

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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November 23, 2022

John Keho, Planning Director  
Planning and Development Service Department  
City of West Hollywood  
8300 Santa Monica Blvd  
West Hollywood, CA 90069

Dear John Keho:

**RE: City of West Hollywood's 6<sup>th</sup> Cycle (2021-2029) Subsequent Draft Housing Element**

Thank you for submitting the City of West Hollywood's (City) subsequent draft housing element received for review on September 28, 2022, along with a revision received on November 09, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Abundant Housing LA and YIMBY Law pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes revisions needed to comply with State Housing Element Law.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing

element, the City meets housing element requirements for these and other funding sources.

We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Mashal Ayobi, of our staff, at [mashal.ayobi@hcd.ca.gov](mailto:mashal.ayobi@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Melinda Coy", with a long, sweeping horizontal stroke extending to the right.

Melinda Coy  
Proactive Housing Accountability Chief

Enclosure

## APPENDIX CITY OF WEST HOLLYWOOD

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <https://www.hcd.ca.gov/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <https://www.hcd.ca.gov/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

### **A. Housing Needs, Resources, and Constraints**

1. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Progress in Meeting the RHNA: While the element was revised to note what remaining approvals are necessary for the 781 units pending approval, it should still indicate expected timing for those approvals, how the project's affordability was determined, and their availability in the planning period. To demonstrate the availability of units within the planning period, the element could analyze infrastructure schedules, the City's past completion rates on pipeline projects, outreach with project developers, and should describe any expiration dates on entitlements, anticipated timelines for final approvals.

Realistic Capacity: While the element was revised to include Table 57 on page 143 to show density of projects in the mixed-use overlay to support capacity assumptions, it is unclear whether the projected capacity assumption also factors in land use controls and site improvements. In addition, the element was not revised to address the likelihood of residential development in nonresidential zones. For example, the element could provide recent development trends showing the ratio of nonresidential commercial projects to mixed-use residential projects in the zone. Finally, the element states that it reduced the average density of 120 units to 80 units per acre when projecting potential development on p. 143 but Table 58 still assumes 120 units per acre.

Suitability of Nonvacant Sites: While the element was revised to include an analysis on market trends and nonvacant site suitability based on selected factors starting on page 141, it must still address the extent existing uses impede additional development. For example, the element includes two sites with existing grocery stores but does not provide any information on the likelihood of those uses to discontinue in

the planning period. The element also includes sites with a gas station and auto shops which may need remediation prior to development. The element could include market demand for the existing use, identify existing leases, contracts or other conditions that would perpetuate the existing use or prevent additional residential development, or include additional information such as developer interest for redevelopment. The analysis should also relate the characteristics of the residential uses that were redeveloped identified in Table 56 to the existing residential uses identified in the inventory.

For your information, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the regional housing needs allocation (RHNA) for lower-income households, the housing element must demonstrate that the existing use is not an impediment to additional residential development in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).) Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA. Any future adoption of the housing element must include the appropriate finding as part of the adoption resolution.

2. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). (Gov. Code, § 65583, subd. (a)(5).)*

Land-Use Controls: As stated in HCD prior review dated December 3, 2021, almost all sites in the inventory are in the CC1 and CC2 zone which allows multifamily but only as part of a mixed-use development, whereas nearly all the pending and approved projects are in the R3 and R4 districts. While the element was revised to include some information relating to how ground floor residential is allowed depending on how it is situated, the element still did not analyze the potential impact of not allowing 100 percent residential on the development of housing affordable to lower income. This is especially important given, as the element notes, market conditions are resulting in the loss of retail and other similar commercial development which may result in difficulty in leasing the commercial space and the affordable housing projects described in the pipeline are in residential zones that allow exclusively residential uses. In addition, the element must still analyze the cumulative impacts of the development standards including height, set back, and parking restrictions in the CC zones, even with the mixed-use overlay. For example, the element assumes densities of 120 units per acre on these sites as there is no upper

limit. However, height limit is only 35-45 ft in the CC1 and CC2 areas respectively with a 10-foot increase for residential projects.

In addition, while the element analyzes its minimum parking requirements and indicates the availability of parking reductions, it must describe and analyze what findings are required in order for a project to receive parking requirement reductions and whether a project can still be considered consistent with objective development standards if granted the reduction.

Lastly, while the element was revised to add further details to the transportation management plan requirement, it must still describe who approves the transportation management plan, indicate if it is discretionary, and how the process interacts with by-right or ministerially approved projects.

## **B. Housing Programs**

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

While the element makes timeline revisions for some programs in the element, the element contains programs in need of a discrete timeline (e.g., month and year). These programs include but are not limited to:

- Program 2 (Incentives for Rehabilitation),
- Program 3 (Multi-Family Building Acquisition and Rehabilitation),
- Program 7 (Rent Stabilization Ordinance), and
- Program 15 (Affordable Housing Development through Partnerships with Non-Profits).

In addition, programs continue to include unclear commitments (e.g., “Continue to facilitate”; “Explore”; “Consider”; “Encourage”; etc.). Programs that should be revised to include specific commitments, measurable actions, or quantifiable outcomes, include, but are not limited to:

- Program 2 (Incentives for Rehabilitation)
- Program 3 (Multi-Family Building Acquisition and Rehabilitation)

- Program 5 (Historic Preservation)
- Program 7 (Rent Stabilization Ordinance)
- Program 15 (Affordable Housing Development through Partnerships with Non-Profits).
- Program 16 (Community Land Trust)
- Program 17 (Workforce Housing, Missing Middle, Family Housing, and Ownership Housing Opportunities)
- Program 18 (Commercial Development Impact Fee)

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A1, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

*Program 11: Adequate Sites and Monitoring of No Net Loss:* While HCD commends the City for committing to redevelop four city-owned sites, two of the requests for proposals (RFPs) are not expected to be released until late in the planning period, 2025 and 2026 respectively. The program should be revised to commit releasing RFPs no later than 2024 or early 2025 in order to increase the likelihood of these sites being developed within the planning period. In addition, the program should be revised to identify the number of units expected to be developed and include a program to rezone for additional capacity if the projects come in at less than expected.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Finding A2, 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.

*Program 14 – Inclusionary Housing Ordinance:* The element includes Program 14 with a commitment to review and revise the inclusionary housing ordinance to ensure compliance with State Density Bonus Law (SDBL) and monitor market conditions. However, the element does not provide any specifics on what will be considered as part of the amendments to the inclusionary housing ordinance. Per HCD’s letter to the City of West Hollywood dated September 2, 2022, the City should consider further revisions to the inclusionary ordinance to allow more deeply affordable units to be substituted for less deeply affordable units for purposes of meeting SDBL requirements, provide an upper limit to the requirement for a one to one ratio of moderate income to lower-income units, and ensure that projects can easily utilize SDBL through the application of the inclusionary housing requirements.

*Program 20 - Residential Development Standards and Process:* While the element recognizes that the review of projects requiring planning commission constitutes a barrier to housing, it is unclear what specific actions the city is taking to remove these barriers. In addition, per third party comments it appears that parking may constrain residential development. Specifically, three parking spaces for a single four-bedroom housing unit potentially disincentivizes the development of larger housing units, leading to disproportionate burden on large families. The City should commit to specific mitigative actions, as appropriate.

4. *Promote and affirmatively further fair housing (AFFH) opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

While the element was revised to include table C-23 on p. C-91 to show which programs address all four action areas, the element must still be revised to add specific actions that go beyond status quo and are significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, discrete timing or milestones, geographic targeting and metrics or numerical targets toward AFFH outcomes.