



Style Definition: Table of Figures

CITY OF PALOS VERDES ESTATES

HOUSING ELEMENT 2021-2029

Partial Submittal - November 15, 2023

~~January 2022~~ November 2023



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

d.c. Rental Housing

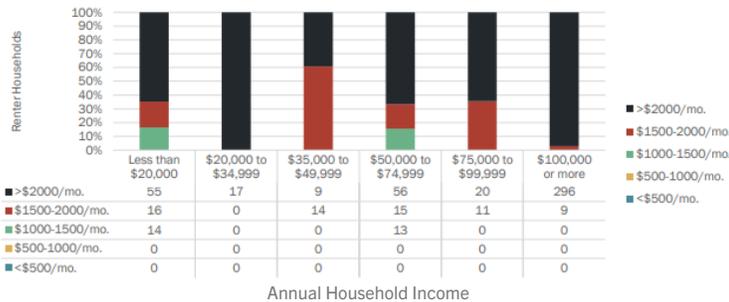
Recent estimates of monthly housing costs for Palos Verdes Estates renters are shown in Figure II-15 while Figure II-16 shows the percentage of income spent on rent by income category. When these rents are compared to affordable housing costs (Table II-1), it is clear that low- and moderate-income households 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 less than \$500 per month (0% of Palos Verdes Estates renters) to more than \$2000 per month (83.1% of Palos Verdes Estates renters). The most common rent category in Palos Verdes Estates is over \$2000 per month with 83.1% of renters spending over \$2,000 per month on rent. However, it should be noted that rental listings in first quarter 2023 indicate monthly rents from \$2,400 per month for a 1 bedroom, 1 bathroom, 655 sf apartment unit to \$14,900 per month for a 6 bedroom, 8 bathroom, 7,960 sf house¹. The average monthly rent in Palos Verdes Estates as of first quarter 2023 was \$7,095.

Commented [GLG3]: While the element was revised to include information on rent prices, rental information from the American Community Survey does not reflect current market conditions and the element should include an additional data source.

¹ Zillow, February 15, 2023

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](#) ~~Figure II-18~~ ~~Figure II-17~~. The most common types of disabilities were ambulatory and independent living.

Commented [GLG4]: While the element briefly describes some information on persons with disabilities, it must also provide a discussion of resources available, including existing housing and services for people with disabilities. For additional information and a sample analysis, see the Building Blocks at <https://www.hcd.ca.gov/community-development/building-blocks/housing-needs/people-with-disabilities.shtml>

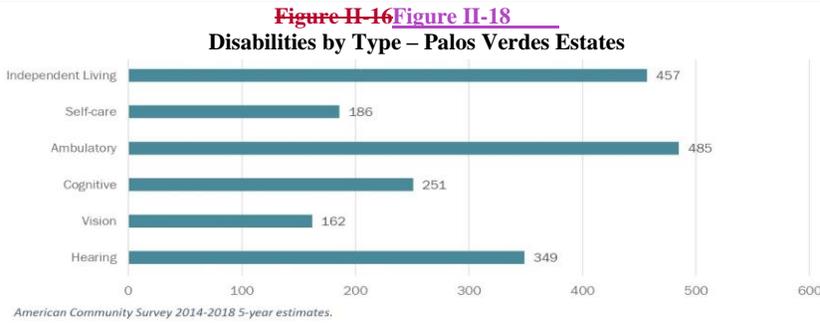


Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

~~Figure II-19~~ ~~Figure II-19~~ ~~Figure II-18~~ shows the employment status for persons with disabilities. Just over half of those reporting a disability were employed.

~~Figure II-17~~ ~~Figure II-19~~
Disabilities by Employment Status – Palos Verdes Estates

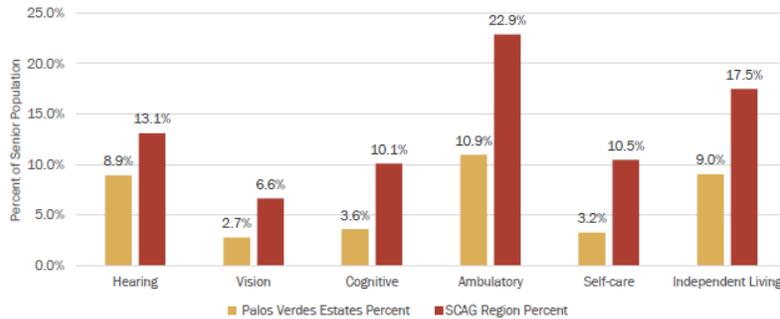
	With a Disability	Percent of Total	No Disability	Percent of Total
Employed	125	51%	4,442	67%
Unemployed	0	0%	181	3%
Not in Labor Force	119	49%	2,052	31%
TOTAL	244		6,675	

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~~ ~~Figure II-20~~ ~~Figure II-19~~. 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-18~~ ~~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.

In July 2014, the Palos Verdes Estates City Council adopted Ordinance O14-709, amending the Palos Verdes Estates Municipal Code (PVEMC) by adding Chapter 17.44 (Reasonable Accommodation) to Title 17 (Zoning Procedures) to set forth the procedures to request reasonable accommodation for persons with disabilities seeking equal access to housing under the Federal Fair Housing Amendments Act of 1988 (42 U.S.C. §3601 et seq.), and the California Fair Employment and Housing Act (Cal. Gov't Code §12900 et seq.), as any of these statutory provisions now exist or may be amended from time to time (collectively, the "Fair Housing Laws") in the application of zoning laws and other land use regulations, policies and procedures.

Further, Ordinance O14-709 added Chapter 18.72 Special Development Standards to Title 18 (Zoning Regulations) to PVEMC setting forth standards for the establishment and operation of emergency shelter facilities in Commercial Zones.

Specific standards of all shelters within Palos Verdes Estates' Emergency Shelter Overlay include:

- a) ~~a~~) Maximum length of stay: six months (defined in State law).
- b) ~~b~~) Maximum number of beds: up to 15.
- c) ~~c~~) Parking: one (1) one space per (4) four beds, plus one space for each staff person on duty.
- d) ~~d~~) Separation from other shelters: 300 feet (maximum permitted by state law).
- e) ~~e~~) Management Plan: site-specific information that describes established 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 etc. Staging for drop-off, intake and pick-up should take place inside the building, at a rear or side entrance, or inner courtyard. Shelters must provide a storage area for refuse and recyclables that is enclosed by a six-foot-high landscape screen, solid

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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.

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-187 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 Sheet² 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.

Figure II-19 Elderly Households by Income and Tenure

Income category, relative to surrounding area:	Owner	Renter	Total	Percent of Total Elderly Households:
< 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%
TOTAL	2,015	110	2,125	

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

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² https://www.harborrc.org/sites/main/files/file-attachments/aboutclientsfam_r0313_2.pdf?1579201318

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.

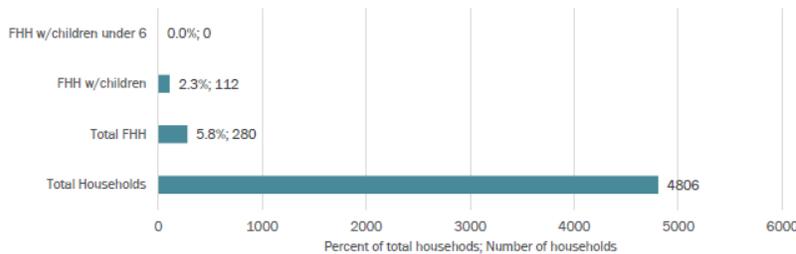
3. Large Households

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. Homes in the City are relatively large, there is little to no overcrowding and there is a low number of large households; therefore Large Household are not considered a special needs group within the city. Larger households will continue to be housed in the city’s larger single family homes.

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-22Figure II-22Figure II-21). Approximately 0.6% of all households were female-headed and below the poverty line (Figure II-23Figure II-23Figure II-22). 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-20Figure 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)

These resources serve the existing homeless population and also work toward the prevention of homelessness.

According to the 2020 Homeless Count Report⁶ 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~~~~Figure II-24~~~~Figure II-23~~). The 2020 homeless count reported 6,594 homeless persons in SPA 8 and no homeless persons in Palos Verdes Estates.

There are no emergency shelters in Palos Verdes Estates, however there are facilities in San Pedro and Wilmington, which are less than five miles away. Harbor Rose Lodge in San Pedro provides homeless support services for individuals and families in Los Angeles County, with no geographic restrictions. It assists with temporary housing and provides support services and referrals. Harbor Interfaith in San Pedro offers a 90-day emergency shelter and an 18-month transitional housing program. Other San Pedro resources include Shawl House and House of Hope which provide shelter, transitional housing and counseling specifically for women. The Doors of Hope Shelter in Wilmington provides services to single women. The Beacon Light Mission in Wilmington provides food, clothing, and supportive services to men, women, and children and also has a 10-bed men's shelter.

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⁶ <https://www.lahsa.org/data?id=45-2020-homeless-count-by-community-city>

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 recognizes that every parcel within the City is governed by deed restrictions which govern height and setbacks, effectively limiting density. One of the Plan’s Goals is to maintain a low density, predominantly single-family residential pattern.

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.

Commented [GLG9]: As noted in Findings B4 and B5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

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~~

~~Table IV-1
Permitted Residential Development by Zone~~

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Housing Type	R-1	R-M	C
Single-Family Detached	P	P	C ¹
Single-Family Attached	X	P	C ¹
Multifamily	X	P	C ¹
Mixed Use	X	X	C ¹
Manufactured Housing	X	C	X
Mobilehome Park	X	C	X
Accessory Dwelling Units	P	P	X
Communal Housing ²	C	C	C

P = permitted C = conditionally permitted X = not permitted

1- In combination with commercial use

2- The Municipal Code defines communal housing as "housing for nonfamily groups with common kitchen and dining facilities but without medical, psychiatric, or other care. Communal housing includes boarding houses, lodging houses, dormitories, communes, and religious homes."

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

Residential Use	Zone		
	R-1	R-M	C
Single-Family Detached	P	P ²	CUP ³
Single-Family Attached	X	P ²	CUP ³
Two-Family Dwellings and Multiple Dwellings	X	P	CUP ³
Mixed Commercial and Residential Uses	X	X	CUP ³
Mobile Home Parks or Mobile Homes	P	P	X
Residential Care <7P	P	P ²	X
Residential Care >7P	CUP	X	CUP
ADU & JADU ¹	P/CUP	P/CUP ²	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 ⁴
Single Room Occupancy Housing	X	X	CUP ⁵

P = Permitted CUP = Conditional Use X = Not Permitted

¹ 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.

² Any use permitted in the R-1 zone subject to all conditions in the R-1 zone.

³ In combination with commercial use.

⁴ Emergency shelters are subject to the standards provided in PVEMC 18.72.010.

⁵ Single room occupancy housing is subject to the standards provided in PVEMC 18.72.020.

Source: City of Palos Verdes Estates, 2021

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Commented [GLG10]: the element now generically describes a conditional use permit (CUP) process but, by no means, relates that to housing for persons with disabilities and does not analyze any impacts such as approval certainty, costs, timing. Further, the element now appears to clarify group homes for seven or more persons are excluded from the R-M zone. A CUP process is a constraint on housing for persons with disabilities. Excluding group homes for seven or more persons from residential zones is a constraint and restricts access to housing opportunities for persons with disabilities. The element must include programs to address these constraints.

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. Currently ~~large~~ residential care facilities are conditionally permitted in the Commercial zone, however Program 11 calls for modifications to the zoning ordinance to permit large Residential Care Facilities similarly to any similar residential use. However, large residential care facilities will not be subject to neighborhood compatibility review, but will instead be subject to objective design standards.

Currently, ~~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. A CUP ~~does~~ does 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.

However, as stated above, Program 11 will modify the zoning code to allow Residential Care Facilities similarly to any similar residential use. However, large residential care facilities will not be subject to neighborhood compatibility review, but will instead be subject to objective design standards.

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.

- 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 shelters⁹. 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 a zoning amendment to allow 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;

⁹ Government Code §65583(a)(4)

**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

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 and is currently undergoing an additional update to incorporate additional 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.

Commented [GLG11]: The element now explains the site plan permit regards multifamily uses as having significant potential for adverse impact on the site and surrounding community. The site plan review applies in the R-M and C zones essentially any time a unit is added. These same zones are planned to accommodate the City's RHNA for lower and moderate-income households. Yet, there is no analysis of this process as a constraint on housing. As noted in the prior review, the element must evaluate the processing and permit procedures' impacts as potential constraints on housing supply and affordability. For example, the analysis should consider processing and approval procedures and time for typical single- and multi-family developments, including approval findings, architectural review, and development standards.

Table IV-3
HHousing Types Permitted by Zone

RESIDENTIAL USE	ZONE		
	R-1	R-M	C
Single-Family	P	P ²	
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 ²	
Residential Care >7P ⁵	CUP		CUP
ADU & JADU ¹	P/CUP	P/CUP ²	
Communal Housing	CUP		
Agricultural Employee Housing	CUP		
Short-Term or Vacation Rental			
Emergency Shelters			CUP ³
Single Room Occupancy Housing			CUP ⁴

P=Permitted CUP=Conditional Use

¹ 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.

² Any use permitted in the R-11 zone subject to all conditions in the R-1 zone.

³ Emergency shelters are subject to the standards provided in PVEMC 18.72.010.

⁴ Single room occupancy housing is subject to the standards provided in PVEMC 18.72.020.

Source: City of Palos Verdes Estates, 2021

⁵ As indicated previously, Program 11 will amend the zoning ordinance to allow large residential care facilities by right in multi-family zones.

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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.

Program 7, Continue to Encourage ADU Production, and Program 13, Zoning Code Review and Update will help reduce development processing times.

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 written procedures to implement these mandatory streamlining provisions. 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.

b.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 Categorically 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. Categorically 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 March 15, 2023~~May 11, 2024~~, 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.

Commented [GLG12]: the element must clarify compliance with new transparency requirements for posting all fees, zoning and development standards on the City's website and add a program to address these requirements, if necessary. In response, the element describes that fees are posted but it must still address these requirements for zoning and development standards.

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

<u>FEE CATEGORY</u> <u>Planning and Application Fees</u>	<u>Fee</u>	<u>Charge Basis</u>
Site Plan Review/Revisions		
Minor Modifications (Discretionary Permits)	\$665743	per application
Building Permit Plan Check - Major	\$439491	per application
Building Permit Plan Check - Minor	\$284264	per application
Neighborhood Compatibility Review		
Silhouette Required	\$6,045760	per application
No Silhouette Required	\$5,0424,510	per application
Neighborhood Compatibility Exemption	\$68946	per application
Miscellaneous Application		
Staff Level Review: Mech Equip w/i Setback	\$57414	per application
Staff Level Review: All Others	\$746668	per application
Planning Commission Review: Encroachment in Right of Way	\$2,734446	per application
Planning Commission Review: All Others	\$2,521255	per application
Conceptual Project Review		
Administrative	\$321288	per application
Planning Commission	\$1,257425	per application
Coastal Development Permit		
Minor Permit (Waiver)	\$1,028920	per application
Coastal Development Permit	\$3,664277	per application
In Conjunction with Another Application (CUP, NC, Variance)	\$2,690406	per application
Accessory Dwelling Unit		
Accessory Dwelling Unit Permit	\$1,148027	per application
Landscape Plan Review		
Landscape Plan Review	\$173 + \$1,500 deposit \$1,148	per application
Conditional Use Permit		
Conditional Use Permit	\$2,8664,305	per application
Conditional Use Permit Annual Review	\$1950	per application
Environmental		
Initial Study	Cost+20% Adm	per application
Environmental Impact Review (EIR)	Cost+20% Adm	per application
Other Environmental Reviews	Cost+20% Adm	per application
Variance Application		
Variance Application	\$2,8613,199	per application
Appeals		
Appeal of Admin Decision to Planning Commission	\$1,500677	each
Appeal of Parkland Committee Recommendation	\$2,236000	each
Appeal of Planning Commission Decision	\$2,795500	each

Source: City of Palos Verdes Estates, 2021

Commented [GLG13]: The element now includes a description of the City's planning fees for single and multifamily housing development; however, the cumulative impact table (Prior Table IV-3) was deleted and should be put back into the element.

Table IV-5 shows the estimated development fees associated with a single-family house and a 4-unit multifamily project.

**Table IV-3 Table IV-5
Residential Development Fee Summary**

	Single-Family ¹	Multifamily ²
School Fees (Palos Verdes Peninsula Unified School District)	\$10,440	\$16,704
County sewer connection fee	\$1,978	\$4,640
Neighborhood Compatibility review fee	\$6,045	\$6,045
Art Jury fee	\$12,000	\$12,000
Grading application & permit	\$4,276	\$4,276
Building plan check	\$5,873	\$9,630
Soil/geology review	\$1,578	\$1,578
Building permit	\$7,831	\$12,840
Plumbing/electrical/mechanical permits	\$1,640	\$3,692
Total Fees per Unit	\$51,661	\$17,851
Est. Development Cost Per Unit	\$1,000,000	\$400,000
Est. Fees as % of Total Cost	5%	4%

1. Based on one 3,000-square-foot house on a legal lot
 2. Based on a 4-unit multifamily project of 1,200 square feet each on a legal lot

City road standards vary by roadway designation as provided in Table IV-6. These standards are typical for cities in Los Angeles County and do not act as an unreasonable constraint to housing development.

**Table IV-4 Table IV-6
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

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.

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 eExisting water and wastewater treatment capacity ~~is~~ 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 ~~\$150-200~~ per square foot. However, construction prices can easily exceed ~~\$400-450~~ to ~~\$600-650~~ 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. ~~Until recently,~~ mortgage interest rates ~~have been~~ ~~were~~ 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\)0](#)

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

Given that the majority of the land in Palos Verdes Estates is zoned for single family development, the development history suggests that future development may be low density development. However, the sites in the sites inventory are located near or on, commercial centers, ~~and existing multi-family uses~~, ideal locations for multi-family development. Program 13 would ... In addition, it is anticipated that the development of ADUs will help satisfy the City’s RHNA where requests for lower development densities are not applicable. As a result, it is unlikely that requests for lower densities will be made, especially given the high cost and limited availability of vacant land.

Government Code Section 65863 requires a jurisdiction to ensure that its Housing Element sites inventory can accommodate its RHNA allocation by income level within the planning period. If a city approves a housing project at a lower density or with fewer units by income category than identified in the Housing Element, it must quantify the remaining unmet housing need at each income level at the time of approval and determine whether there is adequate capacity to meet that need. If not, the city must identify and make available additional adequate sites to accommodate their share of housing need by income level within 180 days of approving the reduced-density project.

Commented [GLG14]: the element must analyze any requests to develop housing at densities below those anticipated in the sites inventory. The analysis must address any hinderances on housing development and programs should be added as appropriate. In response, the element states lower densities are not incentivized and that development is tracked through the APR. While this may be useful information in formulating appropriate programmatic response, the element must still analyze any requests to develop housing at densities below those anticipated in the sites inventory, including evaluating any hinderances and adding or modifying programs as appropriate.

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~~ ~~three~~ 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.

Commented [GLG15]: The element, among other things, must include a complete outreach, an assessment of fair housing, identification, and prioritization of contributing factors to fair housing issues and goals and actions sufficient to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity. For more information, please contact HCD and visit <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

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. ~~Include a Program that Affirmatively Furthers Fair Housing and Promotes Housing Opportunities throughout the Community for Protected Classes (applies to housing elements beginning January 1, 2019).~~

~~2. Conduct an Assessment of Fair Housing that includes summary of fair housing issues, an analysis of available federal, state, and local data and local knowledge to identify, and an assessment of the contributing factors for the fair housing issues.~~

- 3- ~~Prepare the Housing Element Land Inventory and Identification of Sites through the Lens of Affirmatively Furthering Fair Housing.~~

In compliance with AB 686, the City has completed the following outreach and analysis. A more detailed analysis can be found in Appendix E, Affirmatively Furthering Fair Housing.

Outreach

As ~~documented~~ ~~discussed~~ 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.

One of the main objectives of the State’s Affirmatively Further Fair Housing (AFFH) requirements, is to avoid the concentration of lower income housing in a single location. Therefore, facilitating opportunities for lower income households on sites distributed throughout the City meets AFFH objectives. For this reason, the City conducted an ADU survey.

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.

Commented [GLG16]: The element must include an analysis demonstrating whether sites identified to meet the RHNA are distributed throughout the community in a manner that affirmatively furthers fair housing. A full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that effects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to mitigate this (e.g., anti-displacement strategies).

Commented [GLG17]: As noted in Finding B1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

Commented [GLG18]: While the element includes a general summary of the public participation process, it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element could describe the efforts to circulate the housing element among low- and moderate-income households and organizations that represent them and to involve such groups and persons in the element throughout the process. In addition, the element should also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml>.

Assessment of Fair Housing

An assessment of fair housing, which includes ~~The following~~ analysis ~~examines of~~ geographic data regarding racial segregation, poverty, persons with disabilities, and areas of opportunity as identified by the TCAC/HCD Opportunity Areas map, can be found in Appendix E.

~~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 ~~forthcoming~~ 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. [See Appendix E for a full analysis of the City's efforts to Affirmatively Further Fair Housing.](#)

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.

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 3. 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 4. 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 5. 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 needs¹¹, 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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Commented [GLG19]: HCD's prior review found the element must include programs to establish incentives for the creation of ADUs. In response, the element explains ADUs will be exempt from Neighborhood Compatibility Review. This process appears to be a discretionary process that is not allowed by ADU law. The element should either clarify how this review is consistent with state law and exemption is an actual incentive or commit to remove the review all together and establish actual incentives for the creation of ADUs. In addition, the Program should be revised with a monitoring component as described in Finding B3.

¹¹ 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. The City will monitor ADU construction and affordability during the planning period and make adjustments as appropriate if assumptions are not met.

Implementation responsibility: Planning Division

Funding: General fund, application fees

Schedule: Ongoing

Quantified Objective: 10 ADUs per year

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 6. 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 7. *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, [including permitting Large Residential Care Facilities by right in Multi-family zones.](#)

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.

Commented [GLG20]: the element must have programs to facilitate lot consolidation and development of housing on small sites. In response, Program 12 now mentions a procedure but should also commit to when that procedure will be established and should go beyond evaluating incentives and list and establish those incentives as part of the procedure. Finally, given the reliance on small sites and consolidation, the Program should include a mid-term evaluation of the program's effectiveness and make adjustments as appropriate within a specified time frame (e.g., 6 months)

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

Policy 8. Eliminate potentially unsafe or unhealthful conditions in existing development.

Program 142. 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 13.15. 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 9. Reduce energy loss due to inferior construction techniques.

Program 14.16. 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 10. Encourage residents to conserve energy.

Program ~~15~~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 ~~16~~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 expects to be able to accelerate its new construction activities based on significant ADU trends in recent years. The new construction objectives will align with the RHNA numbers that appear earlier in the Housing Element. 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. The rehabilitation objective is to assist 213 (10 percent)- senior households (65+) over the eight year period. The conservation/preservation objective is to preserve housing for 100 percent of the city's existing

Commented [GL621]: HCD's prior review found the element should include rehabilitation and conservation objectives. In response, Table V-1 includes a row for these objectives with a target of zero in the eight-year planning period. However, the element must include some target higher than zero and reflective of the community's needs for the planning period. Please see HCD's prior review for additional information.

~~housing stock. There are no housing units in Palos Verdes that are at risk of conversion from affordable to –market-rate. Therefore, no objectives for rehabilitation or conservation are established. The conservation and preservation objectives correspond to the approximate number of households in Palos Verdes Estates by income group based on Census data. The objectives aim to preserve housing for 100 percent of these households. There are no housing units in Palos Verdes that ar at risk of conversion from affordable to market rate.~~

**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	0202	011	0213
Conservation/Preservation	0	0	0339	04,961	05,300

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

APPENDIX A

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Appendix A

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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.

A. Program Evaluation for Households with Special Needs

As part of the review of programs in the past housing cycle, this section evaluates of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers and persons experiencing homelessness. According to the 2021-2029 Housing Needs Assessment, there is not a significant housing need associated with large households, farm workers, female-headed households, or homeless persons in Palos Verdes Estates. Palos Verdes Estates has placed the greatest emphasis on meeting the needs of the elderly population and persons with disabilities, the largest special needs populations in the City.

As shown in Table A-1 below, the Goal II of the Housing Element is to provide a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups.

Programs 3, 7 and 8 facilitates encourages the increase of affordable housing stock in mixed use developments, ADUs and utilization of density bonus incentives respectively. The existing mixed-use developments have remained and between June 2020 and August 2021, 12 ADUs received building permits.

Program 4 is to regulate the conversion or demolition of rental housing stock to preserve existing affordable housing within the City. CHAS HUD data indicates that 90% of renters are paying 50% or more of their income for housing. The retention and increase of rental units may lower the cost of rent for cost burdened populations. During the 5th housing cycle, no rental units were converted to condos or demolished.

Program 5 encourages the production of affordable housing 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. Between 2018-2022 forty ADUs were permitted, of which approximately 60% can be assumed to be affordable. ADU affordability of these units will be monitored as part of program 7.

Program 9 encourages shared housing programs for seniors and existing one person households. The elderly are a prominent special needs population in Palos Verdes Estates. The City works with Silvernest and PVE-CARES (Palos Verdes Estates - Care, Assistance Resources, Education, and Socials), the City's Senior Program, to organize private homeshare for seniors. This program is widely used and will be continued in the next housing cycle.

Program 11 amended the City's Municipal Code to allow for emergency shelters, transitional/supportive housing, and reasonable accommodation for persons with disabilities. These facilities have not been constructed in the City.

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

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
Goal I: Preserve the Quality of Existing Neighborhoods				
<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. <u>At the time of this writing, all but two existing dwelling units within the City remain occupied and in fair condition.</u> This program will be continued.
Goal II: Provide a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups.				
<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 <u>42-41</u> 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.

Commented [GLG22]: As part of the review of programs in the past cycle (Appendix A), the element must provide an evaluation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers and persons experiencing homelessness)

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>				
<p>Policy 4 Preserve existing affordable housing stock.</p>				
<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>	<p>Planning Department</p>	<p>No funding needed</p>	<p>Preserve rental housing opportunities in 382 units.</p>	<p>No rental units were converted to condos or demolished. This program will be continued in the new planning period.</p>
<p>Policy 5 Encourage the development of additional low and moderate-income housing.</p>				
<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>	<p>Planning Department; Building & Safety</p>	<p>General Fund / application fees</p>	<p>Efficient development processing.</p>	<p>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 2024. This program will be continued in the new planning period.</p>
<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>	<p>Planning Department; Building & Safety</p>	<p>General Fund / application fees</p>		<p>This program is standard practice and will be continued.</p>

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<u>Promote Accessory Dwelling Unit (ADU) construction.</u> Section 65852.2 of the Government Code provides for the provision of second family units/<u>ADUs in single family residential areas.</u> The City of Palos Verdes Estates currently provides for the establishment of second dwelling units/<u>ADUs on lots occupied by a single family dwelling per State law. The City will offer incentives for ADU construction such as reduced permit fees ...for units offered at lower income rental prices for a minimum of xx years. The City will monitor ADU construction activity and will adjust the program if assumptions are not met.</u> 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. 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 & Safety</p>	<p>General Fund / building permit fees</p>	<p>5 second units<u>10 ADUs per year</u></p>	<p><u>The City's ADU permitting and production is on par with neighboring cities.</u> 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. <u>The City also conducted a citywide ADU survey in early 2023. Between June 2020 and August 2021</u>2018 and 2022, 40 ADU permits were approved<u>12 ADUs received building permits.</u> The City will offer incentives for ADU construction including reduced permit fees <u>for units offered at lower income rental prices for a minimum of xx years. The City will monitor ADU construction activity and will adjust the program if assumptions are not met</u></p>
<p>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 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. 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 & 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>

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Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
Policy 6. Encourage means of increasing ability to afford existing housing stock.				
<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>	Library; City Manager's office	General Fund	Implement in 2014.	The City works with Silvercrest 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 <u>is widely used and</u> will be continued.
Policy 7. Continue to promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, disability, national origin, or color.				
<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>	Planning Department; Building & Safety	General Fund	Address any instances of housing discrimination.	Flyers were posted at City Hall and the library. This program will be continued.
<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>	Planning Department; Building & Safety	General Fund	Code amendments in 2014	Ordinance No. O14-709 implementing this program was adopted in 2014. This program will be revised to reflect changes in State law.
Goal III: Provide a safe and healthful living environment for City residents.				
Policy 8. Eliminate potentially unsafe or unhealthful conditions in existing development.				
Program 12. Pursue a pro-active code enforcement program for substandard dwelling units.	Planning Department; Building & Safety	General Fund; permit fees	Eliminate all substandard conditions.	This program was implemented and will be continued. <u>At the time of this</u>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<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"> • 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. <p>Chapter 8.48 addresses the following:</p> <ul style="list-style-type: none"> • 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. 				<p><u>writing, all units within the city, except two are occupied and in fair condition.</u></p>
<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 & 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>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
Goal IV: Encourage the Conservation of Energy in New Housing				
Policy 9. Reduce energy loss due to inferior construction techniques.				
<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 & 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>
Policy 10. Encourage residents to conserve energy.				
<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 & Safety</p>	<p>General Fund</p>		<p>The City posted energy conservation flyers on City bulletin boards <u>and annually in the City newsletter</u>. This program will be continued.</p>
<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 & 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 2021
New Construction		
Extremely Low	2	-
Very Low	2	-
Low	3	1
Moderate	3	1
Above Moderate	6	45
Total	16	47
Rehabilitation		
Very Low	-	-
Low	-	-
Moderate	-	-
Above Moderate	-	-
Total	-	-
Conservation		
Very Low	-	-
Low	-	-
Moderate	-	<u>-339</u>
Above Moderate	-	<u>-4961</u>
Total	-	<u>-5,300</u>

APPENDIX B

Appendix B

Table B-1 Vacant Residential Land Inventory

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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
TOTALS	41 lots	

APPENDIX C
Appendix C
Public Participation Summary

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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. The City hosted a total of twelve public meetings to provide information and solicit feedback on the Housing Element update.

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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 ~~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.

~~in issues related to affordable housing and persons with special needs.~~

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](#).

However, HCD provided further comments on the adopted draft Housing Element on April 12, 2022.

In response to the comments, the City conducted additional public outreach, which included an online ADU Survey that was live between March 17, 2023 and May 15, 2023.

The ~~adopted~~ draft was revised and posted for public review on April 24, 2023, to be reviewed at a joint Planning Commission and City Council workshop on May 10, 2023. The draft element was further

revised based on feedback received during the joint Planning Commission and City Council workshop. The revised draft was available for public review from July 24, 2023 to August 25, 2023.

The City held a Town Hall meeting on September 13, 2023 in response to comments received during the public review draft Housing Element. A follow up City Council meeting took place on October 10, 2023. The City made further revisions to the draft Housing Element to incorporate community feedback.

A public hearing to consider adoption of the revised Housing Element was held by City Council on XX XX, 2023. The revised adopted Housing Element was submitted to HCD for certification on XX XX, 2023.

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

~~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 th 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 th Street Long Beach, CA 90813	Social Vocational Services (SVS) South Bay Independent Visions 2461 W. 208 th 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. 237th 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.

<u>How did the City choose sites for inclusion in the sites inventory?</u>	<u>The City's Ad Hoc Committee worked with the consultant to identify sites that could accommodate new housing. Factor's such as current use, location, ability to comply with deed restrictions and adjacency to goods and services were considered.</u>
<u>Does inclusion in the sites inventory mean that a property will be developed immediately.</u>	<u>No. Inclusion in the sites inventory means that sites will be rezoned to allow for development to occur. Development would be subject to objective design standards.</u>
<u>Does rezoning mean the City or State will use eminent domain to build on my property?</u>	<u>No. Rezoning will allow development to occur but will and will still require owner's consent.</u>

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APPENDIX E

Affirmatively Furthering Fair Housing (AFFH) Analysis

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.

A. Outreach

As documented in Appendix C, the City held a total of ~~five~~twelve public meetings during the Housing Element update process 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.

Commented [GLG25]: The element must include an analysis demonstrating whether sites identified to meet the RHNA are distributed throughout the community in a manner that affirmatively furthers fair housing. A full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that effects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to mitigate this (e.g., anti-displacement strategies).

Commented [GLG26]: As noted in Finding B1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

Commented [GLG27]: While the element includes a general summary of the public participation process, it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element could describe the efforts to circulate the housing element among low- and moderate-income households and organizations that represent them and to involve such groups and persons in the element throughout the process. In addition, the element should also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml>.

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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.

The City also conducted a survey to assess the community sentiment toward Accessory Dwelling Units (ADUs). As ADUs will help the City affirmative further fair housing, the results of the ADU survey will provide insight toward the most appropriate AFFH priorities, goals and actions.

Meeting the RHNA requirement for lower income units via ADU production allows for feasible fulfillment of AB 686 by distributing lower income units throughout the city.

B. Assessment of Fair Housing

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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.

1. Integration and Segregation

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a. Racial segregation.

As seen in Figure I-1~~Figure E-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%.

Table E-1 below shows race and ethnicity data for Palos Verdes Estates and Los Angeles County, the region, for 2010 and 2020.

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Compared to Los Angeles County, Palos Verdes Estates has a higher representation of White and Asian residents, and a lower representation of Black and Hispanic residents. This is also true of the other cities on the Palos Verdes Peninsula. Between 2010 and 2020, Palos Verdes Estates saw an increase in Asian and multi-racial residents, but Black and Hispanic residents account for 8.8 percent of the population compared to a countywide figure of 56.6 percent. However, in the 10-year span, the percentage of residents who are Black doubled in Palos Verdes Estates, which is a much faster rate of increase than the county as a whole. The most significant change is that the number of White, Non- Hispanic households in the city declined from 74.1 percent to 65.5 percent over the decade, a much more significant decline than the Countywide change from 28.4 percent to 25.9 percent. However, it's important to keep in mind a small change in the number of households can cause noticeable shifts in the demographic percentages due to the small population size.

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Table B-1
Population Share by Race and Ethnicity, Palos Verdes Estates and Los Angeles County

	Percent of Residents by Race in Palos Verdes Estates		Percent of Residents by Race in Los Angeles County	
	2010	2020	2010	2020
White Non-Hispanic	74.1%	65.5%	28.4%	25.9%
Hispanic/Latino	4.1%	6.6%	47.1%	48.3%
Black	1.1%	2.2%	8.5%	7.8%
Native American	0.0%	0.0%	0.2%	0.2%
Asian	17.5%	22.1%	13.6%	14.6%
Native Hawaiian/ Pacific Islander	0.0%	0.0%	0.2%	0.2%
Other	0.1%	0.1%	0.3%	0.4%
Two or More Races	3.0%	3.5%	1.7%	2.6%

Sources: American Community Survey, Five Year Averages for 2010 and 2020.

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The “diversity index” is an indicator of racial and ethnic diversity within a given geographic area. It considers both race and ethnicity (Hispanic or Non-Hispanic). Figure E-2 depicts the diversity index for Census tract block groups in and around Palos Verdes Estates. A higher number, the more diverse it is with a range from zero (no diversity) to 100 (complete diversity). An area’s diversity is 100 when the population is evenly divided into different race/ethnic groups. The AFFH Data Viewer indicates an index value that ranges between 34.1 and 55.6 for Palos Verdes Estates, indicating it is between low diversity and somewhat diverse. The rating is less diverse compared to many other census tracts on the Palos Verdes Peninsula, where no tracts rate below 55 in Rolling Hills Estates, Rancho Palos Verdes, and Rolling Hills. The diversity index is considerably higher in the more urbanized tracts in San Pedro and the Harbor neighborhoods to the east.

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b. Persons with disabilities

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The incidence of disabilities is relatively low in Palos Verdes Estates compared to many areas of Los Angeles County, with 9.3% of the city’s population having one or more disabilities, compared to the county-wide average of 10.1%. This difference may be due to the higher median age of Palos Verdes Estates, which is over 50, compared to the county-wide average of 36.5. This is supported by Table E-2, which indicates that the percentage of residents with a hearing disability is higher in Palos Verdes Estates than in the county as a whole. Conversely, a smaller percentage of Palos Verdes Estates residents have vision disabilities, cognitive disabilities, ambulatory disabilities, and self-care and independent living limitations.

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Figure E-3 indicates the percentage of residents who are disabled in Palos Verdes Estates and the surrounding area. As Figure E-3 indicates, the majority of Palos Verdes Estates appears within the less

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than 10 percent range, similar to the majority of the surrounding cities, with a small portion of the City in the 10-20 percent range. However, this difference is minor, with the population only slightly higher than the 10% threshold.

Despite having a population that is significantly older than the county as a whole, the rate of disabilities in the city is still relatively low. This is partly due to the higher household incomes and wealth in the city, which provides its disabled residents with better access to medical care and support services.

Table B-2
Percentage of Residents with a Disability, Palos Verdes Estates and Los Angeles County

	Percent of Residents in Palos Verdes Estates		Percent of Residents in Los Angeles County	
	2010	2020	2010	2020
Total with a Disability	N/A	9.3%	9.3%	10.1%
Hearing	N/A	3.6%	2.3%	2.5%
Vision	N/A	0.8%	1.8%	2.0%
Cognitive	N/A	3.5%	3.6%	4.2%
Ambulatory	N/A	4.6%	5.2%	5.8%
Self-Care	N/A	2.4%	2.6%	3.0%
Independent Living	N/A	4.6%	4.1%	5.6%

Sources: US Decennial Census, American Community Survey, Five Year Averages for 2010 and 2020. ACS 2010 indicates no data for Palos Verdes Estates ("X").

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c. Familial Status

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The federal Fair Housing Act prohibits discrimination based on familial status. This applies to households with children, including pregnant women and those in the process of obtaining legal custody of a child, regardless of their relationship to the adult members of the household. However, housing that is exclusively reserved for seniors is exempt from these requirements. Examples of discrimination based on familial status include refusing to rent to single parents or individuals with children, evicting tenants with children, or requiring families with children to live in specific areas of a multi-family building. Advertising that excludes children is also prohibited.

Table E-3 shows familial status in Palos Verdes Estates relative to Los Angeles County. The table compares the percentage of households in different categories, including families, married couples, single parent households, and non-families (including persons living alone). The table compares the percentage of households in different categories, including family households such as married couples and single parent households, as well as non-families which includes persons living alone.

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**Table B-3
Population by Familial Status, Palos Verdes Estates and Los Angeles County**

	Percent of Total in Palos Verdes Estates		Percent of Total in Los Angeles County	
	2010	2020	2010	2020
Family Households	82.5%	80.4%	67.4%	66.4%
Married Couples	75.3%	68.6%	45.5%	44.8%
With own children under 18 at home	31.2%	X	22.9%	X
Other Families	7.3%	11.7%	21.9%	21.5%
Male householder, no spouse	1.30%	5.1%	6.6%	6.8%
With own children under 18 years	0.2%	X	2.80%	X
Female householder, no spouse	6.0%	6.7%	15.3%	14.7%
With own children under 18 years	2.8%	X	8.1%	X
Non-family Households	17.5%	19.6%	32.6%	33.6%

Sources: American Community Survey, Five Year Averages for 2010 and 2020. All percentages refer to the percentage of total households in Palos Verdes Estates in the listed category. Statistics for households with children is unavailable for 2020.

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Palos Verdes Estates has a much higher percentage of married couples compared to Los Angeles County as a whole. Approximately 12 percent of the city’s households are “other” families which are mostly comprised of mostly single parent households, about half the countywide average. Palos Verdes Estates also has fewer non-family households than Los Angeles County, with non-family households representing about 20 percent of the city compared to 34 percent countywide. The city’s demographics indicate that the population is older with smaller households than the county.

d. Income Level

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Recent Census estimates regarding poverty status of households in Palos Verdes Estates are shown in [Figure I-1](#) [Figure E-4](#). 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. In addition, [Figure E-5](#) illustrates that fewer than 25 percent of residents in all census tracts in Palos Verdes Estates are LMI persons and AFFH data indicates that only about 8 percent of all residents are LMI.

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Federal community development and housing programs generally aim to aid individuals with low to moderate income (LMI). For instance, to be eligible for Community Development Block Grant (CDBG) funding, activities must benefit residents of a predominantly residential region where at least 51 percent of the inhabitants are considered low- and moderate-income. [Figures E-6](#) and [E-7](#) show

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median income by Census block group for the Palos Verdes Estates Peninsula and the greater Los Angeles region respectively. As shown in the exhibits, the Palos Verdes Peninsula is one of the most affluent parts of Los Angeles County, with Palos Verdes Estates among the highest income census tracts in the County.

Table E-4 presents a comparison of income data between the city and the region. According to the table, Palos Verdes Estates demonstrates a significantly higher income distribution compared to the county. About half of its population earns more than \$200,000 annually, significantly higher than approximately 11 percent in the county. Conversely, only 12 percent of Palos Verdes Estates' households earn less than \$50,000 annually, while the same figure for the county is 45 percent.

However, it's worth noting that the percentage of households earning less than \$50,000 annually in Palos Verdes Estates has slightly increased from 12 percent in 2010 to 15 percent in 2020. This may be due to an increase in households with aging occupants relying on fixed incomes. In contrast, the countywide percentage of households in this category has decreased from 45 percent to 36 percent over the past decade.

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Table B-4
Household Share by Income, Palos Verdes Estates and Los Angeles County

	Percentage of Households by Income in Palos Verdes Estates		Percentage of Households by Income in Los Angeles County	
	2010	2020	2010	2020
Less than \$10,000	1.0%	4.0%	6.2%	5.5%
\$10,000-\$14,999	2.5%	1.6%	5.8%	4.6%
\$15,000-\$24,999	2.2%	1.9%	10.5%	7.8%
\$25,000-\$34,999	3.6%	2.8%	9.8%	7.6%
\$35,000-\$49,999	3.0%	4.7%	13.1%	10.7%
\$50,000-\$74,999	8.8%	5.7%	17.6%	15.8%
\$75,000-\$99,999	10.9%	5.6%	12.0%	12.3%
\$100,000-\$149,999	14.5%	14.2%	13.4%	16.3%
\$150,000-\$199,999	10.9%	9.9%	5.5%	8.2%
\$200,000 or More	42.7%	49.6%	6.0%	11.1%
Median Income	\$163,542	\$197,826	\$55,476	\$71,358

Sources: American Community Survey, Five-Year Averages, 2010 and 2020

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Table E-1
Household Share by Income, Palos Verdes Estates and Los Angeles County

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	Percent of Residents by Income in Palos Verdes Estates		Percent of Residents by Income in Los Angeles County	
	2010	2020	2010	2020
Less than \$10,000	4.0%	4.0%	6.2%	5.5%
\$10,000-\$14,999	2.5%	4.6%	5.8%	4.6%
\$15,000-\$24,999	2.2%	4.9%	10.5%	7.8%
\$25,000-\$34,999	3.6%	2.8%	9.8%	7.6%
\$35,000-\$49,999	3.0%	4.7%	13.1%	10.7%
\$50,000-\$74,999	8.8%	5.7%	17.6%	15.8%
\$75,000-\$99,999	10.9%	5.6%	12.0%	12.3%
\$100,000-\$149,999	14.5%	14.2%	13.4%	16.3%
\$150,000-\$199,999	10.9%	9.9%	5.5%	8.2%
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Median Income	\$163,542	\$197,826	\$55,476	\$71,358

Sources: American Community Survey, Five-Year Averages, 2010 and 2020

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e. Racially and Ethnically Concentrated Areas of Poverty (R/ECAP) and Affluence

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HUD identifies census tracts with a majority non-White population (greater than 50%) and poverty rates exceeding 40 percent or three times the average tract poverty rate for the metropolitan area, whichever is lower, as Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs). Figure E-8 shows the R/ECAP areas in southern Los Angeles County and that there are no R/ECAP areas on the Palos Verdes Peninsula. The nearest areas are located in the Harbor area and Long Beach.

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HCD has also identified “racially concentrated areas of affluence” (RCAs), or areas that exhibit both high concentrations of White residents and high concentrations of wealth. All of Palos Verdes Estates, with a population that is 66 percent White, Non-Hispanic, and a median income of approximately \$200,000, is considered an RCA. As presented in Figure E-9, substantial portions of the Palos Verdes Peninsula, including Rancho Palos Verdes, Rolling Hills Estates, and Rancho Palos Verdes, also meet the RCA criteria.

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f. Historic Context

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Like many communities in Southern California, Palos Verdes Estates reflects the cultural and social norms of its founding era, which predated the Fair Housing Act and civil rights movement. These norms included discriminatory practices that excluded certain racial and ethnic groups from property ownership. Table E-5 indicates that Palos Verdes Estates is primarily comprised of single family homes. Additional detached homes were constructed between 2010 and 2020 but the composition of the housing stock did not change significantly. In Los Angeles County, less than half of the housing units are detached single family homes, and over one-third are located in multi-family buildings. The county has experienced a rise in multi-family units over time, in contrast to Palos Verdes Estates,

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where over 90 percent of the dwelling units are single family homes, according to data from the California Department of Finance.

Table B-5
Palos Verdes Estates Home Ownership Rates by Race/Ethnicity Housing Units by Type, Palos Verdes Estates and Los Angeles County

	Number/Percent of Total in Palos Verdes Estates		Number/Percent of Total in Los Angeles County	
	2010	2020	2010	2020
Single Family Detached	4,877 92.3%	4,894 92.3%	1,717,448 49.9%	1,732,045 48.2%
Single Family Attached	67 1%	67 1.3%	228,560 6.6%	234,107 6.5%
2-4 units	30 0.06%	30 0.06%	282,178 8.2%	295,700 8.2%
5+ units	297 5.6%	297 0.01%	1,156,648 33.6%	1,270,425 35.4%
Mobile Homes	12 0.2%	12 0.2%	58,253 1.7%	58,297 1.6%
TOTAL	5,283	5,300	3,443,087	3,590,574

Source: California Dept of Finance Table E-5, 2010 and 2020.

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Table E-1
Housing Units by Type, Palos Verdes Estates and Los Angeles County

	Number/Percent of Total in Palos Verdes Estates		Number/Percent of Total in Los Angeles County	
	2010	2020	2010	2020
Single Family Detached	4,877 92.3%	4,894 92.3%	1,717,448 49.9%	1,732,045 48.2%
Single Family Attached	67 1%	67 1.3%	228,560 6.6%	234,107 6.5%
2-4 units	30 0.06%	30 0.06%	282,178 8.2%	295,700 8.2%
5+ units	297 5.6%	297 0.01%	1,156,648 33.6%	1,270,425 35.4%

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Mobile Homes	42 0.2%	42 0.2%	58,253 1.7%	58,297 1.6%
TOTAL	5,283	5,300	3,443,087	3,590,574

Source: California Dept of Finance Table E-5, 2010 and 2020.

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The City of Palos Verdes Estates, incorporated December 20, 1939, is the oldest of the four cities on the Palos Verdes Peninsula.

New York financier Frank A. Vanderlip, Sr. purchased the land from the Bixby family in 1913 with the idea of building a planned, residential community. The new community was laid out and landscaped by the famous Olmsted Brothers, sons of Frederick Law Olmsted, Sr., who designed Central Park in New York City. Gently winding roadways, green hillsides, paths, stands of eucalyptus, pepper, and coral trees were established, and a full 28% of the land area was dedicated to be permanent open space. This early planning and dedication of parklands gives the City its unique rural character and has resulted in its international reputation for scenic beauty.

Vanderlip's plans were slowed by World War I, but subdivision of the land and construction of the first Spanish style homes in what is today Palos Verdes Estates began in the early 1920's. Deed restrictions were imposed on the land in 1923, when the Bank of America, as trustee for Vanderlip's Palos Verdes Project, drafted a trust indenture and outlined provisions for development. The area was unincorporated and governed by the Palos Verdes Homes Association, which was liable for taxes on all parkland. After the economic crash in 1929, the Association owed taxes to Los Angeles County and residents, concerned that the parklands might be sold for payment, in 1939 voted for City incorporation. In 1940, the parklands were deeded by the Homes Association to the new City.

Deed restrictions were established for each parcel of land to ensure conformity of use to the Master Plan and to provide features which guaranteed quality development. The Palos Verdes Homes Association was instituted to administer the Master Plan, protective restrictions, and maintenance of streets and public areas. Palos Verdes Estates was the first increment of the "Project" consisting of over 3,000 acres of the initial purchase. The community was well established before the depression forced the abandonment of the Master Plan and development of the rest of the Peninsula.

The City was incorporated on December 20, 1939 to take over the normal governmental functions. The Homes Association's Board of Directors and Art Jury have continued to provide guidance to the development of the community through administration of the protective restrictions. In 1939, the newly incorporated City of Palos Verdes Estates assumed ownership from the Palos Verdes Homes Association. The City of PVE would take over most governing functions other than architectural approvals. The Miraleste portion of the Project was eventually absorbed into Rancho Palos Verdes but is still under the jurisdiction of the PVHA.

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b.2. Access to opportunity

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The California HCD and the California Tax Credit Allocation Committee (TCAC) have created a set of "opportunity maps" that assess resource levels and assign scores to each census tract, with a maximum

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score of 1.0. These maps aim to improve the eligibility of "high resource areas" for low-income housing tax credit funding, making it more feasible to construct affordable housing in these areas.

According to the HCD and the TCAC Opportunity Area Maps (Figures IV-10 to IV-13), 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.

a. TCAC Environmental Outcomes

In this context, "environmental conditions" refers to environmental health and exposure to man-made hazards such as vehicle exhaust, industrial emissions, and cancer-causing substances, rather than natural hazards like wildfires and landslides. Figure E-10 shows that the environmental conditions in Palos Verdes Estates are positive, with no major industrial sites or pollution sources. The environmental score in the city ranges from 0.72 to 0.90, with the lowest score located in the north side of the city.

According to Cal EnviroScreen 4.0 maps and the Public Health Alliance of Southern California's "Healthy Places Index," Palos Verdes Estates is in the highest-ranking category. This is also the case for other cities in the area. However, environmental hazards are more prevalent along freeways and in the Harbor area, where there are more industrial sites and refineries.

b. TCAC Economic Outcomes

Figure E-11 shows a measure of wealth and access to jobs in southern Los Angeles County. Palos Verdes Estates and all of the Peninsula cities are in the highest category, reflecting high rates of home ownership, high home values, and high incomes.

The TCAC Economic Score for Palos Verdes Estates ranges from 0.95 to 0.97, which is in the highest of the four quartiles shown on the opportunity map. Neighboring census tracts on the Palos Verdes Peninsula have comparable scores, generally around 0.90. Less than five miles to the east, in San Pedro and Wilmington, the economic index is as low as 0.04 in some census tracts. The City of Torrance, located to the north of Palos Verdes Estates has comparable economic opportunity scores to the peninsula, despite having a more moderate-income profile. Torrance is predominantly White and Asian population, while the Harbor area is primarily Latino, an indication that race and ethnicity may have an influence on economic opportunity.

c. TCAC Educational Outcomes

Educational outcomes are shown in Figure E-12. Palos Verdes Estates is in highest quartile, scoring between 0.98 to 1.0. This reflects the community's high wealth and access to education. Conversely, scores step down significantly moving to the east, with the third quartile just east of Rolling Hills, then the second quartile, and then the lowest quartile in San Pedro roughly four miles east. Low outcomes also appear in Wilmington and the neighborhoods around the Port of Los Angeles.

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d. Composite Opportunity Map

The TCAC analysis is combined in Figure E-13, taking into account the three key variables discussed in Figures IV-10, IV-11, and IV-12. The results confirm the positive environmental health, economic well-being, and educational opportunities in Palos Verdes Estates and its neighboring cities, which are all high-resource and high-opportunity areas.

When viewed from a broader regional perspective, Figure E-13 shows that nearly all coastal communities in Los Angeles County are in the highest resource category. Conversely, there are neighborhoods with moderate to low resources stretching from downtown Los Angeles to the Port of Los Angeles. The central part of LA is marked as having high segregation and poverty levels, corresponding to the lowest level of opportunity. As one moves further east, the pattern becomes more complex, with a mix of high, moderate, and low resource areas stretching towards the San Gabriel Valley and Orange County.

e. Transportation

Access to public transportation in and around Palos Verdes Estates is limited. According to US Census data, not a single resident of the city commutes to work via public transit. The Palos Verdes Peninsula Transit Authority runs busses that cater to the needs of the community and connect it to the commercial centers of the Peninsula and San Pedro. These busses also offer connections to other transit systems, such as the Metro Silver Line in San Pedro, thereby enabling travel to Los Angeles and other regional destinations. However, due to the long distance and travel time, these connections are not practical options for daily commutes to work.

e.3. Disproportionate Housing Needs

Following HCD guidance, this analysis discusses disproportionate housing needs for protected classes, including cost burden, overcrowding, and substandard housing conditions.

e.a. Housing Tenure and Housing Tenure by Race

Table E-6 shows tenure in Palos Verdes Estates and Los Angeles County as a whole. Relative to the region, Palos Verdes Estates has a much higher rate of homeownership. The rate was almost 90 percent in 2020, compared to 46 percent regionally. However, homeownership rates slightly decreased in both Palos Verdes Estates and Los Angeles County but the number remains very small.

**Table B-6
Housing Tenure in Palos Verdes Estates and Los Angeles County**

	Percent of Households in Palos Verdes Estates		Percent of Households in Los Angeles County	
	2010	2020	2010	2020
Owners	90.0%	87.9%	48.2%	46.0%

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Renters	10.0%	12.1%	51.8%	54.0%
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Sources: American Community Survey Five-year averages for 2010 and 2020

Table E-1
Housing Tenure in Palos Verdes Estates and Los Angeles County

	Percent of Households in Palos Verdes Estates		Percent of Households in Los Angeles County	
	2010	2020	2010	2020
Owners	90.0%	87.9%	48.2%	46.0%
Renters	10.0%	12.1%	51.8%	54.0%

Sources: American Community Survey Five-year averages for 2010 and 2020

Differences in home ownership rates can often be attributed to race and ethnicity. On a national and regional level, Black/African-American households have a lower rate of home ownership than White households. However As shown in Table E-7, all Black and multi-racial households are homeowners. Meanwhile, 90 percent of White households and 86 percent of Asian households own homes. The Latino population has a significantly lower rate of home ownership at 55 percent.

Table B-7
Palos Verdes Estates Home Ownership Rates by Race/Ethnicity

Race/Ethnicity	Owners	Renters	Total	% Owners
White, Non-Hispanic	3236	375	3611	90%
Asian, Non-Hispanic	737	120	857	86%
Black, Non-Hispanic	65	0	65	100%
Hispanic/Latino	117	94	211	55%
Two or more races	135	0	135	100%

Source: American Community Survey Five-Year averages for 2020

b. Cost Burden

If a household utilizes more than 30 percent of its income on housing (including utilities), the household is considered cost burdened. The US Department of Housing and Urban Development (HUD) publishes CHAS (Comprehensive Housing Affordability Strategy) data on the number of households that are cost burdened in each community using federally defined income categories. According to CHAS 2014-2018 data, roughly 29 percent of the city’s households are considered cost-burdened, but most have above moderate incomes.

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According to the CHAS 2014-2018 data, there are 805 low- and very low-income households in Palos Verdes Estates (i.e., earning 80 percent or less of the areawide median income [AMI]). 590 of these households were cost-burdened, 460 of which were defined as being “severely” cost-burdened or spend more than half their incomes on housing. CHAS data indicates that the majority of lower-income households experiencing cost burden were homeowners, with 425 of the cost-burdened lower-income households. The high number of cost-burdened low-income homeowners is likely associated with retired seniors who are living on fixed incomes, and are responsible for paying property taxes, utilities, insurance, HOA dues and other housing costs—even after they have paid off their mortgages. These expenses may add up to several thousand dollars a month. CHAS data also identifies 25 very low-income renter households in the city (30-50% of AMI), along with 185 very low-income owners. Over eighty percent of these households pay more than 30% of their incomes on rent.

As illustrated in Figures E-14 and E-15, the incidence of cost burden in Palos Verdes Estates is similar to the surrounding cities on the Palos Verdes Peninsula. Figure E-14, which is based on American Community Survey (ACS) data for 2015-2019, identifies two of the three tracts in Palos Verdes Estates as being in the 40-60% overpayment interval for homeowners. In other words, between 40 and 60 percent of its owner-occupied households spend more than 30 percent of their incomes on housing. The remaining tract is in the 20%-40% range.

Figure E-15, which is also based on ACS data for 2015-2019, identifies two of the three tracts in Palos Verdes Estates in the 40-60% overpayment interval and remaining tract as 20% to 40% overpayment interval for renters. As Figure E-15 indicates, the rate of overpayment is significantly higher to the southeast of the city in Rancho Palos Verdes and Rolling Hills Estates. Palos Verdes Estates renters tend to be more affluent, and are typically renting single family homes rather than apartments.

Table E-8 below shows that in 2008-2012, most extremely low- income owner-occupied households and over half of the renter-occupied households in Palos Verdes Estates were considered severely cost-burdened. This trend changed, with almost half of the owner-occupied households and 90 percent of the renter occupied households considered severely cost-burdened in 2014-2018. Rates of cost-burden were higher in Palos Verdes Estates than in the county as a whole. At a countywide level, about 63 percent of all low-income homeowners and 75 percent of all low- income renters are cost-burdened compared to 70 percent and 82 percent in Palos Verdes Estates, respectively.

**Table B-8
Percentage of Cost-Burdened Households, Palos Verdes Estates and Los Angeles County**

	Percent of Households in Palos Verdes Estates (*)		Percent of Households in Los Angeles County	
	2008-2012	2014-2018	2008-2012	2014-2018
Cost-burdened households earning less than 80% AMI (low income)				
Owners				
Paying > 30%	73%	70%	66.3%	63.1%

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	Paying > 50%	57%	48%	44.3%	40.2%
Renters					
	Paying >30%	75%	82%	73.3%	75.1%
	Paying > 50%	47%	82%	43.0%	44.5%
Cost-burdened households earning less than 30% AMI (extremely low income)					
Owners					
	Paying > 30%	93%	65%	74.7%	75.4%
	Paying > 50%	74%	45%	62.4%	63.0%
Renters					
	Paying > 30%	56%	90%	82.4%	81.7%
	Paying > 50%	56%	90%	70.4%	70.2%

Sources: CHAS HUD User website, data for 2008-2012 and 2014-2018.

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c. Overcrowding

If a housing unit is occupied by more than one person per room excluding kitchens and bathrooms, it is considered overcrowded. Only about one percent of the city’s households is overcrowded by this definition. Additionally, no households in the city meet the definition of “severe overcrowding”, which are housing units occupied by more than 1.5 persons per room. The results indicate that there is no overcrowding in the city’s renter-occupied households.

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Units on the Palos Verdes Peninsula do not meet the definition of overcrowding, as illustrated in Figure E-16. The overcrowding rates for the Palos Verdes Peninsula, as a whole are below the statewide average of 8.2 percent.

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Table E-9 shows household overcrowding in Palos Verdes Estates and Los Angeles County, confirming that rates of overcrowding are much lower in the city. In Palos Verdes Estates, there are no overcrowded rental units, and less than 1 percent of owner-occupied units meet the Census definition of overcrowding. Additionally, the data suggests little to no change between 2010 and 2020 in Palos Verdes Estates. In contrast, countywide data shows that roughly 6 percent of owner-occupied units and 16 percent of rental units are classified as overcrowded, with insignificant changes between 2010 and 2020.

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**Table B-9
Overcrowded Households, Palos Verdes Estates and Los Angeles County**

	Percent of Households in Palos Verdes Estates		Percent of Residents in Los Angeles County	
	2010	2020	2010	2020

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Owner Households				
Less than 1.0 persons per room	100%	99.1%	93.9%	94.3%
1.01-1.50 persons per room	0	0.6%	4.6%	4.1%
1.51-2.00 persons per room	0	0.3%	1.1%	1.1%
2.01 or more persons per room	0	0	0.3%	0.5%
Renter Households				
Less than 1.0 persons per room	100.0%	100.0%	82.4%	84.0%
1.01-1.50 persons per room	0	0	9.8%	8.5%
1.51-2.00 persons per room	0	0	5.2%	5.3%
2.01 or more persons per room	0	0	2.6%	2.2%

Sources: American Community Survey Five-Year averages for 2010 and 2020

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d. Housing Problems

The HUD CHAS data indicates the number of households that experience one of four specific housing problems in each community: (1) lack of a complete kitchen; (2) lack of complete plumbing facilities; (3) overcrowding; and (4) severe cost burden (paying more than 50 percent of income on housing). According to 2014-2018 CHAS data, there are about 1,170 owner-occupied households and 245 renter households in Palos Verdes Estates with one or more of these problems. Of these households, the CHAS data indicates there are 620 owner-occupied households and 75 renter-occupied households that are cost burdened. However, as shown in Figure E-17, the rate of severe housing problems is under 20% in all of Palos Verdes Estates and the majority of the Palos Verdes Peninsula.

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e. Displacement Risk

Figure E-18 illustrates vulnerability to displacement in southern Los Angeles County. Vulnerable communities are communities where 20 percent or more of the population is low income and two or more of the following conditions are present:

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- Renters are over 40% of all households
- People of color are 50% or more of the population
- Share of severely cost-burdened very low income renters is above county median
- Rents have been increasing at faster rate than county median
- Larger than average gap between local rents and rents in surrounding tracts

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None of the Palos Verdes Peninsula cities are shown as vulnerable.

Palos Verdes Estates has a low risk of displacement because of the high rate of homeownership. However, displacement could happen due to other factors, such as aging households that are unable to maintain their property or covering the expenses required for aging in place.

f. Homelessness

According to Los Angeles Homeless Services Authority (LAHSA), the annual point-in-time count for Los Angeles residents identified four unhoused residents in the city in 2016, none between 2017 to 2020 and two in 2022. While there are a relatively low number of unhoused residents, homelessness is a regional issue and consideration of the homeless is important in formulating housing policy. The low number of unhoused residents on the Palos Verdes Peninsula reflect the absence of shelter facilities and other supportive services.

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g. Other Relevant Factors

The State’s guidance for AFFH requires that other relevant factors contributing to fair housing issues be evaluated as part of this analysis. As explained in this section, the principal contributing factor is that Palos Verdes Estates was developed with open space at the forefront. The city has 28% of its land area dedicated to open space. The city’s single-family character was reinforced by the General Plan’s goal to fulfill its role in the area as a low-density, bedroom community. These requirements limited the rental housing supply to very expensive single-family homes and resulted in almost 90 percent of the city’s households being homeowners. In addition, employment opportunities for the great majority of Palos Verdes Estates residents ~~are~~ outside the city in the neighboring industrial-commercial center. Sites Analysis

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A full analysis of specific sites is included within ~~Section III~~ [Appendix D](#) and analyzes how particular sites are available for development of housing to meet the needs of households at all income levels.

C. Site Inventory

AB 686 mandates that cities identify sites throughout the community in a manner that is consistent with its duty to affirmatively further fair housing. The sites identified in the Housing Element must work to replace segregated living patterns with integrated living patterns. Palos Verde Estates has done this by focusing on Accessory Dwelling Units (ADUs) ADUs allow for economic integration as they enable low and very low income households to live in homes distributed throughout the community versus concentrated in specific areas. The City will monitor ADU construction during the planning period and make adjustments as appropriate if assumptions are not met.

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1. Local Data

HCD’s guidance for the AFFH analysis indicates that cities should use local data and knowledge to analyze fair housing issues, including information obtained through community participation or consultation. The regional demographic data help show spatial patterns but do not expressly explain

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why problems exist. An additional screen of local insights is necessary to complement federal and state data sources.

2. Distribution of Proposed Housing Sites

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The distribution of sites in the City’s site inventory should not exacerbate patterns of segregation, access to opportunity, and disproportionate housing needs. The site inventory must be consistent with the city’s obligation to affirmatively further fair housing.

As stated previously, the entire city is in the highest resource category. The land use pattern is homogenous and consistent with all other areas of the city, and there are no obvious disparities in housing condition, demographics, or income.

The City will distribute affordable housing through four sites within housing opportunity areas and 80 ADUs on sites distributed throughout the city.

The City will adopt provisions to allow “by right” development of these sites.

D. Priorities, Goals, and Actions

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1. Fair Housing Enforcement

The State of California's Office of Fair Housing and Equal Opportunity (FHCO) mission is to eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities. FHCO enforces the Fair Housing Act and other anti-discrimination laws, if the City receives a fair housing complaint, the involved party would be referred to FHCO for investigation.

There are no known pending lawsuits, enforcement actions, judgements, settlements, or findings related to fair housing and civil rights in Palos Verdes Estates. Palos Verdes Estates will comply with all applicable state and federal laws, including but not limited to, the federal Fair Housing Act and Americans with Disabilities Act (ADA), the California Fair Employment and Housing Act, and the Housing Accountability Act.

HCD’s AFFH data viewer shows that there were two FHCO inquiries between 2013-2021. The two inquiries are noted as “Failure to Respond” and “No Valid Issue” in the AFFH data viewer. The City has not received any complaints or inquiries regarding fair housing in the City and is unaware of any other fair housing cases that may have occurred without being formally reported. In addition, the City is unaware of the use of any Section 8 housing choice vouchers within the city, or the denial of any potential use of a voucher within the city

2. Identification and Prioritization of Contributing Factors

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Contributing factors that create, contribute to, perpetuate, or increase the severity of fair housing issues. In its AFFH Guidance Memo, HCD identified eight contributing factor topic areas: general outreach, fair housing enforcement and outreach capacity, segregation and integration, racially and

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ethnically concentrated areas of poverty, disparity in access to opportunity, disparity in access for persons with disabilities, disproportionate housing needs and displacement risks, and the site inventory.

The following are contributing factors that affect fair housing choice in Palos Verdes Estates.

Priority 1: Address Disparities in Access to Opportunity

Contributing Factors:

- Land Use and Zoning Laws
- Restrictive Covenants

The Housing Element’s Housing Programs will address disparities in access to opportunity. These disparities have been created by land use and zoning laws and restrictive covenants governed by the Palos Verdes Estates Homes Association.

The 2021-2029 Housing Element identifies steps the City will take to mitigate this contributing factor.

Specific Programs aimed at mitigating land use and zoning as a contributing factor include:

- Program 7. Continue to encourage production of accessory dwelling units.
- Program 8. Continue to implement density bonus incentives consistent with State law.
- Program 13. Zoning Code Review and Update. The zoning code update will allow for by-right residential units at all income levels. These code revisions will not interfere with existing restrictive covenants.

Specific Programs (described in Chapter 6) aimed at mitigating restrictive covenants include:

- Program 13. Zoning Code Review and Update. The zoning code update will allow for by-right residential units at all income levels. These code revisions will not interfere with existing restrictive covenants.

E. Conclusion

Palos Verdes Estates’ biggest obstacle to fair housing is high housing cost, which limits lower-income households from accessing the high opportunities and resources available in the City. ~~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~~

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~~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.

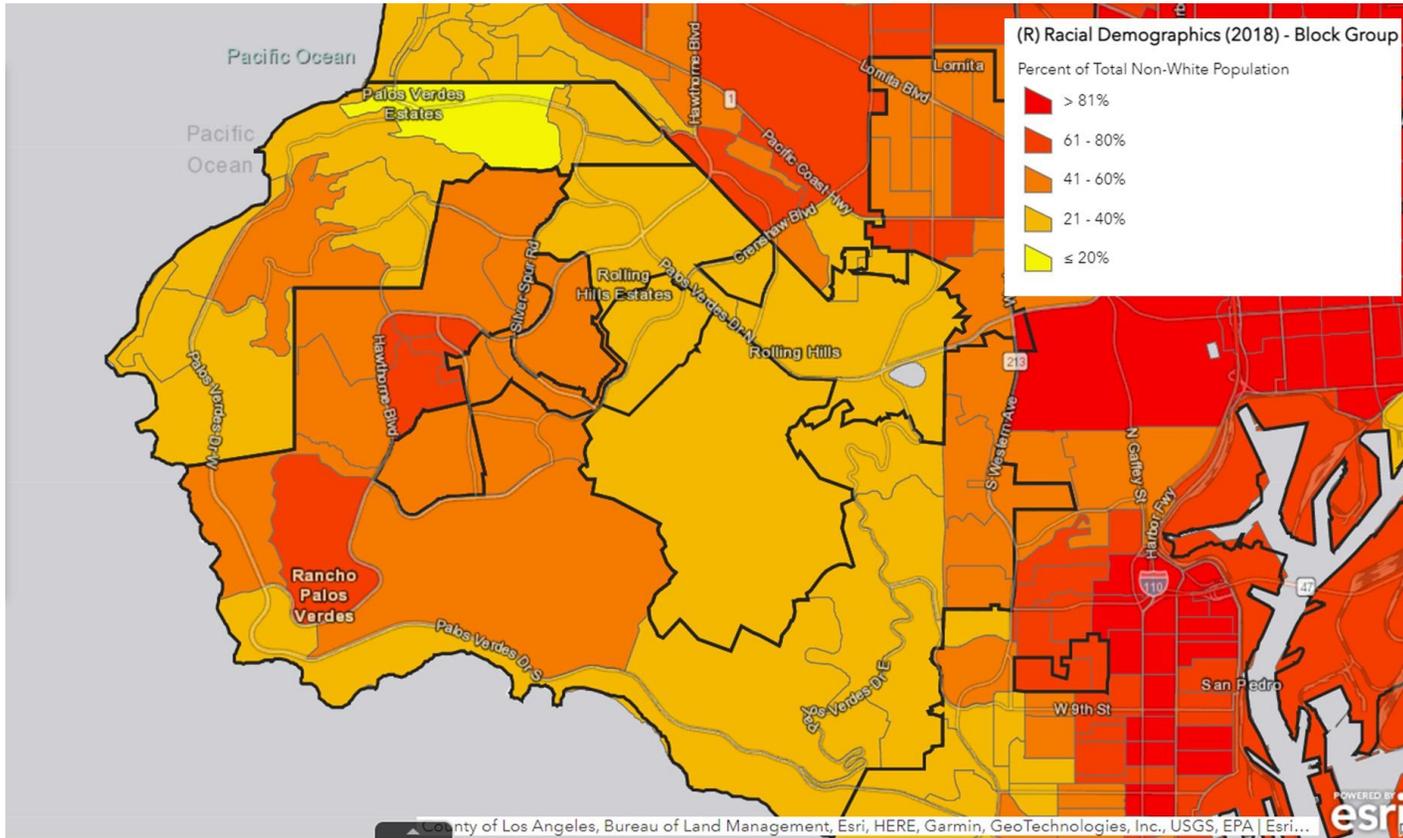
According to the California Code of Regulations, a land use practice has a discriminatory effect where it actually or predictably results in a disparate impact on a group of individuals, or creates, increases, reinforces, or perpetuates segregated housing patterns, based on membership in a protected class. Such practices may still be lawful--however, the State has determined that they should be mitigated to the extent that they increase, reinforce, or perpetuate segregated housing patterns. In this context, the State has found that single family zoning itself has had unintended (and in some cases, intended) discriminatory effects. In response, the legislature has taken steps requiring local governments to accommodate additional housing units on single family zoned sites.

Palos Verdes Estates ~~has implemented regulations an ADU ordinance to regulate and to allow~~s accessory dwelling units. ~~ADUs offer potential opportunities for the creation of rental housing, smaller and more affordable units that were previously unavailable in the city. The production of new ADUs and affordability programs help~~ promote fair housing and provide ~~new affordable~~ housing options ~~for the community~~.

~~While strategies to improve mobility, preserve affordable housing, and protect residents from displacement are not as applicable in Palos Verdes Estates, the city's policies and programs aim to address disparities and create affordable housing options in high resource areas. The city has mandated that all multi-family construction be affordable for low and very low income households, encouraging economic diversification instead of further concentrating affluence. Allowing market rate multi family housing would only exacerbate existing affluence concentrations and go against the purpose and intent of AB 686.~~

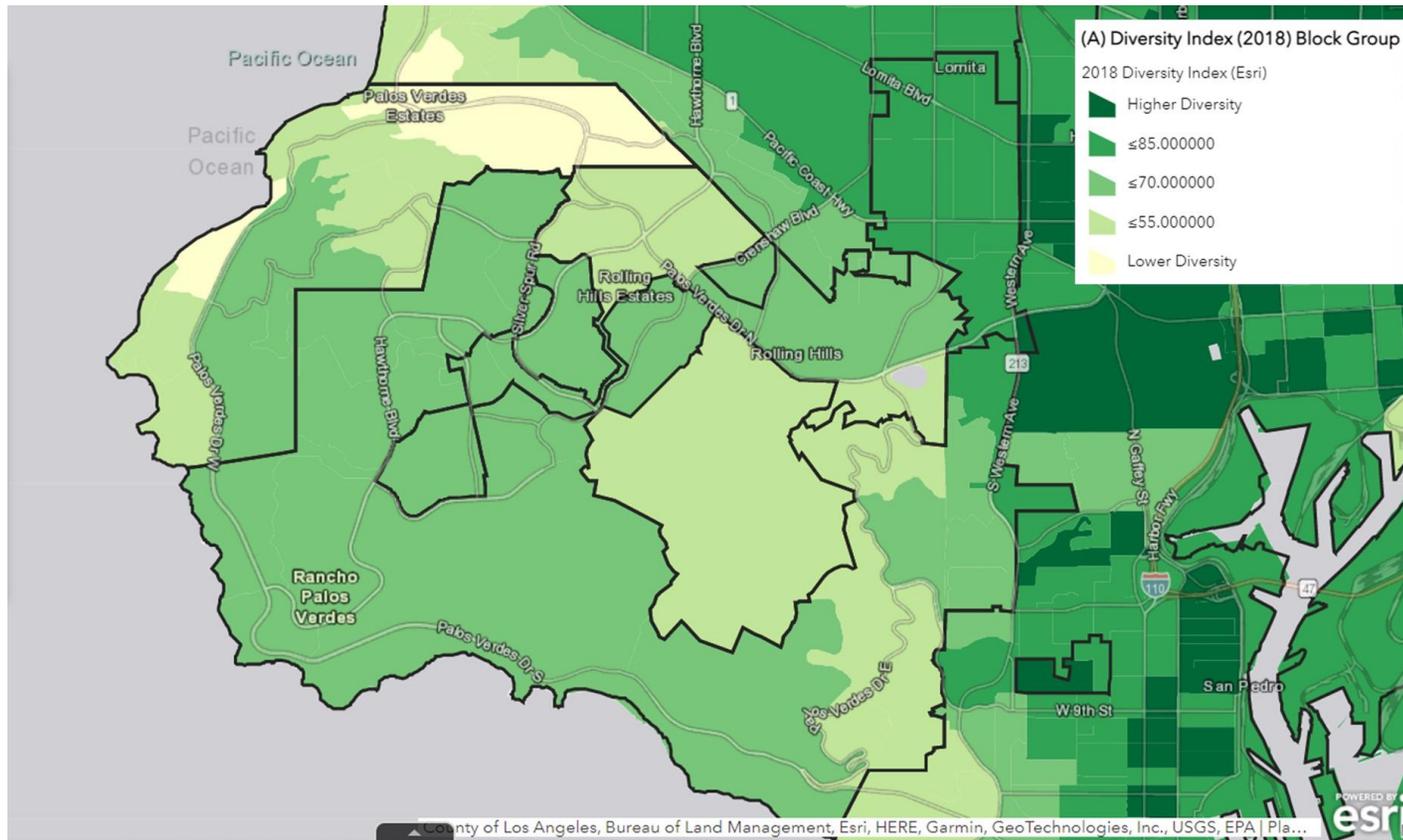
Palos Verdes Estates ~~has also prioritized~~ is making an effort to affirmatively further fair housing by conducting outreach and education for its residents and those who may want to move there in the future. ~~Current efforts~~ Per Program 10, the City will continue to post State regulations at City 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. ~~to provide information and communicate with fair housing service providers will be expanded in the future.~~

Figure 0-~~104~~
Racial Demographics – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

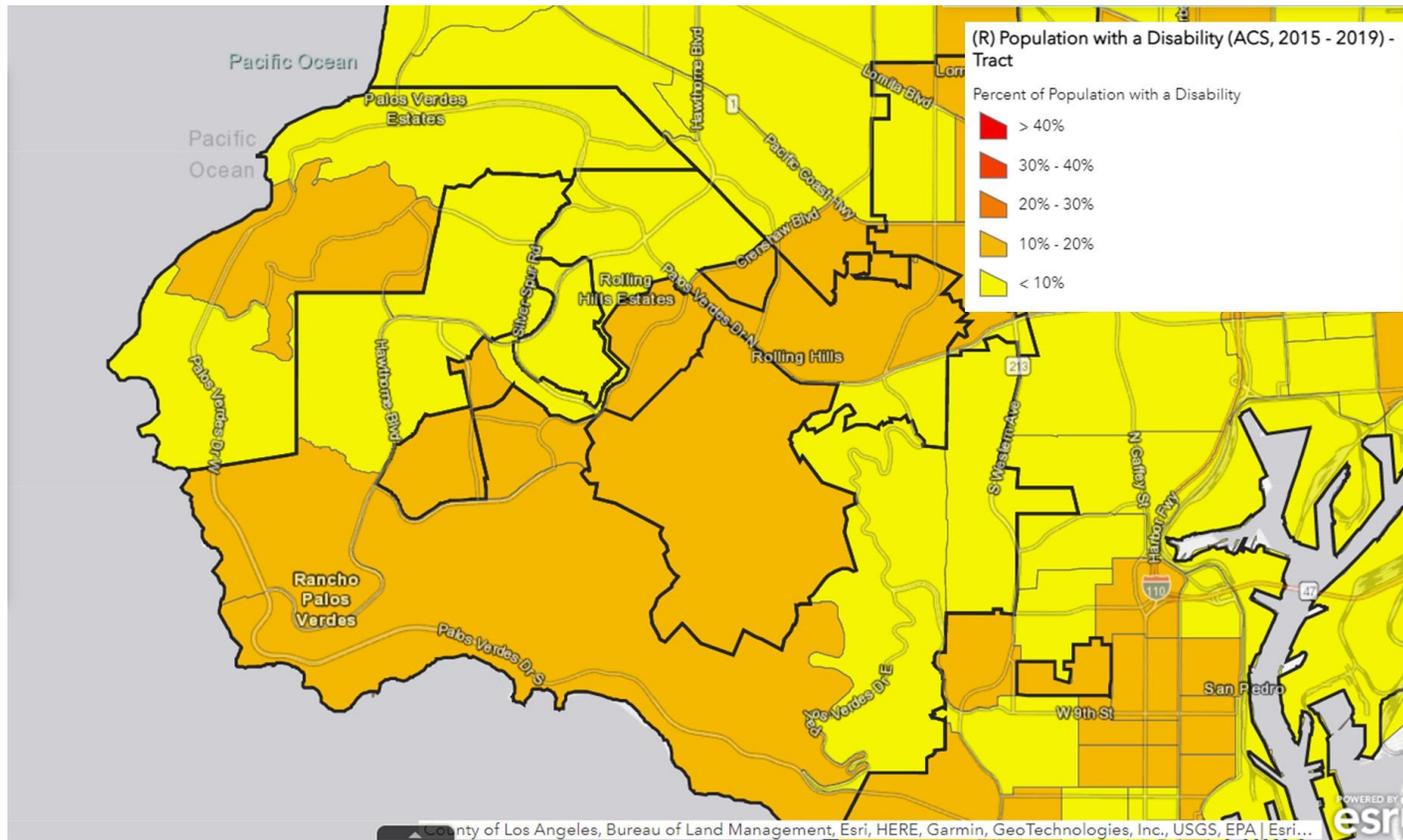
Figure 0-~~112~~
AFFH Diversity Index – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

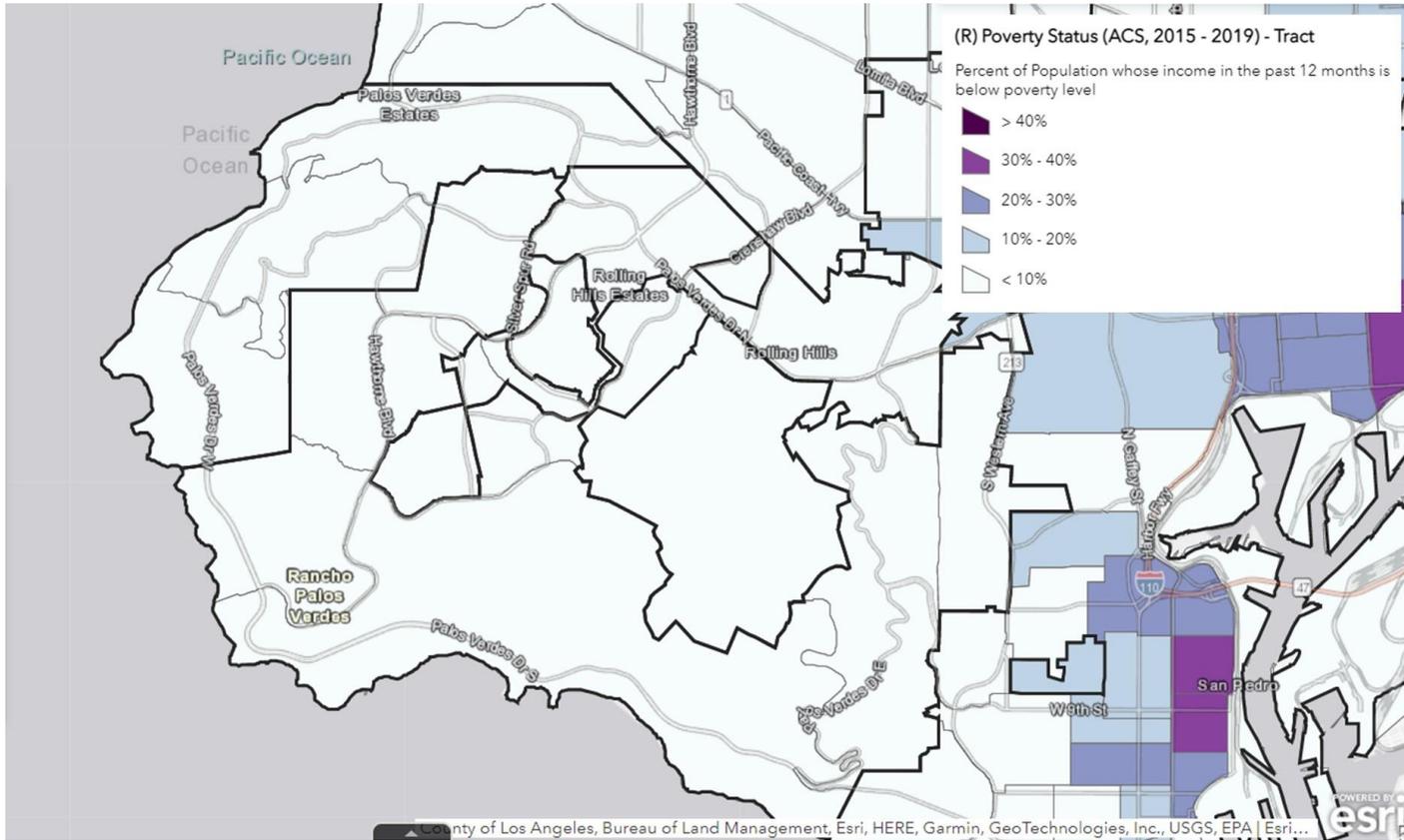
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Figure 0-~~123~~
Population with a Disability – Palos Verdes Estates



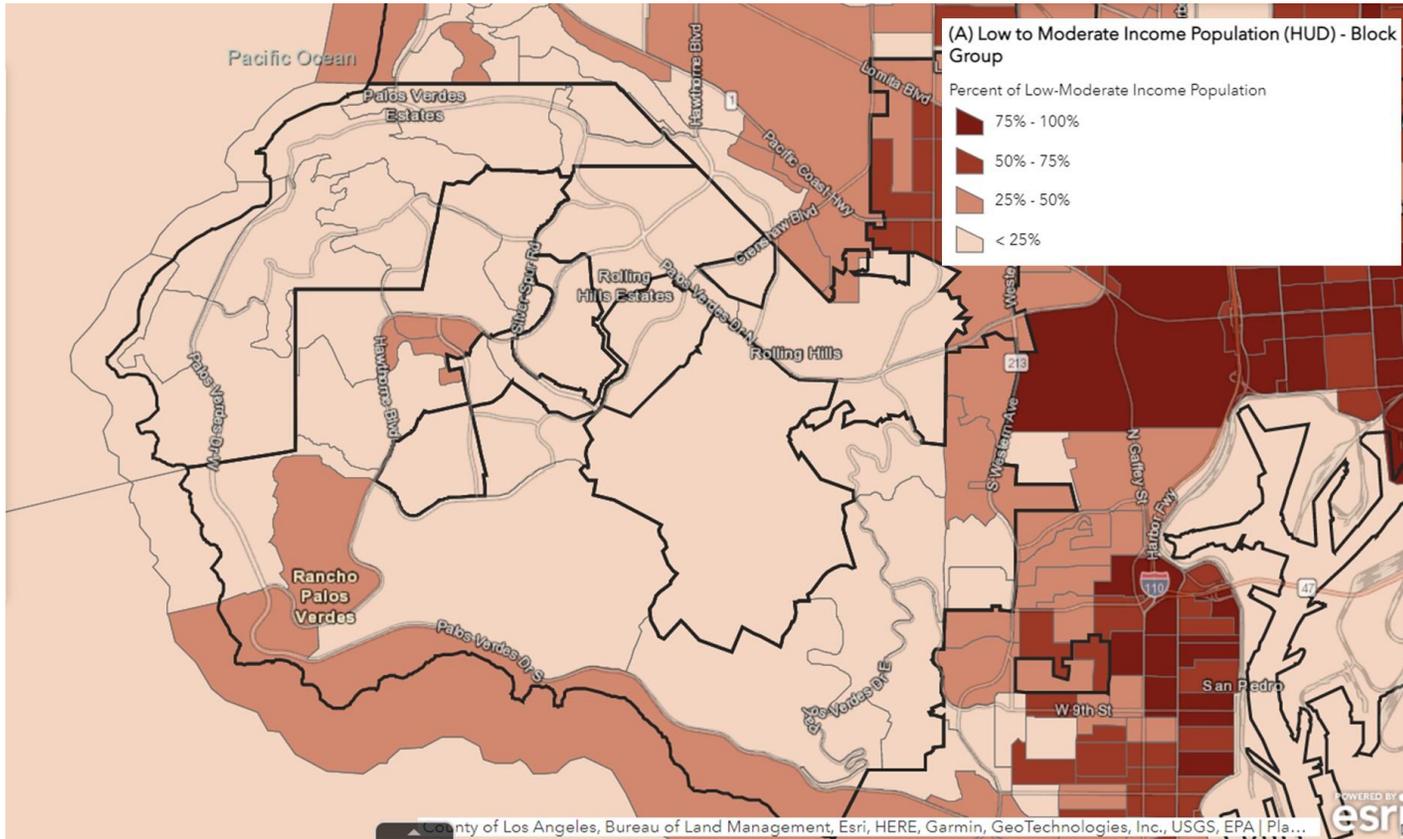
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure 0-134
Poverty Status – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

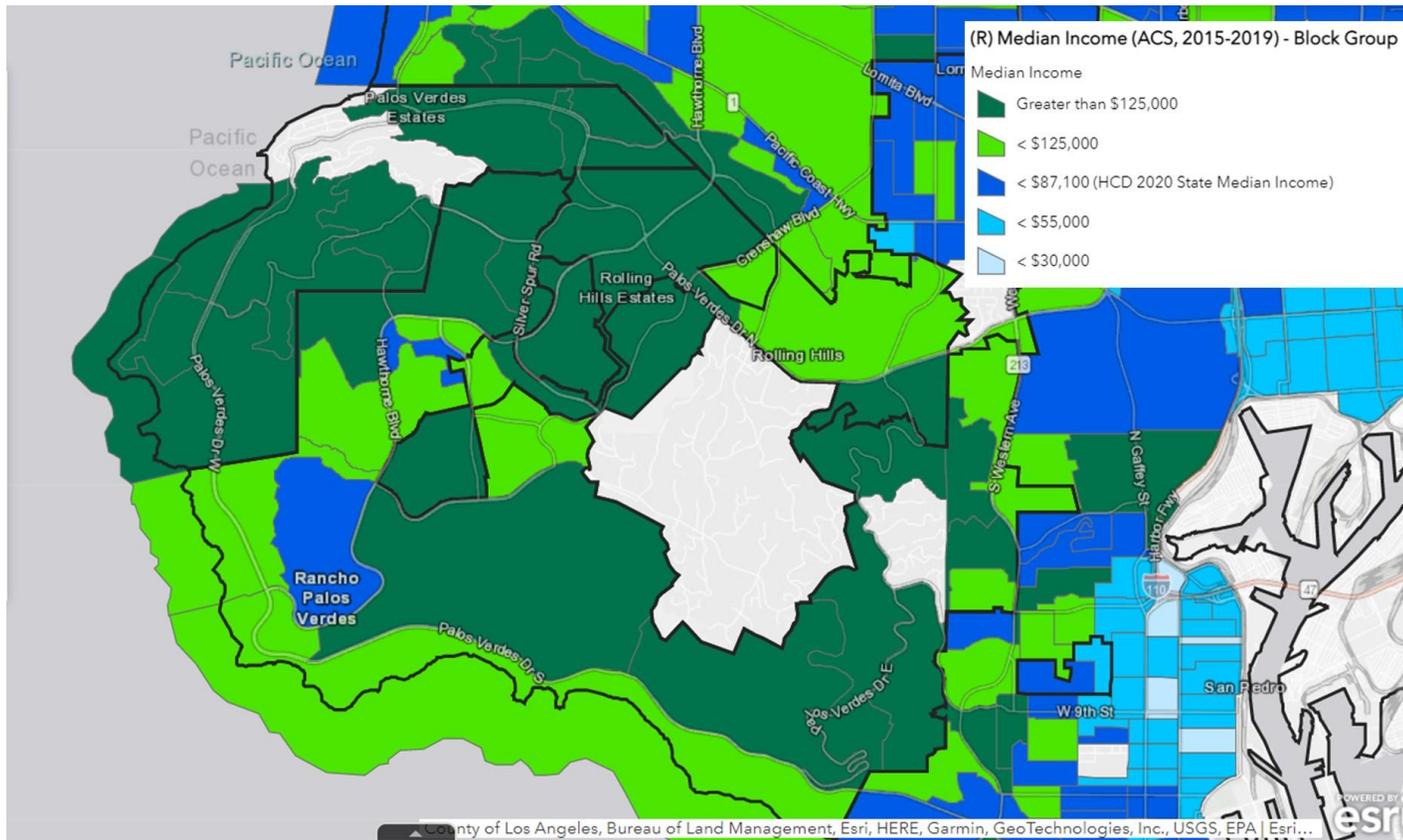
Figure 0-145
Low to Moderate Income Population – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

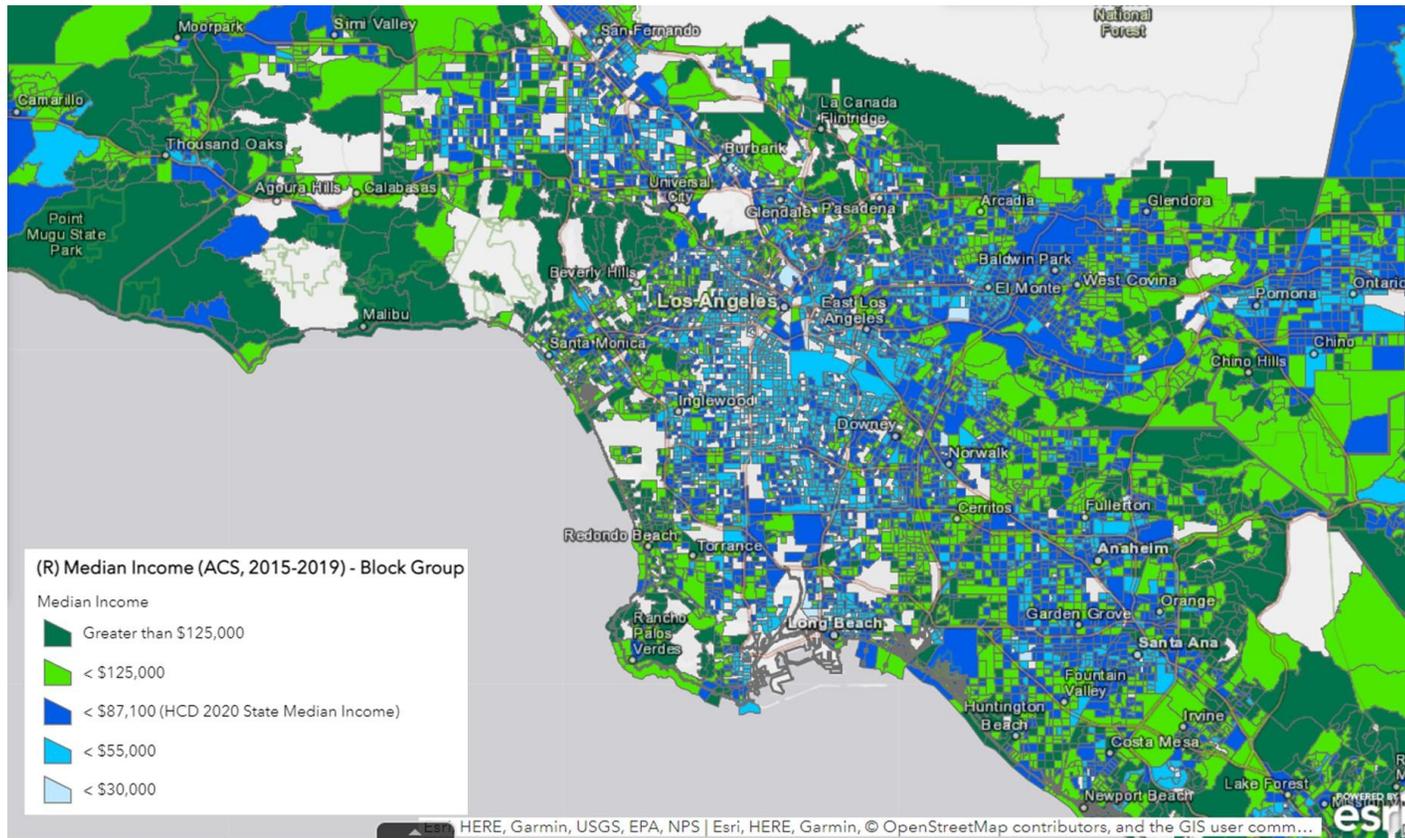
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Figure 0-156
Median Income – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

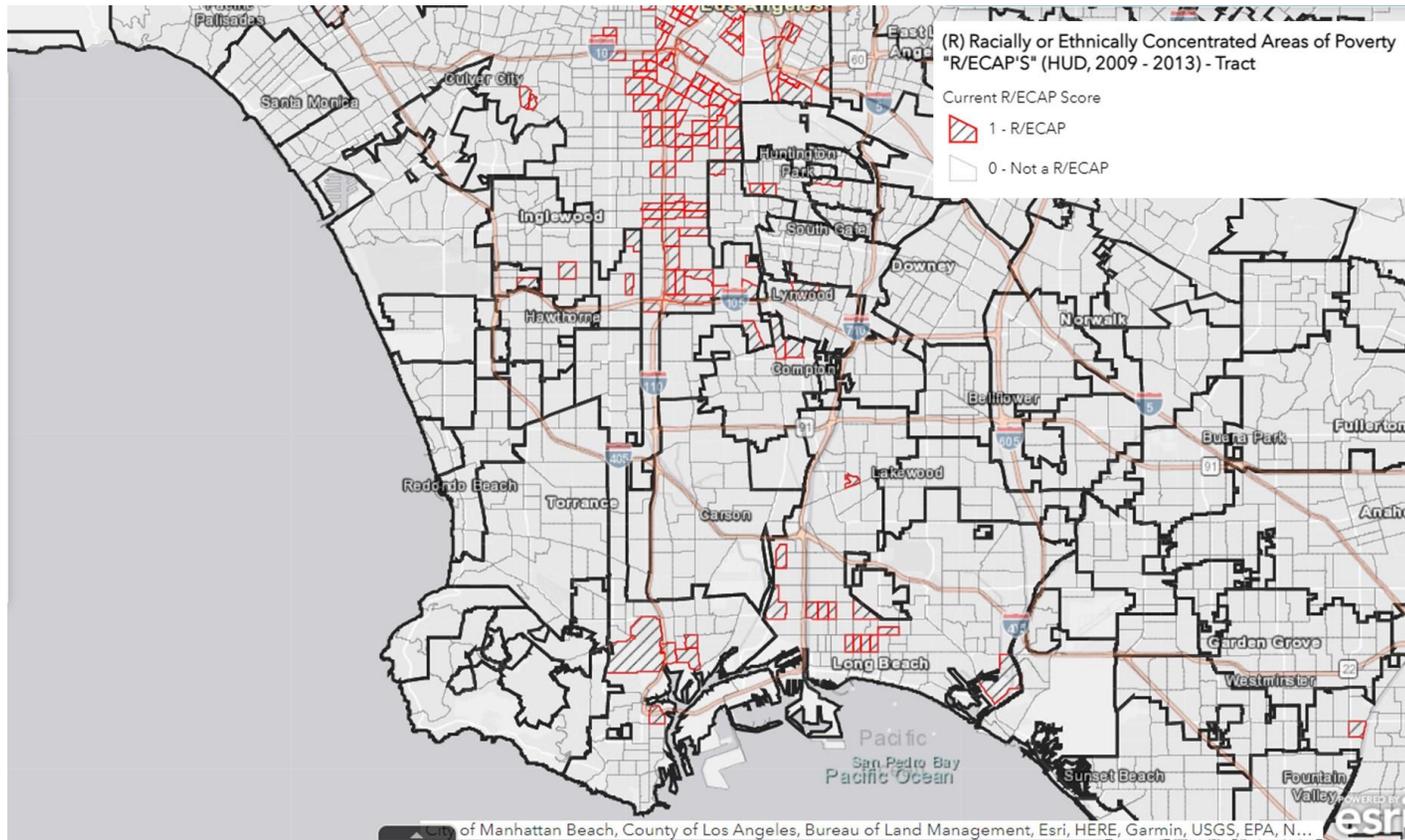
Figure 0-~~167~~
Income in Greater Los Angeles Area



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

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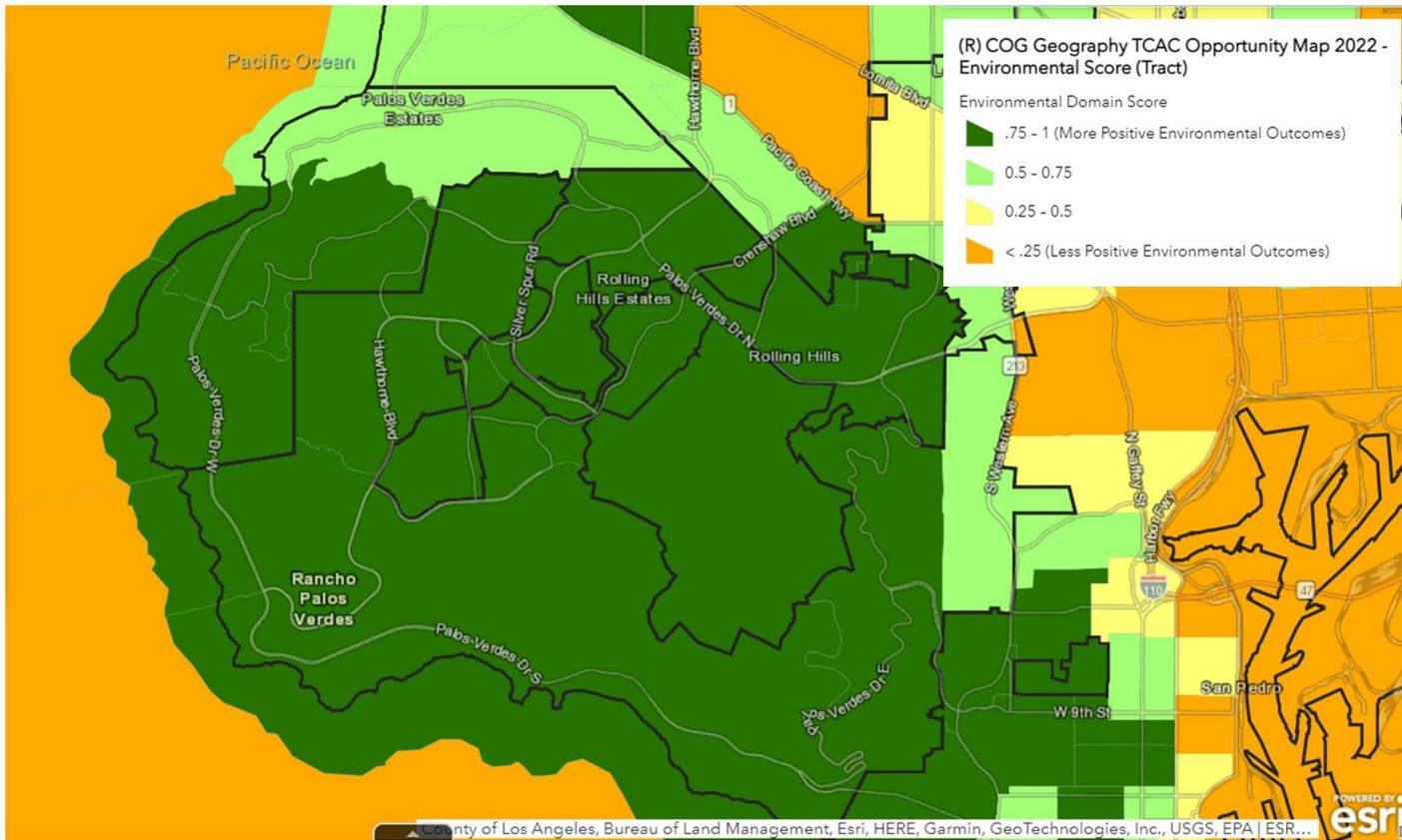
Figure 0-178
Racially or Ethnically Concentrated Areas of Poverty – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure 0-~~189~~
Racially Concentrated Areas of Affluence – Palos Verdes Estates

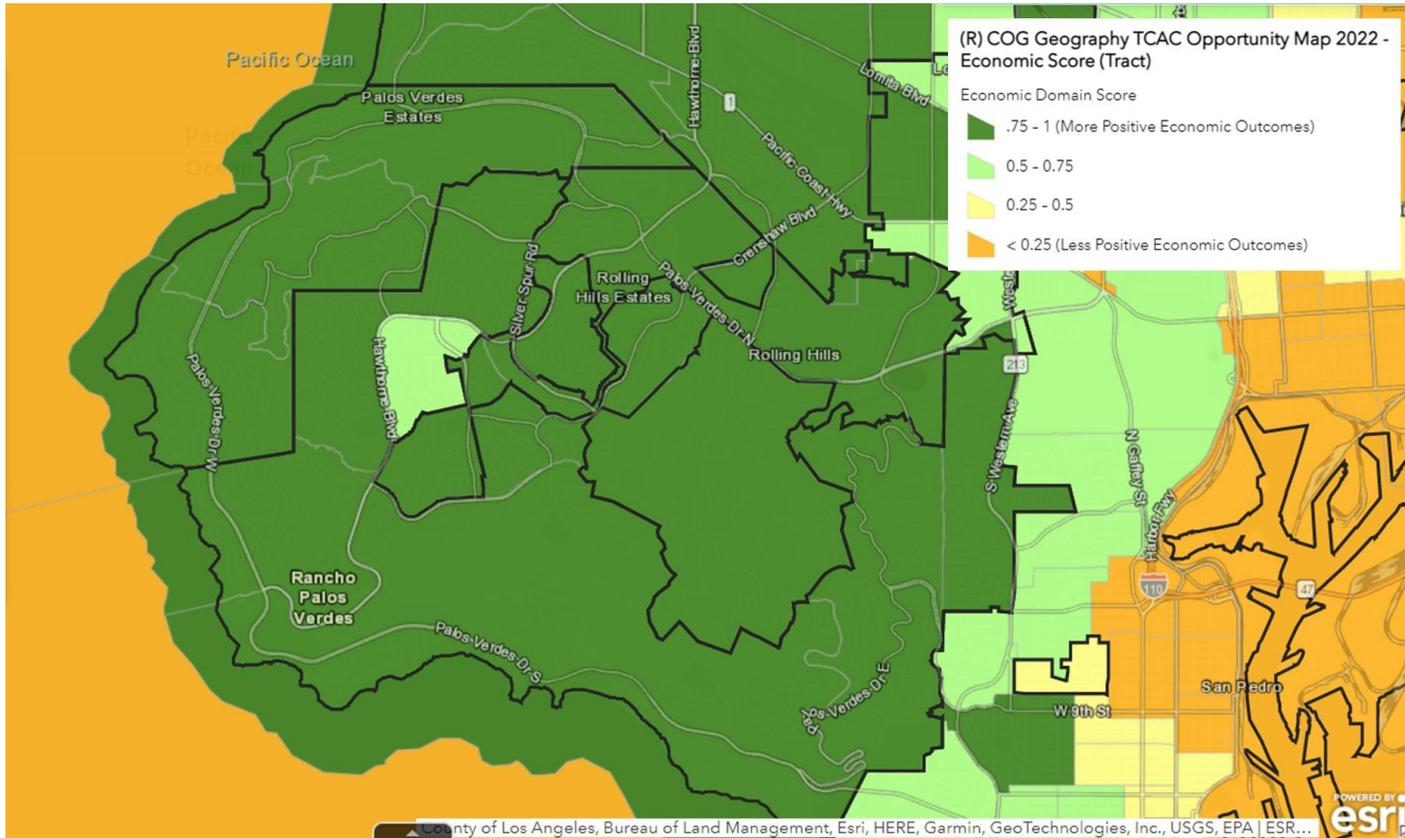
Figure 0-~~1910~~
TCAC Opportunity Map, Environmental Score – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

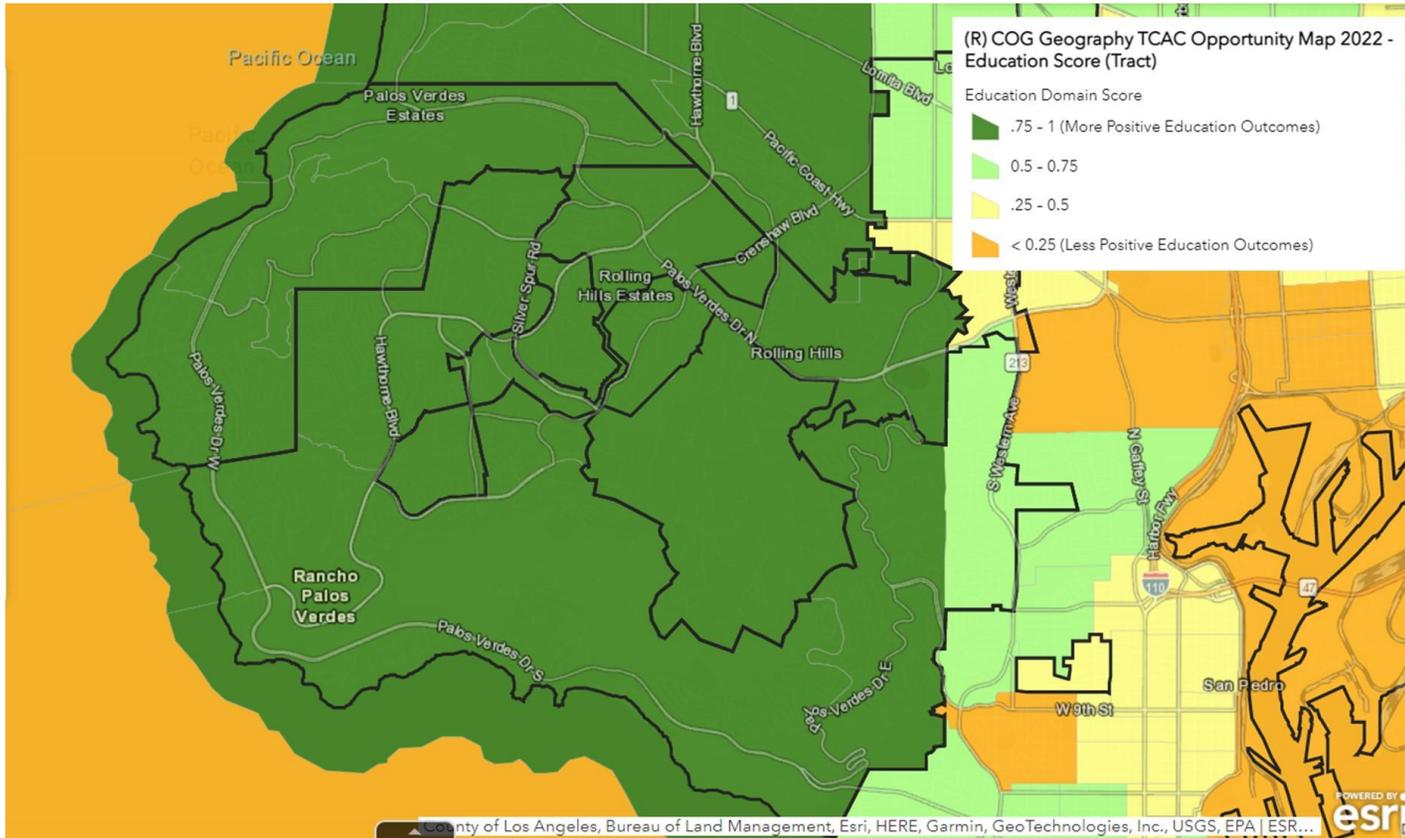
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Figure 0-~~2011~~
TCAC Opportunity Map, Economic Score – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

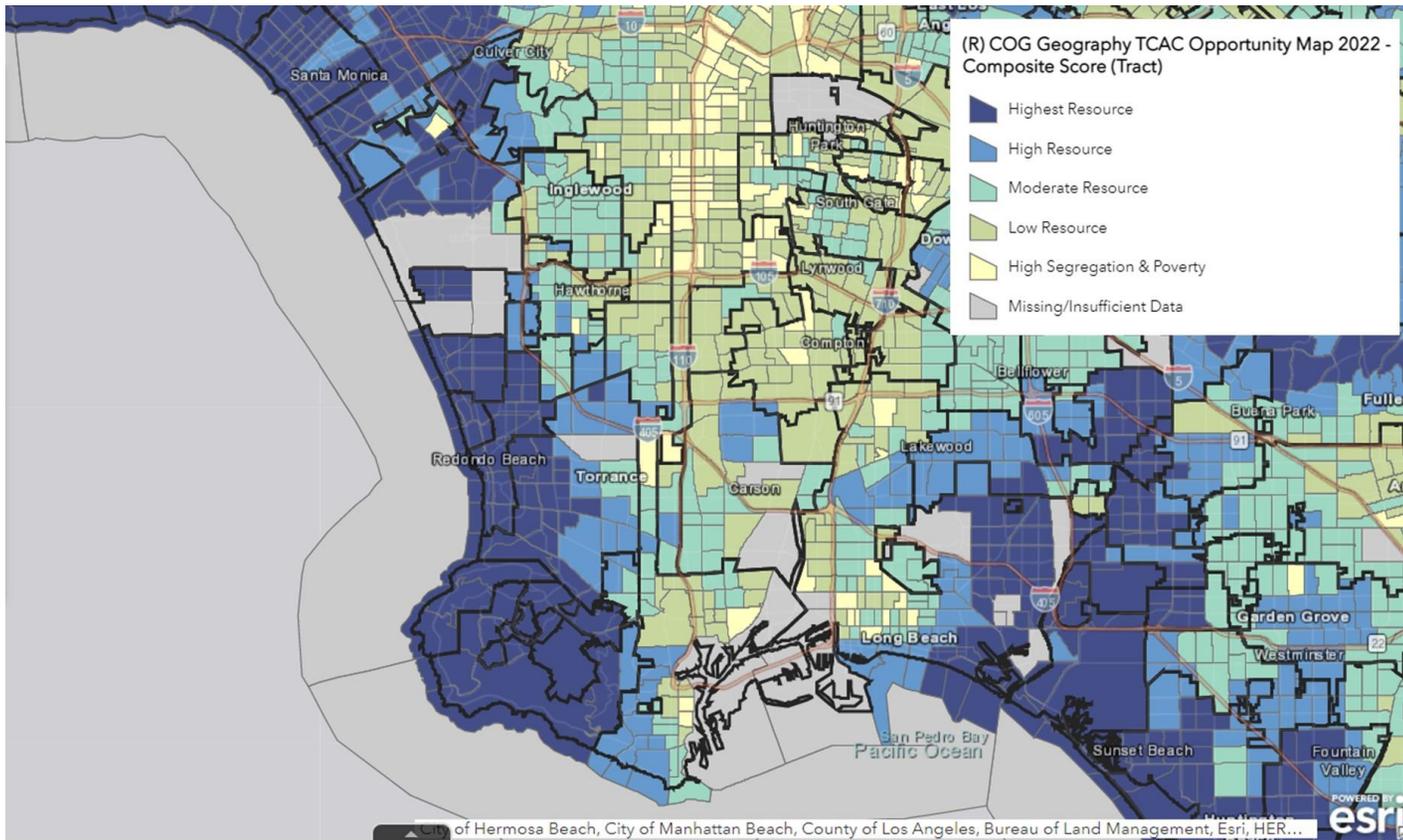
Figure 0-~~2112~~
TCAC Opportunity Map, Education Score – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

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Figure 0-~~2213~~
Composite Opportunity Map – Palos Verdes Estates

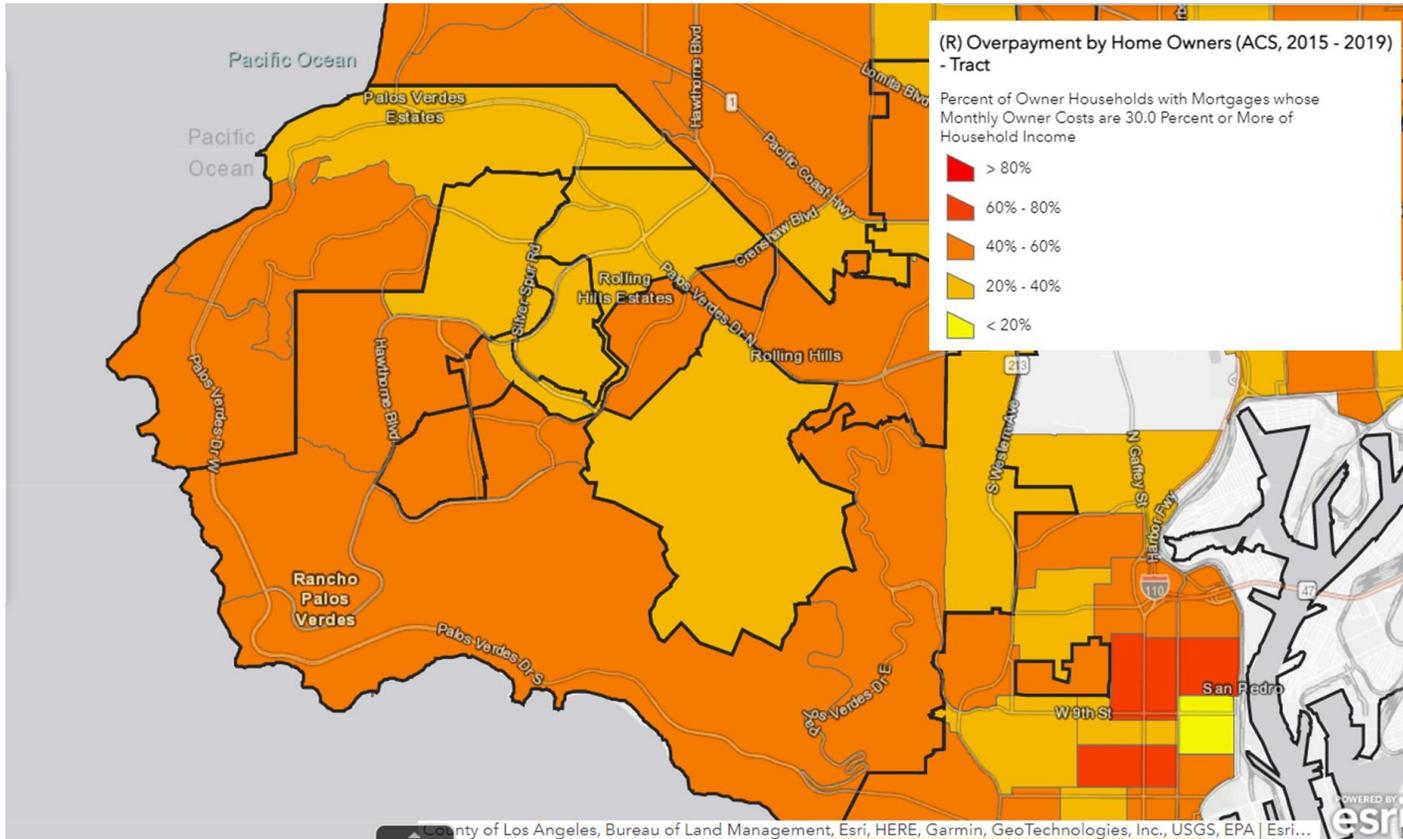


Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

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Figure 0-~~2314~~
Cost Burdened Home Owners – Palos Verdes Estates

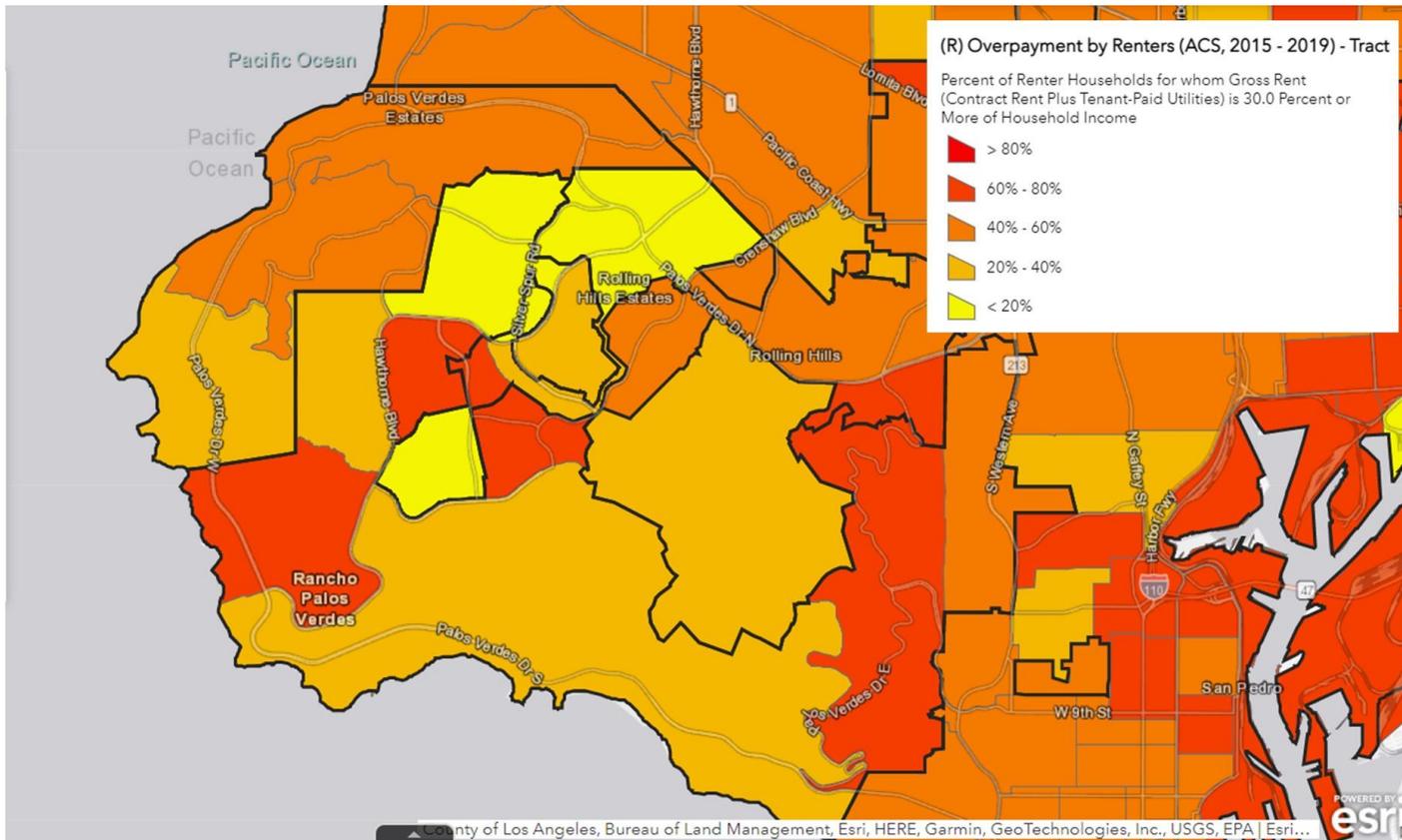
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Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

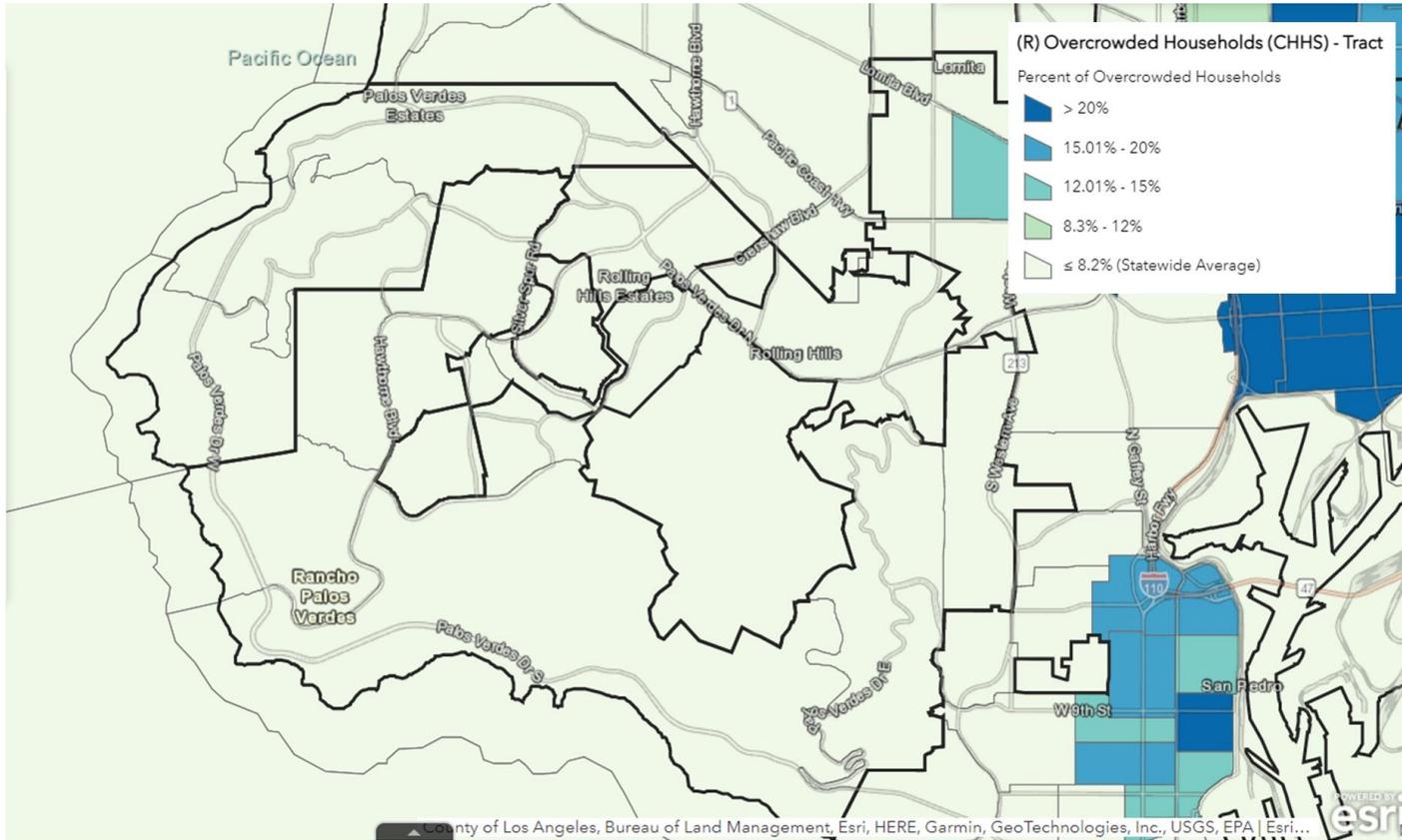
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Figure 0-~~2415~~
Cost Burdened Renters – Palos Verdes Estates



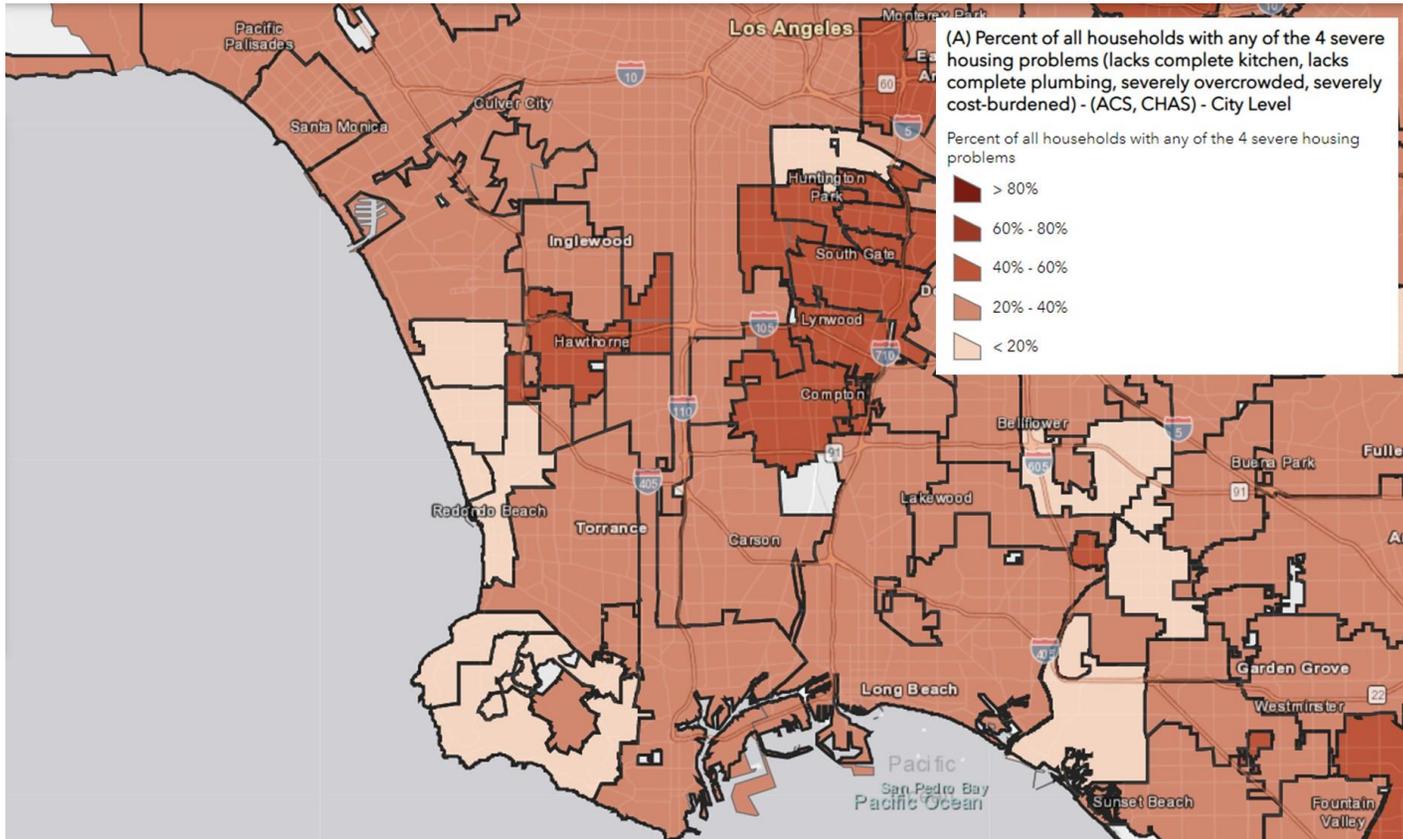
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure 0-~~2516~~
Overcrowded Households – Palos Verdes Estates



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

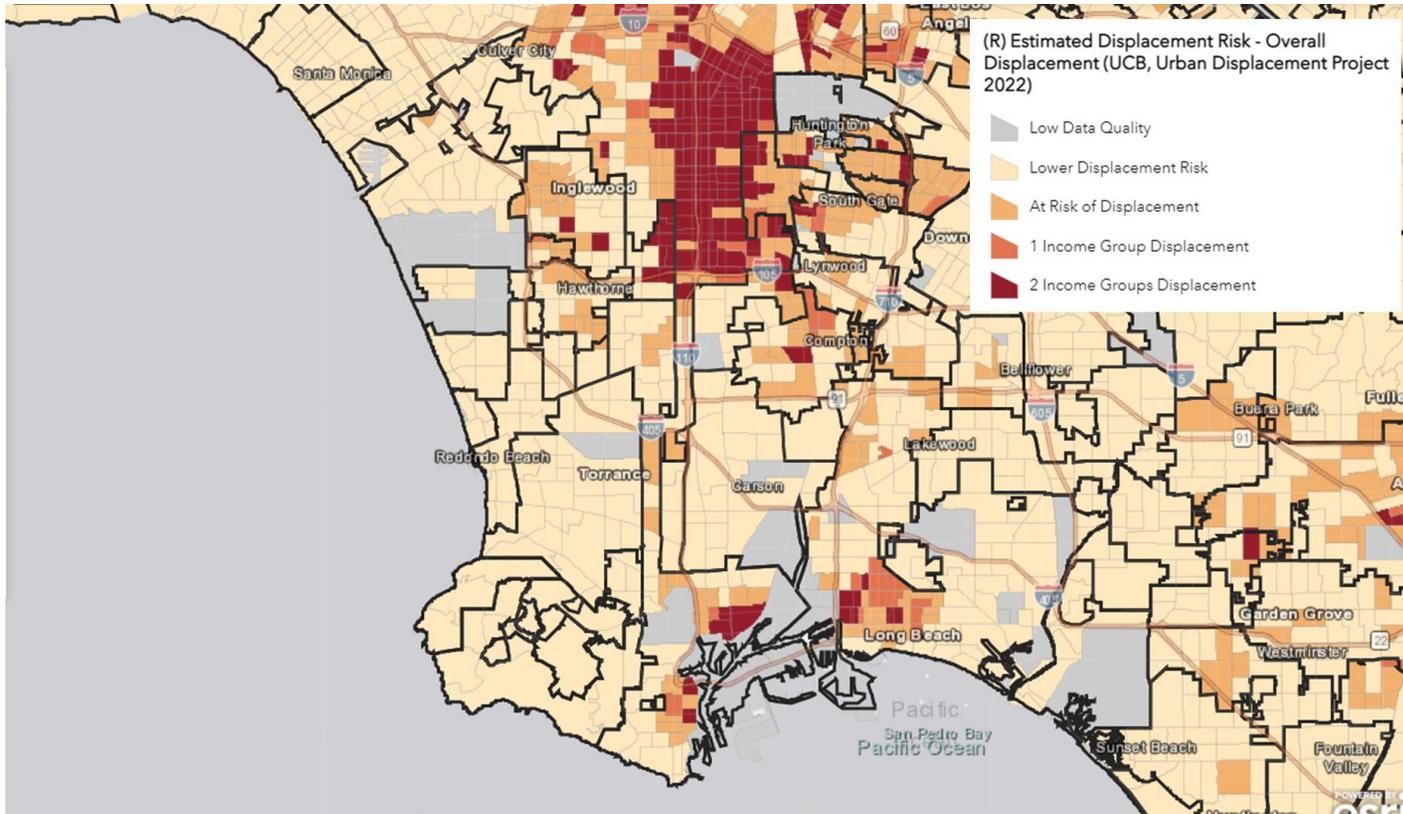
Figure 0-~~2617~~
Households with one or more Severe Housing Problems



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

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Figure 0-2748
Communities sensitive to Displacement



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

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APPENDIX F

Accessory Dwelling Unit Survey Findings

State law requires Palos Verdes Estates to provide for its “fair share” of the region’s housing needs, including low- and very low-income households. The construction of Accessory Dwelling Units (ADUs) can meet a significant portion of the City’s State-mandated housing allocation. This would minimize the need for rezoning or increasing the number of units in the Mixed-Use Overlay Zone. To effectively solicit feedback from the entire community, the City conducted an ADU survey to evaluate opportunities for ADUs and the community’s opinions towards them. This online survey was live between March 17, 2023 and May 15, 2023. The City notified residents of this survey through mail and made the survey available at the public planning counter.

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The City received 346 responses. Responses to the survey were anonymous and respondents were asked not to provide their names or addresses. To limit multiple responses from individuals, respondents were limited to one response per electronic device. These results have been used to gain an understanding of the community’s interest in ADUs and guided the City’s development of ADU programs for the City of Palos Verdes Estates Housing Element Update.

A. Demographic of Respondents

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The first question asks respondents to indicate how they are associated with the City of Palos Verdes Estates. Respondents could choose between living in the city, working in the city, both living and working in the city or neither. In general, the majority of respondents live in the City, with 89% of respondents living in the city and 8% of respondents living and working in the City. Only one respondent worked in the city and eight of respondents neither lived or worked in the City.

B. ADU + Size and Condition + Use

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Respondents were asked if they have an existing ADU on the property and gauged their interest in constructing one. Respondents were able to respond with “Yes”, “No, but we have a secondary building that meets the definition of an ADU”, “No, but we would like to build an ADU”, or “No, we do not want an ADU”. 335 of the 346 respondents answered this question. Of those that answered, 2% have an ADU, 3% have a secondary building such as a guesthouse or pool house, 20% do not have an ADU but would like to have one and 75% do not have an ADU and do not want one. While the majority of respondents do not have or want an ADU, about 25% of respondents have or want an ADU.

Respondents were asked about the approximate size, bedroom count, and condition of existing properties ADU. Six respondents described the size of their ADU or secondary building that meets the definition of an ADU, ranging from 400 sf studios to 1,000 sf two-bedroom units. All units that listed the condition noted that the unit was in excellent condition or new.

Respondents were also asked about the current use of their ADU or secondary building on their property. None of the respondents rent to a paying tenant and, as noted above, the majority of them do not have an ADU. However, two respondents answered that their ADU or secondary building is occupied by a

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long-term resident that does not pay rent and nine respondents use their ADU as a guesthouse for visitors. Respondents were given the opportunity to provide more information on what their spaces were used for, and answers ranged from a workspace such as an art studio, a place to complete chores, a recreational space, and storage.

C. Deed Restriction / Restricting Rent on ADUS

The survey asked respondents what the monthly rent was for their ADU. However, as noted above, no respondents rented their ADU or secondary building to a paying tenant.

The survey asked respondents if they would consider a deed restriction that limits rent on an ADU to help the City meet its State-mandated affordability requirement. Respondents were given the option to respond “no”, “need more information”, “yes, if it doesn’t impact my property when I sell it”, “Do not have an ADU” and agree to consider a deed restriction based on a limited terms for the affordability requirement. Limited term options included a 5-year term, 10 year term, 20 year term or a deed restriction until the sale of the property. Respondents were allowed to select multiple options. 114 respondents answered “Do not have an ADU” and did not provide more information regarding deed restrictions. Of the remaining 159 responses, approximately 50% of the respondents answered “No” to the deed restriction but eight of these respondents (10%) also asked for more information. About 20% of respondents answered “yes, if it doesn’t impact my property when I sell it” and 9%, 1%, and 4% would support a 5 year deed restriction, 10 year deed restriction, and 20 year deed restriction respectively. Approximately 37% of respondents requested additional information.

The responses suggest the potential impact to property value long term are not favorable and that residents want flexible arrangements that do not impact the resale value of their home. In addition, many residents would like more information on deed restrictions for ADUs, regardless of whether they support or do not support a deed restriction.

D. ADU Constraints and Incentives

Respondents that were interested in constructing an ADU were asked to rate constraints to constructing an ADU and were given the option to provide a free response to additional constraints. 331 of the 346 respondents answered this question. 67% of the votes indicated that the question was not applicable, the high number of respondents that do not want an ADU. “Viable locations on the lot” received 16% of the votes, “Permit cost” received 11% of the votes, “Design and construction cost” received 17% of the votes and “Property taxes received 15% of the votes. In the free response section, respondents listed various constraints including inadequate infrastructure and narrow streets, opposition from neighbors, ADU and Fire District requirements, HOA approvals and the lack of approved plans as other constraints.

Viable locations on a property is one of the larger constraints to property owners which is consistent with the strict design standards set by the PVHA and the deed restrictions that require open space on private property. However, design and construction costs, and property tax implications received a similar amount of votes, and permit costs received slightly fewer votes. The City is able to address some of the constraints by coordinating with outside agencies on the approval process and adopting approved

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plans. In addition, to make an ADU rent restriction more attractive to residents, the City could offer further incentives. For example, the City could reduce ADU permit fees for a rent restricted ADU.

E. Public Opinion of ADUs

Question 8 allowed for respondents to provide any comments or feedback regarding ADUs. 197 respondents provided some sort of comment in response to this question.

Given the wide range of responses, the City categorized the responses into three categories: (1) Support ADU or Support ADU with Conditions, (2) Do not support ADUs, and (3) Neutral, general questions, unrelated to ADUs, or no response. Approximately 19% of respondents answered that they support ADUs or would support ADUs with a condition such as prohibiting short term rentals, limiting maximum rent, requiring off street parking, requiring an owner to occupy the main residence, limiting maximum size, and more. 45% of respondents provided a negative response to ADUs or do not support ADUs. 36% of respondents provided neutral responses such as asking a question instead of giving positive or negative feedback regarding ADUs.

F. ADU Survey

Please see the following pages for the ADU survey and notice.

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Dear Palos Verdes Estates Resident,

The City requests a few minutes of your time to complete a survey regarding Accessory Dwelling Units (ADUs) in Palos Verdes Estates. Your response will assist the City in understanding community goals and concerns. All responses will remain anonymous; please do not include your name or address on the survey.

The survey is available online:

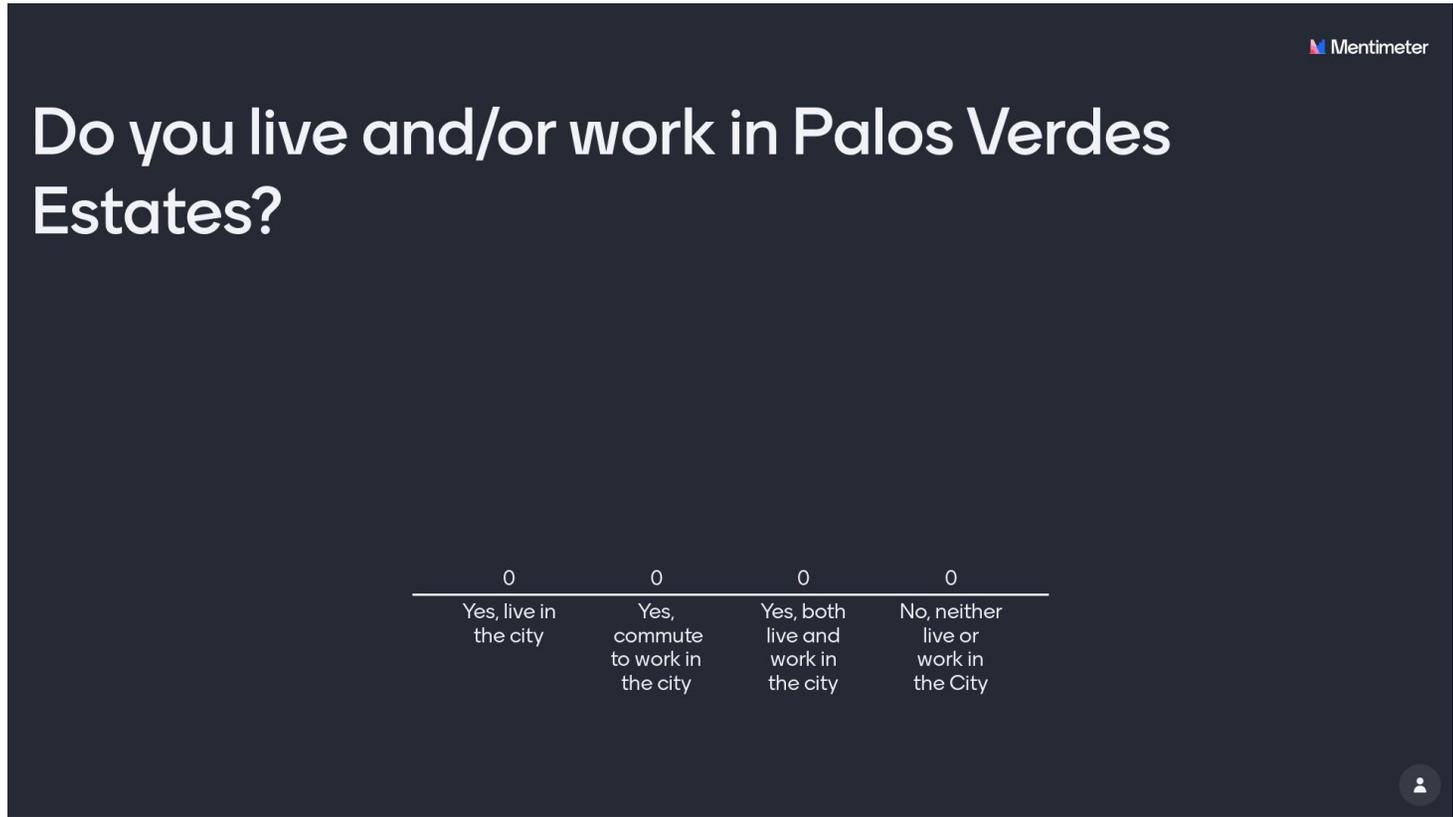
www.menti.com Code 6638 6060.

The City must determine the community’s level of interest in ADUs and assess the potential for ADUs to meet local housing needs. State law requires Palos Verdes Estates to provide for its “fair share” of the region’s housing needs, including low- and very low-income households. ADUs is one solution for providing this housing without significantly changing the character or appearance of the community.

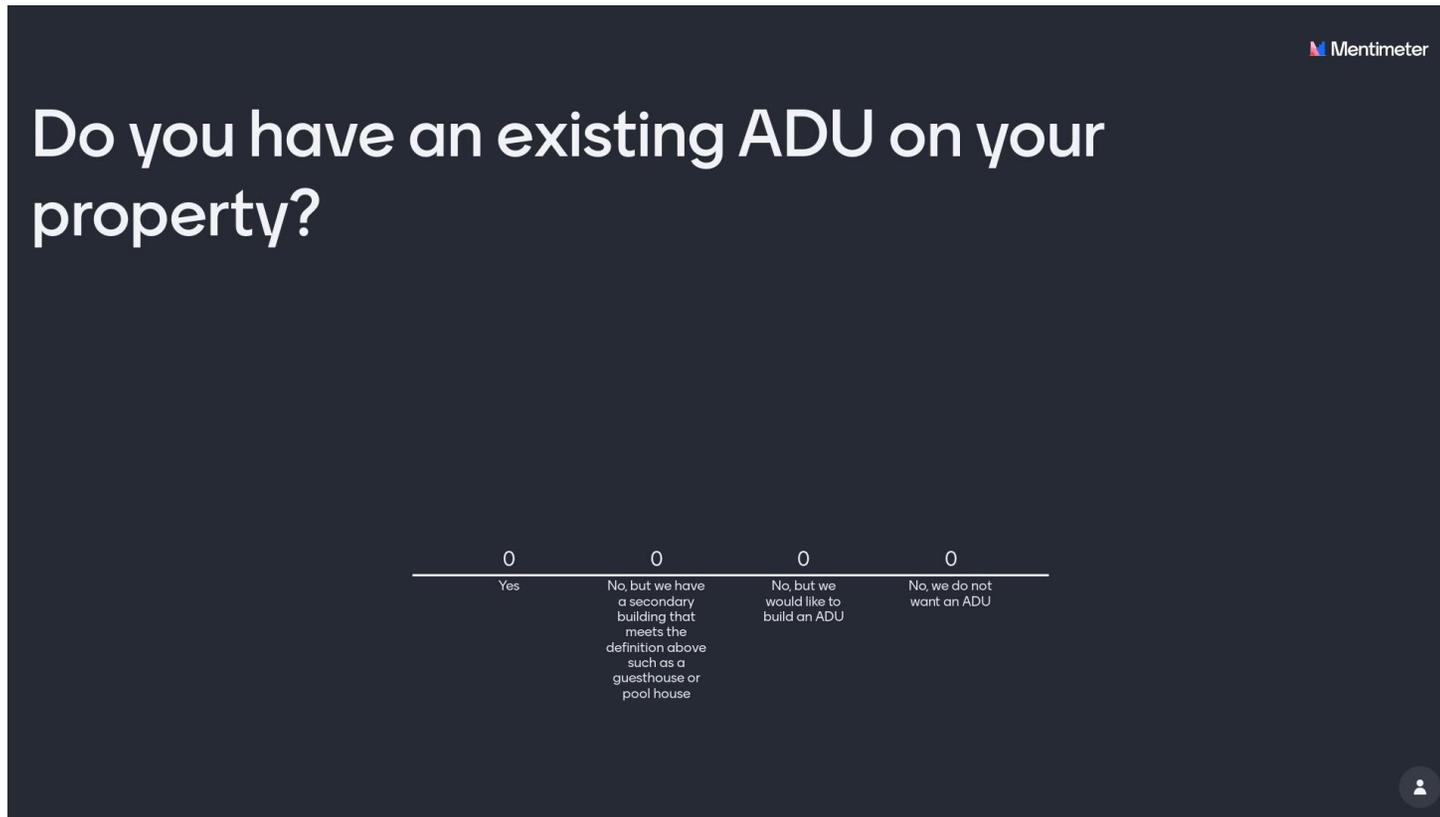
Please provide your survey response by May 15, 2023.

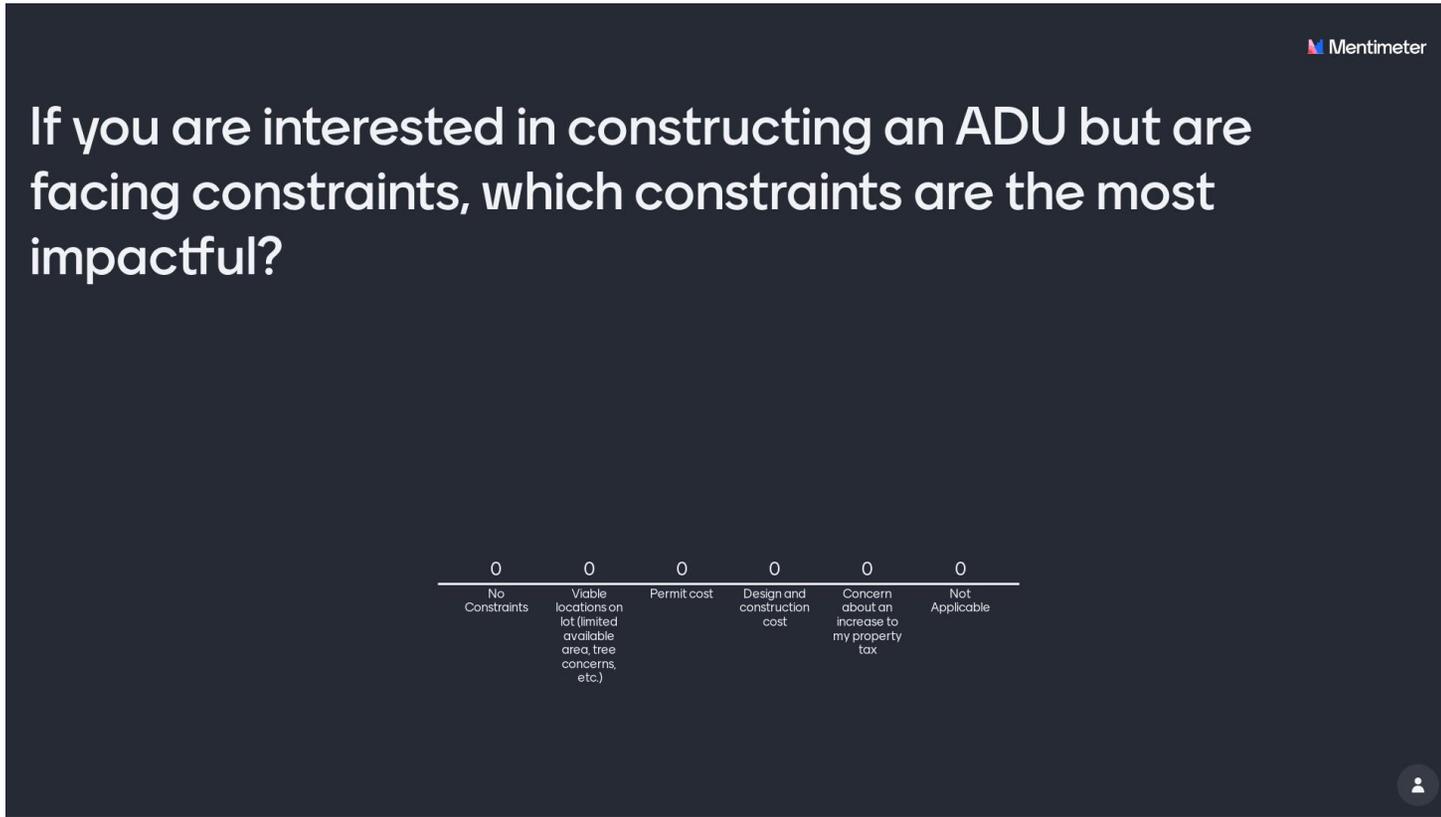
Thank you,

The City of Palos Verdes Estates

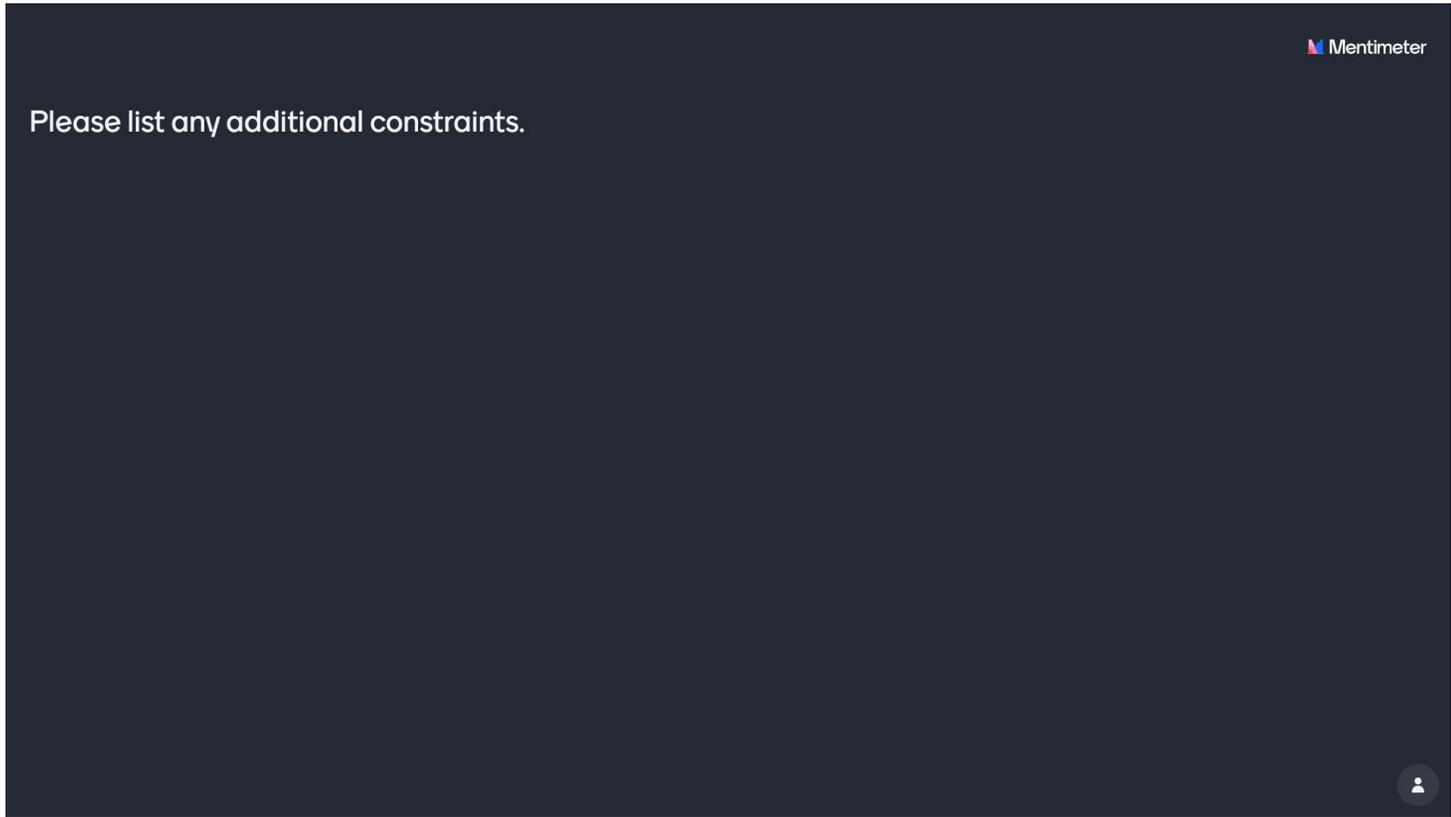


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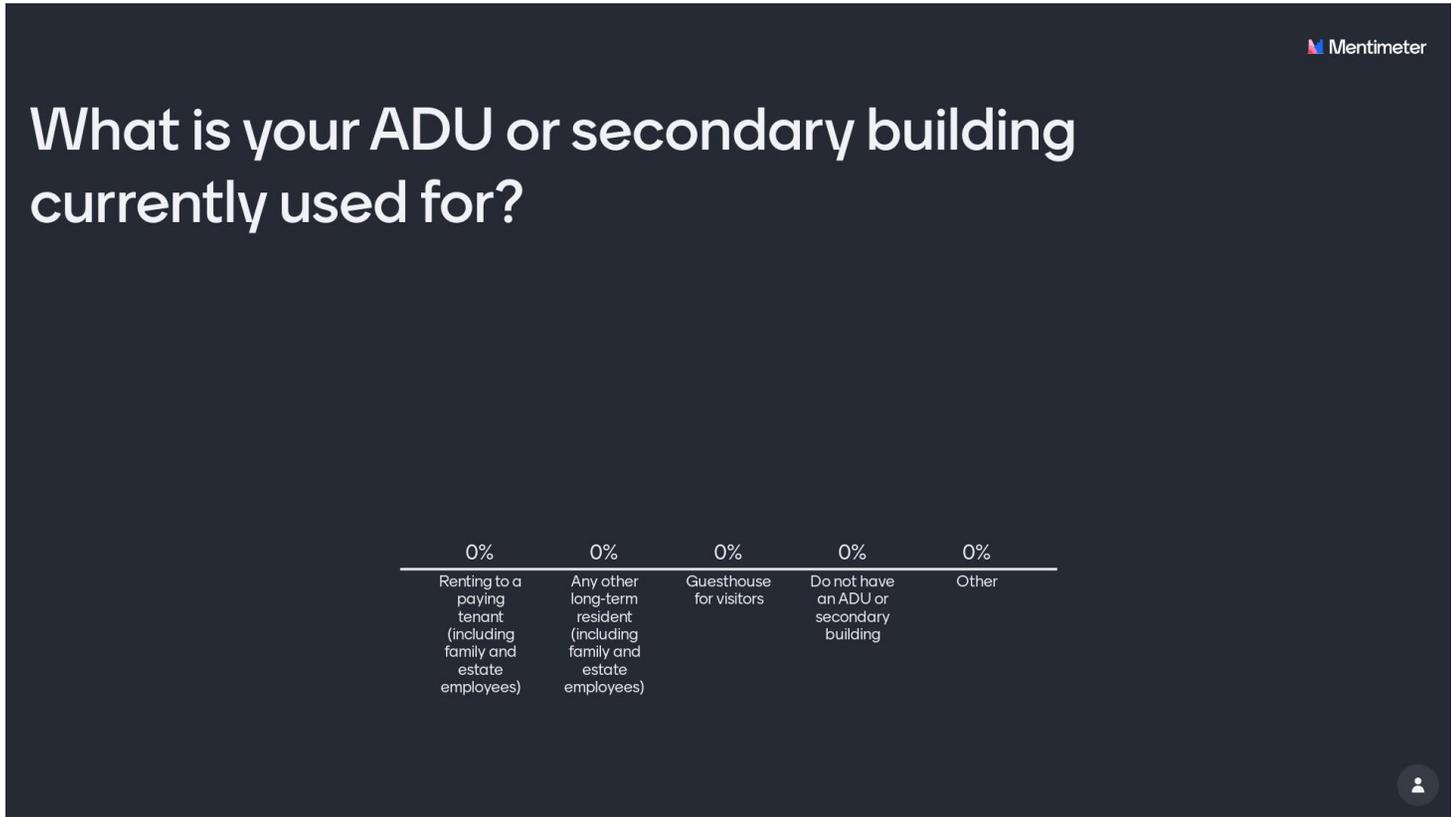
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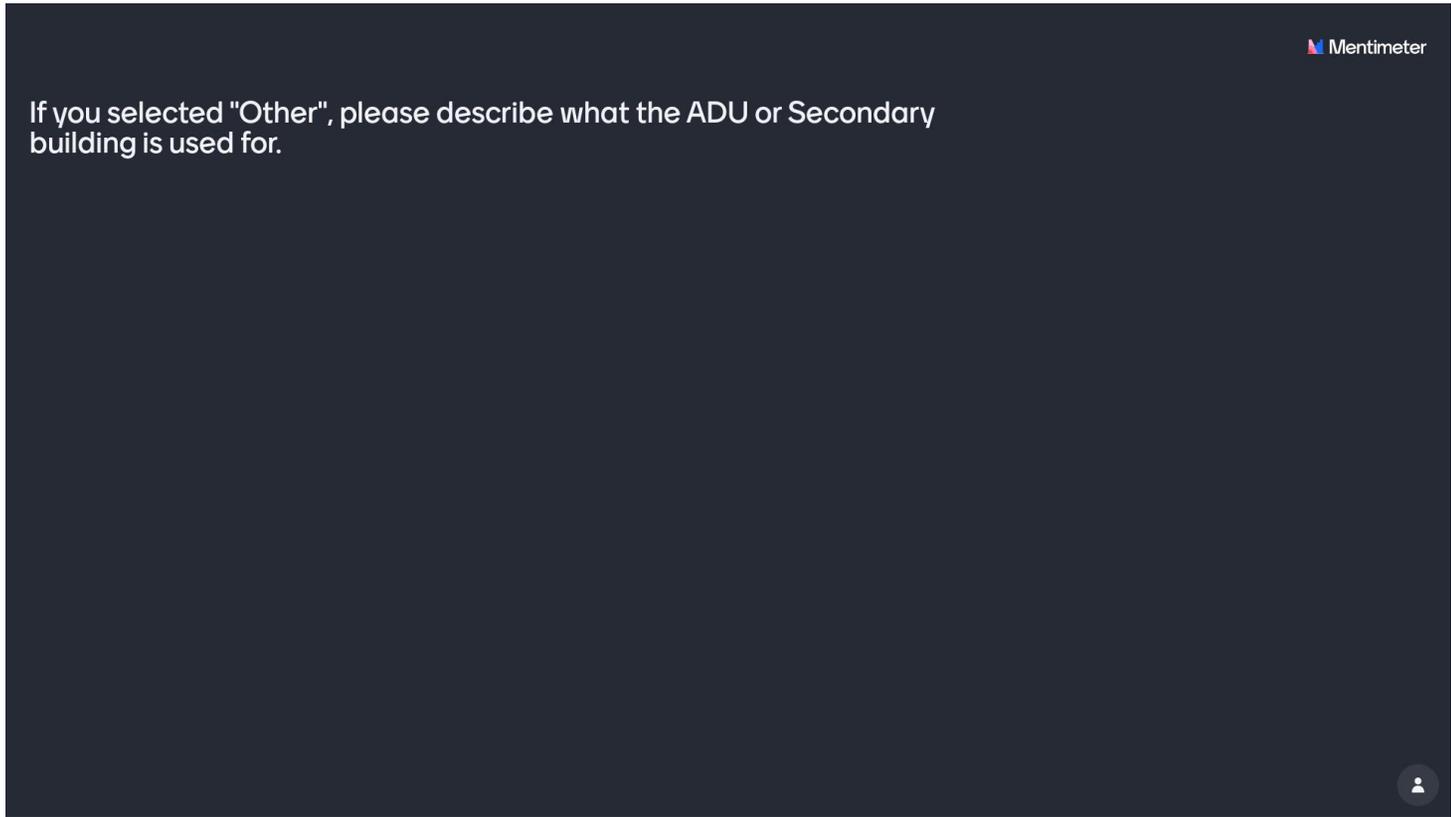
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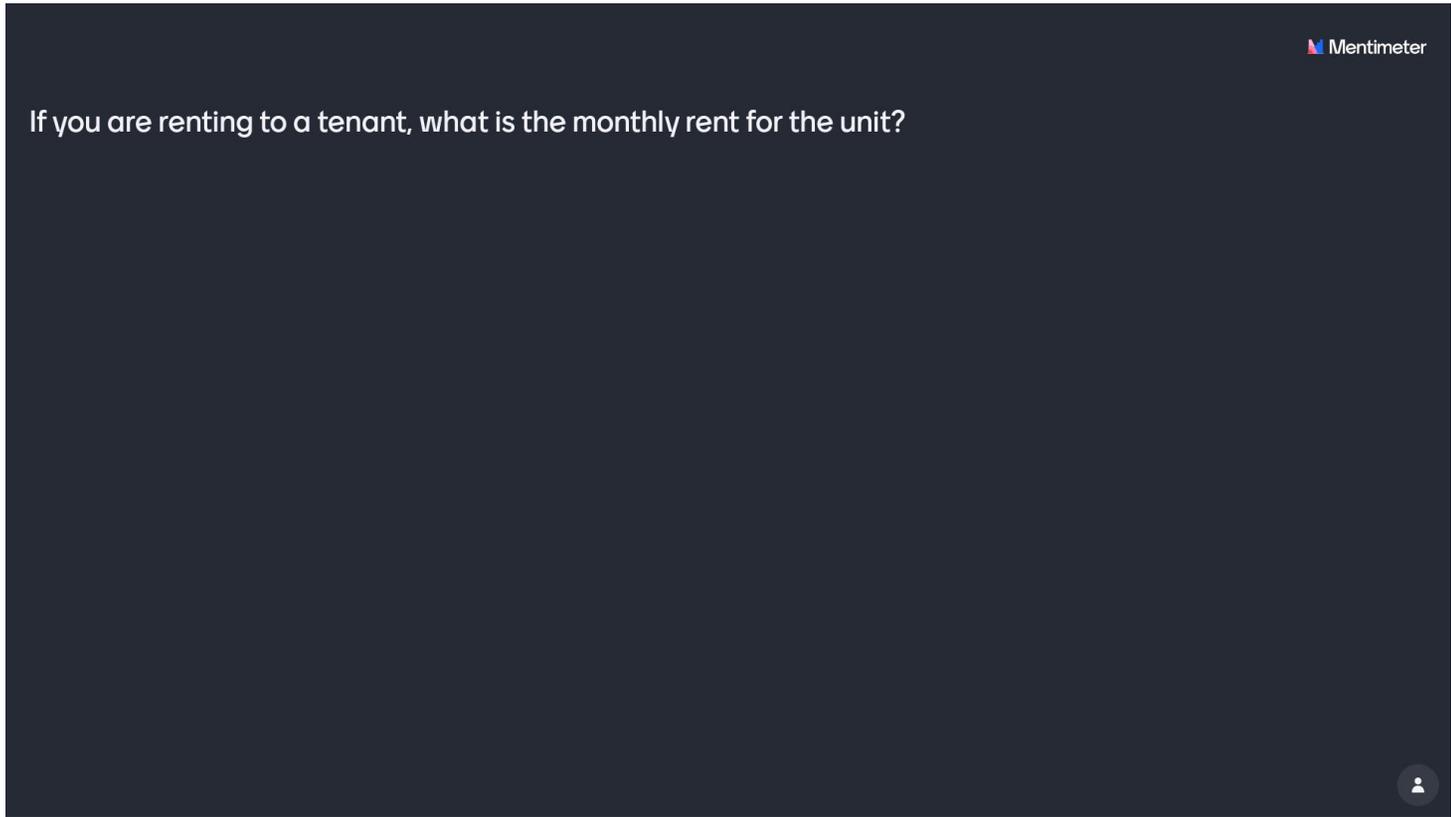
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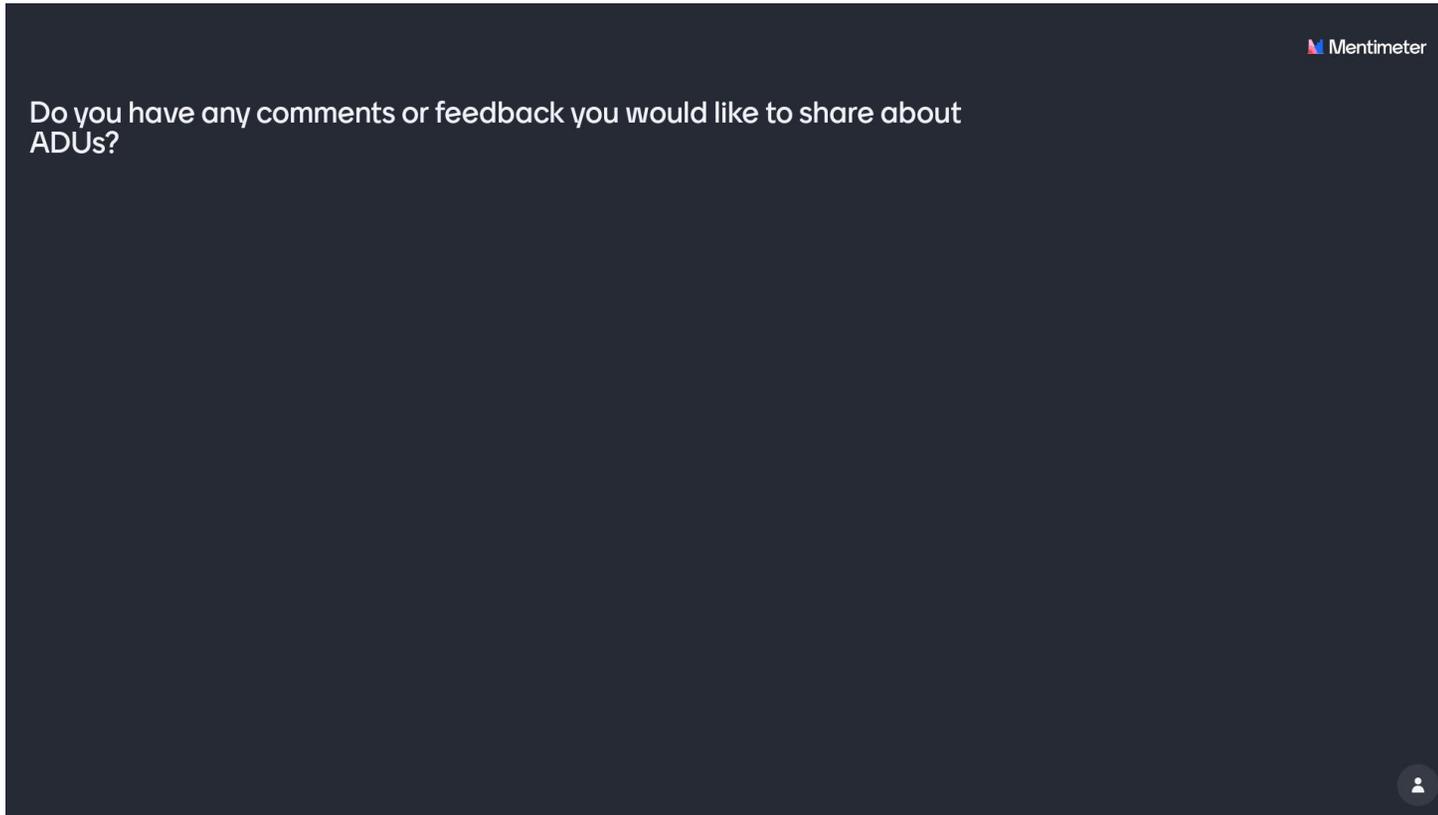
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