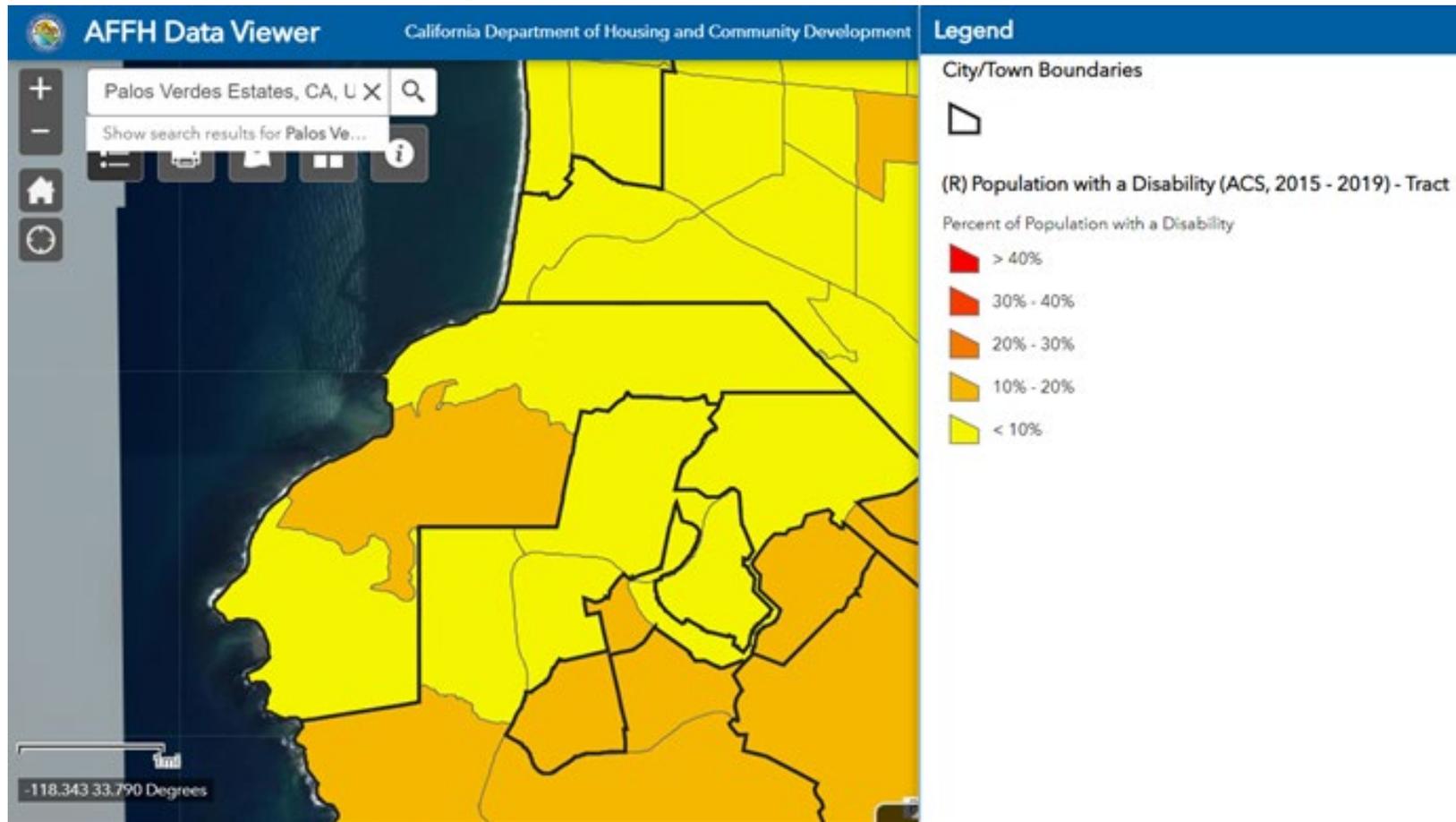
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2021

**Figure IV-2**  
**Poverty Status – Palos Verdes Estates**



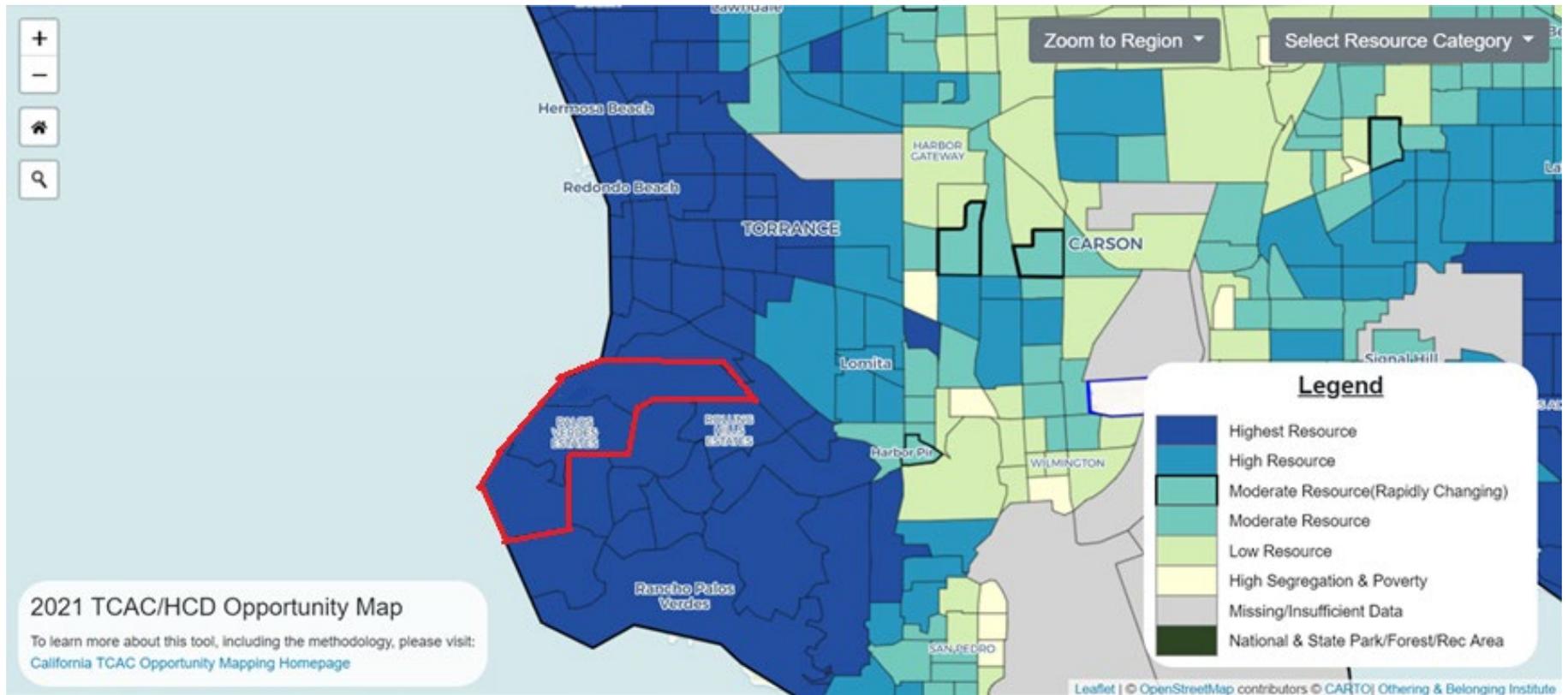
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2021

**Figure IV-3**  
**Population with a Disability – Palos Verdes Estates**



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2021

**Figure IV-4  
TCAC/HCD Opportunity Map**



## V. HOUSING PLAN

The primary focus of the Housing Element is to meet existing and anticipated housing needs and to protect existing residential neighborhoods in Palos Verdes Estates. The policies and implementation measures of the Housing Element are aimed at preserving the quality of the living environment, conserving the existing housing stock, addressing local and regional housing needs, providing for the City's share of housing for all economic groups, providing housing assistance to lower-income residents, and affirmatively furthering fair housing. The City's quantified objectives for the planning period are summarized in Table V-1 at the end of this chapter.

### A. Goals, Policies and Programs

#### GOAL I. Preserve the quality of existing neighborhoods.

*Policy 1. Preserve the scale of development in existing residential neighborhoods.*

*Policy 2. Encourage the maintenance of existing dwellings.*

*Policy 3. Preserve the maximum height of 35-feet while removing two-story restrictions for Mixed Use-Overlay sites.*

*Program 1. Continue to enforce provisions of the Zoning Code, Neighborhood Compatibility, and Specific Development Plan requirements which specify regulations for height, lot coverage, setbacks, and open space.*

Implementation responsibility: Planning & Code Enforcement Divisions

Funding: General fund, application fees, administrative citations

Schedule: Continuing

Objective: 100% Code compliance

#### GOAL II. Provide a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups.

*Policy 4. Provide adequate sites for new housing consistent with the capacity of roadways, sewer lines, and other infrastructure to handle increased growth.*

*Program 2. Continue to allow infill in residential areas.*

Development of existing vacant residential infill sites would result in the production of approximately 41 additional single family dwelling units, assuming that all sites are buildable. It is expected that detached homes would generally be affordable only by upper-income households.

Implementation responsibility: Community Development & Public Works Departments

Funding: No funding needed

Schedule: Continuing

Objective: 16 new housing units during the planning period

***Program 3. Encourage and facilitate mixed commercial and residential use in commercial areas.***

In recent years, mixed-use development has become increasingly attractive to consumers. Where demand exists for residential uses, this can facilitate the delivery of housing. In a mixed-use project, the provision of an accompanying commercial use can help absorb some of the fixed costs of development, thereby facilitating the production of lower-cost units. Further, existing structures can be adapted to residential use, reducing costs associated with new construction. Existing space at Malaga Cove and Lunada Bay could potentially undergo conversion. Such use is permitted under the City's Zoning Code and under the Palos Verdes Estates Protective Restrictions administered by the Homes Association. Consistent with the minimum affordability standards provided under Government Code §65915, the City will facilitate mixed-use development through expedited processing, waiver of fees, or other incentives where affordable housing is provided. To the extent feasible, the City will encourage and facilitate the production of housing for extremely-low-income persons and persons with disabilities, including developmental disabilities.

In order to encourage the consolidation of small lots to enhance the feasibility of affordable housing development, as adopted by Ordinance No. O12-700, the City will continue to provide a lot consolidation incentive that allows an additional density increase of 5% for mixed-use projects that consolidate two or more small lots less than one acre in size into a single building site of at least 1.0 acre and the minimum affordability requirements of state density bonus law are achieved.

Implementation responsibility: Community Development Department  
Funding: General fund, application fees  
Schedule: Ongoing  
Objective: 10 new units in mixed use areas

***Policy 5. Preserve existing affordable housing stock.***

***Program 4. Regulate the conversion or demolition of rental housing.***

State law (Government Code 66300) prohibits the approval of any housing development project that would demolish lower-income units unless the development would replace those units, among other requirements. Existing multi-family rental units in the city provide housing at more affordable cost than ownership condominium units or single-family units and are an important resource that should be preserved. The City will facilitate the preservation of existing lower-income rental housing units consistent with the provisions of Government Code 66300 throughout the planning period.

Implementation responsibility: Planning Division  
Funding: General fund  
Schedule: Continuing  
Objective: Preserve lower-income rental housing opportunities

***Policy 6. Encourage the development of additional low- and moderate-income housing.***

***Program 5. Continue efforts to streamline the development process to the extent feasible.***

The City will continue to provide concurrent processing of all discretionary applications for a project, thereby streamlining the development process, and continue to process Coastal Development Permits at the local level, thereby simplifying the permit process. These measures can reduce development time frames thereby reducing costs due to interest on project financing and builders' staff time.

To the extent feasible, the City will encourage and facilitate the production of housing affordable to special needs<sup>10</sup>, extremely-low-income persons, and persons with disabilities, including developmental disabilities through the provision of incentives such as expedited processing, waiver of fees, or other incentives where affordable housing is provided, consistent with the minimum affordability standards provided under Government Code §65915.

Implementation responsibility: Community Development Department

Funding: General fund, application fees

Schedule: Continuing

Objective: Efficient development processing

***Program 6. Continue to allow the establishment of manufactured housing on single-family residential lots not occupied by another dwelling.***

Consistent with State law, manufactured housing is permitted on single-family lots not occupied by another dwelling. Manufactured housing may result in substantial savings per square foot over conventional construction. Many newer pre-manufactured homes or modules are similar in appearance to site-built homes. The City will continue to allow manufactured housing consistent with the provisions of State law. Manufactured housing is subject to the same development process and CC&R's as traditional single family homes in the same zone.

Implementation responsibility: Community Development Department

Funding: General fund, application fees

Schedule: Continuing

Objective: Continue to allow manufactured housing consistent with State law

***Program 7. Continue to encourage production of accessory dwelling units***

State law provides for the development of accessory dwelling units (ADUs) in residential areas. The City's ADU regulations were revised in 2020 to incorporate recent changes to state ADU law.

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<sup>10</sup> Special needs are those associated with specific demographic or occupational groups that call for specific program responses, such as preservation of single-room occupancy hotels or the development of units with larger bedroom counts. The statute specifically requires analysis of the special housing needs of people who are elderly or disabled (including developmental disabilities), female-headed households, large families, farmworkers, and people experiencing homelessness. These special-needs groups often spend a disproportionate amount of their income to secure safe and decent housing and are sometimes subject to discrimination based on their specific needs or circumstances. In addition to the groups listed above, the analysis of special needs should also include any other group the locality deems appropriate such as student populations, Native American tribes, people with HIV/AIDS, etc.

To facilitate development of ADUs the City will continue to provide information to assist applicants with the permit process at the public counter and on the City website. Property owners wanting to build an ADU will continue to submit their application directly to the building department and ADUs which meet the prescribed objective design standards will continue to be exempt from obtaining a planning permit in order to facilitate their construction. Additionally, ADUs meeting these objective design standards will continue to be exempt from the Neighborhood Compatibility Review and associated fees, saving applicants up to \$6,045, depending on the project.

Implementation responsibility: Planning Division

Funding: General fund, application fees

Schedule: Ongoing

Quantified Objective: 10 ADUs per year (Same rate as recent trend)

***Program 8. Continue to implement density bonus incentives consistent with State law.***

In accordance with Government Code §65915, a city must provide a density bonus or other incentives when an applicant agrees to provide affordable housing. The City will continue to encourage the production of affordable housing by updating the City's Density Bonus ordinance (Municipal Code Chapter 18.68) consistent with State law.

Implementation responsibility: Community Development Department

Funding: General fund, application fees

Schedule: Municipal Code amendment in 2021

Objective: 3 density bonus units

***Policy 7. Encourage means of increasing ability to afford existing housing stock.***

***Program 9. Encourage shared housing programs for seniors and existing one-person households.***

Sharing of a housing unit by two or more roommates can render housing affordable to persons who could not otherwise afford housing individually due to the ability to share housing costs among roommates. This could be of particular benefit to individuals with disabilities who need occasional assistance or female-headed households seeking additional security. As noted in the analysis of housing needs, housing affordability is a problem for very-low-income seniors residing in the city. The City works with Silvernest and the City's Senior Program, PVE-CARES (Palos Verdes Estates - Care, Assistance Resources, Education, and Socials) to help organize shared housing for seniors.

Implementation responsibility: City Manager's designee

Funding: General fund

Schedule: Ongoing

Objective: Continue to promote PVE-CARES and senior home sharing through the City website and flyers on City bulletin boards

**Policy 8.** *Continue to promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, disability, national origin, or color.*

**Program 10.** *Affirmatively furthering fair housing.*

The City will continue to post State regulations at City Hall and at the Library regarding fair housing together with the appropriate contact information regarding housing discrimination problems and post copies of California Department of Fair Employment and Housing publications No. DFEH-157H, DFEH-159, DFEH-700-01, and DFEH-FS06-2003, which provide fact sheets and information to assist in filing housing complaints, along with contact information for DFEH.

Implementation responsibility: City Manager's designee

Funding: General fund

Schedule: Ongoing

Objective: Address any instances of housing discrimination.

**Program 11.** *Emergency shelters, transitional/supportive housing, community care facilities, SROs, agricultural employee housing, and reasonable accommodation for persons with disabilities.*

State law requires all cities to adopt regulations to encourage housing for families of all income levels and persons with special needs. The City Municipal Code establishes regulations for emergency shelters, transitional and supportive housing, residential care facilities, single room occupancy, and employee housing consistent with State law.

State law also requires cities to allow reasonable accommodation for persons with disabilities in the administration of planning and building regulations. The City will continue to review and approval of requests for reasonable accommodation consistent with State law.

In 2018, AB 2162 amended State law to require that supportive housing be permitted by-right in zones where multi-family and mixed uses are permitted, including non-residential zones permitting multi-family uses, if the proposed housing development meets specified criteria.

AB 101 (2019) added the requirement that low barrier navigation centers meeting specified standards be allowed by-right in areas zoned for mixed use and in non-residential zones permitting multi-family uses pursuant to Government Code §65660 et seq.

An amendment to the Municipal Code will be processed in 2021 to incorporate the requirements of AB 2162 and AB 101 consistent with State law.

Implementation responsibility: Community Development Department

Funding: General fund

Schedule: Code amendments in 2021

Objective: Establish regulations and procedures for supportive housing and low barrier navigation centers consistent with State law.

***Program 12. Lot Consolidation.***

The majority of parcels in the City, like many communities throughout the region, are smaller than one-half acre in size. The City will help facilitate lot consolidation, on candidate sites with a Mixed-Use Overlay designation. The lot consolidation procedure also will be posted on the City's website and discussed with developers during the preliminary review process.

As feasible, to further encourage lot consolidation on candidate Mixed-Use Overlay sites, the City will evaluate and offer incentives for projects that propose lot consolidation that would assist the City in achieving its RHNA obligation. The City shall have full authority in determining compliance with the project-specific incentives.

Implementation responsibility: Planning

Funding: General fund

Schedule: Ongoing implementation and annual reporting throughout the planning period.

Objective: Evaluate incentives that will facilitate lot consolidation and increase the overall feasibility of affordable housing projects, such as a reduction of the application fee for parcel mergers, development of conceptual plans on consolidated lots, allowance for shared parking arrangements in mixed-use projects, or a reduction of minimum unit size.

***Program 13. Zoning Code Review and Update.***

Increase opportunities for the development of market rate, affordable, including lower income and special needs housing by modifying zoning code standards and programs. The update shall address the following.

- A. Emergency Shelter Parking: The Zoning Code will be updated to require sufficient parking to accommodate all staff working in an emergency shelter, provided that the standards will not require more parking for emergency shelters than other residential or commercial uses within the same zone, in compliance with AB 139.
- B. Streamlined and Ministerial Review for Eligible Affordable Housing Projects: The Zoning Code will be updated to ensure that eligible multifamily projects with an affordable housing component, such as candidate MU-O sites, are provided streamlined review and are subject to objective design standards consistent with relevant provisions of SB 35 and SB 330, as provided for by applicable sections of the Government Code, including but not limited to Sections 65905.5, 65913.4, 65940, 65941.1, 65950, and 66300. State law defines objective design standards as those that "involve no personal or subjective judgement by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant and public official prior to submittal." The City will prepare objective design standards as part of this program.
- C. For the 6th cycle Housing Element, the City is assigned a RHNA of 183 units (78 very low income, 41 low income, 45 moderate income, and 19 above moderate-income units). In addition, the City has incurred a carryover of 16 lower income units (4 very low income, 3 low income, 3 moderate income, and 6 above moderate-income units) from the 5th cycle Housing Element. Therefore, the City has a total RHNA obligation

of 199 units (82 very low income, 44 low income, 48 moderate income, and 25 above moderate-income units). Based on pipeline projects and projected ADUs, the City is able to accommodate 248 units (126 very low income, 54 low income, 68 moderate income, and 25 above moderate-income units). To accommodate the shortfall carryover from the 5th cycle, the City has identified 18 candidate properties within four sites for overlay zoning (see Table III-3) as Mixed-Use overlay (MU-O) with a density range of 20-30 units per acre. The overlay is purely triggered by a development application. These candidate sites can accommodate at least 78 units at the minimum density. Consistent with the requirements of Government Code § 65863, providing for the lower income RHNA shortfall must permit ownership and rental housing and each site (can be comprised of multiple parcels) must be able to accommodate at least 16 units per site. Furthermore, the City must provide by-right approval of projects that include 20 percent of the units as housing affordable to lower income households.

- D. Preserve the maximum height of 35-feet while allowing three stories for sites available for Mixed-Use Overlay designation

Implementation responsibility: Planning

Funding: General fund, application fees, administrative citations

Schedule: Continuing

Objective: Maintain a Zoning Code that is consistent with State law and update the Zoning Code throughout the planning period as needed to comply with future changes.

### **GOAL III. Provide a safe and healthful living environment for City residents.**

***Policy 9. Eliminate potentially unsafe or unhealthful conditions in existing development.***

***Program 14. Pursue a pro-active code enforcement program for substandard dwelling units.***

Title 8 of the Municipal Code constitutes the City of Palos Verdes Estates Health Code and Chapter 8 provides for abatement of substandard conditions. The City addresses substandard buildings under Municipal Code Chapter 8.36, Substandard Premises, and nuisances in general under Chapter 8.48. Chapter 8.36 addresses the following:

- Substantially deteriorated structures
- Broken windows
- Unstable landforms
- Storing inoperable vehicles
- Graffiti
- Overgrown or dead vegetation
- Partially completed building where work has ceased and permits have expired.

Chapter 8.48 addresses the following:

- Unstable landforms, improper drainage
- Partially destroyed, partially constructed or abandoned buildings
- Broken windows.
- Overgrown, dead, decayed or hazardous vegetation which may harbor vermin or obstructs vehicular sight lines
- Danger or attractive nuisance to the public;
- Accumulation of trash, debris, and other refuse
- Deteriorated parking lots or driveways
- Abandoned pools, ponds, excavations, and other holes
- Construction debris storage bins
- Livestock and other animals
- Overcrowded housing, as defined by the Uniform Housing Code
- Housing which lacks adequate ventilation, sanitation or plumbing facilities, or which constitutes a fire hazard.

Implementation responsibility: Code Enforcement Division

Funding: General fund, administrative citations

Schedule: Ongoing

Objective: Eliminate all substandard conditions

***Program 15. Continue to strictly monitor and regulate landform modifications in the City.***

Landform modification is addressed through the City's grading permit process, which requires approval of a grading plan and grading permit for landform modification for approval by both Planning Commission and the Public Works Department.

Implementation responsibility: Community Development & Public Works Departments

Funding: General fund, application fees

Schedule: Ongoing

Objective: Permit no unsafe landform modification

**GOAL IV. Encourage the conservation of energy in new housing.**

***Policy 10. Reduce energy loss due to inferior construction techniques.***

***Program 16. Continue to require all new projects to conform to the requirements of Title 24 of the California Administrative Code.***

The City has adopted the most current editions of all California Codes. Title 24 contains specific requirements for construction techniques which result in energy savings of approximately 50 percent when compared to standard techniques utilized prior to enactment of current standards. Under State law, individual jurisdictions may develop local standards which exceed the requirements of Title 24.

Implementation responsibility: Building Division

Funding: General fund, application fees

Schedule: Ongoing

Objective: All new structures to conform to current energy conservation standards

***Policy 11. Encourage residents to conserve energy.******Program 17. Support public utility companies in their efforts to educate the public in means of energy conservation.***

Local utility companies regularly circulate information regarding energy conservation to their residential customers. To support such programs, the City will allow posting of energy conservation materials on publicly owned bulletin boards, and adopt proclamations of support in order to publicize conservation efforts.

Implementation responsibility: City Manager's designee

Funding: General fund

Schedule: Ongoing

Objective: Not applicable

***Program 18. Consider waiver of permit fees for installation of alternate energy facilities for residential use.***

Solar panels may be utilized for heating homes or domestic water or may be utilized to generate electricity. While the earliest solar panels would not likely meet the architectural standards of the Homes Association, newer solar devices are generally more desirable. Some systems closely resemble conventional roof shingles. These are usually most practical to install at the time a new roof is installed.

Many communities have developed sustainable building programs under which building permit or inspection fees for energy- and water-saving devices are waived. In order to encourage alternate energy use, the City will consider a similar fee waiver.

Implementation responsibility: Community Development Department

Funding: General fund

Schedule: Institute trial program in the fiscal year following adoption of this element

Objective: 10 solar systems per year

**B. Quantified Objectives**

The City's quantified objectives for new construction, rehabilitation and conservation are presented in Table V-1. The City does not have a substantial number of homes in need of rehabilitation, no significant source of housing funds, and no assisted affordable housing units. Therefore, no objectives for rehabilitation or conservation are established.

**Table V-1  
Quantified Objectives (2021-2029)**

	Income Category				Totals
	V. Low	Low	Mod	Upper	
New construction*	82*	44	48	25	199
Rehabilitation	0	0	0	0	0
Conservation	0	0	0	0	0

\*41 of these are extremely-low category pursuant to AB 2634



## **Appendix A**

### **Evaluation of the Prior Housing Element**

Section 65588(a) of the *Government Code* requires that jurisdictions evaluate the effectiveness of the existing Housing Element, the appropriateness of goals, objectives and policies, and the progress in implementing programs for the previous planning period. This appendix contains a review of the housing goals, policies, and programs of the previous Housing Element, and evaluates the degree to which these programs have been implemented during the previous planning period, 2013 through 2021. This analysis also includes an assessment of the appropriateness of goals, objectives and policies. The findings from this evaluation have been instrumental in determining the City’s 2021-2029 Housing Plan.

Table A-1 summarizes the programs contained in the previous Housing Element along with the source of funding, program objectives, accomplishments, and implications for future policies and actions.

Table A-2 summarizes residential development in the city during the previous RHNA period 2013-2021.

Table A-3 presents the City’s progress in meeting the quantified objectives from the previous Housing Element.

**Table A-1  
Housing Element Program Evaluation (2013-2021)**

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<b>Goal I: Preserve the Quality of Existing Neighborhoods</b>				
<i>Policy 1 Preserve the scale of development in existing residential neighborhoods.</i>				
<i>Policy 2 Encourage the maintenance of existing dwellings.</i>				
Program 1. Continue to enforce provisions of the Zoning Code, Neighborhood Compatibility and Specific Development Plan requirements which specify regulations for height, lot coverage, setbacks and open space.	Planning Department; Building & Safety	General Fund	One hundred percent Code compliance	The City continued to enforce the Zoning Code and other requirements throughout the planning period. At the time of this writing, all but two existing dwelling units within the City remain occupied and in fair condition. This program will be continued.
<b>Goal II: Provide a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups.</b>				
<i>Policy 3 Provide adequate sites for new housing consistent with the capacity of roadways, sewer lines, and other infrastructure to handle increased growth.</i>				
Program 2. Continue to allow infill in residential areas. Development of existing vacant residential infill sites would result in the production of approximately 42 additional single family dwelling units, assuming that all sites are buildable. It is expected that detached homes would generally be affordable only by upper income households.	Planning Department; Building & Safety	No funding needed	16 new housing units during the planning period	The City continued to allow infill development throughout the planning period. This program will be continued and updated to reflect current conditions.
Program 3. Encourage and facilitate mixed commercial and residential use in commercial areas. In recent years, mixed-use housing has become increasingly attractive to consumers. Where demand exists for residential uses, this can facilitate the delivery of housing. In a mixed-use project, the provision of an accompanying commercial use can help absorb some of the fixed costs of development, thereby facilitating the production of lower-cost units. Further, existing structures can be adapted to residential use, reducing costs associated with new construction. Existing space at Malaga Cove and Lunada Bay could potentially undergo conversion. Such use is permitted under the City's Zoning Code and under the Palos Verdes Estates Protective Restrictions administered by the Homes Association. The City will facilitate mixed-use development through expedited processing, waiver of fees, or other incentives where affordable housing is provided, consistent with the minimum affordability standards provided under Government Code §65915. To the extent feasible, the City will encourage and facilitate the production of housing for extremely-low-income persons and persons with disabilities, including	Planning Department; Building & Safety	General Fund	Code amendment in 2014	Ordinance 14-709 implementing this program was adopted in 2014 and has maintained city's 2 mixed-use nodes. This program will be continued in the new planning period.

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<p>developmental disabilities.</p> <p>In order to encourage the consolidation of small lots to enhance the feasibility of affordable housing development, an amendment to the Code will be initiated to provide a lot consolidation incentive that allows an additional density increase of 5% for mixed-use projects that consolidate two or more small lots less than one acre in size into a single building site of at least 1.0 acre and the minimum affordability requirements of state density bonus law are achieved.</p>				
<b>Policy 4 Preserve existing affordable housing stock.</b>				
<p>Program 4. Regulate the conversion or demolition of rental housing stock.</p> <p>City parking requirements currently limit condominium conversion of some older units, thus acting as a deterrent to those seeking to convert this rental housing to more expensive condominium use. Condominium conversion ordinances typically relate to local rental vacancy, typically prohibiting conversions when rental vacancy rates are below 4 or 5 percent. The City rental vacancy rate is well above this level, so loss of rental housing stock to condominium conversion does not appear to be a problem at this time.</p>	Planning Department	No funding needed	Preserve rental housing opportunities in 382 units.	No rental units were converted to condos or demolished. This program will be continued in the new planning period.
<b>Policy 5 Encourage the development of additional low and moderate-income housing.</b>				
<p>Program 5. Continue efforts to streamline the development process to the extent feasible.</p> <p>City processing and fees have not been found to create a significant impediment to the development of additional housing. The City will continue to provide concurrent processing of all discretionary applications for a project, thereby streamlining the development process. Continue to process Coastal Development Permits at the local level, thereby reducing the stress of the permit process. These measures can reduce development time frames thereby reducing costs due to interest on project financing and builders' staff time. To the extent feasible, the City will encourage and facilitate the production of housing affordable to extremely-low-income persons and persons with disabilities, including developmental disabilities through the provision of incentives such as expedited processing, waiver of fees, or other incentives where affordable housing is provided, consistent with the minimum affordability standards provided under Government Code §65915.</p>	Planning Department; Building & Safety	General Fund / application fees	Efficient development processing.	The City implemented SmartGov software to improve permit processing efficiency and, in 2019; moved all Code Enforcement over to SmartGov as well for better communication. City staff is currently in process of moving to an external online permitting system for full implementation before the end of 2021. This program will be continued in the new planning period.
<p>Program 6. Continue to allow the establishment of manufactured housing on single family residential lots not occupied by another dwelling.</p> <p>Consistent with State law, manufactured housing is permitted on single family lots not occupied by another dwelling. Manufactured housing may result in substantial savings per square foot over conventional construction, as discussed above. Many of the newer pre-manufactured homes or modules are similar in appearance to site-built homes. The City may, by State law, establish appropriate guidelines regarding such factors as securing of the housing and setbacks.</p> <p>All such development would be subject to architectural review and compliance with deed restrictions under existing regulations. Private deed restrictions regulating development in the Palos Verdes Planned Community do not specifically address manufactured housing. On the face of it, there is no reason manufactured housing could not meet such guidelines, assuming</p>	Planning Department; Building & Safety	General Fund / application fees		This program is standard practice and will be continued.

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<p>appropriate colors and exterior materials such as wood siding or stucco were utilized. However, all development is subject to Association review.</p>				
<p>Program 7. Continue to allow second family units</p> <p>Section 65852.2 of the Government Code provides for the provision of second family units in single family areas. The City of Palos Verdes Estates currently provides for the establishment of second dwelling units on lots occupied by a single family dwelling. Under the Palos Verdes Estates Municipal Code as revised in 2003, the units may not exceed thirty percent of the floor area of the existing single family dwelling if attached or 700 square feet if detached and must be located on a lot at least 15,000 square feet in area. The second dwelling unit may not be sold separately from the primary dwelling</p> <p>To further facilitate development of second units the City will provide an informational flyer regarding second units with other literature at the public counter.</p>	<p>Planning Department; Building &amp; Safety</p>	<p>General Fund / building permit fees</p>	<p>5 second units</p>	<p>The City's ADU permitting and production is on par with neighboring cities. The City held 10 public hearings and adopted ADU regulations in compliance with current law in 2020. This program will be updated to reflect current circumstances. Between June 2020 and August 2021, 12 ADUs received building permits.</p>
<p>Program 8. Continue to implement density bonus incentives consistent with State law.</p> <p>In accordance with Government Code §65915, a city must provide a density bonus or other incentive when an applicant agrees to provide at least ten percent of the total units of a housing development for lower income households; five percent of the total units of a housing development for very low income households; a senior citizen housing development; or ten percent of the total dwelling units in a common interest development for moderate income households, provided that all units in the development are offered to the public for purchase. The Code specifies the amount of the density bonus or incentive on a sliding scale from twenty to thirty five percent depending on the proportion of units that are affordable and the affordability levels of the units provided.</p> <p>The City will continue to implement the Density Bonus ordinance (Municipal Code Chapter 18.68) consistent with State law. To minimize potential constraints on the development of affordable housing, an amendment to the Zoning Code will be processed to reduce required off-street parking for small units (studio and one-bedroom) when affordable housing is provided consistent with state density bonus law.</p>	<p>Planning Department; Building &amp; Safety</p>	<p>General Fund</p>	<p>3 density bonus units</p>	<p>Ordinance No. O14-709 implemented this program in 2014; program will be revised to reflect recent changes in density bonus law.</p>
<p><b>Policy 6. Encourage means of increasing ability to afford existing housing stock.</b></p>				
<p>Program 9. Encourage shared housing programs for seniors and existing one person households.</p> <p>Sharing of one housing unit by two or more roommates can render housing affordable to persons who could not otherwise afford housing individually due to the ability to share housing costs among roommates. This could be of particular benefit to disabled individuals needing occasional assistance or female headed households seeking additional security. As noted in the previous discussion of housing needs, housing affordability is a problem for very low income seniors residing in the city. Shared housing could be facilitated by provision of space for flyers on a bulletin board or table at City Hall or public library.</p>	<p>Library; City Manager's office</p>	<p>General Fund</p>	<p>Implement in 2014.</p>	<p>The City works with Silvernest and the City's Senior Program, PVE-CARES (Palos Verdes Estates - Care, Assistance Resources, Education, and Socials) to organize private homeshare for seniors. This program is widely used and will be continued.</p>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<b>Policy 7. Continue to promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, disability, national origin, or color.</b>				
<p>Program 10. Provide a means of addressing housing discrimination.</p> <p>The City will post State regulations at City Hall and at the library regarding housing discrimination together with the appropriate phone numbers to contact regarding housing discrimination problems. Provide copies of California Department of Fair Employment and Housing publications No. DFEH-157H, DFEH-159, DFEH-700-01, and DFEH-FS06-2003, which provide fact sheets and information to assist in filing housing complaints, along with contact information for DFEH.</p>	<p>Planning Department; Building &amp; Safety</p>	<p>General Fund</p>	<p>Address any instances of housing discrimination.</p>	<p>Flyers were posted at City Hall and the library. This program will be continued.</p>
<p>Program 11. Emergency shelters, transitional/supportive housing, community care facilities, SROs, agricultural employee housing, and reasonable accommodation for persons with disabilities.</p> <p>State law requires all cities to adopt regulations for emergency shelters, transitional and supportive housing. The City will initiate an amendment to the Municipal Code to establish definitions and allow these uses consistent with Government Code §65583(a). Emergency shelters will be permitted by-right in the Commercial zone, and transitional/supportive housing will be permitted as a residential use subject only to the same standards and procedures as apply to other residential uses of the same type in the same zone.</p> <p>State law also requires cities to allow reasonable accommodation for persons with disabilities in the administration of planning and building regulations. The City will establish written procedures for the review and approval of requests for reasonable accommodation consistent with state law. An amendment to the Municipal Code will also be initiated to establish regulations for community care facilities, residential care facilities, single-room-occupancy facilities and agricultural employee housing consistent with state law.</p>	<p>Planning Department; Building &amp; Safety</p>	<p>General Fund</p>	<p>Code amendments in 2014</p>	<p>Ordinance No. O14-709 implementing this program was adopted in 2014. This program will be revised to reflect changes in State law.</p>
<b>Goal III: Provide a safe and healthful living environment for City residents.</b>				
<b>Policy 8. Eliminate potentially unsafe or unhealthful conditions in existing development.</b>				
<p>Program 12. Pursue a pro-active code enforcement program for substandard dwelling units.</p> <p>Title 8 of the Municipal Code constitutes the City of Palos Verdes Estates Health Code. Chapter 8 provides for abatement of substandard conditions. The City addresses substandard buildings under Municipal Code Chapter 8.36, Substandard Premises, and nuisances in general under Chapter 8.48.</p> <p>Chapter 8.36 addresses the following:</p> <ul style="list-style-type: none"> <li>• Substantially deteriorated structures</li> <li>• Broken windows</li> <li>• Unstable landforms</li> <li>• Storing inoperable vehicles</li> <li>• Graffiti</li> <li>• Overgrown or dead vegetation</li> </ul>	<p>Planning Department; Building &amp; Safety</p>	<p>General Fund; permit fees</p>	<p>Eliminate all substandard conditions.</p>	<p>This program was implemented and will be continued. At the time of this writing, all units within the city, except two are occupied and in fair condition.</p>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<ul style="list-style-type: none"> <li>Partially completed building where work has ceased and permits have expired.</li> </ul> <p>Chapter 8.48 addresses the following:</p> <ul style="list-style-type: none"> <li>Unstable landforms, improper drainage</li> <li>Partially destroyed, partially constructed or abandoned buildings</li> <li>Broken windows.</li> <li>Overtgrown, dead, decayed or hazardous vegetation which may harbor vermin or obstructs vehicular sight lines</li> <li>Danger or attractive nuisance to the public;</li> <li>Accumulation of trash, debris, and other refuse</li> <li>Deteriorated parking lots or driveways</li> <li>Abandoned pools, ponds, excavations, and other holes</li> <li>Construction debris storage bins</li> <li>Livestock and other animals</li> <li>Overcrowded housing, as defined by the Uniform Housing Code</li> <li>Housing which lacks adequate ventilation, sanitation or plumbing facilities, or which constitutes a fire hazard.</li> </ul>				
<p>Program 13. Continue to strictly monitor and regulate landform modifications in the City. Landform modification is addressed through the City's grading permit process which requires approval of a grading plan and grading permit for landform modification.</p>	<p>Planning Department; Building &amp; Safety</p>	<p>General Fund; permit fees</p>	<p>Permit no unsafe landform modification.</p>	<p>This program was implemented and will be continued.</p>
<p><b>Goal IV: Encourage the Conservation of Energy in New Housing</b></p>				
<p><b>Policy 9. Reduce energy loss due to inferior construction techniques.</b></p>				
<p>Program 14. Continue to require all new projects to conform to the requirements of Title 24 of the California Administrative Code.</p> <p>The City has adopted the most current editions of all California Codes. Title 24 contains specific requirements for construction techniques which result in energy savings of approximately 50 percent when compared to standard techniques utilized prior to enactment of current standards. Under State law, individual jurisdictions may develop local standards which exceed the requirements of Title 24.</p>	<p>Planning Department; Building &amp; Safety</p>	<p>General Fund; permit fees</p>	<p>All new structures to conform to current energy conservation standards.</p>	<p>The City has enforced Title 24 requirements throughout the planning period. This program will be continued.</p>
<p><b>Policy 10. Encourage residents to conserve energy.</b></p>				
<p>Program 15. Support public utility companies in their efforts to educate the public in means of energy conservation.</p> <p>Local utility companies regularly circulate information regarding energy conservation to their residential customers. To support such programs, the City could allow posting of energy conservation materials on publicly owned bulletin boards, and adopt proclamations of support in order to publicize conservation efforts.</p>	<p>Planning Department; Building &amp; Safety</p>	<p>General Fund</p>		<p>The City posted energy conservation flyers on City bulletin boards. This program will be continued.</p>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<p>Program 10b. Consider waiver of permit fees for installation of alternate energy facilities for residential use.</p> <p>Solar panels may be utilized for heating homes of domestic water or may be utilized to generate electricity. While the earliest solar panels would not likely meet the architectural standards of the Homes Association, newer solar devices are less unattractive. Some systems closely resemble conventional roof shingles. These are usually most practical to install at the time a new roof is installed.</p> <p>Many communities have developed sustainable building programs under which building permit and inspection fees for energy and water saving devices are waived. In order to encourage alternate energy use, the City will consider a similar fee waiver.</p>	<p>Planning Department; Building &amp; Safety</p>	<p>General Fund</p>	<p>Institute trial program in the fiscal year following adoption of this element.</p> <p>10 solar systems per year.</p>	<p>The City continued to approve solar panels. This program will be continued.</p>

**Table A-2  
Progress in Achieving Quantified Objectives (2013-2021)**

Program Category	Quantified Objectives	Progress During Years 2018-2020
<b>New Construction</b>		
<b>Extremely Low</b>	2	-
Very Low	2	-
Low	3	1
Moderate	3	1
Above Moderate	6	45
Total	16	47
<b>Rehabilitation</b>		
Very Low	-	-
Low	-	-
Moderate	-	-
Above Moderate	-	-
Total	-	-
<b>Conservation</b>		
Very Low	-	-
Low	-	-
Moderate	-	-
Above Moderate	-	-
Total	-	-

## Appendix B Vacant Residential Land Inventory

Site (Address/APN)	GP/Zoning	Acreage
7539-007-020 / Via Capay	SF/R-1	0.17
7539-020-001 / Via Tejon	SF/R-1	0.23
7539-020-002 / Via Tejon	SF/R-1	0.2
7539-023-019 / 2520 Via Pinale	SF/R-1	0.13
7540-012-011 / Via Almar	SF/R-1	0.19
7540-016-012 / 705 Mexico Place	SF/R-1	0.45
7540-022-001 / Via Del Monte	SF/R-1	0.28
7541-005-025 / Chelsea Road	SF/R-1	0.21
7541-017-015 / 1004 Palos Verdes Drive West	SF/R-1	0.28
7541-017-016 / Palos Verdes Drive West	SF/R-1	0.4
7541-024-007 / Via Lopez	SF/R-1	0.65
7541-028-006 / 1700 Via Boronada	SF/R-1	0.28
7543-004-015 / Via Sanchez	SF/R-1	0.17
7543-006-007 / 1252 Via Landeta	SF/R-1	0.2
7543-016-020 / 2545 Via Olivera	SF/R-1	0.2
7543-016-028 / Via Olivera	SF/R-1	0.15
7543-036-032 / 2824 Victoria Place	SF/R-1	0.41
7543-042-003 / 2000 Noya Place	SF/R-1	0.35
7543-043-006 / 2004 Muros Place	SF/R-1	0.39
7543-043-024 / Via Leon	SF/R-1	0.36
7543-044-003 / 1417 Via Coronel	SF/R-1	0.36
7543-045-024 / Via Romero	SF/R-1	0.35
7543-047-013 / 1565 Via Leon	SF/R-1	0.39
7544-015-009 / 1805 Via Coronel	SF/R-1	0.72
7544-015-011 / 1815 Via Coronel	SF/R-1	0.77
7544-016-006 / 1412 Via Fernandez	SF/R-1	1.09
7544-017-007 / 1520 Via Zurita	SF/R-1	0.47
7544-009-001 / 1804 Via Visalia	SF/R-1	0.95
7539-029-006 / Via Elevado	SF/R-1	1.17
7539-029-008 / Via Elevado	SF/R-1	0.50
7539-032-006 / Via La Cuesta	SF/R-1	1.17
7545-002-013 / Via Panorama	SF/R-1	1.67
7540-026-011 / 844 Via Del Monte	SF/R-1	0.66
7544-017-006 / Via Fernandez	SF/R-1	0.63
7544-019-009 / 1515 Lower Paseo La Cresta	SF/R-1	1.16
7544-021-003 / 2014 Via Cerritos	SF/R-1	1.03
7544-022-012 / Paseo La Cresta	SF/R-1	0.77
7544-022-014 / Paseo La Cresta	SF/R-1	0.81
7544-022-015 / Paseo La Cresta	SF/R-1	0.78
7545-006-013 / 860 Rincon Lane	SF/R-1	0.34
7545-010-018 / 2321 Via Acalones	SF/R-1	0.38
<b>TOTALS</b>	41 lots	

## **Appendix C**

### **Public Participation Summary**

State housing law requires local governments to make a diligent effort to achieve public participation of all the economic segments of the community in the development of the housing element. Public participation played an important role in the formulation and refinement of the City’s housing goals and policies and in the development of a Land Use Plan which determines the extent and density of future residential development in the community.

City residents had several opportunities to recommend strategies, review, and comment on the draft Housing Element during its preparation and adoption. An initial public study session was held jointly by the Planning Commission and City Council on January 27, 2021. Notice of the study session was posted and also sent directly to the City’s Housing Element notification list (Table C-1). The notification list includes persons and organizations with expertise in affordable housing and supportive services such as the Jamboree Housing Corporation, the Arc-South Bay, and Rebuilding Together South Bay Los Angeles, and persons with special needs. Interested parties had the opportunity to interact with City staff throughout the Housing Element update process and provide direct feedback regarding fair housing issues.

A draft Housing Element was then prepared and posted for public review on June 14, 2021. A second public meeting was held on June 28, 2021 to review the draft Housing Element. An updated draft was prepared and posted for public review on September 1, 2021 and reviewed at a third public meeting on September 8, 2021. Staff further updated the draft and posted the document for public review on September 29, 2021 to be reviewed at a fourth public meeting held October 5, 2021. A revised draft Housing Element was then prepared and submitted to HCD for review on the same day.

After receiving comments from HCD, further revisions were made to the draft element in response to HCD comments. The revised draft element was posted on the City’s Housing Element website and a direct mail notice of availability of the revised draft was sent to the organizations list in Table C-1.

Public hearings to consider adoption of the Housing Element were held by the Planning Commission on January 18, 2022 and City Council on January 25, 2022. The Housing Element was adopted by the City Council on February 8, 2022 and submitted to HCD for review by the established deadline of February 11, 2022.

Table C-2 summarizes public comments received on the Housing Element during the update process.

**Table C-1  
Public Notice Distribution List  
City of Palos Verdes Estates 2021-2029 Housing Element Update**

Shelter Partnership  
523 W. 6<sup>th</sup> Street, Suite 616  
Los Angeles, CA 90014

Westside Center for Independent  
Living  
12901 Venice Boulevard  
Los Angeles, CA 90066

Harbor Regional Center  
21231 Hawthorne Boulevard  
Torrance, CA 90503

The Arc-South Bay  
1735 Rosecrans Avenue  
Gardena, CA 90249

Emma Hoff-Regional Community  
Service Coordinator  
Catholic Charities  
123 E. 14<sup>th</sup> Street  
Long Beach, CA 90813

Social Vocational Services (SVS)  
South Bay Independent Visions  
2461 W. 208<sup>th</sup> Street, Suite 102  
Torrance, CA 90501

L.A. County Department of  
Children and Family Services  
2325 Crenshaw Boulevard  
Torrance, CA 90501

Kenny Nickelson Memorial  
Foundation for Homeless  
Veterans and Children, Inc.  
P.O. Box 3098  
Manhattan Beach, CA 90266

Tom Baumann  
Rebuilding Together South Bay Los  
Angeles  
P.O. Box 6367  
Torrance, CA 90504

Salvation Army “His House Family  
Services”  
20830 S. Vermont Avenue  
Torrance, CA 90502

Salvation Army  
30840 Hawthorne Blvd  
Rancho Palos Verdes, CA 90275

Jamboree Housing Corporation  
17701 Cowan Avenue, Suite 200  
Irvine, CA 92614

Peninsula Seniors  
30928 Hawthorne Boulevard  
Rancho Palos Verdes, CA 90275

California Water Service  
2632 W. 237<sup>th</sup> St.  
Torrance, CA 90505

County of Los Angeles Department  
of Public Works  
Sewer Maintenance Division  
P.O. Box 1475  
Alhambra, CA 91802-1475

**Table C-2**  
**Summary of Public Comments**  
**City of Palos Verdes Estates 2021-2029 Housing Element Update**

Comment	Response
Since most single-family lots are allowed 2 ADUs, does the sites inventory allow the City to assume the total potential number of ADUs for RHNA purposes?	State policy does not allow the full ADU potential to be assumed for RHNA purposes. Cities may estimate potential future ADU production based on past trends.
Does the potential capacity for underutilized sites assume demolition/replacement?	In some cases, demolition of the existing structure may be required to achieve the full development potential based on zoning regulations. This would depend on the characteristics of existing structures and whether it is feasible to build additional units without demolishing existing structures.
What does “by-right” development mean?	“By-right” means the development review process must be based only on objective standards involving no personal judgment.
If a property is listed in the inventory of housing sites, is the City or the property owner required to develop the property during the 8-year planning period?	No – the sites listed in the inventory only indicates that the potential exists for additional housing development.
If a property listed in the inventory of housing sites is shown as having potential for low-income housing, can the property only be developed with affordable housing?	No – sites shown as accommodating low-income housing only indicates that the property is considered suitable for low-income housing under State law. Generally, sites that allow a density of at least 20 units/acre are considered suitable for low-income housing in cities with a population of less than 25,000 in Los Angeles County.
Is there any opportunity to revisit the estimated ADU numbers in the land inventory in the future, if more ADUs are produced than the estimate?	If actual ADU production exceeds the estimate in the Housing Element, the City will report those numbers each year as part of the Housing Element Annual Progress Report. ADUs qualify as “housing units” for RHNA purposes and will contribute to the City’s housing production totals.
The number of vacant single-family lots in the sites inventory seems too high.	City staff has confirmed the vacant lot count.
How are the high fire hazards, geotechnical issues and lack of public transportation in PVE factored into the Housing Element and RHNA?	The Housing Element discusses these constraints to housing development, but the City’s RHNA allocation was not reduced in consideration of these factors.
What is the due date for adoption of the Housing Element?	October 15, 2021
Affordable housing is very unlikely to be built in high-cost areas. What happens if the City doesn’t meet the RHNA goals?	Cities that do not achieve their RHNA allocations may be required to offer “streamlined” permit processing under SB 35.

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